

7 Money Rules I Wish I Knew at 20

Each rule would have saved thousands of dollars and years of stress

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1 Pay Yourself First

"Most people save what's left after spending. Wealthy people spend what's left after saving."

The moment your paycheck hits, automatically move 10-20% into savings. Before rent. Before food. Before anything. Your lifestyle adjusts to what remains — and you never miss money you never saw.

ACTION STEP

Set up an automatic transfer on payday:

- 10% minimum → High-yield savings account (emergency fund)
- 5-10% additional → Investment account (index fund)
- Do this TODAY — it takes 5 minutes in your banking app

2 Never Buy a New Car

"A new car loses 20% of its value the second you drive off the lot. By year 3, it's lost 40%."

Buy a 2-3 year old certified pre-owned vehicle. Same car, same warranty, 30-40% less. The richest people I know drive used cars. The brokest people I know drive financed new ones with \$600/month payments.

THE MATH

- New car: \$40,000 → worth \$24,000 after 3 years (you lost \$16,000)
- Same car at 2 years old: \$28,000 → worth \$22,000 after 3 more years (you lost \$6,000)
- Savings: \$10,000 on the SAME car

3 The Latte Is Not the Problem

"Stop listening to people who say your daily coffee is why you're broke."

A \$5 daily coffee = \$1,800/year. Your rent = \$24,000/year. Your car payment = \$7,200/year. Focus on the 3-4 expenses that actually move the needle. Cut one big expense by 20% and it beats skipping coffee for 5 years.

THE BIG 4 TO AUDIT

1. Housing (rent/mortgage) — Can you negotiate, refinance, or downsize?
2. Transportation — Can you go to one car, or switch to pre-owned?
3. Insurance — When did you last shop around? (do it annually)
4. Subscriptions — Add them all up. You'll be shocked. Cancel 3 today.

4 Invest Boring

"Index funds beat 90% of professional fund managers over a 20-year period. Not some years. 90%."

Stop trying to pick stocks. Stop chasing crypto pumps. Put money into a low-cost S&P 500 index fund every single month regardless of what the market does. This is called dollar-cost averaging. Boring is how millionaires are actually made.

EXACTLY WHAT TO BUY

- Vanguard: VOO (S&P 500) or VTI (Total Market) — 0.03% fee
- Fidelity: FXAIX (S&P 500) — 0.015% fee
- Schwab: SWPPX (S&P 500) — 0.02% fee
- Set up automatic monthly investment. Never check it daily.

5 Emergency Fund Before Investing

"Without this, one car repair puts you in debt that erases years of investing gains."

3-6 months of living expenses in a high-yield savings account. Not invested. Not in crypto. Cash you can access tomorrow. This is the foundation everything else sits on. Non-negotiable.

HOW TO BUILD IT

- Calculate your monthly expenses (rent + food + transport + bills)
- Multiply by 3 (minimum) or 6 (ideal)
- Put it in a high-yield savings account (4-5% APY in 2026)
- Recommended: Marcus, Ally, Wealthfront Cash Account
- Don't touch it unless it's a REAL emergency

6

Your Income Is a Tool, Not a Score

"Someone making \$300K and spending \$290K is poorer than someone making \$80K and keeping \$30K."

What you keep is your wealth. What you spend is someone else's revenue. Track your savings rate — that's the number that determines if you'll be financially free, not your salary.

YOUR SAVINGS RATE FORMULA

Savings Rate = (Income - Expenses) / Income × 100

- Under 10% — you're living paycheck to paycheck
- 10-20% — good, you're building slowly
- 20-40% — great, you'll be financially free in 15-25 years
- 40%+ — exceptional, early retirement is possible

Calculate yours right now. Write it down.

7

Automate Everything

"The best financial plan is the one you never have to think about."

Set up automatic transfers for savings, investments, and bills on payday. Remove willpower from the equation entirely. When it's automatic, you never forget, skip, or negotiate with yourself.

THE AUTOMATION SETUP (DO THIS TODAY)

On payday, set these automatic transfers:

1. 10-20% → High-yield savings (emergency fund until full)
2. 10-15% → Investment account (index fund auto-buy)
3. Fixed amounts → All bills (rent, utilities, insurance)
4. What remains → Checking account for spending

Total setup time: 30 minutes. Lifetime benefit: hundreds of thousands.

The Complete Automation Flowchart

1

Paycheck hits checking account

2

Same day: 10-20% auto-transfers to high-yield savings

3

Same day: 10-15% auto-transfers to investment account → auto-buys index fund

4

Day 2-3: Bills auto-pay (rent, utilities, insurance, subscriptions)

5

What's left: Your guilt-free spending money. Enjoy it.

Wealth = (Income - Expenses) × Time × Compound Interest

You can't control the market. You can't always control your income. But you CAN control your expenses, your savings rate, and your consistency. That's where the game is won.

Follow for more money rules that actually work