



PLECTRUM ADVISERS
INVEST MORE · WORRY LESS

Plectrum Advisers, an independent financial
planning resource serving the freelance community.

5 THINGS EVERY FREELANCER NEEDS TO KNOW ABOUT FINANCE

#1 ESTABLISH AN EMERGENCY FUND

Every person should have an emergency fund consisting of 3 to 6 months of living expenses. Find out what it costs you to live on a monthly basis (rent, utilities, food, car insurance, health insurance, streaming services, internet, cellphone, taxes, etc.) Multiply by 3 or 6 to know how much you should have in your emergency fund. Keep this money in a money market account-not invested in the stock market-so you have instant access to it should you be suddenly out of work, or you are injured or too sick to work. This fund is like your own insurance policy that will keep you safe if something unexpected happens to you.

#2 SAVE 10% OF EACH CHECK

Freelancers have to take care of themselves. Unlike corporate employees, there is no company to set up a 401k plan for you. You can make your own “plan” by committing to saving 10% of each paycheck, and sending that amount to a brokerage account. A good financial advisor who understands your business will be able to invest this for you for long term growth in a risk appropriate way. Over time this savings can grow to become your retirement account. And if you are an independent contractor you also need put aside money to pay taxes. You should consult your CPA for this.

Plectrum Advisers is a registered investment advisory firm registered with the State of California. The information presented is general and does not take into account your individual circumstances, financial situation, or needs.

I launched
Plectrum Advisers,
a Registered Investment
Adviser, specifically
focused on the
freelance community
with the premise of
offering first-hand
knowledge and insight
designed to create a
secure financial future.

—TOM RIZZO
*Founder and Managing
Director*

#3

GET CREDIT CARD DEBT TO ZERO

Using credit cards to pay for almost everything is now common: groceries, medical appointments, gas, auto repair, pet supplies, online purchases, etc. It's very convenient to not have to carry cash, and the record of all purchases makes it easier to track your spending. The danger, of course, is that you may spend more than you're able to pay at the end of the month. Banks and credit card companies are hoping this will be the case so they can earn the high interest that they charge.

Closely scrutinize your credit card statement at least monthly. If you're spending more than you are making in a month, resolve to limit your spending the next month. Interest on most cards is incredibly high, and over time these charges can erode your ability to save.

#4

INVEST IN FUNDS, NOT INDIVIDUAL STOCKS

Index funds and ETF's are types of funds that allow you to diversify your assets in a way that mitigates risk over time. Resist the urge to pick stocks that seem poised for outsized growth. Statistics show that over long time horizons, passive investing in funds will produce good results. Trying to consistently pick the next winner is next to impossible, even for the experts.

#5

FIND A TRUSTED ADVISER

Most people don't have the time or inclination to study how investing works. It's ok to not be an expert, so put your energy into finding someone who is. Ask your colleagues who they use. Interview several advisors and ask them if they understand how a freelancer gets paid, how the business works. If they aren't knowledgeable, then it's probably best to keep looking until you find someone who does. Investment decisions are most effective when your whole financial picture is understood, especially the unique nuances of your profession.

ABOUT PLECTRUM ADVISERS

We work with clients on an individual basis to evaluate their needs and goals, both short and long term, to help secure their financial future. Through a comprehensive assessment of risk tolerance, time horizon, and financial goals, we'll design an individually tailored solution that works best for you.

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THE BOTTOM LINE

Freelancers are very distinct from the rest of the world. You are essentially on our own to take care of yourselves. However, by following a few simple guidelines, you can make your life more secure, and be able to enjoy the freedoms that freelancing allows.

CONNECT WITH US

We'd be happy to arrange an exploratory call or meeting in order to better understand your short term goals, long term goals, and retirement plan and how we may be able to help.



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