

In late July, Mary and I spent a wonderful week in Panama City Beach with our kids, their spouses, and our six grandchildren. We rented a big condo overlooking the gulf, had our groceries delivered to our door, and settled in for a nice week of sun and sand.

If you've visited a gulf coast condo during the past few years, you are likely familiar with the trend to control access to the beach through a gate with an electronic lock and a code. The secret code to our beach was 20 - 17 - #. I estimated that I punched in that code about 15 times each day, which came to a little more than 100 times during our week-long stay. It didn't take any of us long to have it committed to memory. We developed a habit, of sorts.



Habits can be good, both for getting on to a white sand beach, and for helping us work toward financial security. As I sat on the beach that week with my six grandchildren, I couldn't help but think about the potential each of them have to build financial stability in their lives, as long as they develop and keep good money habits:

Spend less, save more...a lot more. For most of us, wealth-building has to happen over a long period of time. It's not fast and it's not magic, it's just math. Consider this: start by investing \$1825 per year. That's only \$5 a day. Increase your rate of saving by 5% each year. Do it for 40 years. If you get an average rate of return of 8% per year, you'll have a big wad of cash, about \$964,000.¹ It doesn't happen overnight, you have to keep doing it, and it helps a lot if you have an advisor to help you manage risk. Ask me how you can get started.

Protect the money you have and what's to come. No one likes to pay for insurance – life, disability, property and casualty, or otherwise. However, a premature death, long term disability, lawsuit, or other surprise can turn one's financial life upside down. If you are the breadwinner in your family, insurance is a must. I can help you assess the risky areas of your life.

Start early on a retirement plan for your later years. It goes without saying that, if you have access to an employer retirement plan, you need to make the most of it. Given the miserable prospects for the health of Social Security, many people are likely to need a reliable source of cash flow to supplement or replace the government's program. Retirement accounts are key to making this happen. Also, since pensions are going the way of free beach access, you might want to think about building another potential source of income by using an annuity.² If you don't have a lump sum of money to get started, just fund your annuity over time by making regular contributions. If you'd like to learn more about how this might work for you, call me.

My family has been enjoying summer beach vacations for nearly 15 years. Mary and I look forward to them because they're some of the few times during the year when our entire family can come together in one place for a few days. For me, our gatherings make me aware of the riches in my life that don't involve money: family, health, good kids with strong marriages, beautiful grandchildren. I'm a lucky guy.

The gulf coast beaches might be locked away by secret codes, but there is no secret to working toward achieving financial success. Good habits can lead to good things, and it's never too late to start. Call me today for a free consultation about your own situation.

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¹This is a hypothetical example and is not representative of any specific situation. Your results will vary. The hypothetical rate of return used does not reflect the deduction of fees and charges inherent to investing. Investing involves risk, including loss of principal.

²Annuities are long-term investment vehicles designed for retirement purposes. Gains from tax-deferred investments are taxable as ordinary income upon withdrawal. Guarantees are based on the claims paying ability of the issuing company. Withdrawals made prior to age 59 ½ are subject to a 10% IRS penalty tax and surrender charges may apply.

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