

Should You Work for Yourself in Retirement?

Richard Eisenberg (NextAvenue, MarketWatch)

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Breaking Down Barriers is a nonprofit founded by Doug Parker, the former Chairman and CEO of American Airlines, as his "unretirement" project after he stepped down. It's goal is to train more POC as commercial airline pilots. Currently, only about 3% are.

The "un" part of unretirement means working part-time when you're retired. One way to do that is by working for yourself. But is becoming a ["third-age entrepreneur"](https://www.tandfonline.com/doi/full/10.1080/13215906.2021.2000483) (https://www.tandfonline.com/doi/full/10.1080/13215906.2021.2000483) "a good idea for you?"

If you decide the answer is yes, you'll join a growing number of older entrepreneurs.

Roughly 37% of self-employed Americans are boomers (age 60 to 78), according to [Guidant Financial's 2024 State of Small Business](https://www.guidantfinancial.com/blog/small-business-trends-2024/) (https://www.guidantfinancial.com/blog/small-business-trends-2024/) survey. The [Kauffman Foundation's research](https://www.kauffman.org/wp-content/uploads/2022/10/Kauffman_Trends-in-Entrepreneurship-Who-Is-The-Entrepreneur-2021.pdf) (https://www.kauffman.org/wp-content/uploads/2022/10/Kauffman_Trends-in-Entrepreneurship-Who-Is-The-Entrepreneur-2021.pdf) has found a notable shift toward older entrepreneurs over the past 25 years.

"Working for yourself can be great, or it can be a disaster," said Jeri Sedlar, who runs the [Don't Retire, Rewire](https://dontretirerewire.com/) (https://dontretirerewire.com/) advisory firm with her husband Rick Miners.

Avoid Ageism, Work for Yourself

Christine Benz, author of ["How to Retire"](https://linktr.ee/christine_benz) (https://linktr.ee/christine_benz) "and director of personal finance and retirement planning at Morningstar, the investment research and management firm based in Chicago, called retirement "an interesting life stage to explore doing something entrepreneurial."

Working for yourself can also bring joy to your retirement, said Cathy Buday, the self-employed

managing editor at EIX.org at the University of St. Thomas' Schulze School of Entrepreneurship.

"When you have work that you love, it energizes you," Buday said.

Becoming your own boss in retirement can also be easier to initiate than finding an employer who will let you work part-time.

"If you're working for yourself, you've eliminated a barrier to unretirement — the barrier of age discrimination," said Teresa Ghilarducci, professor of economics and policy analysts at the New School for Social Research and director of its Retirement Equity Lab.

Plan Your Retirement

A key question to help decide whether to work for yourself in retirement, Benz noted, is: "Do you have an itch you need to scratch or want to scratch something you weren't able to during your career?"

Joe Casey, managing partner at [RetirementWisdom.com](https://www.retirementwisdom.com/) (https://www.retirementwisdom.com/), urges people to figure that out a year or two before retiring. Emily Guy Birken, author of ["The 5 Years Before You Retire"](https://www.simonandschuster.com/authors/Emily-Guy-Birken/2137689281) (https://www.simonandschuster.com/authors/Emily-Guy-Birken/2137689281), "favors beginning to plan your retirement five to 10 years before leaving your full-time job.

In their most recent book, ["Revealing Your Next Season"](https://mynextseason.com/product/your-next-season/) (https://mynextseason.com/product/your-next-season/), authors Leslie Braksick and Mark Linsz recommend a period of what they call discernment.

"We often find that when people retire, they often just fill up a schedule to take care of the void and jump too quickly," Braksick, who runs the [MyNextSeason](https://mynextseason.com/)



(<https://mynextseason.com/>) advisory firm with Linsz, told me. "Discernment lets them step back and be very intentional to say, 'What do I really feel pulled to do?' "

When former American Airlines Chairman and CEO Doug Parker went through his discernment process, the advisory duo asked him: What bugs you in the world? "I'll tell you what bugs me," Parker replied. "Less than 3% of all commercial pilots are persons of color."

So, during retirement, Parker has founded the nonprofit [Breaking Down Barriers](https://www.breakingdownbarriers.org/) (<https://www.breakingdownbarriers.org/>) to address that concern.

"He's really trying to solve this problem and he will in his lifetime," said Braksick.

Take this Pre-retirement Pop Quiz

For help deciding whether to work for yourself in retirement (assuming you're healthy enough to do it), experts say, ask yourself five questions:

1. Will I have the time to work for myself in retirement?

To determine that, Buday said, assess the various time demands you expect to encounter.

"Will you have a heavy volunteer schedule? Do you have grandchildren you'll be babysitting? If you don't have enough bandwidth for all the stuff you have to do, working for yourself is probably not something you want to consider," Braksick said.

Entrepreneurs often find that working for themselves winds up taking more time than expected. Unlike being an employee, there's no required work schedule with daily start and end times, so the hours can expand.

2. Do I have the personality and temperament of an entrepreneur?

"Not everyone is cut out to be an entrepreneur, that's for sure," said Benz.

Self-employed public relations consultant and freelance writer Bob Brody said it's critical to have what he calls "an independent spirit."

You may have had that spirit as an employee before retiring.

"I was extremely lucky, working for organizations where people would let me be me," said Brody, who spent 21 years at public relations agencies before hanging out his shingle five years ago, currently in Italy, where he occasionally contributes to Next Avenue.

These days, he works about 30 to 35 hours a week, mostly alone. "I find on most days if I'm with other people for an hour, that's good," Brody said.

Being your own boss requires discipline, too. No one will tell you when to do your work to make deadlines and cover expenses other than you.

Being self-employed in retirement, Sedlar said, demands going all in, albeit part-time. "You better ask yourself: 'Are you willing to do whatever it takes and really do it?'" said Sedlar.

Working in Retirement Is Hard Work

To find out what the job will truly entail, Braksick suggested talking with an entrepreneur who is already doing what you're contemplating.

"We had a client whose dream was to start a [bed and breakfast](https://www.nextavenue.org/bring-back-the-bbs/) (<https://www.nextavenue.org/bring-back-the-bbs/>) and had her speak to a woman who currently ran one," said Braksick. "She came away saying 'I'm running — not walking — away from this idea. My dream was that I'd make my favorite recipes and sit and visit with my guests, but [the owner] basically said she spent her time doing laundry and repair work, solving problems and unclogging toilets.'"

Working for yourself often also means hustling to bring in business, which can include understanding social media marketing. My wife, a journalist, ran into these obstacles when she launched her retirement passion project: an anti-frizz oil for women.

3. Can I afford the risks and costs of working for myself?

The biggest risk of working for yourself is financial. You have likely seen the statistic: Roughly [half of businesses fail](https://www.bls.gov/bdm/us_age_naics_00_table7.txt) (https://www.bls.gov/bdm/us_age_naics_00_table7.txt)

in the first five years and 20% fail in the first year.

"I think rule number one if you're starting a business is: Can you do it without touching your retirement savings?" said Casey.

Benz agreed. "This is not a life stage where you would want to be taking a lot of risk with your financial plan. So, if what you're thinking of starting up is capital-intensive or requires you to invest in expensive training to get things up and running, I would be careful."

When you're retired, Benz noted, you don't have many years to make up for any business losses.

Be sure to have a clear idea of what your prospective business expenses could be, too. You may need to hire a website designer and an accountant, not to mention day-to-day costs — maybe even an employee or contract worker, too.

Fritz Gilbert, who left corporate America and now spends about 15 hours a week writing [The Retirement Manifesto](https://www.theretirementmanifesto.com/) and running with his wife the [Freedom for Fido](https://freedomforido.com/) charity for low-income dog owners, recommended hedging your entrepreneurial financial bet.

"Maybe instead of starting a business, look at doing something for a year where you get involved with somebody running a similar business to get an understanding of what it's all about before making a personal investment," he said.

4. Am I prepared to handle the tasks of working for myself?

One of the most basic tasks is drafting a business plan. "If you don't have any aptitude or willingness to learn how to create a business plan, you shouldn't go into business for yourself," said Ghilarducci.

Keep in mind that when you're on your own, you'll no longer have the resources of your former employer to handle things like employment taxes and perhaps invoicing.

Noted Sedlar: "The reality is, all of a sudden you are everything — you're the chief cook and bottle washer, doing all the tasks. Do you have support systems in

place?"

One potential solution, said Birken: Hiring a virtual assistant who can provide administrative services like scheduling appointments, bookkeeping and social media marketing. The [Virtual Assistant Networking Association](https://www.vanetworking.com/) can help you find one.

5. And finally: What type of work would I want you do?

This runs the gamut — from a bricks-and-mortar shop to a virtual store or from gig work like driving for Uber, Lyft or Doordash to being a consultant.

Opening and running a store is generally the most expensive and taxing way to work for yourself. You can save money by operating your store online, from home.

Becoming a driver for a ridesharing or food delivery platform has become a popular form of entrepreneurship for retirees. "Older people are the fastest-growing population of Uber drivers and DoorDash," said Ghilarducci.

Although this work offers flexible hours, it's less lucrative than you might expect due to the vehicle expenses you'll incur.

The website [Sidehusl.com](https://sidehusl.com/) says the expected pay for Uber and Lyft driving is \$15 to \$25 an hour; it's \$10 to \$20 an hour for DoorDash. Sidehusl gives these jobs an "average" HuslScore.

Among the best gig jobs for reliable income, writes Sidehusl creator Kathy Kristof: [dog walking](https://www.nextavenue.org/how-to-walk-your-dog-sans-injury/) and tutoring. She recommends avoiding multilevel marketing sales and customer service.

Some professionals plan to open consulting businesses in retirement. But experts say this work is harder than it looks.

"Be careful assuming you're going to pull in, say, \$50,000 a year consulting, just because that's the amount you need to live on," said Gilbert. "You might not."

Look for Help

When deciding whether, or how, to work for yourself in retirement, don't be shy about tapping experts for advice.

You can find 10,000 of them in the free [SCORE](https://www.score.org/about) (https://www.score.org/about) mentorship program, a partner of the U.S. Small Business Administration. SCORE's volunteers assist entrepreneurs by phone, Zoom and in person.

"I give people all the facts and realities of starting a business," said Patti Williams, a SCORE volunteer in Raleigh, North Carolina, and a former home-care agency owner. "I start at the very basic level and walk them through the process to let them know what they're up against."

As Brody said: "Being on your own can have thrills and adventures. But it can take a toll on you. Sometimes you're hot; sometimes you cool off. If you're somebody who is completely accustomed to the certainties of an organizational workplace and a paycheck, stay put."

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