

The Plan on One Page

You have read the whole book. Here is the entire plan in one place, small enough to copy onto an index card and keep where you will see it.

Learn It. Earn It. Own It. Grow It.

Everything in this book hangs on those four words. Understand how money works, earn it through work that creates value, turn some of what you earn into things you own, and give what you own enough time to grow.

The recipe

Reaching one hundred thousand dollars by your mid-thirties does not take luck or a rich relative. It takes four steps and about twenty years.

1. **Earn it.** Do real work for real money. It is the one door open to almost any young person.
2. **Set aside what you owe.** Hold back roughly a tenth of what you earn for taxes, so what is left is truly yours.
3. **Invest most of the rest.** Put it into a broad, low-cost fund, on a regular schedule, and do not try to time the market.
4. **Leave it alone.** Let compounding do the work that only time allows. Build a small emergency fund first, so a surprise never forces you to sell.

The seven actions

Each one comes from a chapter, and each takes well under an hour.

- Log it (Chapter 6).** For one week, write down every purchase and label each one.
- Budget it (Chapter 7).** Build a simple budget, and pay yourself first.
- Snapshot it (Chapter 10).** List what you own, subtract what you owe, and write down your net worth.
- Look it up (Chapter 11).** Find the M2 money supply on FRED for the year you were born, then for today.
- Check the school (Chapter 15).** Look up one school on the College Scorecard and one career in the Occupational Outlook Handbook.
- Start the account (Chapter 17).** Ask a parent about opening a custodial Roth IRA together.
- Begin (Chapter 18).** Name one kind of work you could start this year, and one amount you could invest each month from it.

Four questions for any money decision

Ask these before you sign, buy, or borrow:

1. **Time horizon.** How long until I need this money back?
2. **Goal.** What is this money for?
3. **Risk.** How large a loss could I sit through without panicking?
4. **Liquidity.** How quickly can I turn this back into cash if I have to?

The one idea

Money is *stored choice*: the power to spend now or to wait. Because money put to work today can grow while the same amount promised next year cannot, it is worth more the sooner you hold it. Follow that far enough and the idea sharpens: *money is time*, the time you traded to earn it and the future it can grow into. The single most powerful thing you can do with that time is start early.

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