Twitter Thread by MoneyWell | The Wealth Creator ■

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How to become rich with 9-5 job ■

This is the easiest way of financial planning specially for beginners (And for all!)

This is how you'll become rich with 9-5 (Hint : Only If you follow 50-30-20 rule)

Wait....What? What's 50:30:20 rule?

Don't worry. Just read■■■



1/ Budgeting - The 1st ■ to financial freedom ■■

If you earn, you need to budget your money.

A budget is telling your money where to go instead of wondering where it went.

Budgeting your money is an investment in your future.

2/ Start budgeting your money. Have a plan about how to use the money you'll receive.

Don't think that your salary is less and you can't save. You can. You just have to find a way out.

The sooner you start Investing, the sonner you'll be a millionaire.

3/ So, the million dollar question - What's 50:30:20?

If you have just started your career, the 50:30:20 formula is the best one and the simplest to follow. (Btw not only for starters, anyone can do it ■)

4/ This is how you must allocate your money and make a budget ■

50% - Needs (Rent/EMI, Food, bills, etc)

30% - Wants (Car, A trip, Electronics, etc)

20% - Save (Retirement, education, etc)
Invest (Stocks, Real estate, gold)

5/ Let say : You earn $1000 a month

Allocate -
50% on Needs - $500
30% on Wants - $300
20% on Saving & Investing - $200

(Wants are also necessary. Everyone needs a trip. Enjoy your life, but also Invest■■)

6/ The Bonus -

Now that you've understood how to budget your money. Let's understand how to increase your saving/Investing.

Specially for the people who are in their 20's/30's.

When you gain experience in your job, you'll also get increments (Salary hikes)

7/ But, What most people do is : when they get an increment, they increase their proportion of expenses in wants.

Don't do this ■

Instead, reverse the 50:30:20 Rule (For incremental amount)

8/ Let say : Now, You earn $1200 a month (After increment)

Incremental amount ($200) -

50% Invest - $100
30% Wants - $60
20% Needs - $40

Now, your total allocation will be -
Needs - $500 + $40 = $540
Wants - $300 + $60 = $360
Investment - $200 + $100 = $300

9/ You saw what I did here?

1■■ You started with 50:30:20 Rule

2■■ You gain experience, get increment

3■■ You reverse 50:30:20 Rule on incremental amount

10/ Here's how the calculations work -

For $1000 - For $200 - (Hike)
50% - Needs 50% - Investing
30% - Wants 30% - Wants
20% - Investing 20% - Needs

11/ This method will only work in the long run.

■ Start early
■ Make a budget
■ Keep on Investing for long term
■ You'll find you've created a huge corpus (Capital)
■ Then, retire early & enjoy your life ■

So that was "How to get rich with 9-5!
I hope you found it useful.

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