



"From Where I Sit..."

The Early Bird ...

As a child, my mother often woke my sister and me with the words, "Get up, the early bird catches the worm." That proverb was meant to encourage us to get up and get started because those who are active and alert in the early morning were more apt to find success that day. Admittedly, as I often turned over for a few more minutes of sleep, my more successful sister never did. This ageless proverb applies to many facets of life, particularly when it comes to investing for retirement. We would all do well to start early. The success of investing is not necessarily tied to the amount of cash you put into investing but rather to dedication, sound decisions, and taking advantage of starting early.

What are the advantages of starting early? Starting early helps you to meet short and long-term goals, gives you time to plan your overall strategies, allows you to react to fluctuating markets, to changing political climates, and to **take advantage of compounding**.



The compounding principle grows investment at an exponential rate, giving you unbelievable returns at the end of a long-term investment period. The compounding principle is based on several factors, including the investment rate, interest, tax rate, and of course duration (time). For example, if you invested \$10,000 when you were 20, and never made another investment, but left that initial investment to compound at an annual rate of 7% until you reached the age of 73, your investment will have grown to \$360,861. Starting that same investment at age 35 under the same conditions will give you \$130,792, which is \$230,069 less. We know, while compounding can make a significant impact over many years, there may be periods where when your money will not grow, but you get the picture. The earlier you start, the greater your potential for success.

I am grateful that the CME Church understood the strategy of the "early bird" and organized, in 1918, what would eventually be called the General Board of Personnel Services. Today, for our clergy and lay employees of the church in the CME Retirement Plan who are receiving a W-2, we also offer The CME 403(b) Plan. Both plans are an excellent way to achieve your long-term retirement goals, especially when you start early. I encourage you to visit the departments website at www.gbpsonline.org and find out more about what we offer. On the site you will find educational articles on the subjects of retirement and benefits, written by our General Secretary, Dr. Davis, along with other resources to help you and the church get started strategizing about our future.

Starting early is key to succeeding as an investor because indeed, the early bird does catch the worm. Or at least that's the way I see it ...

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(Copies of earlier articles may be found on the
Personnel Services Webpage of the CME Website at www.thecmechurch.org)