

Table of Content

[Disclaimer](#)

[Terms](#)

[Diego's Financial Routine](#)

[Eduardo's Financial Routine](#)

[Financial Routine Checklist](#)

[Automation Flow](#)

Disclaimer

We are not financial advisors. We are just sharing our experiences. We recommend you do your own research and/or talk to a financial advisor.

Terms

Below is a list of terms we recommend you further look into. These are a list of some common investment vehicles to invest your money.

Employee Sponsored Retirement Account:

- 401(k)
- Roth 401(k)
- Health Savings Account (HSA)
- 403(b)
- 457 plan

Individual Retirement Account:

- Individual Retirement Account (IRA)
- Roth Individual Retirement Account (IRA)

General Investing:

- Brokerage Account

Diego's Financial Routine

Tools I use to track expenses and net worth:

- [You Need A Budget \(YNAB\)](#) to budget my money
- Google Sheets to track net worth (Assets - Liabilities = Net Worth)

Just so you have a better understanding of how my finances are set up, here are the accounts I use to manage my money:

- Checking Account
- Savings Account — Short Term Savings
- [Ally](#) Savings Account — Long Term Savings / Emergency Fund
- Roth 401k through my employer
- [Wealthfront](#) — Personal Investing
- Credit Card ([Bank of America Cash Rewards](#)) — Recommend for beginners

Budgeting

Every Sunday I open up my [YNAB](#) account (where I have all my accounts linked), and make sure it is congruent with what's actually in my accounts.

If there is anything that is not congruent, I make sure to update it so that my budget doesn't fall off track.

I budget my money off of two weeks increments. So every time I get paid, I update my budget for the following 2 weeks of bills and expenses only, and save or invest the rest.

Paying Bills

I've set it up so most of my bills go through my credit card on auto-pay. So every time I get paid, I make sure to manually pay off my credit card in full (I don't automate paying off my credit cards because it's not always consistent).

This is a great way to build your credit!

Don't use your debit card, instead you should use your credit card as if it were your debit card, meaning don't spend more money than is actually in your bank account. So if you only have \$300 in your bank account, don't spend more than \$300 on your credit card.

And by making sure you pay it off every time you get paid, it will help you stay on track towards paying your bills on time, which will in the end help you build your credit quickly.

Also, with credit cards you get rewards like Cash Back or Points for traveling (you don't get this stuff with a debit card).

Investing

I invest 12% of my income automatically through my employer's Roth 401k plan. I never get to see that money, which is what you want to set up. A way to invest where you never even see the money. The power of automation will make you rich over a long period of time.

If your employer has a 401k plan, take advantage of it (especially if they match you).

If your employer doesn't have a 401k plan, then you should open up an account with [Wealthfront](#) and invest into Index Funds through there.

Currently for me, this is how my money flows through my accounts:

Get Paid → Invest 12% Roth 401k → Direct Deposit → Pay Bills → Update Budget For 2 Weeks → Transfer 80% of the Extra of Income to Ally Savings → Invest the other 20% into Wealthfront

I repeat this process every two weeks when I get paid.

Note on savings — Personally, I'm only savings up until I have 6 months worth of expenses saved up for a rainy day. So for me, once I hit \$25,000 saved up, I will no longer be putting my money into my Ally savings account.

Instead I will be investing all of my extra income into Index Funds so that it can grow, instead of just sitting in a savings account... so the new workflow would look like this:

Get Paid → Invest 12% Roth 401k → Direct Deposit → Pay Bills → Update Budget For 2 Weeks → Invest 100% of Extra Income into Wealthfront

- Or I can increase my contribution to my Roth 401k (either or)

Track Net Worth

On the first of every month, I open up a Google Sheet that I created and add up all my savings and investments, and subtract my liabilities like credit card bills or student loans.

Then I see how much I was able to increase my net worth in the previous month. The goal is to try to beat that number the following month.

So if I increased my net worth by \$500 in February, the goal is to increase it by \$600 in March. This is a way to help you psychologically build momentum and motivation.

Eduardo's Financial Routine

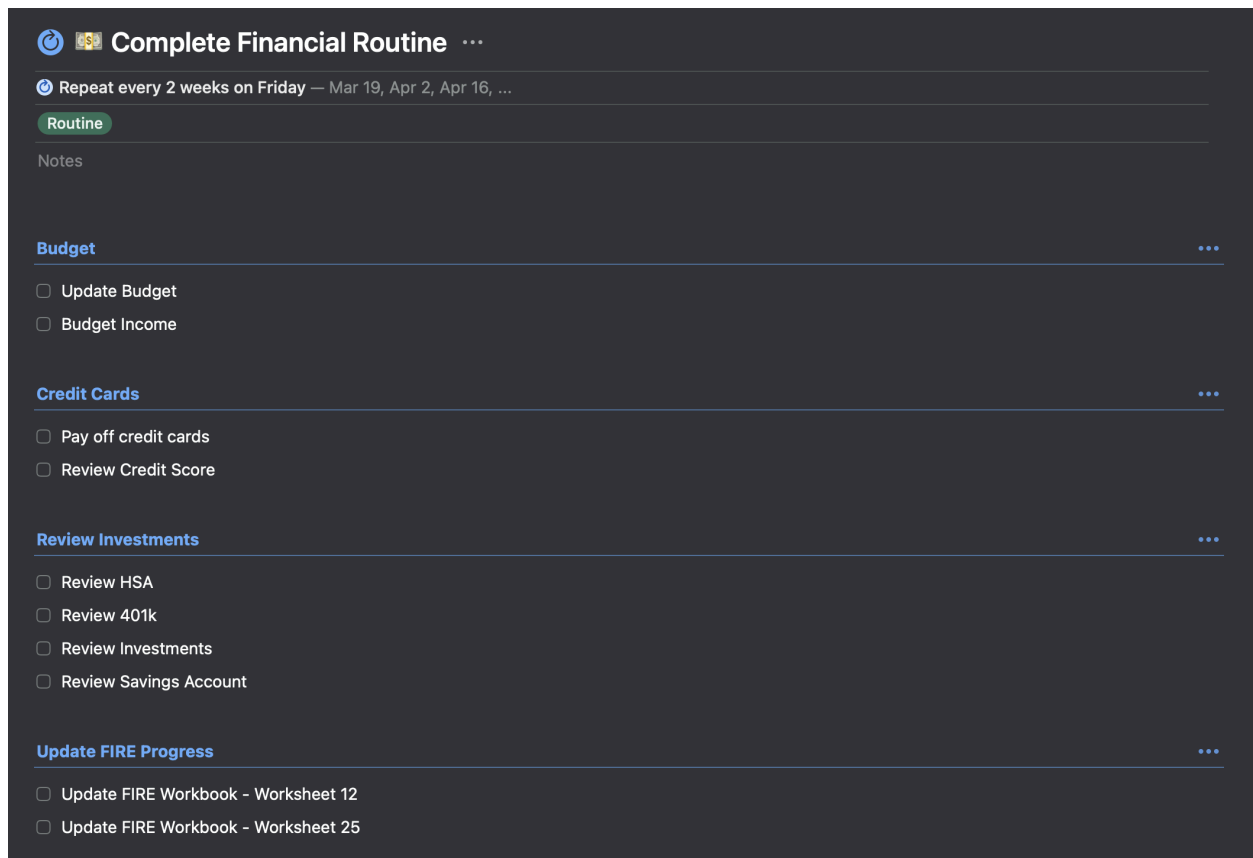
Tools I use to track expenses and net worth:

- [You Need A Budget \(YNAB\)](#) to budget my money
- [Personal Capital](#) to track my net worth

Financial Routine Checklist

Every two weeks, I have a set of tasks appear in my task manager which I will go through to see where I stand financially.

The checklist really streamlines what I should do and in what general order so that I don't really have to think about it. Currently use [Things 3](#) as my task manager.



The "Update FIRE Progress" is a Financial Independence Retire Early google sheets document that helps me track where I am in my financial independence journey.

This routine automatically pops up in my task for the day every two weeks which is my current payday frequency.

Below I have listed more details on the automation process that I mentioned in the podcast episode (Episode 8).

Automation Flow

Below is the flow

1. Set up Direct Deposit
2. Set up auto-pay on services/utilities
3. Set up your Employer-Sponsored Retirement account contribution
 - a. Set up to contribute 15% of my paycheck to my Roth 401(k)
 - b. Set up to contribute up to the limit for my Health Savings Account (HSA)
4. Before money reaches my checking account it:
 - a. Pay my insurance monthly premiums
 - b. Invest 15% to my Roth 401(k)
 - c. Invest into my Health Savings Account (HSA)
5. Once the money reaches my checking account:
 - a. Close to 30% goes towards investments and savings automatically
 - b. The rest of the money I budget using [YNAB](#) to keep track of my spending and budget my money
6. Pay off bills that are not set on auto-pay
7. Review my retirement account, HSA, savings account, investment accounts, and net-worth
 - a. Review my net-worth on [Personal Capital](#)
8. Track my spending day to day (ideally) to see how much I have left for fun money