



FORTRESS MEGA LLC

# Starting Out Checklist

Washington State

## What is your goal?

**1. Build your credit while at the same time keeping minimal credit card debt.**

- Consider a rewards credit card that you pay off monthly.
- Ideally no more than two credit cards.
- Consolidate debt to the lowest available fixed interest rate.

**2. Create an emergency fund – what is your number?**

- Start with 3 months expenses, ideally achieving 3-6 months of your income.
- This should be easily accessible in a savings account.

**3. Begin examining a path to home ownership – go look at a home and do math.**

- What does it take for a down payment?
- What is your monthly payment?

*Spending all this money, will you ever get to have fun?*





## Income and Expenses

One of the biggest expenses to tackle is housing, insurance and saving for retirement. How do you do it all? Make a budget and prioritize what you can do and figure out the risks you want to take.

### What is your income?

### Total Potential Annual Expenses

#### Total Potential Expenses with Inflation

*(x1.41 basic inflation after 10 years at 3.5% compounding)*

- Housing
- Insurance, other than Healthcare
- Auto
- Utilities
- Property Taxes
- Travel
- Food
- Technology/Entertainment
- Club Fees
- Discretionary Spending

### P&C Insurance (renters, home, auto, umbrella)

- Monthly Cost

### Healthcare Monthly Cost

#### Sign Up for Employee Benefits and Acquire Those You Don't Have Access To

- Health Insurance
- Dental/Vision
- Disability Insurance – Face Value
  - Monthly Cost
  - Don't forget the buy up options.
- Life Insurance – Face Value
  - Monthly Cost

## Investments

When talking about investments there are 3 goals I would like to highlight. How do you want to handle liquidity, inflation, market risk all while potentially hitting a specific rate of return. Frankly, there are a lot of ways to set this up. I prefer identifying your growth, income and protection components.

### Set Up Your Initial Retirement Savings

- At a bare minimum, match your employer match.    Yes    No
- Ideally, 10–12% of your income invested more aggressively for the long-term.    Yes    No
  - Do you know how to invest based on your age and risk tolerance?    Yes    No
- How much are you saving annually?
- How much is for retirement?
- What is your effective rate of return?
  - Is this beating inflation?    Yes    No
- Do you understand the concept of a Core Holding?
  - Yes    No
- How much is protected from market downturns?
  - Are there any guarantees on that protection?
    - Yes    No
- What is your cash flow rate?
  - Dividends, Interest, etc.



## Tax Planning

Do you understand your baseline tax situation and where you have opportunities or may have trouble?

- What is your average tax rate?
- What is your marginal tax Rate?
- What is your AGI?
- What is the maximum income you can take out in the first two tax brackets?
- Could you trigger net investment tax or Washington State Capital Gains tax (I loosely call this the rule of 250)?    Yes    No
- What is your passive income amount?
- Do you know your standard deduction?
- Do you understand the basics of itemization?  
Yes    No
- Which are you typically doing?

## Income Planning

If you are saving, you should generally know what that is supposed to do for you someday. Before I drive somewhere I typically figure out how long it will take me to get there. There are no guarantees there won't be uncommon or extraordinary events that will cause delays, but that doesn't mean I can't have a basic plan.

Can you estimate your future expenses?  
*(take your total expense number and multiply by 2.5)*

Can you estimate Total Potential Retirement Income based on your savings rate?

### Total Potential Income

#### Fixed Income Total

Social Security	Age
Social Security	Age
Pensions	Age
Pensions	Age
Other	Age

### Investment Income

Let's start with the 4% rule, you can adjust this based on your actual plan.

- Total Investable Assets
- Multiple by 4% (annual)
- Rental Income
- Other Income

### Notes

Investment advisory services provided by Regal Investment Advisors LLC, an SEC registered investment adviser. Regal Investment Advisors is independent of Fortress Mega, LLC. Advisory services are only offered to clients or prospective clients where Regal and its representatives are properly licensed or exempt from licensure. SEC registration does not imply a certain level of skill or training. The information presented is general in nature and should not be considered to be investment, legal, tax, accounting, consulting, or any other professional advice. It is not a solicitation of, or an offer to buy or sell, any securities or advisory services. The purpose of the information presented on this website is to educate and inform. The content is developed from sources believed to be providing accurate information. In all cases, you should consult with a professional familiar with your particular situation for guidance concerning specific financial matters before making any decisions.

Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, Certified Financial Planner™ and CFP® in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.