

BACK 2 BASICS

Engage a Financial Coach

Similar to a workout buddy, a financial coach is your savings buddy, helping to keep you motivated and cheer you on when you reach new milestones.

42%
of Americans say they have a budget and keep close track of what they spend on food, housing and entertainment.¹

Understand Why Today's Money Is More Valuable Than Tomorrow's

Based on the Rule of 72, your money doubles about every 10 years thanks to the power of compounding. The sooner you invest, the sooner more of your money is working hard for you.*

Maintain a Budget at Every Stage of Life

Budgeting allows you to take control of saving and spending. Use mobile apps to easily track income, savings and spending 24/7.

Diversify Your Financial Life

By contributing an additional layer of diversification** to a well-allocated portfolio, alternative*** investments can help manage risk in any market climate.

Don't Finance Anything That Doesn't Appreciate

Buy the \$20,000 car versus the \$30,000 car and invest the difference. Remember the Rule of 72? That extra \$10,000 has an opportunity to double every 10 years if invested instead of being spent on a depreciating asset like a car.

Never Leave Money on the Table

If your 401(k) or 403(b) plan offers employer matching contributions, contribute at a rate equivalent to or higher than the match percentage – never walk away from free money!

Evaluate Your Spending Needs versus Wants

Consider spending on experiences instead of things. The novelty of new things wears off but memories last forever.

27%
of American adults are “not confident at all” about their retirement savings plan.¹

Identify and Prioritize Your Goals

128 M
Total number of U.S. households²

8.3 M
Number of households in the U.S. with millionaire status in 2019⁴

69%
Percentage of Americans with less than \$1,000 in savings³

Adopt a Positive Attitude About Money

Money creates freedom, it doesn't restrict it. Use your money as a purposeful tool to pursue your goals in life.

Pay Yourself First

Paying yourself first is a behavior you'll never regret. It forces you to think beyond instant gratification and strive for longer-term goals and priorities.

25% of adults say they do not pay their bills on time¹

54% struggle to minimize debt, primarily due to unexpected financial emergencies¹

37%
of households say they carry over credit card debt month-to-month¹

Automate, Automate, Automate.

Your personal autopilot mode can make you wealthy or poor. When a habit (good or bad) is formed it becomes automatic, the parts of the brain involved in deeper decision-making cease to fully participate in the activity.

Know Your Tolerance for Risk vs. Your Appetite for Risk

Understanding risk and reward is critical to making sound investment decisions aligned with your goals.

<p>Risk Appetite The amount and type of risk you're willing to accept in pursuit of your objectives</p>	<p>Risk Target The optimal level of risk you want to take in pursuit of a specific goal</p>
<p>Risk Tolerance The specific maximum risk you are willing to take regarding each relevant risk</p>	<p>Risk Capacity The amount and type of risk you are able to support in pursuit of your objectives</p>

¹ NFCC, 2019 Consumer Financial Literacy Survey
² Statista.com, 2019
³ GOBankingRates Annual Savings Survey, 2019
⁴ Kiplinger, Millionaires in America 2020

* The rule of 72 is a mathematical concept and does not guarantee investment results nor functions as a predictor of how an investment will perform. It is an approximation of the impact of a targeted rate of return. Investments are subject to fluctuating returns and there is no assurance that any investment will double in value.

** There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

*** Alternative investments may not be suitable for all investors and should be considered as an investment for the risk capital portion of the investor's portfolio. The strategies employed in the management of alternative investments may accelerate the velocity of potential losses.

Investment advisory services offered through CWM, LLC, an SEC Registered Investment Advisor. Carson Partners, a division of CWM, LLC, is a nationwide partnership of advisors.

