

# THE EDITOR'S CORNER

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## When It's Time for Retirement

This past Valentine's Day, I followed my usual protocol in buying my wife a beautiful bouquet of roses, a box of premium chocolates, and two cards: one comical, one romantic. That duality always elicits a pleased little chuckle from her. As I added my own thoughts to the romantic card this year, it somehow struck me that it was my 49th time doing this. It seems as if we went from being a lovestruck pair of high-school seniors to being actual seniors with four adult offspring and 11 grandkids in the blink of an eye. *Tempus fugit*, my old (I mean more than 80 years old) cephalometrics professor used to say. Time flies.

Time flies in our professional lives as well. I remember my graduation from dental school, again, like it was yesterday. Now almost all my classmates are retired. Most orthodontists are careful planners by nature, and many have had strategies in mind for their own retirement since early in their practice days. Likewise, most have had viable investment strategies in place for many years. One of the beauties of our profession is that we have considerable leeway in timing our exits. Some of us choose to retire relatively early, compared with other professionals; some choose to retire much later. One of my own orthodontic role models retired in his mid-60s, only to find that he genuinely missed practice. Being the kind of guy he is, he started up a new practice from scratch. It proved to be characteristically successful for him; to the best of my knowledge, he is still going strong today in his mid-to-late 70s.

In contrast, one of the most successful orthodontists I have known in Southern California simply decided one day that he was going to retire within the next couple of years. He believed no one could run his practice the way he wanted it run, and no one could treat his patients the way he

would have treated them, so he chose not to "transition" the practice in any way. As a result of his wise investments and savings over nearly 50 years in practice, he was able to simply quit accepting new patients, make arrangements for his retention cases to be followed up by a trusted younger colleague, and lock the doors when he finished his last case. He sold his building, and off he went to retirement.

A mature and healthy orthodontic practice generally represents a valuable asset. Most orthodontists, when the time comes, want to recoup their investment in developing that practice. Many plan on the cash value of their practice as the basis of financing their retirement. While this is certainly a reasonable strategy, it does require that the practice remain economically viable up to the point of retirement—capable of financially supporting the buyer as well as the seller. I remember that when I was looking to buy a practice, I encountered several would-be sellers who wanted so much that their ongoing practices could only finance their retirement, leaving little for me with my growing family to support. Of course, I said "No, thank you!"

In this issue of JCO, Dr. Fred Fink of Wilmington, Delaware, details the issues he faced in his own recent retirement. He makes a thorough comparison between "transitioning" out of a practice (i.e., selling it) and "phasing out," as my friend in Southern California did. The final decision is obviously up to the retiring doctor, but Dr. Fink raises some practical points that anyone approaching retirement should consider. If you're thinking of phasing out, you should certainly review his checklist. I love the paragraph with which he ends the article, observing that "Father Time always wins in the end"—but you'll want to read the whole text. *Tempus fugit.* RGK