

Newsletter



BUMGARDNERMORRISON

CERTIFIED PUBLIC ACCOUNTANTS

WEALTH MANAGEMENT ADVISORS

Empowering Peace of Mind

Volume 4

Issue 1



office hours have begun.

Our office will be closed on Fridays
through Labor Day.

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The Cost of Procrastination

Don't let procrastination keep you from pursuing your financial goals.

Provided by J. David Bayarena, CFP®, MBA

Some of us share a common experience. You're driving along when a police cruiser pulls up behind you with its lights flashing. You pull over, the officer gets out, and your heart drops.

"Are you aware the registration on your car has expired?"

You'd been meaning to take care of it for some time. For weeks, you had told yourself that you'd go to renew your registration tomorrow, and then, when the morning comes, you repeat it again.

Procrastination is avoiding a task that needs to be done – postponing until tomorrow what could be done, today. Procrastinators can sabotage themselves. They often put obstacles in their own path. They may choose paths that hurt their performance.

Though Mark Twain famously quipped, "Never put off until tomorrow what you can do the day after tomorrow." We know that procrastination can be detrimental, both in our personal and professional lives. From the college paper that gets put off to the end of the semester to that important sales presentation that waits until the end of the week for the attention it deserves, we've all procrastinated on something.

Problems with procrastination in the business world have led to a sizable industry in books, articles, workshops, videos, and other products created to deal with the issue. There are a number of theories about why people procrastinate, but whatever the psychology behind it, procrastination may, potentially, cost money – particularly, when investments and financial decisions are put off.

As the example below shows, putting off investing may put off potential returns.

Early Bird. Let's look at the case of Cindy and Charlie, who each invest a hypothetical \$10,000 to start. One of them begins immediately, but the other puts investing off.

Charlie begins depositing \$10,000 a year in an account that earns a hypothetical 6% rate of return. Then, after 10 years, he stops making deposits. His invested assets, however, are free to keep growing and compounding.

While Charlie fills his account, Cindy waits 10 years before getting started. She then starts to invest a hypothetical \$10,000 a year for 10 years into an account that also earns a hypothetical 6% rate of return.

Cindy and Charlie have both invested the same \$100,000, but procrastination costs Cindy, as Charlie's balance is much higher at the end of 20 years. Over 20 years, his account has grown to \$237,863, while Cindy's account has only grown to \$132,822. Charlie's account has not only put the power of compound interest to work, it has also allowed the investment returns more time to compound.¹

David Bayarena may be reached at 361.575.0271.

This is a hypothetical example of mathematical compounding. It's used for comparison purposes only and is not intended to represent the past or future performance of any investment. Taxes and investment costs were not considered in this example. The results are not a guarantee of performance or specific investment advice. The rate of return on investments will fluctuate over time, particularly for longer-term investments. Investments that offer the potential for high returns typically carry a high degree of risk.

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Citations.

1 - nerdwallet.com/banking/calculator/compound-interest-calculator [12/13/18]



Welcome to the team!



Ashley Vasquez joined BumgardnerMorrison in January of 2019 and is responsible for attestation engagements. Prior to joining the firm, she worked in Houston for three years performing audits for not-for-profit entities. She has a passion to serve other people and meeting client's needs.

Ashley earned her Bachelors of Business Administration in accounting from Texas A&M University in 2014 and her Masters of Science in Accounting from Sam Houston State University in 2015. She is currently working towards attaining her CPA license. When she is not in the office, Ashley can be found spending time with her family, especially her husband, Roman, and daughter, Taylor. She loves her faith, attending concerts, and Aggie softball! Ashley is currently a member of Catholic Daughters of America in Ganado, TX.

Jennifer Lowder also joined the BumgardnerMorrison staff in January. Prior to joining Bumgardner Morrison, she worked for seven years at Harrison, Waldrop & Uherek, LLP as a staff accountant. Jennifer's outgoing and bubbly personality allows her to build long lasting relationships with clients. She has extensive experience in governments and school districts.

Jennifer attends University of Houston-Victoria, where she is currently pursuing her Master of Business Administration in accounting. She has two children, Teryn and Michael. She is the Treasurer of the Victoria West Choir Booster Club and Treasurer-Elect for the Junior League of Victoria. She also serves as a member of the Victoria Chamber of Commerce. When not busy being a mom-chauffeur, she enjoys volunteering, dancing, spending time with family, friends and pets, and binge-watching TV.



Bumgardner Morrison & Company, LLP Certified Public Accountants

announces the admission to partnership of

Joshua Hanchett, CPA
Financial Advisor

Andrew Merryman, CPA
Financial Advisor



IMPORTANT NOTICE:



Summer Office Hours

April 29th - August 30th

Open MONDAY - THURSDAY

Closed FRIDAY

EXCEPTIONS:

Closed Memorial Day, Open May 31st

Closed July 4th and July 5th

*A special thanks to our clients for
allowing us to spend more time with our families.*

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.



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