

WealthPulse by SmartMoney

The SmartMoney Starter Kit

Everything a financial beginner needs — in plain English.

■ **No jargon. No assumed knowledge. Just the truth.**

If nobody taught you about money — this is for you. Six things that matter most in the first years of your financial life, explained simply and honestly.

1. Emergency Fund — Your First Priority

Before investing or aggressively paying off debt — you need \$1,000 in a savings account you do not touch except for true emergencies.

- An emergency fund is insurance, not an investment.
- Real emergency: car repair, medical bill, job loss. Not an emergency: concert, sale, vacation.
- Start with \$1,000. Then build to 3-6 months of expenses over time.
- Use a High-Yield Savings Account (Ally, Marcus, SoFi) earning 4-5% — not 0.01%.

2. The Budget — Foundation of Everything

A budget is not restriction. It's giving your money a purpose before it disappears.

- 50/30/20 Rule: 50% Needs | 30% Wants | 20% Savings + Debt
- Zero-based budget: every dollar gets a job. Income minus expenses = \$0.
- Needs: rent, utilities, groceries, insurance, minimum debt payments.
- Use the free WealthPulse budget spreadsheet — all math is built in.

3. The 401(k) — Start Here for Retirement

If your employer offers a 401(k) match, getting that full match is the single highest-return investment available to you.

- Employer match example: 50% match up to 6%. On \$50K salary, contribute \$3,000 — get \$1,500 free.
- In 2024: Contribute up to \$23,000/year (\$30,500 if age 50+).
- At minimum: contribute enough to capture the full employer match. Never leave it on the table.
- Simple starting investment: a target-date fund matching your expected retirement year.

4. Roth IRA — Tax-Free Retirement

After the 401(k) match, the Roth IRA is the best retirement account for most people.

- Your investments grow completely tax-free — pay taxes now, never again in retirement.

- 2024 contribution limit: \$7,000/year (\$8,000 if age 50+).
- Income limits: Singles under \$161K, couples under \$240K can contribute fully.
- Open at Fidelity, Vanguard, or Charles Schwab — all free. Invest in an S&P; 500 index fund.

5. Debt — What to Kill First

Not all debt is equal. Attack in the right order to save the most money.

- Bad debt (7%+): Credit cards, payday loans. Attack aggressively — guaranteed 20%+ return.
- Moderate debt (4-7%): Car loans, some student loans. Pay normally + a bit extra.
- Low debt (under 4%): Federal student loans, some mortgages. Pay minimums, prioritize investing.
- Avalanche: Pay extra to highest rate first (saves most \$). Snowball: smallest balance first (more motivating).

6. Credit Score — Why It Matters

Your credit score affects your mortgage rate, car loan rate, apartment application, and sometimes jobs.

- Check free: Credit Karma, AnnualCreditReport.com.
- Score ranges: 800+ Excellent | 740+ Very Good | 670+ Good | Below 670 Fair/Poor
- Payment history = 35% of score. Never miss a payment. Set up autopay.
- Utilization = 30% of score. Keep balances under 30% of your credit limit. Under 10% is ideal.

The SmartMoney Priority Order

Follow this sequence — it's the mathematically optimal order for building wealth from scratch.

1	Build \$1,000 emergency fund Stops financial emergencies from becoming debt.
2	Get full 401(k) employer match Instant 50-100% return. Never skip this.
3	Pay off high-interest debt (7%+) Guaranteed 20%+ return by eliminating credit card interest.
4	Build emergency fund to 3-6 months True financial security. Protects everything you build.
5	Max your Roth IRA (\$7,000/year) Tax-free growth. Open at Fidelity, Vanguard, or Schwab.
6	Max your 401(k) (\$23,000/year) Tax-deferred growth. Keep increasing contributions annually.
7	Invest in a taxable brokerage Extra money beyond the above: S&P; 500 index funds, long-term.

Disclaimer: General financial education only. Not financial advice. Consult a licensed advisor for your situation.