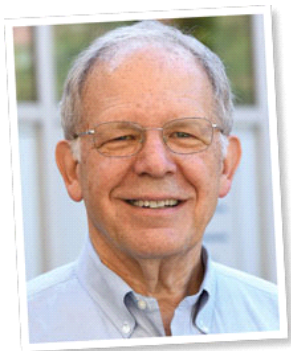


12/1/2023

## Plan for Tomorrow Today

*Bill McCurry*



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After COVID, “inside” plant stores in metro areas are either gaining management proficiency or closing down. Their reach into new markets helps grow our entire industry as they introduce green goods to a more diverse group of city dwellers.

During the pandemic, many of these stores were opened in small spaces by passionate people who believed in their vision. Let’s call one Midwest owner “Jennifer.” She had attended one of my lectures back when Cultivate was called OFA Short Course. She asked if I could sit for a minute and talk.

Jennifer just turned 50 and celebrated by hiring her second full-time employee. Their repeat business and customer buzz were growing. She was rightfully proud.

I asked if, at 50, she had reviewed how much she had in retirement savings outside the business? “Nothing,” she said. Realistically, Jennifer didn’t have a business she could sell to fund her retirement. Instead, she had a job to sell. It would require the buyer to assume the management role—often a significant drawback.

Had Jennifer heard of the concept: “Pay Yourself First”? She had mentioned her lease renewed toward the end of COVID, so the monthly boost was \$500 per month less than she expected.

“What did you do with that \$500?”

“It’s in the business.”

Could she write a \$500 check for each month of the new lease? “No, it’s in inventory or expenses or new fixtures.”

The concept of Pay Yourself First means immediately, every month, the first check out the door goes to your retirement or another account benefiting you. Funds outside the business may be safe for your retirement. Funds inside the business are likely last in line should a worst-case scenario occur.

Without getting into the argument over how to fund Social Security, given life expectancies, it’s apparent to everyone that it can’t continue forever at the current funding. Some described Social Security as a Ponzi scheme because in 1935, when the act was passed, payout was to be at age 65. The life expectancy then was 58 for men and 62 for women. The “average” person would die before getting payouts.

In 2023, the average life expectancies are 73 and 79. Today’s 65-year-olds will likely see continued payments into their 80s, but when will the payouts become bigger than income? When computing what Social Security will mean to your retirement, estimate what the income taxes might be. An original premise was the taxpayer shouldn’t pay tax

on their own Social Security investment. As with many tax laws, the original intention was discarded as budgetary realities took over, so be cautious how you estimate what your personal Social Security benefits might be. You'll need supplemental income for that, thus the point about paying yourself first for eventual retirement.

There's more than money to consider here. Paying yourself first includes mental benefits—that tricky work/life balance. In 2009, Nathan and Lisa Campbell decided to be a “part-time” garden center and grower. They looked at the winter income and determined they were only trading dollars with the staff. Instead, they determined the staff would be eligible for unemployment. They could close down for the winter months with the same year-end profit, a lot fewer headaches and a better work/life balance.

Lisa said, “It was quite the uproar at first, but now our customers are used to it and it really works.”

Other garden centers have followed their lead, either making the “off season” a solid revenue stream or temporarily ceasing operations.

Nathan and Lisa offer a great place to work and have retained most of their full-time seasonal help. The staff appreciates having long stretches of time off. Although initially shocking, it was a significant win-win for their team, their family and their bank balance.

Whether allocating money or time, pay yourself first!

I wish you, your team members, and your family safe and happy holidays! **GP**

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*Bill would love to hear from you with questions, comments or ideas for future columns. Please contact him at [wmccurry@mccurryassoc.com](mailto:wmccurry@mccurryassoc.com) or (609) 731-8389.*