GREAT ADVICE FOR GRADS

SUMMER 2017

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To the Class of 2017, congratulations on your accomplishments. For some, it has been a long and hard-fought battle to get to the finish line; for others, it may have gone by far too quickly and is now over much faster than you anticipated. In any case, you have much to celebrate…and much to prepare for, financially speaking.

In 2014, Inceptia published its first Great Advice for Grads e-Guide to address the issue we heard from so many of the students we serve: "I don't understand loan repayment." And, frankly, it's no wonder! Loan repayment is a broad topic that covers payment plans, consolidation, deferment, forgiveness, grace periods, interest rates, loan servicers, and so much more. Clearly, there's so much information to know, it's hard to get a handle on where to even begin. That's where this guide comes in.

Great Advice for Grads, created through a collaborative relationship with the personal finance site NerdWallet, is an easy-to-read guide that covers the federal loan repayment essentials, along with links to additional resources for further exploration. But because Inceptia and NerdWallet are dedicated to your overall financial health, we don't stop at just student loans. We also want to help you improve your personal finances, develop healthy money habits, and link your career path to your financial goals. That holistic approach is what you'll find in this year's guide, and we hope it serves you well as you move forward after graduation.

If you've seen our previous editions of Great Advice for Grads, you know that I always try to slip some words of wisdom into this introduction (and that I usually borrow from others!). In sticking with last year's theme of great cinema quotes, I hope these simple words speak to and resonate with the Class of 2017, dreamers that they may be:

So bring on the rebels
The ripples from pebbles
The painters, and poets, and plays

Here's to the ones who dream

Best,

Carissa Uhlman
Vice President of Student Success
Inceptia

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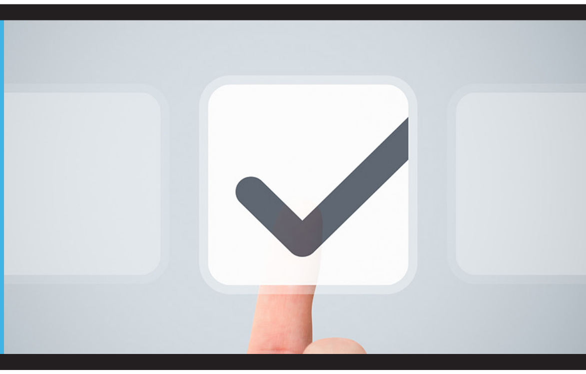
CLASS OF 2017
POSTGRAD STUDENT LOAN CHECKLIST

By Devon Delfino

Graduation is a time of celebration, but the time to begin making student loan payments is right around the corner. And nothing puts a damper on postgrad life quite like seeing that first student loan bill. Before that first due date arrives, get the upper hand on your student loans with this checklist.



APPLY FOR INCOME-DRIVEN REPAYMENT

Income-driven repayment can make your monthly student loan bill more affordable. If you qualify, it'll cap your payments at a percentage of your income and extend your loan term to 20 or 25 years. And if you're still on the postgrad job hunt, you may not have to pay anything right away.

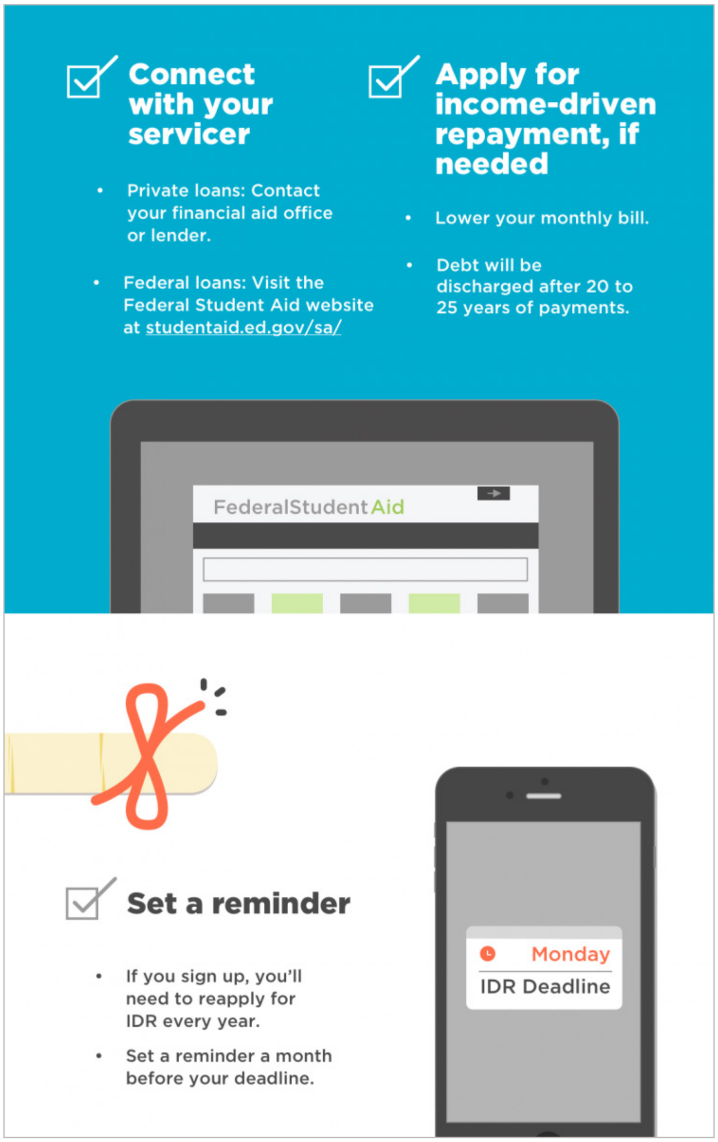
In addition to lower payments, any remaining balance at the end of your extended loan term will be discharged – but it will also be taxed as income.

If you're under an income-driven repayment plan and qualify for Public Service Loan Forgiveness, you can save even more money: After you make qualified payments for 10 years, the remaining balance on your loans will be discharged tax-free.

You'll need to reapply each year to stay on your plan, so set a reminder one month beforehand to make sure you don't miss the deadline.

SIGN UP FOR AUTO-PAY

Many student loan servicers will knock 0.25 percentage point off your interest rate if you sign up for auto-pay, and it'll keep you from missing payments. Plus, if you set it to withdraw more than your monthly payment from your bank account, you can pay off your debt faster. Just check that those extra dollars are going toward your principal balance to maximize savings.



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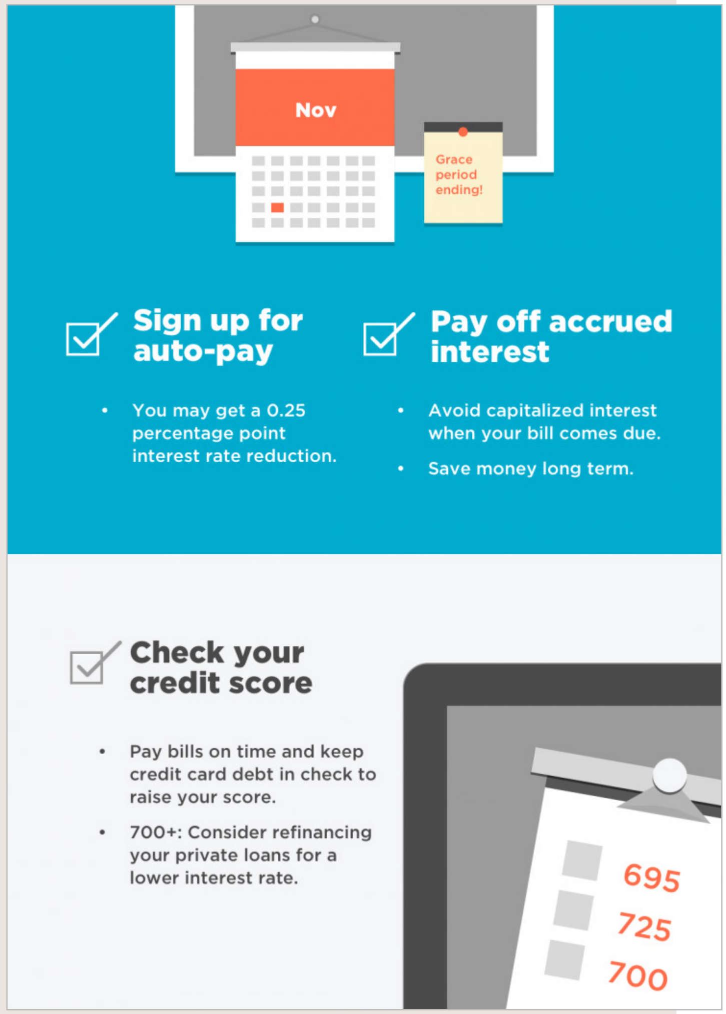
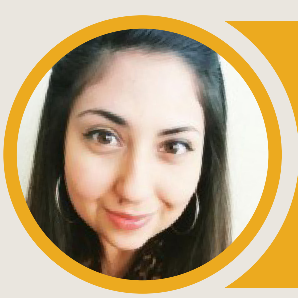
LOOK INTO REFINANCING

You can refinance your student loans with another lender to get a lower interest rate. It's usually best to refinance only private loans so you don't lose any federal borrower protections, like income-driven repayment or forgiveness programs. To qualify, you'll need to have a credit score above 700, a steady source of income and a low debt-to-income ratio.

CHECK YOUR CREDIT SCORE

If your credit score is on the low side, focus on building it by keeping credit card balances at or below 30% of your line of credit and paying your bills on time.





Devon Delfino is a staff writer at NerdWallet, a personal finance website.

The article Class of 2016 Postgrad Student Loan Checklist originally appeared on NerdWallet.

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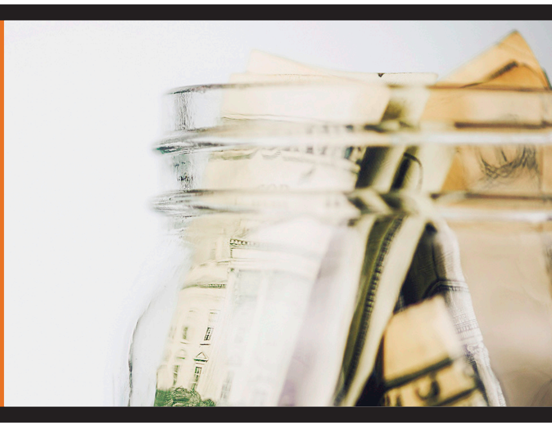
TIPS FROM MONEY EXPERTS
ON KEEPING STUDENT LOANS UNDER CONTROL

Getting a college degree can be an excellent investment in your future, but if you aren't careful, loans you take out to obtain that degree can act as a financial drag for years after graduation.

We asked more than a dozen financial advisors around the country to offer some advice on how to deal with student loans every step of the way. Here are tips from the experts:



WHEN PAYMENTS START

BEWARE OF DEFAULT

Defaulting on your student loan debt could have serious consequences for your financial future. Delinquent payments or loan default will cause your credit to suffer, which could affect your ability to rent an apartment, sign up for utilities, get a cell phone, be approved for other loans – and even get hired for a job. Student loan default can lead to wage garnishment, in which the federal government takes a percentage of your paycheck every month.

-Kyle Morgan

CONSIDER TAPPING INTO A HOME EQUITY LOAN

One option is to refinance the student loan through a home equity loan, if the student or family has enough equity in the home. The advantage of this kind of refinance is that you may deduct interest on as much as $100,000 in home equity debt from your federal income taxes. The student loan interest deduction is capped at $2,500 and phases out earlier.

-Carrie Houchins-Witt of Carrie Houchins-Witt Tax and Financial Services in Coralville, Iowa

TAKE ADVANTAGE OF TAX DEDUCTIONS

Under current tax law, individuals and married couples can deduct only up to $2,500 in student loan interest per year, depending on income and filing status. While paying off any debt can be tough, paying interest with after-tax dollars only increases the burden. If possible, try to keep the student loan debt under the threshold where interest loses its deductibility. One rule of thumb is to divide $2,500 by the loan's interest rate. For example, if your interest rate is 5%, dividing $2,500 by 0.05 equals $50,000. Keeping your debt below that amount can keep your interest deductible. This deductible interest limit presents an interesting opportunity for people whose home has appreciated in value to a level that would allow them to refinance. They may be able to pay off student loans with the refinance and essentially swap nondeductible student loan debt for deductible mortgage interest. Tax issues can be complex, so consult with a tax advisor before making a decision.

-Adam Harding of Adam C. Harding, CFP in Scottsdale, Arizona

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IF PAYMENTS BECOME DIFFICULT

LEARN ABOUT INCOME-DRIVEN REPAYMENT

Income-driven repayment plans can be a good option for students and families when the monthly payment under the 10-year standard repayment plan is just too high. The goal of these plans is to better match your payment amount with your ability to pay. Rather than a fixed amount, the payment generally is 10% or 15% of your discretionary income. The pros of using one of these plans include lower monthly payments, forgiveness of the loan balance after the 20- or 25-year term and a payment amount that will change with your ability to pay rather than with interest rate fluctuations. However, you'll pay more in interest over the life of the loan, because the repayment term is stretched out from 10 years to 20 or 25 years. And at the end of the term, you'll have to pay income taxes on the amount forgiven, unless you're in the Public Service Loan Forgiveness Program.

-Carrie Houchins-Witt

LOOK INTO STUDENT LOAN REFINANCING

Look into student loan refinancing options–but before you refinance, investigate any loan forgiveness programs available for your federal loans. If you refinance to a private loan, you'll lose access to those.

-Steven Elwell

SEEK DEFERMENT OR FORBEARANCE

If you can't make your student loan payments because of a hardship such as a job loss or illness, ask the lender for deferment or forbearance. That would let you postpone payments to avoid defaulting on the loan. The goal is to allow you some time to get back on your feet and improve your financial standing so you can resume paying off the loan. Use this option judiciously, because interest on the student loan will continue to accrue and may be added to the principal, depending on the type of loan. Also, you must apply for deferment or forbearance and meet specific criteria–it's not granted automatically.

-Carrie Houchins-Witt

The article 16 Tips From Money Experts on Keeping Student Loans Under Control originally appeared on NerdWallet.

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HOW TO LIVE ON AN ENTRY-LEVEL SALARY

WHEN YOU HAVE STUDENT LOANS

By Devon Delfino

When Catherine Richard graduated from college in May, she was in for a reality check. She owes the federal government $24,000 in student loans. She also owes $14,000 to her parents, who are giving her until she turns 26 to start making payments. On top of that, she has about $13,000 in credit card debt.

Richard earns $37,500 a year working as an assistant account executive at a public relations firm in Milwaukee and lives with her parents to cut down on rent. But she doesn't let her entry-level salary keep her from pursuing her financial goals: She's been saving money and is on track to buy a house early next year.

Richard's financial situation isn't ideal, she admits, but she shows that it's possible to achieve financial goals on an entry-level salary–even if you have student loans.

KEEP YOUR BUDGET SIMPLE AND REALISTIC

If you don't know where to start, the 50/30/20 budget can be a good jumping-off point: Put roughly 50% toward needs, 30% toward wants and 20% toward savings and debts.

Certified financial planner Jason Reiman advises his clients to not skip out on the "fun stuff." But he recommends setting aside a more conservative 15% of your monthly income for fun or personal expenses. That's a good minimum to avoid budget burnout.

"Far too many people try to cut that down to nearly nothing and then fall into denial about their true spending," he says.

GET YOUR PRIORITIES STRAIGHT

Retirement may seem too far off to accommodate in your entry-level budget, but new grads are at a huge advantage when it comes to saving for their golden years, thanks to compound interest. If, for example, you started saving $200 a month when you turn 25, you'd have about $528,000 by the time you turned 65, assuming a 7% interest rate. But if you started saving $300 a month when you turned 35, you'd end up with about $160,000 less.

The same kind of thinking should apply to managing your debt, because compound interest can work against you, too. Revolving debt, like carrying a balance on your credit card, can sneak up on you if you're not careful. Credit cards usually carry a much higher interest rate than student loans and stretch out small purchases over months. Richard, for example, pays $350 to $400 a month toward her $13,000 of credit card debt. That's money she could be using to pay off her student loans faster.

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CONSIDER GETTING A SIDE JOB

While the gig economy isn't always what it's cracked up to be, it can be a great way to make extra cash if you're willing to hustle. And that doesn't have to mean driving for Lyft or building websites on the side. Danielle Tackoor, a recent graduate who makes $38,000 a year and owes $103,000 in federal loans, focuses on taking one-off jobs like babysitting for family friends and bartending at parties.

If you're still strapped for cash and have federal student loans, look into changing your repayment plan. Depending on your circumstances, you could pay as little as $0 per month.

TRACK YOUR PROGRESS

Since your student loan payments will initially go more toward interest than your principal balance, it's easy to feel like your efforts aren't making a difference in your debt. But knowing how your money is being applied to your accounts and recognizing the small wins can help alleviate that feeling of being trapped in student debt.

"I actually made an Excel spreadsheet with all of my credit cards and all of those minimum monthly payments and balances. So every time I make a payment, I can see the balance go down a bit," Richard says. If you prefer something more automated, there are online apps and tools that let you sync all of your accounts and track your progress as you pay down debt.

Once you see your efforts start to pay off, it'll become easier to stay on track.

__Devon Delfino__ is a staff writer at NerdWallet, a personal finance website.

The article How to Live on an Entry-Level Salary When You Have Student Loans originally appeared on NerdWallet.

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ADVICE FROM 3 PEOPLE WHO PAID OFF STUDENT LOAN DEBT

By Devon Delfino

The American dream used to be simple: Go to college, graduate and earn a good income doing something you love. Now many people have to add “pay off student loans” to the mix, which complicates things a bit – especially since the average borrower graduates with about $30,000 of student loan debt.

It’s not impossible to get out of student debt, though, and we talked to three people who prove it. Here’s what they recommend to help you pay off your loans.

TAKE A HOLISTIC APPROACH TO YOUR FINANCES

Angelica Valentine, a 25-year-old graduate of Barnard College in New York, paid off $19,000 in student loans in 13 months. She credits her success to thinking about her student loans as part of a larger whole.

“Whatever I was making, that’s what I could spend and that was it,” says Oakland, California-based Valentine, who studied sociology and ethnic studies and graduated in 2013.

“I didn’t get a credit card until I was going to study abroad …” she says, “but I tried not to use that credit card very often, so I always paid it off if I used it at all.”

Personal finance isn’t just about getting out of debt; saving money is just as important in reaching financial independence. To get there, you’ll need to hope for the best, like earning a raise, while planning for the worst, like losing your job.

So even though it might be tempting to limit your financial goals to going after your student loans, make sure you’re putting your cash toward other things that also matter. That means creating a budget that will let you get out of debt while creating an emergency fund and even saving for retirement.

USE THE AVALANCHE METHOD

For Lee Drake, a 33-year-old senior applications scientist with a doctorate in anthropology, the debt avalanche method was his secret weapon for attacking his student loan debt.

“Once I graduated and got a job in the tech industry, I put the majority of my monthly paycheck into student loans, using the ‘avalanche’ method,” says Drake, of New Mexico. He paid off $70,000 in student debt in less than four years.

Instead of tackling your smallest loans first, as you would under the debt snowball method, the avalanche method prioritizes your payments based on interest rate. Attacking higher-interest loans first will save you the most money because you end up paying less interest in the long term. Drake estimates that his efforts saved him $14,000 to $36,000 in interest costs.

PERSONAL FINANCE ISN’T JUST ABOUT GETTING OUT OF DEBT; SAVING MONEY IS JUST AS IMPORTANT IN REACHING FINANCIAL INDEPENDENCE.

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Start by logging in to the Federal Student Aid website to find out your federal loan interest rates. If you have private loans, contact your student loan servicer for more information. Then rank your loans by interest rate and direct any extra money toward your highest-rate loans.

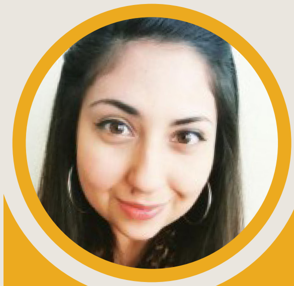
TRACK YOUR CREDIT SCORE

For Antonella Pisani of Denver, who earned an MBA from the University of San Diego, paying off $70,000 in student loan debt over 12 years and building a healthy financial profile were directly tied to tracking her credit score.

"If you miss a payment, it'll bite you years later when you are ready to buy that house or that car," says the small-business owner, 40, who admits she's "pretty much obsessive" about her score.

There are a number of free services you can use to get a baseline for your score. You can raise your score by making on-time payments and keeping your credit card balances at or below 30% of your available line of credit.

Once your score is around 700, consider refinancing your student loans to save on interest payments. If you qualify, a private lender will replace your old loan with a new one–which is a chance to get better terms, like a lower interest rate. You'll need a stable source of income and a low debt-to-income ratio to qualify. It's usually best to include only private loans so that you don't lose any federal loan protections, like income-driven repayment plans or forgiveness.



__Devon Delfino__ is a staff writer at NerdWallet, a personal finance website.

The article Advice From 3 People Who Paid Off Student Loan Debt originally appeared on NerdWallet.

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NEW GRADS:
AVOID THESE 5 MONEY MISTAKES

By Arielle O'Shea

The first time I visited a New York City tow pound was about 16 hours after I'd moved to Brooklyn. I was retrieving a U-Haul, which my boyfriend and I had parked pretty squarely in a no-parking zone.

I was somehow surprised to wake up the next morning and find it gone, but not as surprised as I was to learn the fine, which was somewhere in the neighborhood of $400, or roughly a fifth of the money in my checking account. I'd moved to the city without a job.

I'll spare you the details of my second visit, but suffice it to say the third time was to clear out the trunk of our car. At that point, what now feels like a mind-boggling inability to decipher street signs had already cost us nearly $700; a 1980-something Saturn felt like a small price to pay to avoid another fine and the tow pound indefinitely.

That was just one way I dropped the ball, financially speaking, in my early 20s. I didn't expect a college course in New York City parking regulations–given that I made the mistake three times, it's hard to imagine one would've helped–but it would've been nice to walk out with a bit more common sense. Here, see five financial lessons I wish I had learned before graduating.

1 UNDERSTAND THAT FINDING A JOB MAY BE HARD

My boyfriend–now husband–moved six months before me and got a job within a couple of weeks. He had a social work degree and a willingness to work basically wherever, which turned out to be pretty valuable currency in a city like New York. I had an English degree, a three-ring binder of college newspaper clips and the misplaced confidence that a magazine or book publisher would snap me right up.

After an extensive search, I ended up at an employment agency, which placed me in a job that was loosely related to writing, in the same way that, say, selling sports equipment is related to being a professional athlete.

2 ALWAYS TAKE 401(K) MATCHING DOLLARS

The best thing about that job was the 401(k) match, which was dollar-for-dollar up to 6%. I didn't know what a 401(k) was, but once I found out it involved a lower paycheck, I opted right out.

I've since tortured myself by running the numbers through a retirement calculator, so I know that if I'd contributed during the year I worked there, the account value today would be around $10,000 with investment earnings. I'd have an extra $60,000 by retirement.

But skipping out on saving for retirement that first year also had a domino effect. Because I wasn't in the habit, I didn't think twice when my next job didn't offer a 401(k), nor did I consider an alternative like a Roth IRA. I pushed off saving for four more years, mostly due to the common struggle to prioritize retirement when it's at least 40 years away.

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3 TAKE ONLY THE CREDIT YOU NEED

When the bank asked if I wanted a line of credit with my new checking account, I thought, why not? Likewise, 15% off seemed like a good-enough reason to get store credit cards. Over the course of a year or so, I lined my wallet with all the usual college-girl, or in my case recent college-girl, suspects.

I knew enough about the dangers of credit card debt to not carry a balance. But I also bought more platform flip-flops and graphic t-shirts than I would've without those cards, knowing that I had a few weeks to pay the balances off. And taking on a lot of credit within a few months doesn't do great things to your credit score.

4 TREAT SAVING LIKE A FIXED EXPENSE

When I finally did get around to opening an IRA, I contributed to it irregularly–I set up automatic monthly transfers, but I also canceled those transfers as frequently as I went through with them. I treated the money I'd earmarked for retirement as extra cash, so I used it that way.

The more effective way to save is to prioritize retirement contributions like any other fixed expense. In other words, pretend they're not negotiable. Make them at the beginning of the month or immediately following your first paycheck of the month, before you have a chance to turn that contribution into a new pair of platform sandals, which–lucky for me–appear to be back. A 401(k) forces you to do this, which is one reason it's an effective savings tool. With an IRA, you have to hold yourself accountable.

5 FOLLOW AT LEAST A LOOSE BUDGET

I know many recent college grads can relate to this, but for several years after college, I often approached payday with under $10 in my bank account. It left me with no cushion for emergencies–like, well, bailing out a towed car. A budget, even a loose one, would have shown me where my money was going–mostly toward pizza and, not coincidentally, 10 extra pounds–so I could easily see where to cut back.

To be perfectly honest, I'm still not into budgeting. I've tried various methods, and nothing really sticks. But what does work is a simple spreadsheet, shared with my husband, which lists our income for the month and our major expenses. This kind of system gives us a rough idea of how much we're spending, plus historical data to compare, in case I ever want to flip back and whine about lower grocery bills pre-toddler (and I do, often). It means we don't feel beholden to numbers, but we can still see pretty quickly if something needs to be reined in.

__Arielle O'Shea__ is a staff writer at NerdWallet, a personal finance website.

The article New Grads: Avoid These 5 Money Mistakes originally appeared on NerdWallet.

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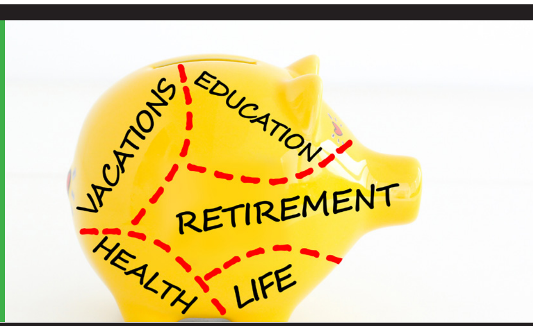
ASK BRIANNA: HOW CAN I AVOID MY PARENTS' MONEY MISTAKES

By Brianna McGurran

"Ask Brianna" is a Q&A column for 20-somethings or anyone else starting out. I'm here to help you manage your money, find a job and pay off student loans – all the real-world stuff no one taught us how to do in college. Send your questions about postgrad life to askbrianna@nerdwallet.com.



"MY PARENTS HAVE ALWAYS HAD AN UNHEALTHY RELATIONSHIP WITH MONEY. HOW CAN I AVOID THEIR MONEY MISTAKES?"

I have a confession to make: I am turning into my mother. Like her, I rearrange the furniture in my apartment constantly, convinced it will breathe new life into the room if I shift the coffee table five inches to the right.

Along with quirky personality traits, I also inherited from my parents attitudes about money, both positive and problematic. My dad spent Sunday mornings smoking cigars in the basement and scribbling in his checkbook–"Keeping the lights on," as he put it–which impressed upon me the importance of paying bills on time. Now I have a sterling payment history, but I'm also neurotic about keeping it that way. When I was one day late on a credit card payment eight years ago, it felt like an egregious personal failing I'd never recover from.

"Many of the behaviors that govern how we deal with money are already set by age 7, which is a bit terrifying, if you think about it," says Beth Kobliner, author of "Make Your Kid a Money Genius (Even If You're Not): A Parents' Guide for Kids 3 to 23."

Maybe your parents taught you to overspend, pinch pennies or fear investing in the stock market. You don't have to relive their money mistakes. You can take steps to craft your own financial identity.

"No matter what your past is, whether your parents were good with money or bad with money, at a certain point you have to say, 'OK, this is on me,'" Kobliner says.

STEP 1: REVISIT YOUR FORMATIVE YEARS

Each of us has a script that dictates how we interact with money, says Brad Klontz, a clinical psychologist and certified financial planner. "And many of us don't know who even wrote it or the circumstances in which these beliefs were determined," he says.

Start by considering how your parents talked about their finances–whether they avoided the topic altogether, or argued about it–and what behaviors they modeled for you. Try to identify three things you learned about money from your upbringing.

STEP 2: PINPOINT YOUR MONEY BELIEFS

By the time you're in your late 20s or 30s, you've probably had exposure to basic money must-dos like spending less than you earn, building good credit and saving for retirement. If you've chosen not to follow such advice, that could be a result of your money beliefs, according to Klontz.

Think through your own experiences with money and note any patterns. Klontz recommends asking yourself the following questions:

- What is your biggest financial fear?
- What is your most joyful money memory? (For example, a trip you saved up for.)
- What is your most painful money memory? (For example, a debt that went into collections.)
- What lesson did you learn from your most painful money experiences? Did they inspire you to change your behavior?

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"NO MATTER WHAT YOUR PAST IS, WHETHER YOUR PARENTS WERE GOOD WITH MONEY OR BAD WITH MONEY, AT A CERTAIN POINT YOU HAVE TO SAY, 'OK, THIS IS ON ME'.

Klontz says one of his clients shared how her grandmother swooped in to help her family pay housing costs when they were in danger of getting evicted. While this was a joyful memory, its lesson wasn't as positive.

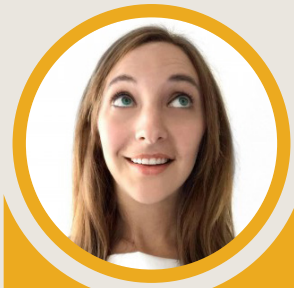
"As a child, that led to this belief where you don't really need to worry about it, because something good will happen," Klontz says.

STEP 3: USE YOUR INSIGHTS TO SHIFT BEHAVIOR

Now that you've identified your personal approach to money and how your family might have influenced it, you can focus on shifting those beliefs and changing your behavior.

These changes don't need to be grand, sweeping alterations to your financial personality. Start by choosing one concrete action to focus on, like saving more or shopping less online. Consider automatically transferring $50 a month to a savings account or asking your boss about 401(k) options at work.

If you're having an especially hard time making the shift, you don't have to do it alone. Talk to a psychotherapist or a financial therapist if you'd like to dig deeper into your relationship with money. A nonprofit credit counselor or a financial planner can help you pursue the goals you're most committed to.



***Brianna McGurran** is a staff writer at NerdWallet, a personal finance website.*

The article Ask Brianna: How Can I Avoid My Parents' Money Mistakes? originally appeared on NerdWallet.

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THE KEYS TO FINANCIAL WELLNESS FOR MILLENNIALS

By Roslyn Lash

Getting a job, buying a car, buying a home–all of these milestones are both exciting and at times stressful for young adults just getting started. For many people, these are wonderful goals that help push them forward. But as millennials build their careers, start families and consider their futures, it's important to remember that true success has little to do with your job title, the type of car that you drive or the size of your house.

Success is about having peace of mind. And you cannot feel successful or have a sense of true accomplishment when you are worried about money. Millennials must be comfortable with their finances to achieve long-term success.

To have peace of mind as well as peace in your finances, you must prepare for and practice the keys to financial wellness:

INVEST IN YOURSELF

This is about investing in your future by seeking the highest education that you desire intellectually and can afford financially. Your knowledge and education will open doors that would have otherwise remained closed. Education has a major influence on your earning power. It can propel you when the economy is good and sustain you when it's bad. You can lose your job but not your education.

SAVE, SAVE, SAVE

The most essential rule of saving is to pay yourself first. You should contribute to your personal savings and your retirement savings with every paycheck. The simplest way to accomplish this goal is through direct deposit. For your personal savings, you can have a set amount deposited into a savings account and then have the balance go into your regular checking account, which is used to pay for your living expenses. By doing this, you are assured that you have emergency savings. For your retirement savings, you should start contributing to a 401(k) or individual retirement account as early as you can. Start contributing in your 20s so you have even more time to take advantage of compound interest (in which your earnings are added to your principal).

LIMIT YOUR USE OF CREDIT

Spend your money in a way that minimizes your debt. You should use cash to pay for small-ticket items, those things you can afford to pay for outright. Expensive purchases such as a house, car and furniture understandably might not be bought for cash. But you can still be mindful of your spending habits by asking yourself key questions: Is this a need or a want? If it is a want, can it wait, or is it something that you should purchase immediately? In addition, do some comparative shopping. Be sure that you're getting the best price for the items you buy–and for the credit you use. Are you receiving the lowest available interest rate on your credit cards? If you're paying 21% while you could be paying 12%, you are doing yourself a disservice and throwing away your money.

YOUR KNOWLEDGE AND EDUCATION WILL OPEN DOORS THAT WOULD HAVE OTHERWISE REMAINED CLOSED. EDUCATION HAS A MAJOR INFLUENCE ON YOUR EARNING POWER. IT CAN PROPEL YOU WHEN THE ECONOMY IS GOOD AND SUSTAIN YOU WHEN IT'S BAD. YOU CAN LOSE YOUR JOB BUT NOT YOUR EDUCATION.

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PROTECT YOUR FAMILY FINANCIALLY

If you've started a family, be sure that you have adequate life insurance to protect them in the event of your death. This is especially important if you have small children, because you want to provide for their future. Your children's financial needs will continue, and they'll need money for their everyday expenses such as housing, clothing and food. You may also want to help ensure opportunities for a brighter future by providing enough money to assist with endeavors such as going to college, buying a car or starting a business.

You can find affordable term life insurance policies. These are basic, no-frills policies with a set duration of coverage, usually up to 30 years. You could also purchase policies for an indefinite term or with additional features. For instance, a whole life policy remains in force until death, but can be significantly more expensive than a policy that lasts for a specific number of years. Talk to your financial advisor and/or insurance agent to determine the type and amount of coverage you need.

CONSIDER HOMEOWNERSHIP

Owning a home has long been considered a foundation of wealth creation. It's one of the most important steps you can take toward financial wellness. If you plan on living in an area for over five years and you can afford to buy a home, it's something you should certainly consider. As a homeowner, you can build equity and take advantage of tax benefits such as mortgage interest and property tax deductions. But homeownership isn't for everyone. If you prefer flexibility and don't plan to live in the same place or you don't want the responsibility of owning a home, it may not be right for you.

START EARLY

The earlier you establish these practices and pillars of financial security, the more possibilities and freedom you will have later in life. Developing sound financial principles now will ensure that you and your family can weather financial storms and achieve true success.

__Roslyn Lash__, AFC® is a financial educator and coach at Youth Smart Financial Education Services in Winston-Salem, North Carolina.

The article The Keys to Financial Wellness for Millennials originally appeared on NerdWallet.

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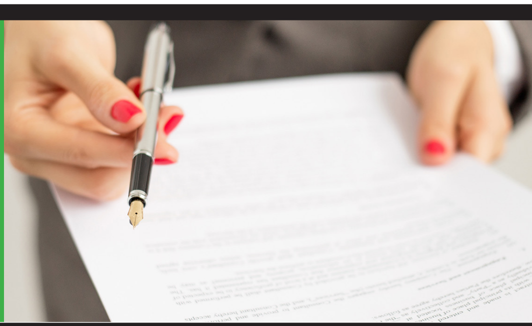
ASK BRIANNA: HOW DO I EVALUATE A JOB OFFER

By Brianna McGurran



"Ask Brianna" is a Q&A column for 20-somethings or anyone else starting out. I'm here to help you manage your money, find a job and pay off student loans–all the real-world stuff no one taught us how to do in college. Send your questions about postgrad life to askbrianna@nerdwallet.com.

"I GOT AN OFFER FOR A FULL-TIME JOB. HOW DO I DECIDE IF IT'S RIGHT FOR ME, OR IF THE SALARY IS FAIR?"

The job hunt can feel like a decathlon: multiple contests, many competitors and one victor–hopefully you. There are so many individual events, from the resume revamp to the post-interview thank-you note, you may feel nothing but exhaustion by the time you get that congratulatory call or email.

But keep your energy up. Closely evaluating an offer can be the difference between taking a job you run to and realizing you made a huge mistake, forcing you to start the job-search process from the beginning.

Of course, you may not have the luxury of weighing multiple options. But even if you have a single offer, you can still think critically about how to make the best of the opportunity–and whether you want to negotiate for perks you value especially highly, such as health insurance starting on day one.

After doing your happy dance, thank the hiring manager and request 24 hours to respond. Then use the following framework to assess the position from all angles.

BOOST YOUR SALARY SMARTS

The proposed salary will have a big effect on your day-to-day lifestyle and your future earning power, so make sure you know what you're worth. Use resources such as PayScale or Salary.com to find the average amount your role commands where you live.

Rick Sass, a career coach at Lee Hecht Harrison near Seattle, recommends having two numbers ready, ideally before the official offer comes in: the salary you want to make (say, $55,000) and a lower amount you're willing to accept (say, $50,000, which is about the mean wage, or average salary, for 25- to 34-year-olds across all education backgrounds, according to the Bureau of Labor Statistics). If you haven't already shared these salary expectations or your pay history, don't do it just yet.

"The first person who gives a number is generally the loser," Sass says.

THINK BEYOND BASE PAY

Turn your attention next to employee benefits, such as health insurance and matching retirement contributions. These add up: As of September 2016, 31.4% of what employers paid for the average civilian worker's total compensation was for non-salary benefits, the Bureau of Labor Statistics says.

Ask the hiring manager for a summary of your total package. It should include paid time off, out-of-pocket costs for health insurance and whether your company offers a retirement plan or matching contributions. Check whether there are tenure requirements to participate in any of these programs.

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THE EMPLOYER WILL EXPECT YOU TO NEGOTIATE, SO DON'T LET NERVES OR A FEAR OF SEEMING OVERBEARING GET IN THE WAY.

Consider your non-compensation priorities, too. You might want your gig to include a strong social mission, a more reasonable commute, a boss committed to mentoring you or experience working for a big-name company.

If the offer checks most of your boxes for salary, benefits and values, it's time to negotiate.

BE FLEXIBLE AND CONFIDENT

The employer will expect you to negotiate, so don't let nerves or a fear of seeming overbearing get in the way. If the proposed salary is lower than what you deserve, say thank you for the offer, and then counter with what you believe is appropriate for your skills and experience.

If salary negotiations stall, ask instead for a non-salary benefit you value. That could be the option to work remotely one day a week or a signing bonus, Sass says.

When Camille Galles was looking for a new sales job in the digital media industry, she had four job offers. One was a startup that didn't offer her as much in salary as the more established companies. But when she asked for a signing bonus and an additional performance-based bonus after her first 90 days on the job, the startup went for it.

Now Galles, 31, is the CEO of her own three-person digital advertising company. Weighing different job offers based not just on salary but on how much she could learn in each role helped her get where she is, she says.

"It's really given me the fuel to stay two steps ahead of my peers."

__Brianna McGurran__ is a staff writer at NerdWallet, a personal finance website.

The article Ask Brianna: How Do I Evaluate a Job Offer? originally appeared on NerdWallet.

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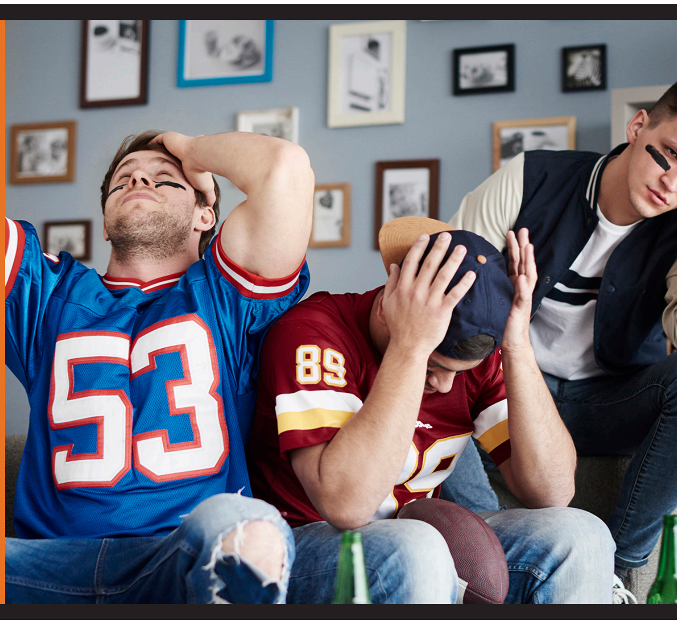
5 ROOKIE CAREER MISTAKES
AND HOW TO AVOID THEM

By Anna Helhoski

A college grad–let's call him Paul–was eager to make a great impression in his first job. But when he inevitably made his first mistake, he couldn't take the letdown in stride and it cost him his job.

During the interview process, Paul had been well-spoken and had seemed motivated to start his career in sales, says Cheri Spets Farmer, a longtime manager and current digital and sales training consultant. One day something didn't go as expected and Paul took it hard. The next day he didn't come to work and he didn't call. Farmer reached out to Paul, who explained how crushed he was in a singular line–"I just had to stay home and soak in the jets."



Your first job isn't likely to be smooth sailing, especially right away. You're bound to make missteps and slip-ups while you get your bearings. But the one thing you definitely don't want to do is be seen as a "Paul."

"The fact that he would even say that spoke more than just the words themselves. It said that he really didn't have a feel for what his role was," Farmer says. "I think he just didn't understand how important he was or that the other team members were relying on him."

Paul is an extreme example of how not to act when you make an error. Farmer says Paul's most avoidable mistake was that he dealt inappropriately with rejection. In your first job, here are five common rookie mistakes and how to avoid them.

MISTAKE NO. 1: BEING TOO SHY TO SPEAK UP BECAUSE YOU'RE 'THE NEW GUY'

Just because you're new doesn't mean you can't have an opinion. That lesson was learned the hard way by Tara Clapper, technical editor at SEMrush and senior editor at The Geek Initiative. Clapper says at her first job as a sales rep at a self-publishing company, she was afraid to speak up because it was an entry-level position.

"Later in life I've learned that no matter what your position is, in most companies if you speak up that's how you become a leader, get ahead and get promoted," Clapper says. "I was holding myself back."

Speaking up doesn't mean talking just to hear your own voice. It's about making your questions and ideas known to co-workers and managers. Any time you can add real value to a conversation, you're showcasing who you are in the workplace.

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“LATER IN LIFE I’VE LEARNED THAT NO MATTER WHAT YOUR POSITION IS, IN MOST COMPANIES IF YOU SPEAK UP THAT’S HOW YOU BECOME A LEADER, GET AHEAD AND GET PROMOTED.”

MISTAKE NO. 2: FORGETTING NAMES (AND MISSING OUT ON NEW CONNECTIONS)

If you’re the type who goes to a party, meets someone and then five seconds later can’t remember his or her name, you have a big task ahead of you in the workplace.

“The biggest challenge is not so much that they’ve forgotten the name, but when they find themselves avoiding situations because they’ve forgotten a person’s name,” says Keith Rollag, associate professor and chair of the management division at Babson College as well as author of *“What to Do When You’re New: How to Be Confident, Comfortable, and Successful in New Situations.”* “It can limit your ability to create effective relationships in the workplace.”

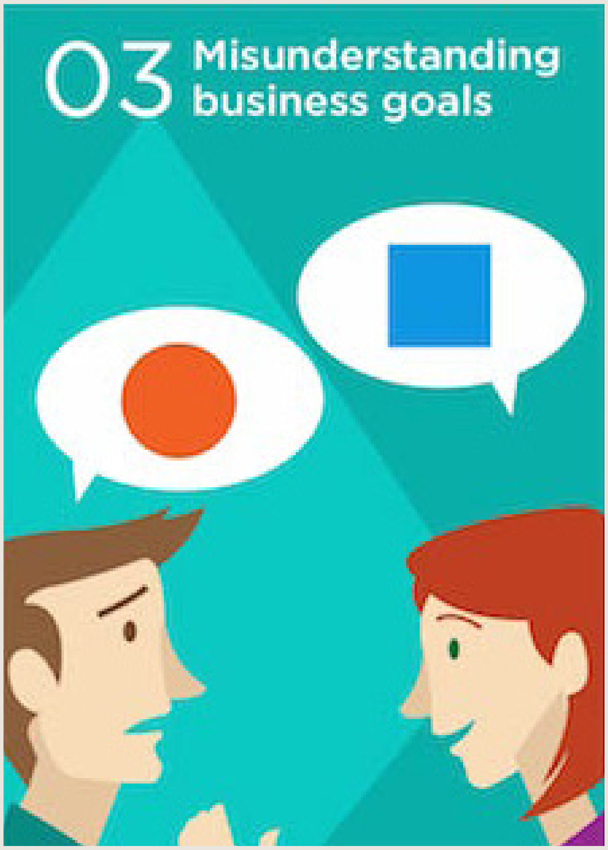
Some simple tricks for remembering names include:

- Pay close attention when you’re introduced to someone.
- Meet and repeat his or her name when you’re introduced.
- Write the name down as soon as possible.
- Make name associations or connections.
- Follow up an introduction with a professional social media request to increase name repetition.

MISTAKE NO. 3: MISUNDERSTANDING BUSINESS GOALS AND HOW YOU CONTRIBUTE TO THEM

Many young hires don’t know what their managers are looking for or aren’t aware of their environment, says Bram Daly, client services manager for talent acquisition company Alexander Mann Solutions.

“A lot of times, new employees are in essence focused on themselves and the experience they’re having. They do not really understand that they’re part of a bigger organization and they’re not aligning with their boss’s priorities,” Daly says.



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You're not going to have your finger on the pulse of the company all at once, but you can get on the right track early through observation. Daly suggests taking the first few weeks to determine the answers to these questions:

- What is my job for?
- What do my superiors want to see from me?
- What are my goals?
- What does success look like?

Listening and being able to answer these questions can help you understand the part you play within the scope of the entire company.

MISTAKE NO. 4: ACTING TOO YOUNG AND GIVING OFF THE WRONG IMPRESSION

The last thing you want to do when you're young in the workplace is to betray your age. It has more to do with your conduct than how old you actually are, experts say. Here are a few immature moves you want to refrain from making at work:

Being overeager. You might want to stand out from the crowd, but being too eager for work is the easiest way to spark animosity in co-workers. You have to walk the line between working hard and trying too hard, says Jason Carney, senior professional in human resources at professional employer organization WorkSmart Systems, Inc. in Indianapolis. Starting a new job, Carney adds, is "the perfect opportunity to blend in, learn how to work with different generations and understand how people view you."

Getting distracted. It's tempting to check your phone or even stream a TV show when you're between tasks or finished with an assignment. But when you're early in your career it's especially important to show you're a hard worker.

"If you're seen on Facebook or Twitter or on your phone all the time it's a big problem," says Jacqueline Berman, a senior account manager at recruitment firm WinterWyman in Boston. "You're not being paid to have fun; you're being paid to work. People don't realize how big of a deal it is."

Sending emails with errors. If your grammar is less than stellar or your writing is too informal in emails, you may not be taken seriously at work. "Every move you make in an office reflects on you," Berman says. "If you don't have proper punctuation if you're addressing someone professionally, it makes you look too casual."

Posting inappropriately on social media. You don't want your social media posts to become the topic of the day at the watercooler, especially among your more seasoned colleagues, Berman says.

"When you're young and you haven't proven yourself yet, but your public profile has a picture of you smoking a joint, it doesn't look good," she says. "You need to maintain your professionalism inside and outside of the office."

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MISTAKE NO. 5: DISREGARDING THE OFFICE FOOD CHAIN

Everyone you work with is accountable to somebody else. So when you're doing work that you don't enjoy, don't understand or think is just plain stupid, remember this:

"The manager isn't trying to hogtie you with busy work. It's usually been asked of them up the line," Farmer says. "Even someone who owns the company reports to somebody."

In your first job, you have the choice to let work crush your spirit or provide reassurance that this is what paying your dues is all about. Farmer says, "If you can't understand why something is happening or why you're being asked to do something, even if you don't like it, you can still have peace with it."

Anna Helhoski is a staff writer at NerdWallet, a personal finance website.

This article 5 Rookie Career Mistakes and How to Avoid Them originally appeared on NerdWallet.

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MORE MONEY, MORE PROBLEMS: WHEN YOUR DEBT INCREASES WITH YOUR INCOME

By Ben Luthi

Entrepreneur John Rampton of California was thrilled when his salary went from $45,000 to $60,000 a year.

How did he celebrate? He bought a BMW.

"Every time I got a pay bump, I would find a reason to go spend it," says Rampton, 32, from Palo Alto. "This same process happened for around three years."

Often when consumers' income increases, their debt increases along with it. Instead of saving or paying off existing debt, they dig even deeper, always living paycheck to paycheck without an emergency fund or other financial backup. If you're nodding in recognition, know that you can reverse the trend and start saving for a more secure financial future.

Here, Rampton and two others share how they stopped increasing their debt along with their income–and how you can do the same.

BIGGER SALARY, MORE SPENDING

Eight years ago, Rampton was living the dream. He had a nice 9-to-5 job, lived in a nice house and drove a BMW. But "I was literally living paycheck to paycheck," he says.

"Later in life I've learned that no matter what your position is, in most companies if you speak up that's how you become a leader, get ahead and get promoted," Clapper says. "I was holding myself back."

Speaking up doesn't mean talking just to hear your own voice. It's about making your questions and ideas known to co-workers and managers. Any time you can add real value to a conversation, you're showcasing who you are in the workplace.

For Rampton, every penny mattered because he was living so close to the line. For four years, he made just the minimum payment on his credit card, only to discover the balance wasn't decreasing–his payments were all going to interest.

When he realized the depth of the problem, he started by creating a budget, and he stuck to it. He then sold his BMW and bought a salvaged title Ford Focus, paying off the loan in just two months.

That decision saved him hundreds of dollars a month in loan payments, insurance, gas and maintenance. Rampton then moved out of the house he was renting and moved in with a few other guys.

As a result, he soon had close to $2,500 left over each month.

"I then took that money and reinvested it in myself," he says. "After paying off my bills I started blogging, started businesses and side projects." Rampton is the founder of startup Due.com, which provides invoicing and time tracking software.

Since then, Rampton hasn't changed much about his budget, even though he's married with a baby on the way.

"Although I make a lot more than I did years ago, our attitude is still the same," he says. "It's made my life so much better. It's made my marriage so much better. We can now breathe. I still remember the day I paid off all my debt. I never want to go back."

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MAKE MORE MONEY TO PAY OFF DEBT

Melissa Thomas' bumpy road from more than $40,000 in debt to a career as a financial coach started with an Elton John concert.

In 2007, she realized she couldn't afford to attend the rock star's 60th birthday show at Madison Square Garden. An ardent fan, Thomas was heartbroken. But she and her husband, Jack, were living paycheck to paycheck, with no money in savings and six credit cards near their limits.

Thomas, now 42 and living in southeast North Carolina, was a stay-at-home mom and recalls their solution at the time was simply to make more money.

"I worked with a direct sales company for a while," she says. "Jack got promoted and got a raise, and I did odd jobs to earn extra money." The couple never stopped using credit cards, however, because they figured they'd soon have enough to pay more than the minimum payment.

But they continued to increase their debt load as they earned more money, never making more than the minimum payments because those, too, grew with the debt.

"I just felt like we couldn't get ahead even though we were making more money, and because we didn't know better, we couldn't figure out why."

Thomas' turning point was Christmas 2009, when she and Jack had to put Christmas on credit for their two sons, ages 5 and 4 at the time.

"I had three credit cards out in front of me while shopping online," she says. "We were almost maxed out on all the credit cards, so I had to buy a little on one, a little on another. It was at that moment while sitting at the computer, I realized that this behavior had to stop."

The couple started following financial expert Dave Ramsey's Financial Peace University program on January 1, 2010, with $43,500 in consumer debt. First, they stopped using their credit cards. They also created a plan to pay off debt and save more through budgeting.

Melissa Thomas sits at Elton John's piano. Through budgeting and saving, she was able to go to his concert in New York City. Photo courtesy of Melissa Thomas.

They paid off their consumer debt in September 2013, and in December 2014, Thomas had enough cash saved up to afford a flight, hotel and tickets to see Elton John in concert in New York City.

Thomas is now a financial coach and enjoys helping other people find hope and improve their financial situations.

Thomas' advice to others in the same situation? "Learn to live as minimally as possible and use extra income to pay off current debt or save."

RAISING THEIR SALARY—AND THEIR DEBT

Christine Odle, a 48-year-old small-business owner from Norwood, Colorado, and her husband, John, thought they had it made when her mother-in-law turned the family business over to them a year after they married.

"We promptly gave ourselves a raise," she says. "With that we thought it would be a good idea to buy some real estate and remodel my husband's home."

Over the next four years, the couple racked up more than $500,000 in debt, almost four times their annual income.

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"We both felt like we were 'rollin' in the dough' as we were both making more than we ever had before," Odle says. But the couple had no safety net.

In August 2001, John saw Ramsey speak on CNN, and he realized the couple's spending habits could derail their life plans. They immediately signed up for Ramsey's program and soon began facilitating classes.

It took the couple 7 1/2 years to pay off their debt, and they say they're much happier because of it. When asked how she keeps an eye on her debt now, Odle responds that there's nothing to keep an eye on.

"It's simple," she says. "If we don't have the money, we don't do it. We actively save for huge purchases … and have a huge emergency fund since we are both self-employed. Just because your income goes up doesn't mean your lifestyle has to follow suit."

Odle now runs her own coaching business, specializing in financial wellness for individuals, corporations and small businesses.

Christine and John Odle paid off more than $500,000 in debt over 7 1/2 years. Photo courtesy of Christine Odle.

WHAT YOU CAN DO

If you find that your debt has increased along with your income, look for ways to cut your monthly spending–and create a budget if you haven't already. If you have credit card debt, think about how much it's costing you and consider not using your credit cards until you have your balances paid off.

If you're in your first or second job, be sure to make healthy contributions to your emergency fund, retirement accounts and other savings goals. When your income gets a bump, look to those first before spending on wants.

Most importantly, the next time you get a pay raise, resist the urge to add more debt to go along with it, regardless of the form it takes. A higher income will enable you to afford something you need, but spending your extra cash on wants can make it difficult to reach your financial goals in the future.

Ben Luthi is a staff writer at NerdWallet, a personal finance website.

This article More Money, More Problems: When Your Debt Increases With Your Income originally appeared on NerdWallet.

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MORE HELPFUL RESOURCES FROM YOUR FEDERAL STUDENT AID FRIENDS

Although this guide is full of great advice, you really can't beat the Federal Student Aid (FSA) website to provide you with everything you need to know about federal student loan repayment. Here, we've included what we think are some of the most useful tidbits and frequently sought information. And if there's anything we've missed, you can always visit studentaid.ed.gov for more help.

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

REPAYMENT CHECKLIST

This checklist will give you a good overview of steps and information necessary for stress-free repayment.

REPAYMENT ESTIMATOR

Wondering what your payments will be under the Standard Plan? Income-Driven Plan? More?
This tool will help you calculate your potential monthly payment amounts under each of the federal repayment options.

INCOME-DRIVEN REPAYMENT FACT SHEET

This fact sheet breaks down the differences among the various income-driven repayment options and explains eligibility and application guidelines.

LOAN SERVICER

Not sure who your federal loan servicer is, or how to contact them? You can find this information and more at FSA's loan servicer page.

LOAN CONSOLIDATION

If you're considering combining all your federal loans into one consolidated loan, you'll want to weigh the pros and cons. This page will cover that and basic application questions.

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TACKLING YOUR STUDENT LOANS DOESN'T HAVE TO BE HARD!

Inceptia knows that student loan repayment can be confusing if you don't know where to find the information you need. That's why we want to help the Class of 2017 proactively get a handle on student loan repayment–before it even begins!

With Inceptia's money mascot–the Knowl–as a trusty guide, graduates can use our Student Loan Knowledge Headquarters to find answers, calculators, resource guides and more to prepare for and successfully enter into repayment.

Getting started is easy. Head to www.heroknowl.org to explore our free tools and information.

STUDENT LOAN KNOWLEDGE HQ

For more great articles and tips from NerdWallet, including calculators and other resources for student loan repayment, be sure to check out their student loans homepage.

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Inceptia, a division of National Student Loan Program (NSLP), is a nonprofit organization committed to offering effective and uncomplicated solutions in financial aid management, default prevention, and financial education. Our mission is to support schools as they launch brilliant futures for students, armed with the knowledge to become financially responsible citizens. Since 1986, we have helped more than two million students at 5,500 schools reach their higher education dreams. Each year, we help more than 160,000 students learn how to pay for college, borrow wisely, resolve their delinquency issues, and repay their student loan obligations. Our solutions are designed to support student success by helping financial aid administrators maximize resources, so they can spend more time focusing on students. More information at Inceptia.org.