Worried About Retirement? Design an Entrepreneurial Pension Plan

If you're 35, old age is set to be harder for you than for your parents. What can you do about it? Design an entrepreneurial pension plan that monetizes your professional experience, says Pedro Nueno.

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Whether you see retirement as permanent liberation from wage slavery or can't imagine your life without work, almost everyone feels restless about their place in the world when the time comes.

It's hardly surprising, as an aging population in the developed world makes concerns over

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pensions legitimate. Factors like increased life expectancy and quality of life — which ought to be good news — tend to make economic prospects worse.

In Spain, for example, 77 out of every 100 inhabitants will be pensioners by 2050, according to OECD projections. Other developed countries face the same problem: a small working population to support so many retirees.

What Can We Do?

Instead of idly worrying, it would behoove us all to get busy. That is the no-nonsense advice from Pedro Nueno, a professor of entrepreneurship at IESE. In his 2018 book filled with ideas, examples and tips on how to design an entrepreneurial pension plan, Nueno promises the chance of an active and comfortable retirement.

The range of options is broad: from continuing as an active professional to becoming a business angel, leveraging professional experience — and proactively managing one's own assets, diversifying and anticipating what's next.

Nueno explores and analyzes these alternatives, which are perfectly compatible with each other, including the pros and cons of each.

Five Tips for the Retired Entrepreneur

Although individuals should tailor a plan to their specific desires, needs and circumstances, Nueno's book presents some general recommendations for everyone:

- **Don't automatically rule out working beyond retirement age**. While this depends on the individual, the type of work involved and the labor laws of each country, it is worth careful consideration. Those who enjoy their work and feel valued in it can reap the benefits of staying on full- or part-time.
- **Start designing an entrepreneurial pension plan before closing out your career**. Whether you intend to keep working or choose to be entrepreneurial, it's important to lay the groundwork as early as possible. Active professionals have greater access to resources and contacts that provide the chance to experiment with future opportunities. And these opportunities can end up materializing in a variety of ways: a job as an advisor, a position on a company's board of directors, an investment opportunity, an alliance to launch a startup, and so on.

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- **Diversify your assets**. Since we likely can't rely on public pension plans — and even private ones can have their issues — it's wise to find other savings and investment products, such as real-estate or shares in companies or the stock market. Diversify — internationally, too, if you have the know-how — but always keep some capital in a current account in case of unforeseen events.
- **Stay fit, inquisitive and active**. It is vital to keep up with the times and stay in shape, physically and mentally. Networking can be useful to that end: being part of associations and professional groups and participating in the activities (e.g., conferences, meetings, training activities) is a good way to keep the brain sharp and have access to attractive projects.
- **Find a support network**. Whatever you do, you don't have to do it alone. Look for people and groups with similar interests to share experiences, risks and concerns. Meanwhile, it is almost mandatory to have someone you trust (a friend, child or advisor, perhaps) who can let you know if your physical and mental capacities are diminishing.

The future is full of unknowns. Will we live to 80, 100, 120? At what age will we be able to retire? What kind of pension will we have access to? Many factors are beyond our control, but drawing up a business plan to optimize your retirement is something you can do for yourself — and it's never too soon to get started.

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