

Retire on Your Terms

Seven ideas that make saving for retirement click

Time in the market + low expenses = freedom

How to Use this Guide

Make it a habit, not a one-time read.

These ideas are meant to be used regularly — daily, weekly, or monthly — not just checked off once. Think of them as habits, not a one-time checklist.

Understanding is power.

The goal here is to demystify the small set of ideas that take you from no savings to meaningful savings. It doesn't have to be complicated, and you don't need a degree in accounting or math to use it.

Money shouldn't be the main character in your life.

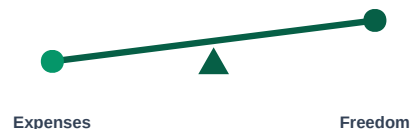
The goal is to build enough understanding, habit, and automation — like contributions that happen on their own on payday — that you trust your plan is working. That confidence is what frees up your time and attention for what actually matters to you.

01 THE LEVER YOU CONTROL

Keep your Expenses Low

Of the two ways to build wealth — earn more, or spend less — spending less is the one you can start today, and it pays twice: it's cash you can invest now, and it permanently shrinks the nest egg you'll need (see Idea 07).

Lower spending tips the balance toward freedom



02 THE ONE YOU CAN'T GET BACK

Start Early — Even Small

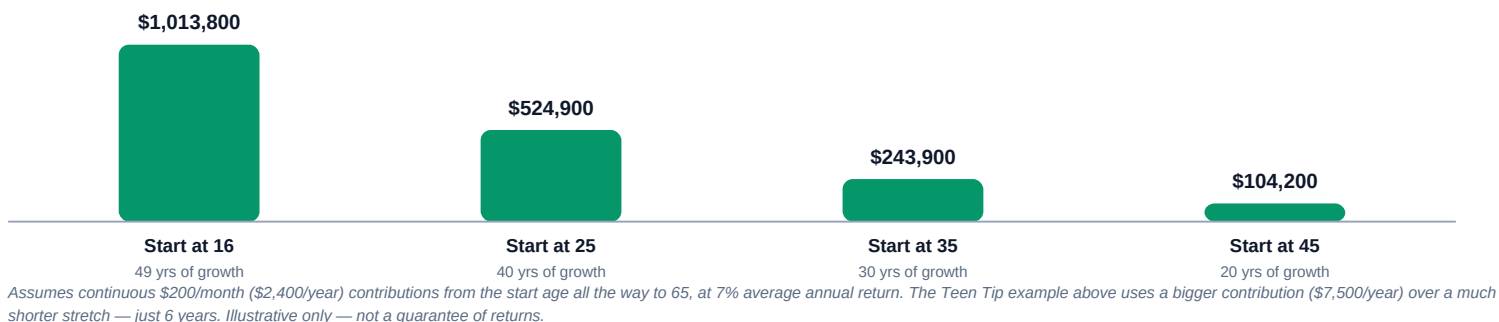
Compound growth needs one thing above all: time — so start the moment you have earned income (money from a job or self-employment — not allowance or gifts), even if it's just a part-time or summer gig. The same \$200/month produces very different results depending only on when you start.

TEEN TIP: MAKE IT A MATCH

Ask a parent, grandparent, or godparent to match your IRA contribution — like a 401(k) match. It's money they'd spend on you anyway, so it costs them nothing extra. Showing you understand why it matters is usually what earns their support.

The earlier you start, the harder your money works: \$1 invested in a traditional IRA at 16 grows to about \$28 by 65 (7% avg. return). Wait until 25, and it's about \$15. Wait until 30, and it's about \$11.

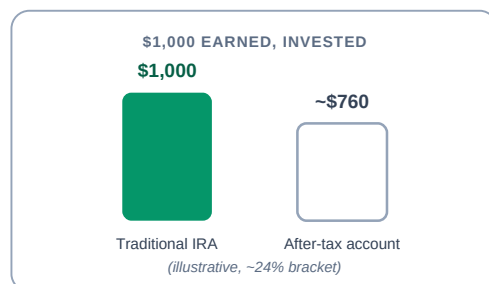
Contribute \$7,500/year from 16 to 21 — six years, \$45,000 total — then stop, and you'd still have about \$1,053,000 by 65.



03 LET THE IRS HELP

Pre-tax Contributions Do Real Work

A key advantage of a traditional IRA: contributions can go in pre-tax. You invest the money you'd otherwise send to the IRS, and it compounds for decades before any tax is due — more dollars working for you from day one.



04

REFRAME EVERY PURCHASE

The 4% Flip

A well-funded retirement account can sustainably pay out ~4% of its value every year, indefinitely. Before a purchase, ask what that money could pay you forever instead.

Buy a new phone

\$1,000, gone the moment you swipe.

Put \$1,000 in your IRA

At 4% withdrawal, that's ~\$40 a year — for the rest of your life.

You'll make hundreds of \$1,000 decisions over your life. Each one you invest instead adds another small, permanent raise — and they add up.

05

WHERE TO ACTUALLY PUT IT

Invest in Index Funds

Savings accounts and CDs feel safe, but they struggle to outpace inflation — and beating inflation is the whole point of investing. Picking individual stocks is risky without deep research, so an index fund is the simpler answer: one fund that buys small pieces of hundreds of companies at once.

Savings & CDs

Rarely outpace inflation — the wrong tool for growth.

Individual stocks

Risky to pick well without deep research.

Index funds

One fund, hundreds of companies — the simple choice.

Warren Buffett's own advice: start with a low-cost S&P 500 index fund, then branch out as your knowledge grows.

06

DON'T LOSE MOMENTUM

Think of It as a Road Trip

A small balance next to a big goal can feel discouraging. Track milestones instead, based on who's driving growth: your contributions, or your returns.

You're the driver

PHASE 1

Contributions far outweigh returns. Early growth comes almost entirely from what you put in.

Co-driver

PHASE 2

Your annual return starts to match your contribution. Your money is now pulling its own weight.

Money's driving

PHASE 3

Returns exceed contributions. Compounding — not your paycheck — is now the main engine of growth.

You've arrived

PHASE 4

Investment income now covers your annual expenses. Work becomes optional.

07

KNOW YOUR NUMBER

The 25x Rule

A simple baseline for “how much do I need to retire?” Save 25 times your annual expenses, and a ~4% annual withdrawal can sustain you indefinitely — which is exactly why keeping expenses low (Idea 01) shrinks your whole target.

Annual expenses × 25 = Your retirement number

FOR EXAMPLE

Annual expenses	You'll need roughly
\$40,000/yr	\$1,000,000*
\$55,000/yr	\$1,375,000
\$70,000/yr	\$1,750,000

* See the Teen Tip in Idea 02 for how to reach this before you turn 21.

Start where you are. Automate what you can. Let time do the rest.

For education only — not personalized financial, tax, or legal advice. Growth examples are illustrative and not guaranteed. Talk to a qualified advisor about your own plan.