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**Looking
for A Job?**

Buy One Instead!

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Are you in the market for a job? Perhaps in a rut day to day in an unfulfilling situation? Perhaps recently unemployed? Sick of office politics? Wondering why you work so hard to make someone else a profit? Have skills that aren't being used? Whatever the reason, you might want to consider being your own boss. Take charge of your life and destiny! Acquire a going business!

Buying a business isn't for everyone, but for some, it's a great alternative to unsatisfying employment. Let's review a few things:

Many people think owning a business as a pipe dream. They don't realize how real it could be. When you buy a business, it's the cash flow from the business that pays for the loan payment! Many people think that their current income is the key factor in getting a business loan, as it is in buying a house. Not so. Banks are looking for the cash flow from the business, because that is the primary repayment method. So, with the business making the payments on the loan, all you're left to come up with is a down payment.

The rule of thumb is that you will need 25% for down payment. But heck, I often see as little as 10%, or occasionally even less! I often

tell a story about a customer I once worked with who got his down payment by selling a stamp collection and cashing in on a used snowmobile. You never know until every avenue is explored.

So at this point, with financing and the down payment taken care of, let's talk about some of the other financial benefits of owning a business. My father had an expression that is apropos: "It's not what you make,



but what you keep that counts". He was referring to tax benefits. Many businesses have assets that can be depreciated, and those annual write-offs can reduce your taxable income significantly. This, and other tax benefits, result in more money kept.

Looking to the future, how much retirement is coming from your employment? The nice thing about a small business is that usually the note is written off in 3 to 10 years vs. real estate at 20 to 30. That means your business may be debt free in just a few years. So at that point, you are in a position to take additional money out of it regularly, or sell it with a substantial cash inflow. If you

have grown the business, you could also get additional value in that appreciation.

But is it all work and no play? It is true that you may put in more hours owning your own business, though not all do. But, that work is your choice, and the schedule at your scheduling. Want to attend your kid's ball game? You don't need to ask permission. Great day for golf? Off you go! Look around at the people you know. Doesn't it seem that the business owners you know just seem to play more, and harder? And some even report that, "it's not work if you enjoy it so much".

What about security? True, there is risk in owning a business. But isn't there risk in employment also? Could the company you work for merge or downsize and have you out on the streets? Could you work for most of your productive years and at the end have nothing but canceled paychecks to show for it? Could you work for most of your life and always regret that you never did something on your own, or that you really wanted to do?

So if you think you could get more out of "work", both financially and lifestyle-wise, by being your own boss.... We want to hear from you.

Call Magnusson Balfour Commercial & Business Brokers (207) 774-7715 to arrange for an appointment with one of our brokers. Or, register for our "Buying a Business Workshop".

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