



I should have listened to Madam Kate

The lost retirement saving opportunity

By: Thomas Baah Lartey

My name is Thomas Baah Lartey, and I am a native of Odumase Krobo in the Eastern Region of Ghana. I trained as a Teacher and later as a Human Resource Manager.

I received my salary as a trained teacher for the first time somewhere in November 1995. A teacher called Madam Kate Anyamiteye (late), was then working at Agomanya R/C Primary School. I was then her landlord's son.

Madam Kate called me to her living room the same day I told her I had received my first salary as a teacher. She congratulated me and after a few pieces of advice she said to me, and I quote, "my son, try to save an amount of GHC 5.00 cedis [now 50Ghp] each month from your salary."

I said with vigor and full assurance "Maa Kate, I can save more than that." She looked at me and slowly said, "Pray that you can save even GHC 1.00 each month." She then said "never go in for a loan for anything in your working career. Try to save for your needs." I looked at her and assured her I would never go in for a loan.

Events that led to my downfall

As the months went by, I was never able to save even 10Ghp from my salary. I also tried saving at home, but it never worked for me. I stopped the saving at home and could not also save at the bank. I never joined my colleagues to listen to any insurance or investment companies that wished to sell its products to the staff. One thing that kept me away from saving was that I told myself I still had more years to go. I also never had any trust for those companies. I thought I would never get wealthy by saving with them.

The curse of loans

Within the first year of my career, I went against the very advice given to me by Madam Kate and took a loan. That was the beginning of my total down fall. I took loans upon loans and was never ever able to save anything. That is because the money to save for my retirement has all been used to pay the interest on loans.

I now have less than ten years to go on retirement, but have not been able to save one cedi for my happy retirement. I am living in my father's house with my wife and three children, as I don't even own a parcel of land. I always promised myself to start next year. My payslips are full of loans from a number of financial institutions and banks. The worst loan that is hanging on my neck is a GHC 14,000.00 loan I took from a commercial bank in 2014. As at today, I have paid close to GHC 36,000.00 and am still paying – what a wicked bank! Just take GHC 14,000 from over GHC 36,000 and you would see what I could have saved.

Advice for future retirees

The lesson I have learned on my path to retirement has been, and continues to be, an extremely painful one. However, the three tips I would share are:

- 1 Make yourself a priority.** You need to treat saving for your retirement with the same urgency that you apply to other bills.
- 2 Make an investment plan that you can stick to.** You need to create an investment strategy you feel comfortable with through thick and thin.
- 3 Start with what you have.** Don't think that you need to have a lot of money before you can start saving.

Perhaps, the most important thing I would like to say is: **START EARLY.** Planning for retirement MUST start early in one's working life.

