

Episode 49
Starting a Business After 50? Expert Interview With Kerry Hannon
(8/12/2019)

Who	Audio Segment
Kerry	<p>If you wanna launch a business, when you're over 45, over 50, you need to, number one, you have to be financially fit. Debt is the biggest dream killer. And I find that is...you know, money is the stumbling block. There's all kinds of ways, but it's critical that you get really lean and mean because when you are debt-free, there are possibilities. It opens to the door to what you can do and what's really viable.</p>
	<p>INTRO MUSIC; FADE TO BACK DROP FOR PODCAST OVERVIEW</p>
Andy Levine	<p>Welcome to Second Act Stories, a podcast that looks at people who have made major career changes and are pursuing more rewarding lives in a second act. I'm your host, Andy Levine.</p> <p>Today, we're going to speak with someone I've wanted to interview since we first started Second Act Stories.</p> <p>Kerry Hannon is an absolute rock star in the world of career transitions and personal finance. She has written 12 books in this area as well as literally hundreds of articles for The New York Times, Forbes, Money, USA Today, US News and World Report and AARP. She is a sought-after speaker and expert who has appeared on everything from ABC News to NPR to The Dr. Phil Show.</p> <p>She had a book signing event in New York City and we were lucky enough to snag her for a Second Act Story interview. Here's my interview with Kerry Hannon.</p>
Andy	<p>Kerry, thank you so much for visiting with me and also our "Second Act Stories" listeners today. It's terrific to have you on the podcast.</p>
Kerry	<p>Well, thank you, Andy. I love being here. I appreciate the invitation.</p>
Andy	<p>So, we're talking about your new book today, and the title is "Never Too Old to Get Rich: The Entrepreneur's Guide to Starting a Business Mid-Life." And you wrote this, I guess, it came out about a month ago, or something like that.</p>
Kerry	<p>Exactly. Yep.</p>
Andy	<p>Okay. Good. Now, you've written about career transition, personal finance, retirement for 20-plus years, something like that.</p>
Kerry	<p>Yeah. Yeah.</p>
Andy	<p>Why did you decide to cover the topic of entrepreneurship in later life?</p>

Kerry	I kept hearing these wonderful stories about entrepreneurs at midlife, who was just starting these incredible businesses. And it's not that I wanted to do their business, but I wanted to be like them. I was so inspired by these stories that I thought, "Let's..." And we see this as a movement. This is really happening, globally, that people over 50 years starting businesses at a very quick clip, and there are many economic reasons for this and longevity, just in terms of health and lifestyle. So, it's a movement. And I thought, "Okay. Let's take a look at this group of people, profile some of the winners because I think we learn from the winners, and then give people a playbook." All right, I'm thinking about this, so how do I go about it?
Andy	And you were obviously an entrepreneur yourself, so there's a personal connection to this.
Kerry	I started my own business when I was in my mid-40s, and just absolutely...I've never looked back, put it that way.
Andy	Okay. In your book, you refer to the title, "Never Too Old to Get Rich" as kind of a bit of a tease. And just, if you can play that out, in terms of help us understand that.
Kerry	I know. It's such a great title, I do love it. Now, of course, we all want that richness to be in our wallets. And that's, you know, sort of a nice incentive. But the truth of it, when I really sat down with many of these individuals, money wasn't the big motivator. Really, it was the inner richness of doing work we love with people we love and making a difference. I mean, that was really that...That's something that you can't put a price tag on. And that's the true richness of it.
Andy	My father used to always refer to that as "psychic income." So, that's a good phrase that I...
Kerry	I like that.
Andy	...always liked, that he used. There's some really interesting national trends going on that are kind of the backdrop of your book, and you talk about them in the book. I wanna mention two of them and just get your read on those. So, first of all, you found more and more people starting a business after 50, so older in life. But to me, actually, the more interesting one was, and this was a study called Age and High-Growth Entrepreneurship, that basically, an older entrepreneur has a much, much higher chance of success than a younger entrepreneur. So, talk about that backdrop to your book.
Kerry	Don't you love it? It's so counterintuitive, and we think of the techie and their
Andy	Yeah. I think of Mark Zuckerberg and his hoodie and that kind of thing.

Kerry	<p>But the truth is, studies have shown that people starting businesses later in life in their, you know, mid-life, 40s and up, are actually more successful. And there's some great reasons for that. You come to it at this stage in your life with you have experience, you have management ability, you have marketing chops, very often, and hopefully, you have some time capital behind you, you have that sort of ballast, you know, of being able to launch with some financial security. And you're not actually in a rush. You don't have to be in a rush. When you're younger, it seems to be you wanna just get out there and make something happen. When you're older, you tend to have learned some of these lessons and the ability to sort of slow it down a bit. And so, some of these factors come into play that make the older entrepreneur more successful. And we could even go in a little deeper in that in a sense that, often they're starting in industries where they really know the business. They know the customers. They know what it is, what good or service they're trying to provide, and so they have that inside track.</p>
Andy	<p>A good example that someone we've interviewed on this podcast is Paul Tasner, who I think he was about 67 when he started his company, but he expressed great frustration about the difficulty raising capital early on. He wanted to build a factory, basically, and found that just wasn't a successful model for him so...</p>
Kerry	<p>And Paul's actually in my book as well. And so, I really love Paul's story. And we'll get into this in a little bit, he paired up with somebody younger as well to sort of ignite his business as well, an intergenerational partnership. But he talks about going to raise venture capital with, you know, not knowing how to do the old soft shoe there. So, you know, it is a challenge if you don't come to it with your own. Most businesses, at this age, are launched, they're self-funded, or friends and family. And venture capital is really difficult. So, Paul was very brave, I think, to go after that.</p>
Andy	<p>Yeah. And good to be successful. I do wanna come back to that senior-junior team, which is a whole section of your book and one of the really interesting parts of it. You offer some advice, and I'm gonna quote, and this is a Kerry line, that's from someone you quoted, but I really like it. It's sort of short and simple. "It's essential to be physically fit, financially fit, and spiritually fit to face the stress and demands that lie ahead." So, can you unpack those three things for our audience, once again, physically fit, financially fit, spiritually fit?</p>
Kerry	<p>I am so glad you asked that. Kerry's fitness plan is one of my favorite things to talk about. At this stage, almost anyone this is good advice for, but certainly, if you wanna launch a business, when you're over 45, over 50, you need to, number one, you have to be financially fit. Debt is the biggest dream killer. And I find that is...you know, money is the stumbling block. It truly is. And so, if you can get financially fit, and I mean, you know, sit down, do a budget, where can you get lean and mean. This doesn't happen overnight. This is why, you know, you need to take some...you know, it takes two or three years to really get a business rolling, even longer. But do that budget. Can you pay down some credit card debt? Maybe you wanna relocate to an area where the cost of living is lower or just downsize your home. There's all kinds of ways, but it's</p>

	<p>critical that you get really lean and mean because when you are debt-free, there are possibilities. It opens to the door to what you can do and what's really viable. And it allows you to pursue paths that if it was just about the money, you would never be able to go down that route.</p> <p>Number two, you need to get physically fit, okay? Are you ready for this segment? I'll go quick on the next two.</p>
Andy	<p>Actually, I just wanna go back to one thing on the first one. You really do make a point, and I think it's a really valid point to caution people about using their retirement savings to fund anything like that. And have you seen that disaster strike?</p>
Kerry	<p>It does, and it's really a big red flag, do not do that. I mean, it's very important to not dip into those retirement accounts, especially when you're at this age, starting a business, you just don't have the time to recoup that money that you've taken out of there, whereas, a younger person might be able to get away with it. At this stage, don't jeopardize your future financial security because you just don't know what's gonna be down the road. And so, you know, it's not the way to go. I mean, as we talked about it, if it's personal savings, talk to a financial advisor, if you have one, to really look at where do you have assets that you can use? And there are loans available. And you know, venture capital was certainly a possibility, but that's a tougher nut. But again, do not do your retirement accounts. Thank you for bringing that up, Andy. That's important.</p>
Andy	<p>Let's move on to physically fit.</p>
Kerry	<p>All right, we're at physical fitness. Physical fitness, at this stage, it's, you know, ageism, we briefly mentioned that before, is alive and well in the workplace. So if you're looking for clients, perhaps you're even going to look for a loan, if you simply need the energy and the stamina to start a business, it is imperative that you are physically fit. And I don't mean running fast miles or bench pressing, any of that. I walk my dog. Go out and walk a couple of miles a day, swim, whatever it is you can do. Because when you are physically fit, you have this sort of energy, this can-do spirit, this optimism. People want to be around you, they wanna be on your team. And they don't even know what they're looking at, but they're like, "You know, I want what he has. I want what she has." So, build that eat with an eye to nutrition. You know, look at your whole physical health as part of this plan. The third piece is spiritual fitness. And again, I'm not talking woo-woo religion. Nothing wrong with that, but that's not what I'm talking about. It is really stressful to launch your own business. And it's important to have a place of ballast, a place that you can go to, to center yourself, a place that's all yours. And it's meditation, yoga, tai chi, again, I walk my dog. So, whatever it is that you can just get away and get inside, and calm down the chatter. So, those are the three pieces.</p>
Andy	<p>It's kind of a different topic, but just something you said took me in a different direction. The importance of a supportive spouse. Do you find that as a key theme among the people you interviewed for this book?</p>

Kerry	I think having a partner that has your back is critical. And if it's not your spouse or your partner, it could be a family member. You want people...they don't have to own your dream, but you need to have someone who believes in you, that is there to offer...They can offer all that support, but they can, you know, in terms of, "Are you running your business properly?" But they can be there when the road gets rocky because trust me, there will be setbacks.
Andy	You've got some wonderful, wonderful things in this book. I think what I enjoyed the most were your interviews with the 20 different entrepreneurs that you use to make your points, all people that have successfully started a business or an organization after 50. I wanna ask you about three of them and their stories, and what you believe we can learn from each of them. And I just picked out three that really spoke to me. And I'll start with Destiny Burns, and the CLE Urban Winery in Cleveland, Ohio. Talk about Destiny and her, you know, sort of moving from the military to starting a winery, and sort of what you've learned from your interviews and your discussions with her.
Kerry	Yes. Destiny has a fabulous story. And I must say, when I started to do it, I said to her, "What does the CLE stand for? And she's like, "Kerry, you don't fly into Cleveland very often, do you?" Okay. So there you have it. But once I figured out what her company meant, she had a full career in the military, and then she went to work for a defense contractor. And she started this wonderful wine business in Cleveland that's sort of like a wine bar, but she has her own grapes and so forth, but she doesn't have a vineyard. So that's the business plan.
Andy	She makes the wine herself?
Kerry	Right. She's a winemaker and so forth, but they buy the grapes. Nonetheless, what Destiny did right is, one, well, like many people who start business at this stage, she had sort of some life issues that prompted this change in direction. She got divorced. Her child was launched through college, was done with college, and she turned 50. So, she had some of these moments that she said, "What is this all about? What do I really wanna do?" So, one, she did the soul searching. She took about two years to put together a business plan and to think about what she wanted to do as a business. She knew she wanted to have a business, but she really did that inner soul searching about, "Hey, what is it that I like to do? What have I always enjoyed in my life? And it kept coming back to food, food, food. Everywhere she was posted and stationed with the military, she always loved learning the new cultures, the new food. And it kept being a recurring thing. So, she really took her time to find out what it is that would turn her on. Then she did the research for about two years. She didn't quit her day job. She continued working for a defense contractor, and she was able to continue bringing in income. As she really started preparing her business and doing her research, she relocated. We talked about financial fitness. She moved back to her hometown in Cleveland, Ohio, where, yeah, like we just talked about, she had a support system.

Andy	And a lower cost of living.
Kerry	Lower cost of living and she had her family nearby. So, that's where she grew up, it's Cleveland, Ohio. And you know, she loves every Cleveland sports team. But that's where she...so she settled there. And so, she made all these really nice moves.
Andy	So let me just press you on one point you made. This sort of continuing to have job A while you're trying to transition to starting your business, could someone make the argument also that, "Gosh, when you start a business, you gotta be all in," and is it hard to sort of do your old job while you're trying to start this new thing or would you argue that this was fiscally the responsible way for Destiny to approach this?
Kerry	Yeah. Andy, you're correct. To me, it's definitely the financially responsible way to launch a business. And I must say, and I'm not trying to draw a line between men and women, but women tend to do this more often than men do. Okay? And it's that they're more comfortable with the idea of starting small, starting as a side gig, letting it get traction, letting it, you know, sort of organically grow without having to hit that home run overnight. And she understood the need to continue with her retirement plans, to continue letting that money grow and having the ability to, you know, fund a lot of the business herself. And I do find this as a real model for success if you can do that. Now, it's often, you don't want it to conflict with your day job, right? You don't want your employer getting like, "Oh my gosh, this person is not really working for me," so you have to walk this kind of delicate line.
Andy	Gotcha. I wanna move on. The next one is a mother-daughter team, Bergen and Morgan Giordani. Am I saying that right?
Kerry	Yeah. Yeah.
Andy	So, the title of the chapter is "Cookie Contessas," and I love the name of their company, One Hot Cookie.
Kerry	One hot cookie.
Andy	It seems like they've been quite successful. I think they have something like 30 people working for them. And you mentioned this earlier, the trend of intergenerational work teams.
Kerry	Yeah. I love this, you know, the mother-daughter team, these two generations coming together to build a business. I mean, it's such a great...I think it really is the business model of the future, where we have 20-somethings often are having trouble finding jobs too because you need 5 years of work experience before anyone wants to hire you, but how do you get that first job? But so, you have the older folks and younger people, they come together and you get this really incredible synergy of experience, and perhaps capital, a network, sort of this idea of, "I've weathered the setbacks, I've got this sort of internal knowledge of how to put this together." And the younger person brings the enthusiasm,

	perhaps the tech skills, the energy, the understanding of marketing, how to market things today.
Andy	Social media.
Kerry	You know, social media and this One Hot Cookie is a perfect example because the daughter, Morgan, is really good at Pinterest and all the things that you need to be doing, Instagram, and all the media that they can use that's free to promote their business, right? And she really boars into the details of the stores and how they look, and she loves that. And the mom, Bergen, is very good at the big picture, looking at the long-range planning, and so forth. So, it's a nice balance. And Andy, the cool thing about these businesses, is you're building a business that has legs for 20 years. It's not just five or six years to get you down the road. These businesses can really, you know, have that longevity.
Andy	And they're actually starting to franchise it. And I was sort of salivating as I was reading your book because, you know, a hot, gooey cookie is like...
Kerry	It's so great.
Andy	I've never met a cookie I don't like but, you know, it sounds absolutely fantastic.
Kerry	And I will say they do make dog treats too because they're really into dogs. And when I ordered them online, and my dog got these...they were on my kitchen counter and she wouldn't leave the kitchen.
Andy	Okay. Okay. You have a whole section on social entrepreneurship. And the one I picked out is Doug Rauch and a nonprofit he started in Boston called the Daily Table. Talk about Doug Rauch.
Kerry	Well, Doug is a great story. And anyone, I encourage you to read his story. He's just amazing. He was at Trader Joe's for almost 30 years. I mean, that was his career. And he really knew the food business, the food system. He understood, you know, retail, all of those things. And Doug is a perfect example, we talked about starting a business in an industry you know, in an industry that...these are the ones that really have the ability to succeed. He started this nonprofit, social entrepreneurship, that Daily Table provides food for low-income communities, and they've got locations outside in Boston. And they get donations of food from merchants and wholesalers and stuff and growers where it's maybe near its expiration date, not there yet, but they're able to provide food at a really great price. The thing that he did, though, he went back to Harvard's Advanced Leadership Initiative. And that's a really specialized program. It's fantastic for, like, executives who wanna shift into the nonprofit world. It's a tremendous program and there's some great success stories from that program. He spent time there where he was really able to learn about the nonprofit world, to learn about...You have to think of a big, audacious problem, a big problem and how you can solve it. And his problem was

	<p>certainly health and hunger, and poverty in America, and globally as well. But how do you solve this issue about nutrition and health from a food standpoint? And what can be done about it? So, he had this big goal, but he was able to really spend time stepping back and building out, "What's the plan for this kind of business? What might work and why me? Am I prepared to do this?" So, he built a network of people. He worked with some of the best minds knocking things around. It's really a wonderful story of success and making this transition to the nonprofit world.</p>
Andy	<p>One of the really interesting parts of your interview with him, and I'm gonna paraphrase, but he has a line in there that says, "Don't chase happiness, chase a purpose-driven life." And I have not heard anyone phrase it that way before, but that was just one that struck me, personally. You know, the happiness will follow is sort of the case he's making.</p>
Kerry	<p>Yeah. He's so genuine, I so love that comment. And it gets to the heart of why he does what he does and why so many people at this stage in life make a shift to doing work or giving back in a way through their work-life through, their experience, that really, it is having a purpose. And I think we all want that, but people grapple with, what is it? What can it be? And it takes a lot of that getting quiet with yourself and trying to figure out what is that inner mission for yourself? Whether it's working for a nonprofit or a for-profit, but this is the stage in life, you know, many of the big-ticket items are behind you. You're at a time in life where, yeah, this is your time to really make a difference and do something, but really love what you're doing. And Doug truly did that, and it is the happiness.</p>
Andy	<p>It certainly relates back to "Never Too Old to Get Rich," just get of rich in a different way. So, in each of these chapters, you ask a series of questions of the entrepreneurs. And the one that I wanted to ask you about to see are their common themes to their answers is you asked, "What would you have done differently?" So, looking back on your experience, what would you have done differently and were there common themes to their answers?</p>
Kerry	<p>Without question, Andy, there were common themes. And the number one was they wish they had gone slower. And even though I said that at this stage, often people are willing to take their time, everyone wishes that they hadn't jumped so fast, that they hadn't felt this pressure. Even the One Hot Cookie gals, you know, they expanded a little too fast, when all of a sudden opportunities were opening up, they opened two stores that they had to shut because they weren't ready. They just weren't ready for it. So, I think everyone wishes that they had gone a little bit slower. The second one was they wish they'd hired people sooner, that they had delegated. It's really hard as an entrepreneur to ask help, to ask somebody to take over something. And there's a line, and you probably heard it before, is "You can't be working on your business if you're working in your business." And so, it's knowing when to bring in somebody else to take up some of the work. And in today's world, you can do this virtually. You don't have to have a full-time employee to help you out. You can have a virtual assistant. You can...great ways to do flextime work and so forth. So, I encourage people that, don't get bogged</p>

	<p>down, that you can ask for help, and it doesn't have to cost a fortune to do that.</p> <p>The third thing is that they wish they had saved more money. So, back to financial fitness. Everyone, even Doug is like, "I had no idea how hard it is to fundraise." And, you know, they just wish that they had more money in the coffers so they weren't always worried, "Is it too tight? Am I too tight on this?" So, they saved more. Some said they wish they had had a better business plan. A couple of them said that they wanted everything to be perfect before they started. There is no ideal launching point. You know, you just have to get started. So, I think there's this obsession with being perfect. Some people, a lot of them, said they wish they were more tech-savvy. Okay? We hear it's an age-old thing. We hear about older folks getting started, but it doesn't have to be that way. But it's just to be aware of that.</p> <p>And this is really true is every one of these businesses, I heard somewhere along the line, they wish they had had more sales experience. Now, some people were in sales to a certain degree, but the ones that weren't said, "I wish I had taken a class in sales or whatever." Because you know what? No matter what you're doing in your business, you're selling yourself, you're selling your product. Everywhere down the line, you're fundraising. So, if you haven't been in sales before somewhere in your career, I sold Avon as a college kid, go take a class, you know, in sales or marketing at the community college, take a Toastmasters class to learn to stand up and talk in front of audiences, take an improv class, an acting class at a community college or something just so you get comfortable in your own skin.</p>
Andy	But it sounds like there's sort of this impression people have, if I build it, they will come, and you have to sort of encourage people to come its what I'm trying to say.
Kerry	You do. And it's always about sales. You're always on. So, it's not just knowing that elevator pitch of what your business is. It's you're selling yourself and your product constantly. So, sales cannot be underrated.
Andy	The book is called "Never Too Old to Get Rich: The Entrepreneur's Guide To Starting a Business Mid-Life," and you can get it on Amazon. You can get it on Indie Books. Kerry, thank you so much for joining us today. It is an honor to interview you for "Second Act Stories," and we all look forward to your next book.
Kerry	Thank you. Thank you.
	OUTGOING MUSIC; FADE TO BACK DROP FOR PODCAST CONCLUSION

Andy	<p>So that is a wrap on Episode 49 of "Second Act Stories." Our special thanks to Kerry Hannon for making the time to sit down with us. Her book is terrific and I hope everyone who is considering an entrepreneurial path will give it a read. Again the book is "Never Too Old To Get Rich: The Entrepreneur's Guide To Starting A Business Mid-Life."</p> <p>You can also follow Kerry on Twitter; her handle is @KerryHannon.</p> <p>We've got lots of great stories ahead. But if you know of someone who might be a good fit for the Second Act Stories Podcast, please let me know at SecondActStories@gmail.com. I'd love to hear from you.</p> <p>And if you like what you are hearing on the podcast, please give us a rating – five stars is the preference – on Apple podcasts.</p> <p>We hope you'll keep listening. There are more second act stories just around the corner.</p>
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