Smart money moves in your 20s and 30s[1]

1 **Look at your paycheck**
To plan accordingly, it's important to know exactly how much you take home every month after taxes and deductions.

2 **Create a budget**
Now that you know your monthly income, set a budget to keep an eye on your finances. This includes being honest about knowing your "needs" versus "wants" and living within your means.

3 **Know the 28/36 Rule**
Allocate approximately 28 percent of your monthly budget on housing (rent, mortgage, etc.) and keep total debt costs (student loans, credit card payments, etc.) within 36 percent of monthly income.[3]

4 **Try to save at least $50 a week because "stuff" happens**
Because things happen unexpectedly even in your 20s and 30s, aim to set aside a minimum of $50 per week. Save this money in an account that's strictly for emergencies.

5 **Invest early and often**
Start saving and investing as early as possible. As a younger person, time is on your side and even the smallest money moves are beneficial, thanks to the power of compounding.

6 **Sign up for your employers 401(k) plan and get the match**
If you have the opportunity to invest in a 401(k) plan through your employer, RUN, do not walk, to sign up. Even small amounts of money invested in your 20s and 30s can grow into significant amounts.

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7 Start a Roth IRA and contribute

A Roth IRA can be an excellent savings vehicle for many younger individuals who are equipped to save more. There are many advantages to opening this kind of account, such as accessing money without penalty before retirement.[1]

8 Get insured

Although life insurance and disability insurance may not be a top-of-mind concern, consider protecting yourself in case an unforeseen circumstance occurs. The general rule of thumb is to secure 10 times your salary in life insurance and 60% to 70% of your net pay in long-term disability insurance.[4]

9 Aim for 760 or higher

This is the credit score you need to qualify for the best interest rates on a new home or a car. Paying bills on time and paying down debt can help you obtain and maintain a strong credit score.[3]

10 Develop distinct savings goals

Even if it's a small one, always have a savings goal in mind. Whether it's for the short term (vacation) or long term (retirement or a new home), determine how much money you need to reach each goal and create a savings timeline that will help you get there.

If you would like to take advantage of a free consultation with a financial professional, email us at Retirewise_support@metlife.com. Please include your contact information and company name.

[1]Money Under 30, March 2022

[2]Investopedia, March 2022

[3]Experian Information Solutions, Inc. 2021

[4]RamseySolutions, Investopedia, March 2022

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