



Financial Advice From Our Founding Fathers

Earlier this month we celebrated our nation's Independence Day, an incredibly significant day in American history. Like many of you, we celebrated loud and proud with our annual sponsorship of the 4th of July Fireworks at Fort Anahuac Park. We enjoy our freedom today, thanks to the wisdom and diligence of our Founding Fathers along with scores of others committed to our liberty. In addition to their courage and vision in establishing our country, what other guidance might we learn from their words and experiences? Let's look at some of their financial quotes to see how well they hold up today.

Staying out of Debt

Thomas Jefferson: *"Never spend your money before you have earned it."* Jefferson's advice is still relevant today. Not living within your means leads to debt and financial insecurity, a lesson Jefferson learned too late in his life.

Tracking Expenses

George Washing was meticulous in keeping track of his money. Did you know that he accepted no salary upon his appointment as Commander-in Chief? Instead, he agreed to be reimbursed his expenses after the war. He proved to be a fastidious record keeper and went down in history as one of the richest men of his times.

Financial Education

John Adams wrote, *"All the perplexities, confusion and distress in America arise not from the defects of the Constitution, not from want of honor or virtue, so much as from downright ignorance of the nature of coin, credit and circulation."*

Compounded Interest

Most of us remember that Benjamin Franklin said, *"A penny saved is a penny earned."* He also spoke to the power of compounding interest: *"Remember that money is of a prolific generating nature. Money can beget money and its offspring can beget more, and so on. Five shillings turned, is six: turned again, 'tis seven and three Pence; and so on 'til it becomes a hundred pound. The more there is of it, the more it produces every turning, so that the profits rise quicker and quicker."*

Budgeting and Planning

John Hancock, in addition to being known for his famous signature, also understood the importance of money management. He inherited a successful mercantile business and through wise budgeting and planning, was able to build even greater wealth. He said, *"I find money some way or other goes very fast. But I think I can reflect it has been spent with satisfaction and to my own honour."*

Living Within Your Means

Thomas Jefferson did not inherit a prosperous business, he inherited family debt and continually lived beyond his means, dying deeper in debt. Sadly, one of his last quotes shows his regret, *"But I know nothing more important to inculcate into the minds of young people than the wisdom, the honor, and the blessed comfort of living within their income, to calculate in good time how much less pain will cost them the plainest stile of living which keeps them out of debt, than after a few years of splendor above their income, to have their property taken away for debt when they have a family growing up to maintain and provide for."*

We might close with another familiar Benjamin Franklin quote, *"In this world nothing can be said to be certain, except death and taxes."* But let me assure you that you are certain to always receive sound financial advice from us here at Anahuac National Bank. We remain committed to the families and businesses of our community, here to help you in any stage of your financial life. Let us know how we may help. We thank you for banking with us.

