ACCRUED WISDOM

Wisdom is EARNED. Legacy is BUILT.

Financial Education. Real Life. Lasting Legacy.

FINANCIAL FRIDAY
New Video Every Friday!

PAY DEBT OR SAVE FIRST?

Essential Facts at a Glance

APR & APY



APR: yearly borrowing cost.

APY: yearly savings earnings, including interest on interest.

Compare rates and cash needs.

COMPARE $1,000

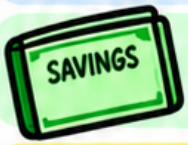
Simplified 1-year example



Card 24% APR: about **$240** avoided



Car loan 3%: about **$30** avoided



Savings 4% APY: **$40** earned

Savings earnings before taxes.

Timing and terms affect results.

STARTER CUSHION



Emergency fund: money only for surprises.

Example target: $1,000
$250 a month × 4 months

Your target depends on your needs.

A $600 REPAIR



Pay card first:
Debt $3,600 | Savings $0

Save first:
Debt $4,000 | Savings $400

Both: debt minus savings = $3,600

Interest and minimum-payment effects omitted.

Readiness differs.

THREE STEPS

1. Starter cushion
2. Highest-rate debt
3. Full emergency fund

Common full-fund goal:
3–6 months of essential expenses.

Keep paying all minimums.

Rebuild a used cushion.

EMPLOYER MATCH



Example: you put in $1; employer adds $0.50.

A 50% addition. Plans usually limit the match.

Check when employer money becomes yours.

Retirement money is not emergency cash.

CHECK BEFORE YOU CHOOSE

1. Compare actual rates
2. Consider income and cash needs
3. Check match rules

Your own numbers decide.

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Educational only; not personal financial, legal or tax advice. Examples use simplified assumptions.
Sources: CFPB; IRS retirement-plan guidance. v2 | Nov 2026