

Village Cooperative of Puyallup

YOUR TIME YOUR CHOICE

Starting Your Own Business After 55

For many, starting a business later in life makes sense — as long as you understand and manage the risks involved.

The concept of entrepreneurial spirit has long been reserved for 20- and 30-somethings. It's believed that the younger generation has more of an appetite for risk. However, research now proves that's not true. According to the Kauffman Index, people between the ages of 55 and 64 start small businesses at a higher rate than younger generations.

Today's work climate may contribute to this change. As more millennials move into the workforce, older workers are being replaced by automation, shrinking bottom lines and workers willing to accept less pay for the same job. As a result, those being pushed out of the workforce are turning to business ownership as a means of security for the future.

Why and How Entrepreneurship Makes Sense

For some, the idea of owning a business just makes sense. You understand that being your own boss allows you to control your destiny. For others, being solely responsible for your future is a terrifying thought. The thing to remember, however, is that there is more to business ownership than just making money.

PURSUIT OF PASSION:

Many older adults choose to open a new business to pursue their passion. After years, sometimes even decades, working for someone else, the idea that you can spend your days working on something that matters to you is exciting.

PERSONAL VALUE:

The fact is, baby boomers and Gen-Xers have spent years working in their chosen fields. During that time, they've gained a wealth of knowledge that, no matter how hard organizations try, cannot be captured. Starting a business can be a means of sharing knowledge and creating personal value that exceeds the feelings of worth working for an organization.

THE AMERICAN DREAM:

Many older Americans want what their parents wanted—to leave their children and grandchildren with a better life. That can mean everything from a greener planet to a better bank account. Some realize they won't achieve this desire working for someone else. Instead, starting a business based on passion can help build and change the world and the legacy they'll leave.

"One piece of advice I would give to those looking at starting their own business would be to do more research into the field they are looking at then they ever thought necessary," says Steve Garrett, RPh, CSA.



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Garrett, who launched a CarePatrol franchise in the Pacific Northwest, used multiple programs available to older populations to help with financing his second career. In particular, he took advantage of his local SBA-SCORE program, which is made up of retired business executives who offer mentorship, classes and templates and programs that participants can use in developing business plans and other business-related issues.

Regardless of the reason you choose to start a business—passion, value, legacy or something entirely different—starting a business after the age of 55 can make a lot of sense from both a personal and a financial perspective.

entrepreneurs to roll their retirement account, 401(k) or IRA into a new business. In addition, some retirement accounts allow business owners to take early withdrawals or retirement account loans.

The caveat is that using retirement funds to bankroll a new business can be risky. Before cashing in your retirement account, investigate your chosen business to ensure it's a good match for your personality and work ethic, and that you're taking the appropriate level of risk for your own comfort level. Some risk is required, but too much risk can leave you without an alternative for your future.

Businesses for Senior Entrepreneurs

Probably the easiest part of starting a business is deciding what type of business you want to start. If you don't already have some ideas based on personal passions, then a quick study of what your area needs can generate dozens of ideas. Some of the top business picks for senior adults include:

CONSULTING:

Consulting is a good way to share your expertise while maintaining the freedom to choose who you want to work with.

Accounting and bookkeeping functions: If numbers are your passion, then accounting, bookkeeping and tax-related businesses are easy to start and have a relatively low overhead.

LIFE SERVICES:

People always need help with something, whether it's older adults who want assistance with transportation or household services, or middle-aged people who need advice about gardening, pets or childcare. Most life services businesses have inexpensive startup costs and low overheads, and you can build the business around the hours you are available.

Financially, there are many programs in place to help older entrepreneurs begin and grow a business. Programs like the Small Business Association's (SBA's) Encore Entrepreneur are designed to help those over 55 choose, start and build small businesses. And investors are more likely to invest in companies that people over the age of 55 started because you not only have the knowledge to run the business, but you also have the financial means.

Older business owners often have more time and financial means for starting a business. They can use assets and savings accounts to fund a new venture. They also have retirement accounts, and various ways to tap into those accounts. For example, the Roll Over for Business Startups (ROBS) program allows

FRANCHISES:

Franchises are popular business options because someone else has already done the work to put the business system in place. Your job is to invest in the franchise and then follow the system. Most franchises are stable and good investments, though you should do your research, because they can also be a lot of work.

Opening a new business is no longer just a young person's game. Today's senior adults have the time, knowledge, passion and financing options for entrepreneurial endeavors. Just be sure that you're investing the appropriate level of risk to achieve your end goal. ■