

# The best reasons to 'own'



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**T**oday, if you are a dentist and do not own all or part of a practice, the question is not *Why?*, but *Why not?* Naturally, there are some compelling reasons why individuals choose not to own their own practice. However, the current environment makes the benefits of ownership so overwhelming, it is difficult to understand why a dentist would not want to go this route. Here are just a few of the reasons why ownership is so attractive:

**1. It's the money, Stupid!** Most practice owners have a greater net income than dentists who work for someone else.

**2. You can build the practice of your dreams.** Unlike working for someone else (in which you work under conditions established by others), you can build the practice of your dreams. This means you can adopt the type of facility you want, the practice philosophy that most suits you, and a schedule that is the most desirable to you.

**3. Ownership equals wealth.** Most independently wealthy people *own things*. If you "own your own" practice, you are building a business with value, while earning

a significant income. If you are working for someone else, there is no equity, no wealth accumulation, and maybe no financial independence.

**4. The IRS is your "friend."** Unlike a "W-2 employee," when you own your own business, many expenses are deductible or depreciable by you that are either not available to "employees" or are subject to limitations. Some of these deductions include pension plans, dues, insurance, continuing education, car leases, travel, entertainment, and meals. If you are a self-employed business owner, the government will pick up a share of the cost of many of the things you must purchase for your practice.

**5. "We've got the money, honey!"** Financing the purchase of a practice is easy. Some people are reluctant to own their own practices because they believe financing is unavailable. A few financial institutions understand dentistry and why buyers have little or no net worth. However, they also understand that buying a practice is a tremendous investment. As a result, practice-acquisition loans are readily available at very competitive interest rates. So, even if you think you have very little net worth, high indebtedness, and hefty monthly expenses, don't worry — these banks simply say, "We've got the money!"

**6. You're the boss.** When you own your own practice, you have the unique ability to control what happens in your practice.

**7. Pride of ownership.** A less tangible reason to own your own practice is pride of ownership. Anyone who owns a home understands why people take greater care and pride in things that they own rather than things that they rent or lease. Planning, designing, and growing your own business can give you a great sense of pride and accomplishment. It can enhance your own happiness and self-worth.

**8. "If they were any cheaper, it would be a felony!"** When you buy a practice, you can get some incredible bargains. Today, you can purchase a practice for an incredibly low price (particularly in nonsuburban and rural areas). These amazingly low practice values greatly contribute to the attractiveness of owning your own practice and your bottom line!

**9. It's the money, Stupid!** The owner of a practice typically makes more money (in absolute terms) than an associate dentist, and makes significantly more as a percentage of the owner's personal production. A practice owner should make between 50 and 60 percent on his or her own personal production. Thus, all things being equal, owners can make two to three times what associate dentists can make.

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