

# WANT TO START SAVING BUT DON'T KNOW WHERE TO BEGIN?



## 90%/10% RATIO

Even for those that have secured a well-paying job, 90% is often allocated to living expenses. Find a way to carve out at least 10% for yourself for the future. 90/10 is a great place to start, but you should continually reassess your savings strategy as your income grows.



## EMERGENCY FUND

For those with salaried and secure employment, setting aside 3 months' worth of expenses (mortgage/rent, utilities, etc.) is a good rule of thumb. 6 months of savings is better for those in sales or with transactional pay.



## EMPLOYER-SPONSORED/ SELF-EMPLOYED RETIREMENT PLAN

Whether you have a 401(k) or 403(b), these types of retirement accounts should be your focus after filling your emergency fund. You may not be able to contribute the max amount, but you should at least contribute the amount that gets you a full employer match if one is offered - it's free money! In 2021, the employee 401(k) and 403(b) contribution limit is \$19,500.



## SUPPLEMENTAL RETIREMENT PLAN

For those that have the ability to reach their employer-sponsored retirement plan / self-employed retirement plan contribution limits, a supplemental account such as an IRA or Roth IRA can help you save even more for retirement. In 2021, the IRA and Roth IRA contribution limit is \$6,000.



## OPPORTUNITY FUND

Depending on your life stage, setting aside resources in your opportunity fund might be a greater priority. For instance, are you looking to purchase a home, a car have a wedding, or purchase an engagement ring? It's common for your opportunity fund to take precedence over your other savings "buckets," but once you've reached your goal, don't forget to refocus your savings strategy.

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