BEGINNER'S GUIDE TO BUILDING FINANCIAL SUCCESS FROM SQUINTILLIONS

By Rebecca Deane

This guide is developed with financial beginners in mind. It is focused toward those living in the United States, but others may find benefit in some of the general information. Reading this guide will help you learn multiple practical steps you can take to improve your financial standing.

This guide has been especially created for:

- Teenagers who are in high school or recently graduated who are taking control of their finances where their parents have left off
- College students and recent graduates who may have had some gaps in their previous financial education
- Anyone who has experienced life changes that now require them to oversee their finances – perhaps your spouse used to take care of all the finances for your household, but now you will do it
- Seniors, retirees or anyone else who is unfamiliar with the financial options available to them in a growing technological environment
- People who are eager to learn more about handling financial issues and who would like to maximize their financial strategies

When writing this guide, I thought about: what advice I would want to give to my own sons; what I would like to share with some of my friends who have been finding the financial road more difficult than they imagined it would be; and what I would pass on to my own parents, who worked hard their whole lives, but didn't save enough for their twilight years.

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WHAT YOU CAN EXPECT FROM THIS GUIDE

I am sharing with you the financial knowledge I have gained from reading, researching, and listening to others, and what has worked well from my experience. While I hold a Master of Business Administration degree, I am not a Certified Financial Advisor, so please keep in mind that this document is for informational purposes. You should complete your own due diligence before committing to any financial investments or plans. You may wish to consult a professional, such as your tax preparer or accountant, before acting on this information. Be wary of anyone trying to upsell you on something, especially financial products that you don't fully understand. Consider your individual situation when planning which ideas that you want to implement. Feel free to skip ahead in your reading if one section doesn't apply to your situation.

Since I've laid this guide out with 20 different tips, I want you to be able to take what you are reading and act on it immediately. Therefore, I have included recommended links to additional resources and useful websites throughout the guide. These websites often thoroughly cover what I have introduced, so you can learn more about the topics that interest you. I also mention some of the platforms or companies that I use personally. Sometimes I make a recommendation to a book. If you don't see a link inside the document, head over to the Squintillions Resource page online (https://squintillions.com/resources/), where you can find more details about the accounts that I use, affiliate/referral links (following some of them will earn you a cash sign-up bonus), and more detailed book recommendations for further reading.

SQUINTILLIONS' TOP 20 FINANCIAL TIPS

1. Be Smart About Paying Off Debt

It's tricky to know when to pay off debt versus when to start saving money. First off, **always** pay the minimum amounts on any debt that you have so you can avoid incurring additional fees or penalties.

Credit Cards

If your monthly credit card bill shows a minimum payment due of $35, make sure you are paying the credit card company $35 (or more) every month. Don't make your debt even worse by incurring additional fees, which can be steep on some credit cards -- one of my cards lists the penalty fee for late payments as up to $39. Ouch! Know what other fees your credit card is charging. Do you really need to use your credit card for a cash advance or can you get cash another way? That's another fee costing you more money (for example, one of my cards has a 22.24% APR for bank cash advances).

Next, consider: how high is the interest rate on the debt? You should pay off debts with higher interest rates first. Credit card annual percentage rates (known as APRs) vary depending on the type of card and from person to person. Typically, minimum interest rates are in the mid-teens while typical maximum interest rates are in the mid-20s. U.S. News wrote an article called "Average Credit Card APR" that notes the rates for different types of cards; read the article for more detailed information (https://creditcards.usnews.com/articles/average-apr). You can find out your current APR by checking your account statement or contacting your card provider.

Student Loans

We can't talk about debt without talking about student loans. How did we get to this place where 70% of those graduating from college in the United States are graduating with student loans? Those young people are carrying an average of nearly $37,000 in loans, with annual payments averaging close to $400 per month (see the article https://www.cnbc.com/2018/02/15/heres-how-much-the-average-student-loan-borrower-owes-when-they-graduate.html). Student loan interest rates have varied over the last few years, mostly landing in the range between 3.5% and 8%, though some may be even higher. Currently, rates are over 5% for undergraduates. One trick for reducing the interest rate is by adding a trusted adult as a cosigner to the loan, which can reduce the prequalified rate for the student by 2.36% (see article at https://www.credible.com/blog/refinance-student-loans/what-are-average-student-loan-interest-rates/).

Main Strategy to Pay Down Debt

Here is an example using some real-life figures. The APR for my credit card purchases is 16.49%. I have had a car loan with an 11% interest rate. I have had a mortgage at a 4.875% interest rate. In this scenario, after covering the monthly minimums on these three accounts, if I had money left over to make an additional payment, I would put that money toward the account that has the highest interest rate. I would pay down the credit card first, since it has the highest interest rate of the three. If I have enough money, I would pay off the whole monthly balance for the credit card to avoid any further interest charges, but if not, then pay as much as possible. Once the credit card is paid off, I would move to paying down the car loan. Next, I would pay off any student loans I had, assuming they had an interest rate over 5%. After these debts have been paid, the final debt I am left with is the mortgage.

Mortgages = Good Debt?

Some people think of a mortgage as a different kind of debt than credit card or even other loan debt, so you may want to treat it differently. Because the cost of buying a house can be so incredibly high (plus all the costs/bills associated with owning a house that people tend to forget to consider) most people will need to take out a large loan (mortgage) in order to purchase the property. However, unlike paying back credit card debt, when you buy a house, you have the potential to make money on the property when you sell it (you also have potential to lose money if you need to sell and property values have gone down in your area). Additionally, you have the opportunity to make money while you own it by having a boarder, renting out the property, or even renting out storage space on your property (such as through https://www.neighbor.com/). For these reasons, a mortgage is thought of by some financial experts as good debt. This is another area where you may wish to consult a professional advisor regarding your specific situation to determine which financial scenarios will work best for you.

2. Pay Extra on Your Mortgage

Mortgages work by skewing the payments so that early in the repayment of the mortgage, you are mostly paying the interest (to the lender) and a small amount of principal (toward the equity in the property itself). As the years pass, you will pay less interest and more principal. You may want to base your choice here on how long you have already been paying off your mortgage. The more you have already paid toward the mortgage, the lower the interest you will have to pay in the future. If you are in the early term of your mortgage, you may wish to make additional payments to lower how much you will ultimately pay in interest. Let's look at some graphs to demonstrate how this works.

Let's pretend you have a 30-year, $300,000 mortgage at 5% interest, which you have been paying for 5 years, meaning you have 25 years left to pay it off if you continue to pay at the current rate. I'm using the handy mortgage calculator at Bankrate.com and it is the source for the following images. The first image shows what this example looks like. You can pull up the calculator and enter your own mortgage details to check what your personal options are (https://www.bankrate.com/calculators/mortgages/mortgage-loan-payoff-calculator.aspx).

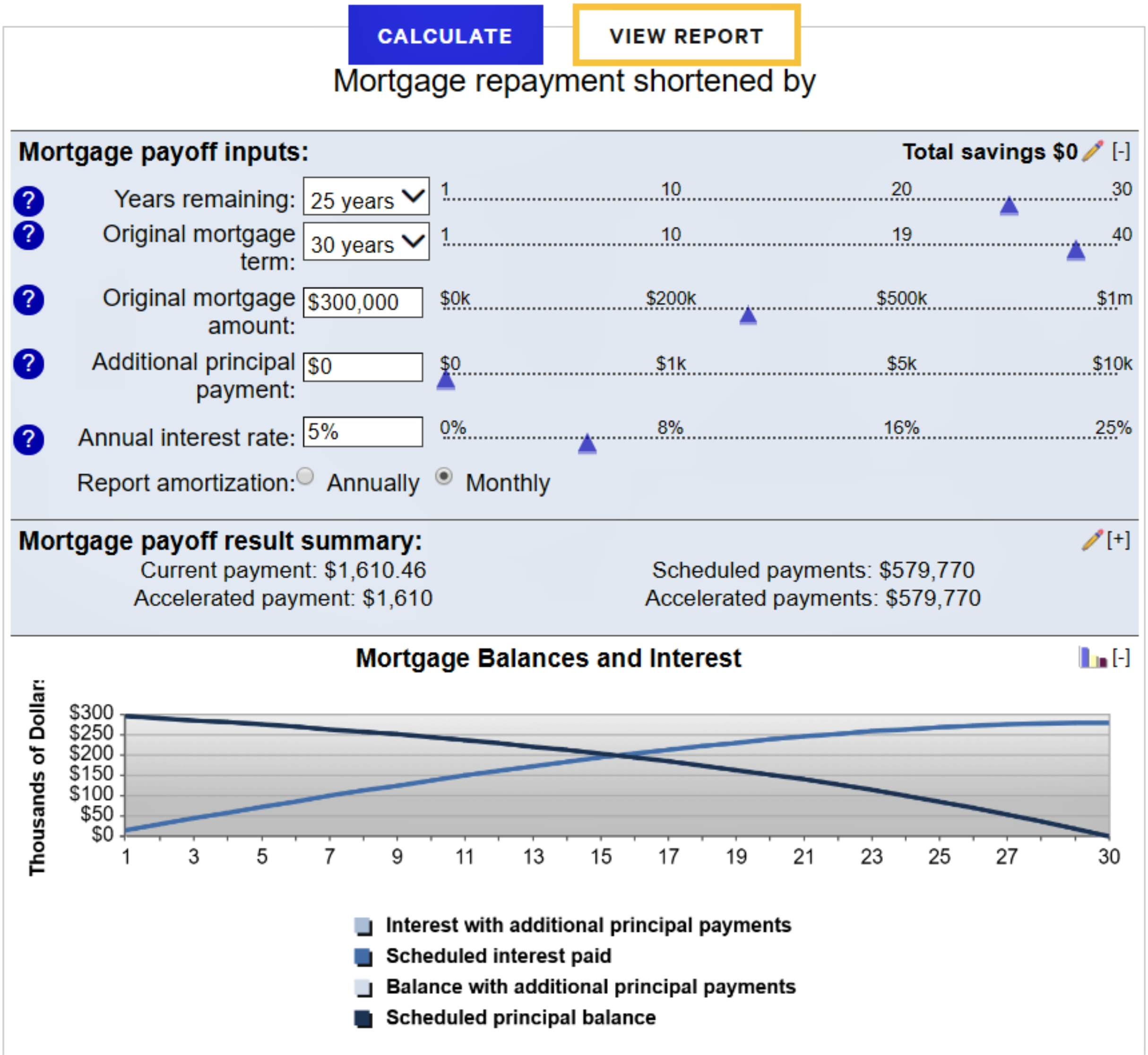

Image Source: bankrate.com

The graph shows that between year 15 and 16 you start paying more principal than interest. After 30 years of mortgage payments, you wind up paying $579,770 for your $300,000 mortgage. Now let's pretend you got a raise at your job. Instead of expanding your lifestyle and spending the additional money on material things, you continue to live within the amount you previously were receiving as income and put the increased money from your raise straight into the mortgage. Let's see what happens when you pay an additional $500 on top of your regular mortgage payment from this month forward (remember, you are 5 years into paying your mortgage).

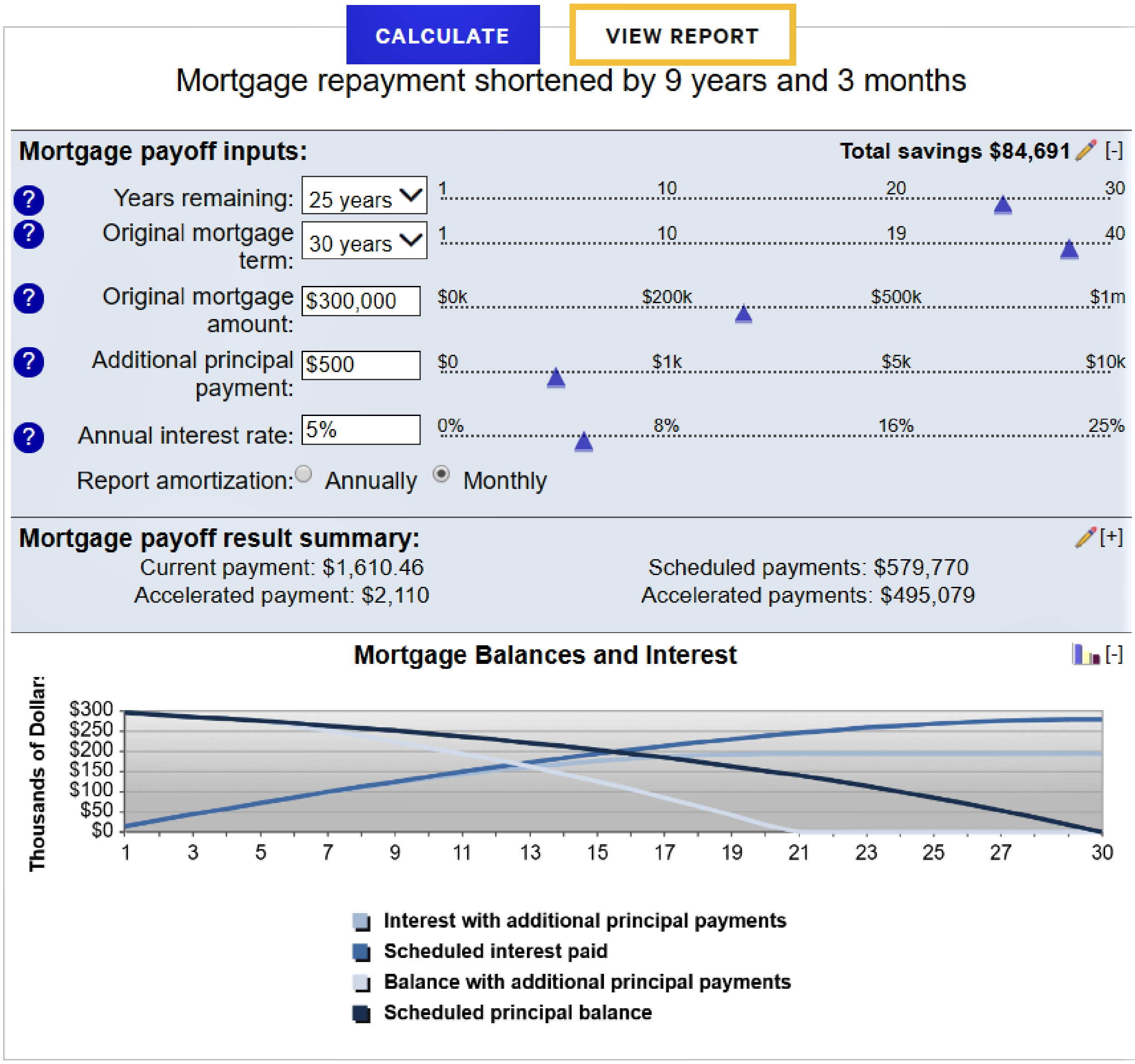

Image Source: bankrate.com

With just $500 more per month on the payment paying down your principal, you can pay off your mortgage 9 years and 3 months early at a total cost of $495,079, saving yourself $84,691! The point at which you start paying more principal than interest switches over around year 13. Play around with the numbers for yourself, entering different additional principal payment amounts and years left on the mortgage, and you will see how beneficial it is to pay additional money consistently on the principal in the years before the principal and interest lines cross. If you were to wait until year 25 to pay an additional $500, it doesn't come with such an amazing benefit. You will only pay off the loan 1 year and 3 months early and save yourself $2,978, as shown in the image.

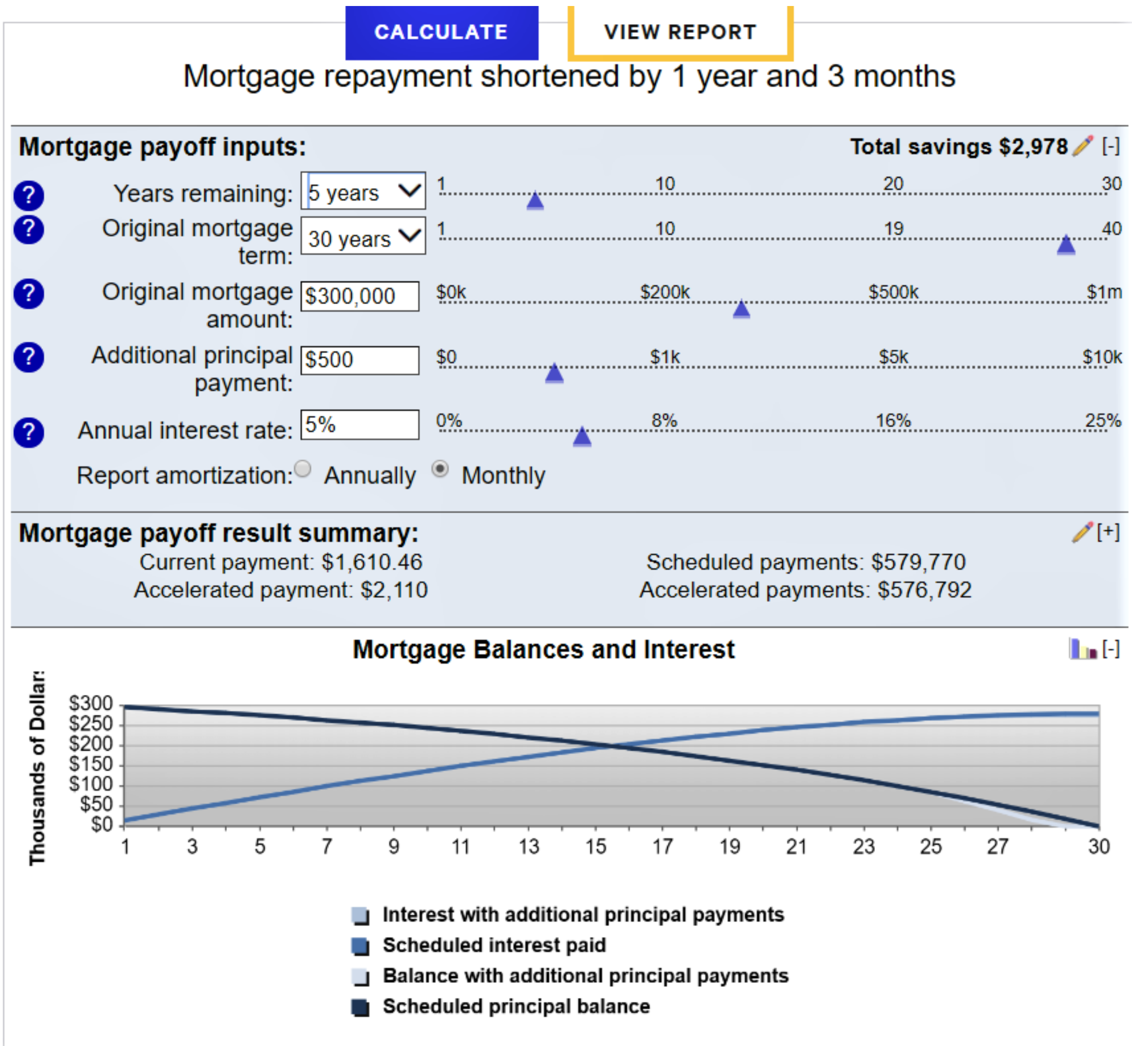

Image Source: bankrate.com

From the examples, you can see how much money you will save in the long run by paying off extra principal when a high amount of interest is being paid in the early years. On the other hand, if you are beyond the interest/principal crossover point and you can find an investment that yields better than a 5% return, you may want to decide to prioritize contributing to a higher yielding investment above paying off that last part of the mortgage. One thing to think about with your mortgage is that, yes, it is a bill you are paying, but you are building equity in your house, which you should get returned to you when your house sells. Therefore, you could think of it as a holding account for at least the principal portion of the money you are paying. As discussed earlier, this can be considered good debt, assuming you are able to continue making the payments on time. On the other hand, there is certainly a feel-good factor in knowing your mortgage is paid off, so take that into consideration when deciding which financial choices are best for you.

3. Build an Emergency Fund in a Separate Account

The standard recommendation for an emergency fund is 3 to 6 months of expenses. Whoa, that seems like a lot of money, especially if you have a family to support! Let’s break this process down into smaller steps. First, you need a place to keep your emergency fund, so open a new, separate, high interest rate savings account (see the following tip about high interest rate savings accounts). The reason for the separate account is to make it clear to yourself that this is for emergencies only, not for accidentally dipping down into when you spend too much on vacation or that shopping day at the mall. You want it isolated from your regular checking and savings accounts.

Next, it is time to save. As soon as you can, get $1,000 into that account. If you don't have the money to deposit right away or typically feel like you live paycheck to paycheck, this might seem difficult for you. In this case, my suggestion is to act like you are having that emergency right now. Figure out how much you can contribute per week to the account. Think about where you can cut costs in your current lifestyle. Spend a month living more frugally: skip going out to eat for a few weeks and buy only essential foods at the grocery store (leave the chips, candy, and cookies on the shelf). Put off entertainment costs like going to the movies, buying video games, or seeing concerts.

You'll want to increase your earnings too. At the same time as you are saving, make a few extra dollars by -- doing a side gig, holding a garage sale, selling some things you own that you don't use or want any more that still have value on eBay or Craigslist, babysitting, walking dogs -- whatever you can do to get to $1000 as fast as possible. Don't like these suggestions? Brainstorm, talk to friends, read financial articles, and watch YouTube videos about side hustles to find what works for you. Knowing that these actions can be temporary will help you push through the extra work involved.

You may need to put as much effort into breaking down your own mental barriers and excuses for not saving as you do into socking away the cash into your fund. Write down your goal with an end date and track your progress to your goal visually. For example, you can do it the old school way by drawing a picture of a mercury thermometer with $50 increments along side of it and $1000 at the top. Color in the thermometer to the relevant levels as the amount in your account increases. If you prefer making graphs on the computer, enter your data in a spreadsheet and then create a line chart that shows an upward trend as you get nearer to your goal.

Once you have saved $1,000, you should keep on contributing money to your emergency fund. Think about the time you spent saving that amount and adding money to your account. What was the most effective and least difficult thing for you to do while you tried to reach $1,000? Continue to do just those few things and for the rest, return to the lifestyle you enjoy. If it didn't really bother you too much to stop eating potato chips or drinking soda or whatever it was, don't start back up again. Put that $10 per week in grocery savings into your emergency fund instead. If you liked walking your neighbor's dog, go ahead and keep doing it and put all the money you earn from doing that into the emergency fund. Decide how much you can save per month and make that an automatic transfer from your checking account into your emergency fund account. You are now working toward building your way up to six months of expenses in your account.

The second part of this process is to know why you have an emergency fund. I want you to think about how you would feel if your car needed a repair you have to pay for (even mechanically-reliable cars eventually need a new set of tires), you or your child need medical treatment (even dental treatments can get expensive), or you have to buy a plane ticket to get to the bedside of an ill relative or friend. Most likely you are already dealing with difficult emotions related to the event – anger, frustration, sadness. By having this money already in place to cover the expense, you are buying yourself financial peace of mind. It is one less thing to worry about.

It is also important to position this money in your mind as use for a true emergency. A weekend away on a mini break is not an emergency, though it might feel needed at the time. Decide in advance what constitute an emergency, then write down a list of possible situations that would be valid reasons for pulling the money out of the account. This will help you clarify what an emergency means to you. It may also stop you from feeling guilty for withdrawing money from the account when you need to, because you have essentially pre-approved the transaction.

A larger amount of money in your emergency fund will give you both a financial cushion and a psychological cushion. It widens your circle of opportunity. Once you have six months of expenses saved, you will have greater freedom of choice in your life because you have a safety net allowing you to: change jobs, move to a different city, reduce fear over larger medical expenses, take extended time off of work for the birth of a child or other reasons.

If lacking a large financial cushion creates anxiety in your life or even while you are building that safety net, follow the advice of Ken Honda and create a list of friends that would help you out in an emergency. Do you have a support network in place? Who will be there for you (when the proverbial rain starts to fall)? Start talking to your friends and family about this right now. In the worst kind of disaster, if you lost your home and all your finances were wiped out, whose place could you stay at for a week or even a month? For a deeper dive into this and your overall emotional relationship to money, read Ken Honda's book, *Happy Money: The Japanese Art of Making Peace with Your Money*.

4. Save Money in a High Interest Rate Savings Account

Interest rates on savings accounts fluctuate. When I first decided to write this guide, it was easy to find a high interest rate savings account in the United States earning at least 2% APY. As the Federal Reserve cut interest rates in 2019, 1.80% APY became more common for these types of accounts. Find out the current interest rate on your savings account. If you are not earning at least 1.80% APY, it is time to open a new account. Bankrate has a useful search tool for comparing savings accounts, so I recommend starting there (https://www.bankrate.com/banking/savings/rates/). On the website, you can enter the details of how much your initial deposit will be, check the boxes for savings and/or money market accounts, enter your zip code, and choose how you want the results to be sorted. When you get the results back, they will first show you their featured results. Click on the “All Products” tab to see many more options. At the time of writing, I searched for a low initial deposit, no monthly deposit requirement, and no transaction fees account: the result was the HSBC Direct Savings account with a rate of 2.05% APY. You may see some other banks with slightly higher rates than those with more familiar names, but personally, I am more comfortable signing up for an account with the highest rate from a company whose name I recognize.

Banks will offer incentives for you to open accounts. This is a popular topic for financial bloggers to write about, so feel free to also try using the search term “best high interest savings accounts” along with the current year on your Google search to uncover up-to-date opinions. **Remember when you are reviewing these accounts to closely examine the terms for each account offer**. Some banks will offer you a cash bonus for signing up to their account, but then they will pay a low interest rate once you have the account (Chase tends to do this).

Also, some accounts have requirements such as maintaining a minimum balance or using direct deposit in order to get the good interest rate. Others require a minimum initial deposit. Further, there may be limits on how often you may withdraw or transfer money from the account each month. An example of such rules: the CIBC Agility Savings account has a 1.85% APY as of the time of writing this, but requires a minimum deposit of $1000 to open the account and limits account holders to 6 transfer/withdrawals per month.

5. Automate Wherever You Can

One of the keys to a healthy financial lifestyle is to automate payments and savings whenever you can. You can easily log in to the bank's website and set up a recurring transfer of money into a savings account. You only need to do that once and then you don't need to think about it again.

While you are in your bank account online, set up bill pay to be automated wherever possible. Bills that are the same amount every money such as rent or your mortgage can be automated on a monthly schedule, so you never forget that you need to pay them. You'll want to make sure that you have enough money in your account to pay those bills. If you are unable to keep enough money in your account to cover your bills, plan to build up a minimum balance in your checking account (or whatever account you use to pay bills) to cover your most expensive recurring bill (plus a little extra). For example, if your rent is $1800, then build a minimum of $2000 in your account. If you cannot or do not wish to have your bills paid automatically (or for bills that vary from month to month, such as electricity), set up an email or calendar reminder to be sent to you a few days before your bill is due.

Consider automatically paying the minimum balance on your credit card bill(s). If you have a monthly minimum of $35, then set it to automatically pay $35 every month well before the due date. This way, you will never end up having to pay a late fee if you forget to pay that month. Of course, it is always best to pay your credit cards off in full whenever you get your bill so that you do not have to pay the credit card company a large amount of money in interest. If you cannot pay your total bill every month, try to keep your spending to a minimum on your card. Consider making two payments per month for your credit card account. If your interest rate is calculated based on your average daily balance, paying off some of the balance in the middle of the billing cycle will help lower how much interest you need to pay. Of course, read the terms that come with your card to see if this is the case and don't be afraid to contact customer service to ask questions on exactly how your interest is calculated for your account.

Are you interested in learning more about automating your finances? David Bach wrote an entire book about it back when online banking was just starting to get a foothold. He updated the contents in 2016, so if you are going to purchase the book, make sure you get this most recent version, *The Automatic Millionaire: Expanded and Updated, A Powerful One-Step Plan to Live and Finish Rich*. I must give credit to Bach's original book, as I checked it out from the library when I first began my journey to become more intentional about what I was doing with my money. While there have been many influences that pushed me in the direction of exploring personal finance, this book was the first and helped me take conscious control of my finances.

6. Invest in Stock Market Index Funds

Index funds track the major market indexes, such as the S&P 500 (which consists of the top 500 companies on the New York Stock Exchange), or you can even track the total market. If you are new to investing and are not sure about which companies or funds to invest in, low cost broad-based index funds are a great place to start. Even if you are not new to investing, index funds are a solid investment, because while it is possible to beat the market in the short-term, it is much more difficult, even for experienced traders and analysts, to beat the market averages over the long term. Historically, the stock market returns an average of 7% to 10%, depending on the length of the time period used. Check out the figures yourself by looking at this S&P 500 Historical Annual Returns Chart (https://www.macrotrends.net/2526/sp-500-historical-annual-returns).

If you are interested in reading a lengthy defense of this strategy, considering picking up *A Random Walk Down Wall Street: The Time-Tested Strategy for Successful Investing*, by Burton G Malkiel. If you are looking at investing in mutual funds that cover the S&P 500, consider researching these funds:

- Fidelity 500 Index Fund (FXAIX)
- Schwab S&P 500 Index Fund (SWPPX)
- Vanguard 500 Index Fund (VFINX)

Disclosure: I am long on VFINX and SWPPX.

One thing I am wary about for mutual funds are the expense ratios. These mutual funds have low expenses ratios, with FXAIX at .015%, SWPPX at .02% and VFINX at .14%. This isn't always the case for mutual funds. One handy tool to use upon hearing a recommendation for a mutual fund with a higher expense ratio is the Mutual Fund to ETF Converter at ETFdb.com (https://etfdb.com/tool/mutual-fund-to-etf/). Here are three mutual funds that have investments focused on the Russell 2000, an index made up of 2000 small cap companies (those with a market capitalization between $300 million and $2 billion):

- Fidelity Small Cap Enhanced Index Fund (FCPEX)
- Ivy ProShares Russell 2000 Dividend Growers Index Fund (IRUAX)
- Value Line Small Cap Opportunities Fund (VLEOX)

The expense ratios for these are a bit higher than those I've listed for the S&P 500 funds, with FCPEX at .64%, IRUAX at .9%, and VLEOX at 1.21% Using the Mutual Fund to ETF converter, you can find ETFs that invest in a similar way to the mutual funds, but which will have lower expense ratios. Keep in mind the ETFs will be passively managed, if that matters to you. Though if you read Malkiel's book, you will learn that passively managed funds (an oxymoron) tend to perform just as well or better than actively managed funds over time. The following table shows some alternatives that are generated when running the converter for the most expensive of these funds, VLEOX. You can see how the expense ratios for these similar ETFs are much lower. Consider investing in one of these ETFs instead of VLEOX in order to save money on fees. I know it looks like a small percentage, but the more money you have invested in a fund and the longer you hold the investment, the larger the chunk of money you are spending on fees over time. Plus, when that money is going toward fees, instead of staying in your account, you are losing the opportunity to invest that money in something else.

ETFs Linked To Russell 2000 Index

The following table presents exchange traded funds linked to Russell 2000 Index.

Symbol	ETF Name	Assets	YTD	Expense Ratio
IWM	iShares Russell 2000 ETF	$40,684,941.25	12.44%	0.19%
VTWO	Vanguard Russell 2000 ETF	$1,486,332.00	12.66%	0.15%
SPSM	SPDR Portfolio Small Cap ETF	$1,240,743.93	12.68%	0.05%

Image Source: ETFdb.com

Remember that shares in mutual funds and ETFs can lose value just like those of an individual company. While your risk is spread out among multiple companies when you are invested in a fund, your investment value can still decrease. Also, past returns are not an indication of future returns; therefore, be careful in your financial planning regarding extrapolating returns based on past performance and use the more conservative percentages when making estimates.

The standard advice of “buy low and sell high” also applies for ETFs and mutual funds. I avoid buying a fund when it is at its 52-week high in price! But I don't wait for a fund to reach it's 52-week low either (if it happens to be there, fine). I tend to buy when funds dip down a little -- it seems that there is a good entry point every few months. Having said that, there is a well-known phrase in investing that "time in the market is better than timing the market." I wouldn't wait for several months for the fund you want to drop down to a low price. The longer time period that you intend to hold the investment, the less the buy price matters. If you will be holding the fund until your retirement in 20, 30 or 40 years, a dollar per share up or down on the purchase price is not as significant as if you are only holding for a year or two. With index funds, aim to buy and hold for a long period of time (many years or decades).

When you are doing your research, you will find analysts recommending prices at which they would enter a position on the fund. It can be helpful to read the comments sections of articles, especially about specific funds, as you will then see the price range at which other people think a fund is at a fair value to buy (and whether or not there is a consensus on the author's valuation). As always though, consider the source when you are making investment decisions!

I've explained about index funds, but how do you invest in them? You will need to open a brokerage account. When you are starting out, you should open an account with a reputable company that charges minimal fees. If you have a lot of money to invest, I would strongly recommend opening an account at E*Trade or TD Ameritrade (I have been happy with my experiences with both companies and feel comfortable personally recommending them). Recently, Charles Schwab announced that they will acquire TD Ameritrade, so you may want to open an account directly with them. There are regularly incentives for opening accounts, including cash bonuses.

There are other great companies for brokerage accounts too. Before you open any account, do a quick Google search for "best online brokerage accounts" and you will find multiple up-to-date articles highlighting various companies and their current promotional offers. Here is an example of one from Nerdwallet that includes a nice discussion of how to pick a brokerage (https://www.nerdwallet.com/best/investing/online-brokers-for-stock-trading).

In the last couple years there has been a trend for mobile investment apps, such as Robinhood, and M1 Finance. These are a nice way for a beginner with smaller amounts of money to invest to get started. The apps have simplified user interfaces for ease of use and offer commission-free trading. They also offer referral bonuses if you encourage your friends to sign up. If you use my referral bonus to sign up for Robinhood (https://share.robinhood.com/rebeccd380), we both get one free stock. Once you have your account, you are given your own personal link, to share with your friends, allowing you to receive additional stocks if your friends sign up after following your link. M1 Finance has a similar promotion system, except instead of one free stock, you and your friend each receive $10. You can open an M1 Finance account using my referral link to get your bonus cash (https://mbsy.co/wq8F7).

Which platform you want to use is dependent on how you want to use it. I can say from experience that both E*Trade and TD Ameritrade are robust accounts, giving you the ability to trade frequently. Both offer $0 commissions on online stock, ETF, and option trades. In the Robinhood account, commissions are free for buying and selling, but you can't use DRIP (automatically re-invest your dividends), instead your dividends are paid as cash into your account. The M1 portfolio pie is an interesting approach and you can also trade commission free, but they only buy and sell during one trading window each day. You can't set limit orders (name your buy or sell price) and you have less control as to exactly when and at what price the transaction takes place. They don't quite have a DRIP, but dividends received can be auto reinvested across all of your portfolio according to the percentages you have set per each investment. You won’t be able to effectively day trade with such an account. If you want the most robust account, go with an account at a brokerage such as E*Trade, TD Ameritrade, Fidelity or Charles Schwab. If you want to do more simple trading, consider Robinhood or M1 or even Vanguard.

Socially Responsible Investing

Do you think about the ethics of the companies you are invested in? Do you care about their business processes, how employees are treated, and the impact of production on the environment? Do you want to invest in socially responsible companies? Environmental, Social and Governance (ESG) factors are used to measure the sustainability and ethical impacts of an investment and goes together with Socially Responsible Investing (SRI). Assessing and comparing ESG factors may be aggregated differently by differing companies. Be careful when comparing scores that they are on the same underlying scale, *i.e.*, if you are looking at the ESG score given to a company by Morningstar, make sure you are comparing it to another score from Morningstar. You can use these scores to help you make informed investment decisions.

There are companies involved in certain industries which are slapped with the label of "sin stocks." These include companies involved in alcohol, tobacco, gambling, or weapons manufacturing. If you wish to avoid investments in such areas, it can be as simple as not buying individual stocks in such companies. When it comes to ETFs and mutual funds, this can be trickier to avoid as it will limit your options for investment as the fund might hold a small percentage of a company that is part of one of these industries – this is particularly true for dividend ETFs. For me, as a trade-off, I've decided to give a percentage of the dividends I have received from ETFs that hold stocks in tobacco companies to non-profit organizations working to improve related problems, such as the Campaign for Tobacco Free Kids. To learn more about ESG factors and find ETFs that meet your criteria, see this detailed site on ESG Investing and the multiple underlying themes involved (https://etfdb.com/esg-investing/).

7. Maximize Your Retirement Savings

What is your plan for your future when reach the typical age of retirement? Do you want to completely stop working? Do you want to work part-time? What will your lifestyle be like? Will you enjoy relaxing at home and doing low-cost activities, or do you want to travel the world or frequently go to restaurants and out for entertainment? If you haven't explored these questions before, there is no time like the present. When should you have started saving for your retirement? As soon as you began working!

Oh no! You may feel like you are behind (yes, you might be), but don't panic. You can take the actions you need to maximize your retirement savings today. There's a strategy often quoted in the financial community of "pay yourself first" – the idea has been around for decades. It was made popular as part of George S. Clason's parable *The Richest Man in Babylon* written in 1926. It was reinvigorated in recent times by both David Bach and Richard Kiyosaki (*Rich Dad, Poor Dad*). If you aren't already doing so, now is time to start paying your older self first (and in 30 or 40 years you will be thanking your younger self).

If your employer offers a 401K, invest the maximum amount into the plan. The maximum amount you can contribute in 2019 is $19,000. Talk with your Human Resources department to find out the pertinent details of your plan. If you haven't been investing at all and you feel like the maximum amount would be too drastic to start with, at a minimum, invest on par with the employer matching amount. For example, if your employer matches 6% of contributions, then make sure your contribution is 6%, otherwise you are missing out on one of the benefits of your job! Then increase your contributions incrementally over time until you have reached the maximum.

In addition to your 401K (or for those who don't have a 401K), you may contribute $6000 per year to a Roth IRA or a Traditional IRA. If you don't have one of these accounts, you'll want to think about how either account would work best for your needs before opening one. There are also income-level restrictions on who can open a Roth IRA, so check if you are eligible first. The main difference between the two accounts is that for the Traditional IRA, you get a tax deduction for the year you deposit the money in the account and then you pay taxes when you withdraw the money in retirement. For the Roth IRA, there are no tax deductions when you contribute, but withdrawals are tax free. The Roth IRA permits you to remove money you have invested, but not the earnings, before retirement without charging any penalty. For more in-depth comparison of these accounts, see Investopedia's article, "Roth IRA vs. Traditional IRA: What's the difference?" (https://www.investopedia.com/retirement/roth-vs-traditional-ira-which-is-right-for-you/).

8. Use a 529 Account for College Savings

A great way to save for college right now is by opening a tax-advantaged 529 account. You can open a 529 account for yourself if you are headed for higher learning or for your kids, as soon as they are born! With a 529 account, it is easier for grandparents and other family members or friends to contribute money to the child's future education. There are rules on when and how the money is withdrawn. Also, 529 plans vary from state-to-state, so carefully read the details of the account and check on the administrative fees before you open it. Know that you can open a 529 plan in a different state from the one that you reside in. Many states give a tax deduction for investing in your home state 529 plan, but only a few states give tax deductions for investing out of state. If you are opening a 529 account, read this step-by-step guide, “How to Open a 529 Plan” (https://www.savingforcollege.com/article/how-to-open-a-529-plan).

Just like on the airplane when the flight attendants tell you to put the oxygen mask on yourself before helping others, the same goes with saving for your child’s college fund. Focus first on saving for your retirement. There are no scholarships for being a senior citizen and you’ll need great credit to get a low-interest rate loan in your twilight years. We also don’t know what might happen regarding college costs in the future (if there may be some government subsidization, for example), but your retirement costs are imminent (unless Death comes for you first).

Get your other finances under control before you begin regular contributions to your child’s college fund. Having said that, you should still open a 529 account for your child early on, as it is an ideal place to stuff away work bonuses and monetary gifts. Begin making regular contributions once your retirement savings are on track. You may also wish to put away a portion of your child’s allowance in their account; even $20 per month building up over time will help with at least the first year of college. If your teen is earning money at a job, encourage them to save a large portion of their earnings in their 529 account. This is the perfect opportunity to have a conversation with your child about setting goals and saving money. Let them look at the account balance and charts each month to see the progress. Note that 529 accounts typically invest in the stock market, so there is a chance that your account can lose value. If you have a low risk tolerance level, choose conservative, principle-protected investments, such as fixed income options (i.e., bond funds) or keeping a percentage in cash. You’ll also want to rebalance the portfolio periodically (once every year or two) and skew more conservatively as your child gets closer to his/her high school graduation date. Some plans have age-specific funds that will adjust automatically as your child ages.

9. Keep Other People's Hands Off Your Money

Over 400 years ago, Shakespeare warned us in his play *Hamlet*, "Neither a borrower nor a lender be." Do not lend your money to friends or family or strangers (i.e., don't lend your money to anybody)! Here are the exceptions. You may lend your money to friends or family if you can give it to them and be comfortable knowing that you will never get it back. If you get it back, think of it as a bonus. The emotional attachment that people have with money and relatives is complicated. If you know going into a situation (such as covering someone's rent) that you aren't going to get it back, it will not ruin your relationship when you don't get it back. Perhaps make a gift of the money instead, it may improve your relationship. But depending on the personality of the person asking, you may be at risk that that person will keep coming to you when they need more money. You are not anyone's bank except your own (and maybe your spouse and kids). A better solution would be to offer to help them find ways in which they can make additional money or brainstorm with them on ways they can cut costs.

Don't pay expensive fees to financial advisors. I made this mistake for about 16 months when I had an account with Edward Jones in which they charged a monthly program fee of 1.31% on the balance of my account. Now that maybe doesn't seem like a lot if you have a few thousand in your account, but I had transferred earnings into my account from the recent sale of my house and ended up paying $3,230 in fees for one year. It didn't matter if I was buying or selling or holding, or if the Financial Advisor was doing any extra work for me or not. I was still charged this huge amount! When I decided to check on my account at the end of the calendar year, I realized what was going on and pulled all my accounts out of Edward Jones and moved them to E*Trade and TD Ameritrade, where for the amount I paid for that fee I could make around 460 trades (this was before these two companies moved to their new commission-free trading model)! Be aware of any fees that you are charged by a Financial Advisor. Do not open accounts where they take a percentage of your balance as a fee.

Know how much your brokerage charges in transaction fees. I tend toward a buy and hold investing style, but if you will be trading often, you might want to use platforms like Charles

Schwab, E*Trade or Robinhood, which offer commission free trading (for a few other options, see this article https://www.nerdwallet.com/best/investing/free-stock-trading).

Keep in mind fees that you will pay on mutual funds and ETFs that you hold too. Vanguard ETFs are passively managed ETFs with some of the lowest expense ratios available. Look to these funds if you do not want to pay a lot in fees. Remember, studies have shown that over the long term, passively managed funds do just was well, if not better than actively managed funds. So instead of investing in mutual funds, invest in a similar ETF with a lower expense ratio. As mentioned earlier, use the Mutual Fund to ETF Converter at ETFdb.com (https://etfdb.com/tool/mutual-fund-to-etf/) to find an ETF similar to the Mutual Fund that has been recommended to you or that you read about.

The Internet is full of get rich schemes. That may come as no surprise to you, but there are plenty of overly trusting people out there who get scammed. Or maybe you wouldn't call it a 100% scam, but they buy into a scheme that demands increasing amounts of money for increasing amounts of information or support. In many cases, you do not need a training course that costs $1,000 or more (unless you are training in some highly skilled field). And if you go to the free or low cost one day seminar, be wary of the upsell to the $3,000 multi-day conference. There is so much information available for free in your local library, on YouTube, and on Internet news sites and blogs. Or there is information you can get for a reasonable cost in books or as part of online courses. You also probably don't need a $1,000 per session personal consultant (of course, there are some exceptions to this, but if you are new to personal finance, it is unlikely you are at the stage in business development where that might make sense). If you are interested in getting into a certain field, find out if you know anyone who has a contact in that field who would be willing to chat with you. Offer to buy them dinner in exchange for advice. Now you have made a $50 investment instead of a $1,000 one, and you may make a new friend or acquire a mentor in the process.

If you are hesitating because your instinct is telling you something isn't quite right, follow that instinct! Do your research. You can always type into Google Search the name of the company or person or the course you are looking into along with the word “scam” or “legit” to learn other people’s opinions of that material. If there is something bad, it will come up. There are probably going to be some good things written about it online, but keep in mind that this may very well be planted information. Don’t just look at the first page of returned results from Google Search either: the truth may be hiding on the third or fourth page.

10. Use Credit Cards with Rewards

Does your credit card give you cash back for purchases or points for travel? If not, it is time to investigate getting a new credit card account. In the first section below, I will be focusing on cash back credit cards. In the following section, I discuss some of the top travel rewards credit cards. Companies are *giving money away*, take advantage of this! This is one of my regrets on how I have handled my credit card account over the last several years.

Cash Back Credit Cards

For years I have been using the same credit card account that I opened when I was in college. At that time, MBNA America phoned me and offered me a university-affiliated card. I believe the initial spending limit was a mere $500, which isn't a lot to me now, but back then seemed a small fortune. Eventually Bank of America acquired MBNA and my credit limit has increased multiple times since I first signed up. However, I have always had a similarly mundane account -- no frills, no airline miles, and no rewards. I didn't realize what I was missing until I began to meticulously look at everything that I was doing financially.

If you are in a similar situation you have a couple options. Go to the website where you have your current credit card account. Look to see what they are currently offering regarding rewards programs and cash back cards. Find the one that you like the most, then call into the customer service line and ask them to switch your current card to the new card you want.

Bank of America Cash Rewards World Mastercard

This is what I ended up doing with my Bank of America account, when I switched to a Bank of America Cash Rewards World Mastercard. I thought it would be worth maintaining this long legacy account with the company, since they had a card that offers rewards, even if it wasn't the best reward option available. Their rewards details as outlined on the Bank of America website are as follows:

- 3% cash back in the category of your choice: gas, online shopping, dining, travel, drug stores, or home improvement/furnishings

- 2% cash back at grocery stores and wholesale clubs

- 1% cash back on all other purchases

- Earn 3% and 2% cash back on the first $2,500 in combined choice category/grocery store/wholesale club purchases each quarter, then earn 1%.

There's no annual fee and the cash rewards don't expire. Each month, when planning for future purchases, the 3% choice category can be changed online or via the mobile app. After looking at my 2018 credit card account Year End Summary to get a sense of how my money was spent, I decided to choose the travel category for the summer months as my 3% cash back category. This gave me a little extra money back as I paid for my summer vacation for hotels, plane tickets, and car rentals. The thing to note about the 3% and 2% categories is that they max out after you have spent $10,000 (broken down to $2,500 per quarter), then everything else earns at 1%. This is part of why I decided to go ahead and apply for a second rewards card.

Amazon Prime Rewards Visa Signature Card

After years of ignoring Amazon's offer of a credit card every time I shopped online with them, I decided that I would apply for theirs. I had been putting off applying, but I should have done this years ago. I was an early adopter of Amazon: I recently noticed Amazon had a little note in my account that says when I first started using them. 1998. Yep, me and Amazon go back more than 20 years! I've been an Amazon Prime member nearly as long as Amazon Prime has existed. I was eligible for the Amazon Prime Rewards Visa Signature Card (https://amzn.to/2X5xqD5) which pays 5% back on Amazon purchases, whereas the regular Amazon Rewards card pays 3% on Amazon purchases. When I filled in their online application form, I was immediately approved. Here are the cards perks as outlined on the website:

- 5% Back at Amazon.com and Whole Foods Market for purchases, including digital downloads, Amazon.com Gift Cards, Amazon Fresh orders, Amazon Prime subscriptions, and items sold by third-party merchants through Amazon.com's marketplace.
- 2% Back at restaurants, gas stations, and drugstores
- 1% Back on all other purchases

Suddenly, I am getting money back the shopping that I would have been doing anyway on Amazon. I'll share more ideas on being smart about your online shopping in Tip #14.

Interested in finding your own new cash back credit card? There are plenty of options for researching new credit cards online, so you should be able to find one that suits you. Each company has slightly differing criteria for their cards pertaining to what percentage cash back you will receive and from which purchase categories. Some of them are limitless and some have a capped amount for rewards. Some have no annual fee (such as my Bank of America Cash Rewards World card and my Amazon Prime Rewards Visa Signature card), others will waive the annual fee for the first year, and a few have fees of $99+ per year or even higher. Some companies offer monetary bonuses after signing up and spending a certain amount of money using the card. Check out the list of top credit cards with perks at Bankrate (https://www.bankrate.com/credit-cards/todays-best-credit-cards/).

Each of the credit card companies' promotions quote various Annual Percentage Rates (APRs) and even within one company your APR may differ from another person's who has a card from that company, based on your credit score. I haven't mentioned APR in this quick rundown. Since I pay my card off every month, it doesn't matter what the quoted interest rate is to me. But do keep the APR in mind when you are looking for a new card if you tend to leave a running balance. If you want to learn all of the details about APRs, learn about different types of APRs, see the average APR for different categories of cards, and learn tips on lowering your APR, read the article "Average Credit Card APR" (https://creditcards.usnews.com/articles/average-apr).

Travel Rewards Credit Cards

If you travel, twice a year or more, you should investigate the best credit cards for travel rewards and be signed up for airline frequent flyer programs and hotel rewards programs. I'll get into more details on the latter in the following section.

When I was planning to book my summer vacation flight online with American Airlines, I was shown an ad for one of their travel rewards cards in partnership with Citi. I did a quick search to see what other options they had and found a card that gave a larger number of bonus miles than I was initially offered. I had been considering getting one more credit card, as I did not have one that offered flight rewards, so decided on the spot to sign up for one.

Citi®/AAdvantage® Platinum Select® World Elite Mastercard

I ended up getting the Citi®/AAdvantage® Platinum Select® World Elite Mastercard (https://www.citi.com/credit-cards/credit-card-details/citi.action?ID=citi-aadvantage-platinum-elite-credit-card). I typically use American Airlines when I travel, and I was already part of their AAdvantage travel rewards program. Perks of this card include preferred boarding on domestic flights, no foreign transaction fees, earning 2x American Airlines AAdvantage® bonus miles on AA purchases, 2x miles on restaurant and gas station purchases, 1x miles on all other purchases, and other travel rewards. The sign-up promotion when I applied was

60,000 American Airlines AAdvantage® bonus miles after spending $3,000 in purchases within the first 3 months of account opening. One of the travel bonuses that I really like is the one free checked bag on domestic flights for myself and those traveling with me on the same reservation. This is going to save me significantly on checked bag fees when I travel with my children and will make up for the $99 annual fee that comes with the card after the first year. I do wish that I would have researched further for a more generalized travel rewards card before leaping into the one with the American Airlines partnership, as I sometimes fly with Southwest or JetBlue. Some of the other options I might have considered were other cards from Citi or those from Capital One and Chase.

Citi Premier Card

If wanted to get a Citi card with travel rewards, the Citi Premier Card (https://www.bankrate.com/credit-cards/reviews/citi-thankyou-premier-card/) would have slightly better points earning potential with the opportunity to earn 3 points per $1 spent on travel including gas stations, and then 2 points per $1 spent at restaurants and on entertainment (if they include concert tickets, I'd be racking up the points), and 1 point per $1 spent on all other purchases. It offers 60,000 bonus points after you spend $4,000 in purchases within the first 3 months of account opening. Their Points Transfer allows you to transfer points to participating airline loyalty programs, though this is a list of mostly international airlines and doesn't included American Airlines, though does include JetBlue. You are also required to book through their Travel Center. After owning the Citi Premier Card for 12 months, you may be eligible for a card upgrade. I wonder if I will have a similar opportunity with my American Airlines card. I expect I could easily switch within the company after holding the account for more than a year, if I found a different Citi card that better suited my needs. The annual fee is $95 and is not waived for the first year, whereas the AA linked card fee was waived the first year.

Capital One® Venture® Rewards Credit Card

As I already do business with Capital One in the form of savings accounts and a one-year CD, I might have considered their Capital One® Venture® Rewards Credit Card (https://www.bankrate.com/credit-cards/reviews/capital-one-venture-rewards-credit-card/). This card gives fewer bonus miles at 50,000 once you spend $3,000 on purchases within 3 months from account opening. It makes up for that with the chance to earn 2x miles on every purchase, as well as earning 10x miles on thousands of hotels, through January 2020. They have 14 international travel partners with most having a 2 to 1.5 points transfer ratio. This would be a good card for someone who likes to travel internationally or needs to make a lot of hotel reservations. A downside is that you must redeem statement credits within 90 days of your travel purchase. I don't necessarily travel that often or do much international travel, so this would probably not have been the best card for me. The annual fee is waived for the first year and then is $95 annually after that.

Chase Sapphire Preferred® Card

Finally, I wanted to discuss the Chase Sapphire Preferred® Card (https://www.bankrate.com/credit-cards/reviews/chase-sapphire-preferred-card/) as this one offers great perks and appears on nearly every list I see for best credit cards. New cardholders get 60,000 points after spending $4,000 within the first three months. The card awards an unlimited 2x points on restaurant and travel purchases and 1x points for all other purchases. Travel purchases are broadly defined, so you can earn extra points from rideshare programs, passenger trains, and parking garages. You can book travel through Chase's portal or transfer points to one of 14 partner travel programs, which include Southwest and JetBlue. If I decide to get a fourth credit card in the future and they still have these rewards or better, this is probably the one I would choose.

Bank of America® Travel Rewards

Honorable mention award goes to the Bank of America® Travel Rewards (https://www.bankrate.com/credit-cards/reviews/bank-of-america-travel-rewards-credit-card/). If you are looking for a credit card with no annual fee go with the Bank of America card. It also has a nice bonus amount of 25,000 online bonus points if you make at least $1,000 in purchases in the first 90 days of account opening and gives you 1.5x points on all purchases. One thing different here is that you get a statement credit that you redeem after making your travel purchase, instead of getting the discount upfront.

American Express® Gold

Where is American Express® in my list? If you are opening a personal account, all the best cards from American Express have much higher annual fees — $250 for the Gold card and $550 for the Platinum card. You'll want to consider their rewards plans carefully in order to decide if you will make enough use of the perks to cover the costs of these annual fees. They do offer more reasonable business cards with either no annual fee or a $95 fee, but the perks aren't as extensive as their more costly options or other companies' cards with the same annual fees.

Some of these rewards calculations and comparisons can get complicated. However, spending an hour of your time figuring out what works best for your typical spending patterns and your travel goals can optimize your future travel budgets and help you make the most of these credit card perks. Go to the yearly summary (or summaries) that should be posted online for your current credit card. Your spending will be broken down by categories. Checking the amount that you typically spend under each category should help you decide on which cards' points earning system would be most beneficial for you.

11. Use Airline and Hotel Rewards Programs

Airlines

I've already covered earning airline miles through an affiliated credit card, but there are many ways you can earn additional miles through other transactions. For example, American Airlines has created a dining program that allows you to earn AAdvantage miles when you use your registered credit card at partner restaurants. Simply sign up and register your card and the miles are credited to you when you pay a bill at the partner restaurant with that card. American Airlines has also created an eShopping Mall that has exclusive offers for members and allows you to earn a set number of miles per dollar based on your purchases. Start on the portal and click through to the store that you would like to shop at and make your purchase; the store is responsible for reporting your earned miles to the AAdvantage program. Check the website of your favorite airline to learn more about additional ways you can earn miles with their partner programs.

Hotels

The major hotel chains have their own points programs. Some of them are linked to airline programs, so that you can stay in a hotel and choose to earn airline miles or hotel points. Some of the popular hotel chain programs are:

- Best Western Rewards
- Hilton Honors
- IHG Rewards
- Marriott Rewards
- Starwood Preferred Guests

  And more…

I tend to use the Best Western chain when I travel with my kids. It's family-friendly, usually reasonably priced, and nearly always includes a continental breakfast in the price of the room (which is priceless when you have hungry kids that like to eat as soon as they wake up). As a Best Western Rewards member, I was able to accumulate enough points to redeem for a two-night stay at a Best Western Premier. When I phoned the reservation line to redeem my points, I figured I would get the typical king bed or double queen bed room I normally would reserve, but to my surprise, for the exact same number of points I was able to reserve a huge two-room suite with two bathrooms! It was worth taking the trouble to make the phone call to score a nice place to stay on my vacation.

One note of caution, if you book your room through an outside travel site (such as Travelocity or Expedia) instead of directly through the hotel chain's website, you probably will not receive any hotel points for the booking. Please read terms and conditions carefully and when in doubt, call the hotel directly.

If airline and hotel rewards programs are of interest to you and you want to know how to best make use of them beyond this introduction I've given, please check out the website, The Points Guy (https://thepointsguy.com/). The site thoroughly covers airlines and travel credit card points in their guide, "TPG Beginner's Guide Part 1: Everything You Need to Know About Points, Miles, Airlines, and Credit Cards" (https://thepointsguy.com/guide/beginners/). For hotel loyalty programs, start with the article "The Best Hotel Loyalty Programs in the World" (https://thepointsguy.com/guide/best-hotel-loyalty-programs/).

12. Prioritize Your Purchases

You also must be smart about your spending. One tip for this is to weigh purchases based on how much time it takes you to earn the money to pay for them. If you make $20 an hour, do you want to spend 5+ hours (don't forget taxes come out) of your work to buy that new pair of shoes? The answer may be yes if they are for work and the soles on your usual pair are wearing thin. It might be no when you realize you already have a pair of shoes that are similar that could cover the same function or that your closet is already overflowing with shoes.

When you are faced with bigger expenses, make sure you think about what adds more value to your life. If faced with the decision to make a large purchase, don't forget that you are forfeiting the ability to use that money for anything else. If you are buying a brand-new car, you are preferring that over, for example, paying for a summer vacation, saving more for retirement, getting a new refrigerator, financing your child's dance lessons, etc. Would a car that is a few years old and a few thousand dollars cheaper suit your needs so that you can purchase that AND pay for the summer vacation? Also, consider the quality of the items you are buying, knowing that buying good quality items that may be higher in price but last for a long time, will be a better financial decision than buying poor quality items that you will need to replace.

There is nothing quite like having to move to a new house or apartment to make you focus on all the things you have accumulated in life. Think about all that you own -- how would you want to deal with these items if you had to move? Remember the overflowing closet of shoes? Are they all still wearable and needed? Perhaps it is time to decide if all those shoes still "spark joy". If you need to clear out your closets, cabinets, garage or storage room, consider reading Marie Kondo's *The Life Changing Magic of Tidying Up: The Japanese Art of Decluttering and Organizing* to inspire you to the task. If you prefer watching TV, check out the related show on Netflix called *Tidying Up with Marie Kondo*. Items that are in better condition, but you are done with, can be sold on eBay, Craigslist, or at a garage sale. Or you may wish to pass items on to neighbors through a "Buy Nothing" group. Donate things that are in reusable condition to your favorite charity shop and throw away the rest. When I moved out of my house, I rented a dumpster from my local trash collecting company and filled it completely. Some of the stuff was still in the boxes they had been placed in when I had moved about nine years earlier. When you are buying something ask yourself the question -- if you must move within the next year, would you want to take that item with you?

Consider the lifetime use of items when you are buying them – do you think you will still want that item five years down the road? You may also wish to evaluate the per use cost of items that you buy. That leather jacket might look fantastic, but if you are only going to be able to wear it five times per year because you live in Arizona, do you really need it? If it costs $400 and you are wearing it five times per year, is it a smart purchase at $20 per wear over four years? Instead, think about buying that good looking, lighter weight jacket for $100 that you will wear 50 times per year at a cost of $.50 per wear.

13. Buy Used Items or Get Items for Free

Some things you want to have brand new. That is okay. But you'd be surprised at the items you can get used, that will meet the need you have and minimize the amount of money you spend. There are so many options open for finding used items at low prices or free: eBay, Craigslist, Goodwill, NextDoor listings, charity shops, consignment sales, garage sales, and apps like LetGo, Vinted, thredUp, and OfferUp.

After I moved, I wanted to find a small cabinet or end table to go under my TV for the DVD player, Apple TV box, and my son's game consoles and controllers. I went to a local big box furniture store and found that the kind of thing I was looking for was upwards of $200. Having just spent a lot of money moving, I didn't really want to spend that much. I decided to see what was available at the local Salvation Army store. I found the perfect vintage end table in good condition with two cabinet doors and an inner pull out drawer listed at $50. Then I got to the cash register and learned that they were having a sale where everything was half price -- I got my table/cabinet for only $25. Furniture items are one of the best things you can save money on as they tend to be sturdy and well made. Since they are heavy, sometimes when people move long distances, they decide not to ship those items. Also, just because something is used, doesn't mean it will be in a bad condition. My recommendation is to check the available online sites, apps, and charity shops for items like these before paying for brand new items.

14. Shop Smart Online

Rakuten

Get a percentage off your purchases on your favorite shopping websites after creating an account on Rakutan (referral link is https://www.rakuten.com/r/SQUINT284). I have received cash back from eBay, Kohl's, Walmart, and from hotel bookings, among others totaling over $60 in the space of four months. It might not save you huge amounts of money, but every little bit helps. Discounts vary by store and sometimes by product category too. Remember to add the Rakutan Cash Back Button as an extension on your Google Chrome browser. Then when you navigate to a storefront, a Rakutan popup box will appear if they offer any deals with that merchant. You will get $10 back after you sign up with an account with Rakuten and start shopping!

Honey

Create an account with Honey (referral link is joinhoney.com/ref/w9v2jjk) to find the best deals on products online. This is another extension that can be added to your browser. Honey works by scanning the Internet for coupon codes while you are shopping online. It will apply the best discount for you to use in your shopping cart when you are checking out. They also have their own points system, where you earn Honey Gold points when you make a purchase, even if they don't have a discount code for you to use, which you can later redeem for store gift cards.

If your credit card or airline has a shopping conglomerate site that rewards you, don't forget to start there when you are shopping. Rakuten and Honey also have their own shopping portals. The micro-saving app Acorns has a shopping portal that will let you "earn found money" when you began your shopping trip there (Acorns referral link https://www.acorns.com/invite/?code=wv2228). There are multiple ways to find additional savings when shopping online, so try to remember your options before you click that purchase button.

15. Shop Smart at Stores

Don't forget about the old-fashioned way to save money in stores – through printed coupons! Ok, I'll be honest, I nearly always forget to bring my coupons with me to the store when I go shopping. One grocery store sends me a batch of coupons to use quarterly. I usually remember those at least once after I receive them. However, since I rarely read a physical newspaper or look at the shopping flyers that contain coupons, I tend to miss out on those. Thankfully, technology has taken us to the next level of couponing. Many grocery chains, such as Ralph's, and big box stores, such as Target, have their own apps that you can download and browse for in-store coupons. Once in the app, select the products with coupons that you plan to buy and those get loaded to your loyalty card. Then when you check out and your card is scanned, the savings are automatically applied to your bill. With some stores, after you select the coupons, you have the checkout clerk scan a barcode or QR code on your phone to apply the discount. Further, there are a few mobile apps that have been created that offer discounts from multiple stores (similar to how manufacturers' coupons work). I explain one that I use below, but for additional apps, check out this article from MoneyCrashers: "11 Best Mobile Coupon Apps to Save Money Shopping With Your Smartphone" (https://www.moneycrashers.com/best-mobile-coupon-apps-smartphone/).

Ibotta

A mobile app that I use for coupons and cash back is Ibotta (my referral link is https://ibotta.com/r/oggtvnt or use code OGGTVNT). If you set up the account online, you still need to download the app to your phone (make sure you remember your username and password). Find the store you will be shopping at and look at the coupon offers. Select the coupons you plan to use, purchase those items in the store, photograph your receipt through the app, and submit it. Sometimes you also need to scan the product barcode with your phone. You can even scan the product before you buy it, to make sure it matches the Ibotta offer. Then get cashback on the offers you have purchased. The app currently provides a $20 sign up bonus if you claim offers on 10 different receipts or online shopping linked from the app in the first 14 days of holding the account. It does take some work and you aren't making a lot of cash back, but it is the case of a little building up over time. When you combine the coupons with in-store promotions, you can sometimes buy a product at a deep discount. Plan for this to take a few minutes before and after you shop to do this, which might feel too tedious for some, but for me it is like a game.

16. Earn Through Assets, Not Just Your Time

A popular idea to live "as rich people do" is to not trade your time for money. Before I go further, I want to clarify that sometimes in life, yes, you are going to very clearly be trading your time for money. If you are being paid hourly, you are trading your time for money. Sometimes you trade your time for experience too, such as college internships. This can be a valuable part of your life learning process. However, your life only has so many hours and only some of those can be spent working, which constructs a ceiling over your potential earnings. If you desire a higher level of wealth, create or develop something that you can set up or launch into the world that will work on your behalf. Some people refer to this as passive income, though in nearly all circumstances of the use of this term, *passive* income doesn't exist, as you will need to do something to get the ball rolling prior to the money rolling in, as well as providing periodic maintenance to sustain it. You are trading your time for money, but perhaps at a much higher earnings rate. Instead of $10 for an hour of work, you may be earning $1000 for an hour of work. This reasoning is why I have decided to title this section "Earn Through Assets, Not Just Your Time," instead of "Don't Trade Time for Money" or the trending "Earn Passive Income."

Getting your money to work for you is the ideal method to earn through your assets.

- Dividend investing is one of the easiest ways to earn money through your assets. Invest in dividend earning ETFs, stocks, REITs or mutual funds, enroll in a dividend reinvestment program (DRIP), and let your money grow in your brokerage account or IRA.
- Investing through a crowd-funded real estate investing program is another straightforward way for your assets to work for you. Fundrise has broadened the opportunities and lowered the costs associated with investing in real estate (https://fundrise.com/r/y4eyk). People deposit their money into a Fundrise account and start by choosing from one of three Core Plans. I picked what seemed to be the moderate option of Balanced Investing. I love the level of detail that the website provides about the projects I am invested in.
- If you like to be even more diversified in your investments, you may wish to try out peer-to-peer lending though a company such as Lending Club (http://lclub.co/f9136b6a). The lender deposits money in a Lending Club account, the borrower needs some money for a project or to pay off purchases, so takes out a loan. Lending Club connects the lender

and the borrower financially. Risk is diversified for lenders by spreading investor money across multiple loans, so the borrower is able to accomplish what they need to, and the lender earns his/her money back with interest. To further limit exposure to loan defaults, you might wish to invest only in loans that are graded as A or B.

Keep in mind, that all investments carry some level of risk and you could lose the money you have invested, so thoroughly research whatever platform you plan to use and the investments you plan to make.

There are plenty of other ideas for getting your assets to work for you.

- Develop or produce something you can sell online, such as an online course, an eBook, software app, or merchandise related to your business.
- Invest in real estate and collect rent. This topic is huge and beyond the scope of this guide, but check out Bigger Pockets to get started (https://www.biggerpockets.com/intro-to-rei/overview).
- If you maintain social media accounts for your business, have a blog or YouTube channel, then use affiliate marketing, sponsorships, and advertising to supplement your income.
- Rent out a spare room in your house, storage space in your basement or garage, or even your car.

There are many more ideas out there for creating multiple income streams that can be discovered by a simple Google or YouTube search. You can usually find these under “passive income.” Research the topic that interests you and decide if the amount of work you will need to put in upfront is worth the potential reward. Remember that sometimes even with your best efforts, some of these things may not pan out the way you hoped they would or require more work than you imagined when you got started.

17. Side Hustle and Save It

People complain that they aren't bringing in enough cash to save money and they have squeezed saving suggestions from everywhere. In this case, if your urge to save money is a priority, it is time for a side hustle, part-time job, or creative way to earn additional money. I touched on this topic a little bit when discussing saving for an emergency fund. Choose whichever method fits best with your schedule and lifestyle. Maybe you prefer working part-time for someone else at an office, store, or restaurant. Maybe you would like to work as an independent contractor in the gig economy as a rideshare driver or delivery person. You could create your own small service business, such as home cleaning, lawn care and yardwork, window washing, or dog walking and pet sitting. This may be an instance where you must settle for a lower rate of pay for your time. Once you have your additional income established, direct all the money that you earn from that added job straight into your savings and investing accounts. Continue to live on the money you were earning from your main job as if you don't even have the income from the second job.

It is tempting to spend more money as you earn more money. This is referred to as lifestyle inflation (sometimes called lifestyle creep). This can happen when people go from being students to working their first full time job or when they receive a raise or large bonus from work. They will suddenly start spending more money on wanted items as if they are needs. They may choose to live in a larger apartment or buy a larger house, even if before they had the money, they were perfectly happy with their living situation. They might buy a more expensive car or switch to buying designer clothes. The smart thing to do is to save and invest your money instead of upgrading your lifestyle or buying unnecessary stuff for your house. If you get a raise or additional money, think carefully before making any large purchases and make lifestyle changes gradually.

Be wary of buying material items to impress friends, family or neighbors. When I was young, I was easily impressed if someone had an expensive car or vacationed outside of the country. As soon as I had enough money that I could do those things, I saw my error, and am no longer impressed by those actions. Because really, all it takes is some money to have a flashy car or go on a fancy vacation. It doesn't make you a special person because you have chosen to spend your money that way. Anyone with money can do that, and plenty of people without money do it and put themselves into debt doing so. What really impresses me now is if you have money, but you don't show it off ostentatiously! Don't feel compelled to show off your financial success to others. You want to have friends who will appreciate you for your character, not for your purchasing skills.

18. Keep Track of Your Money

There are many ways you can keep track of your money; the best way is the one that appeals to you and that you will stick with. There are templates you can download online, you can use spreadsheets, or design your own system on your computer or with pen and paper. One of the most user-friendly methods is to download a money management app or use an online site. If you are looking to track small business expenses and have that tied in to managing bills, invoicing, and receiving payments, then consider using more robust accounting software, such as QuickBooks (https://quickbooks.intuit.com/) .

A few mobile apps are available to help you with money management or budgeting. I like to use the Mint app and website from Intuit as a budget tracker (https://www.mint.com/) and to keep an eye on my multiple investment, checking, and savings accounts; the two custodial accounts for my sons; as well as my three credit card accounts; and regular bills; all in one place. The app also allows you to see how stock market fluctuations impact your own investments. I find it interesting to check in every few days and see my current overall net worth and review my spending to help me stay on track.

If you are interested in learning more about other budgeting apps, I recommend reading this article from *The Balance* titled "The Best Budgeting Apps of 2019" (https://www.thebalance.com/best-budgeting-apps-4159414).

Some people do well at following a budget and others find it a lot like dieting, it starts off all right but after few days it becomes too difficult to maintain. If you have tried to stick to a budget, particularly one where you place spending limits on various categories, but have failed, give up the traditional budget! That may sound controversial to some financial gurus, but there is no point in setting up budget categories with individual limits if you are going to fail.

One way to get around tracking where every single dollar goes is to have all your income deposited directly into your savings account. Then move your monthly allotted spending money to your checking account and only spend the money that is in your checking account. If you have $4000 per month as your allotted spending money, that is the most you can spend. It doesn't matter where or on what you are spending it, as long as you do not go over your monthly limit. Instead of having to track totals in multiple areas, you only track your overall balance. This approach may help you think more about your spending when you are doing it, since now you are clearly trading off one want for another. You aren't looking at whether you've spent too much on clothing or entertainment this month as the categories don't matter anymore. Instead, when you are the mall, you are choosing between whether you are going to buy that new shirt or catch a movie instead. This method works well for budgeting when traditional category limits may need to vary widely during the year, such as for heating or electricity bills.

19. Claim Misplaced Money

In the United States there are millions of dollars of unclaimed money being held by state Controllers' Offices or Departments of Revenue. How does this happen? One example is that you moved and didn't notify a company of your correct forwarding address and the company owes you a refund, but now can't find you. This can particularly happen to people in their 20s who tend to move around often during their college years or as they are settling into their careers. Or perhaps you had a savings account that your parents set up for you as a kid, made deposits you didn't even know about, and something happen (moving, illness, death) so that the information never was passed on to you (see this article about escheatment https://www.thebalance.com/what-is-escheatment-4165969).

The easy way to find out if you are owed money is to go to your state controller's website (or any state that you have lived in) and search for your name. I am not going to list the websites for all 50 states here; search the Internet for "unclaimed property" plus the state name. As an example, California's unclaimed property can be found at https://sco.ca.gov/upd_msg.html.

To learn more about unclaimed money from the US government, I highly recommend visiting https://www.usa.gov/unclaimed-money for details on other places you may find unclaimed money, such as from back wages from employers, insurance claims, and undelivered tax refunds.

20. Continue to Educate Yourself About Finance

This is not the limit to the tips that can improve your life! Resources are everywhere: financial websites, blogs, and YouTube channels. With all the online resources available, don't forget that your local library has plenty of time-tested books on the subject matter. If you would rather borrow reading material than buy it, remember to look there for older classics such as *The Intelligent Investor; A Random Walk Down Wall Street; The Richest Man in Babylon*; and *The Millionaire Next Door.* Your financial education does not need to cost a lot but remember to always consider the source, particularly with online content. Also, consider the creation date of the information since information on the stock markets and interest rates can change rather quickly.

If you like reading about practical money saving tips, I highly recommend the book *Pogue's Basics: Money, Essential Tips and Shortcuts (That No One Bothers to Tell You), About Your Financial Life.* The book is comprised of 14 chapters covering a myriad of areas from shopping, to credit cards, to tech, travel, food, cars and more. Topics conclude with a "savings ballpark," estimating how much you will save per year if you follow the book's advice. Sometimes the information given is part common sense, part life hack, but all of it is useful for shaving dollars off your spending on some of the more mundane areas that many of us tend to overlook.

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