

How rich are you? Well...

June 18, 2020

Long ago when I was starting out as a financial professional, there was a proposition that 'it's not what you earn it's what you keep.' This proposition is still true today.

Behind this thought is another one that is even bigger. Over a life time of work, say from 21 to 66, you will earn about 3.3 million dollars in cash if you make \$75,000 average in those 45 years, lower in the early and higher in the end. This is a lot of money.

Of course, there are a few items to consider, among them many forms of taxes; fixed, variable and discretionary expenses and financial goals; short, mid and long term. These all change through time; they grow and recede.

Of course, if you make that much or a little more, say \$100,000 a year, over time the amount can really add up. Also, at the level of 100k, you are in the top 20% of income approximately. Yes, you are.

My point is this, you all are wealthier than you can imagine. All you have to do is monitor and implement a plan to take the 'right' steps with your cash flow. This is all about *regarding your money* and investments as a reality not a hope. Planning is a must, review on-going, and completion in your legacy.

Second, there are many definitions of rich; mean household income, median household income, assets in investments and your inherent talents, are all to be considered.

Possibly the best definition of rich is having *enough*. It has two parts, being comfortable and being secure. Each of us defines these two parts differently. All agree though that comfort is about achieving your goals, and security is about the duration of your assets compared to your longevity.

Again, all this thinking is *regarding your money* and investments. But the hidden factor of riches is the intangible thread that ties life together, and that is love. When we are born, we cry. At the end, we trust that we have created enough personal riches that others cry at our death. George