

*Are You Still Waiting on Opportunity to Knock?*

Don't—it will never knock. As Maxwell Maltz said, "...You are opportunity, and you must knock on the door leading to your destiny."

Ask yourself this question: are you willing to do what is necessary to ensure that you have a comfortable retirement? You can either make excuses, or you can make progress, but you can't do both. You must have a belief that you can succeed at funding a comfortable retirement—where money will no longer be an obstacle to living the life you envision. You know full well that if you can't convince yourself that this is doable, you have a slim chance of making it happen.

Begin a program of investing a portion of each dollar you earn for your future. Notice, I did not say a portion of *some* of the dollars you earn, I mean a portion of *all* of the dollars you earn. You cannot expect to be successful in this if you save what is left over at month's end. You must begin paying yourself first before you pay credit card bills, a utility bill or a car loan. You pay yourself with each dollar you earn.

Look at it this way: do you believe that you can be comfortable and have sufficient funds in retirement if you don't make saving and investing for retirement a priority? If you do, what will be the source of the money? Will Uncle Louie or Aunt Sophie leave you a bundle in their will? Will you win big in a lottery? Will the U.S. Government inform you that you have overpaid your taxes for 35 years and send you a check for \$350,000? The answer to all of these musings is *HIGHLY DOUBTFUL*. Therefore, what *you must do* is plan and take action.

Imagine if you started to invest funds from paychecks starting with your very first real job. Suppose you placed three cents of each dollar earned in your very own *financial fortress* account that compounded for decades. You learned how to survive on 97 cents of each dollar earned, 96 cents, 95 cents and so on. You invested in tax-advantaged retirement accounts such as a 401(k) or IRA account. You invested those funds for capital growth, knowing they would have decades to grow. Over time, you learn how to live on 90 cents, and finally 85 cents of each dollar you earned. The potential growth over decades is staggering. What you have at work here is the time value of money!

Assume you are 40 years old and you place \$5,500 in a Roth IRA compounding annually at 8%. Let us further assume you will retire at age 65. You have a 25-year period of time for the funds to grow and compound. Guess how much your initial investment of \$5,500 will be worth at the end of this 25-year period? The amount is \$37,666.

Now, imagine for a moment that you are funding the Roth IRA every single year. Let us use the example above, and add in that you are now placing \$5,500 a year in the same investment and that you are funding it monthly, to the tune of \$458.33 per month. That's approximately \$15 per day. That does not seem unreasonable, does it? And, in 25 years, you would have a total of \$439,746. The power of time and compounding is nothing short of remarkable!

\*Opinions expressed are those of Rodger Alan Friedman. All opinions are as of this date and are subject to change without notice.

*\*\*the examples provided are hypothetical and have been included for illustrative purposes only. these examples are not intended to reflect the actual performance of any particular security. future investment performance cannot be guaranteed and investment yields will fluctuate with market conditions.*