

Encore Careers: Becoming Your Own Boss

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When we think of today's entrepreneurs, young technology developers like Mark Zuckerberg, creator of Facebook, or Sergey Brin and Larry Page, founders of Google, often come to mind. But while fresh-faced tech innovators may dominate the headlines, another crop of businesspeople is proving that it's never too late to forge an entrepreneurial path.

Over the past decade, Americans ages 55–64 have been at the head of the startup pack, launching more businesses than any other demographic. Armed with knowledge, skills, and professional networks cultivated in their previous careers, this new wave of baby boomer entrepreneurs is showing that they have what it takes to launch successful businesses later in life.

Why the business boom among older Americans?

For many older entrepreneurs, retirement offers an opportunity to pursue lifelong passions and interests. After working in more structured environments for years, some boomers are attracted to the flexible lifestyle and supplemental income that running their own businesses can provide. And some are going into business for themselves out of necessity, having been laid off or fearing for their future prospects.

Of course, entrepreneurship has both its benefits and potential pitfalls. According to the U.S. Small Business Administration, half of new businesses fail within the first five years. The good news for older entrepreneurs is that they're often better equipped than their younger counterparts to withstand the stress and hardships of business ownership. On the other hand, since they tend to have higher living expenses, greater family obligations, and less time to recover from failure, older entrepreneurs may also face greater risks.

Is entrepreneurship for you?

If you or someone you know is thinking about embarking on an encore career as an entrepreneur, it's important to weigh every aspect of the decision. As you evaluate this major life change, here are a few tips to keep in mind:

- **Maximize your skills.** Starting a business in your area of expertise will allow you to capitalize on your existing network and experience, increasing your chances of success.
- **Do what you love.** Business ownership is hard work, so it's essential to be excited about the product or service you plan to offer. If you're 100-percent passionate about your business, you'll be better able to deal with obstacles and remain energized when the going gets tough.
- **Conduct a self-assessment.** Before moving forward with your business idea, be sure to gauge your risk tolerance. Looking back on your career, were you a risk taker? Do you consider yourself competitive and enjoy making decisions? Do you have the same drive that you did when you first started working? Be honest with yourself about how much risk you're willing to take on and your level of motivation.
- **Test the waters.** Worried about launching a business and then realizing it was a bad decision? Before investing money or leaving another job, try out the idea in your spare time. For example, if you want to open a restaurant, take a part-time job in a café to see if you like it as much as you think. If you're diving into an industry in which you don't have much

experience, learn all you can by attending conferences and training sessions. Finding a mentor can also help you determine whether you're cut out for business ownership.

- **Select the right business model.** Franchises, sole proprietorships, and home-based or online businesses are often a great fit for older entrepreneurs because they're less expensive to start and offer more flexibility.
- **Take advantage of your resources.** It's wise to work with your financial planner to estimate startup costs, tax changes, and how business ownership will affect your overall financial situation. For loan assistance, consider the following resources:
 - The U.S. Small Business Administration, www.sba.gov, helps facilitate loans with third-party lenders.
 - Biz2Credit.com, BoeFly.com, and Lendio.com pair small businesses with banks and credit unions that will lend to startup companies.

Pursuing a new business venture later in life can be risky, but it also presents the opportunity for great personal and financial reward. No matter your age, careful planning and the advice of a knowledgeable financial advisor can help pave the way to small business success.

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