Phi Beta Sigma Fraternity, Inc.

Upsilon Sigma Chapter

Financial Wellness Series • Serving Since 1927

The Brother's Financial Playbook

A practical guide to budgeting, getting out of debt, and building lasting wealth.

Brothers, financial peace isn't about how much you make — it's about having a plan and working it consistently. This playbook lays out a simple, proven path. Pair it with the Brother's Money Workbook (the companion spreadsheet) and take it one step at a time. You don't have to do everything at once; you just have to start.

> *The Financial Order of Operations — the order that gets the most out of every dollar: (1) Budget, (2) $1,000 starter emergency fund, (3) capture any employer 401(k) match, (4) kill high-interest debt, (5) grow the emergency fund to 3–6 months, (6) invest 15% for retirement, (7) build wealth for goals and the next generation.*

1. Start With a Budget

A budget is simply a plan for your money before the month begins. The goal is to give every dollar a job so nothing leaks out unnoticed.

- List your take-home income, then your fixed bills, variable spending, and savings.
- Aim for income minus expenses to be zero or positive — every dollar assigned.
- Review weekly for the first month. It gets easier fast.
- A useful starting split is 50% needs, 30% wants, 20% savings and extra debt payoff.

2. Build Your Safety Net

An emergency fund keeps a flat tire or a medical bill from becoming credit-card debt. Keep it in a separate, boring savings account you won't touch.

- Step one: save a $1,000 starter fund as fast as you can.
- Step two: build up to 3–6 months of essential expenses.
- Automate a transfer the day after payday — pay yourself first.

> *A high-yield savings account at an online bank or the Phi Beta Sigma Federal Credit Union earns far more than a typical big-bank account, with no extra risk.*

3. Crush High-Interest Debt

Credit-card interest (often 20%+) is the biggest wealth killer. Attack it with intensity. Pay the minimum on everything, then pour every extra dollar onto ONE debt at a time.

- Snowball: pay the smallest balance first for quick wins and momentum.
- Avalanche: pay the highest interest rate first to save the most money.
- When one debt is gone, roll its payment onto the next — the payments snowball.
- Avoid new debt while you dig out. Use a written budget to stay on track.

4. Protect Your Credit

A strong credit score lowers the cost of everything you borrow — homes, cars, even insurance in some states.

- Check all three reports free at AnnualCreditReport.com and dispute any errors.
- Pay on time, every time — payment history is the biggest factor.
- Keep credit-card balances under ~30% of your limit (lower is better).
- Don't close your oldest cards; length of history helps your score.

5. Invest Early and Simply

Time is your greatest asset. Money invested in your 20s–40s has decades to compound. You do not need to pick stocks — simple, low-cost index funds beat most professionals over time.

- First, grab any employer 401(k) match — it's an instant 50–100% return.
- Open a Roth IRA (tax-free growth) and invest in a broad index or target-date fund.
- Aim to invest about 15% of your income for retirement.
- Use dollar-cost averaging: invest the same amount every month, in good markets and bad.
- Keep fees low and leave it alone — don't panic-sell when markets dip.

> *The power of compounding: $300/month invested at a 7% average return grows to roughly $360,000 in 30 years — most of which is growth, not what you put in.*

6. A Simple Allocation Guide

A common rule of thumb for how much to keep in stocks vs. bonds: subtract your age from 110. A 40-year-old might hold about 70% stocks and 30% bonds. Younger means more stocks (more growth, more time to recover); older means more bonds (more stability). Target-date funds do this automatically.

7. Build Generational Wealth

Wealth that outlives you is the heart of "Bigger and Better Business." A few moves make a generational difference:

- Own appreciating assets — a home and long-term investments.
- Carry adequate life insurance so your family is protected.
- Put your wishes in writing: a will, and named beneficiaries on every account.
- Teach the next generation — share this playbook with your sons and mentees.
- Support and spend with Black-owned businesses to circulate wealth in the community.

8. Avoid the Common Traps

- Lifestyle creep — raises disappearing into bigger spending instead of bigger savings.
- Buying too much car; a payment that crowds out saving and investing.
- Payday loans and rent-to-own — extremely high cost; avoid entirely.
- "Get rich quick" schemes, hot crypto tips, and anyone promising guaranteed returns.
- Leaving the employer match on the table — that's free money walking away.

Your First Five Steps This Month

1. Fill out the Monthly Budget tab of the Brother's Money Workbook.
2. Open or top up a $1,000 starter emergency fund.
3. Confirm you're getting your full employer retirement match.
4. List your debts and pick snowball or avalanche.
5. Set one automatic transfer to savings or investing on payday.

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This playbook is educational and reflects general personal-finance principles. It is not individualized financial, tax, legal, or investment advice. For decisions specific to your situation, consult a licensed professional.