

BUDGET LIKE A BOSS

STEP ONE: Break down your paycheck.



START BUILDING YOUR FINANCIAL UMBRELLA

- 1 OPEN A SAVINGS ACCOUNT.**
Storing your squirrel fund in a separate account makes it much easier to distinguish between money for spending and money for saving. Plus, you'll earn interest.
- 2 SET A FINANCIAL GOAL.**
How much do you want to set aside for an emergency fund? How much do you want to invest in retirement? Ask for help — a mentor, older friend, or even a bank employee can help you figure out how much to save each month.
- 3 BUDGET FOR SAVINGS.**
Create a regular financial routine. Try arranging an automatic monthly transfer from your checking to savings account so you don't have to think about it.
- 4 KEEP IT SIMPLE, SILLY!**
The best savings account for a beginner is the one with the least bells and whistles (more on this below).
- 5 READJUST ACCORDINGLY.**
After a raise (or a pay cut), reevaluate how much you're saving each month by raising or lower the amount accordingly.

Examples of Hard Versus Soft Inquiries

Trying to figure out what type of inquiry will be placed on your report? Here's a general guide.

Hard Inquiries	Soft Inquiries
Usually	Usually
<ul style="list-style-type: none"> Applying for an auto loan, student loan, business loan or personal loan Applying for a credit card Applying for a mortgage 	<ul style="list-style-type: none"> Checking your own credit score Pre-approved credit card and loan offers Background check, such as those done by employers
Sometimes	Sometimes
<ul style="list-style-type: none"> Applying to rent an apartment Verification of identity by a financial institution, such as a credit union or stock brokerage Renting a car Getting a cable or Internet account Opening a checking, savings or money market account Requesting a credit limit increase Getting a cell phone contract 	<ul style="list-style-type: none"> Applying to rent an apartment Verification of identity by a financial institution, such as a credit union or stock brokerage Renting a car Getting a cable or Internet account Opening a checking, savings or money market account

GOOD DEBT VS **BAD DEBT**

"Good" debt has *lower interest rates* and is considered an investment for the future.

- STUDENT LOANS
- MORTGAGES
- BUSINESS LOANS

"Bad" debt has *higher interest rates*, and can be prevented with smart use of money.

- CREDIT CARD DEBT: accumulates each month — makes it easy to fall behind
- CAR LOANS: cars lose value over time, plus car loans have high interest rates
- CONSUMER LOANS: personal loans have extremely high interest rates and are usually caused by living beyond one's means

CREDIT

If you're brand-new to credit, sign up for a credit card and start using it in order to establish credit history.

Do some research and pick a card with no annual fee (or avoid it by maintaining the minimum account balance or scheduling a recurring direct deposit or transfer).

Make sure to read the fine print.



Stick to one or two cards. A fistful of credit cards makes it easy to rack up debt.



Don't cosign someone else's loan. It's not a good idea to be partially responsible for someone else's debt. If they mess up, it'll sink your credit score, too.



Don't max out your cards, and pay bills in full and on time. Irresponsible credit card usage can indicate to banks that you're too attached to credit, which makes you look untrustworthy.



CREDIT

We've all seen those wacky credit-score commercials on TV, but what does "credit" really mean? *Credit is scored on a scale of 300 to 850.*



PLANNING FOR THE LONG RUN: IRAs, 401ks, and all that jazz

Retirement seems very far away, but your octogenarian self will thank you for starting retirement planning early.

The bad news:

Assuming a person retires around age



that means saving enough to live on for around **20 years**.



The good news:

Starting early, investing wisely, and upping contributions to that retirement fund every **5 to 10 years** makes it much less daunting.



Here's a basic overview of the most common savings options. ▼

Six (plus 1) Steps to Financial Stability

- 1** **BUILD A BUFFER**
\$500 to \$800 will help you avoid living paycheck to paycheck.

- 2** **SET ASIDE FOR RETIREMENT**
Save 2-5% of your income, regardless of your financial situation.

- 3** **GET RID OF BAD DEBT**
If it has an interest rate above 7%, you should get rid of it as quickly as possible.

- 4** **SAVE FOR EMERGENCIES**
Grow your cash savings to cover 3 months of expenses.

- 5** **SAVE FOR SOMETHING YOU WANT**

- 6** **INVEST & DONATE AS YOU SEE FIT**
After maxing out your retirement funds, of course.

- !** **CREATE AN ADDITIONAL STREAM OF INCOME**
Get your side hustle on!


MoneyUnder30.com

The Ultimate Guide to Managing Money in Your 20s -- <https://greatist.com/happiness/personal-finances-guide-infographic>

https://www.creditkarma.com/article/hard_inquiries_and_soft_inquiries

<https://www.moneyunder30.com/six-and-a-half-steps-to-financial-stability>