

SECOND ACTS

Starting Your Own Business Can Be a Satisfying Move

JENNIFER MORLEY WORKED AS A HIGH SCHOOL TEACHER in Hillsborough County, Fla., teaching economics, psychology, American government and other classes. She also worked in administration, then decided to retire rather than go back to the classroom. The 63-year-old could not be happier with her decision to then become a mortgage broker, an independent contractor setting her own schedule.

"Now I am self-paced. It is not like going to the office 8 a.m. to 5 p.m. or grading papers and working 12 hours a day," she says. "And the pay is pretty good if you are smart with your time."

Morley is not alone in her newfound independent bliss. Older workers who have left their employer-based jobs to become independent contractors tend to experience less stress and fewer health issues, according to a recent study from the University of Michigan.

Understanding Attitudes About Work as You Age
The study for the university's Retirement and Disabil-

ity Research Center found that a large majority of those who choose to become freelancers or independent contractors are happy with their choice. Their health and overall well-being improved while working in the gig economy.

That surprised the study's author, economist Joelle Abramowitz. "It makes sense when we think about it, but I wasn't sure it would actually show up in the data," she says. The data she used came from the university's long-running Health and Retirement Study, an annual survey taken over more than two decades examining the attitudes of about 20,000 older workers transitioning toward retirement.

Those surveyed report that their work is not particularly stressful, which could mean their jobs are less challenging than past work. Or it could mean that because they are working only to generate extra income, they do not feel the stress of making ends meet.

Part-Timers Like Being Part-Timers

Another recent survey of older workers by global consulting firm Mercer showed that 18% of U.S. respondents said they plan to join the gig economy, many just part-time.

Laini Amaritnant, 55, whose husband was active-duty Navy, worked as a nurse in emergency rooms and ICUs in various parts of the country for more than 20 years and loved it. But her spine suffered from it.



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"I decided I was too young to completely retire because we still needed the income," she says. "I already had my real estate license before I had my nursing license, so I decided to go back to it."

As an independent contractor in the Finger Lakes region of New York, she likes the flexibility.

"Those paychecks are not as lucrative as I would like them at times, but I can X out a day on the calendar to take off," Amaritnant says. "And I can schedule around being able to help my son and daughter-in-law with the children."

Jay Nolan spent his career as a photojournalist in Tampa but was laid off in 2011. At 67, he now considers himself semi-retired, though he continues to work as a freelance photographer for businesses, individuals and the *Tampa Bay Times*.

He says he doesn't yet need to collect Social Security. "I keep working because I want to. The money does help for those surprises that jump out at you, like when I found out my dog needed surgery."

He is also able to turn down work if he wants a day off. "Compared to working for an employer, the big difference is obviously benefits," Nolan says. He is on Medicare now and has secondary health insurance and life insurance through his wife's job. "I now have to buy my own [photo] equipment, so I need to have \$10,000 in the bank. That is the downside."

Self-employed older workers of all stripes do seem to have one thing in common, Abramowitz says. "They are more satisfied with their lives than their counterparts who are still regular employees."

Being self-employed as an independent contractor in the waning years of a decades-long career can be a pleasant experience. **K YVETTE C. HAMMETT**

Tips if you plan to become an independent contractor

There is a learning curve for those leaving typical employment to join the world of independent contracting, since you are now acting as your own boss. Much of it is just advance work to get you on the right track for success. Here are some steps to help you get started.

Come up with a business plan. As an independent contractor, you'll need one, according to Hal Shelton, author of *The Secrets to Writing a Successful Business Plan* and a mentor with SCORE, a nonprofit that helps small businesses get off the ground. Make it five pages. The first page contains your key messages, your value proposition, the customer problem

you can solve and the reasons someone would hire you. Pages 2 and 3 are for marketing strategy. Who is your competition? Who is your target audience? Where do they hang out? Do they attend conferences you can also attend? Where do they learn about vendors? Your go-to-market strategy is the most important piece of your business plan. Page 4 is your bio. What do you have to offer? And Page 5 is the financial page, a summary for yourself with three-year projections. Your business plan is an evolving work.

Decide on a business structure. You can work as a sole proprietor or form a partnership. You may elect to form a lim-

ited liability corporation, or LLC, to protect your personal finances, your assets and your privacy. If there is any chance you may get sued, you need an LLC, or someone can go after your personal assets, Shelton says. Your state taxing agency may have a special set of LLC forms. You will need a tax ID number, or you can use your Social Security number or taxpayer identification number (TIN). There is a misconception that as a sole proprietor, you cannot hire employees. That isn't true. You are the boss and you can hire employees. Visit SCORE.org to find mentors to help you with your start-up.

Register a business name. This be-

comes your official business name to use in marketing, to open a business account and for communication with clients. To sign contracts and enforceable agreements, you must register your company's name or DBA (Doing Business As) with your department of state. It is important that your business name reflects the services you offer. Your business name is the foundation for your brand for customers to know what you offer. Consider also setting up a basic website.

Hire a business attorney. Penn State's Dickinson School of Law recommends talking to a business attorney as soon as possible to pre-emptively solve problems, because trying to solve problems once they occur can be difficult, expensive and time-consuming. Seek out a

start-up or small business attorney. They can draft specifically for your contract business. Whomever you choose, check references and look at their website and reviews. Each firm sets its own prices, which typically start at \$150 per hour.

Find an accountant familiar with your industry. Finding an accountant for your needs provides you with an overview of your business's financial health and includes taxes, budgets, transactions and projections. Keep good records of your revenue and expenses, and consider hiring a CPA to do your tax return so you can learn the best way to make contributions and get as many deductions as you can. For example, a self-employed person can deduct medical premiums, 401(k) contributions, training, accounting software or

a new computer. Even if you do not have revenue the first year, include your deductions on your tax return. They can be used as a "loss carry-forward" and remain on the balance sheet as a deferred tax assets for the second year. An accountant can help you create your business plan. Ask about their experience working with your type of business. Ask for references and get a background check.

Learn soft skills, stay motivated. If you cannot sell yourself, you will not make money, Shelton says. So, hone your people and time-management skills. As a freelancer or independent contractor, you will have multiple responsibilities. You will need to communicate effectively with employees and clients and sell people on your abilities.