

Layoffs Inspire Elderpreneurs

A New Generation of Mature Business Owners Tackles the Recession Head-On

Nell Neal, 56, of Suffolk, Va., had been down the recession trail before. She and her 62-year-old husband Larry were laid off in 1997 and 1998 respectively from long-time careers in the construction industry. Nervous about losing a job again, Nell took a severance package to start a business.

Melbourne, Fla., architect David Godwin, 59, who has been laid off twice, didn't have the option the Neals enjoyed. Godwin had hoped to retire from his most recent job but, laid off after just a year, the plan has changed and he's looking to begin his own company.

Godwin and the Neals are part of a generation of mature workers at the top of their games and unwilling to let the recession slow them down. They are the new "elderpreneurs" who have turned inward for their own success. And they're not alone.

This recession has hit older workers the hardest. The Bureau of Labor Statistics reported that in July 2009, there were two million unemployed workers age 55 and older, an increase of 88 percent since July 2008.

Nearly one-fourth (23 percent) of those over 55 laid off in the last 12 months who did not find a job are considering starting their own businesses, according to a recent Career Builder survey.

Business ownership already has been trending upward since the beginning of the recession. The ranks of the self-employed over 55 have increased 5.8 percent since the recession began in December 2007 – from 2.58 million to 2.73 million (July 2009), according to the Bureau of Labor Statistics.

Some of those workers, like the Neals, are investing severance packages in new careers including the home health care industry, one of Inc.com's *Best Industries for Starting a Business in 2009*. Others, like Godwin, are branching out in their chosen fields of expertise. Meanwhile, mature owners having lived through past recessions are counseling other elderpreneurs in the ways of the business world.

After being laid off in the 1990s and beginning a new career with a marine manufacturer, Nell Neal's industry hit rocky times in the current recession. "Even though I was told by management I was safe, I knew there were no guarantees," she said. "It also was fresh in our minds what it was like to be out looking for a job so late in life," Larry added.

So when voluntary incentive packages were offered, Nell took the deal and left to open a Home Instead Senior Care franchise with Larry earlier this year. “We had worked for others all of our lives and decided we should invest in our own business and our own future,” she explained.

Godwin, who had experience in Georgia owning a business before moving to Florida, shares a similar sentiment. “I am taking this opportunity to use my talents and experience to grow a business to develop until I retire,” said Godwin, who was also laid off from another architectural firm when business slowed down. “Besides, even if I could do anything else, I don’t want to.”

Godwin also sought out organizations including SCORE, “Counselors to America's Small Business,” a nonprofit association dedicated to educating and helping small business entrepreneurs succeed.

“David [Godwin] felt that all he needed to do was show prospective clients his impressive resume and some of his work, and they would automatically hire him,” said Godwin’s SCORE Counselor Robin Cramp. “I’m helping him find a way of translating what he has to offer into value for a particular client,” she said.

Other SCORE counselors serve as an inspiration to those who were laid off. Engineering Consultant B. David Krigelman has lived through two recessions and is still in business at age 70+. “My recommendation to those 55 or older who want to start a business is to have other sources of income on which to fall back in case the venture does not work out.”

Martin Lehman, a SCORE counselor in New York City, began a women’s apparel retail chain at the age of 60 after being laid off in the 1980s. Researching the business you want to open and developing a business plan are vital to success, he says. “You’ve got to think positively. You can’t attach an age to yourself; it’s a matter of thinking in today’s world and experience.”

Nell Neal, who views her work helping keep seniors safe at home as a ministry, said support is one advantage of a franchise company with a proven model of success. Home Instead Senior Care has even developed an evaluation survey to determine [if opening a senior care business is right for you.

In spite of the challenges, new business owners the Neals say mature entrepreneurs have advantages over their younger counterparts. “We are drawing from a well of the experiences of our lives,” Larry said. “It all boils down to relationships,” Nell added. “People look at you and figure you have a lot of experience, and that gains respect.”

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