

THE RACE TO THE EXIT GATES



Over 20 years ago, I predicted that baby boomer dentists would begin exiting dental practice ownership at record levels.

I was correct in concept but very wrong in timing!

Now, two decades later, I am convinced that my prediction is finally coming to fruition.

Here's why:

1. Life Priorities: As people age, they desire to enjoy life more and work less. The appeal of being tied to a desk or dental chair diminishes significantly.
2. Burnout: Many of us are simply exhausted. There comes a point when enough is indeed enough!
3. Federal Dental Plan Discontent: The current plan is leaving several dentists dissatisfied. Go figure!
4. Capital Gains Tax Issues: Don't even get me started on the frustrations with the new capital gains tax!

Capital Gains Tax:

This tax has been extensively discussed by those with financial expertise, and it's frustrating, shameful, and disheartening to see the government penalize successful entrepreneurs.

As one of these entrepreneurs, I am not just upset—I am seriously angry.



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Adding to the issues above, some of my baby boomer clients are dealing with disabilities. While some conditions are mild, they are progressively causing more discomfort and pain.

Working in pain offers no joy.

Fortunately, some of my clients have managed to amass a substantial nest egg, enough to retire comfortably despite the new tax rates.

Lucky them.

Others are looking to exit ownership, liquidate their practice's value, and reinvest their earnings elsewhere, often exploring other investment opportunities.

And some opt to continue working part-time in dental practice.

Continuing income is a sweet deal if it's achievable.

The bottom line is this:

The mass exodus of baby boomers and the race to the exit have begun.

Did I mention that the new capital gains tax has made my phone ring off the hook for the past 30 days?

I am 60 years old, and when I sell my business, I am now budgeting for an additional \$1,000,000 in income taxes payable.

This was not the spreadsheet I hoped to prepare for my retirement, but it reflects reality.

I plan to work another 5-10 years, hoping that taxation rates might decrease in the future. However, when reviewing historical tax charts for income and capital gains, taxes have never been meaningfully reduced in this country.

Never!

I am disheartened for the entrepreneurs of Canada.

It's time to liquidate the paid-up capital and head to the warm, sunny beaches.

Want to chat?

Text me at (416) 520-7420

Written by:



Timothy A. Brown,
FRI, CEO & Broker of
Record



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