

Stonecrop's Path to Prosper



1. Do you give to charity?

Yes

Move onto the next step.

No

Consider allocating a portion of your income to charitable giving.

2. Do you have a spouse/dependents?

Yes

Make sure you have the appropriate life insurance and estate planning documents in place.

No

Move onto the next step.

3. Do you have an employer-sponsored retirement plan with a match?

Yes

Consider contributing enough to receive the full employer match¹, but no more than that at this stage.

No

Move onto the next step.

4. Do you have a cash reserve of at least 1 month of living expenses?

Yes

Move onto the next step.

No

Use your extra monthly cash flow to build a high-yield savings account until you have 1 month of essential living expenses.

¹ Depending on your company's match policy, you may not have the means to maximize the full match. We would be happy to help determine the optimal contribution amount at this stage.

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5. Do you have any non-mortgage debt with an interest rate higher than 5%?

Yes

Allocate half of your extra monthly cash flow² toward paying down this debt in addition to the minimum payments. Use either the **debt snowball**³ or **debt avalanche**⁴ method.

No

Move onto the next step.

6. Do you have a cash reserve of at least 3 months⁵ of living expenses?

Yes

Move onto the next step.

No

Use the other half of your extra monthly cash flow² to build a high-yield savings account.

7. Are you saving for a house within the next two years?

Yes

Direct all available cash flow into a high-yield savings account until you have a sufficient downpayment. Aim for your monthly mortgage payment to stay within 25-30% of your total household income.

No

Move onto the next step.

8. Optimize Your Savings with Tax-Efficient Investment Strategies.

Contact Stonecrop Wealth Advisors to begin the process.

² If you're struggling to find extra cash for these steps, it may be helpful to start following a budget to ensure a consistent surplus in your cash flow.

³ Debt Snowball: Apply that extra cash flow to the minimum payment on your *smallest balance* loan while continuing to make minimum payments on all other debts. Once the smallest loan is paid off, roll its total payment into the next *smallest* debt. Repeat this process until all debts are eliminated.

⁴ Debt Avalanche: Apply that extra cash flow to the minimum payment on your *highest-interest* loan while continuing to make minimum payments on all other debts. Once the highest-interest loan is paid off, roll its total payment into the next *highest-interest* debt. Repeat this process until all debts are eliminated.

⁵ If you are a single-income family with one or more dependents, consider increasing your emergency fund to at least 6 months of living expenses.