

## Social Security Start-Ups

### Why an increasing number of older people are showing their entrepreneurial side

By Laura Schreier - Hartford Business Journal Staff Writer

Retirement was supposed to be the dream: A life of leisure, travel, general puttering around, maybe the accumulation of domestic hobbies - the reward for 60-odd years of toil. To this, Cynthia Martel has said "no thanks."

She's 59 years old, approaching the age where comfortable retirement could be nearly at hand. Instead, she's embarked upon a financially risky and taxing career venture: She's started her own business.



"Some people are like, 'You've got to be crazy to start a business at 59,'" she said. "I'm just an independent person and I wanted to be in charge of my destiny."

### Realizing Dreams

Martel echoes a growing number of those approaching or past retirement age who are choosing to go into business for themselves. For Martel and many others, it's a matter of accomplishing long-held dreams, or at least an unwillingness to settle into what they feel is a rut. Detractors point to the demands of starting a new job, such as adaptability to new technology or the sheer physical ability to work the 18-hour days often required in a new venture. But entrepreneurs such as Martel counter that older people tend to have more real-world experience, an asset in starting any kind of business.

Regardless, entrepreneurialism has gotten more common among older generations. In a new study, the Ewing Marion Kauffman Foundation, a national entrepreneurial studies center, reported an uptick of entrepreneurs age 65 and older, while most other age groups declined.

"I've definitely seen it myself," said Patrick Snow, president of the Hartford chapter of the Entrepreneur's Organization. Once called the "Young Entrepreneurs Organization" the group changed names in 2001 as a larger number of older people wanted in. The age limit has crept up, Snow said. Two years ago, the maximum age for membership was 40 - now, it's 50.

Starting any small business is a major risk, but the stakes are especially high when you're close to the end of your working life.

### Capital Plans

Many older entrepreneurs, including Martel, take from retirement savings to get their businesses off the ground. That makes business lenders like Robert Polito nervous. Polito, senior vice president with the Waterbury-based Webster Bank, has seen plenty of heartbreak stories where small businesses drive their owners into the red. Add retirement savings into the mix, and it can be an unnerving combination.

"You can have the best-laid plans in your business projections, and you can be so far off," he said. It's one thing if you have an additional source of money to borrow from, he noted, but drawing from 401(k)s or IRAs is a major leap.

"If you've gone this far and you're comfortable, I'm not sure the risk is worth it," Polito said.

Martel did use about \$30,000 in retirement money to start her business, a sign company called "Say It! With Signs" in Southington, but said she's not afraid of the risk.

Martel worked in publishing and graphics for years, eventually taking over her husband's Cape Cod sign business after he died. She sold it and moved to Connecticut, and tried unsuccessfully to be happy back in the corporate world. Martel enrolled in the University of Hartford's Entrepreneurial Center class, vowing to put in the hours and do what it takes to get the company off the ground.

"It's rekindled my whole energy, starting my business - I was stagnating," she said. "I have a long ways to go yet, work-wise."

### **Not Ready To Stop**

Jean Blake-Jackson, director of the Entrepreneurial Center, said this year's class had a handful of near-retirees - fewer than a dozen out of 60 - but that's still far more than they've seen in previous years.

Most of them were women, and most said they wanted to start a business because they just weren't ready to retire, she said.

One such alum, Cathy Reitmyer, is opening a pastry shop and cafe in Bristol called Cathy's Sweet Temptations. After her job at the Farmington division of Hamilton Sundstrand got shipped away from Connecticut, she saw the chance to realize her dream. She admitted that in previous generations, there were certain expectations about what one did around retirement age. They included golfing and sitting on a beach. They did not include opening a new business in an entirely new field.

"I never gave it a thought," said the 56-year-old. "I've got at least 20 good years."