

Finance 101 for New Graduates

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June is the traditional month of graduation, a time for new beginnings. As you join the world of work, realize that you have a tremendous power to shape your financial future. That's because you hold the greatest of all assets---time! The ability to set goals and know what needs to be done to reach them begins the exciting journey toward financial maturity.

Finance 101: Budgeting for the Young and Restless

Budgeting, yuck! If you've never attempted a budget before, the whole idea may seem frightening and unpleasant. But viewed from the proper perspective, budgets are a power tool that gives you more enjoyment from the money you spend. While budgets can help control spending, they can also help with saving for particular goals. And within the basic guidelines, budgets can be flexible. You can decide where to expand and contract discretionary spending. Plan your finances rather than spending recklessly, and you'll be happier, and your money will go farther.

Managing the Credit Monster

Students today are offered a dizzying array of credit opportunities that can strain their finances to the breaking point if not approached with caution. The credit card companies are in the business of extending credit. They count on you, the cardholder, not to take on more debt than you can handle and to take good care of the FICO score that can determine your future borrowing power. Knowing how best to use credit and how to avoid abusing it can literally save your financial life. Don't take on more credit card debt than you can comfortably pay back within the coming year.

Saving and Investing With Father Time

The future can seem too distant to be real when money is needed today for rent, transportation, meals, and more. But here's an example of the wisdom of saving and investing for tomorrow rather than spending "in the moment." A \$10,000 investment earning 8% will grow to \$20,000 in 9 years, and in nine more years you'll have \$40,000, then \$80,000, then \$160,000. Don't have \$10,000 to invest? Try \$100 a month. Compounding of earnings is so powerful that those who begin in their twenties can amass large nest eggs with relatively little effort as long as they invest regularly. Money left to grow over years and years can be your ticket to a lifetime of financial security. Even if the initial investment is small, time is on your side.

Congratulations graduates, you just passed finance 101! Use your financial power wisely, and you will have a bright future ahead of you.

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