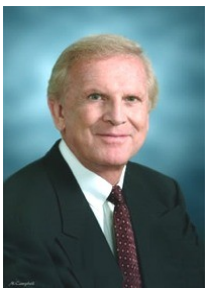
WEALTH | WISDOM | PERSONAL GROWTH | PROFESSIONAL DEVELOMENT

Be Responsible for Your Own Financial Security

No brilliant investment strategy. Just compound interest, which Baron von Rothchild labeled "The Eighth Wonder of the World."

by **Denis Waitley**

607 words| 3 pages



There is no job security. You can't rely on staying with the same company through retirement. Pension plans, when available, are woefully inadequate. Social security benefits won't come close to covering your living expenses in retirement.

The only way to reach financial security is to plan for it now, regardless of your age. You have to define financial security in your own terms. Have you defined the amount of assets that you need for financial independence?

Financial security is that amount of assets that will give you a specific income, after taxes, to live like you want to, without having to depend on day-to-day employment.

What is that amount for you? I believe it is more than you think. And, I feel that if you define it, you can reach it in ten years or less. Do you have a financial plan and the assistance of a financial planner? You need

both. Always retain a financial planner on a fee-for-service basis. Don't mix financial planning with an investment broker or insurance agent.

What are your financial goals and what is your time line? Because I started late in my quest for financial independence, I have a maximum five-year period remaining for capital accumulation.

Action Idea: Wealth is not only based on income, but also on expenditures. Are you spending or investing? Are your purchases goal-achieving or tension-relieving? How do you use credit cards? Use your credit cards for services or purchases that retain their value or that build your business. Don't use credit cards for vacations and personal entertainment, unless you plan to pay the entire balance in one or two months. Try to pay all your balances in full monthly. In this way, you avoid the ridiculously high interest payments. Realize that paying minimum balances, at high interest rates, means that you are paying two or three times what the original purchase was worth.

Most importantly, save at least 6 to 10 percent of your take-home pay each month, by writing a check into a savings account or mutual fund for that amount, as if it were a utility bill or house payment. The secret of most self-made multi-millionaires is compound interest.

If parents saved one dollar each day for their newborn infant, by going without a cup of Starbuck's coffee, or a Big Mac, or a soft drink for that day, by the time the child reached age forty, he or she would have a million dollars cash. No lottery windfall. No brilliant investment strategy. Just compound interest, which Baron von Rothchild labeled "The Eighth Wonder of the World."

Denis Waitley is one of America's most respected and beloved authors, keynote lecturers and productivity consultants on high performance human achievement. He has inspired, informed, challenged and entertained audiences for over 25 years from the boardrooms of multi-national corporations to the control rooms of NASA's space program. Denis has been voted business speaker of the year by the Sales and Marketing Executives' Association and by Toastmasters' International and inducted into the International Speakers' Hall of Fame.

With over 10 million audio programs sold in 14 languages, Denis Waitley's CD album, *The Psychology of Winning*, is still the all-time best selling program on self-mastery. To order this Best-Seller or his newest release, *The Platinum Collection* and to subscribe to the free Denis Waitley Weekly E-zine visit his website here: DenisWaitley.com