

Why More People Are Starting a Business After 50

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Many of the world's most well-known entrepreneurs began their business ventures after their 50th birthday (the founders of McDonald's, Coca Cola and Kentucky Fried Chicken, to name a few). If you're over the age of 50, starting a business may seem like a wild undertaking, but it's the best time to make your big dreams a reality. In fact, the 2015 Kauffman Index shows that the number of new [business owners aged 55 – 64 grew](#) from 14.8 percent in 1997 to 25.8 percent in 2015 — a trend that is expected to continue.

Here are the top 4 reasons why baby boomers who start a business after 50 are more successful:

Baby Boomers Have Earned a Network, Respect, and Experience

Younger business owners, while they may have the advantage of being more tech-savvy and aware of current market trends, have to spend more time and energy gaining respect in the board room, learning to lead a team and meeting the right contacts. But entrepreneurs who are older have the advantage of a longer professional career, a lifetime of experience working with people and a wider network of contacts. Baby boomer entrepreneurs will also have an easier time convincing lenders their business is a worthy cause because of their tenure in business — often in management roles.

Later in Life is the Perfect Time to Become an Entrepreneur

For younger people, the dream of starting a business usually takes a backseat to raising a family and paying off mortgages and student loans. Plus, few younger adults have the cash set aside to buy a business. It makes sense, then, that an increasing number of older adults are pursuing the dream — after their children have grown and debt is paid down. But this doesn't mean that family life becomes a lower priority. In fact, many older entrepreneurs have found that running a business is a great way to spend more time with family thanks to the [freedom that comes with business ownership](#).

They're More Motivated

Baby boomers may be more driven than their younger counterparts to succeed at entrepreneurship because they've already experienced life in the corporate world and are ready for a change. In fact, 37 percent of Guidant Financial clients cited dissatisfaction with corporate America as the main catalyst for going into business for themselves.

What's more, boomers who decide to become entrepreneurs are more likely to have a well thought-out plan in place before they make the jump. They've evaluated the financial risks of starting a business and have come up with a strategy to [mitigate those risks](#), which also puts them on the path to long-term success.

More Business Financing Options

Small business financing is less of a hurdle for entrepreneurs who are starting later in life because they're likely to have more cash on hand, a greater source of collateral and retirement funds. This financial foundation puts baby boomers in a better position to be approved for both traditional and [equity financing](#) for their business.

Some of the best business financing options for mature entrepreneurs include:

- [Rollovers for Business Start-ups \(ROBS\)](#): 401(k) business financing is an increasingly popular method of equity financing. Entrepreneurs can use funds from an eligible retirement account to buy a small business or franchise without taking a taxable distribution or getting a loan. Because baby boomers have been contributing to their retirement account for 10, 20 or even 30 years, this is a great option for covering start-up costs while avoiding debt.
- [Unsecured credit](#): Unsecured loans, or small business credit cards, offer \$25,000 – \$150,000 in revolving lines of credit. Lenders rely on the borrower’s creditworthiness to determine eligibility, making older entrepreneurs with longer credit histories favorable candidates.
- [SBA loans](#): Entrepreneurs are able to get low interest rates and attractive repayment terms through this SBA program. Lenders approve borrowers based on the 5 C’s: credit score, collateral, cash, character, and capacity. Since baby boomers are more likely to own a home, have a good credit score and boast past experience in business management, they’re ideal applicants.

If the fear of making a career change later in life is stopping you from pursuing your dreams of small business ownership, know that [many others have made the leap after 50](#) and never looked back. Are you ready to join them?

David Nilssen is the CEO & Co-Founder of Guidant Financial, a small business financing company that helps entrepreneurs identify, evaluate and deploy intelligent business funding strategies. Read more tips about finding and financing your business on the Guidant blog at guidantfinancial.com/blog.

