



PRINCEVILLE STATE BANK



“Financial News”

I hope everyone is enjoying the warmer weather. A taste of spring is always nice! Did everyone wear their green for St. Patrick's Day?

March is half over and the children are starting the last quarter of the school year. Not sure where the time goes but I guess it is true what my parents always told me about the time flying as we get older. They were right about that and a lot of other things. Another thing I remember them saying quite often (other than, “stop picking on your sister” and “pick up your room”), was “save for a rainy day”. Although we had our share of those rainy days in 2009 and have had our share for 2010 thus far, what they were referring to was save for those times in your life that are unexpected. It's tough and each of us has our different challenges, but rule of thumb has always been to save around 10-20% of each paycheck. That seems impossible at times and it takes some responsibility and dedication, but the rewards can be pretty impressive. Back in the early 80's the National Savings Rate was over 10%. A couple of years ago, it had fallen into negative territory. We have rebounded somewhat which I think is a direct response to the economy and the state it is in.

The power of compounded interest is awesome! The simple definition of Compounded Interest is when interest is added to principal, so from that moment on, the interest that has been added *also* earns interest. There are many products you can look at to begin your savings plan. A regular savings account is always a good place to start but you can choose mutual funds, Individual Retirement Accounts (IRA's), a 401k through your employer and the list goes on and on. Please keep in mind that some of these products may lose value and are not guaranteed to perform. Your age and your 'appetite' for risk should determine how you begin your savings plan. Also keep in mind that changes such as employment, age, family status and your retirement plans will also dictate how aggressive your savings plan should be. For those that have already started their savings plan, it may be time to diversify and do your homework as there are many, many options out there. It doesn't hurt to sit down once a year or even a couple times a year and analyze your spending plan, revise your budget and adjust your savings plan. Remember that just saving a mere \$10 a week can have huge long term benefits.

I encourage you to e-mail me at ablack@p-s-b.com or call me if there is anything you would like more information on or to have highlighted in the weekly column. Thanks for reading and have a great week.....



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