

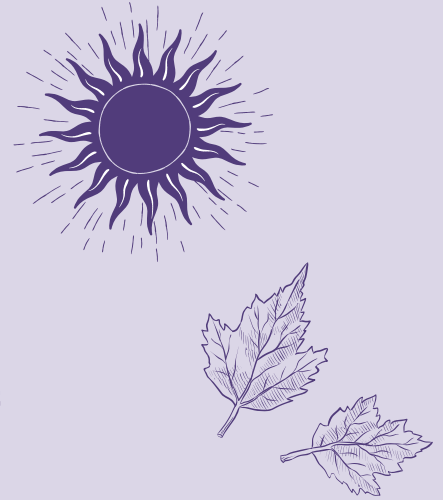


# ROVIN CAPITAL NEWSLETTER

September 1, 2023

---

As summer comes to an end and fall begins, we wanted to send out the second Rovin Capital Newsletter. Last time the newsletter touched on 10 simple principles of investing. For this go-around, we would like to briefly outline 10 simple principles of money. Enjoy!



---

## 1. PROTECT YOUR MONEY



A frightening reminder of this happened with the bank failures earlier this year, headlined by Silicon Valley Bank and First Republic Bank. Make sure wherever you bank has FDIC Insurance to protect your savings (up to \$250,000 per bank). Charles Schwab has its own protections for clients, including FDIC insurance and SIPC insurance, plus additional brokerage insurance for clients and their brokerage accounts.

## 2. TRACK YOUR MONEY

Use whatever works best for you to track your money each and every month. It is amazing the changes you can make when you realize where you are spending money.



## 3. SAVE FOR EMERGENCIES

Emergencies happen, whether it is a personal medical emergency or you unexpectedly lose your job. Be prepared with an emergency fund. We recommend having at least 3 to 6 months of expenses ready in a savings account or a similar account that can be accessed when needed. The result of not being prepared for these emergencies can handicap you financially for years.

## 4. CLAIM ALL YOUR MONEY

Always contribute at least enough in your employer's 401k plan to get the full match. Doing so will guarantee you a return of 30% - 100% depending on your 401k plan by just taking that free money. If you saw a \$100 bill on the street, you would reach down and grab it. Grab that extra money by contributing enough to take full advantage of your Employer's Match.

## 5. ELIMINATE HIGH-INTEREST DEBT

Debt can chew away or even completely negate any gains you think you are making by saving money. The best way to eliminate debt to save the most money is by paying down the highest interest debt (like a credit card) first.



## 6. PUT IT IN A BUCKET

Put money meant for different goals in different accounts. This helps because you are able to quickly see how much money you have saved up for each individual goal without having to do math every time. This is also called the bucket method, you have different buckets of money for savings, a new car, kids' college, etc.



## **7. MAKE MORE, SAVE MORE**

Also known as the 2X rule, use at least 50% of any raise or bonus to achieve long-term financial goals by paying off debt, contributing to your emergency savings, and investing your money. Once that has been done, treat yourself as well. You should enjoy your raises and bonuses over the short and long-term.

## **8. 50/30/20 RULE**

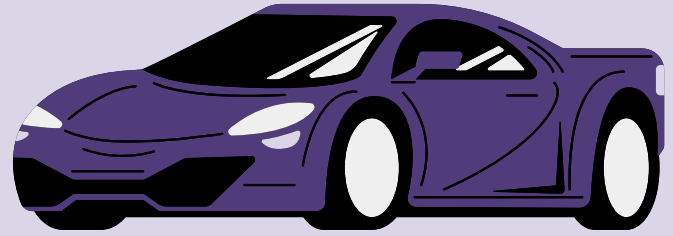
While each individual situation is unique, the 50/30/20 rule is a great starting point for budgeting. That rule states that you should use 50% of your after-tax pay for necessities, 30% towards lifestyle choices (the gym, games, eating out, etc.) that are more wants than needs, and 20% towards financial goals (like paying off debt, increasing savings and investing).

## **9. RETIREMENT FIRST, COLLEGE SECOND**

It may seem a bit counter-intuitive because you love your kids (if you have them), but make sure you are on the path to achieve your retirement goals before deciding to borrow money to pay for a child's school. The main reason why? Your child can borrow for college, you can't do the same for retirement. We also call this the "Airplane Principle"; you put the mask on yourself first, then your child.

## 10. IGNORE THE JONESES

Stay focused on your own goals and use those to direct how your money is spent. Just because Billy next door got a new car, boat, or RV doesn't mean you need to. According to CareerBuilder research, 78% of Americans are living paycheck to paycheck. Just because Tom next door bought a new car that he cannot afford doesn't mean you have to as well. Do you want to live a better life? Ignore the Joneses.



These rules are great baselines to go off of, but each individual situation is different. Please reach out to your financial advisor at Rovin Capital to see how these 10 simple money rules can best be executed in your financial plan.



**ROVIN  
CAPITAL**

PARTNERING IN YOUR PEACE OF MIND