**BASIC GUARDRAILS FOR MANAGING YOUR MONEY**

Managing your money is your second job and just takes discipline. It does NOT need to be complex and the earlier you start the better to get compounding on your side. See attached articles.

If married make sure you have Disability Insurance that can replace your income. Hopefully your employer will help some in this area. Next get Life Insurance to protect your family. I suggest mainly Term Insurance for as many years needed to get you to the point where you could live off your own money. I would also suggest a smaller amount of Whole Life Insurance that you can have forever and will help your wife/kids down the road. Having some for both spouses is important because if one dies, you’ll need the money to replace the lost income and for child care.

Next, get 6 months’ worth of cash in a Money Market for emergencies. Eventually as you get older get it to 1-2 years. This will help protect you against life’s uncertainties AND help you sleep at night!

For your 401k and savings use an S&P 500 Index Fund. Less than 10% of money managers beat the S&P 500, so if you put as much as you can into the Vanguard Index 500 Fund till you are about 55 years old you should be in good shape. Great growth and very low investment fees. Then slowly dial into bonds and there are some good Short Term, Intermediate and Long-Term Bond Index funds at Vanguard to choose from. Once you are around 65 years old a 60/40 or 50/50 Stock to Bond ratio should get you to the finish line.

Try to buy a house, townhouse or condo to start building equity and even if you have a great low mortgage rate make one extra payment a year OR have them take the mortgage out on the 1st and the 15th, which will accelerate the pay off. Try to add a $100 to each of these two payments for even more acceleration to debt freedom.

Run this by your accountant or someone you trust in these matters, but the point is start early and get the compounding going!

God/Family/Work/Investing.

Good luck and God Bless!

Dave