



The Hands-Off Wealth Waterfall & Order of Operations

Priority sequence to maximize tax efficiency and compound growth across investment accounts.

#1 Tier 1: Emergency Fund Buffer (3 to 6 Months)

High-Yield Savings Account (HYSA) or Money Market Fund (SPAXX / SPRXX). Zero market volatility risk.



#2 Tier 2: 401(k) / 403(b) Full Employer Match

Contribute enough to capture 100% of employer match dollars. Instant 50% to 100% risk-free return on capital.



#3 Tier 3: Health Savings Account (HSA) Max

The Triple-Tax Advantaged Powerhouse: Tax-deductible in, tax-free growth, tax-free out for medical expenses.



#4 Tier 4: Roth IRA / Backdoor Roth IRA Max

Fund annual limit. Tax-free compounding with penalty-free access to contributions anytime.



#5 Tier 5: Max Out Remaining 401(k) / 403(b) Deferrals

Fund up to the employee elective limit to slash current-year taxable income or bank Roth.



#6 Tier 6: Mega Backdoor Roth 401(k) (If Plan Supports)

Supercharge tax-free growth with after-tax voluntary contributions up to the total Section 415(c) limit.



#7 Tier 7: Taxable Brokerage Account (Low-Cost Broad Index ETFs)

Unlimited capacity: VOO, VTI, VXUS. Benefit from long-term capital gains tax rates and tax-loss harvesting.

THE 3 CORE AUTOMATION RULES (SET IT AND FORGET IT)

1. Pay Yourself First: Schedule automatic bank transfers the day after each paycheck hits.
 2. Auto-Buy Index Funds: Enable automatic fractional investing in broad index funds (VOO, VTI, FZROX).
 3. Rebalance with New Contributions: Steer monthly capital to underperforming assets rather than selling.
- Tax-Efficient Sequencing: Maximize tax-advantaged buckets before directing flow to taxable brokerage.

Zero Willpower Required: Eliminate market timing to compound wealth uninterrupted across decades.

