

Starting a Business Mid-life or Older

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Previously I have written about the positives and negatives of owning your own business.

Positive and Negatives

Positive aspects include having a job, tax deductions, resume builder, flexible work schedule, chance to earn the value of your services, wealth building and self-fulfillment.

Negative aspects include starvation (i.e. lack of income), useless tax deductions because no income, prejudice against former businessowners, being in jail with the keys, having to be on call when the business needs you, the value of your services may be less than minimum wage, and the risk of losing everything worked for in the past and present.

There are also the special problems. One is lack of knowledge. If one is new to entrepreneurship lack of knowledge can be a double problem: not knowing what we need to know and not knowing that we need to know that, the latter being the “unknown unknowns’ to quote Donald Rumsfeld.

Sometimes the problem is over-confidence. Entrepreneurs tend to be smart, persevering and self-reliant. These qualities for success can be a recipe for failure if one does not realize one’s shortcomings. The stereotype of this latter problem is the brilliant surgeon bad investor. It is almost always a good idea to find someone who know the and learn from them. This would typically include the business accountant and attorney.

There are some special considerations when starting the business as a second (or later) career. Here are some of them:

The Mid-Life Entrepreneur

According to the article “High-Flying Tech Has a Touch of Gray” by Seema Jaya Chandran in the New York Times, September 1, 2019, “Research shows that most people beginning successful start-ups are middle-aged. For example, Tony Faddell started NEST at the age of 41. Researchers found that between 2007 and 2014 the average age of company founders in the top .1 percent of growth in employment and sales was 45. Mr. Faddell used knowledge gained from previous employment to re-design the basic home thermostat. When you get older, said Tony Faddell, you

do not just focus on the things of youth, e.g. what a college student would focus on. [Y]ou start to need and understand other things.”

For the mid-life entrepreneur starting your own business can be a dream come true now that the kids are grown. The family whose kids are on their own graduated from college may now have the resources to fund a business.

But the older one becomes the shorter the time span to achieve success or to recover in case of failure.

Seniors

The above positives and negatives may be even greater for Seniors. They may have more knowledge, experience and money, but less time, thus more risk.

Persons over, say, 50 years of age may have a difficult time obtaining employment due to questions of skill set, not to mention age discrimination. But, in your own business you determine your skill set and need not wait for someone else to say it's OK for you to work.

“Staying in the game” can be a special benefit for persons laid off or retired. Owning your own business may not keep you from turning into an old fogey, but you will have less time to act like one, and life can be about challenges and rewards, not gripes and illnesses.

Bottomline

Starting a business as a second or third (or whatever) career can be both profitable and fulfilling. Entrepreneurship is truly an equal opportunity employer as to age. As the saying goes: “It's mind over matter; If you don't mind, it doesn't matter.”