



ASPIRIANT

# Aspiriant's Simple Savings Checklist

Congratulations! You're on a clear road to professional success. Now, get started saving for your life goals today using this simple checklist.

## Emergency Fund

- Key points
  - Money set aside to cover three to six months of expenses when the unexpected occurs, like a job loss
  - Best to keep in cash or cash-like equivalents, so the funds are not at risk and can be accessed quickly
  - Revisit your emergency fund from time to time to ensure it is sufficient based on current spending

## Big-Ticket Savings Fund

- Key points
  - Funds earmarked for predictable, nonrecurring, large expenses expected to take place within the next few years
  - Best to keep in cash or stable investments that are unlikely to lose material value if investment markets drop

## Retirement Savings

- Key points: 401(k)s
  - An employer-sponsored defined contribution retirement plan with contribution amounts chosen by employees, up to a certain amount, and made via their paychecks
  - Can be funded with pre-tax income or after-tax income, in the case of a Roth 401(k)
  - If employer matching is available, try to contribute as much as necessary to get the full employer match
  - Investment options are limited, but there's often a selection of diversified investments, including target-date funds
- Key points: IRAs
  - A retirement account, allowing for individuals with earned income to make retirement plan contributions outside of employer-sponsored plans
  - Can be funded with pre-tax income (traditional IRA) or after-tax income (Roth IRA)
  - Depending on income, you may be eligible to contribute to an employer-sponsored plan and an IRA in the same year
  - Investment options are not as limited as employer-sponsored plans, with most of the investable universe eligible to be held in IRAs

## ☐ Long-term Taxable Investments

- Key points
  - A non-retirement account where you can invest in individual securities and investment funds
  - A good next step for savings after your Emergency Fund is properly funded and annual retirement plan contributions have been maxed out
  - Best to invest in diversified, low-cost mutual funds or exchange traded funds (ETFs), that are meant to provide capital appreciation over the long term

## ☐ Employer equity compensation (if applicable)

- Key points
  - Comes in many forms (stock options, restricted stock, etc.) and allows for employees to obtain ownership in their company and (hopefully) participate financially in the company's future successes
  - Strategies around the acquisition of company shares can be complicated and costly — speak with a financial advisor before acting on any equity awards

## ☐ Automated Savings

- Help your future-self save by setting up automatic withdrawals from your checking account or paycheck into your emergency fund, big-ticket savings or taxable investment accounts.