



Newsletter

# BUMGARDNERMORRISON

CERTIFIED PUBLIC ACCOUNTANTS  
WEALTH MANAGEMENT ADVISORS

*Empowering Peace of Mind*

Volume 3

Issue 3



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# Why Do People Put Off Saving for Retirement?

*A lack of money is but one answer.*

Provided by J. David Bayarena, CFP®, MBA



**Common wisdom says that you should start saving for retirement as soon as you can.** Why do some people wait decades to begin?

**Nearly everyone can save something.** Even small cash savings may be the start of something big if they are invested wisely.

**Sometimes, the immediate wins out over the distant.** To young adults, retirement can seem so far away. Instead of directing X dollars a month toward some far-off financial objective, why not use it for something here and now, like a payment on a student loan or a car? This is indeed practical, and it may be necessary. Even so, paying yourself first should be as much of a priority as paying today's bills or paying your creditors.

**Some workers fail to enroll in retirement plans because they anticipate leaving.** They start a job with an assumption that it may only be short term, so they avoid signing up, even though human resources encourages them. Time passes. Six months turn into six years. Still, they are unenrolled. (Speaking of short-term or transitory work, many people in the gig economy never get such encouragement; they have no access to a workplace retirement plan at all.)

**Other young adults feel they have too little to start saving or investing.** Maybe when they are further along in their careers, the time will be right – but not now. Currently, they cannot contribute big monthly or quarterly amounts to retirement accounts, so what is the point of starting today?

The point can be expressed in two words: compound interest. Even small retirement account contributions have potential to snowball into much larger sums with time. Suppose a 25-year-old puts just \$100 in a retirement plan earning 8% a year. Suppose they keep doing that every month for 35 years. How much money is in the account at age 60?  $\$100 \times 12 \times 35$ , or \$42,000? No, \$217,114, thanks to annual compounded growth. As their salary grows, the monthly contributions can increase, thereby positioning the account to grow even larger. Another important thing to remember is that the longer a sum has been left to compound, the greater the annual compounding becomes. The takeaway here: get an early start.<sup>1</sup>

**Any retirement saver should strive to get an employer match.** Some companies will match a percentage of a worker's retirement plan contribution once it exceeds a certain level. This is literally free money. Who would turn down free money?

**Just how many Americans are not yet saving for retirement?** Earlier this year, an Edward Jones survey put the figure at 51%. If you are reading this, you are likely in the other 49% and have been for some time. Keep up the good work.<sup>2</sup>

**David Bayarena may be reached at 361.575.0271.**

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## Citations.

1 - [bankrate.com/calculators/savings/compound-savings-calculator-tool.aspx](http://bankrate.com/calculators/savings/compound-savings-calculator-tool.aspx) [6/21/18]

2 - [forbes.com/sites/kateashford/2018/02/28/retirement-3/](http://forbes.com/sites/kateashford/2018/02/28/retirement-3/) [2/28/18]



# Employee Spotlight...

## Josh Hanchett



Joshua Hanchett joined the Bumgardner Morrison team in 2016 as a senior staff member. Josh was born in Tulsa, Oklahoma and grew up in Norman, Oklahoma along with his three brothers. He and his wife, Brie, have been married eight years and have two children, Collin and Emily.

Joshua is a graduate of the University of Houston – Victoria. He currently serves as President-Elect of the Texas Society of CPAs, Treasurer for the Victoria County United Way, and is an active member and board member in Victoria Rotary. Josh spent approximately ten years working in banking which allowed him to travel and work in Ohio, Indiana, Kentucky, and Louisiana. Josh has also spent time in Missouri, Kansas, California, Mississippi, and overseas in Iraq while serving in the Army.

When not working, Josh and his family enjoy traveling to the Texas Hill Country, going to live music and sporting events, and traveling to meet up with Josh's seven nephews and nieces (ages two to eight years old), who all live in Oklahoma.

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## Just For Grins...



A three-year-old went with his dad to see a litter of kittens.

On returning home, he breathlessly informed his mother that there were two boy kittens and two girl kittens.

"How did you know?" his mother asked.

"Daddy picked them up and looked underneath," he replied. "I think it's printed on the bottom."



# What's Up...

## BumgardnerMorrison Attends Communities 2018

A 1st Global Communities workshop-style event was held July 8 - 10 in Dallas, Texas. Attending from BumgardnerMorrison were Jerome Kotzur, Mike Wenske, David Bayarena, Chris Krejci, Jack R. Morrison, Jamie Schacherl and Matt Williams.

This event is structured to provide affiliated Wealth Management firms with proven methods and ideas to acquire new clients and grow their businesses. This year's agenda focused on acquiring new clients.

In addition to keynote presentations, breakout sessions offered opportunities for attendees to meet with their peers and discuss new strategies for acquiring clients and ways to serve them more effectively.

2018 SEPTEMBER						
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## Important Notice:

**Closed September 3<sup>rd</sup> in observance of Labor Day. Open Friday, September 7<sup>th</sup>.**

**Regular business hours begin in September. Open Monday - Friday 8:00 am 5:00 pm**

**We hope you enjoyed our newsletter. It is also available at <http://www.bmccpa.com/blog>.**

**If you would like to receive a copy via email, please send your request via email to Lori Devereaux at [lori@bmccpa.com](mailto:lori@bmccpa.com).**



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