

CHECKLIST

INVESTING MADE EASY



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This checklist provides a structured approach to begin your compound interest investment journey. Following these steps will help you establish a strong foundation for long-term wealth building through the power of compound interest.

1. Financial Assessment

- Calculate monthly income and expenses**
Create a detailed breakdown of your monthly take-home pay and all expenses to determine your potential investment capacity.
- Build emergency fund**
Establish a 3-6 month emergency fund in a high-yield savings account before making major investments to avoid disrupting your investment strategy during unexpected challenges.
- Review and eliminate high-interest debt**
Address any debt with interest rates above 8-10% as this typically should take priority over investment contributions.

2. Account Setup

- ❑ **Open employer-sponsored retirement account**
If available, start with a 401(k) or 403(b) to capture employer matching contributions - this represents an immediate 50-100% return on investment.
- ❑ **Set up Individual Retirement Account (IRA)**
Choose between traditional or Roth IRA based on your tax situation and future income expectations.
- ❑ **Consider Health Savings Account (HSA)**
If eligible, open an HSA for its triple tax advantage: tax-deductible contributions, tax-free growth, and tax-free withdrawals for medical expenses.

3. Investment Strategy

- ❑ **Determine investment goals and timeline**
Define clear financial targets across different time horizons (short-term, medium-term, and long-term goals).
- ❑ **Choose initial investment vehicles**
Select low-cost, diversified index funds as your starting investment options to minimize fees while maximizing market exposure.
- ❑ **Set up automatic contributions**
Establish automatic transfers from your checking account to investment accounts immediately after each paycheck to ensure consistency.

4. Portfolio Management

- Create investment allocation strategy**
Determine appropriate asset allocation based on your age, risk tolerance, and investment timeline.
- Implement regular review schedule**
Set up monthly, quarterly, and annual review schedules to track progress and make necessary adjustments.
- Establish rebalancing triggers**
Define specific conditions (time-based or percentage-based) that will prompt portfolio rebalancing.

5. Education and Support

- Develop learning plan**
Create a structured approach to expanding your investment knowledge through books, courses, or financial education resources.
- Join investment communities**
Connect with like-minded investors through online forums or local investment groups for support and knowledge sharing.
- Select tracking tools**
Choose appropriate technology platforms and apps to monitor your investments and maintain records.

6. Risk Management

- Review insurance coverage**
Ensure adequate insurance protection to prevent disruption to your investment strategy from unexpected events.
- Create estate planning basics**
Establish beneficiary designations and basic estate planning documents to protect your growing wealth.
- Document investment policy**
Write down your investment strategy, goals, and rules to maintain consistency during market volatility.