

Nagel on Finances: Time to plan for growth

BY ROGER NAGEL

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This is an exciting time of year.

Holidays are right around the corner. Travel plans are being made. Hopefully, every household is talking about how much to spend on gifts this year. More about that next month.

The real excitement during this time of year comes from taking time to reflect on the past year and to consider improvements for the next year. This is the time when we revisit our plans for the future and decide whether we will make minor adjustments or take bold new actions.

Currently, our economy lends itself to bold new actions. Finally. Many economists are recognizing the strength of our state and local economy.

Unemployment is down. New job growth is up. New Mexico is being promoted again for its economic advantages. What a change that makes — for some of us.

Unfortunately, many business owners cannot relate to what this all means. Those who bought or started businesses, large or small, since 2007 and survived the Great Recession have never experienced running a business in a robust, prosperous economy.

Their conservative, cautious approach served them well during prolonged, poor economic conditions. But now, that approach may no longer serve them well at all, especially if their competition thinks otherwise.



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This is the time to be optimistic and courageous with respect to growth, expansion, new hiring, capital formation, acquisition or merger — notions that were uncommon during the “hunkered down” years.

Investment in new operating assets has always been part of year-end tax planning strategies. This year our firm and our clients are seeing rising wages, growing demand for more workers and a need for capital. Planning for more space is a real topic in business again.

Should I buy or lease? Should I borrow or seek new investors? What are the pros and cons?

Projecting the results of all this change can be a challenge. Assumptions, predictions and estimates must be tested by experience, reason and data.

A prosperous economy is exciting, but has its own unique challenges. Thoughtfully planning for those new challenges can make the difference between success and failure. Take a moment to reflect on the possibilities of your future.

In closing, let me acknowledge the good work of the Rotary Club of Rio Rancho and its Field of Honor, held this year on Veterans Day at the Rio Rancho Sports Complex in recognition of veterans and first responders.

I was particularly moved as I reflected on the good fortune we have living in America. We have the freedom to explore options for improvements in our households and businesses, uncommon to many parts of the world.

My recommended book this month is “Execution through Hunger” by Miron Dolot, (Norton & Co. Inc., 1987.) This is an autobiographical story of the impact on local farmers and small-business owners during 1929-33 that resulted from Stalin’s communism.

You may have read Marion Smith’s editorial recently. Read more at victimsofcommunism.org.

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