

# Recommit to Wealth

*You can't finish rich if you give up when the race gets tough.*

by DAVID BACH



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## Is it possible to finish rich anymore?

Early in the summer of 2009, I was walking in Manhattan when a woman I didn't know stepped in front of me.

"You're David Bach, aren't you?" she asked.

When I admitted I was, she told me her name was Georgia and that she had read nearly all my books.

I grinned and, as I always do when I meet a reader, I asked her, "Have my books helped you?"

"Yes," she said, "a ton." But then she stopped. "You know, I was doing great. I felt like I was finally on track and was doing everything right. But now it's all falling apart."

"You see, about five years ago, I had nothing and I was looking to get my financial life on track. So I read your books and got going. I started 'paying myself first.' I signed up for my 401(k) plan at work. I saved 10 percent of my income, just like you said, and I set up a college savings account for my daughter. I had nearly \$70,000 in savings, plus six months' worth of expenses set aside in an emergency account. And I had *finally* paid off my credit cards. Even better, I bought a house, then rented it out and bought a second home that I live in today. The thing is," she said, "now it feels like it was all for nothing."

As a result of the stock market slump, Georgia's 401(k) account dropped by more than a third, along with the balance in the 529 plan she had started for her daughter's education. At the same time, her house declined so much in value that it was barely worth what she owed on her mortgage. The guy who was renting her other house lost his job and was way behind on the rent. And she herself had suffered a pay cut,

which forced her to dip into her security account, the balance of which was rapidly dwindling.

Georgia looked up at me and sighed. "Is it even worth it to try and start over?"

Georgia's story hit me at my core. That's because her story, or some variation of it, is shared by millions of Americans.

I assured her that the course she had been on was the right one and to stop saving now would be a huge mistake. I said that real estate values go up and down and back up again. I pointed out that the whole point of *having* an emergency fund is to draw on it in an emergency, so the fact that she was doing that wasn't a bad thing. To the contrary, it meant that her financial plan was working exactly as it was intended. And I suggested that she was way more in control of her future than she realized.

Recessions are gut-shattering, and they take a long time to recover from. But we do recover. *The aftermath of a recession is the ideal environment in which to lay the foundation for a secure, financially independent future.* Both real estate values and stock prices are still way below the peaks they hit in 2006 and 2007. In other words, there are bargains—in some cases, *phenomenal* bargains—to be had. Recessions can be a great time to reset your financial life, your goals and your values.

Yes, you can start over (or get started) and, yes, you can still finish rich, even in this economy. But you can't start over and finish rich if you give up. As I told Georgia, this is not the time to quit. This is the time to get started again. **S**



*David Bach is the author of nine national best-sellers. This column is excerpted from Start Over, Finish Rich: 10 Steps to Get You Back on Track in 2010 and is reprinted by permission of Broadway Books.*