



MONDAY MOTIVATOR

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MONEY

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Welcome to the 20th edition of The Monday Motivator. In this edition we discuss the topic of MONEY.



There are currently 180 legal currencies in use worldwide. Every human on the planet is familiar with money. We all need it and want more of it. We use it for everything from food and shelter to medical care, clothes, toys and entertainment.

Not every person has the same access to money. There are not that many countries that provide opportunities to earn money using one's skill,

education and determination. The U.S.A. and most of Western Europe offer the better opportunities while many other countries simply do not have the internal means to provide adequate earnings to everyone. Sadly there are some countries where poverty is overwhelming.

So what do we do with the money we have? How do we make it last and provide for us when we are sick, injured or just too old to work any longer? This topic is far too large for a 4 page document so we're going to focus on the magic of



making money work for us instead of us working for it.

Imagine being just 20 years old and earning enough to pay for shelter, food, clothing, transportation, personal expenses and entertainment. Let's say the total monthly cost for all this is \$3,500. Our 20 something is earning \$4,000 net after all deductions and decides to save just \$200 per month in an account that pays only 4% interest. How much money would be in the account by the time this person reaches age 60? Can you guess what that might be? We will make it easy for you ... the savings balance at age 60 will be \$229,021. And if the interest on savings is 6% the balance becomes \$400,489. The emphasis here is on saving money. What if you save the whole \$500 per month and could net 6% interest? Then your balance in 40 years would make you a millionaire! You'd have \$1,001,224. This is the magic of compounding interest. At \$500 per month for 40 years you would actually save a total of \$240,000 so the rest of your one million dollars would come from compounding interest. If you want to have a little fun with this, here's the link where you can enter your own figures to see what can happen with steady savings. <https://www.investor.gov/tools/calculators/compound-interest-calculator>

Some feel that investing in the stock market is a good plan as well. Like any profession, you need to know some facts. In reality, there are only a few ways to become financially independent.

1. Inherit wealth.
2. Start and take a business to the top.
3. Be a sports star or rock star or actor / entertainer who makes it to the big time.
4. Win the lottery.
5. Save it and / or invest it. (The way most people reach financial security.)

Stories of rich people are easy to find. One of the most recognizable is Warren Buffett. He started with just 3 shares of a company at age 11. By age 20 he had saved \$10,000 and this was in 1950. He simply focused his interest in investing over the rest of his lifetime and is now one of the richest people in the world. Nothing was handed to him. He earned every dime. You can read his biography here:



<http://www.biography.com/people/warren-buffett-9230729>

It's easy to read about rich people and call them "lucky." But in reality most people get that way with four traits that financially secure people share in common:

- A. Following their talents, dreams and ambitions from a young age.
- B. Staying focused and not allowing multiple distractions to take them off track.
- C. Leadership and team building to get more done in less time.
- D. Saving money, learning from setbacks and having a passion to win.

There are some who think that income will never end. We live in the land of the free and home of the jobs. When we're young and healthy we don't think of being old or needing additional income to help make ends meet. So we buy nice things, live in nice homes and spend the money as fast as it comes in. And with the invention of credit cards (personal loans on demand) we can actually live beyond that income.

Another fact of money, even here in one of the richest countries on Earth, is that so many don't seem to mind being in debt. Certainly nations use debt to balance their budgets every year. We routinely hear that America owes a lot of money due to borrowed money from other nations. Again, this topic is vast so it helps to see a summary of just a small part of the story to put things in perspective. Here's a YouTube presentation that sums up what real debt looks like:

<https://www.youtube.com/watch?v=WF-P-2 iDYMU> And if you have the courage to see it, here is a link to a real time running calculator / clock that keeps track of the ramifications of our U.S. debt: <http://www.usdebtclock.org/>



To be fair, many nations are deep in debt and we hear about the economic results in the daily news. So we have the reality of accumulating money for our needs at any given time. Money for that “rainy day” that we hear about. And we can see the grim reality of what debt can do to not only a nation, but to each of us, if we let it get out of hand. As of 2015 the average American household was \$130,000 in debt. If you want to see the actual numbers, here they are: <https://www.nerdwallet.com/blog/credit-card-data/average-credit-card-debt-household/>

So what can we do to take care of our future where money is concerned? Here is a short list of actions we can consider:

1. Save 10% of your income from every paycheck. Consider it a bill to be paid.
2. Learn about life insurance with savings considerations and long term care options.
3. Study investing basics so you can at least talk about your goals and plans with a financial advisor as your savings become larger.
4. Do not spend more money than you have. With the possible exception of a home or car, try to limit debt to only what is absolutely necessary. Debt is very expensive! In some cases you're trading \$4 later to get \$1 now. 30% interest on credit card debt is legal!
5. Wealth is about what you keep more than just what you earn.

When most of us were kids we saw images like this one below where “Uncle Scrooge” was the richest duck of them all. In this image Donald Duck and his nephews Huey, Dewey, and Louie are helping Uncle Scrooge do an inventory of his wealth, kept in his famous vault. We see gold coins 89 feet deep and it takes a bull dozer to move the piles around! It was funny because most of us did not know many people this rich. It made great entertainment for young minds.



In summary, there are countless sources of education, information and debate about the topic of money. This one addresses the condition of the disproportionate distribution of wealth around the globe using gum balls to illustrate the point. This talk is presented by Roy Beck. You can see his illuminating presentation here: <https://www.youtube.com/watch?v=LPjzfGChGIE>

Quote for this topic: **Money won't bring you happiness unless you don't have any.**

Until next time I'm Will Robertson sending you good wishes from all of us here at Performance Strategies, Inc. / Marketing and Training Consulting Group.

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