



WEALTH PLANNING CORPORATION

Financial Tips for College Graduates

✓ Create a Budget Simple list of monthly expenses classified as either needs (gas) or wants (movie) 50/20/30 Rule – 50% Fixed expenses, 20% Savings, 30% Discretionary items Compare to monthly income and adjust as needed to stay positive

✓ Build an Emergency Fund Accumulate 3-6 months of expenses so you have back up fund for the unseen emergencies

✓ Address Student Loans Monthly payment will be budgeted above as a need If have excess consider increasing budgeted amount to pay down faster

✓ Start 401k Contributions Start 401(k) contributions now and increase amount as raises are earned Contribute as much as possible taking full advantage of company matches Set an aggressive growth allocation this money has a long-time horizon

✓ Introduce and Demonstrate the Power of Compounding Start saving now so money has time to grow Rule of 72 – Number of years for money to double. If 6% return, 12 years to double

✓ Use Credit Wisely to Build a Positive Credit Rating Use credit cards responsibly for monthly expenses and pay off on time

✓ Encourage Delayed Gratification Teach the virtue of patience when it relates to finances Use what works and postpone “new” items allowing your money time to either grow or pay down higher interest loans now