YOUR FAMILY'S NEXT $1,000: WHERE SHOULD IT GO?



A guide to thinking through saving, paying down debt, and enjoying family life.

A TRUESTAR FINANCIAL PARTNERS GUIDE

TrueStar
FINANCIAL PARTNERS

WELCOME AND HOW TO USE THIS GUIDE

There's usually no shortage of places your family's money could go. Retirement, college, the mortgage, a home repair, a vacation. Each has a reason to come first.

You might be earning good money and saving regularly, yet still wonder: Are we putting enough toward retirement? Should we save more for college? Can we enjoy some of this money without feeling like we're falling behind?

This guide gives you a framework for working through those questions based on your family's circumstances, goals, and preferences.

The $1,000 is a starting point. Apply the same framework to a smaller amount, a bonus, a raise, or money freed up when daycare or a loan payment ends.

Start with your cushion. Define your goals. Weigh the tradeoffs. Choose your next step.

GIVE YOUR FAMILY SOME BREATHING ROOM

Before deciding where extra money should go, look at the cushion you already have. An emergency fund helps cover unexpected expenses or a disruption in income: a major car repair, urgent plumbing problem, unexpected medical bill, emergency travel, or moving costs following a job loss. Accessible cash can reduce the need to borrow or sell investments at an inconvenient time.

A common starting point is three to six months of essential living expenses: housing, groceries, utilities, insurance, necessary childcare and minimum debt payments.

Consider:

- Income sources: One paycheck or two? Could one cover essential expenses? Two jobs offer less protection if both depend on the same employer or industry.
- Pay variability: A steady salary differs from commissions, bonuses, seasonal work or self-employment.
- Job stability: How common are layoffs, and how long might replacing your role take?
- Personal comfort: How much cash would help you feel comfortable during uncertainty?

GIVE YOUR FAMILY SOME BREATHING ROOM

Greater uncertainty generally supports a larger reserve, potentially beyond six months. Predictable income and greater flexibility may support a smaller reserve within the range. More cash provides flexibility but leaves less for other goals.

Keep predictable costs separate: annual premiums, routine maintenance and a planned move deserve their own savings. Keep emergency savings readily accessible and focused on preserving money, such as a savings account at an FDIC-insured bank within applicable coverage limits.

If your reserve is small, choose an achievable first milestone while also considering urgent debt and employer benefits.

The key question to address:
If a paycheck stopped tomorrow, how long could we cover essential expenses?

Start with a clear target

“Save more” is harder to act on than “save for a down payment in four years.”

For each goal identify:

- What do we want?
- When do we want it?
- Roughly how much will we need?

Estimates are enough to begin. These goals and questions reflect common conversations we have with clients and prospective clients at TrueStar Financial Partners.

Retirement

When would you like work to become optional? What might you spend monthly in today’s dollars? Do both partners’ timelines line up?

College

How much would you like to contribute? A portion of costs, public university tuition, or another amount? When do expenses start?

Housing

Down payment, renovation or future move? Include ongoing mortgage, maintenance and property tax costs.

DEFINE WHAT YOU WANT YOUR MONEY TO DO

Debt

Which balance, at what interest rate, and what payoff date?

Family life

A trip, camp, visiting relatives or more flexibility at work can belong in your plan.

Compare your answers

If you share finances, compare your answers. One partner may value paying off the mortgage while the other wants accessible savings. Understanding why each matters is part of the decision.

Choose your three most important goals.

Reflection reminder:

Give each an approximate amount and timeframe. Revise as life changes.

DECIDE WHAT COMES FIRST

At TrueStar Financial Partners, we generally begin by reviewing cash reserves, high-interest debt and available employer contributions. These are starting considerations, not a universal order.

High-interest debt

Paying down principal reduces future interest costs. But using every available dollar can leave you short when something unexpected happens. Consider rates, promotional terms, fees and cash remaining. Continue all required minimum payments.

Employer retirement benefits

Check how much you must contribute to receive the available match. Review eligibility, formula and vesting. Balance the benefit with current expenses; retirement accounts restrict access to money.

HSA benefits

Does your employer contribute to your HSA or offer a match? Check eligibility and whether you need to contribute or complete specific steps to receive the full amount.

Employer stock

A match or discount may be valuable, but review taxes, holding restrictions and exposure to one company. Your paycheck may already depend on that employer.

Compare remaining goals

- How flexible is the deadline?
- What happens if we wait a year?
- When might we need access to the money?
- What would this change for our family's security or quality of life?

Tradeoff Considerations:

You may focus on one goal or divide money among several.

Splitting keeps goals moving but slows each one.

Enjoyment can be an intentional part of the plan.

CASE STUDY: THE LEES BUILDING THEIR CUSHION

Below is a fictional example of the Lee family.

The Lees have two young children and $1,000 from an after-tax bonus. They consider adding it to college savings.

Their emergency fund covers two months of essential expenses. One parent has a steady salary; the other relies heavily on commissions. They have no high-interest debt and already receive their full employer retirement matches.

College matters, but a slow sales period would pressure their budget. Their reserve feels too small.

Their decision: Put the full $1,000 into emergency savings and continue existing college and retirement contributions.

They choose an initial reserve target of five months of essential expenses and review progress in three months. This bonus is one step toward that target.

Tradeoff: College savings does not receive the extra contribution. The Lees currently value accessible cash more.

The Lees are fictional. This allocation is illustrative, not a recommended formula. No investment returns are assumed and no goal achievement is demonstrated.

CASE STUDY: THE SMITHS
BALANCING TOMORROW AND TODAY

Below is a fictional example of the Smith family.

The Smiths have two school-age children and $1,000 more each month after a raise, taxes and existing benefit elections. They have six months of essential expenses saved, predictable salaries in different industries, no high-interest debt and receive full employer retirement matches.

They want to retire around 62, help with college and take a trip next summer. After reviewing retirement needs and savings, they decide retirement needs the largest share.

Their decision:

$600 monthly for additional retirement saving

$250 for college

$150 for travel

Before changing payroll deductions, they check contribution limits and the effect on take-home pay. They adjust the trip budget to fit expected savings and revisit in six months.

Tradeoff: College and travel progress more slowly than if either received the full amount.

The Smiths are fictional. These allocations are illustrative choices, not recommendations. No investment returns are assumed and the example does not demonstrate that goals will be achieved.

Discuss these questions or use your phone's notes app:

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1. What money are we deciding about? One-time or recurring?

Confirm what is available after taxes, bills and foreseeable expenses.

2. Does our foundation need attention?

Review reserves, high-interest debt and employer benefits.

3. Which goals matter most now?

Name up to three with approximate amounts and timeframes.

4. What are we choosing to delay?

Identify the tradeoff.

5. What will we do next?

Choose an action and date: savings transfer, extra debt payment, retirement contribution review or estimating a goal's cost.

Reflection Opportunity:

"Our next $1,000 will go toward _____ because _____. We'll revisit this decision _____."

Review when reaching a milestone or after a job change, new child, move, income change or shift in priorities. A choice that fits today can change as your family does.

READY TO PUT YOUR OWN NUMBERS BEHIND THE NEXT $1,000?

You may know your goals and still wonder whether you're putting enough toward them. Are you saving enough for retirement? What can you comfortably contribute toward college? Would paying down the mortgage leave enough flexibility for everything else?

These questions overlap. Money you put toward one goal is money you can't use for another, at least for now. And when you're balancing work, raising children, and keeping up with everyday life, finding time to sort through those tradeoffs can be a challenge.

This guide gives you a starting point. A personalized financial plan can help you apply it to your family's income, spending, savings, and priorities, so you can see how your decisions fit together and choose your next steps.

You don't need every answer before asking for help. You may simply want to know whether you're on track, what deserves attention first, or how much room you have to enjoy life today while preparing for the future.

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READY TO PUT YOUR OWN NUMBERS BEHIND THE NEXT $1,000?

Meet Kenny

I'm Kenny Ginsburg, CFA®, CFP®, founder of TrueStar Financial Partners, a fee-only financial planning and investment management firm based in Marlton, New Jersey.

As a husband and parent, I understand how hard it can be to find time for these decisions. I help busy families make sense of the details, weigh their options, and follow through on their next steps.

When you work with TrueStar, you work directly with me. I bring both financial planning and investment expertise, with an obligation to act in your best interest. I'm paid directly by clients and do not sell financial products or accept commissions.



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ABOUT TRUESTAR FINANCIAL PARTNERS LLC + HOW WE HELP

If you're still reading, you're probably ready to put these ideas into practice. Choosing where your family's next $1,000 goes is a small step toward balancing tomorrow's goals with the life you want to enjoy today.

Let's start with a TrueStar Chat

A TrueStar Chat is a 20-minute introductory conversation about what's on your mind, where you'd like help, and whether working together could be a good fit.

- Start with your questions. We can talk about saving, debt, college, retirement, or how it all fits together.
- No homework needed. You don't need organized statements or a perfect budget to get started.
- No obligation. You can learn about how I work and decide whether it makes sense for your family.

SCHEDULE YOUR FREE TRUESTAR CHAT

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