

The New Way to Retire: Buy a Digital Business

How retirees can become 'second act' entrepreneurs by acquiring an online business.

What do you think of when you think of retirement?

Perhaps you picture yourself digging your feet into warm sand while holding a piña colada, and/or envisioning more free time to pursue that dream project you've always put off. Perhaps the thought of retirement simply makes you cringe; after all, you've been devoted to an endeavor your entire professional life, and still find meaning in the work. Whatever retirement experience you have in mind, there's no right or wrong way to do it. The truth is, we're constantly reinventing ourselves as we go, and that's part of the beauty of life.

Whether you're in your late twenties thinking about the future, finally retiring after decades in the workforce or looking for ways to gain additional streams of income while you're at it, a great option might be breaking into online entrepreneurship as part of the planning.

Professional history as a foundation for an online business

If you've been working steadily, chances are you have enough professional background to help you get started — can apply what you know about computers, marketing, accounting and customer service to make yourself valuable as an online business owner. The truth is that retirees in many ways have experiential advantage over those just starting off in the entrepreneurship space. Whether you've been running a brick-and-mortar business, worked a straightforward 9-to-5 job or served in a position of leadership at your own company, you've seen the ins and outs of business and understand workforce challenges. So, use this to your advantage and apply it, tailoring your knowledge and expertise to the needs of the current market.

An opportunity to nurture your passion

Perhaps you have an idea for a business but never had the time to nurture it. This is an opportunity to bring those ideas to life. For example, if there's a topic you wish to share with an audience, narrow it down to a niche and start a blog. Chances are, there's someone out there

looking to learn from your experience and expertise. Take the time to hone out ideas, do some hard research and write topics that will resonate.

Or, if you happen to have a strong business background, consider owning an ecommerce store. Dropshipping and Amazon FBA, to name just a few examples, engages business owners to sell products to customers from the comfort of their own homes. And for those with an appetite for mobility, this business model offers ample room for flexibility.

Perhaps you're hesitant about selling a product and want to try out your ideas? With dropshipping, you don't have to worry about stocking products or paying money upfront; customers are able to place orders from a third party and the items will be delivered directly to their home.

With Amazon FBA, Amazon stores your products at a warehouse and ships them to your customers, and also handles any refunds, returns or customer-service related services.

A way to meet investment goals

We're all familiar with investment models like traditional real estate or stock. Along with other financial derivatives to diversify your investment portfolio, acquiring an online business is a great way to invest in *digital* real estate.

Think of flipping a home. You see a potential to spruce it up and sell for more than its original value. Like a real estate property, a digital asset can be seen as an opportunity for growth and improvement. This is where you step in and truly use your skills to reap rewards. You can purchase an Amazon FBA store and increase its performance by understanding what truly makes it work, then amplify its value through growth. Say you have a strong background in writing: You'd then use those skills to optimize your products' listing copy to increase visibility on Amazon's platform. Perhaps you have a broad range of marketing expertise? This would be a chance to utilize your SEO knowledge to increase traffic to your store and pump up its value that way.

Whatever your choice, it's vital to understand the margins. Whether you're purchasing additional services like website or logo design, you want to make sure that any costs that go to expanding your business will reap digital growth.

Owning an online business doesn't have to be a full-time endeavor, either. If you have the right resources and staff, you can still enjoy time off, yet keep the business humming.

Furthermore, starting an online business is an opportunity to create intergenerational wealth. Whether it's a passion for business or simply funds that you want to pass down to kids or grandchildren, a digital business can be an engine for those ambitions.

A pathway to increased retirement savings

According to the AARP, as of January 2021, Social Security provided an average benefit of \$1,543 per month to retirees. Starting an online business is a great way to supplement this figure – a pathway to living a desired lifestyle. So, if you're looking to reach your financial goals but are not there completely yet, owning an online business is a great opportunity. Whether you're looking to supplement income, replace it or grow savings, there are start-up assets that will match investment goals.

As with any new (or old, for that matter) endeavor, make sure to check with your accountant and tax advisor on how business ownership impacts your tax planning.

