

# WHY DISCIPLINED SAVING IS SO IMPORTANT TO REACHING YOUR RETIREMENT GOALS



A 24 year old blogger named Zach created a simple chart that showed how quickly you could retire if you were able to save larger and larger chunks of your income. It assumes a 5% return on your savings and a 4% draw on your assets at retirement.<sup>1</sup>

Things you'd probably learn in Finance 101.

But what's made this chart so widely shared and discussed is that it shows that if you can save half of your take home pay, you can retire in 16.6 years--regardless of your income.

While many people have commented that they find the chart motivating (few think they can take the extreme, 50% track), it's also angered some. They seem to resent the idea that it's possible to spend significantly less than you make unless you are wealthy.

With budgeting and personal finance management no longer taught in schools, frugality, which used to be considered responsible behavior, has become a countercultural lifestyle choice.

No wonder noted author and financial radio host Dave Ramsey says that spending less than you make is "living like no one else." So even if the idea of saving 50% of what you make seems impossible, it doesn't mean having an aggressive saving strategy that aims to save as much as feasible won't reward your efforts. Especially since you know a savings rate closer to 0% most assuredly will deliver results you won't want to experience.

## **Saving And Opportunity Cost**

There's a popular myth that says if you could only get your hands on a few million dollars, you'd never have to think about money again. Sadly, exactly the opposite is true. Lottery winners are far more likely than the average person to go bankrupt.<sup>2</sup>

No matter what your income level, saving is an important discipline to learn because it teaches you to control your spending. Applying discipline to your saving and spending fits squarely into our consistent refrain that prudent investing is all about controlling the controllables.

The flip side of that is what's known as "opportunity cost." It means simply that the money you

spend is money you can't invest. For example, if you buy a new bass boat instead of saving for retirement, not only is your \$25,000 "investment" rapidly depreciating in your driveway, but that's \$25,000 that doesn't have the opportunity to be growing and compounding over time through potential wealth-building power found in global capital markets.

Because of this diverging contrast, twenty years from now that bass boat might have actually cost you more like \$75,000.

### **Why It's Essential To Have A Plan**

The reason lottery winners typically blow through their money so quickly is that they spend it based on their whims rather than according to a plan. Acquiring their new-found wealth didn't require a structured, disciplined process. Preserving wealth requires habits that are completely foreign to most.

The first step in saving—no matter how much you make—is having a budget and sticking to it. The next step is having a plan for the money you've been able to set aside. You need to consider it already "spent" so that you're not tempted to direct it elsewhere. This is where we are your biggest ally. We can help you sort through your finances to make sure you're saving all you can, set up a plan for where your savings should be directed, and (most important) hold you accountable to stay on track.

Having clarity about why and how you're progressing toward your goals is key to staying committed to them. You'll live with greater confidence today knowing your finances are in control, and in the future when you ultimately reach your retirement goals.

Have a great weekend!

Source: Efficient Advisors

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## Golf Tip of the Week



### How to Completely Overhaul Your Putt

The putter, the smallest of clubs, is only used on the green after you've been able to get the ball near the hole. But those seemingly short, simple shots with the simple putter are often the cause of the greatest golfing grief.

How can you overhaul your putting skills to make your time on the green more productive and satisfying?

Here are 4 tips for creating a deeper relationship with your putter and a more enduring experience on the short grass:

1. **Fire your putter.** If you and your putter frequently have rather cantankerous exchanges, try tossing the old stick. Check out the alternatives: a center shaft, a mallet, or a heel-shafted putter. Go to a shop and get measured for a better fit. The union of you and your old putter is not till death do us part.
2. **Seek putter counseling.** Maybe, just maybe, it's not your putter that's the problem. You think maybe it's you? Go see a pro to analyze the mechanics of your putting. Are you doing something fundamentally wrong? Your shoulders provide the putter punch, not your hand or wrist action. Try using your sand wedge to reinforce your putting skills.
3. **Get a grip, dude.** Did you ever think it could be your grip? Try holding your putter differently. How about flipping the locations of your right and left hands? Sometimes just changing your grip rewires your brain, and leads to more sinking balls.
4. **Turn off the left brain.** We're talking art, man. Many golfers fall into the trap of overanalyzing their putts, trying to incorporate principles of geometry, calculus, physics, meteorology, even astronomy. All that science sometimes makes for some very sad putts. Putt like a kid. Don't give it any thought. Be outrageous. Carefree. You may even skip if you feel so inclined.

Tip adapted from Golf Digest<sup>i</sup>

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## Recipe of the Week



### Pork Ragu Rigatoni

Serves 6

#### Ingredients:

1 batch classic pasta dough  
Kosher salt  
Pepper  
2 tablespoons olive oil  
1 large clove garlic, finely chopped  
1½ pounds ground pork  
1 (6-ounce) can tomato paste  
1 cup dry white wine  
½ cup flat-leaf parsley, roughly chopped  
Shaved ricotta salata, for serving

#### Directions:

1. Use a rigatoni dial from a pasta press as directed to prepare pasta dough and tubular shapes.
2. Boil water in a large pot. Add 1 tablespoon of salt.
3. At the same time, heat oil and garlic on medium heat for 30 seconds in a large skillet.
4. Add pork into the skillet. Season with ¼ teaspoon each of salt and pepper.
5. Cook while breaking up pork into pieces until it is no longer pink, 5-6 minutes.
6. Mix in tomato paste and stir, 2 minutes.
7. Add wine. Simmer until the smell of wine disappears, 5 minutes.
8. Add parsley.
9. As pork continues to cook, cook pasta until it is firm, 4-6 minutes.
10. Drain pasta. Toss together with ragu. Top with ricotta salata if desired.

Recipe adapted from Good Housekeeping<sup>ii</sup>

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## Health Tip of the Week



### Strengthen Weak or Injured Knees

Taking a knee is more than a political statement. Strong, functional knees make walking, running, and moving around easier. You can incorporate knee-strengthening exercises into your routine. If your doctor gives you the green light, here are 6 exercises to help put the hop and the skip back in your step:

1. **Warm Up:** Ride a stationary bike, take a walk, or do some wall push-ups.
2. **Straight Leg Raises:** Lie on your back on the floor. Bend one leg and raise the other leg to the height of the raised knee. Do 3 sets of 10-15 repetitions.
3. **Hamstring Curls:** Lie on your stomach. Raise your heels slowly as close to your butt as possible. Do 3 sets of 10-15 repetitions.
4. **Prone Leg Raises:** Lie on your stomach. Keep your legs straight. Lift one leg upward. Hold 3-5 seconds. Do 10-15 repetitions. Then do the other leg.
5. **Wall Squats:** Keep your feet on the floor, shoulder length apart. Lean your back against the wall. Bend your knees slowly while keeping your back and pelvis against the wall. Hold for 5-10 seconds. Try to hold the seat position a few seconds longer each time. Repeat.
6. **Calf Raises:** While standing, face the back of a chair or other sturdy support. Slowly raise your heels. You can also do this with your heels hanging off a step or a raised platform. Do 3 sets of 10-15 repetitions.

Exercise should never cause you pain. But sore muscles after a good workout is a good sign.

Material adapted from WebMD<sup>iii</sup>

**Our mailing address is:**

Ballentine Capital Advisors  
23 Buena Vista Way, Suite B  
Greenville, SC 29615

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Sources:

**Sources:**

1. <http://go.efficientadvisors.com/e/91522/financial-chart-ive-ever-seen-/5cr9q3/407370710>
2. <http://go.efficientadvisors.com/e/91522/rball-jackpot-lottery-winners-/5cr9q5/407370710>

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<sup>i</sup> <https://www.golfdigest.com/story/4-ways-to-reboot-your-putting>

<sup>ii</sup> <http://www.goodhousekeeping.com/food-recipes/a47964/pork-ragu-rigatoni-recipe/>

<sup>iii</sup> <https://www.webmd.com/pain-management/knee-pain/injury-knee-pain-16/slideshow-knee-exercises>