



■ Dragons' Den panellists, from left, Duncan Bannatyne, Kelly Hoppen, Deborah Meaden, Piers Linney and Peter Jones.  
Picture: BBC/PA

# Seize the moment and be your own boss

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The government's pension reforms may see a swathe of people splashing out on investments or luxuries.

But for some it could also provide the chance to realise a dream of a different kind – that of becoming your own boss.

In fact, if you're the sort of person who sits and watches Dragons' Den, or reads books about going it alone such as Rich Dad, Poor Dad, and you're thinking "I can do that", well now may be the time for you to switch off the telly and put the books away.

Because if you're 55-plus then why not draw down some pension funds and finally work for yourself?

It's a tantalising thought, but it won't be easy – starting up a business never is.

But there is a growing trend of the more mature, so to speak, leading the way when it comes to start-ups and self-employment.

The numbers of start-up businesses is on the rise while prime minister David Cameron has also recently announced an extra £34m of funding towards Start Up



■ John Clarke, Nwes's business trainer.

loans which includes changing the criteria to make them available to those over 30.

In fact, a recent Bank of England study has noted that a rise in self-employment is already being fuelled by so-called 'silver entrepreneurs', while a report by the Future Laboratory noted that businesses founded by the over 50s had a 70pc chance of lasting five years, compared to 10.5pc for entrepreneurs aged between 25-34. So far, so good.

And John Clarke, business trainer at enterprise agency Nwes, which runs a series of courses for those looking to set up their own business, said many older workers who had

been made redundant, take the decision to set up their own business in a new field or use their existing skills as consultants.

And he believed that the pensions changes could see that trend boosted by those still in employment who now have access to the capital to help get their venture off the ground.

"It's more common now to get people who have taken an early package," he said.

"Every year we get someone looking to make a total switch. We've recently had a headmaster who has taken early retirement and has set up a photography business.

"We have often had people aged over 60. The main reason they are doing it is often not financial. They are doing it to keep their mind going, or in the case of photography it's something that interests them and they can make a bit of money as well."

He said often the biggest challenge was helping a would-be entrepreneur shift their

mindset from one of being an employee, to one of being the boss.

"They are often people who have been protected, working for a large organisation and often only in a small part of the business," he added. "They come to the course for that reason, because they are frightened. They are often very specialised in one area.

"If people are in a job they don't enjoy anymore I think they will make that jump."

James Tucker, inset, partner at accountants, and tax advisers Scrutton Bland, says that, while access to pension funds may well

entice some frustrated entrepreneurs to pursue their business dreams in later life, starting a business at any age always comes with a certain degree of risk.

"Whether it's a new business or perhaps an investment in an existing family business, it's important to consider how your retirement would be affected if things do not go as planned," he said.



## March '14 - Feb '15

- 140 businesses were set up by people over the age of 50
- 28 businesses were set up following redundancy
- 7 businesses were set up following retirement

Source: Nwes

"Are your remaining funds sufficient to provide you with the level of income you will need to fund the retirement you would like?"

"Of course, many businesses funded in this way will undoubtedly flourish and provide an opportunity to earn income from something you enjoy doing, but the key is to take professional advice to ensure you are aware of the potential pitfalls.

"After all, you've paid into your pension for many years to provide a comfortable retirement, for some this might mean the certainty of purchasing an annuity, while for others the chance to realise their dream of becoming their own boss will be too tempting to turn down."

Either way, he said, people now have that choice – which is very welcome.