

# Retirement Living

## Starting your own business

Why not step off the career treadmill and into your own business? Many people dream of starting their own business, especially older baby boomers who might be trying to visualize a future retirement that includes working for pay.

Consider:

The “failure rate” may not apply.

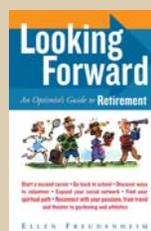
Widely quoted statistics suggesting that the majority of new ventures fail within the first five years of operation are so alarming that any reasonably cautious person might shelve that dream of entrepreneurship. However, the failure rate includes businesses that close for a variety of reasons, including lack of planning and financing. People with a track record in business, self-employment and a good credit history might do better than the average.

- Your horizon might be years, not decades. If at age 58 you’re seeking a short-term occupation that will continue to produce income until you’re ready for full retirement, you might be perfectly happy running a business for just five or 10 years. Choose a business that will succeed within your personal time frame.
- You don’t have to be rich — or risk your nest egg — to start a business. Is it smart to think about starting a new venture at the same time as you’re saving for retirement? A paper presented by Kevin Moore of the Federal Reserve last July found that half of all businesses were started with \$10,000 or less. Note, however, that the SBA recommends having enough money to cover operating expenses for at least a year including your salary and money to repay any loans.
- As a midlife or older entrepreneur, you bring certain assets to the challenge of entrepreneurship: work and life experience, contacts, a well-developed skill set and, hopefully, awareness of what you don’t know how to do. Experts identify four basics of success in small business: sound management practices; experience in the business area; adequate technical support; and the ability to plan well. With years of experience under your belt, it should be easier to know where you need help, and how to obtain it. If you have previously run a business of your own, then your chance of success is increased, perhaps in part because you may be more able to obtain financing.
- Entrepreneurship may be a good way to balance your time and current life needs.

As boss, even of a one-man start up, you have the precious opportunity to schedule your own time. If you’re responsible for caring for an ailing parent or spouse, or need to follow a particular regimen of medical appointments or exercise, being your own boss might be just the ticket. **RW**

### Resources

- Small Business Administration  
<http://www.sba.gov>
- National Association of Independent Businesses  
<http://www.nfib.com>



### About this series

This series is written by Ellen Freudenheim, author of *Looking Forward: An Optimist's Guide to Retirement* (Stewart Tabori & Chang, NYC, 2004,

\$15. 95). Visit <http://www.lookingforward2.com> for more information.