

America's Economic Engine

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The Small Business Administration has picked April 30 - May 6, 2017 to be National Small Business Week throughout the country. The SBA administrator, Linda McMahon, has a nationwide tour for this week and her first stop will be in our hometown of Indianapolis, Indiana. She will visit an IndyCar factory in the suburb of Speedway (home of the famous Indy 500 race) on Wednesday, May 3rd.

Every year since 1963, the President of the United States has issued a proclamation announcing National Small Business Week which recognizes the critical contributions of America's entrepreneurs and small business owners.

Small business owners are very important to our economy. The U.S. Chamber of Commerce uses the term that "nothing is bigger than small business". The Economist magazine had an article in March titled "What's so great about small business?"

There are approximately 28 million closely-held family businesses in the United States and most of them have less than 100 employees. Three million of those business owners belong to the U.S. Chamber of Commerce. The Economist magazine said that "in America, just under 80% of these enterprises employ fewer than ten people." How can a business with fewer than ten people be so important to the American economy? The answer is when you put 28 million of them together they become the economic engine that drives our American economy. Some of these business owners we know very well and we have worked with them. Some of them have already retired and transitioned their company to new owners. Some of the baby boomers that are between 60 and 70 years old are planning on transitioning their companies in the next three to five years, and we hope to help a few of those individuals.

When you combine all of the entrepreneurs and small business owners throughout the country, you will find that they generate about 50% of our gross domestic product. They employ over 70 million individuals, and most importantly, when ten people are hired throughout the country, six of them went to work for a closely-held family business. If the new administration wants to concentrate on creating new jobs, they should focus on helping small businesses in every state.

Business owners tell me all the time about how proud they are of providing jobs for so many employees, contributing to their local communities, and providing a possible career for some of their children. I have learned over the years that about 30% of the families that we work with will develop a succession plan in order to move their company to the next generation.



If the current owners are good coaches, and their children listen carefully, then all of the closely-held companies that are transitioning to the next generation have a great chance of being successful. Our country needs these 28 million hard working individuals, and I'm glad that the SBA administration is putting a spotlight on them this week.

Those of us at Castle Wealth Advisors want to congratulate every small business owner who is currently running their own company, every business owner who is thinking hard about retiring soon, and every retired business owner who has successfully sold their company and are now enjoying some leisure time.

Gary Pittsford, CFP®, is President and CEO of Castle Wealth Advisors, LLC. Castle specializes in helping families and closely-held business owners with valuations, succession planning, estate and income tax analysis and retirement income security. Castle's senior partners work with clients throughout the country in making logical decisions that help them fulfill their personal and business financial goals. For more information visit www.Castle3.com, call 1-888-849-9559 or e-mail Gary directly at Gary@Castle3.com.