

REAL WORLD, HERE I COME

7 things to do when you land that first job

Congratulations! You're ready to start your career. There are a few important things to do right away to set yourself up for financial success.



1 Maximize your 401(k) contributions

If your employer has a retirement plan, contribute at least as much as you need to get your employer's full match. And set a goal to increase it by 1% per year. When it comes to retirement planning, time is your best friend. You'll have a huge advantage by starting to save early. The savings is automatic and comes out of your paycheck pre-tax – you won't even miss it! If you don't have an employer-based retirement plan, open an Individual Retirement Account (IRA) to begin your retirement savings. Meet with a Summit financial coach to learn more about investing and your 401(k).

And remember, time is your best friend. If you start saving \$40 every two weeks at age 25, by the time you turn 67, you'll have earned over \$360,439. But if you wait until you were 35 to begin saving \$40 every two weeks, you'll only have accumulated \$154,981. That's a \$205,458 difference!

2 Negotiate your salary

Negotiating your salary is an important step in your long-term career. Not doing it could cost you significant dollars in the long run. Do your research and be prepared with data and reasoning.

3 Save one month's pay

Make it a goal to have at least one month's pay in a savings account. That way you have a small cushion for emergencies. You can make the saving automatic by sending a small portion directly to a savings account. Once you hit one month's pay, go to two months. Ultimately, you'll want to have 3-6 months of pay available in a savings account.

4 Create a budget

A new job comes with new expenses – lunches, morning coffee, transportation, clothing. Track your expenses carefully and see where your money is going. Be sure you know all of your obligations (rent, credit cards, student loans, etc.). If you're spending more than you planned and it's getting in the way of your savings goals, make some adjustments.

5 Pay off credit card and student loan debt

If you have credit card debt, pay it off as soon as possible. Pay off your credit card with the lowest balance first. It's one of the best long-term financial moves you can make. Review and understand your options in paying back your student loans — both federal and private. If you have private student loans, pay these off first, even before credit card debt, because these loans typically offer less flexibility. Look into if consolidation or income-based repayment plans may benefit you. Meet with a Summit financial coach to learn more about how to pay down your debt by paying more than the minimum while saving at the same time. You can also go to SummitCreditUnion.com/Calculators and use the free debt calculator tool to give you a clear picture of where you are and how you can get out of debt.

6 Get up to speed on your benefits

Understand the benefits offered by your employer. Pay attention to your costs for health, dental and life insurance. For health-related expenses, you can set aside money pre-tax in a flexible spending account for things like office visits or prescription co-pays. And if you're required to pay a sizeable portion for your services, you'll want to build that into your savings plan.

7 Review your credit report

Now's a great time to review your credit report and get a clear picture of where you stand. It's important to know because your credit score will determine how much you'll pay when you need to borrow money and can also be a factor when renting an apartment. We'll review your report with you, talk to you about your current debts and look for ways to bump up your score if needed.

The good news is that it doesn't take a lot to create some real savings and develop great money habits that will help you build a bright future. And Summit is here to help you do it.

Find what you're looking for at SummitCreditUnion.com.

- Budget and goal planning worksheets
- Financial calculators
- Money tips and blogs

**Schedule an appointment online
or give us a call to get started.**

800-236-5560 | 608-243-5000

