



PIVOTAL POINTERS

15 POINTERS FOR BUILDING WEALTH

PERSONAL

- Create a budget and follow it. Entertainment and travel may certainly be a line item, but these expenses will now be planned. No more poor spending habits!
- Work towards saving 15-20% of your gross income annually.
- Do not be too conservative with long-term investments, because this is not money you'll need in the short term. Commit to growing it, but allocate your dollars wisely.
- Aggressively pay down expensive debt.
- If you are the giving type, set a firm dollar amount you will give to family and friends at the beginning of each year with a hard stop. Being a high-income earner is not synonymous with being a bank.
- Set aside time each month to review your accounts and meet with your financial advisor annually for a review.
- Surround yourself with people of similar financial mindset (including your spouse).
- Create an asset protection strategy to dissuade creditors from coming after your wealth.
- Set up an after-tax investment account and have contributions auto drafted.

WORK

- If new to a job, hold off on big ticket purchases. Wait to see if things work out, especially if relocating.
- Put monthly cash surplus from your first few paychecks in the bank to create a cash reserve, with the goal of saving 12 months of fixed living expenses. If you receive a tax refund, use those funds to accelerate this goal.

TAXES

- Hire a tax professional to complete your tax return.
- Maximize your pre-tax retirement savings opportunity (i.e. employer 401k, 403b, 457b).

INSURANCE

- Protect your paycheck by purchasing disability income insurance.
- Purchase life insurance while you are young & healthy and likely not yet able to provide the appropriate sum of assets needed by your loved ones in the event of your death.