LENO

WEALTH WISE MONTHLY
JULY 2024

AFTER THE GRADUATION PARTY IS THE FINANCIAL HANGOVER

So, you have just graduated from university, successfully enduring years of lectures and countless hours in the library (most of you, anyways). No more cramming and pulling all-night study sessions fueled with macaroni and cheese. You have achieved a very important milestone in your life, and you are now ready to embrace life challenges, armed with worldly knowledge, a prestigious degree, and unfortunately for many recent graduates, a lot of debt.

Even those fortunate few who have graduated without debt, (thanks to Mum and Dad), far too many graduates are tossing that good sense of scrimping and saving while in college, once they start earning regular paychecks.

As you start a new chapter in your life, it's important to begin with good financial habits. It may seem so basic and maybe even unnecessary. However, debt and mismanagement of your money can affect your future financial plans; buying a home or car, getting married, starting a family and it can even alter your retirement plans.

WHAT SHOULD BE YOUR PRIORITY?

Establish a Financial Plan!

First determine how you are going to pay off your loans and any debt you have accumulated.

Next, make a monthly budget and stick to it. A proper budget can help you monitor your expenses, dig you out of debt and provide for emergencies.

You should also write down your financial goals and decide what you would like to accomplish in the next 2 to 8 years and prioritize those goals. Maybe you would like to purchase a car or one a home. Remember, when you are setting your goals, make sure that they are realistic and based on your projected income, if not you will become frustrated and give up.

Commit to Savings!

Not only do you need to pay down debt, but it also a good idea to put money away for a rainy day. Once you get a job, pay yourself first and start small, we suggest you save 10% of your income. But don't give up just because you can't save that much, try starting with 5% or 3%. The idea is to get you into a savings habit. Saving consistently is better than putting aside a big sum just once.

It's also a good idea to monitor your ATM withdrawals, decide how much you will take out each week and make it last. If you have money left at the end of the week, put it into your savings account.

Set up an automatic withdrawal plan with your bank to remove funds your checking account and put it into a savings account. Remember, "If you don't see it, more than likely you won't spend it". Once you have accumulated a level of savings, maximize your returns, consider investing in a mutual fund, shares, or bonds. In most instances, these will offer a higher rate of return than banks.

> *"Graduation marks the end of a chapter and the beginning of your journey to financial success. As you step into the future, remember that every wise investment in knowledge always pays the best interest."*

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Build a safety net!

In general, you should set aside enough cash to cover at least three to six months' living expenses. Why so much? In a worst-case scenario, your emergency reserve may be your only source of cash. With a generous emergency reserve fund, you can keep any emergency from becoming a disaster.

Control Your Debt!

Resist the urge to splurge. Avoid the temptation to buy an expensive new car. Don't blow a big chunk of your new paycheck on a large car payment, because it will jeopardize your ability to achieve your other goals.

Be careful about the use of credit cards. It's easy for balances to get out of control. It's especially important for young adults to guard against accumulating too much debt. If you are in the market for a new credit card, shop around compare interest rates, annual fees and any penalty fees that may apply. If you already have large credit card balances, make a repayment schedule, and stick to it. Never pay just the minimum amount due.

Finance Your Future!

One smart step to take now to ensure a comfortable future is to start your retirement savings. Don't cringe do you know that the early you start saving, the more you will have at retirement? For instance, a 20-year-old saving $50 per month will accumulate roughly, $138,000 at age 65, assuming a 6% annual rate, if that same individual only started savings at age 50, with the same parameters, they would only accumulate roughly $15,000. That's the Price of Procrastination.

As soon as you start working, take advantage of any employer-sponsored retirement plan by making additional contributions. If your company does not provide a pension plan or if you are starting a business on your own, open an individual retirement account with a reputable investment firm. Do it Today!!!

Measure Your Progress & Enjoy the Fruits of Your Labor!

Maintain records of income and track your expenses, once you start a savings/investment plans keep track of exactly what you have and the activity in your account. Periodically, review how you are progressing toward your financial goals, but always remember to enjoy life. Do not get caught up in the corporate rat race. And to all of the recent graduates… Congratulations!!!

If you need assistance, please do not hesitate to call a Retirement Advisor at Leno Group of Companies. Ask questions and make sure the answers make sense to you. Get practical advice and act now. You can call us at 1 (242) 396-3225 or email us: connect@lenobahamas.com.

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