FREE GUIDE · 02 · 2026 EDITION

The system nobody explained.

Here, everyone is taught to study, get credit, get a good job, and hope for a raise. Nobody explains the tools that actually build wealth. These are the ones I use, in plain words.

THE TOOLS

What each account is for

ACCOUNT	WHAT IT DOES	2026 LIMIT
401(k) at work	Retirement account through your employer. Money comes straight out of your paycheck, often before tax (Traditional) or after tax (Roth 401(k), if your plan offers it).	**$24,500**
Employer match	Your employer adds money when you contribute, e.g. 50% of what you put in, up to 6% of salary. It may "vest" over time. Check your plan.	**Plan rules**
Traditional IRA	Individual retirement account. Contributions may be tax-deductible now. You pay tax when you withdraw. (The deduction can be limited if you also have a workplace plan.)	**$7,500***
Roth IRA	You pay tax now. Growth and qualified withdrawals in retirement are tax-free. Has income limits.	**$7,500***
FSA	Flexible Spending Account through work, for eligible health costs with pre-tax money. Mostly use-it-or-lose-it each year (some plans allow a small carryover or grace period).	**Plan rules**

ACCOUNT	WHAT IT DOES	2026 LIMIT
High-yield savings	A savings account that actually pays interest. The place for your emergency fund. Check that it's FDIC-insured.	**No limit**
Brokerage account	A regular investing account. No tax break, but no limits and no withdrawal rules.	**No limit**

*$7,500 is the combined 2026 limit across all your IRAs, Traditional and Roth together. Age 50+: +$1,100 IRA catch-up and +$8,000 401(k) catch-up (ages 60–63: $11,250). Roth IRA eligibility phases out at $153,000–$168,000 (single) and $242,000–$252,000 (married filing jointly). Source: IRS, 2026 limits.

HSA: if you have a high-deductible health plan, it's worth learning about. It doesn't fit my situation, so I don't cover it here.

ROTH VS. TRADITIONAL

One question: pay the tax now, or later?

TRADITIONAL	ROTH
Later	**Now**
Tax break now. Taxed when you take it out.	Taxed now. Qualified withdrawals come out tax-free.

If you expect a higher tax rate later, Roth tends to win. If you expect a lower one, Traditional tends to win. Nobody knows for sure, which is why I use both. Future me gets options.

AN ORDER THAT MAKES SENSE

A common order of operations

A widely used sequence, not a rule. Your situation may call for a different order.

01 **Starter emergency fund**

Enough to cover a surprise without a credit card. Keep it in high-yield savings.

02 **Get the full 401(k) match**

Contribute at least enough to get every dollar your employer offers. Skipping it is turning down a raise.

03 **Kill high-interest debt**

Credit card balances at 20%+ cost more than most investments earn.

04 **Full emergency fund**

3 to 6 months of expenses. Savings buy time.

05 **IRA (Roth or Traditional)**

Up to $7,500 for 2026 across both.

06 **Raise the 401(k)**

+1% every time you get a raise, toward the $24,500 limit. You won't miss money you never saw.

07 **Brokerage account**

Flexible investing beyond the tax-advantaged accounts.

> **New to the US?** You generally need earned income here to contribute to an IRA, and an SSN or ITIN to open accounts. If you might leave the US someday, learn the withdrawal rules early: taking money out of retirement accounts before age 59½ usually means taxes plus a 10% penalty, with some exceptions. Talk to a tax professional about your own case.

CHECKLIST

This month

- [ ] Find your 401(k) match formula (HR portal or plan document)
- [ ] Set your contribution to at least the full match
- [ ] Move the emergency fund to an FDIC-insured high-yield savings account
- [ ] Decide: Roth IRA, Traditional IRA, or both
- [ ] Turn on automatic transfers on payday
- [ ] Calendar a 20-minute money review, once a month

Saving is not enough. Put the money to work.

Not The Normal Guy · @notthe_normalguy on TikTok, YouTube and Instagram.

Being not normal is not easy. But it's worth it.