

# Actor Finances

Pay Yourself First



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## Pay Yourself First

It's something I've been hearing since I was a teenager. My dad used to drill it into me, but what *exactly* does it mean?

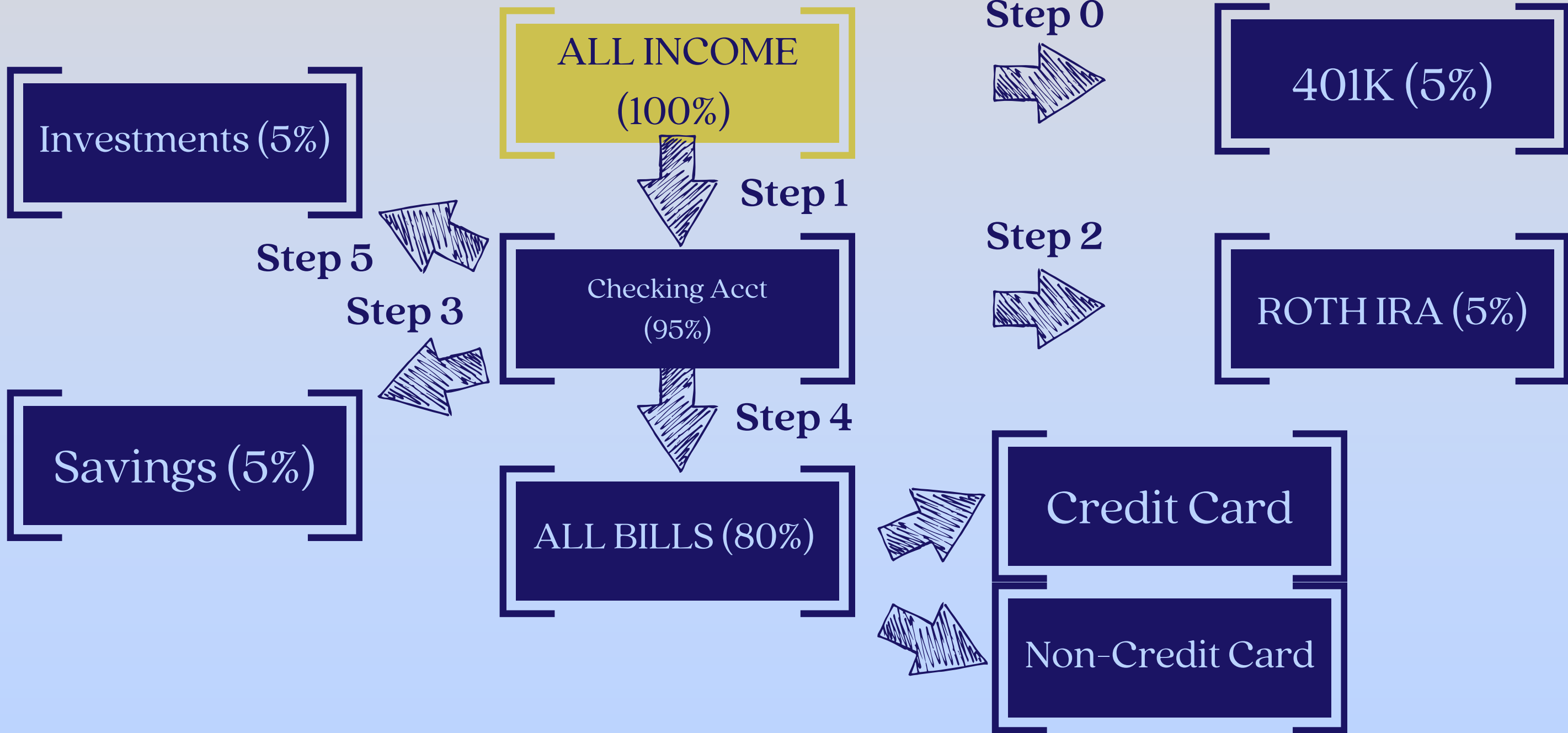
Depending on your employment situation, *how* you pay yourself FIRST may vary, but essentially it boils down to the belief that ALL of us have bills/expenses/financial obligations, no matter our financial status, but we MUST plan to carve out a percentage of our income to be dedicated to ourselves, BEFORE, paying others. Yes, even if we're in debt. The following pages include a variety of examples on how best to accomplish that objective.

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## Pay Yourself First-Corporate Job WITH a 401K

If you have a 401k, here's how you make the most of your opportunities.

- Step 0: Whether you have debt or not; this step is critical; max the employer match.
- Step 1: After 401K, the rest of your pay goes to checking.
- Step 2: The goal should be to max the contribution each year.
- Step 3: At a bare minimum, a HYSA is critical here.
- Step 4: Pay down debt to zero.
- Step 5: Only begin this step IF all credit card debt is paid off\*.



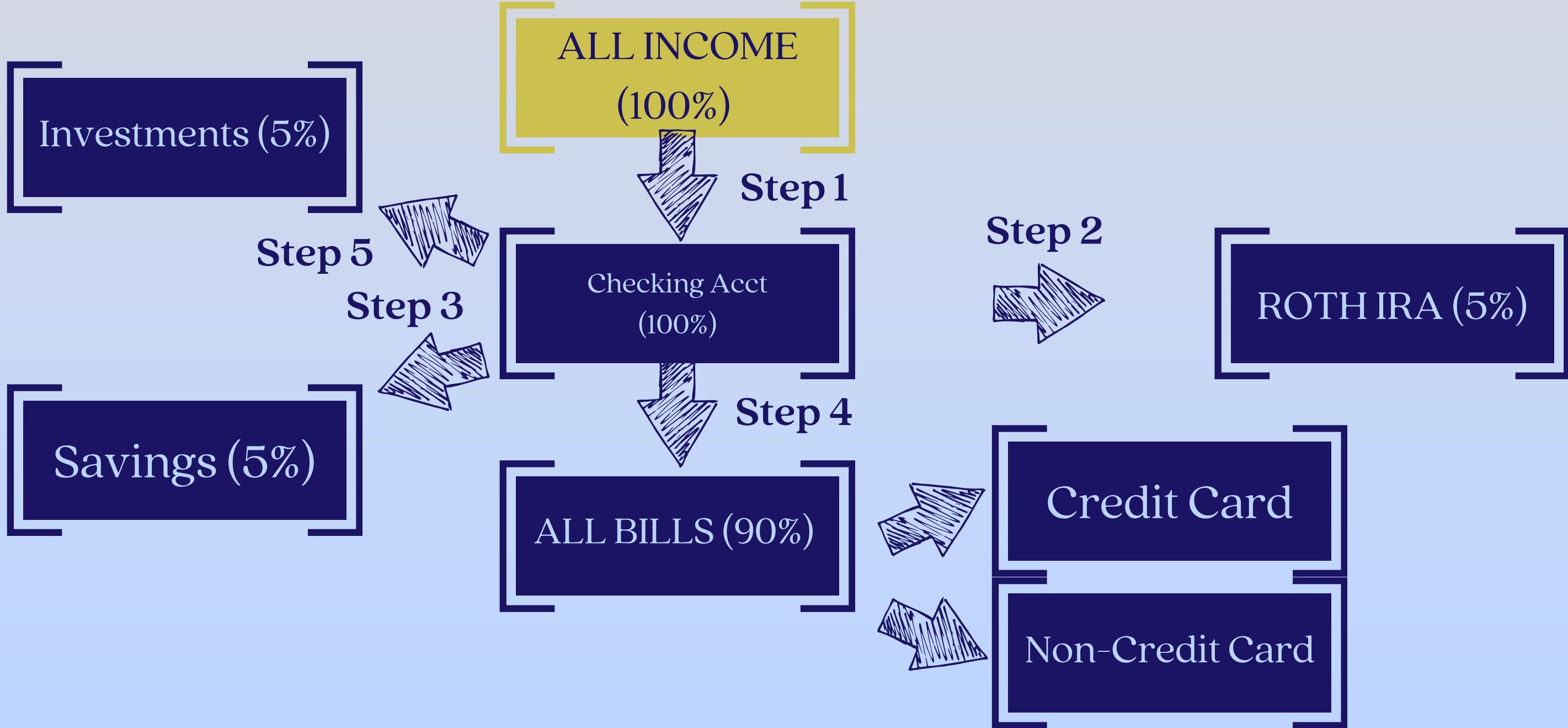
\*my own opinion (but if ROI on investments is 8%/yr & APR on credit card is \$14.99-27.99%, it makes sense to pay off credit cards first.

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## Pay Yourself First-Corporate Job with NO 401K

If you have don't have a 401k, here's how you make the most of your opportunities.

- Step 2: The goal MUST be to max the contribution each year.
- Step 3: A HYSA is critical here.
- Step 4: Pay down debt to zero.
- Step 5: Only begin this step IF all credit card debt is paid off.\*



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## Pay Yourself First-Freelance job(s) with NO 401K

If you have don't have a 401k, here's how you make the most of your opportunities.

- Step 2: The goal MUST be to max the contribution each year.
- Step 3: A HYSA is critical here.
- Step 4: Pay down debt to zero.
- Step 5: Only begin this step IF all credit card debt is paid off.

