Breaking the Bank: Financial Advice after Graduation

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To Warm Up…

- How much do you hope to make in your 1st job?!?!?

- Average with bachelor degree
  - $31,000 per year
  - 15% ($4650) Taxes
  - 10% ($3100) Insurance
  - = $23,250 / 12
  - = $1,937 / month gross
I can live on $1,937!!!

- Expenses
  - Rent: -$400, $1,537
  - Utilities: -$250, $1,287
  - Gas: -$80, $1,207
  - Food: -$200, $1,007
  - Cell Phone: -$50, $957
  - Car: -$300, $657
  - Contributions: -$150, $507
  - Personal Items: -$150, $357
  - Gifts: -$50, $307
  - Student Loans: -$200, $107
  - Credit Card Bills: -$50, $57
  - Recreation: -$100, $-43
Depressed?!?!
Vehicle Ownership

- Avoid the new car draw!
- Consider insurance, gas mileage, resale value, dependability, etc.
- $399 / month at the dealer DOES NOT include $150 for insurance
- Make a down payment
- NEW VEHICLE = HIGHER TAXES
Housing: Own or Rent?!?!?

- How long do you plan to be there?
  - 3yrs or less = Rent
- How handy are you?
  - “what can go wrong will!”
- Do you have a down payment?
  - MAJOR savings!!!
Home Ownership

- Not about how much you MAKE…it’s how much you SAVE!
- No home is “move-in ready!” Save/plan for the unexpected
- All parties are out to make $$$$$!
  - The seller, your realtor, their realtor, mortgage company, etc
  - You have the final say!
Saving Money

- It is NEVER TOO EARLY to start saving…
- Pay yourself 1st!!!
- Take advantage of your employers retirement plan – make sure it transfers!
- “Pre-tax” is good!!
Student Loan Payments

- 6 month “grace” period
- Subsidized = no interest while enrolled
- Unsubsidized = does accrue interest
- Consolidate
- Stay in contact with your lender!!!
How Financing Works…

Car Purchase Price $13,500
Interest Rate 9%
Time 5yrs

At the end of 5 years, you pay

$19,140
Tips on Financing…

- Fix monthly payments a little lower than what you budget
- Pay extra (watch for penalties)
- A down payment can cut your costs by astronomical amounts.
Your Credit Rating

- Credit rating = how trustworthy you are
- EVERYTHING affects your credit rating
  - Late payments
  - Skipped payment
  - # of credit cards
  - Amount of credit issued
- A good credit score can save you TON$!!!!
Credit Cards!!!

- BE CAREFUL!!
- Interest rates can range from 9% - 25%
- Avoid “annual fees”
- Limit credit cards to ONLY ONE!!
- Avoid store charge cards
- Try to keep a $0 balance!!!
- Good rule of thumb…if you don’t have the $ to pay…DON’T PURCHASE!
- Shred credit card offers!!!
FALL CAREER DAY 2006

- Tuesday, October 3rd
- **NEW SCHEDULE!!!**
- 12:00 – 3:30
- Wyatt Gym
- 1st 50 with resumes will receive a FREE portfolio!!
Questions?!?! Comments?!?! 

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