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Welcome! It's that time of year again when college graduates enter the next phase of their lives. What better time to build a foundation of strong financial habits to set the stage for achieving all they hope. Making the big move to independence will be less daunting by following a few tips.

Read on to learn how to make the most of your new life – and, remember, we're here to help you stay *On Course!*

-Jennifer Lane, CFP

Money Tips for Grads

Think of this next phase of your life as a clean slate. If you take the time now to set up strong financial systems and habits, you'll have the foundation to support families, homeownership, investing – even retirement. If you're always working through credit card debt and loans or unsure about what's coming in and going out, that road will be bumpy!

First Things First

- Check your credit report at AnnualCreditReport.com. You don't need to pay for your score, just make sure there's no identity theft, the right people are on your accounts, and the accounts are correct.
- If you don't have a no-fee credit card already, get one at a local credit union.
- Now is the time to begin tracking your income and expenses. Mint.com is a good place to do it.
- You need a health plan. You may be able to stay on the family plan for a while or your new employer may have one. Do the research and make sure you're covered.

Your New Job

- Prioritize your search in your field of study. Research shows that you'll be better off in the long run if you do.
- Set up a Roth IRA. Even if your employer has a 401(k) or 403(b) plan, a Roth IRA is a great investment. Don't miss your chance to contribute: once the tax year is gone so is the opportunity.
- Sign up for disability insurance if your employer offers it. Because you just never know.
- Keep your old car for now. Don't get into a lifestyle you can't afford to keep up. Focus on paying off loans and get a head start on saving.

Paying Off Debt -- and Saving, Too

- Update your lenders with your new address.
- Start your student loan payments as soon as you can. If you have to wait the allowed six months before your start, then at least make the interest payments during those months.
- Beware of getting too focused on paying off your loans quickly. Start your savings so you have a little money going to loans and a little money going to savings each month.
- Open up a high-yield savings account online. Go to BankRate.com to research your options.
- If your employer matches 401(k) contributions, then contribute enough to get the matching amount.

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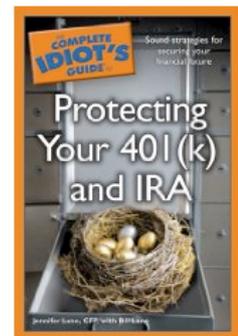
[Monthly Tip](#)



Jennifer's Hint

A strong budget includes monthly savings for small emergencies and regular non-monthly expenses like holiday costs and quarterly bills; good insurance coverage; car maintenance; and house expenses that are less than 35 percent of your pay.

Get more tips in Jennifer's book



(click here for link)

Helpful Websites

AnnualCreditReport.com

BankRate.com

Credit.com



Q&A

Q: I need to open a new checking account. Should I use the bank my family has used for years or my investment firm where I can also open a checking account? Where will I get the best interest?

-- Lelia from Boston

A: Lelia, since you generally won't be keeping a lot of money in your checking account, interest rates are probably not the most important factor in your decision. Open the account in a place that's convenient for you. Double check that you'll have FDIC coverage and make sure that the account will work with the account aggregator you're using, e.g., Mint.com.

What's New

- We now have a Facebook page. Visit www.facebook.com/AskJennifer and like us!
- Jennifer's Compass -- Jennifer recently spoke with NECN on how to navigate these rocky investment waters. Click [here](#) to watch this informative video on her blog.
- Jennifer is now appearing on NECN every other Monday morning at 9:30 am in addition her Tuesdays' 5:00 pm and 6:30 pm appearances.

Compass Planning Associates helps families, individuals, and small-business clients achieve financial security, knowledge, and control over their money. Our **fee-only, client-centered approach** provides education and guidance for achieving financial goals and dreams.

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