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**Statement
to the
U.S. Senate Special Committee on Aging
United States Senate
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Chairman Nelson, Senator Collins, Chairman Landrieu, Senator Risch, and members of the Senate Special Committee on Aging and the Senate Committee on Small Business and Entrepreneurship: my name is Ken Yancey and I am the CEO of SCORE. Thank you for the opportunity to offer testimony regarding the advantages and challenges of Senior Entrepreneurship. This is an important and growing segment of our population that holds great potential for our economy. It is in all of our best interests as Americans to assist this group in every way we can and SCORE has a unique position to effectively do so.

Today I'd like to present 4 points to the committee:

1. First, I'd like to share some encouraging statistics about the 50+, or "Encore Entrepreneur," segment and what characterizes this group.
 - a. According to a study by MetLife Foundation, 25 million people aged 44-70 expressed an interest in starting their own business or non-profit organization within the next 5-10 years.
 - b. Of this group, 85% reported having significant management experience, with an average of 15 years in managerial roles.
 - c. In addition to a wealth of experience and an ability to manage others, they also tend to have a well-knit web of business contacts built over years of networking.
2. Secondly, encore entrepreneurship fulfills the senior population's desire to contribute to their communities and our communities in turn benefit from these ventures.
 - a. This study by MetLife Foundation noted that nearly half of this group of aspiring entrepreneurs says having a positive social impact is very important or say they are seeking to meet a need in their community, meet a social challenge or provide a service to others.
 - b. With retirement from a traditional employment role, over 80% of these aspiring business owners find themselves finally able to pursue their passions and gain "a sense of meaning and a feeling of accomplishment."
 - c. Other goals of business ownership reported by approximately 80% of this group include:
 - having "a positive impact on your community,"
 - being "active and productive" and
 - putting "the skills and talents you've learned to use"
 - d. Potential areas of focus for their enterprises include a large focus on community needs including social services, poverty alleviation, working with at-risk youth, economic development, healthcare, the environment, human rights and social justice.

3. Third, encore entrepreneurs enter the world of business ownership with realistic financial expectations and aim to create small, locally-focused ventures to meet needs in their communities. While members of this population are more likely to have the cash reserves and funding needed to start a business, they are also realistic in their scope and projections.
 - a. The MetLife Foundation study shows that encore entrepreneurs tend to have modest financing needs. Two out of three report that they need \$50,000 or less to get started and only one in five said they need more than \$100,000. Around half expect to tap personal savings to launch their ventures.
 - b. Their expectations of success are not only attainable but also scaled to benefit their immediate communities. Nearly $\frac{3}{4}$ of this group expect to create small ventures, employing up to 10 people. And two out of three encore entrepreneurs would consider their potential businesses or nonprofit ventures worthwhile if they earned less than \$60,000 a year.

4. And finally, I'd like to share with you how SCORE effectively serves this group, allowing them to achieve their full potential as business owners.
 - a. SCORE serves entrepreneurs in a variety of ways including one-on-one mentorship, our extensive offering of in-person and online educational workshops and a wealth of business tools, template and resources. Through a network of over 11,000 volunteer business mentors across the country, we provide those looking to start or grow a small business with the direct, personalized expertise they need to thrive.
 - b. 31% of the clients we serve are over the age of 55. In a client survey conducted during 2013, 56% of our small business clients ages 55-64 reported that working with SCORE helped them grow their business revenues, and 61% reported having "changed a business practice or strategy as a result of working with SCORE." Overall, 82% say they would recommend SCORE.
 - c. Our volunteers working with these individuals one-on-one to help them grow their ventures report that this is indeed a successful group of entrepreneurs. For example, Nancy Strojny, a SCORE mentor in Portland, Maine reported her experience currently working with 6 encore entrepreneurs saying, "The 50+ person understands how to work hard and prepare for their success; they know how to get information, connect with people and ask good questions. But a successful corporate career does not necessarily translate into a successful entrepreneurial business. Most will need to learn new skills beyond their professional expertise. SCORE helps navigate the transition by translating their skills into today's reality for starting a business, providing a sounding board and offering reality checks in a couple of key areas: networking, technology, and boosting confidence. We often start with a discussion on key topics such as preparing a feasibility study, assessing the marketplace, and how much to invest."
 - d. Just a few of the successful Encore Entrepreneurs we've served include:
 - The Solar Institute of Nevada who provides valuable employment training for those looking to design, integrate, and install photovoltaic systems, ultimately capitalizing on the new green economy.
 - Healthy Life Clinic, Inc. of Knoxville, Tennessee who after just two years in business opened a second location, now employing 27 full-time employees.
 - And USA Gypsum of Reinholds, Pennsylvania which recycles waste construction materials into valuable agriculture product for the farming community and is currently in the process of building a new headquarter site twice the size of its current location.

These are just a few of the outstanding entrepreneurs over the age of 50 that SCORE has helped pursue rewarding and beneficial second acts as small business owners.

At SCORE, we completely agree that the Encore Entrepreneur market is important and a valuable contributor to communities across the country, today and in the future. Thank you again for holding this hearing on senior entrepreneurship. As people live longer, healthier and more productive lives the trend of encore entrepreneurship will likely continue. Encore entrepreneurs logically have more experience and are often better prepared to be successful as an entrepreneur. We also believe that the encore entrepreneur benefits greatly from mentoring and training offered by programs like SCORE, SBDC and Women's Business centers.

I would be pleased to answer any questions you may have, and we will provide you with additional documentation as requested. Thank you again for this opportunity to testify.

Respectfully submitted,

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