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## Crucial Money Moves for Recent College Grads

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### MAKE A BUDGET

- Save 20% of your income, spend 50% on 'needs' and 30% on 'wants.'
- Use a budgeting app like Mint or Acorns to track your expenses and see what you can cut. The average American thinks they spends \$80 on subscription services like Netflix, gym memberships, and Amazon Prime every month – but it's actually \$240.<sup>1</sup>
- Don't like detailed budgeting? Try an 'anti-budget.' Save your entire goal at the beginning of the month, then don't worry about every small expense.



### SAVE FOR RETIREMENT

- If you have a 401(k) and/or Roth 401(k), start contributing on day one. You can't make up for lost time.



### BECOME CREDIT SMART

- Use less than 10% (and no more than 30%) of your available credit every month.
- Pay bills on time and in-full every month, use automatic bank draws and rewards if available.



### EVALUATE YOUR STUDENT DEBT

- Federal loans have a 6-month grace period but that doesn't mean you should use it! Start making payments ASAP; otherwise you're just kicking the can.
- Consider consolidating loans into one monthly payment if you have multiple debts. This won't lower your interest rate but may lower your payments.



### EARN YOUR KEEP

- Living back at home? Chip-in on groceries and other household expenses and act like an adult even though you may feel like a teenager. Know the new boundaries and expectations.
- Pay 'rent.' If your parents are uncomfortable being your landlord, make a rent-equivalent contribution to an emergency fund, a Roth IRA, or a car payment.
- Have an exit strategy so you're not still living in your parents' basement years from now.



### MOVE OUT

- Put no more than 20% of your gross income toward a monthly rent payment.
- Pay a few months' worth of rent up-front, if possible. Some landlords will cut a deal to have cash in hand.<sup>2</sup>
- Buy renters insurance. This is an inexpensive way to protect your belongings if there's a fire, leak, or storm. Any major insurance company offers this kind of policy.



### BUY A CAR YOU CAN ACTUALLY AFFORD

- Put 20% down, use no more than 10% of your monthly budget for the payment and maintenance, get a loan that's 4 years long or shorter.
- Shop for a better car insurance rate at a site like NerdWallet. Raise your deductible for a lower premium.
- Enroll in a defensive driving course. This could save you up to 10%.

<sup>1</sup><https://www.westmonroepartners.com/Insights/White-Papers/Relationship-with-Subscription-Services>

<sup>2</sup><https://www.incharge.org/financial-literacy/budgeting-saving/how-to-save-money-on-rent/>  
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