100k-couple-wealth-playbook
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Wealth Plan for a $100k Household
Homeowners · Excellent credit · Minimal credit card debt

> **Scope:** General education, not individualized advice. Confirm current-year IRS limits and your specific tax situation with a fiduciary CFP and a licensed CPA.

Assumptions
- Gross household income ≈ **$100,000**
- Stable employment; mortgage in place
- Minimal revolving debt; excellent credit (low utilization, on-time history)

The Priority Stack (fund in this order)
1. **Protect cash flow & credit**
   - Autopay at least minimums on every loan/card; set due-date/low-balance/large-transaction alerts.
   - Keep a checking **fee-shield** buffer (e.g., 1OO–200) and avoid fee-based overdraft programs.

2. **Emergency cash (starter, then core)**
   - Starter fund: **1,OOO–2,000** quickly in high-yield savings.
   - Grow toward **3—6 months of essential expenses** over time.

3. **Grab the free money**
   - Contribute to your workplace plan to capture **100% of any employer match**.

4. **Max the tax-advantaged stars**
   - **HSA** (only if you’re on an HSA-eligible HDHP): Fund up to the **current-year family/self-only limit**.
   - **IRAs for both spouses** (Roth or Traditional): Up to the **current-year per-person limit**.
   - If ineligible for Roth due to income in future years, consider **Traditional** or a **backdoor Roth** (coordinate with a CPA).

5. **Raise workplace plan contributions**
   - Increase 401(k)/403(b) deferrals toward a **15—20% household savings rate** over time (combined across accounts).

6. **Taxable brokerage (flexible investing)**
   - Invest additional dollars in **low-cost, broadly diversified index funds/ETFs**.

7. **Optional: extra mortgage principal**
   - Consider small, steady prepayments **after** tax-advantaged priorities are met—especially if your mortgage rate is relatively high and you plan to stay long enough to benefit.

Two Funding Flows (pick the one that matches your health plan)

A) If you have an HSA-eligible HDHP
- Workplace plan **to full match**
- **HSA** to the **current-year family/self-only limit**

- **Two IRAs** (one per spouse) up to **current-year limits**
- Back to workplace plan toward your **15–20%** savings target
- Then **taxable brokerage**

B) If you don’t have an HSA
- Workplace plan **to full match**
- **Two IRAs** (Roth or Traditional) up to **current-year limits**
- Back to workplace plan toward your **15–20%** target
- Then **taxable brokerage**

> **Roth vs. Traditional:** If you expect **higher** tax rates later, lean **Roth**; if **lower**, lean **Traditional**. Many couples split contributions to diversify tax exposure.

Investment Setup (keep it simple)
- **One-fund option:** A **target-date index fund** in each account.
- **Three-fund option:** **Total U.S. Stock** + **Total International Stock** + **Total Bond**.
- **Allocation examples (illustrative):** 70/30 or 60/40 stocks/bonds based on comfort with volatility.
- **Cost discipline:** Prefer expense ratios near **0.03%–0.10%**. Rebalance **annually** or when allocations drift by ~5–10%.

Cash-Flow & Credit Hygiene
- Keep credit **utilization** low (ideally single-digit). Maintain **on-time** payments via autopay.
- Review card statements monthly; dispute inaccuracies; pull free credit reports periodically.
- Avoid late/NSF/overdraft fees; let alerts + your fee-shield buffer protect you.

Tax Coordination (speak with a CPA)
- Confirm **current-year limits** and **income phase-outs** (Roth, IRA deductions, HSA eligibility).
- **Spousal IRA** allowed on a joint return even if one spouse has no wages (subject to rules).
- **Asset location (optional):** Put **bonds** in tax-advantaged, **tax-efficient stock index funds** in taxable (only if it doesn’t complicate rebalancing).
- If charitably inclined, consider **bunching** deductions or using a **donor-advised fund** in some years.

Risk Management (keep what you build)
- **Health insurance** appropriate to expected needs and cash flow.
- **Term life** (if someone relies on your income): coverage sufficient to reach financial independence.
- **Long-term disability** (often overlooked, crucial in prime earning years).
- **Home/auto** liability limits sized to your risk; consider **umbrella liability** if warranted.
- Keep **beneficiaries** current on retirement accounts; consider **POD/TOD** for bank/brokerage.
- Maintain **estate basics**: wills, durable **POA**, and healthcare directives.

Income Growth (gentle offense)
- On **every raise**, auto-increase savings **+1–2%** (“Save More Tomorrow”).
- Pursue **one marketable upskill per year** that maps directly to higher pay in your roles.

Your Default Maintenance Cadence
- **Monthly (30 min):** Update net worth (assets − debts), skim statements, trim one recurring cost, nudge contributions up if comfortable.
- **Annually (1 hr):** Rebalance, review insurance/beneficiaries/estate docs, refresh goals, confirm IRS limits and adjust contributions.

Quick Blanks to Fill Each January
- 401(k)/403(b) deferral limit: **[enter current-year]**
- HSA limit (family/self-only): **[enter current-year]**
- IRA limit (per person): **[enter current-year]**
- Roth MFJ phase-out range: **[enter current-year]**
- Target household savings rate this year: **[%]**
- Target allocation (stocks/bonds): **[/   ]**
- Rebalance month: **[   ]**

Final Word
Make it automatic, keep fees low, diversify, protect the downside, and let time do the compounding. You don’t need perfect—just consistent.