



Wealth
Para Todos

How to Use a Roth IRA to Retire Early

Building wealth poco a poco

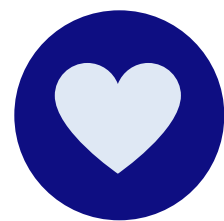
www.wealthparatodos.com



Hi, I'm Soledad!

- *Child of Mexican Immigrants*
- *LGBTQ+ Familia*
- *Founder & CEO of Wealth Para Todos LLC*

Workshop Norms



Listen, type, & speak from a place of compassion and cariño.



Ask general questions related to the slide.
Nathalia aka @mom_money_boss will be monitoring your questions.



Remember we build wealth around here poco a poco and believe anything is possible con tiempo!

Financial Disclaimer:

The material provided during this workshop should be used for informational purposes only and in no way should be relied upon for financial advice.

Please be sure to consult your own financial advisor when making decisions regarding your financial management.



31%

of Latino households have
some assets in a retirement
account, compared to 63% of
white households.

Did you know?

According to a 2013 report by Dr. Nari Rhee of the National Institute on Retirement Security, just 54% of Black and Asian employees and 38% of Latino employees aged 25 to 64 work for an employer that sponsors a 401(k) plan, compared to 62% of white employees.

Business Insider Article

Your Checklist



Build an Emergency Fund

Cash reserves are essential to building financial security.



Open a Roth IRA Account

Watch this [IG reel](#) and read the caption.



Pay Off High-Interest Debt

Create a plan to pay off any debt with an interest rate above 9% ASAP.



Plan Your Contributions

Start with what you can afford and work your way up to maxing out your Roth IRA.



Choose a Brokerage Firm

Watch [this IG reel](#) and read the caption.



Choose Assets

A Target Date Fund is a great start. A 3 or 4 fund portfolio may save you money.



You need cash reserves!



How much?

- Income stability
- # of dependents
- Health



Don't keep too much \$ in savings.

Having too much in savings means the value of your dinero is DECREASING due to inflation especially if you get very little interest from your savings account.



Keep your savings in a HYSA.

Once you determine the right size of an emergency fund for you, try to get at least 0.5% in interest from it.

Adios to high-interest debt!



Resources

[- Debt Snowball Calculator](#)

[- Debt Reduction Google Sheet](#)



Don't pay interest on liabilities.

If an item depreciates over time, avoid using debt to pay for it. Don't use credit cards for rewards unless you can afford to pay the balance in full.



Create a sustainable budget to eliminate your debt.

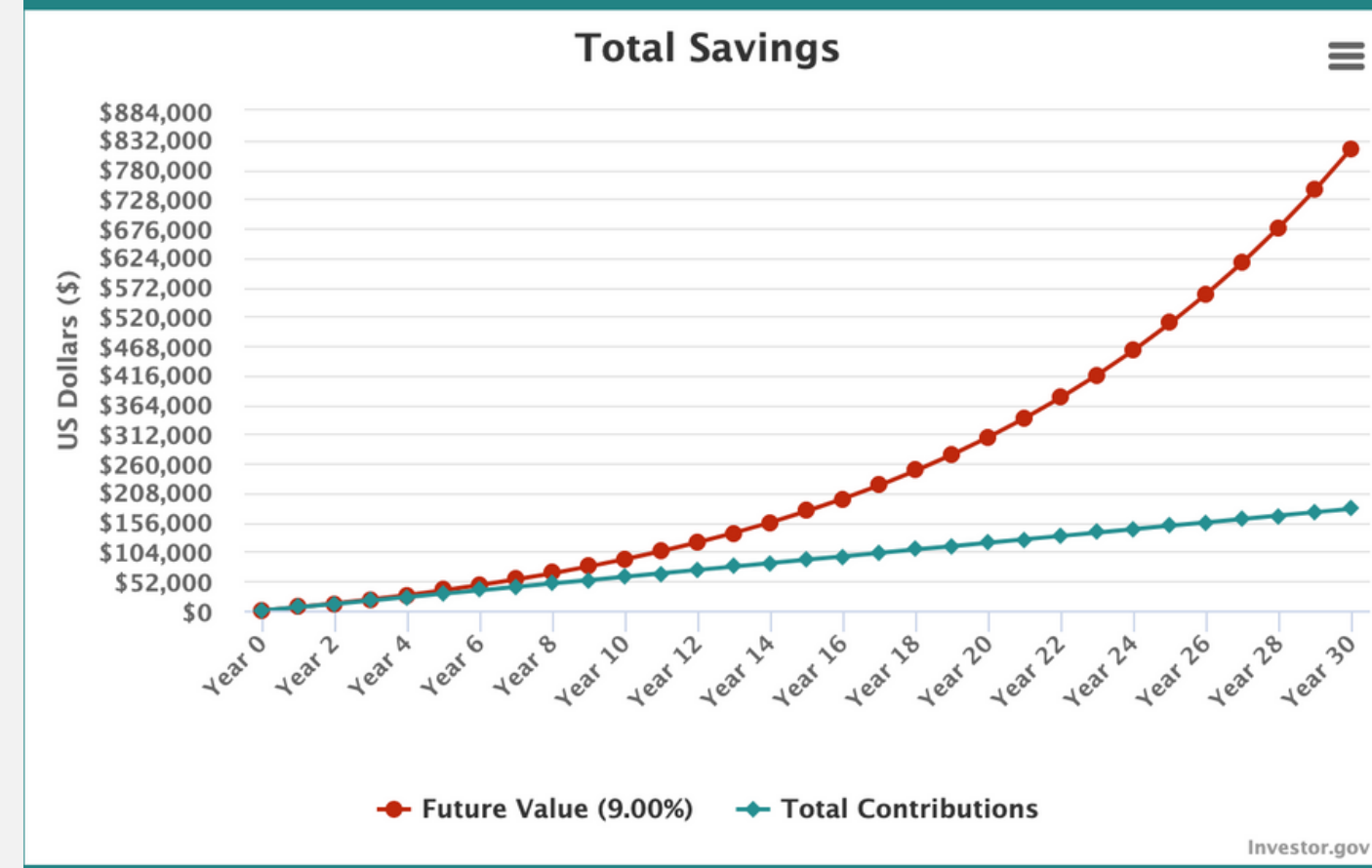
Create a spending plan for all income that comes your way. Use any extra cash flow to eliminate your debt. Earn an income that allows you to live below your means.

The Magic of Compound Interest

The Results Are In
In **30** years, you will have **\$817,845.23**

The chart below shows an estimate of how much your initial savings will grow over time, according to the interest rate and compounding schedule you specified.

Please remember that slight adjustments in any of those variables can affect the outcome. Reset the calculator and provide different figures to show different scenarios.



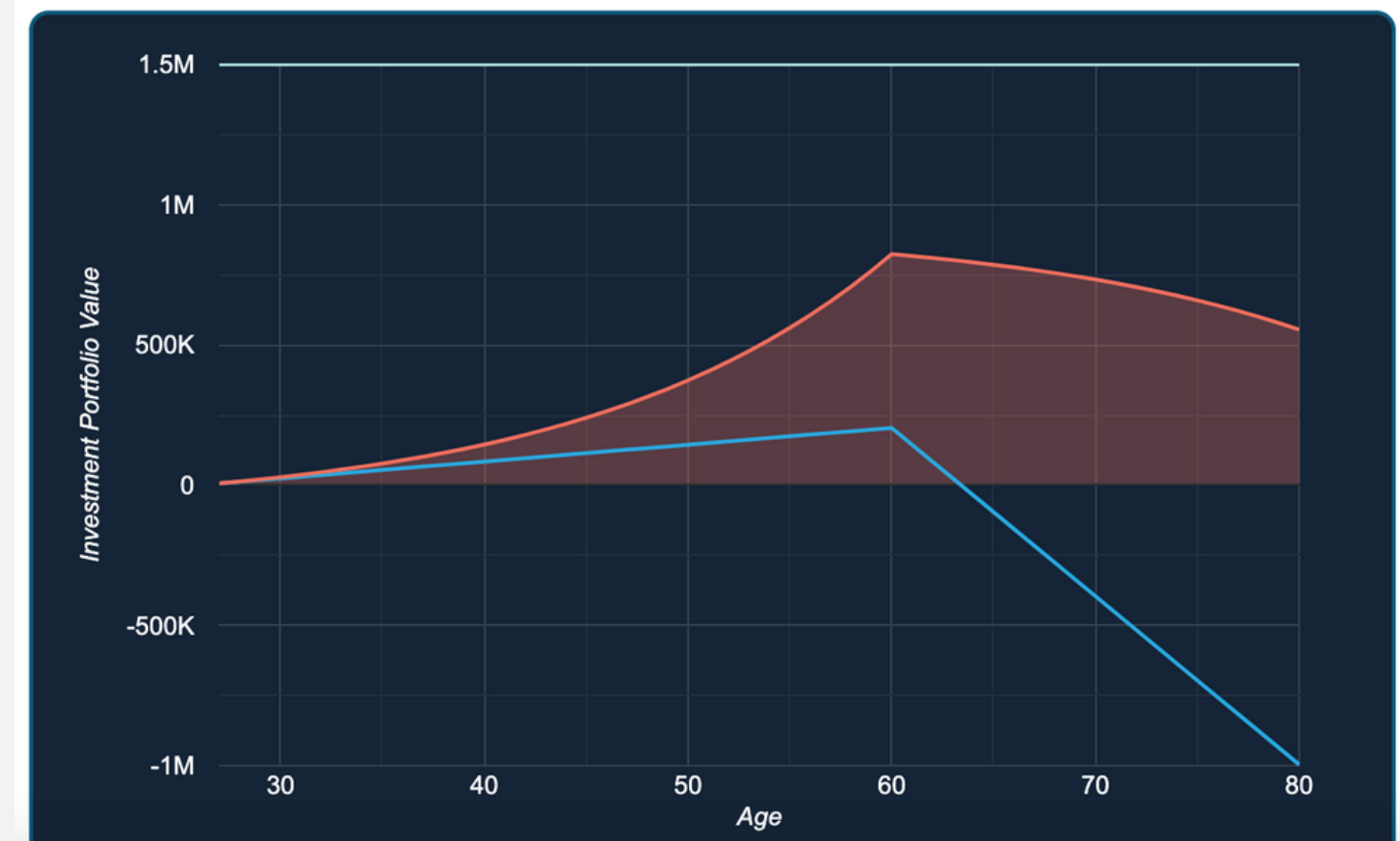
investor.gov

Your Age: Starting Investment: Monthly Investment:

Rate of Return:

Retirement Age: Annual Cost of Living:

Investment at Retirement	Investment at 80
\$763,553	\$554,470



personalfinanceclub.com

Choose a Brokerage Firm

- Fidelity
- Vanguard
- Charles Schwab

Customer service

Fees associated with
opening the account (if any)

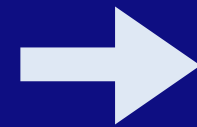
Ease navigating platform
via app/website

Educational Resources
Available

Access to financial advisor
or roboadvisor

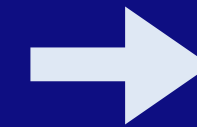
Member of FINRA and SIPC

Open a Roth IRA



**Do you want to
reduce tax
liability later?**

Traditional VS Roth



**Do you make too
much money?**

See slides on the next
two pages



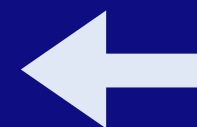
**Do you make too
little money?**

Taxable compensation or
Spousal IRA



**What year will
you contribute
to?**

2021, 2022 or Both?



**Be prepared with
personal info**

Social security #,
address, employer info,
etc.

Income Limits for 2021

IRS Website

Contributions to Roth IRA 2021 can be made starting January 1, 2021 till April 18, 2022

If your filing status is...	And your modified AGI is...	Then you can contribute...
married filing jointly or qualifying widow(er)	<\$198,000	up to the limit
married filing jointly or qualifying widow(er)	≥ \$198,000 but < \$208,000	a reduced amount
married filing jointly or qualifying widow(er)	≥ \$208,000	zero
married filing separately and you lived with your spouse at any time during the year	< \$10,000	a reduced amount
married filing separately and you lived with your spouse at any time during the year	≥ \$10,000	zero
single, head of household, or married filing separately and you did not live with your spouse at any time during the year	< \$125,000	up to the limit
single, head of household, or married filing separately and you did not live with your spouse at any time during the year	≥ \$125,000 but < \$140,000	a reduced amount
single, head of household, or married filing separately and you did not live with your spouse at any time during the year	≥ \$140,000	zero

Income Limits for 2022

IRS Website

Contributions to
Roth IRA 2022
can be made
starting
January 1, 2022
till
April 17, 2023

If your filing status is...	And your modified AGI is...	Then you can contribute...
married filing jointly or qualifying widow(er)	< \$204,000	up to the limit
married filing jointly or qualifying widow(er)	≥ \$204,000 but < \$214,000	a reduced amount
married filing jointly or qualifying widow(er)	≥ \$214,000	zero
married filing separately and you lived with your spouse at any time during the year	< \$10,000	a reduced amount
married filing separately and you lived with your spouse at any time during the year	≥ \$10,000	zero
single, head of household, or married filing separately and you did not live with your spouse at any time during the year	< \$129,000	up to the limit
single, head of household, or married filing separately and you did not live with your spouse at any time during the year	≥ \$129,000 but < \$144,000	a reduced amount
single, head of household, or married filing separately and you did not live with your spouse at any time during the year	≥ \$144,000	zero

Plan Your Contributions



Poco a Poco

If you are building your emergency fund or paying off debt, start with a small amount



Lump Sum

If you have more than enough in savings and are debt-free, move a large amount at once



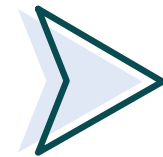
Automatic Contributions

If you have an emergency fund and are debt free, use extra cash flow to fund your Roth IRA

Choose Assets Quickly

Target Date Funds

- Vanguard Target Date Funds
- Fidelity Freedom Funds
- Charles Schwab Target Date Funds



Index Fund Portfolio

- U.S. Stock Market Index Fund
- International Stock Market Index Fund
- U.S. Bonds Index Fund
- International Bonds Index Fund





Let's talk dinero!

www.wealthparatodos.com

TO DO LIST

- ☒ Choose Brokerage Firm
- ☐ Open Roth IRA
- ☐ Plan Contributions
- ☐ Buy Assets
- ☐ Work 1:1 with Soledad



You're ready to build wealth!

If you want to create a comprehensive financial plan to retire early, apply to work 1:1 with Soledad.

[Apply here](#)