



**Third Quarter 2019**

---

### ***"I Should Have Saved More"***

The number one regret for most people, retired or still working, comes down to five simple words – I should have saved more. Life comes with risks – from changes in employment to accidents, natural disasters, medical issues, family problems and unexpected expenses. Having money in reserve is the best safety net there is to make your financial ends meet until life returns to normal. It can also reduce your sense of daily stress and give you the ability to take advantage of future opportunities.

So why do so few people have savings to tide them over rough patches in life?

1. Inability to delay gratification.

Perhaps the most important lesson of life is the ability to delay gratification of a want or desire. Media, advertising, and human nature all combine to tell us we deserve what we want now. Yet, studies clearly show children who are able to delay gratification of an immediate want for a future reward tend to end up more financially successful as adults.

2. Accumulation of high-interest debt.

Credit card debt goes hand in hand with the inability to delay gratification. The catch is that purchasing an item on credit and not paying off your card balance every month can end up doubling the actual cost of the item. The high interest rates for credit debt not only take away one's ability to save but dramatically increase the cost of anything purchased on credit.

3. An upbringing that never stressed the value of saving.

Maybe you had rich parents who picked up the tab and never taught you self-reliance. Or profligate parents who always lived on the edge spending whatever money was available. You may have learned helplessness where relying on someone else to rescue you from a bad situation took the place of planning ahead. If you can recognize where your resistance to saving comes from, it's a step toward changing your life.

4. The feeling that the amount you have to save is too little to make a difference, so why bother.

Small amounts do matter, particularly when contributed regularly and allowed time to



compound. One of the best strategies for saving is to pay yourself first. Have automatic withdrawals made from each paycheck to a savings account. With that money no longer available, it's easier to keep spending at a lower level. As your earnings increase, increase the amount you set aside each month.

5. Relying on the unlikely to bail you out of financial problems.

It is delusional to think that winning the lottery will solve all your financial problems or that a relative will drop dead and leave you the money you need. A phenomenal amount of money is wasted on the purchase of lottery tickets which could be used to build financial security. The odds of winning the lottery are next to impossible. Yes, there are winners, but that doesn't make it likely that you will be one of them.

No matter how much or how little you earn, a financial safety net is essential. Life isn't fair. Bad things happen to good people. But they don't have to destroy your life if you have the financial resources to pick up the pieces and move on. If you are not currently saving, put together a plan that will let you set aside money every month. If you are saving on a regular basis, are you saving enough to meet your goals? And finally, are your savings working for you, i.e. earning money?

Financial success starts with setting aside money, saving for a goal and having a financial reserve to survive a rough stretch. Don't wait for tomorrow. Set up an automatic withdrawal from your paycheck or income source now.

---



Brian R. Carruthers, CFP, CMT



BRIAN CARRUTHERS & ASSOCIATES

---

Your Conservative Advisory Firm Since 1990  
301 Forest Avenue  
Laguna Beach, California 92651-2115 USA  
Telephone: 1-949-464-1900  
[www.gobcafunds.com](http://www.gobcafunds.com)  
[brian@gobcafunds.com](mailto:brian@gobcafunds.com)