

Retirees start own businesses

Life begins after retirement for some people, as they become entrepreneurs or run outfits to help the disadvantaged

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Most retirement plans look like this: Relax, play golf, pick up a new hobby, look after the grandchildren and travel around the world.

But some retirees are turning their backs on a life of leisure and opting, instead, to carve out post-retirement careers by setting up their own businesses. LifeStyle found a husband-and-wife team who set up a taichi school and a 72-year-old grandmother of seven who opened an education centre that teaches grooming and other self-improvement skills to those 48 years old and above.

While there are no official figures on the number of retirees-turned-entrepreneurs, sociologist Paulin Straughan says more retirees are taking on post-retirement careers because they have enough savings to pursue an interest that can generate an income, too.

"This group of people, especially the baby boomers, are more well-educated. Even the women have engaged in some sort of paid work for most of their lives and have more savings," she says.

Setting up their own businesses also means not having to deal with the self-esteem and adjustment issues of working in a lower position and for less pay, and having to work for a younger boss.

Dr Straughan says: "When you are able to secure some kind of economic independence through your business, you are your own boss living a life you scheduled for yourself."

Associate Professor Hooi Den Huan, director of Nanyang Technopreneurship Centre, thinks social media may also fuel a trend for entrepreneurship among retirees, though the impact is not tangible yet.

"Social media allows these folks to set up home offices at low costs, reach a wider audience and still retain flexible schedules so they can spend time with their family. It's also easy for those who are not physically mobile to start a business from home," he says.

It helps that banks and financial institutions see this older group as having an edge over their younger counterparts when it comes to applying for business loans.

A check with five banks and financial institutions



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shows that while age is not a factor in granting business loans, an older person's financial security and work experience work in their favour.

A Hong Leong Finance spokesman says: "Those aged 55 and above would have had more years of work experience and a wealth of skills, and are likely to be more financially secure compared to their younger counterparts. These factors contribute to a more straightforward loan structure."

However, not everyone waits till they retire at 62 to become their own boss.

"I had 12 more years till retirement but I didn't want to do any more corporate work. I wanted to do something more meaningful with my corporate skills."

MRS SYLVIA LEE (left), 53, who left her head of human resources position at CapitalLand in 2008 to set up a non-profit organisation with Mrs Lee Pak Kheng (far left) and Ms Woon Lai Har, 55, to help Cambodians

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DR PAULIN STRAUGHAN, sociologist, on senior citizens setting up their own business

Mrs Sylvia Lee, 53, left her head of human resources position at CapitalLand in 2008 to set up a non-profit organisation. She says: "I had 12 more years till retirement but I didn't want to do any more corporate work. I wanted to do something more meaningful with my corporate skills."

Last July, she and two former colleagues, Ms Lee Pak Kheng, 60, and Ms Woon Lai Har, 55, set up Lotus Culture, a non-profit outfit that supports a Cambodian non-governmental organisation in areas of education, mental health care and employment.

Ms Woon and Ms Lee Pak Kheng retired last year from their positions as senior consultant for Shell Learning and Diversity in the region and country controller of Shell companies in China.

The trio are aiming to raise \$260,000 to support their projects in Agr pour les Femmes en Situation Precaire (Acting For Women In Distressing Situations) in Cambodia. The outfit is a non-government organisation set up by Cambodian human rights advocate Somaly Mam to rehabilitate young girls sold into the sex trade.

Still, retirees who become entrepreneurs remain a minority. Mr Phua Kok Tee, chief executive officer of volunteer welfare group Singapore Action Group of Elders (Sage) says: "Most of our members tend to be more cautious about taking risks in business after retirement because they probably would want to hold on to their savings in their old age."

Sage, which has 1,200 active members aged 55 to their 80s, concentrates instead on job-matching for those approaching retirement or have retired.

Mr Jim Then, 65, an associate trainer and consultant for retirement planning and financial literacy at the Centre for Seniors, says only one out of every 20 seniors he teaches shows interest in entrepreneurship.

"Most are reluctant to become entrepreneurs because they feel tired after working for so many years and want to relax. They also do not wish to risk their retirement nest egg, too," he says.

He is a good example of someone who has carved out a post-retirement career for himself. After retiring as an executive director of an investment broking firm at 55, he wanted to give back to society.

He volunteered at family centres and obtained a master's in social science (counselling) through distance learning from the University of South Australia when he was 62.

With a desire to help seniors like himself with his counselling and financial skills, he took up the financial trainer job at the Centre for Seniors.

He says that for those who want to start a business the capital outlay should not eat into one's retirement nest egg, adding: "Decide on how much funds to set aside for your lifestyle needs. Whatever is excess is what you can afford to lose."

Risky or not, retirees choose to set up businesses because of a desire to prove their worth in a society that places more value on youth.

Madam Amy Chua, 72, who started a seniors' image consultancy, Age Management and Enrichment College, with \$83,000 from her savings, says: "I started the school so that I can help seniors like myself who feel discarded by society walk the remaining 20 years of the road ahead."