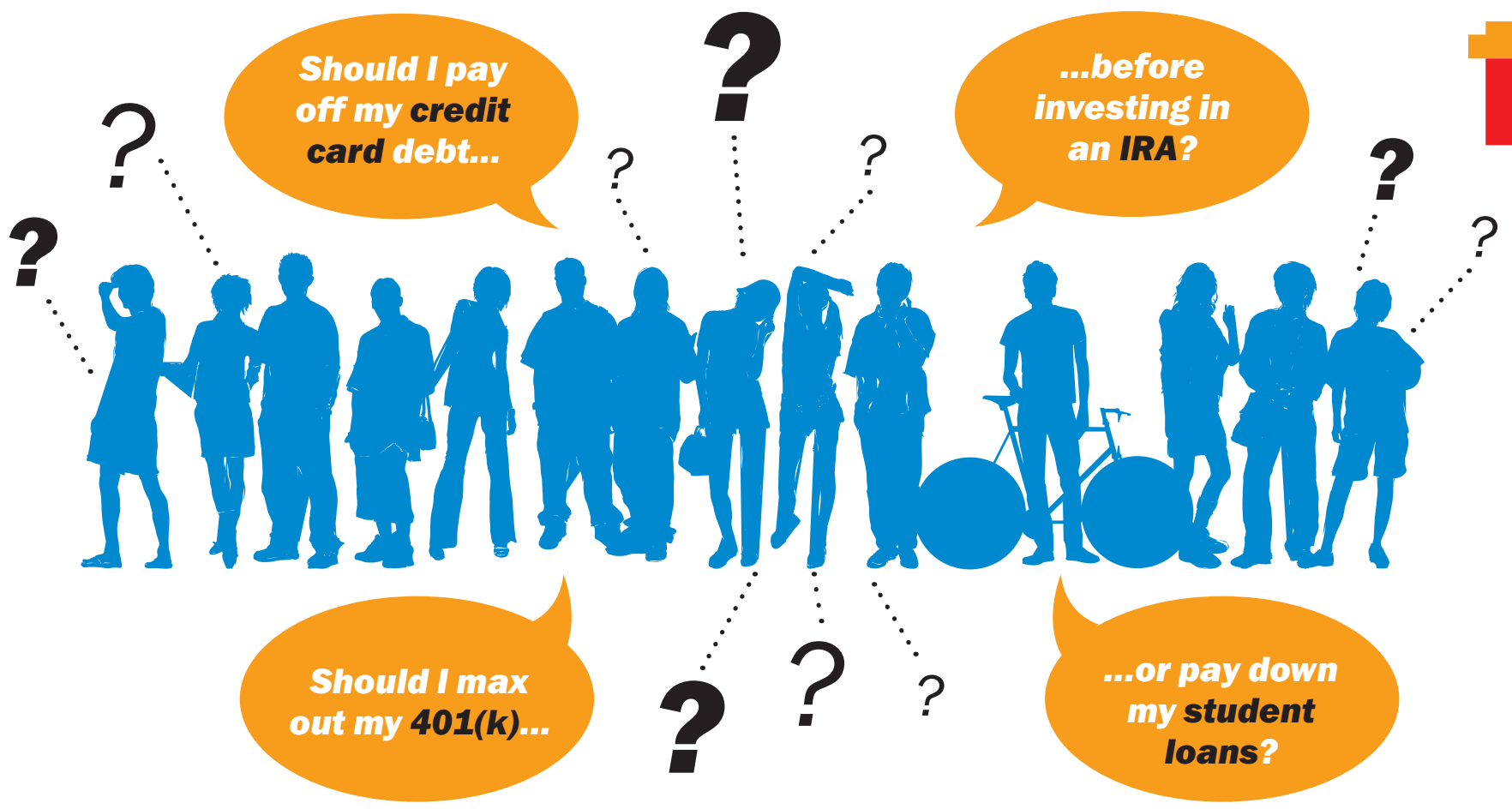
MONEY PRIORITIES FOR MILLENNIALS



Your money is a limited resource. After siphoning off living expenses, how do you use the rest of your cash flow most effectively? I created this financial priorities pipeline to help. Take turns funneling your funds to pay off debt and save: Start with your highest-interest loans and the highest-yield investments, and work your way down until you've drained all your debt and maxed out savings.

1 MAX OUT THE MATCH

Contribute as much as your employer will match in a 401(k). This can be up to 6% of your pay. If your employer contributes 50¢ for every $1 you put in, that's a 50% return.

2 TACKLE HIGH-RATE DEBT

Put any available savings toward paying off your highest-rate debt like credit cards or private student loans, then move on to the next highest. (Be sure to make on-time payments of at least the minimum on all your debts.)

3 REV UP RETIREMENT

Boost your annual 401(k) contribution beyond the employer match and possibly up to the maximum. Start a Roth IRA and make the full annual contribution. If you freelance, open a SEP-IRA.

4 ATTACK LOW-RATE DEBT

Accelerate payment of federal student loans, car loans, mortgages—anything with rates in the low single digits. If your federal student loans are on a reduced payment plan, put them back on the standard 10-year plan.

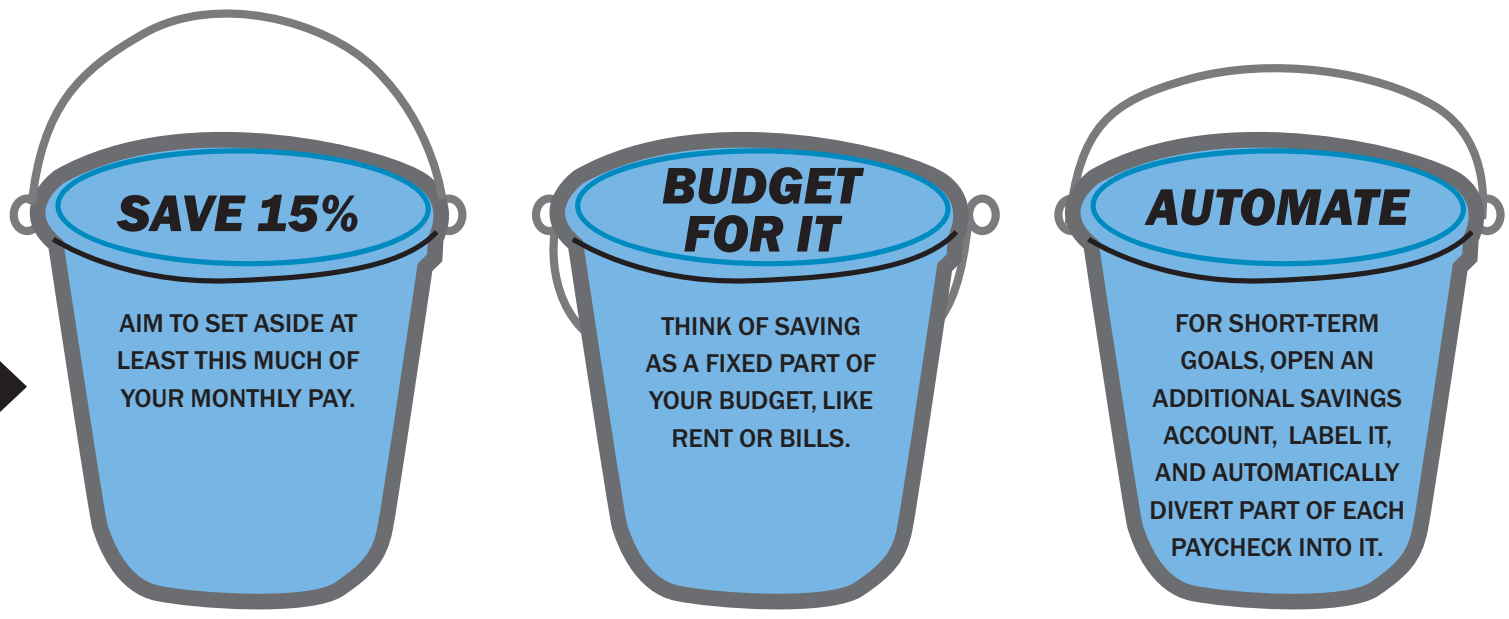
BUILD AN EMERGENCY CUSHION

Put money toward a rainy-day fund that will cover three to six months of expenses if you get sick or lose your job.

Tip
Ask your company's payroll office to funnel a small portion of each paycheck to savings.

Tip
Refinance car or home loans at a lower interest rate.

THREE SAVINGS HACKS



BETH KOBLINER

BETHKOBLINER.COM