



# Starting a Business Over 50

by: Geoff Williams | from: [AARP Bulletin](#) | March 9, 2011

We've all seen statistics on how new businesses tend to crash and burn, which is probably the last thing you want to think about if you're over age 50 and thinking of going from [employee to entrepreneur](#).

Not that the appetite for risk disappears at age 51, but most people starting a business at this point in their lives are in it for more than the adventure. Being your own boss is a satisfying concept. Control of your destiny is another. And you may have dreams of padding the [retirement income](#) and having a profit engine to pass on to your children.

For many dream chasers, opening a [franchise](#) may be a smart career move, allowing them to open a business and draw on the experience of those who have already run it.



- Forest Woodward/Getty Images

Doug Schadle, the CEO of Rhino 7 Franchise Development Corp., a franchise consultancy in Apex, N.C., believes that the odds of failure for a franchise are low. "If you follow the system the franchisor has set up for you, you're probably going to make a lot more than by trusting the stock market," he says.

There are lots of glowing reports of franchise success, but statistics are undependable. It is still possible to fail, which Schadle readily acknowledges. "Even the best-designed business models will not always work for everyone," he says. "Buying a franchised business is a risk that will require real effort to be successful."

Local newspapers periodically report on lawsuits and squabbles between franchisees and their parent firms. [UnhappyFranchisee.com](#) posts gripes about scams and rip-offs. All of which is why nobody should make the decision to franchise lightly.

"There is a false expectation out there ... that all you have to do is turn the key, open the door to the business and the magic will happen," says Joel Libava, who runs a website called [the Franchise King](#) and advises people who are thinking of buying a franchise.

"The magic can happen — if you work really hard and choose the right opportunity," says Libava. "But there's no guarantee that just because there's a blueprint already in place, that you'll be successful."

So before you commit to a franchise, ask yourself three questions:

## Is this business a good match for me?

Not every franchise is ideal for someone over 50. Issues of health and energy may arise.

Unless you're truly loaded, you're probably going to start out as an "owner-operator," meaning working long hours in a very hands-on way. There will be times when you're running a cash register, driving a truck, mopping a floor or doing whatever grunt work the business calls for.

At age 53, you may be up to going in at 4 a.m. because your manager didn't show. But is that something you'll want to be doing at 63, or 73?

Your goal will be to build your franchise business to a point where you're what's known as "owner-management": Your staff handles most of the details of running the show, leaving you free to tend to the big issues, as well as spend [time with the grandkids](#) or run [off to Europe](#). It can take a long time to reach this goal.

So if you're looking at a franchise, don't forget to consider how the business might grow and evolve as your own life changes.

### **Is this an appropriate risk?**

Always keep in mind that you'll be risking money from your [retirement nest egg](#). If your franchise goes under and takes your money with it, will you have enough left to live comfortably?

A company that is just beginning to franchise itself is obviously more of a gamble than one celebrating its 40th anniversary. If you go with a relatively new company, you could be buying into a flawed business model that burns through your investment funds and leaves you on the street.

An existing franchise that has been operating successfully in a location for years will be much easier to run than one that you are opening yourself and doesn't yet have trusted and competent employees or a customer base. But an existing, successful franchise may also be more expensive.

### **Do I have enough money?**

It's not uncommon to invest \$50,000, \$100,000 or much more when buying your own Subway, Great Clips, UPS Store, Ace Hardware or one of the thousands of other franchises out there. And you'll probably need extremely good credit as well. Not everyone gets to play in the franchise game. And if you do, choose well.

### **In-home senior care**

#### [Home Helpers](#)

Service: in-home, nonmedical care to older people

Founded: 1997

Number of franchises: 600-plus

Headquarters: Cincinnati

Investment costs: \$47,150 to \$86,400

Fit for 50-plus? As boomers get older, the need for services like Home Helpers will continue to expand. The business can be run from your own home, and there is not a lot of inventory to manage.

But: Business can be difficult because it touches on sensitive subjects, like age and personal independence. Employee turnover can be high.

Spotlight: Myles Showers, 71, Columbus, Ohio.

Ten years ago, a downsizing put Showers, a general plant manager, out of a job. He decided to buy a franchise, considered — and rejected — several retail services, partly because he was concerned about cash register stickups. He settled on Home Helpers.

At the start, he worked more than 40 hours a week. He built up the business, hired staff and bought four additional territories. Today he serves the entire Columbus metro area and works about 30 hours a week. On occasion, he's run his business from his laptop in Hawaii or in the middle of Lake Erie.

"I've had more fun the last 10 years, earning a living, than I ever had," says Showers. More importantly, he says, he's now financially ready to retire.

His advice: Have an exit plan. "Am I going to want to be doing this when I'm 82? Possibly, but I'm thinking maybe not," says Showers. He plans on eventually selling off his territories one by one and serving as a standby consultant to his buyers.