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10 Great Places for Entrepreneurs to Retire

A jump in start-ups is going to be led by the baby boomers

By [Emily Brandon](#)

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Entrepreneurs never really retire. They move on to their next project. Just ask Linda Remeschatis, 60, a former prosecutor in [Madison](#), Wis., who turned her passion for local food and art into a second career. In 1998, at age 50, Remeschatis left the public sector to launch her own E-commerce business, [Wisconsinmade.com](#), an online food and gift store selling products made in her home state by local artisans. She now manages five employees and three regular consultants. Since the business doesn't have a physical storefront, most of the employees work remotely or on the ground floor of Remeschatis's home, overlooking the deer and birds in her backyard. It took Remeschatis six years to turn a profit selling cheese, chocolate, and art online, and she still makes less **money** and puts in more hours than she did as an attorney, but she enjoys the work. "You don't mind it as much because you are doing it for yourself and for your family and to grow business for our artisans," she says. "And we get to taste-test."

Contrary to the stereotype of 20-somethings starting Web-based businesses in their basements, it's actually the baby boomers who best embody the entrepreneurial spirit. Over the past decade, the highest rate of entrepreneurial activity was among people between the ages of 55 and 64, according to a recent study by the Kauffman Foundation. Youths between 20 and 34, meanwhile, were the least likely to start businesses. Dane Stangler, a senior analyst at the Kauffman Foundation and author of the study, thinks that the number of baby boomers starting businesses during the traditional retirement years is likely to soon, well, boom.

"In 2009 and 2010, we're going to see an increase in necessity entrepreneurship because people are laid off and don't have any other options but to start their own business," he says. "It looks like entrepreneurship may now be another facet of aging in America." About 21 percent of all workers who change careers after age 51 are self-employed at their new jobs, according to an Urban Institute and AARP Public Policy Institute analysis of late-life working patterns. Luckily, many people age 50 and older may be particularly well suited to entrepreneurship. "The more experience you have, the more likely you are going to be successful. You're also more secure financially," says Vivek Wadhwa, a Duke University professor who previously started two

businesses and now studies entrepreneurs. "The average entrepreneur starts a company because they want to build wealth, they are tired of working for other people, and they have ideas."

After forming the idea, however, entrepreneurial baby boomers need to pick a place to set up shop. To find a few places that would appeal to late-life small-business owners, *U.S. News* fired up the new Best Places to Retire [search tool](#). We sought out places with strong job growth, a low unemployment rate, low business tax rates, reasonable home prices, an affordable cost of living, proximity to healthcare, and even enjoyable recreational opportunities. Tax rates and business incentives varied considerably by location. Some [Arkansas tax breaks](#) for new businesses, for example, target specific industries, including biotechnology, information technology, and nanotechnology. The city of [Des Moines](#) has several loan programs specifically for small-business owners. Tax perks for small-business investors, such as the Angel Investment and Venture Capital [Tax Credit](#) in Wisconsin, which encourages investment in small, high-tech companies, may make it easier to find venture capital for a start-up in a place like [Madison](#), Wis.

One of the best resources to facilitate a business launch is a nearby college. "There is a wealth of information that you get with a university close by," says Dan McDonald, 57, of [Knoxville](#), Tenn., a retired electrical engineer who started a business X-raying plant root systems, [Phenotype Screening Corp.](#), in 2004. Since neither McDonald nor his business partner, Ron Michaels, is a biologist by training, the engineers frequently consult nearby University of Tennessee researchers and the university's Center for Industrial Services about how to best grow plants in the synthetic soil necessary to take the X-rays and to get advice about overcoming plant diseases. "We have a research agreement with the university to help us tackle specific tasks," he says. Some colleges even help provide incubator services to entrepreneurs, such as the North Dakota State University Research & Technology Park in [Fargo](#), N.D. Business incubators often include affordable office and lab space and mentorship services.

You may also want to take into account the overall health of the local economy before you launch your business. The proximity to [Washington](#) and the possibility of lucrative federal government contracts or catering to the massive amount of federal government employees have certainly captured the imagination of entrepreneurs in [Arlington](#), Va., and [Columbia](#), Md. And at a time when most U.S. cities are hemorrhaging jobs, the [Round Rock](#), Texas, metro area, which includes nearby [Austin](#), reported the creation of approximately 3,400 jobs over the past year—the largest increase in employment in the country.

But a truly good idea can take root in any economy. After trying out retirement for a few years, former nonprofit director Beatty Brasch, 69, of [Lincoln](#), Neb., put her fundraising skills to use and formed the [Center for People in Need](#), a nonprofit that gives goods and services to the working poor. "I am certainly not going to go home and knit and cook," says Brasch, who now works 60 hours per week, employs 12 paid workers, and manages over 50 volunteers. Although she doesn't need the paycheck, Brasch identified a service that her community needed and found a way to provide it. "I see the world as an unequal playing field," she says. "I'm trying to adjust the playing field to make it a more just society, and one of the ways to do that is to make sure that kids have school clothes and toys for the holidays."

Starting a business, of course, can be risky. Only about 44 percent of new businesses survive at least four years, according to the Small Business Administration. "I have invested my entire life savings in this business," says Ginny Teel, 60, who bought a franchise, [10 til 2](#), a part-time job placement service for professionals in [Fort Collins](#), Colo. Teel works to connect small businesses with professionals, mainly retirees and parents, who wish to work part time. She hopes the franchise, which she bought in 2006, will turn a profit by the five-year mark. "I thought this was the best option for my retirement because, especially now, our [retirement funds](#) are gone or at least in half, and we may have to work and we may want to work a little bit," she says. "Having that flexibility and control over your life is really important to me."

Check out these 10 Great Places for Entrepreneurs to Retire:

- [Arlington](#), Va.
- [Columbia](#), Md.
- [Fargo](#), N.D.
- [Fayetteville](#), Ark.
- [Fort Collins](#), Colo.
- [Knoxville](#), Tenn.
- [Lincoln](#), Neb.
- [Madison](#), Wis.
- [Round Rock](#), Texas
- [West Des Moines](#), Iowa