

You Can Start A Business In Retirement

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Back in the late 1980s when I wrote my book *Retire Worry-Free: Financial Strategies for Tomorrow's Independence*, I coined the term re-tire-ment. This term meant to put on new treads, the concept being that the view of retirement in the future would not necessarily mean leaving the labor force entirely. Rather, it would more likely mean leaving one career to pursue another.

Older Americans are actually well-suited to join the re-tire-ment culture, whether they are pushed into starting a business in retirement (a layoff, age discrimination) or pulled into it (pursuing a dream, wanting to be the boss). Older workers have decades of experience and networks of contacts they've developed over the years. Older households frequently have more money to tap than do younger ones. And of course, you are never too old to innovate and create. In fact, self-employment can be a savvy way to phase into retirement ó embracing a part time, flexible work schedule.

You see people of all ages trying all kinds of things today. The range of businesses ordinary people start is remarkably diverse.

The Rise Of 55-Plus Entrepreneurs

Don't get me wrong, starting a business is hard work. There will be plenty of stressful nights wondering if your idea will find a market and whether invoices will get paid. Still, the numbers

support the view that entrepreneurship is a sensible course for many older Americans looking for meaning and money. In the 1997 Kauffman Index of Entrepreneurship, individuals aged 55 to 64 made up roughly 15% of new entrepreneurs. In Kauffman's 2016 Index, the figure for that age group swelled to 24%. (Over the same time period, start-up activity among individuals 20 to 24 years of age fell from 34% to 25 %).

Still not convinced? According to the U.S. Bureau of Labor Statistics Report *Self Employment in the U.S.*, the rate of self-employment (workers who don't incorporate) among workers in the 25 to 34 age group is only 4.1%, but the rate among workers 65 and older is the highest of any age group in America: 15.5%. Looking ahead, the growing number of self-employed seniors is another factor that could boost the knowledge, advice and support for future would-be entrepreneurs.

Colleges Nurture Older Entrepreneurs

Entrepreneurship centers at colleges are increasingly linked into local communities as cities and towns welcome ways to nurture entrepreneurs. There are now nearly 1,000 Small Business Development Centers housed at colleges and state economic development agencies providing free business consulting and low-cost training.

The people involved in these centers often forge connections to encourage entrepreneurship including among older Americans. Tapping into the resources available in the local entrepreneur ecology boosts the odds of success.

Back To The Future

Is America having a back-to-the-future moment when it comes to retirement and work?

According to Richard Sutch, economic historian at the University of California Berkley, the self-employment rates for the male labor force at the turn of the century rose with age, from virtually 0% at age 16 to over 30% by age 70.

Self-employment may well have been the form of partial retirement or phased retirement for a significant portion of Americans in the pre-Social Security age. Similarly, entrepreneurship today may hold the most attractive combination of meaning and money for an aging population.