

Net/Max Plan for Federal Employees v.2025

***Building Wealth while Maximizing Federal Benefits.** [TheNeighborhoodFinanceGuy.Com](https://www.TheNeighborhoodFinanceGuy.Com)

- 1. Know your [Net Worth](#).** Assess your issues and understand your numbers.
Free Financial Apps like Empower (aka [PERSONAL CAPITAL](#)).
Review your annual FERS Benefits Statement and Social Security Statement from [SSA.gov](#)
- 2. Develop a **Personal Budget**.** Engage in a Discipline and Balanced Lifestyle. Connect to what makes you happy. Key points: Automation, Stress reduction, and [Planning](#).
- 3. Save \$7.5k in a **Starter Emergency Savings Fund**** (Bank Savings at 0.01% are not Bueno ☹️) **Inflation warning +4% annually, quickly erodes cash in a savings account.**
- 4. Find and Cultivate Healthy Hobbies** that improves 1. Mental, 2. Spiritual, 3. Physical, and/or 4. Social Health. *2-3 in combination can develop into an effective side hustle.
- 5. Focus on paying down **Consumer Debts** using the [Debt Blizzard](#) approach.**
 - a. Credit Card (CC) debt is the 1st to go.** CCs tend to range avg. 22.50%+ interest rate.
Understand the interest fee drain. Pay down credit consistently for 3+ months. Avoid hard inquiries. Call to request credit limit increases and/or Lower variable rates. (**2nd Personal Loans**)
 - b. Student loans can be paid off normally** (avg. interest rates are 6% or less). Desperate refinancing adds time and fees. Research repayment programs like the [PSLF](#). Earn up to \$2.5k in student loan interest tax credit annually. Credit phases out if modified AGI is greater than \$90k.
- 6. [Match your TSP \(~Federal 401k\) investments](#) at least.** Start with 5% and increase your saving rate over time. Contribution limit for 2025 is \$23.5k per year (plus 5% matching). Your persistent contributions grow over time and lower your taxable income. **Subject to IRS's annual 401k limit Changes.**
- 7. Add up to \$4.30k into a **Health Savings Account (HSA)** in 2025.** HSA contributions Lower your FICA taxes, provide a Premium Kick Back, and are great for Medical/Dental expenses in the short/long run. Some HSAs offer internal brokerage investing opportunities. "[Triple Tax Advantage](#)"
- 8. Add up to \$7k (\$8k over 50) in **Traditional/ROTH IRA**** *Phase out starting at AGI of \$79k but less than \$89k. When the ROTH IRA phases out, use the "[Backdoor Conversion](#)".
 - a. Utilize ***Kick/Flip Tax Accelerated Avoidance Method**.** Maximize your estimated tax return and reinvest it into the prior year's contributions for the IRA and/or HSA.
- 9. Buy a **Condo**.** **No more than 28% of your take home should go to your housing expenses.** Buy 2/2 and rent the second room (***[House Hack](#)**). Housing Cost is the *Make or Break* point.
- 10. Place 3x monthly expenses in **High Interest Savings Account** (**adjust annually**).**
- 11. Invest in **Stocks, or Index ETFs**.** *Diversify your Portfolio. Buy in bulk. Avoid excess fees.
- 12. Save for your Children's college education using tax-favored plans.**
Consider an investment property near a college town. Short/Long term income.
- 13. Pay off **investment property**.** Use excess to [pay off original home's mortgage](#).
Consider equity loan on investment property, buy 2nd investment property (All Cash). Make double debt payments. Repeat. Make triple debt payments. Etc...
- 14. Pay down Student loans (***Augmented Debt Pay down**).**
- 15. Build Wealth** through multiple streams – write a blog, do vlog, or try public speaking.
- 16. Enjoy the process.** You will be able travel, relax, see concerts, spend time with family, and etc...