

Are Seniors Buying Businesses?

By Albert Hakim
Certified Merger & Acquisition Advisor

Yes, they are and in record numbers. More and more we are finding that the traditional way of thinking about retirement is changing. Instead of contemplating taking up golf or some other hobby, many seniors are finding their way to a meaningful retirement by going back into business. After all, they have always worked and generally found fulfillment in their work. They are healthier, living longer than ever before, and worry about outliving their retirement savings. So why not continue to earn income through a business?

The other major driver of this activity is the vast array of “Lifestyle” business that are available to seniors. The notion of a semi-absentee business, a business that has strong systems and procedures, where the owner does not have to be a constant presence, is very attractive to seniors. They can earn income, stay vital by working in a semi-absentee business, and still have the time to take up that hobby or travel. In fact, here is a Merger & Acquisition trend that we are seeing; many baby boomers who have built very “hands-on” style businesses are selling those businesses and purchasing semi-absentee businesses and franchises that support the kinds of lives they look to lead in semi-retirement.

The seniors that we work with generally have very transferable skill-sets and feel liberated when we are able to sell the businesses they were tethered to and find suitable new businesses they can operate with less involvement. At Kensington Company, we have an expertise in helping match the right business to a candidate’s needs, skills, income requirements and lifestyle. We begin with an assessment process followed by an in-person consultation to determine what kinds of business opportunities would make sense.

Here is an example of one of the many semi-absentee businesses which I am referring to that could be ideal for seniors.

1 – Hair Care Franchise:

At first blush you may not make the connection with this type of business and seniors but here is why it makes sense for seniors looking for that balance of Income and Lifestyle:

- The Owner is NOT involved in the day to day
- The Owners role is to manage the managers, deal with the franchise and seek out additional real estate opportunities
- Most Owners own 3-5 stores within 5 years

- Investment is approximately \$200,000 per location and most stores will generate annual revenue to the owner of \$60-\$70,000 per store

Again, this is only one of many business suggestions but it clearly illustrates how seniors can earn income, stay engaged and vital in an ongoing business concern plus gain the freedom to let them live life in semi-retirement.

Albert Hakim is an entrepreneur 30 years of business experience. As a certified Merger & Acquisition Advisor with the Kensington Company, he helps business owners sell their businesses and works with all kinds of buyers to help find the business match which is right for them. He can be reached at Albert@KensingtonCompany.com or call 516-626-2211, initial consultations are at no cost.

Here are some statistics from a Forbes magazine article Sept. 9, 2012:

“New business creation by the 55 to 64-year-old age group is up sharply over the past 15 years—from 14.3 percent of all entrepreneurs in 1996 to 20.9 percent in 2011, according to the [Kauffman Index of Entrepreneurial Activity, 1996-2011](#).

In June, an AARP/Society for Human Resource **Management** (SHRM) survey of 50 + employed workers revealed that one in twenty plan to start their own business; nearly one in five unemployed workers would prefer to do the same.

And **research** released by Encore.org, a think tank on boomers, work and social purpose, shows that approximately 25 million people—one in four Americans ages 44—70—are interested in starting businesses or nonprofit ventures in the next five to 10 years.”