

Hope for the Future

Contrary to what the media would like us to believe, recessions are a natural flow within the peaks and valleys of our economic cycle. More importantly, the investment strategies employed during a recession are a natural course of doing business. The opportunities during an economic downturn, for the shrewd investor, will yield tremendous ROI (return on investment). Because the government must induce an optimistic environment, they will always immediately reduce the interest rates to generate market activity in business and personal lending. This lower rate of interest creates demand for higher rates of return with higher risk investments. So, as recessionary expectations bottom out, pessimism fades away and optimism works its way back into people's minds. We are not on the brink of failure; we are on the road to a slow recovery.

Our region, in particular, has a tremendous reason to be chomping at the bit, for the future is ever before us with AMD and The Foundry coming into the area. The growth of nanotechnology and Hewlett Packard's purchase of land will help fuel our growth as a new capital of the IT world, and generate new jobs in every sector of our economy. The Capital Region has been blessed with the potential to be a major growth area in the United States over the next ten years.

The question is: Where do I put my money over the next four years?

The answer: Invest in local businesses and real estate, and create your own future. The fifty mile radius centered on Malta—our own Tech Valley—will generate tremendous job opportunities and real estate investment options over the next ten years. New construction jobs as well as high tech careers will be in initial demand over the next four to ten years. The professional service industry will explode in years three through ten. Each year the real estate values increase as the demand for apartments, condos, and homes swells. The demand will increase and the supply will diminish. The smart investor is in a prime position to reap the benefits over the next ten years.

Real estate foreclosures and bank and tax repossessions will peak in the next six months. The acquisition and hold or flip of this foreclosure will generate tremendous profits. Excellent credit is the way to purchase and flip properties during these tumultuous times and, as always, "cash is king." But beware; those new to this market

can also lose money if they are not careful. There is a proven method to investing in the foreclosure real estate market. Many fortunes are made by simply following this ten step method (covered in our March 14th Expo).

Investing in your own business is another opportunity in this crazy market. Many of you are sitting on a nest egg and are looking for a way to capture the American dream: Owning your own business, calling your own shots, having the security that no one can downsize your position, and the possibility of accumulating wealth and prosperity. But many small businesses don't achieve their goals. Undercapitalizing, inexperience, poor management, weak planning, and over expansion are just some of the many factors holding them back. So how can you become more successful and reduce your risk factor? Many achieve their goals of business ownership and become master of their own destiny through franchising.

Franchising represents a more viable approach to business ownership. For a price, the parent company teaches its proven business secrets. There are over 3,000 franchises available with investments from \$100 to \$1,000,000. Each opportunity creates a business potential that any individual can tackle with a minimum amount of investment. But do not think that it is like a limited partnership; a franchise is the same as owning your own business and the rewards are based upon your ability to establish and manage the proven business formula of the parent company. You are faced with the risks, and you



Investment Strategies in a Recession: Franchise Businesses and Foreclosure Real Estate Investments

are responsible to manage your new acquisition. The search for and purchase of a franchise that will be suitable for you is a simple but involved topic. Due diligence is imperative!

1. Investment capital available
2. Management experience
3. Desired business type
4. Hours available to work
5. At home business or office/retail store front
6. Desired lifestyle

Ask yourself: Is the franchise in a cutting-edge industry that is doing well currently and is projected to do well in the future, despite any economic slowdown? And will the new franchise do well in this and our future economy? One should target opportunities that will not only be recession proof, but that have the ability to grow and expand for future success.

With so many great franchise opportunities available, your due diligence and understanding of how to best leverage your personal and financial assets will allow you to find a franchise that meets your ROI requirements in a relatively short period of time. Your expectations for a return on a franchise investment, however, should be vastly different than expectations for a return on a passive investment. In a franchise investment, you are investing a fair amount of your time and management talent in addition to your capital. You should be able to achieve a good return on both investments. Since you are making two investments (time and money), the ROI you would expect to receive from a franchise purchase should be considerably higher than what you would expect from a passive vehicle.

Our area has many prime opportunities available. We will discuss all of the pros and cons of franchise ownership, along with the proven ten step process for investing in the foreclosure real estate market at our Success Magazine Create Wealth Seminar and Business Expo, March 14, 2009 at Holiday Inn Express Hotel and Suites, 400 Old Loudon Rd., Latham. We hope to see you there!