



DEAR JOHN

John Farewell | Circuit Rider I

If only I had known then what I know now. Anyone over the age of 50 knows what I mean by this statement. How many of our lives would have turned out differently if we had only known back in our younger days what we know today.

Recently I attended a class at the National Rural Water Conference in Fort Worth, TX, that pertained to retirement planning. Turning 55 years of age this July has prompted me to take a closer and more serious look at retirement. I thought it might be fun for my 55 year old self to write a letter to my 20 year old self and offer some advice. Not sure where it is all going to go, but I believe some of you may be able to relate, so here we go.

Dear John.... (this is not sounding good already)

It's me, or rather it's you, 35 years later. We need to talk. I have heard it said that if you do the easy things today life will be harder tomorrow. However, if you do the hard things today, life will be easier tomorrow. Pull up your boot straps boy because things are about to get a little dicey. I'm going to offer you a little advice based on our 35 years' worth of experience. Listen up, you'll thank me later.

First, you will be turning 21 next year. Some of your buddies are going to take you out and try to convince you that drinking 10 White Russians, several shots of whiskey and countless draft beers is a good idea. Not so. Yes, you will survive but spending the next 3 nights sleeping on the bathroom floor next to the toilet was not a good experience. Don't believe these so-called friends. They're not real friends, I haven't seen any of them in years.

Secondly, and this is very important and difficult to do, "save your money". Yes, you may want to spend every dime on things you think you need but consider this. Here we sit 35 years later with an empty bank account and none of the "stuff" you so desperately think you needed to spend your money on all these years. I know what you make and if you just put away 10% of your earnings from the age of 20 to 55 you would have in your savings a grand total of \$123,032. Yes, this number is accurate, I checked our Social Security Records. You made on average \$35,152 dollars a year for 35 years. Putting 10% of this amount per year away gives you a yearly savings of \$3,515. At 52 weeks a year, this adds up to only \$68 per week. You spent more than this on one night of White Russians.

Now let's have some real fun. Let's talk compound interest. I know there are a lot of variations to consider but according to one retirement calculator, our \$123,032 dollars could turn into over \$904,836 over 35 years if invested wisely. Are you starting to get the picture? Sure beats our current savings of \$5.00.

Now let's talk marriage. Why get married so young. It puts a strain on the entire relationship. (And you wonder why your marriage ended after 24 years) Get yourself in order first. Buy a house before you get married

and for God sakes, pay cash for it. Don't tell me it can't be done and don't listen to those who have fallen for the same trap. Consider this, you buy a house for \$100,000 with a 30-year mortgage at 5% interest, this means you will pay a grand total of \$193,256 for a \$100,000 house. I don't care if it is worth more in the future, what you paid in interest isn't going to make up the difference. The only ones making money are the investors. Quit feeding them. Think of what that extra interest of \$93,256 dollars could grow into in your retirement account. I have heard it said that interest is the extra that you are willing to pay for what you cannot afford today. If you would just save 20% of your income a year at \$7030 a year (or \$136 a week) you could own that \$100,000 house in a little over 14 years instead of paying on it for 30 years. Wait till then for marriage, what's the hurry? I know it's a little overwhelming, but it takes discipline. Remember, you will thank me later.

Having kids. Ok don't ya think 4 was a little much? You need to make a trip to the drug store; they do make preventative measures that will help with this. Not that we don't love all four, but really! They're expensive and you will end up having to work two jobs to support them. (Once again, you wonder why the marriage ended..... really!) One, maybe two is enough. Spend your time raising them, not supporting them. Be the dad that your dad was. (Sorry gotta pause here and wipe some tears, that just came out unexpectedly, lost my dad in 2007)

Lastly, some day you are going to work for a company called New York Rural Water Association and you are going to have to write articles for a magazine called Aquafacts. Go ahead and laugh now you little Neanderthal, I know that you can barely spell your name now, but it's going to happen. You're also going to learn in your travels that the people you meet and work with also have the same problems as you. They may come in different packages, but none the less, we all have our battles. Listen to them, encourage them, be understanding for you too are one of them.

I could go on but think I will quit here. You get the picture. My hope is that some of you younger readers will take this to heart. I learned at the retirement class that 1 out of every 3 people do not have any retirement plans. I believe this, look around and you will see them everywhere. Grey haired people standing at the door saying, "Welcome to Walmart, can I help you find something?" Or maybe you see them saying, "Would you like fries with that order?" Not a very good retirement plan. They should be spending their last years with their grandkids instead of business as usual. At this age work should be an option not a necessity.

In closing, I hope that your retirement years are full of days in which you can do what you want, when you want to do it, where you want to do it and how. Days in which the freedom of youth returns and escorts you into eternity.

