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To All the Recent Grads – Some Real-World Financial Advice

You've just gotten your college diploma. Congratulations!

Graduating is an enormous accomplishment well worth celebrating, and with the added complication of the global pandemic, your experience was more challenging than most. But now that the last parties are over and you've packed up your dorm room or apartment, it's time to get ready for the next phase of your life: a full-time, professional job. The job market is hot, so finding a position with real potential is highly probable, but it's important that you know what to do once you start in your new position. We've assembled some invaluable advice – both financial and professional — to help you in your journey.

Financial Advice First

You've been managing money for yourself for the last few years, but there's a big difference between working with the money you've earned from part-time jobs or internships (or you've been gifted from a budget provided by your parents) and knowing how to manage a weekly salary – especially if you're making a significant amount. You may be tempted to skip returning to your parents' home, to rent an apartment and buy a car and some work clothes and begin making your way entirely on your own, but that's not always the smartest thing for you to do financially. Consider the following tips for money management:

- As much as you may want to live independently, if you can live with your family long enough to give yourself a bit of savings, you'll be better off in the long run. It will help you to afford the first and last month's rents that landlords require, help pay for furniture and other essentials, and let you start paying down any loans that you may have.
- Your company will likely offer you a selection of benefits, and the way that you approach these can make a significant difference. If you are offered a [401\(k\)](#), take advantage of it, and as much as you'd like to hold onto some of your cash, you should always contribute at least as much as your employer is willing to match. Failing to do so is literally giving away free money for your retirement. You should also think carefully about the health insurance that you're offered. Keep in mind that you are eligible to remain on your parents' policy until you are 26, so compare the costs and benefits before signing up.
- Consider opening a retirement fund that is separate and apart from the 401(k). Retirement may seem like a lifetime away, but getting yourself into the habit of depositing into a [Roth IRA](#) is a smart thing to do. The money goes in after-tax and can be taken out when you retire tax-free. You can put away as much as \$6,000 per year.
- If you've been using your parents' credit cards to pay for things and don't have any loans, then you also don't have a credit history – and you need one. Take out a credit card in your own name and make sure that you pay them off every month. Take care to pay every bill in full on time.
- Learn to keep a budget. Now that you have a predictable salary and take-home pay, it's time to sit down, write down your total monthly net income and total monthly expenditures on necessities like groceries, rent, utilities, etc., and figure out how much you should be spending, how much you should be saving, how much should go to paying off debts – and stick to it!

Now the Professional Advice

Starting a new job always feels like opening a door to endless possibilities – but that's especially true of your first job out of college. Though you're sure to make plenty of mistakes, there are also things that you can set yourself up to do right, right off the bat. Here are some suggestions collected from multiple

executives and culled from years of experience:

- Don't be too risk-averse – this is the time to take some chances. As long as your ideas have been thought out, it's okay to make mistakes – and sometimes your fresh perspective can make a real difference and set you above the crowd.
- Let your personal attributes shine. Many people enter the professional world with an idea of how they are supposed to act or who they are supposed to emulate. You were hired for your own characteristics, so be sure to be yourself.
- Meet as many people as possible. Networking is an invaluable tool. Each new person that you meet should be considered a link to your future.
- Remember that taking your time can be a virtue. Don't be in such a rush to get where you're going that you skip steps that can be valuable to your growth.
- Take every opportunity to travel. Whether it is throughout the United States or internationally, you will learn a great deal from traveling as part of your job. Not only will you get greater exposure to the way that others do their work or live their lives, but you will be viewed as more open to interesting or diverse assignments.
- Don't turn down responsibilities that are outside of your expertise. The more flexible and adaptive you are, the more you will learn, and the more opportunities that you will be given.
- Remember that every job teaches you something. Even a job that you despise has skills that you can carry or use to create a better opportunity. It may not be your dream job, but it may be a necessary step to reaching your dream job.
- Be sure to listen carefully to those around you, whether they are your colleagues, your clients, or your supervisors. Being a good listener is highly valued.

As you grow in your career, you may have financial questions or need guidance from someone with more experience. Please contact our firm if you need help navigating personal finance or tax-related matters.

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