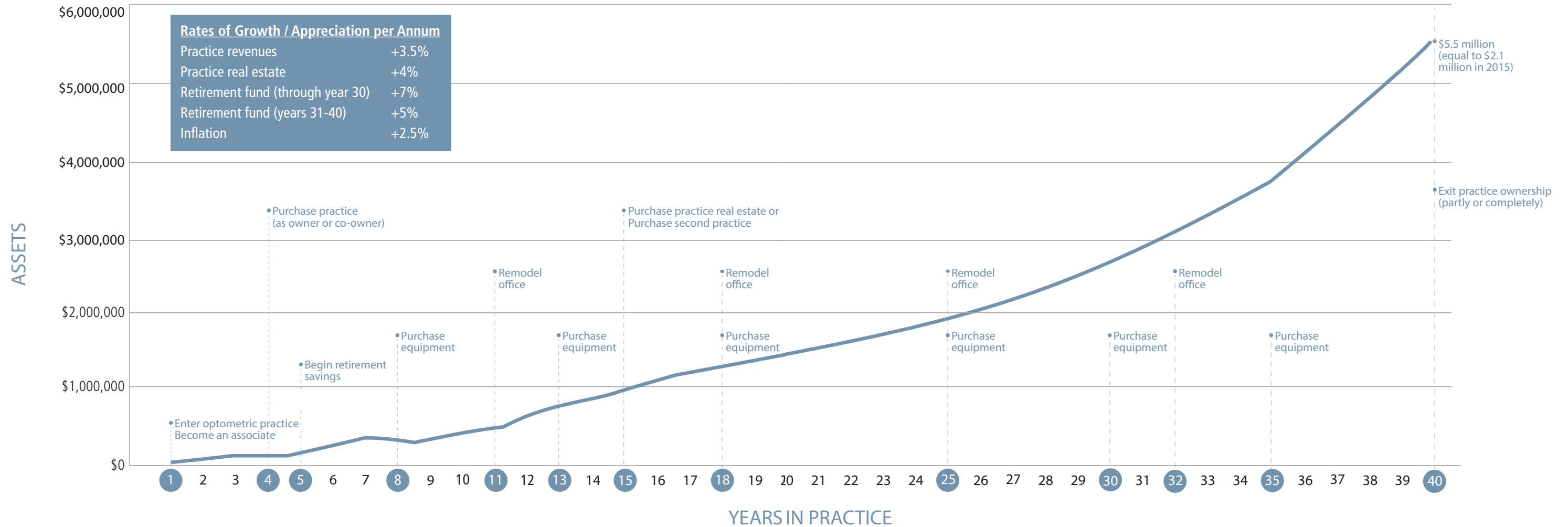


Wealth-Building Timeline (Over a 40- Year Career in Optometry)



Set a strategy to borrow cash, manage debt as part of your practice investment plan.

Each step in the Wealth-Building Timeline requires substantial cash resources. Said another way: An OD will carry debt until able to afford to pay cash. Managing and minimizing debt, while making strategic practice investments, is critical to wealth-building.

A financial institution that is deeply knowledgeable about the optometric business and willing to fund practice investments and share their insights is an invaluable resource. Such relationships are rare in the optometric world because most financial institutions view the industry as too small to devote resources to develop the needed expertise. Vision One Credit Union specializes in helping ODs reach financial goals

Practice Investment and Debt Planner

The following table presents practice investment costs and hold times to allow for increased practice value. Minimum hold time is: 1) for depreciating assets such as equipment and tenant improvements, a reasonable time frame to realize possible increased practice cash flow which could influence an appraisal and change practice value; 2) for assets that should be of stable value or appreciating, such as the practice or practice real estate, the time needed to allow for wealth creation through the potential increase in value and significant debt reduction, both of which create equity, a wealth contributor.

Optometric Practice Investment and Debt Planner			
Investment	Cost Range / Average	Investment Timing	Minimum Hold Time
Student debt	\$100,000-\$200,000 / \$135,000	Consolidate and term out after graduation. Defer if needed until personal income enables payments.	Pay over contract term 20-30 years
Practice purchase 100% ownership	\$250,000-\$1.25 mil / \$700,000	3-5 yrs. after graduation; sooner with business experience	7 years
Practice purchase Less than 100% ownership: Partnership or Corporate Shares	\$100,000-\$1 mil / \$350,000	0-5 years after graduation. Validate compatibility. Provides mentorship and lowers risk.	7 years
Practice start-up 1st practice	\$300,000-\$450,000 / \$350,000	3-5 years after graduation. Consider breakeven timing: < 18 mos. is good. > 18 mos. risky and costly	10 years
Second practice purchase or start up	\$300,000-\$1 mil / \$600,000	7-10 years after 1st practice; might replace real estate investment	7-10 years
Office renovation	\$50,000-\$250,000 / \$150,000	Each 7-10 years; shorter cycle in high traffic practices	3 years
Office relocation	\$150,000-\$350,000 / \$250,000	Relocate if outgrow space, lose lease or purchase building. Avoid business closure when moving. Stay within your project budget!	3-5 years
Equipment / Instrument upgrade	\$30,000-\$85,000 / \$50,000	3-5 years after practice acquisition or with breakeven or positive return on investment. Replace as needed.	2-3 years
Practice real estate	\$250,000-\$1.25 mil / \$600,000	10-15 years. Allows time for practice acquisition loan payoff and increased practice cash flow to cover mortgage payments which are generally more than rent. If payments are equal or less than rent, purchase anytime.	20 year loan or longer to reduce payments. Payoff prior to retirement