

## Starting Your Postgraduate Financial Life

College graduation can usher in freedom and exciting professional opportunities. It also brings a new level of financial obligation and responsibility. Here's how to lay the foundation to start a healthy postgrad financial life.

### Create a budget

First, set up a budget. Add up all your income and total routine monthly expenses. Subtract what you spend from what you earn for a quick snapshot of your situation. A surplus means you're ready for some serious planning. If there's nothing left over or if you're in the red, you'll need to find ways to cut expenses or increase income.

### Establish goals

Think long term and set some goals. Do you need a new car? Would you like to own a home? Don't forget you need to pay off any student loans or other debts, and to build funds for emergencies and retirement. Those later years may seem far off but to be ready, it's best to start early in putting aside about 15% of your pretax income. The [Social Security Administration](#)'s website can help you estimate what you should save.

### Invest in your future

Choosing appropriate savings accounts available from financial institutions like [Central Macomb Community Credit Union](#) can help you reach your goals:

- **Traditional savings accounts:** These let you save while keeping the money available to meet unexpected needs, deal with short-term goals and provide investment-ready cash.
- **Share certificates:** In return for leaving money untouched for a set term, these accounts lock in higher rates of return than traditional savings accounts and may be better when the cash is for medium and long-term goals.
- **IRAs:** Individual retirement accounts can earn returns like a savings account but they can also be invested to potentially produce higher earnings. Depending on the type of IRA, it may also provide tax advantages.

### Relocation considerations

If work requires relocating, you may need to rely more on online and [mobile services](#) provided by your financial institution.

You may find it convenient to maintain your current accounts because of loan discounts tied to direct deposits, for instance, and in today's digital world, it's possible to do much of your banking remotely.

## Build credit

Credit scores affect your borrowing power, insurance costs, employment and apartments. Start building credit by applying for a store or gas charge card, which often doesn't require much credit history, and then use it responsibly, paying in full and on time each month. A secured credit card or personal loan can also help establish a credit history. These can require some cash upfront. [To earn top scores:](#)

- Pay bills on time.
- Carry a mix of debt types.
- Try to keep outstanding balances at 20% or less of total credit limit.
- Don't apply for unnecessary credit.

The transition from college to the working world can be the beginning of an unforgettable adventure. With a little planning and some solid investments, you'll be in a position to enjoy this experience to the fullest.

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