

Lawrence's Net/Max Plan

***Note – This plan is tailored for a Single Individual with no kids**

1. Know your **Net Worth**. Assess Your Issues and Understand Your Numbers.
*Free Financial Apps like MINT, PERSONAL CAPITAL are the best.
2. Develop a **Personal Budget**. Engage in a Discipline and Balanced Lifestyle.
Connect to What Makes You Happy. *Stress Reduction and Planning
3. Save \$1k in a Starter **Emergency Savings Fund** (aka Bank Savings at 0.001% are not Bueno 😊) *Adjust annually – Ally Bank has 2.00% as of 12.2018
4. Find **Healthy Hobbies** and Goals that foster better 1. Mental, 2. Spiritual, 3. Physical, or 4. Social Health. *2-3x Combinations can become side hustles.
5. Focus on paying down **Debts** naturally, and become Solvent.
 - a. Credit Card (CC) debt is the 1st to go. CCs tend to range avg. 17%+ Interest Rate *Pay off 3 months. Don't do the hard inquiries. Request Credit limit Increase and/or Lower variable interest rates.
 - b. Payoff student loans normally. Avg. low interest rate of 6% or less.
*Research repayment programs like the PSLC. Pay up to \$2.5k in student loan interest fee for the Tax Credit. Phases out > \$65k Salary.
6. **Match 401K or 403B investments** rate at work. *Increase the rate until it hurts. You can ultimately save \$19k a year at 5% matching, you are making bank. Lowers your taxes so you get more money back. **Adjust over time**
7. Pay up to \$3.5k annually in a **Health Savings Account (HSA)**. *Lowers taxes per pay period so you get more money back, and while filing. Great for Medical/Dental emergencies in the short/long run. Some offer internal investment opportunities as well. Great in your 20s. Useful in your late 30s.
8. Put up to \$6k in **Traditional IRA** and/or **ROTH** *if you are making over \$70k (**adjust over time**).
 - a. Utilize **Kick/Flip Tax method** of tax avoidance and accelerate retirement investments.
9. Buy a **Condo**. No more than 30% of your take home should go to housing expenses *Buy 2/2 if single and rent the second room (**if possible**).
10. Put 3x Months of Expenses in **High Interest Savings** (**adjust annually**).
11. Invest in **Stocks**. *Diversify the Portfolio, Buy in bulk. Watch out for fees.
12. Save for your **Children's** college education using tax-favored plans. *better yet, buy investment prop near college town. Short/Long term income.
13. Pay off **investment property**. *use excess to pay off original home. Get equity loan on investment property, buy 2nd investment property (All Cash). Make double payments. Repeat. Make tripe payments. Etc. etc.
14. **Pay down Student loans** at an accelerated rate (if need be).
15. **Build Wealth** – write a blog, do vlog, do public speaking.
16. **Enjoy the process**. You will be able travel, see concerts and etc...