

## What to Do with Your Next Extra Dollar


This hierarchy doesn't fit every single situation, but it's a good start

### Emergency Savings – 3 to 6 Months

Depending on the nature of your employment, whether you have dependents, your expense level and risk tolerance, you can tune this to the shorter or longer end

### Pay Down Credit Card or Other High Interest Debt Including Student Loans

### 401k, at Least Up to Company Match or 2% if None

If you are already contributing, move along! 

### Other Retirement Savings, Taxable or IRAs; Deferred Comp Plan; HSA

Many investors don't realize they can contribute to nondeductible IRAs anytime; be sure to balance retirement tax impacts by stashing something in taxable or ROTH accounts if you can

### College Savings, Coverdell IRA, 529

For grandkids or kids; you can even use a 529 for an adult who plans to further her education

### Prepay Mortgage

The financial component of prepaying a mortgage is fairly straightforward, depending on your rate and how long you have had your mortgage; but the emotional benefit of debt reduction may trump analysis here

### Savings for That Big Thing

A trip, a home, an RV, a car.... For first time homebuyers, a down payment may come ahead of college or retirement savings, but try to build up emergency savings first! Your new house will thank you

Finally, for those with dependents to protect, consider:

### Life Insurance, Long Term Care Insurance