

What's the big secret to getting rich? Save!

OK folks, here, in all it's flabbergasting simplicity, is the secret to becoming wealthy. The fundamental building block to personal prosperity is learning to live below your means. In other words, SAVING! That's it! That's the big secret to becoming prosperous.

Granted, there's the question of what to do with the money once you have it saved; but if you can't adjust your living expenses so that you create and maintain a regular saving plan, there's no need discussing the rest. Living below your means can apply to all income levels. Look at it this way: unless you know you're going to die within weeks (and who ever really does), you should be planning for your future. Part of that planning might as well be setting aside at least 10 percent of your total income to create wealth. This method takes time (years) so you must be patient; but, given enough time, it's a sure thing to make you wealthy. Hopefully, the sensationalist-sounding start to this page hasn't scared off those of you that (like myself) are skeptical of such stuff. The above two paragraphs are true, don't get me wrong; but there are definitely other benefits to living below your means. They all come under the heading: gaining financial control of your life. In our day-to-day lives, there are no true guarantees; so, if you hold life dear, anything you can do to improve your chances for a better life should be considered.

Saving: Some specific examples

As hinted at above, once you are living below your means and building up a savings; there's the question of what to do with the money to create wealth. Below is a table containing three possible accounts to put that savings into. You will notice that each account has a percent annual return associated with it. The returns are averages of what you may expect to get in today's marketplace. The figure for Stock Mutual Funds (10%) is a figure that has proven to hold over the last 60 years or so (averaged); though there are no guarantees this will always be the case. Still, for most people, a good stock (equity) mutual fund is

the money is being spent. Guidelines on setting up or improving a budget can be found on my Budget Basics page.

- Keep Track of Spending - write down in a small notebook or pad every time you spend money and what you spend it on. Review the list weekly, did you really need to buy the things you did?

- Begin 401(k) or IRA account - a 401(k) plan, if available to you, is highly recommended. An IRA, as your best second choice, should also be looked into.

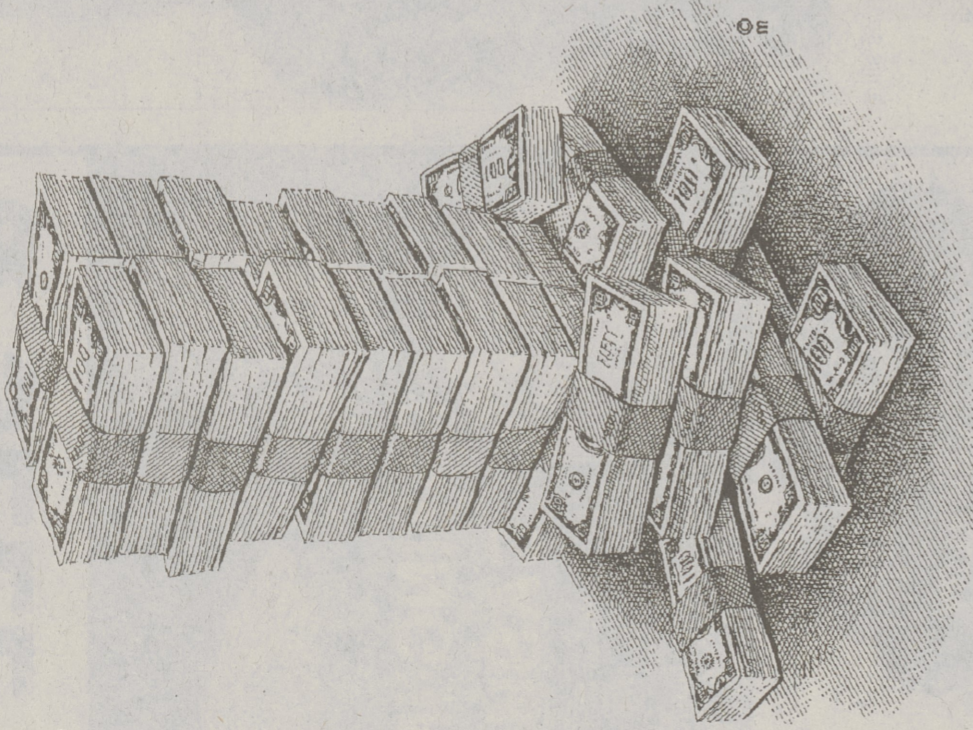
Frugality
A closely related subject to saving, frugality, is gaining in popularity; it can be considered the conservation of one's finances. There are many good books and newsletters dealing with this subject. To access some related files for download, visit my Books & Files page. A Web site with a good selection on the subject is: The

Frugal Corner - check it out.

Special Note: if you have serious money problems requiring debt restructuring, bill consolidation or counseling to help change your bad spending habits to good; either of the below two organizations are possibilities for help. Primarily, though, you will be better off working through your own debt problems - many have done so. The benefits are invaluable and usually not learned by those that have someone do it for them.

- Consumer Credit Counseling Services: a nonprofit nation wide organization. You will probably find their closest location in your phone book, or call them at 1-800-493-2222.
- Debt Counselors of America: an online organization, also nonprofit, with much to offer.

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usually the best vehicle for wealth accumulation.

If you can afford more than \$100 per month in savings, a fairly good estimate of the future account balance can be found by using the above table. Using \$100 per month as the base, divide that into the amount you can afford, the result should be a number larger than one. Take that number and multiply it by the figure in the box that corresponds to the type account and length of time you want. As an example, say you can afford \$300 per month in savings. Dividing \$100 into \$300 gives you 3.0. Now, say you want to invest it in a Stock Mutual Fund for 25 years; the figure corresponding with this choice in the above table is: \$132,683. Take this amount and multiply it by the 3.0 (in this case); the result is: \$398,049. Not bad, especially when you realize that your contributions (\$300 per month) only add up to \$90,000 after 25 years! All the rest is earnings or growth or gray or whatever the heck you want to call it.

Some suggestions to help you discover where, exactly, all start or continue your savings plan listed below are a few items that may help you make a savings plan a reality. In other words, free up money for contribution to your savings in order to create wealth. Should you have any additional suggestions for this list, I'd appreciate an e-mail message sent to the address displayed at the bottom of this page.

- Credit Cards - pay off any accumulated balance every month. At about 18% interest, the credit companies are making from us almost twice what we can ever realistically hope to gain from the Stock Market.
- You will never get ahead this way, if you are carrying a hefty balance on any credit card accounts, make it top priority to get these paid off before worrying about any savings plan.
- Automatic Payments - a great way to have money transferred to investment (or savings) accounts on a regular monthly basis. Using this technique, you won't have to remember to contribute to your savings plan every month.
- Create a Budget - to help you discover where, exactly, all

\$100 per month invested for listed lengths of time in each of 3 accounts

Account and annual return	5 years	10 years	15 years	20 years	25 years
Bank Account @ 1.5%	\$6,226	\$12,938	\$20,171	\$27,968	\$36,372
Money Market Fund @ 5.0%	\$6,800	\$15,528	\$26,728	\$41,103	\$59,550
Stock Mutual Fund @ 10.0%	\$7,743	\$20,484	\$41,447	\$75,936	\$132,683

Merrill Lynch Investment Group adds partners, changes name and Opens Tunkhannock Office

The Merrill Lynch BCS Group has changed its name to the Bender, Crisci, Sennett and Hudacek Group, adding Stephen Hudacek of Moosic and MaryBeth Bonczek of Avoca as partners and reflecting the Group's outstanding growth since its inception four years ago.

The five other partners are William Bender of Scranton, Raymond Crisci of West Pittston and Rodney Sennett of Harveys Lake, who formed the Group, and Ronald Yanoski of Eynon and Gary Crisci of Moosic, who became partners in 1997.

Mark Occhipinti of Dunmore and Jeffrey Ghergo of Scranton are associates and have enrolled in a two-year professional development program with Merrill Lynch. Ms. Bonczek recently completed the same program. Mr. Occhipinti joined Merrill Lynch in 1998 after a lengthy career in the medical field. Mr. Ghergo came to Merrill Lynch from Legg Mason in 1998.

Mr. Hudacek, who was most recently a manager at Legg Mason, brings 15 years experience in the financial services industry. Together, the BCSH group offers clients more than 110 years of experience.

Merrill Lynch has recognized each of the three original partners for their outstanding contributions to clients. All are members of the Circle of Excellence, which consists of the top 1% of Merrill Lynch's 14,500 Financial Consultants. In 1995, the three decided to combine their abilities as a Financial Consultant "team", a relatively new concept.

The Group has proven that the crossover of knowledge can benefit clients. BCSH now helps manage more than \$800 million in assets for individuals, corporations and retirement accounts, including 30,401 (k) plans with assets of \$50 million. In particular, the Group serves as investment advisors to a number of large public and private pension plans with combined assets of more than \$200 million dollars.

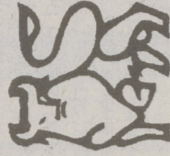
Preparing a road map for the future

BSCH uses a financial planning pro-



From left, seated: Ronald Yanoski, Stephen Hudacek, William Bender, Raymond Crisci, Rodney Sennett, Gary Crisci. Standing: Jeffrey Ghergo, Kathleen Oravitz, Sherry Sambora, Jeanne Dixon, Christine Forneck, Mary Beth Bonczek, Kathleen Buck, Kimberlee Stucker, Mark Occhipinti.

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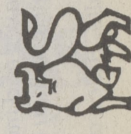


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