

# FINANCIAL MATURITY

From that first job as a teenager to the beginning stages of a career, one of the hallmarks of the transition to adulthood is getting a handle on just what to do with new or increased income. Even if one has already made the leap from “dude” to “dad” and is well on their way up the corporate ladder, it never hurts to reassess every so often and make sure the fundamentals are in place.

“It takes discipline as a young person to think about not living in the moment and instead put money away for a specific goal,” said Bobby Brown, president of Brown Comstock Private Wealth Advisors in Hot Springs. “Learning to pay yourself first is a lesson that will serve you well later in life.”

The power of compounding interest cannot be overstated, meaning that the sooner one can start saving up for big life moments such as retirement, the better off one will be when they arrive. To stay encouraged to make sacrifices today — for example, putting money into a Roth IRA — Brown encouraged visualization. Keeping the “why” saving front of mind will help the saver keep on track and consistent with their investments.

Speaking of — what should the up-and-coming gentleman know about the rollercoaster that is the wide world of investing? The most important consideration, Brown said, boils down to risk versus reward.

“Sure, everyone wants to invest wisely and make good returns, but what is an acceptable amount of return for the risk that they are taking on?” he said. “Can they afford that risk if it doesn’t work out? They may want to invest a very small amount and want it to double overnight, but if the potential risk is that the investment goes to zero, they need to understand that.”

Very few investors really understand the complex nature of investing, Brown said. That makes it essential to tap the experts for guidance. A professional financial advisor can walk a person through creating plans that are tailored to your specific lifestyle and goals, which includes an acceptable amount of risk. That leaves plenty of space to grow wealth without causing a catastrophe every time the market does not perform well.

While interest can be exciting when it is adding value to assets, it can also work against individuals who have large amounts of debt piling up. An ounce of prevention goes a long way here, as summed up

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by Brown’s concise words: “Very simply — do not take on any debt,” he said.

“I do believe that investing in a quality education is very important. Otherwise, doing without until you can afford to pay for something in cash will save you a ton of money in interest expense and let you build wealth that will put you way ahead of other people your age,” he added.

Barring some very fortunate circumstances, financial success is not something that can be achieved quickly or individually. A personal financial advisor is there to help map out the future and point out potential pitfalls. Building up discipline early, while relying on the sage advice of professionals and others who have been around the block a time or two, can prepare one to pass on a financial legacy to their own children when the time comes.

“We want to protect not only our clients, but their heirs and their children’s children. By staying with the plan, we have seen many of our clients put their kids through college, afford a dream home or even a second vacation home,” Brown said. “After having been in this business for over 30 years, one of the biggest rewards for me personally has been to see our clients reach a comfortable retirement with the plans that we put in place all those years ago.”



Bobby Brown

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