

Time Doesn't Heal ALL Wounds

Like the wound to your financial future if you put off saving. In fact, time is really two-faced when it comes to money. The sooner you start saving, the more time works for you. But delay saving, and it works against you.

Here's what I mean. Suppose Joe starts saving \$1,000 a year at age 25. He saves for 10 years and then stops. His twin brother John, however, can't quite seem to get started on the savings thing and so he doesn't start saving until age 40. Now John's no dummy, so he knows he's behind and decides to save \$2,000 a year for 10 years. That's double what his brother saved, so John figures he'll not only come out okay, he'll end up ahead of the game.

If they both earn 7% a year on their savings, here's how much they will have at age 65:

	Amount Saved	Investment Earnings	Total Savings
Joe	\$10,000	\$98,900	\$108,900
John	20,000	58,900	78,900

Not only is John not ahead of the game, he ain't even in it - he's \$30,000 short of what John has! Time has worked for Joe and against John.

There's no magic here, of course. In fact, there's probably nothing that you haven't seen before. The question is, when are you going to start believing it and stop leaving money on the table?? We're talking free money here, folks - money you get just by doing a little saving and investing.

And if you have a 401(k) plan at work and you're not putting in enough to get the full company match, you're leaving big chunks of money behind - not only the match you let go by, but also all of the investment earnings you could be getting on that match. And it's all tax-deferred!

Look, I know you've got expenses. You've got things you want and need right now. You can't live just for the future and miss the beauty of

today. But you can't just live for today and hope that tomorrow will work out.

For one thing, that's not Christian. That's right, saving is called for in Scripture. The Bible really is a very complete guide to life both spiritual and material. It tells us many times and in many ways that we should save and plan for our futures. Take Proverbs 21:20 (LB), for example: "The wise man saves for the future, but the foolish man spends whatever he gets." It can't be much clearer than that!

We need to heed those words now more than ever:

- Where's your retirement income going to come from if not your own savings? How much income do you think you can count on from Social Security?
- Wouldn't you like to be able to stay in your own home as long as possible - especially later in life when you may have special medical or other needs? How much do you think you can count on from Medicare and Medicaid?
- How much debt do you want your kids to leave college with - how much "in the hole" do you want them to be?
- How are you going to pay for the air conditioner when it gives out? Will you be able to do it without going into debt?
- Do you want to have car payments for the rest of your life?

The neat part is that saving really isn't that hard. The key is to make it into a habit. And you do that by starting small.

Even if you have credit card debt you're trying to pay off, choose an amount that you know you can live with, no matter how small it is. It's tempting to pick a larger amount because you want to see the savings grow quickly. But if you do, something will come up some time that you really need some of that money for, and that will be the end of your savings.

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But suppose, for example, that you decide to save just one dollar every day. You might hang onto the change you get during the day until it reaches a dollar and then drop it into a jar. Or maybe you just stick a dollar's worth of loose change in the jar each morning when you get up or each evening before you go to bed. (Change works better than dollar bills - you're less likely to dip into a bunch of dimes, nickels and quarters when you're running a little short.)

Then every so often you take the money out of the jar and to the bank where you put it into an account that's separate from all your other accounts. That way you can watch it grow, and it will be harder to get at in a moment of weakness.

Now at first it won't seem like much. That's okay, though because then you won't be so tempted to tap into it and, you know, just

"borrow" a few bucks. It will also be so painless that it will easily become a habit. But don't worry, there will come a point when you'll look at what you've saved up and it will feel good. Real good. In fact, it will feel so good that you'll be hooked and will want to protect that money and make it grow even more. And then you will be on your way!

So what are you waiting for? Stick your hand into your pocket or purse and pull out the change you find. Got a dollar's worth? I can already hear it jingling down into that jar!

I'm here to help you improve your financial life. It's free and confidential. Just call the Budget Guy, Allen Gunter, at 301-1246, or send an email to BudgetGuy@shpc.org.

For a wonderful look at what the Bible says about money, check out the

Crown Financial Ministries Small Study Groups—
contact Chris Gordon at 484-1905 for more information.