



FAIRVIEW HEIGHTS HOSTS “FIRST OF ITS KIND” EVENT FOR OLDER ENTREPRENEURS

ECONOMIC DEVELOPMENT DEPARTMENT

Older entrepreneurs—many embarking on a second career following retirement—were the focus on August 30 for the inaugural meeting of the Encore Entrepreneur Roundtable in Fairview Heights.

While a group of experts was on hand to field questions, the focus of this meeting was to engage entrepreneurs aged 50 and over and determine their specific needs and challenges. Organizers of this landmark event recognized that, while older entrepreneurs start three times as many new enterprises as entrepreneurs of other ages, there had previously been no support efforts aimed at this age cohort. To the best of anyone’s knowledge, this roundtable is the first of its kind not just for the St. Louis metro area but for the nation as a whole.

Participants in this inaugural gathering helped to define how encore entrepreneurs differ from entrepreneurs as a broader class. While they recognized that 70% of enterprises launched by older entrepreneurs succeed, a rate attributed to broader experience and more available financial resources, they also identified reasons for greater caution, such as more limited time to redress mistakes.

TOPICS – *The Panel discussed topics such as:*

- A SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis for entrepreneurs over age 50
- The paramount importance of having a well-drafted business plan, both as a projection for future needs and as a gauge for ongoing performance;
- The increased need for older entrepreneurs to have in place a good healthcare system and succession planning, which may include “key man” insurance;
- The necessity for sources of start-up capital, such as vendor credit, beyond hard-earned and largely irreplaceable pension proceeds.

The Encore Entrepreneur Roundtable was organized by the Economic Development Dept. of the City of Fairview Heights. Participating agencies included AgeSmart Community Services, the Illinois Small Business Development Center, Managing Midlife and the U.S. Small Business Administration; other participants included attorney Curt Bailey from the Huffman Law Offices and Matt Hawkins, Financial Professional Associate from Prudential.



Recommendations: Supporting Encore Entrepreneurs

Make older adults part of the community's entrepreneurship agenda. Each community's economic development agency(s) should launch at least one new initiative focused on helping aspiring encore entrepreneurs get their businesses off the ground; in pursuing this goal, the community ought to seek input from agencies and organizations that have more expertise in working with older adults. In addition to creating new resources to support older adults interested in entrepreneurship, local economic development agency(s) should do more to market their entrepreneurship programs to older adults, who are often unaware of the range of services available to them. Public library systems, which are already highly effective at reaching a broad audience of older adults, could also seize the opportunity to better involve older adults in existing entrepreneurship programs.

Encourage older adults to turn to entrepreneurship. Even though encore entrepreneurship is on the rise, the vast majority of older individuals do not see themselves as potential entrepreneurs—not surprising since many have been in the workforce for decades and never needed to consider a path that involved starting their own businesses. Many older adults now face different realities—including thousands who struggle to get or keep jobs, in some cases due to age discrimination, and others who are looking for opportunities to add to their earnings after retirement—providing an opportunity to increase the number of encore entrepreneurs.

Develop start-up competitions for aspiring encore entrepreneurs. The benefit of such competitions to the emergence of new businesses is well documented and contests are almost ubiquitous in many regions. Focusing on older entrepreneurs can be beneficial, whether through a stand alone competition or through adding a separate new category for awards.

Launch a public incubator for encore entrepreneurs. Older entrepreneurs can benefit from a stimulating living environment appropriate to their health & wellbeing needs, as well as from an incubator setting to help “hatch” new enterprises; best practices are still emerging. New York City is considering creation of an incubator for businesses started by encore entrepreneurs, using the Dare to Dream initiative in Israel as a model. In Fairview Heights, Illinois a consortium has begun work on a new incubator focusing on service to encore entrepreneurs, women and minorities. The Aged Living Innovation Campus in Australia offers a unique example of how to structure an entirely new kind of living environment for older citizens.

Increase business-focused tech training for older adults. Although a handful of organizations provide tech training to older adults, there are few opportunities to learn more advanced tech skills that are increasingly essential for entrepreneurship. Small business development organizations could also develop partnerships with colleges and universities to pair undergraduate tech, marketing, and design students with aspiring older entrepreneurs, providing a valuable learning experience on both sides.

Develop and expand mentorship opportunities, including intergenerational mentorship and peer mentors. A successful leap into entrepreneurship often requires a wealth of good advice, whether it's from lawyers, business experts, accountants, marketers, or fellow entrepreneurs. While communities offer programs designed to connect entrepreneurs with mentors and advisors, very few of the individuals running these programs can speak from experience about the process of starting a business

after age 50. Many encore entrepreneurs say that they wish they knew someone their own age who had gone through a similar experience and could help them navigate the unique challenges of starting a first business later in life. At the same time, some encore entrepreneurs say that what they want most in an advisor is someone with a fresh perspective, ideally a younger person who can help them catch up on new technology and think strategically about the future.

Promote networking opportunities for aspiring encore entrepreneurs. While there are numerous networking groups and events for entrepreneurs, few cater to older entrepreneurs facing life-changing decisions or to entrepreneurs who are building the kind of small, low-tech, neighborhood-based businesses typical of older founders. Networking programs directed specifically at older entrepreneurs can provide the learning, interaction, feedback and support that all entrepreneurs, whatever their age, need. As important, they allow encore entrepreneurs, many of them already short on confidence for the road ahead, to interact with like-minded people of their own generation who have had similar experiences and share the same concerns and aspirations.

Launch a program focused on supporting—and scaling up—home-based businesses. For many older entrepreneurs, the first step is a home-based business. Whether providing childcare, baking pastries, selling products online, or offering consulting services, many of these small-scale enterprises begin out of the home. New Mexico’s Community Economics Lab, (CELab) a not-for-profit think tank focused on developing new approaches to economic and workforce development, has developed training and other support services for “solo entrepreneurs” working remotely from other offices.

Develop better data on older entrepreneurs. Building upon the Kauffman Foundation’s Index of Growth Entrepreneurship and the Global Entrepreneurship Monitor’s study of senior entrepreneurship worldwide, data on the extent and character of encore entrepreneurship is still emerging. As more local communities broaden support for encore entrepreneurs, more data will be revealed.

Help older adults transition to self-employment after leaving the workforce. Rather than waiting until people retire or leave a job to introduce the possibility of entrepreneurship, small business development organizations should partner with employers to develop in-house entrepreneurship training programs for soon-to-be retirees, helping them identify skills and market opportunities. “We need more companies bringing entrepreneurship programs into their corporations,” says Elizabeth Isele of Senior Entrepreneurship Works.

Help older entrepreneurs make the transition from part-time to full-time self-employment. Although some older entrepreneurs are content to view their businesses as a part-time commitment, others express a desire to transition to full-time self-employment. In some cases, the challenge is finding enough clients to make freelance consulting a sustainable source of income. Others wonder if they will be able to turn a side business selling baked goods at local markets or clothing on Etsy into a full-time enterprise.

Create a succession planning system to match business owners looking to retire with aspiring entrepreneurs. For successful older entrepreneurs, succession planning can pose a challenge. Without a trusted employee or family member interested in taking over the business, the prospect of choosing between closing a business or working in perpetuity can be a major source of stress. At the same time, many aspiring entrepreneurs over 50 are interested in taking over an existing business rather than starting one from scratch.

Sources

These recommendations are drawn from the Center for an Urban Future’s recent report: *Starting Later: Realizing the Promise of Older Entrepreneurs in New York City* (<https://nycfuture.org>); used by permission with descriptions modified for this session.