

## Just graduated? Don't make these money mistakes

**PHOENIX** – Life after college can overwhelm many graduates, especially if it's the first time they are handling personal finances outside of a school setting or without the help of family.

“When you're managing money by yourself for the first time, it's easy to make mistakes that can derail your financial goals right from the start,” said Michael Sullivan, a personal financial consultant with Take Charge America, a nonprofit credit counseling and debt management agency. “But taking the time to understand what mistakes to avoid, and why, will set you up to win with money for years to come.”

Sullivan breaks down five money mishaps to avoid:

- **Living without a budget.** To succeed with money, a budget is a must. Start by tracking your expenses for a month to learn your spending habits. Then, make necessary adjustments to accommodate your habits and goals.

- **Not planning for a rainy day.** You never know when the unexpected will happen. That's why we recommend saving three to six months of living expenses in an emergency fund. Start with small contributions and increase as your budget allows.

- **Opening lots of credit cards.** Avoid the temptation to open multiple credit cards you don't need. One card is enough to build

a positive credit history, which plays a role in nearly every life milestone from buying cars and homes to landing some jobs. Use one card regularly and pay it off in full every month. Avoid fees and interest by not overspending or carrying a balance.

- **Putting off retirement savings.** Retirement may be a long way off, but that's to your benefit. The sooner you start saving, the more money you'll have in retirement. Contribute to your 401(k) or company retirement plan and explore a Roth or Traditional IRA. Save what you can at first and steadily boost your contributions as your career progresses.

- **Neglecting your student loans.** As a new grad, you have a six-month grace period before you must start repaying federal student loans. Even with the temporary payment reprieve, you still must select a repayment plan. If you don't, you're automatically enrolled in the Standard Plan, which requires fixed payments over 10 years. That may not be the best option depending on your situation. If you're overwhelmed, contacting an experienced student loan counselor can help.

For more financial tips, visit Take Charge America's Financial Education Center at <https://www.takechargeamerica.org/financial-education/search-the-library/>

