

Rowing in the Dough:
Your Financial Future, One Trip at a Time
By Andrew Lewis
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A bountiful future will be different for each of us. We all have an idea of what we want our future to look like. How do we achieve it? We will elect officials into office, go to war, and slog through recessions and recoveries. We cannot do much about them, but we can attempt to care for ourselves. As individuals, we must attempt to achieve our financial goals either on our own, or with the help from our employer. Relying on social programs to provide for our basic needs is uncertain at best.

Much like launching your boat at the Ferry, you must take that first step towards a brighter financial future. The first step is determining which type of retirement or savings plan best suits your needs and your ability to save. There are numerous non-retirement savings options. They can range from a savings account at the bank, to a money market or investment portfolio in any investment firm. Retirement plans are equally as numerous and offered through many of the same institutions as a regular savings account. Retirement plans are generally going to be either employer sponsored or individual in nature. The specifics will vary between them, but in general, they will allow you to accumulate assets over time, and those assets will be allowed to grow tax deferred or tax free, depending on the plan specifics.

How much should an individual save? As much as possible! Develop a savings goal based on your ability to save. Write your goal down on paper. Put a dollar figure on it. Tell yourself that you will save a little of your tip money each trip, or tell yourself that you will save a specific amount each summer. Make your starting point simple and easy to achieve. If it is complicated or too high, you will likely become frustrated and will not continue. Pay yourself first and watch the savings add up. Saving becomes a habit and the results can be empowering.

For example, an individual could open an Individual Retirement Account (ira) and fund it each month with tip money. Let's assume that the individual completes six trips during the season and saves \$100 per trip. If that \$600 were to be saved into an ira each year, and those savings grew at a hypothetical annual rate of eight percent, the ira would be worth approximately \$9,387 in ten years. If this were continued for another ten years, the value would be nearly \$29,650. After thirty years the value would be \$73,400. What would that \$600 have bought you back in town? It would have paid down a couple of bills and bought you a few beers, but probably nothing that would have provided a visible benefit in the future.

The rules and regulations for retirement savings are always changing. Tax legislation over the past few years has increased the amount that individuals can save, created tax credits for lower income savers, and added additional types of retirement plans. These changes may seem daunting, but they aren't. Seek out the help of professionals, buy a basic personal finance book, or go online and see what resources are out there. Any effort that you take now will certainly return a reward in the future. The sooner you start, the more you can accumulate. Why not start today?

The Whale Foundation has established links with financial planning professionals. You may access them on line at www.whalefoundation.org or see the listing below:

Andrew Lewis, Senior Financial Advisor
Waddell & Reed Financial Services
500 Northeast Multnomah Street, Suite 278
Portland, or 97232
Toll Free (866) 645-9329
alewis41095@wradvisors.com
www.waddell.com

David N. Shore, ChFC
Marin Retirement Advisors
101 Larkspur Landing Circle, Suite 227
Larkspur, ca 94939
(415) 925-1212
dshore@mrawebsite.com
www.mrawebsite.com

Ted Dwyer, cfp
Dwyer Financial
2615 N. Fourth Street, Suite 5
Flagstaff, az 86004
(928) 774-7679
Toll Free (800) 474-7679
teddwyer@hotmail.com

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