

# Big Money Moves in 2017 - Putting Over \$250,000 To Work

Do you plan your big moves out in advance? Or do you just fly by the seat of your pants?

I believe that if you want to do something extraordinary in any aspect of your life, you have to be pre-meditated. That's not to say there isn't room for serendipity, but I can't stress enough the **importance of being intentional with the decisions you make**, that will ultimately act as the stepping stones to your desired destination.

Those who fail to plan, plan to fail!

I don't want you to look back on your life 40 years from now, only to be disappointed that you were not more intentional with the direction of your financial life. The reason that I share so much of my financial life on this blog, is to motivate and move **YOU** to **ACTION**.

I have witnessed in my own life, that those that choose to do what everyone else is doing, end up getting what most get...**NOT MUCH WORTH WRITING ABOUT!!!**

If you have yet to plan a few big moves for 2017, please stop reading, find a quiet place that you can spend 30 minutes to an hour deciding what money moves you will take in 2017.

Now that you have your list, let me remind you of the mantra we all know all too well in the personal finance space.

## **PAY YOURSELF FIRST!!!**

Keeping this mantra top of mind will go a long way in helping to ensure that you're able to follow through on your big money goals. Simply put, figure out the total value of the money moves you plan to make, and then break it down weekly, monthly, quarterly, or whatever time frame that aligns with your big money moves.

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## My Big Money Goals for 2017

**1 - [Deploy \\$105,000 to acquire equity](#)** in the company I work for. As a part of my promotion to the C-Suite, in conjunction with a 40% raise, I was also offered the opportunity to take an equity position in the company. I was granted 6,000 shares worth \$300,000, where I was required to put up 35% of the value, with the company financing the remaining 65%.

This opportunity wasn't even on my radar back when I created [my blueprint to a \\$10M](#) net worth. However, in my original plan, I did call out a 4% allocation to "Business". My original idea was that this blog would turn into an asset that would be spitting off enough income to make the site worth \$400K. This blog has a long way to go to hit that point, but this investment in 2017 will now also occupy this new category of net worth.

**2 - Pay Down \$28,800 in Additional Mortgage Principle.** We are about to start the [3rd year of our 7 year plan to pay off the mortgage](#) on our primary residence. In the 1st year, we paid an additional \$9,600 towards the mortgage. In 2016 the plan called for an additional pay down of \$19,200, but we ended up paying an additional \$26,400 due to a [cash-in refinance to lock in a 2.25% interest rate](#).

We ended 2016 ahead of the plan by \$7,200 due to the refinance, we really only need to pay down \$21,600 in 2017, but instead we will be using this as an opportunity to speed up the plan a bit. If things continue to go as well as they have these past few years, we are considering expediting this goal to 5 years instead of 7 years.

**3 - Max Out 401K with \$18,000 Contributions.** This is a practice that I started right out of college. I would actually recommend recent college graduates to consider doing the same as early as possible. My bet is that even with maxing out your 401K, you will still be taking home more money than you were during college. This is an annual money move I make automatically.

At the end of every year, I recalculate the percentage of my income that will need to be withheld from my pay in order to completely max out my 401K every year.

**SET IT AND FORGET IT!**

**4 - Max Out HSA with \$6,750 in Contributions.** Again this is another money move that is set to auto pilot. I contribute approximately \$260 over 26 pay periods. Although we do pay for some qualified medical expenses from this account, this is really thought of as just another pre-tax investment account.

My wife doesn't have a qualified plan at her place of work and our income level disqualifies us from any tax benefit of contributing to a private IRA. This allows us another bucket to put money away tax-free.

**5 - Refinance Our Rental to Free Up Cash Flow.** We are in the 11th year of a 30 year mortgage on our rental condo, which has largely been a break even proposition from a cash flow perspective. Even with the recent jump in rates after the election, a refinance and resetting the term of the loan will allow us to free up about \$300/month. This should be a very low cost refinance, like others we have done. This is just a follow through [from a refinance we attempted in 2016](#), only enough time has passed to allow amortization and appreciation to get us to a point that we are not going to have to bring any cash to the table (outside of the \$1,000 or so for minimal closing costs).

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These are the top 5 money moves that the GYFG household will be making. These are not the only money moves we will make, but these are the ones we have identified we for sure want to execute in 2017.

**This will put about \$160,000 to work in 2017.**

By the end of 2017, we will have about \$16,000 in our HSA, and I had made a mental note to invest that money once we got the balance over \$10,000. So, I will be looking to put up to 80% of the value of the account to work, by investing money in an S&P 500 index fund that is available in the HSA account.

Another thing I have been working on is putting the cash stock pile I have sitting in my IRA and 401K to work. Currently, any new money contributed to my 401K gets invested into an S&P 500 index fund. However, there is about \$46,000 of \$56,000 sitting in cash. Additionally, there is \$40,000 of about \$90,000 in my IRA that is sitting in cash as well. So, another money move in 2017 will be to put this \$86,000 to work over the course of 2017.

Lastly, we will have up to another \$50,000 to \$100,000 of new money to put to work, that we have yet to decide how we want to deploy. We continue to dream about picking up an additional piece of real estate, but have failed to pull the trigger (maybe 2017 will be different or maybe we will stick to the crowd funding platforms).

I would also like to put some money to work in my after tax brokerage account. Of course, there will be plenty more details to come in future posts as we actually put our money to work.

*So, what are your big money moves for 2017? Do you have any multi-year goals that require a certain amount of action be taken in 2017? How many of your BIG money moves are automated?*

- Gen Y Finance Guy



## Gen Y Finance Guy

**Hey, I'm Dom** - the man behind the cartoon. You'll notice that I sign off as "Gen Y Finance Guy" on all my posts, due to the fact that I write this blog anonymously (at least for now). I like to think of myself as the *Chief Freedom Officer* here of my little corner of the internet. In the real world, I'm a 30-something former C-Suite executive turned entrepreneur turned capital allocator. I am trying to humanize finance by sharing my own journey to Financial Freedom. I believe in total *honesty* and *transparency*. That is why before I ever started blogging, I decided that I would share all of my own [financial stats](#). I do this not to brag, but instead to inspire motivate, and also to hold myself accountable. My goal is to be a beacon of hope, motivation, and inspiration for *you*, the reader, by living life by example and sharing it **all** here on the blog. My sincere hope is that you will be able to learn from me - both from my successes and my failures! [Read More](#)