

Don't Wait....Start Today

For many, there is a leading factor delaying a commitment to develop a plan to become financially independent. Whether there is one or not, for several reasons, you may have the **MIND SET** of a **procrastinator**. The result of procrastination is that as time goes by and you do nothing, the more expensive it will be to initiate a retirement planning strategy that will create the results you desire.

For example, here is a picture of how the cost of procrastination can impact your plan for retirement. In this example we are comparing the MINDSET of Sally and Julie. Sally decides to do something now and so for the next 6 years at age 25 she saves \$2,000/yr. With a decent rate of return, her account value at age 30 is \$18,178. For the next 35 years she has financial difficulties and cannot afford to save any more money. Julie, in her situation decided to wait 6 years to start her long term savings commitment. The bottom line here is that both Julie and Sally at age 65 have about the same nest egg amount. The difference is that for Julie, it cost her \$58,000 more to achieve basically the same end result as Sally. **This is how procrastination can affect retirement planning.**

COST OF PROCRASTINATION

SALLY			JULIE		
AGE	PAYMENT	ACCUMULATION	AGE	PAYMENT	ACCUMULATION
25-30	\$2,000 /Yr	\$18,178	25-30	\$0 /Yr	\$0
31-36	\$ 0 /Yr	\$35,880	31-36	\$2,000/Yr	\$18,178
37-42	\$ 0 /Yr	\$70,821	37-42	\$2,000/ Yr	\$54,058
43-48	\$ 0 /Yr	\$139,788	43-48	\$2,000/ Yr	\$124,879
49-54	\$ 0 /Yr	\$275,917	49-54	\$2,000/ Yr	\$264,668
55-60	\$ 0 /Yr	\$544,612	55-60	\$2,000/ Yr	\$540,585
61-65	\$ 0 /Yr	\$959,793	61-65	\$2,000/ Yr	\$966,926
TOTAL	\$12,000	\$959,793	TOTAL	\$70,000	\$966,926

Question ?

Wouldn't you rather start now with a smaller affordable amount than to wait later for a larger amount that you can not afford ?