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Downsized? Why Not Start Your Own Business?

Baby boomers are the fastest-growing demographic in the small-business sector. Thinking of joining in? This may be a great time to become your own boss.

By Lisa Bendall

When Ruth McMonagle opened her storefront last July in Campbell River, B.C., she joined the ranks of Zoomers running their own businesses – the fastest growing demographic in the small-business sector, according to the CIBC.

“If I had done it at a younger age, I think I would have been more prone to anxiety,” says McMonagle, who is 58. Instead she is loving the rewards. Her store, Still Water Books and Art, is making lower-priced and used books accessible to her community, which has been particularly hard-hit by the recession. McMonagle is also thoroughly enjoying networking with other local business owners and learning the hard lessons of day-to-day operations. It’s all been refreshingly new to her. “I needed a challenge,” she says.

With more and more Canadians over 45 becoming their own bosses, the face of small business ownership is changing. These men and women have experience under their belts, they know by now what they want from their careers and they have the confidence to swoop down and seize the opportunity.

“I think people have to be realistic in their 40s and 50s,” says Tracy MacCharles, 46, who runs a human resources consulting business in Pickering, Ontario. “You have to pay your bills but you have to be practical in terms of something you’re going to be happy with. You only have so many more years for working. The time goes fast, so why not enjoy it?”

And despite the recent recession, the prospects for this older entrepreneurial population may be brighter than ever: Small businesses are flexible and responsive during a financial crisis, have fewer overhead costs and employees and can even benefit from the outsourcing of a larger company during hard times. So, after the meltdown, while corporate giants are curled up and licking their financial wounds, small businesses may be poised to take off.

Phillip Ridge certainly isn’t complaining. Ridge, 59, started his energy consulting business in Toronto two years ago. Business is booming, and maybe that’s because he had the savvy to position himself well: “If anything, it got busier during the recession because people could reduce the operating expenses of their homes by investing in higher efficiency,” Ridge says. He started his company because he got tired of working for other people after decades of employment. He also felt that, at this age, he was secure enough financially to take the leap on his own.

Ridge notes that one of the keys to survival while bigger businesses have failed has been to expand slowly and carefully. He has controlled the growth of his company at each step, from working out of his house initially to renting a storefront with 15 employees. Patience has been a virtue. “I think anybody could grow way too quickly and become a big mess,” he says.

How long does he plan to stay at the helm? This is where age comes into play. Even though his company is young, Ridge is already eyeing semi-retirement in a couple of years. His hard work now is an investment in his golden years. “We have such high profits,” he says, “that I think it would be attractive to someone to purchase the company.”

Although the number of small business owners over 45 is growing, traditionally few have been female. Only 14 per cent of older entrepreneurs are women and running the show alone, compared to 19 per cent of entrepreneurs under 35. (The rates of males are more comparable, at 65 per cent and 67 per cent respectively.)

But that, too, may be slowly changing. Jo-Anne Elder, 52, of Fredericton, registered her translation agency a year ago. Like many women her age, Elder is finding that as her kids grow up and become more independent, she has more time to devote to her career.

While they were young, “I don’t think I could have worked at anything full-time,” she says, although she adds that one of the benefits of her business is that it allows her to work at home, where she can be supportive and present for her teenagers.

She agrees that small businesses often have the advantage over big when it comes to economic crises. “You can feel the ups and downs but you can also ride them out more easily, because you haven’t invested huge amounts.”

Elder did a lot of research on women in business and some key trends stood out. “Women aren’t out to make a huge amount of money,” she notes. “I just love the freedom. Every morning when I get up, it’s my choice what I do. There are a lot of things I say no to.”

That kind of control can be irresistible. MacCharles says that hitting her 40s was a wake-up call. “I came to the realization that I needed more space in my life. What was I doing for myself?” She left a demanding executive position in the corporate sector to be her own woman. “The sort of selfish part started to emerge, because I was always giving.” Now that she calls the shots, she has time to spend on herself, as well as taking care of her family and volunteering in the community.

Of course, there are downsides to hanging out your shingle. Not all small business owners end up with more time for themselves. “I work seven days a week, and it’s constant, and I never seem to get caught up,” says Ridge. And Ruth McMonagle admits that the ebb and flow of sales can sometimes be nerve-wracking. “There are days there’s nobody in the store and you think, what have I done wrong? Then you wait three hours, and there’s eight people in the store, and they all want attention!”

MacCharles misses the social aspects of her old job. “But no choice is going to be perfect,” she says. “There are going to be challenges with any road you pick. At the end of the day, are you better off with the choice you made or not?”

Many older small business owners are voting a resounding yes. As Elder says, “I think it’s amazing!”

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