

Starting a Part Time Retirement Business Before You Retire

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If you're thinking about running a part-time business in retirement, researching and even starting it while you're still working full-time is a smart move.

"It's great to see if there is a market for your business while not depending on it for an income," said Phillip Phan, a Johns Hopkins Carey Business School professor as well as an editor on the EIX Editorial Board of the Schulze School of Entrepreneurship at the University of St. Thomas in Minneapolis. (EIX is a funder of Next Avenue.)

Whether you'll want to, say, provide a concierge service to care for pets, create craft items or [run a nonprofit](https://www.nextavenue.org/shift-corporate-nonprofit-work/) (https://www.nextavenue.org/shift-corporate-nonprofit-work/) for a cause you love, getting things going before you retire also offers an opportunity to assess if there is a demand beyond your friends and family, said Kimberly A. Eddleston, a Northeastern University entrepreneurship professor and a senior editor on the EIX Editorial Board.

Cutting Hours to Build a Business for Retirement

Mary Pender Greene, a psychotherapist, social worker and career coach, laid the groundwork for incorporating her consulting business in New York City — MPG Consulting — during her last full-time year as an executive at The Jewish Board of Family and Children's

Services in 2010. She had worked at that nonprofit for 26 years.

MPG Consulting is "committed to ensuring that organizations serving populations of color are prepared to provide transformative culturally and racially attuned clinical, programmatic and administrative services," noted Pender Greene.

Between 2010 and 2013, Pender Greene continued working at The Jewish Board in a smaller capacity, roughly six hours a month, keeping a connection to the organization while expanding her consulting firm.

"There was never a moment when I thought: 'Oh, what else am I going to do?' I was always thinking about what else I *could* do, said Pender Greene, author of *Creative Mentorship and Career-Building Strategies: How to Build Your Virtual Personal Board of Directors*. "No matter what, there are always transferable skills."

Having a wide swath of contacts helped Pender Greene grow her consulting practice to a team of roughly 60 diverse consultants with a broad range of experience as coaches, clinicians, trainers and managers.

A Chance to Test Your Product or Service

Launching a business perhaps one to five years before retiring from your current one provides the chance to test the market for your product or service. "By starting a business before you stop working, you can see what your time commitment will actually be. It will help you to understand what your actual day would look like once you are doing it full-time," said Eddleston.

Pender Greene agrees. "When you're thinking about leaving your current job, you need at least a year to plan before you leave," she said. "A part of what makes it successful during the transition is to keep your focus open. If you hold on too tightly to a goal, you might not see the new opportunities."

Also, said David Deeds, Schulze professor of



entrepreneurship at the University of St. Thomas, and EIX executive editor, “You need to really take the time to do your research getting feedback from potential customers.”

If you’ll be test marketing a new business while fully employed, there are two things to keep in mind:

For one, make sure there’s no conflict of interest between your idea and what you do for your current employer. You don’t want to be accused of stealing intellectual property.

Sometimes, this just means having a conversation with your employer ahead of time, noted Phan.

You’ll also want to learn your state’s tax reporting requirements for small businesses. “Work with an attorney and accountant,” said Phan.

Taking these steps to slowly roll out your business idea lets you “find out if what you want to do provides the profit margins that you need. You want to fail early and cheap, without putting your retirement savings and investments at risk,” said Deeds.

Additional Search Terms: Midlife, midlife entrepreneurship, retiring on your terms, starting a business