

The path to wealth is paved by time-tested principles that have been used by every successful investor from ancient times to today. All that is required is discipline and some invaluable knowledge to succeed.

# DO YOU HAVE A GOLDEN PLAN TO GROW YOUR MONEY?

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### COMMANDMENTS OF INVESTING\*



1. Set clear goals.
2. Put your financial house in order.
3. Question authority.
4. Don't be a follower.
5. Be humble.
6. Be patient.
7. Show moderation.
8. Don't ogle your investment.
9. Don't court or spurn risk.
10. Don't make heroes of mere men.

#### A PART OF ALL YOU EARN IS YOURS TO KEEP.

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Every time you get paid, put aside one-tenth, or more if you can afford it, to go directly into your savings account. Make your money work for you by returning a dividend while your savings expand with each pay period. As the interest compounds, your seed will grow into a tree with time. Adjusting to having slightly less in your checking account will also lead to better financial decision making.

#### MEN OF ACTION ARE FAVORED BY THE FORTUNE OF GOOD LUCK.

The relationship between luck and wealth boils down to opportunity. The well-prepared person will recognize a good opportunity when it comes along, which may appear as luck to the uninformed. Successful investors will take advantage of these opportunities and act quickly. Because people tend to be cautious when it comes to spending money, identifying a good investment immediately and acting quickly separates good investors from the subpar.

#### BETTER A LITTLE CAUTION THAN A GREAT REGRET.

Although part of being a good businessperson is the ability to take advantage of good investments, he or she must also be able to identify poor or risky opportunities. Never invest money in a venture that is unprofessional, disorganized or unmotivated. Opt for steady and safe returns and avoid overly ambitious or "get-rich-quick" schemes. You should only invest when you can pull your money out and never risk your principal.

#### WE CANNOT AFFORD TO BE WITHOUT ADEQUATE PROTECTION.

Just as castles with strong walls were built to protect the people inside, so too, have banks and financial institutions been designed to keep your money safe. Dependable and constant investment opportunities such as savings accounts and IRAs will keep your money securely in place as it grows with time and compound interest. Resist the urge to withdraw sums to reallocate to an uncertain venture.

#### WHERE THE DETERMINATION IS, THE WAY CAN BE FOUND.

Focus, confidence and a will to act will forge a way for anyone determined enough to believe in the principles of success. Once a resolute person has fixed his or her mind on an outcome, he or she will have the strength and perseverance to achieve that goal. Conversely, without determination, discipline and a clear objective, one will never be expected to produce a regenerating income.



#### The Steady Growth of Compound Interest



Compound interest is interest based not only on the original principal, but also on any unpaid interest that has been added to the principal. The more frequently interest is compounded, the faster the balance grows.

\*These principles are from The Richest Man in Babylon by George S. Clason.



# INTEREST EARNING RETURNS

Here are the numbers if you were to continually set aside 10% of your paycheck each pay period to put into a savings account with an interest rate of 5%:



Monthly Salary	Savings Contributions (10 %)	Total Interest Earned			
		1-year	5-year	10-year	20-year
\$3,000	\$300	\$83.13	\$2,407.07	\$10,609.82	\$51,453.76
\$6,500	\$650	\$181.63	\$5,215.23	\$22,987.95	\$111,483.14
\$10,000	\$1,000	\$279.43	\$8,023.58	\$35,366.07	\$171,512.52

To find out your own interest returns based on monthly contribution, interest rate and length of term, use [www.banksite.com/calc/savings](http://www.banksite.com/calc/savings), as a reference.

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## DIVERSIFY—YOU COULD DOUBLE YOUR SAVINGS!

Here are the numbers if you were to set aside 5% of your paycheck to put into a savings account at 5% interest and put another 5% of your paycheck into an S&P Index 500 fund at a 10.3% rate of return (the 30-year average for 1976–2006):

Monthly Salary	Savings Contributions (10 %)	Total Interest Earned			
		1-year	5-year	10-year	20-year
\$3,000	\$300	\$129.74	\$3,924.95	\$18,642.28	\$108,829.36
\$6,500	\$650	\$281.10	\$8,504.05	\$40,391.61	\$235,796.53
\$10,000	\$1,000	\$432.47	\$13,083.16	\$62,140.95	\$362,764.53

To find out your own interest returns based on monthly contribution, interest rate and length of term use [www.banksite.com/calc/savings](http://www.banksite.com/calc/savings), as a reference.

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### Online Resources:

[www.lipperweb.com](http://www.lipperweb.com)

The Lipper is the top resource for free and unbiased fund news, research, statistical analysis and ratings.

[www.money-rates.com](http://www.money-rates.com)

Features an extensive list of the latest competitive interest rates, including online banks, CD savings accounts and money markets.

[www.finance.yahoo.com/funds](http://www.finance.yahoo.com/funds)

Resources include a mutual fund prospectus download center to find official pamphlets for any U.S. fund.

