

## Rodger on Retirement

### *Focus On Investing, Not Saving!*

We have all heard the saying of “*pay yourself first.*” My question to you is: are you doing this? You will accumulate far more assets in the next decade if you make investing a priority rather than an afterthought. Note I said that *investing* must be a priority, not *saving*. Think for a moment: have you ever known anyone who has become wealthy by investing in a savings account at his or her local bank? The answer is most likely no. People become wealthy by investing in assets that have the ability to grow over time—whether shares of publicly traded companies that you have known all your life or real estate like the home in which you may have grown up. There are many investment opportunities that have the potential to earn a higher return than a savings account. You will want to engage your advisors for advice on how best to invest your funds. Remember that when you are investing for your future retirement, it is very different from holding several thousand dollars in a credit union or bank account while you save for your next car.

I want you to think long term. The security that you will require if you expect to enjoy a lifestyle-sustaining income over a potential multi-decade period of time will, by necessity, involve a growing stream of income. Because your retirement is (hopefully) a long-term proposition, you may wish to gravitate to long-term investments.

I am a great believer in owning baskets of common stock comprised of the global giants that make up the largest and best-capitalized corporations. I will not name these companies here, as it is enough to simply say that you buy their toothpaste, shaving cream, soap, food, tires, and gasoline. You fly planes with engines they manufacture, and you run programs using the software and computers they create. You communicate using their devices. You safeguard your money in their banks and use their checking account services as well as their debit and credit cards. These same companies provide loans so you can purchase a home for your family. The products these companies manufacture for our armed forces defend our country and many of our allies.

Many of these companies provide their owners (shareholders) with periodic cash dividends. When I reflect on the level of dividend income that has been generated by these companies for their shareholders over long periods of time, many even over decades, I see an unmistakable trend. I see income rising over long periods, often in excess of the rate of inflation. In planning for a long-term retirement, I want my investment income to keep up with the increases in my cost of living. Ideally, I would want my income to greatly exceed the increase in my day-to-day costs. Perhaps this has given you food for thought during these volatile times in our economy.

\*Opinions expressed are those of Rodger Alan Friedman. All opinions are as of this date and are subject to change without notice. Past performance is not a guarantee of future results. This information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation to buy or sell any security. Investing involves risk; investors may incur a profit or loss regardless of the strategy or strategies employed. Dividends are subject to change and are not guaranteed. Dividends must be authorized by a company's board of directors.