

THE WEALTH ENGINE

Level Three Stargazer

General Guidelines Note

Everything in this guide is a framework, not a formula. These are principles, guidelines, and general rules of thumb that have proven reliable across time and across many people's financial lives. They are not universal laws. Every person's situation is different. Your income, your obligations, your risk tolerance, your existing knowledge, your age, and your goals all shape what the right path looks like for you. Some of you reading this already have significant financial sophistication and will move differently than what is outlined here. Others are starting from zero. Both are fine. Use what applies. Adapt what doesn't. The goal is understanding, not compliance.

Disclaimer

The information in this guide is for educational purposes only and does not constitute financial, legal, or investment advice. Nothing here should be taken as a personalized recommendation. Always consult a qualified financial professional before making investment decisions. Past performance of any market, fund, or strategy does not guarantee future results.

What a Wealth Engine Actually Is

Most people think of investing as something complicated. Something for experts. Something you need a finance degree or a financial advisor to understand. That is what most people are taught to believe.

Here is what investing actually is, stripped of all the fog, all the jargon, all the complexity that the financial industry layers on top to keep you dependent on intermediaries:

Investing is putting your money to work so it generates more money without requiring your time.

For example: when you buy a share of a company, you own a small piece of that business. As that business grows and earns profits, your investment grows with it.

That is it. That is the whole thing. Every investment vehicle that has ever existed (stocks, bonds, real estate, crypto, businesses) is a variation of that single principle.

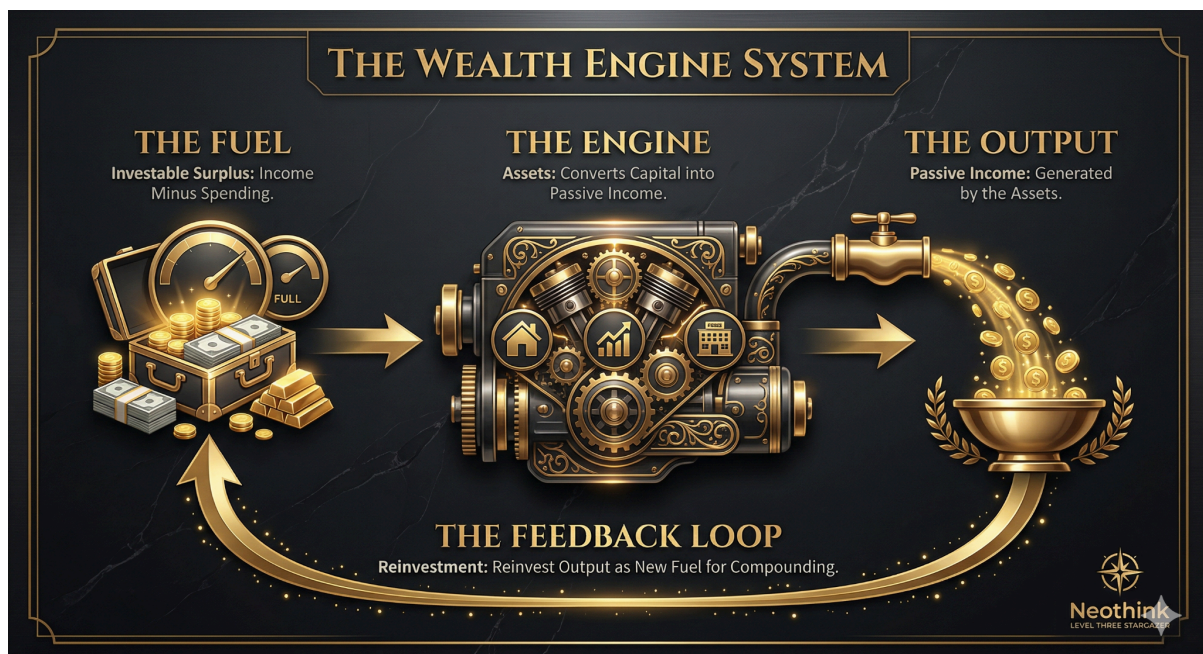
You give your money a job. Your money goes to work. Your money comes back with friends.

The Wealth Engine Defined

A wealth engine is a collection of assets that converts time and capital into income you don't have to work for. It is an engine you build, improve over time, and eventually allow to run without you.

Most people think wealth is a number. It's not. Wealth is a system. A bank balance is static. An engine is alive. It takes in fuel, produces output, and compounds.

Four Components



1. THE FUEL—Your investable surplus (income minus spending)
2. THE ENGINE—The assets you place that surplus into
3. THE OUTPUT—The passive income those assets generate
4. THE FEEDBACK LOOP—Output reinvested as new fuel (compounding)

*Fuel goes into the engine.
The engine produces output.
The output gets fed back in.
The engine grows stronger over time.*

The engine's singular purpose: generate enough output to cover your living expenses without your labor.

Most people have no Wealth Engine. They have a job. When they work, money comes in. When they stop, it stops. They ARE the engine. And the moment they cannot work—by choice, by circumstance, by crisis—the income stops.

The Wealth Engine is the exit from that trap.

And the earlier you start building it, the less effort it requires later.

Time is the force that turns small actions into massive outcomes.

And the destination it is pointed toward is the most important financial concept you will ever learn...

The Three Levels of Financial Freedom

Financial freedom is not a single destination. It is a progression through three distinct levels, each unlocking a different level of autonomy and peace.

Level	Definition
Security	Your investment returns cover your basic survival costs: rent, food, utilities, insurance, transportation. You will never go hungry or lose your home.
Independence	Your investment returns cover your current entire lifestyle. Work becomes a choice, not a requirement. You are free from the survival pressure.
Freedom	Your investment returns cover any lifestyle you want, any emergency, any opportunity, forever. Money stops being a variable in your decisions. Your nervous system shifts from survival to transcendence.

The Six Guidelines of Wealth Physics

These six guidelines govern every wealth engine on the planet. They will serve you for the rest of your life.

1: Compounding Is the Ultimate Multiplier

Einstein called compound interest the eighth wonder of the world. He said those who understand it earn it. Those who do not, pay it.

The Buffett Proof: Warren Buffett's net worth is over \$100 billion. He began investing at age 10 and became a millionaire at 30. By age 50, he was worth roughly \$400 million. 99% of his wealth was accumulated after his 50th birthday because compounding is exponential. The first 40 years built the base. The last 30 years produced the explosion.

The \$500/Month Proof:

Imagine two people investing the exact same amount: \$500 a month.

Person A starts at age 20, invests \$500/month for 10 years, and then stops completely at age 30. They never put in another dime. Total invested: \$60,000.

Person B waits until age 30, then invests \$500/month for 35 straight years until age 65. Total invested: \$210,000.

Assuming a historical 10% market return, at age 65:

Person B has around **\$1.9 million**.

Person A has over **\$3.3 million**.

Person A invested a fraction of the capital, but because their money had a 10-year head start to compound, they absolutely crushed Person B.

The difference is not how much they invested. The difference is how long their money had to compound.

That is compounding. That is time as a wealth multiplier.

Note: Compounding only works if your returns stay invested. The moment you pull money out early, you may interrupt the engine.

2: The Surplus Is the Seed

The gap between income and spending is the most important variable in the entire wealth equation. Not returns. Not asset selection. The surplus.

Independence, at any income level, is driven by your savings rate. Your savings rate is the one variable entirely within your control. A person earning \$50,000 who invests \$500 a month has a more powerful engine than a person earning \$500,000 who spends it all.

3: Time Horizon Changes Everything

The person who needs money in 2 years and the person who doesn't need it for 30 years are playing completely different games. They should never hold the same portfolio.

Time Horizons:

0–2 years: Safety (cash, treasuries, money market)

2–10 years: Balance (bonds, balanced funds, conservative allocations)

10+ years: Growth (stocks, real estate, business equity)

20+ years: Maximum growth (can weather any crash and come back stronger)

In any 20-year period in the entire history of the U.S. stock market (including the Great Depression, World War II, the dot-com crash, the 2008 financial crisis, and Covid) it has NEVER been negative with dividends reinvested.

Time dramatically reduces risk.

4: Risk Is Not What You Think

Most people think risk means danger or a fluctuating stock price. Most people hear the word risk, see the market drop, and feel panic.

But Howard Marks, one of the greatest market analysts in history, defines risk precisely.

Risk is not volatility. Risk is the probability of a permanent loss of capital.

Volatility is simply prices moving up and down. The emotional toll you pay to ride the wealth engine.

If a broad market index fund drops 40% in a crash, that is not a loss unless you panic and sell. It is a temporary fluctuation.

An investment in a scam, a highly leveraged gamble, or a bankrupt company that goes to zero is entirely different. That is a permanent loss.

Warren Buffett famously said, "Risk comes from not knowing what you're doing."

His two golden rules of investing are simple:

Rule 1: Never lose money.

Rule 2: Never forget Rule 1.

This sounds like your account can never go down or that you can never take a tactical loss. That is a myth. The wealthy take realized, strategic losses all the time to harvest tax advantages or cut dead weight.

What Buffett actually means is this: Do not take catastrophic risks that destroy your engine. The math of loss is ruthless. If you lose 50% of your capital on a reckless bet, you do not need a 50% gain to recover. You need a 100% gain just to get back to zero. Never take an uneducated bet where the downside can take you out of the game entirely. Survive first. Profit second.

Simple rule: short-term money needs stability; long-term money can handle volatility.

(Note on the hidden risk: Holding all your money in cash under a mattress feels safe. In reality, it is a guaranteed permanent loss of purchasing power due to inflation. True safety requires growth.)

5: Simplicity Beats Complexity

The world's greatest investors have the simplest strategies. Buffett: buy wonderful companies at fair prices, hold forever. Bogle: buy everything, pay nothing in fees, never sell. Munger: invert—figure out what to avoid, then avoid it.

If you cannot explain your wealth engine to a teenager, you do not understand it yet. Complexity is not sophistication. Complexity is usually confusion wearing a suit.

For most people, a simple portfolio of low-cost index funds will outperform the majority of more complex strategies over time.

6: Asymmetry

The goal is not to maximize returns. The goal is to maximize the ratio of upside to downside. Position yourself so that when you're right, you win big, and when you're wrong, you lose small.

A classic illustration of this is Taleb's barbell principle. Instead of putting everything in moderate risk investments, an asymmetric investor might allocate to both extremes. They put 90% into very safe, foundational assets, and 10% into higher-risk, exponential opportunities. In a worst-case scenario, the core wealth engine survives because the maximum loss is capped at 10%. But if that 10% hits, it produces outsized, life-changing returns. This is how you protect your baseline survival while leaving room for massive upside.

This is one of many approaches. Most people can build significant wealth without ever taking speculative bets.

Containers Before Vehicles

Before you choose WHAT to invest in, you need to choose WHERE to put it. The container you use can be worth hundreds of thousands of dollars over a lifetime. This is the turbocharger most people never install.

A container is the account your investments live inside. And the container you choose determines how much of your money the government takes and how much stays in your engine compounding for you.

Two people can make the exact same investment and end up with dramatically different outcomes depending on the container they use.

Roth IRA—The Single Greatest Wealth-Building Tool for Most Americans

If you are under the income limit and you are not maxing a Roth IRA, you are leaving the biggest gift the tax code offers on the table.

- You contribute money you have already paid taxes on.
- It grows tax-free.
- You can withdraw it tax-free.

If you follow the rules, there are no taxes on the gains. No tax on growth. Not when you sell. Not when you withdraw.

A 25-year-old who maxes their Roth IRA every year for 40 years and invests in a broad market index fund will likely **retire with over a million dollars, tax-free**. That single decision is worth more than almost any investment strategy.

Contributions (but not earnings) can generally be withdrawn at any time without penalty, which adds flexibility.

If you are over the income limit, look into a 'Backdoor Roth IRA' strategy. High-net-worth individuals use this loophole to get the exact same tax-free container.

401(k) / 403(b)—The Employer Match Is Free Money

If your employer matches your 401(k) contributions and you are not contributing at least enough to get the full match, you are declining free money. That is literally free money that you are saying no to.

- Contributions reduce your taxable income today.
- Grows tax-deferred.
- Taxes paid on withdrawal in retirement (when your tax rate may be lower).

The employer match is an instant 50% to 100% return on your contribution. The match alone is the highest guaranteed return in all of investing, before you even factor in market growth. Take it. Always.

HSA—The Hidden Triple-Tax Advantage

If you have access to a Health Savings Account, it is the only account in the tax code that gives you a tax break going in, growing, AND coming out. Triple tax advantage. Very few accounts offer this combination of tax advantages.

- Contributions are tax-deductible.
- Growth is tax-free.
- Withdrawals for medical expenses are tax-free.

After 65, withdrawals for any purpose are taxed like a traditional IRA—but you have had tax-free growth the whole time.

If invested rather than left in cash, an HSA can function as a long-term investment account in addition to covering medical expenses.

Note: You can only open an HSA if you are enrolled in a high-deductible health plan. If you are unsure whether your plan qualifies, check with your HR department or insurance provider. Fidelity offers individual HSAs with no fees and full investment options.

Standard Brokerage Account — The Flexible Container

A standard brokerage account is the most flexible investment container available.

There are no contribution limits. There are no withdrawal restrictions. You can invest and access your money at any time.

The tradeoff: You do not get special tax advantages.

- Dividends may be taxed each year
- Capital gains are taxed when you sell investments

Despite this, a brokerage account plays a critical role in your Wealth Engine.

It gives you:

- Full liquidity
- Flexibility for opportunities
- Access to your wealth before retirement age

This is the container that funds freedom before traditional retirement.

The Container Hierarchy

This is a general optimization strategy, not a rigid rule. Your situation may shift the order slightly.

Follow this order and you will keep more of your wealth than 95% of Americans:

1. First: Contribute enough to your 401(k) to get the full employer match. That is the free money.
2. Second: Max your Roth IRA. That is the tax-free growth.
3. Third: If you have access, fund your HSA. That is the triple advantage.
4. Fourth: Go back and max your 401(k) if you can.
5. Fifth: Invest additional funds in a standard brokerage account

Most people skip straight to five. They open a trading app and start buying stocks in a taxable account while leaving hundreds of thousands of dollars of tax advantages on the table. Now you see.

Note: 401(k)s and IRAs are phenomenal, but the funds are locked behind a penalty wall until age 59.5. A brokerage account provides the flexibility to access your wealth at any time, making it essential for building freedom before traditional retirement age.

The Philosophy Behind This Guide

Everything in this guide is built on one investment philosophy: buy and hold.

Buy quality assets. Hold them for a long time. Do not panic when markets drop. Do not chase trends. Do not try to time when to get in or out. Let compounding do its work over years and decades.

This does not mean ignoring your investments completely. It means avoiding unnecessary changes, staying invested, and making adjustments only when your long-term plan requires it.

This is not a new idea. It is the oldest validated wealth-building strategy in modern finance. It is what Warren Buffett built his fortune on. It is what John Bogle proved with index funds. It is what every long-term study of investor returns confirms (including decades of research showing that the majority of actively managed funds fail to beat the market over long periods.): **the people who buy, hold, and do nothing consistently outperform people who are constantly moving, reacting, and optimizing.**

The paradox of long-term investing is that doing less, but doing it consistently, often produces better results than constant activity. Your job is not to be clever. Your job is to be consistent, patient, and unmoved by short-term noise.

That is the game this guide is teaching you to play. And the sooner you learn to play it, the more powerful your Wealth Engine becomes.

The Vehicles: What to Invest In

Now that you know where to put your money, let me show you what to put in it. I am going to give you the landscape, not the encyclopedia. Enough to see it clearly. Enough to choose your path.

Two Types of Assets

Every investment falls into one of two categories:

Growth Assets — You buy them to increase in value over time
Examples: stocks, index funds, business equity

Cashflow Assets — You buy them to produce income now
Examples: rental properties, dividends, bonds

Most Wealth Engines use both.

Early in life: focus on growth
Later: shift toward cashflow

Start Here (If You Want It Simple)

If you are just starting, you do not need to master every vehicle.

A powerful quick start guide is:

- Invest consistently in an ETF such as VOO or VTI
- Do this every month
- Hold for the long term

That alone is enough to build significant wealth. And over time, it will outperform the results of most individual and/or active investors.

Everything else in this section is optional, not required.

Index Funds & ETFs—The Foundation

Philosophy: Own everything. Pay nothing. Wait.

John Bogle created the first index fund in 1976. He was mocked—they called it "Bogle's Folly." It is now the most validated investment approach in history. His insight was profound: don't look for the needle in the haystack. Just buy the haystack.

Over ANY 20-year period in history, the S&P 500 has been positive with dividends reinvested.

Average annual return over 100+ years: approximately 10% nominal, approximately 7% after inflation.

Index fund fees: 0.03–0.10% per year versus actively managed funds at 1–2%.

Over 15-year periods, approximately 92% of actively managed funds FAIL to beat the index.

The Actual Funds

VOO—Vanguard S&P 500 ETF. Tracks the 500 largest US companies. Expense ratio: 0.03%. If you buy one fund and never think about it again, this is the one.

VTI—Vanguard Total Stock Market ETF. Tracks the entire US stock market—large, mid, and small companies. Over 3,700 stocks. Same 0.03% expense ratio. Slightly broader than VOO. Both are excellent.

QQQ—Invesco Nasdaq-100 ETF. Tracks the 100 largest non-financial companies on the Nasdaq. Heavier in technology. Higher growth potential, higher volatility. Expense ratio: 0.20%. If you are young with decades ahead and you believe technology will continue to drive the economy, QQQ gives you concentrated exposure to that thesis.

Best for: Everyone, as the foundation.

If you do nothing else, do this.

Time required: 1–2 hours per YEAR.

Real Estate—Tangible, Leverageable, Income-Producing

Philosophy: Own physical assets. Use leverage (mortgages) to control things worth far more than your cash. Collect rent for cashflow. Build equity through appreciation and debt paydown.

The leverage advantage: Put \$100,000 down on a \$500,000 property. If it appreciates 5%, you've gained \$25,000—that's a 25% return on YOUR \$100,000. Meanwhile, a tenant is paying down your mortgage, building your equity without a dollar from your pocket.

A Concrete Example:

You buy a \$300,000 rental property with \$60,000 down and a \$240,000 mortgage. The rent covers the mortgage, taxes, insurance, and maintenance—plus \$300 a month in positive cashflow.

In 10 years: You own a property now worth maybe \$350,000. You have collected \$36,000 in cashflow. Your tenant has paid down \$60,000 of your mortgage. You have saved thousands in taxes through depreciation. Your total return on that original \$60,000 investment—several hundred percent.

Real estate can be powerful—but it comes with risks like vacancies, maintenance costs, and active management.

Individual Stocks — Focused Ownership

Philosophy: Own specific businesses you understand and believe will grow.

Instead of buying the entire market, you are selecting individual companies.

This offers higher potential upside, but also higher risk.

Most individual investors underperform the market over time, especially without deep research or experience.

Best for: People willing to study businesses, think long-term, and accept volatility.

Trade-off: More time required. Higher risk. Greater chance of underperformance.

For most people, this should be a small portion of your portfolio, or avoided entirely until you have experience.

Bonds & Fixed Income — Stability and Balance

Philosophy: Lend your money in exchange for steady interest.

Bonds are loans to governments or corporations that pay you a fixed return.

They are generally more stable than stocks, but offer lower long-term returns.

Best for: Reducing volatility, preserving capital, and generating predictable income.

Trade-off: Lower growth. May not keep up with inflation over long periods.

As your Wealth Engine grows and you get closer to financial independence, stability becomes more important, and bonds can play a larger role.

Cryptocurrency — High Volatility, Emerging Asset

Philosophy: Digital assets built on blockchain technology.

Cryptocurrency can offer extreme upside but also extreme downside.

It is still a young and evolving asset class.

Best for: Those with high risk tolerance and a long time horizon.

Trade-off: Volatility, uncertainty, and lack of long-term track record.

A common rule: limit speculative assets like crypto to a small portion of your portfolio (e.g., 5–10%).

If you cannot clearly explain why it should increase in value long-term, you are not investing. You are speculating.

Your Own Business — The Highest Leverage Vehicle

Philosophy: Create value directly and capture the upside.

Building your own business can produce returns far beyond traditional investments.

It is the one vehicle where you have the most control.

Best for: Builders, creators, and those willing to invest time and energy.

Trade-off: Not passive. Requires effort, skill, and resilience.

Important: Your business is your income engine. Not your entire wealth engine.

As your business generates surplus, that surplus should flow into assets that exist independently of you.

That is how you transition from income to freedom.

Gold & Commodities — Store of Value

Assets like gold are often used as a hedge against inflation or economic uncertainty.

They do not produce income or compound like businesses or stocks.

Best used sparingly, as a stability or diversification tool. Not as a primary wealth-building vehicle.

Start Here (If You Want It Simple)

This is worth repeating because it matters.

If you are just starting, you do not need to master every vehicle.

Start here:

- Invest consistently in an ETF such as VOO or VTI
- Do this every month
- Hold for the long term

That alone is enough to build significant wealth. And over time, will outperform most people who try to actively manage their investments.

Everything else in this section is optional, not required.

Then, only if it makes sense for your life:

- Add real estate
- Add other assets selectively

Complexity is optional.

Consistency is not.

Where Are You Starting From?

The principles in this guide apply to everyone.
The order of operations does not.

Where you are right now, your age, income, assets, and responsibilities, changes what you should prioritize first.

Find the profile closest to your situation. Use it as your lens.

The Starter *Early in life, little to no savings, income is new or still growing*

You have something more valuable than money right now. Time.

A small amount invested consistently at your age will outperform a large amount invested later.

Focus on three things:

- Eliminate high interest debt
- Build a three to six month emergency fund
- Open a Roth IRA and invest in an ETF such as VOO every month

Do not wait. Start with what you have.

The Builder *30s to mid-40s, some savings and income, but behind where you wish you were*

You are not out of time. But you are past the point where you can be casual.

Focus on increasing your savings rate and making investing automatic.

- Audit your containers.
- Max your 401k match.
- Open and fund a Roth IRA.

At this stage, investing is not optional. It is required.

The Business Owner *Any age, primary income comes from a business you own or operate*

You have unique advantages and unique blind spots.

- Focus on separation first. Keep clear boundaries between personal and business finances.
- Then use the tax advantaged accounts available to you such as a SEP IRA or Solo 401k.
- Finally, treat your business as an asset with an exit value, not just an income source.

Your business is income. It should not be your only wealth.

The High Earner, Low Saver *Strong income, but little accumulated wealth*

This is one of the most common traps.

- Focus on your savings rate immediately.
- Cut one meaningful lifestyle expense.
- Redirect that money into investments.
- If needed, use backdoor Roth strategies.

Income does not build wealth.

What you keep and invest does.

The Late Starter 50s or older, limited savings, feeling like too much time has passed

It is not too late. But the strategy shifts.

- Focus on maximizing catch up contributions.
- Balance growth with income producing assets.
- Pay attention to taxes and fees.

At this stage, every dollar matters more. Protect it and grow it wisely.

The Already Free Investments are covering your lifestyle costs, financial independence is real or close

The game has changed. You are no longer building the engine, you are maintaining and protecting it.

The priority shifts from accumulation to preservation, tax efficiency, and structure.

Your asset allocation should reflect the fact that you no longer need to take maximum risk to reach your number. You are at it.

Estate planning, legacy, and giving become live conversations.

The question is no longer “how do I build this.” It is “how do I make sure this lasts and means something beyond me.”

The Retired and Rebuilding Retirement age, limited savings, Social Security is primary or only income

This is a constrained position. It requires clarity, not comfort.

Your goal is not aggressive growth.

Your goal is stability, income, and sustainability.

Focus on three priorities.

First, protect what you have.

Keep short term money in stable, liquid accounts such as high yield savings, money market funds, or short term Treasury funds. This reduces the risk of being forced to sell during a market downturn.

Second, generate reliable income.

If you have investable funds, consider a mix of conservative income producing assets such as:

- Dividend focused index funds
- Short to intermediate term bond funds
- Treasury securities

The goal is not maximum return. The goal is consistent income with manageable risk.

Third, optimize Social Security.

The timing of when you claim benefits has a major impact on your lifetime income. Delaying benefits, if possible, can significantly increase your monthly payments. This decision alone can meaningfully change your financial stability.

The order of market returns matters. If the market drops early in retirement while you are withdrawing money, it can permanently reduce how long your savings last. That is why stability is not weakness. It is strategy.

If you are able to generate any additional income, even in small ways, it can make a significant difference. This could be part-time work, consulting, renting a room, or a small business based on your experience, skills, or Friday Night Essence. Even a few hundred extra dollars a month reduces pressure on your investments and increases stability.

At this stage, consistency matters more than growth.

Small, steady decisions compound into stability.

A Note

Most people are a blend of multiple profiles.

The goal is not to fit into a category.

The goal is to understand where you are so you know what to do next.

Your Starting Point Is Not Your Fate

You just read through those profiles. Some of you felt good about where you are. Some of you felt the weight of time that has passed or distance that has not been closed yet.

Here is what matters most: where you are starting from is not where you are locked in.

Every single one of those profiles has one variable that can change faster than any investment strategy, any account optimization, or any financial rebalancing ever could.

That variable is your income.

And your income is not fixed. It is not a ceiling. It is not determined by your age, your background, your past decisions, or your current position.

It is determined by the value you create.

This is the part of wealth building that the financial industry never talks about because they cannot sell it to you. They can sell you funds and accounts and advisors. They cannot sell you the understanding that your earning potential is essentially unlimited if you develop the ability to solve problems others cannot solve, build skills the market rewards, and create things people genuinely want.

The math is simple and it is worth sitting with:

A 1% improvement in your investment returns on \$20,000 is \$200 a year. A new income stream of \$2,000 a month is \$24,000 a year. One of those numbers changes your life. The other one barely moves it. The Wealth Engine matters enormously. But the fuel you pour into it matters more.

This changes everything.

The Starter is not waiting. They can accelerate.

The Late Starter is not stuck. They can compress time.

The High Earner can rebuild faster than they think.

Value creation is the accelerant that makes every single one of these profiles better, faster, and more possible.

You can achieve your financial freedom number in a fraction of the projected time if you double your income. You can reach goals that the compound interest math says will take thirty years in fifteen if your value creation grows alongside your investing discipline. The speed of your journey is not set. It is a variable. And it is the variable most within your control.

An honest tradeoff worth naming.

Time spent deep in financial optimization is time not spent building the capability that funds the optimization. Learn the fundamentals in this guide. Apply them. Then put the majority of your energy where the return is highest: into becoming someone whose time and skills and output command more from the world.

The Wealth Engine is the destination. Value creation is what gets you there.

And unlike the market, unlike compounding timelines, unlike where you are starting from today, **your ability to create value has no ceiling and no closing bell.**

Build Your Wealth Engine—The Exercise

What we are about to do is build YOUR Wealth Engine. Not a generic plan. Yours. Your numbers. Your timeline. Your path.

By the end, you will have a clear, reality-based roadmap to financial freedom. Not based on hope. Based on math, decisions, and action.

Step 1: Your Numbers

Write down your monthly survival costs: Rent/mortgage, food, utilities, insurance, transportation.

Annual Security Number (monthly \times 12): _____

What does your ideal lifestyle look like? Be honest.

Annual Freedom Number (monthly \times 12): _____

Step 2: Your Wealth Engine Targets

Take your annual security and freedom number and multiply by 20. That is the size of the Wealth Engine you are building toward.

You are not spending the engine. You are living off what it produces.

Wealth Engine Target for Security: _____

Wealth Engine Target for Freedom: _____

Step 3: Your Current Position and Phase

Existing investments, savings, retirement accounts:

Current Net Worth: _____

Annual savings capacity: _____

My phase: SAVING / INVESTING (circle one)

If you are building an emergency fund or paying off debt, you are in the saving phase. If you are consistently investing, you are in the investing phase.

Step 4: Your Containers

Check the containers you will use:

- 401(k) to match
- Roth IRA
- HSA
- 401(k) max

Brokerage account

Step 5: Your Vehicles and Portfolio

Write down your primary vehicle and the WHY (keep it simple):

Example: VOO monthly for long-term growth

Secondary vehicle (if applicable) and the WHY:

Step 6: Money Magic—Your Acceleration Plan

What could you create in the next 90 days that would increase your monthly income or the amount you invest monthly? Write down one specific idea:

Potential additional monthly income from this idea: _____

Step 7: Your First Move This Week

Write down ONE specific action you will take THIS WEEK to start or improve your engine. Make it concrete:

Examples: Open a Roth IRA, set up automatic investments, transfer first \$100

The Wealth Engine — One Page Cheat Sheet

If you forget everything else, remember this.

1. The Goal

Build a system where your money produces enough income to cover your life.

You are not chasing a number.
You are building an engine.

2. The Formula

Your Freedom Number $\times 20 =$ Your Wealth Engine Target

You are not spending the engine.
You are living off what it produces.

3. The Order

1. Get your 401(k) match
2. Max your Roth IRA
3. Use an HSA if available
4. Continue 401(k) contributions
5. Invest the rest in a brokerage account

4. The Strategy

Simple wins.

- Buy broad market index funds (e.g. VOO)
- Invest consistently
- Hold for the long term

This alone is enough.

5. The Portfolio (Simple Version)

Start here:

- 80 to 100 percent in VOO as your foundation

Optional:

- 10 to 20 percent in QQQ for more growth

Note: This is intentionally simple. Most investors underperform not because they lack options, but because they overcomplicate, trade too often, or react emotionally. A simple, disciplined approach like this has historically outperformed the majority of more complex strategies over time.

6. The Rules

- Do not try to time the market
- Do not panic during downturns
- Do not chase trends
- Keep fees low
- Stay consistent

Your edge is behavior, not intelligence.

7. The Timeline

Short term money requires stability
Long term money can pursue growth

Time reduces risk. It does not eliminate it.

8. The Mistakes to Avoid

- Not starting
- Being inconsistent with investing
- Selling during downturns
- Overcomplicating
- Ignoring tax advantages

9. The Accelerator

Your income matters more than your returns.

A higher savings rate and higher income will beat optimization every time.

Focus on increasing your ability to create value.

10. The First Move

If you have not started:

- Open a Roth IRA
- Invest your first \$100
- Set up automatic monthly contributions

That is enough to begin.

Final Reminder

You do not need to master everything at once.

If you:

- Invest consistently.
- Keep costs low.
- Stay invested for the long term.
- Avoid major mistakes.

You will win.

The Wealth Engine is not built in a day.

It is built in discipline, consistency, and time.

Start now.

Stay consistent.

Let time do what it does best.

Compound.