

# 10 Steps

## TO ENSURE YOU WON'T OUTLIVE YOUR MONEY

1

### HAVE FAITH

Have an unyielding faith in the future based on over a century of solid evidence, in the slow and steady growth of the overall stock market.

2

### CREATE AND FOLLOW A PERSONAL BUDGETING SYSTEM

Budgeting, while analytical, doesn't have to be a burden. If you can't stomach tracking and categorizing every purchase, use a bucket system.

3

### PAY YOURSELF FIRST

By paying yourself first, which means making a contribution to your own retirement savings account, you begin a mindset shift that will forever improve your financial life.

4

### BE ZEN (BE ATTACHMENT FREE)

The science of Behavioral Finance has documented that human beings are ill equipped to make financial choices based on our emotions. "Don't let emotions be your guide."

5

### DON'T SPECULATE (ON THINGS THAT MATTER)

To avoid speculation, invest your money in the entire market and diversify it effectively in approximate proportion to each stock's market capitalization.

6

### TRANSFER, REDUCE & SHARE RISK AS OFTEN AS YOU CAN

Transfer risk—buy an insurance policy  
Reduce risk—take precautions  
Share risk—pay a deductible

7

### DON'T KEEP UP WITH THE JONESES

You absolutely cannot tell a person or family's net worth by their lifestyle, so give up the jealousy and the desire to compete.

8

### MAXIMIZE YOUR TAX-DEFERRED SAVINGS EVERY YEAR

Tax-deferred savings is the best way to take advantage of the few good incentives provided to you by Uncle Sam.

9

### KNOW HOW MUCH TO PAY YOURSELF

The common wisdom says that if you pay yourself 3% of your retirement portfolio every year, your portfolio can withstand the majority of stock market ups and downs and continue to pay you that income forever. Like a pension plan.

10

### PUT IT ALL TOGETHER

You have to do it all well. As many of us learned during the horrific downturn and credit crisis of '07-'08, the markets are ruthless.