



## A Money Plan For The Youngsters

How we wish we were young again, but these wishes are not always for the same reasons. Some yearn for the health and beauty of youth, others to set right wrongs of the past and I, I wish I have made use of the time value of money.

Albert Einstein described the magical power of compounding as the eighth wonder of the world. If you start saving money at a young age, the compound effect on your savings will put you light years ahead of those who have not started at the same time.

Young people have all sorts of problems these days to find work, even when they are well qualified. When I try to motivate them into saving money, their first reply is, first tell us where to find it. This of course is easier said than done. Until recently I heard the most novel idea that I have come across in years from a West Coast entrepreneur.

The entrepreneur was having a chat to the son of friends of his, asking the young man what he was going to do now that he has finished school. The young man replied that the only thing he was interested in was surfing and lying on the beach but that it was not very lucrative.

Our entrepreneur then came up with his plan of all plans. Young man he said, there is no reason why you cannot do it for the rest of your life and still retire richer than most of your peers. But there is a little hurdle of two years to overcome.

This hurdle is to do what all young South Africans do lately and that is to go and work for two years in London or other parts of the United Kingdom. But he said, ask your parents to fill a container with bully beef and baked beans and send it over to the UK for you. The idea is that this will be your food for the next two years while you will work morning, noon and night holding down more than one job at a time.

But the goal of it all is to save as much cash as possible and to spend less than possible. When you return to the golden South African beaches with its beautiful waves after two years take the odd half a million rand that you have saved and put it in the bank or a fixed investment at a fixed rate till you are sixty years old and ready to retire from your surfing career.

In the meantime, while your cash is earning compound interest for the next forty years, you surf at your leisure and work just hard enough not to shame any beach bum, but to earn just enough for a beer, a meal and a roof over your head.

By the time you retire your money will have earned more compound interest than what a retired beach bum will be able to outlive.

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