

How to Improve Your Financial Future

Many times, when developing an exit strategy for a client, I ask; what's the biggest expense you will ever have? Some respond; a car, a house, and one of my customers even responded his airplane. However, your biggest financial expenditure is likely to be your retirement. With that stated, studies show that most American's haven't set aside enough money for their retirement.

Early in my career, I recognized that;

- Trucking is a pennies business.
- It's a cyclical business, and;
- You constantly have to plan your expenses to your profits.

Therefore, it's a business that needs a substantial amount of discipline. The aging process happens so quickly that, if you don't implement structure in your personal life, you could end up being another statistic; where you won't have enough money set aside for retirement.

I had an opportunity to attend a workshop that was sponsored by Peter & Tamara Lowe. These individuals have put together a panel of successful people such as; Bill Cosby, Colin Powell, Joe Montana, George Forman, Barbara Bush, Zig Zigler, Rudolph Giuliani, and Steven Forbes. What I learned from the seminar was there are 25 proven strategies to make sure that you will have the cash when you need it. The most successful companies that I work with practice this philosophy. What are those 25 strategies? They sound so easy, but somehow they are so hard to adhere to;

1. Spend less than you earn – you don't have to be a PHD to understand that you can't make your money grow if you spend it all.
2. List your financial priorities and put your retirement at the top of the list – this is an interesting analogy; when you're young, you think you're "bullet proof". As you get older, you recognize that you're not immortal and the older you get, the wiser you get. However, if you haven't put away for your financial future, the older you get the more frightened you become.
3. Create a spending plan – in other words, put a budget together. Many trucking companies don't have a budget in their business; so how do you expect the owners to have a budget, personally? This is the means to reinforce your goals by disciplining yourself so that you spend and invest your money wisely.
4. Create separate savings accounts for short term purposes – how do you define short term purposes? These are goals that must be met in 5 years or less.

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5. **Increase your real estate holdings** – invest in income producing properties and you will make money now, and even more over time. **This strategy I don't agree with in today's economic climate. However, even if real estate never rebounds to where it was in 2006 and 2007, real estate has always been a way to secure a certain amount of financial security.**
6. **Establish an emergency fund** – by that I mean accessible cash if something happens to you.
7. **Make savings a habit** – even a little can add up, thanks to the power of compounding interest! I know interest doesn't compound, today, but it will sometime in the future.
8. **Pay yourself first and try to put away 20% of your pay** – have the money automatically deposited so you will never miss it.
9. **Cut expenses** – this is one of the fastest and best ways to make money.
10. **Create income** – that's anything from taking a second job to renting out a room or downsizing and reinvesting your profits.
11. **Insure yourself that your insurance protects your assets** – as we get older, there are all kinds of problems that can arise, such as health issues, and if you're properly insured, it's not going to impact you financially.
12. **Consider long term health care insurance** – you would be surprised how many people I talk to that do not have long term insurance. **We're in the baby boomer era and baby boomers are now turning 65 and many don't have long term health care insurance?**
13. **Invest regularly** – use time and timing to get into the marketplace. If you don't know how to invest, find out how! Do some research, read books and apply your knowledge; **don't work for money, let money work for you.**
14. **Create long term wealth** – money in a savings account is safe, but inflation will diminish its value. Stocks provide long term growth.
15. **Diversify** – the best way to balance your risk is through a portfolio that spreads your money out over a variety of financial instruments.
16. **Learn from an expert on how to safely invest your own money** – churning your investment only makes money for your stock broker and you don't want to do that; you want to make money for yourself.
17. **Review and revisit your spending plan and patterns**, saving goals and be sure you're on track.
18. **Avoid bad debt** – don't borrow for things such as vacations, clothing or furniture.
19. **Beware of high interest loans** – look at the total cost of repaying the principle and interest, not just the low monthly payment.
20. **Get out of debt** – otherwise, finance fees eat up your principle that could be earning interest.
21. **Handle credit cards wisely.**
22. **Take advantage of pension plans** – companies let you deduct contributions before taxes.
23. **Accept free money** – many companies match employee 401K contributions, dollar for dollar – let them!
24. **Plan to retire later** – if you're doing what you love, work is fun. You can work longer, work part time or become a consultant, and;
25. **Delay taking Social Security** because the benefits will be higher when you start; **assuming we will still have Social Security.**

In closing, there is also an intangible that many people "scoff at". Give some of your money or savings back to the community. You will be amazed how this one act will bring a new kind of freedom to your financial life. **There is an old saying that goes something like this; "The more you give, the more you get".**

QUOTE OF THE WEEK:

“I didn’t prepare myself to be 71, we should begin earlier to think about later on, because we are all living longer” (Author: Lena Horne)