

Money for Life – Building Wealth

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Often we hear of people of modest means, leaving millions of dollars. Do you ask – how did they build wealth? The answer is simple; they lived below their means and invested or saved the rest.

How much are you saving or investing from each paycheck? If you invest \$50 a month for 40 years, with an 8% average rate of return, you will have around \$175,700. Ask your employer if you can use direct deposit. When you get a raise, consider saving or investing it.

Secondly, consider a second job. If you can earn \$40 additional dollars each week, in 20 years you could save more than \$94,800 with an 8% rate of return. Find a job one evening a week or for a few hours over the weekend doing something different than your regular job. If you like golf, work at the course. If you like clothes, work in a clothing store. If you like the outdoors, mow or garden for others.

Simplify your life. Sell items you are not using and save or invest the money. Consider future purchases carefully. Often impulse purchases do not further personal goals. Twenty dollars here and \$35 there seem like small amounts, but if spent frequently they can rob your plans for a home, a car, college, a boat, a trip, retirement, etc.

Where do others find money to save? Some people keep spare change in a jar. Sixty cents a day adds up to \$219 in a year. Others clip coupons and then save the amount subtracted from their grocery bill. Some pick up pop cans. Others carefully compare prices and save the difference toward their goals.

No matter where you “find” money to save or invest, it is the first step toward building wealth. Visit the Take Control of Your Money web-site <http://www.extension.iastate.edu/financial/money/> or call your local ISU Extension office to learn when the Money Talk: A Financial Guide for Women series will be offered. Building wealth is up to you!

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