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Seniorpreneurs: the new aspect of retirement

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Seniorpreneurs: the new aspect of retirement

People 55 and older start more businesses compare to the younger generation.

For Bill Skees, who always loved books and talking about literature, owning a bookstore was his lifelong dream. Now, at 59, he owns a shop called Well Read Used and New Books in Hawthorne, New Jersey. For him, the store is not about financial return. It is – literally – a labor of love.

Mr. Skees is among the growing number of older American starting new careers as entrepreneurs. People 55 and older want something new than a traditional employment. They feel more confident in their ability to open businesses. Some see new professional and business opportunities, and many have more access to resources – including time and money – as they get older. Quite a few of these seniorpreneurs simply don't want to retire.

"People my age want to do something that they find meaningful," Mr. Skees, who worked for many years for the multinational Electronic Data System, said recently in his New Jersey bookstore.

In 2013, entrepreneurship rates returned to the pre-recession levels of 2006, thanks to the improving economy. "Entrepreneurship in the U.S. is extremely healthy," said Edward Rogoff, academic director of the Lawrence N. Field Center for Entrepreneurship at Baruch College. "The businesses that older people start are better founded, and they are more likely to be sustainable. Entrepreneurs fundamentally build the economy."

Throughout the U.S., entrepreneurs ages 55 to 64 increased by almost 5 percent in the last decade, according to a study by the Kauffman Foundation, a nonprofit research organization based in Kansas City. "Over time, the population has shown somewhat higher rates of

entrepreneurship," said E. J. Reede, Kauffman Foundation's director in research and policy, adding that it is a clear effect of baby boomers pushing into that age category. The older age group, outpacing younger brackets in producing entrepreneurs, has led the recovery from the 2007-2008 economic downturn that stalled much new business growth.

People over 55 are simply tired of punching time cards. But the benefits of entrepreneurship go beyond money and financial value. Motivations vary, with the need to be your own boss being one of the main drivers.

Having your own business means doing things that maybe you are normally not trained to do as an employee. "But it is easy to do that when it is your own business," said Sherif Ibrahim, 55, founder of Cairo Diagnostics Laboratory in White Plains, N.Y. As the owner, he explained, he can set his own schedule. "I don't have to be here all the time," he said.

Now he can spend more time with his wife and three kids. "More important to my mind is the family part," he said. "I have more time and more freedom to do things with the kids that I would like to do."

Dixie Kuehn, 59, from Cocoa Beach, Florida, likes to set her own hours and goals. She is an independent insurance agent and she likes the fact that she is not tightened to any corporate company and contracts. "I make my own decisions," she said. "I was working so hard for a corporation and I knew I had to make a change."

But people over 55 are also risk-takers, less afraid of failure than younger generations, mainly because they have advantages like knowing more people and having better networks. They also have personal savings -- one of the most significant sources of funding for older entrepreneurs.



"They have higher credit scores, so they can borrow money more easily," Mr. Rogoff said.
 "They have greater funds in the bank and they can live without a job more easily."

Mr. Ibrahim used some money he saved while working for several years as a physicians and professor at NYU, and Mr. Skees borrowed money from his family to supplement the savings he invested.

Older entrepreneurs have one thing in common: satisfaction. They are happier than employees, according to the Global Entrepreneurship Monitor, a global study conducted by different universities.

The vast majority of those people start businesses to pursue opportunities, not out of necessity, particularly because the economy, even if it is still slow, is getting better. There are fundamentally two types of entrepreneurs, Mr. Rogoff explained: the necessity driven-people, who cannot find traditional jobs and see entrepreneurship as an alternative, and the opportunity-driven, who could get jobs - and may already have them -- but are starting new

ventures. "Opportunity driven tend to have greater resources and higher education," he said. "They also tend to start larger businesses and they are better financed."

And the proportion of new entrepreneurs who are not unemployed is substantially higher than those to the end of 2008. In 2013, over 78 percent of people who started businesses were employed at the time.

"Thirty years ago, graduating from business school and starting your own business was seen as rather an oddity," Mr. Rogoff said. "Today it is seen as very common and acceptable. Being a small-business owner was not necessarily a high-status position, but now being an entrepreneur is seen as a reasonably status position."

"The trend is up," he said, "and I think it will continue."