

Lifestyle motivates new entrepreneurs

Informing policymakers through research

The issue. Changing demographics, longer life expectancies, forced or buy-out retirements, greater possibilities of quick exit and re-entry into the labor force, and expectations of multiple careers have contributed to the rise of small business ventures. Approximately ten million U.S. adults are involved in the process of starting nearly six million new businesses at any given time. New businesses contribute to economic growth, accounting for 47 percent of the U.S. total sales volume, making up approximately 51 percent of the private sector gross domestic product, and producing an estimated 77 percent of new jobs.

While many researchers, scholars, and policymakers have noted and encouraged entrepreneurial ventures as a means of community and economic growth, few have examined the reciprocal life quality enhancements of owning and operating a lifestyle firm. *Lifestyle entrepreneurs* are individuals who own and operate *lifestyle firms*, businesses that are closely aligned with their personal values, beliefs, interests, and passions.

According to our research. Case studies of 12 small, Iowa-based retail, hospitality, and service firms demonstrate that lifestyle entrepreneurs operate at the intersection of business and family. The drive to balance personal, family, and business needs in order to achieve monetary and other intangible rewards was significant in this sample of lifestyle entrepreneurs. Many of them acknowledged financial pressures resulting from the operation; however, benefits like pride of ownership, freedom from structure, learning from experience, opportunities to enrich the lives of their customers and employees, and chances to enhance their communities motivated them to continue operating their businesses.

We recommend. Although often overlooked in research and public policy pertaining to small business and economic development, the role of lifestyle in entrepreneurial enterprises in strengthening and sustaining families and communities should be included in future agendas.

Enhancement of entrepreneurs' personal and family life quality, combined with perceived positive impacts on their customers and communities, sustains their business efforts.

We encourage business and economic development specialists and policymakers to recognize that lifestyle firms substantially enrich communities, make communities more attractive to others, and provide sustainable sources of economic and social vitality. We further encourage leaders to address the particular needs of lifestyle entrepreneurs.

By Linda S. Niehm and Sara Marcketti (Iowa State University)

For more information, visit:
www.hs.iastate.edu/makeadifference

This policy brief is based on published research: Marcketti, S., Niehm, L. S., & Fuloria, R. (2006). An exploratory study of lifestyle entrepreneurship and its relationship to life quality. *Family and Consumer Sciences Research Journal*, 34(3), 1-19.

IOWA STATE UNIVERSITY
College of Human Sciences
Expanding human potential