

HIERARCHY OF INVESTMENT SAVINGS

Emergency Cash Savings

3-6 months fixed expenses

Short Term Cash

Expenses coming due in 1-3 years

Match 401k

Match employer contributions

Roth IRA

Fully fund Roth IRAs

Max Out 401k

Max out 401k

Taxable Investments

Fund a brokerage account

- **Level 1**: Emergency cash savings should be held in a money market account or other very liquid investments and be sufficient to cover 3 to 6 months of fixed expenses.
- Level 2: In addition to emergency cash savings, cash should be available for future short term expenses such as down payments on a home or car purchases.
- Level 3: Contribute what your employer is willing to match for free to your 401k.
- Level 4: If possible, Roth IRAs should be fully funded.
- Level 5: After funding Roth IRAs, go back and max out your 401k if possible.
- Level 6: Save remainder of funds in taxable investments in a brokerage account.