

Top Ten Financial Tips for New Grads

1. **Look into health care coverage immediately.** If it hasn't already, your parent's health care coverage will probably end with your graduation. Get a quote for an individual health insurance plan or sign up with your new employer's plan. Going without coverage could have a devastating effect on your finances if you have a severe illness or accident. Make this the first thing you do... and don't put it off!
2. **Pay yourself first.** If you are young and your company offers it, you may want to explore the Roth 401k at work. In addition to your plan at work, begin saving money on your own for both retirement and other goals. The earlier you start saving the more the wonders of compounding interest will work in your favor!
3. **Start an emergency fund.** Earmark some of your first dollars from your new job to build up a savings account to serve as an emergency fund. You never know when an emergency will hit, but it is unavoidable so be prepared.
4. **Learn about taxes.** I know this isn't a fun one. However, hopefully you're going to go from a poor college student to a highly paid worker. With that luxury comes higher taxes. Educate yourself about taxes, and you'll be able to take advantage of incentives and deductions to cut your tax bill. Pay close attention to the student loan interest deduction and the savers credit for retirement savings contributions.
5. **Begin payments on student loans.** Begin paying your student loans right away. Your future self will thank you.
6. **Handle credit cards wisely.** Use credit cards carefully to earn cash rewards. Always pay your balance in full every month. If you ran up some credit card debt while in school, begin paying it off aggressively. To save interest while paying it off you may want to transfer the balance to a 0% balance transfer credit card or explore other ideas in how to payoff credit card debt.
7. **Create savings goals.** Before you commit your paycheck away, create savings goals. As a new grad, you may want to focus on retirement or a down payment for a house.
8. **Spend money slowly.** It can be very tempting with a new job to buy a new car, go on a trip or rent a fancy apartment. Not so fast! Wait a few months to see how your finances work out.
9. **Prioritize your time.** Trade one hour of television a week and instead use it to read a financial magazine, book, or blog. At the end of one year you will have 52 hours of financial knowledge accumulated.
10. **Learn from other peoples mistakes by asking questions.** Ask the people you trust about their past financial choices. How did they choose different plans for insurance and financing? If they could go back what would they change to improve their early 20's and 30's?