



## Being a Business Owner Never Looked So Good

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In the 1960s and 1970s, many young high school and college graduates thought that the smart thing to do for their future was to spend their career working for a large corporation and then retire with a pension plan, health insurance benefits, and financial security. Today, many of those same people are now worried about their future. We know many individuals who have lost over 50% of their pension plans because the corporations they retired from filed bankruptcy. To make matters worse, many of those individuals who previously had excellent health care coverage for little or no cost are now being forced to pay several hundred dollars per month for the same benefits. These days, working for a large corporation does not guarantee the financial security many people once believed it would.

Owning your own business is more attractive today than ever, especially if you are in your 20s or 30s. Yes, owning a business can be complicated and can be a lot of work, but the benefits of controlling your own destiny and not being at another company's mercy for the health of your financial future can make it worth it.

The following are some things to think about when considering family business ownership:

- Over 90% of the 24 million businesses in the United States are family owned.
- 6 out of every 10 new jobs created are in family businesses.
- 59% of our United States Gross Domestic Product is created by family businesses.
- Owners of profitable family businesses have a better chance of maintaining their job, health insurance benefits and some type of retirement income long term, even during tough times.
- It's hard to get fired if you own the family business.

If you are not currently working in your family business but would like to consider business ownership, it's not too late to pursue it. In fact, it is usually beneficial to work outside the family business for several years. You can bring fresh ideas, new perspectives and lessons learned back to the business after working elsewhere.

If you are already working in your family business and you are interested in ownership (and the current owners are planning to retire in the next 5-10 years), then now might be an excellent time to consider developing a succession plan. With the current depressed economy and with the value of closely held business



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stocks falling, younger generations are able to purchase more stock of their family business for less cost right now. It typically takes a financial advisor, attorney, and accountant all working as a team to prepare a successful succession plan, and three to five years to implement it, so planning ahead is important. It has been my observation that the current owners of family held businesses do not implement a transition plan until they can answer “yes” to all of the following questions:

- They are sure that one or more of the children can actually run the company.
- They can design an estate plan to actually benefit all of their children equitably.
- They have a secure and structured retirement income.
- The succession plan that is created for this transition can actually minimize income and estate taxes.

Graduates from the 1960s and 1970s have learned a very difficult lesson the last couple of years. Younger generations are realizing by watching older generations that family owned businesses may be a better option for a secure future. Over the next five years as the state of our economy improves, millions of young individuals are going to be taking over family businesses for this exact reason. Perhaps it will be you.

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