



YOU'RE AN ADULT... NOW WHAT?

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The Super-Awesome Adult Checklist



Find a great job and start making money



Understand your check



Budget (identify wants versus needs, track your money, put savings in your budget)

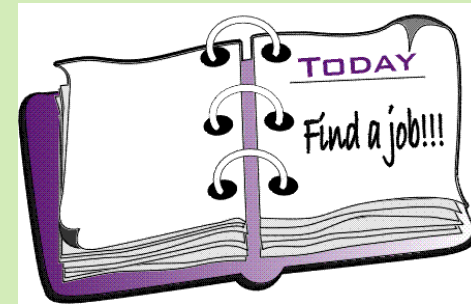


Establish yourself in a new place
(income, utilities, transportation, insurance, etc.)



Establish credit (compare credit cards/loans, understand and improve your credit score)

EMPLOYMENT



- ◉ If you haven't found a job yet, don't stress! There are lots of awesome resources in the community:
 - Monroe County Public Library
 - ◉ Free computers to use
 - ◉ One-on-one consultations about resumes, interview skills, career paths, and general job searching
 - WorkOne
 - ◉ Free computers to use
 - ◉ Access to job training and skill-based workshops
- ◉ If you already have a job...

UNDERSTANDING YOUR PAYCHECK

123 - John R. Doe		Pay Period 06/02/06 to 06/16/06		Required Deductions		
Earnings				Federal Income Tax	00.00	00.00
Hours	Rate	This Period	YTD	FICA - Medicare	06.08	12.16
50	9.00	450.00	900.00	WI State Income Tax	00.00	00.00
Gross Pay		450.00	900.00	FICA - Social Security	25.92	51.84
				Other Deductions		
				Health Insurance	00.00	00.00
				401k	00.00	00.00
				Parking	00.00	00.00
				NET PAY	\$418.00	\$836.00

Your Employer
 1234 Some Street
 Milwaukee, WI ZIPCODE

Check Number: XXXXXX
 Pay Date: 06/19/06

PAY ***Four hundred eighteen dollars and 00 cents*****\$418.00

To the Order of
 John R. Doe
 555 Some Street
 Milwaukee, WI ZIP CODE



BUDGET

TRACK YOUR EXPENSES

- ◉ Save receipts
- ◉ Write down all expenditures
- ◉ Use a debit card (different than a credit card)
- ◉ Log sheets
- ◉ Mint.com is one free and easy-to-use online money management system



BUDGET

MY NET INCOME

Wages \$1340
Other \$0

FIXED EXPENSES

Rent \$300
Car Payment \$150
Cable \$50
Internet \$25
Netflix \$5
Car Insur. \$110
Health Insur. \$185
Renters Insur. \$15

FLEXIBLE EXPENSES



RENTERS' INSURANCE

- Renters' insurance covers personal property within a home or apartment against fire, theft, vandalism, and water damage. It also protects you if someone has an accident in your home.
- A typical policy will cost around \$125 per year in most areas and will cover a certain amount of personal property. Often, jewelry, art, and electronics may not be included in the coverage without a specific rider.
- Policy prices depend on the deductible chosen and whether belongings are valued at replacement cost or actual cash value.
 - Cash-value policy: The policy's payout for anything that needs to be replaced will be based on how much the items have depreciated since they were purchased.
 - Replacement-cost policy: The policy covers the replacement of your belongings at current costs despite their value.



BUDGET

MY NET INCOME

Wages \$1340
Other \$0

FIXED EXPENSES

Rent \$300
Car Payment \$150
Cable \$50
Internet \$25
Netflix \$5
Car Insur. \$110
Health Insur. \$185
Renters' Insur. \$15

FLEXIBLE EXPENSES

Savings \$100
Utilities \$150
Groceries \$80
Clothes/Hygiene \$50
Debt \$100
Cell Phone \$75
Fun \$100
Gas \$60

TOTAL \$840

TOTAL \$715



BUDGET

GRAND TOTAL \$1555

\$215 OVER BUDGET!!

Options?

- ◉ Get a new job where you'll make more money (see previous resources)
- ◉ Add more hours (if possible) or get a second job (the more you work, the less time you have to spend money??)
- ◉ CUT BACK
 - Do you really need a car? Removing payment and insurance saves \$260/month! Maybe a used car instead or other transportation? No gas?
 - Cable? Netflix? Internet?
 - Health insurance?
 - Debt?
 - Hidden costs in everything!

ESTABLISHING YOURSELF IN A NEW PLACE

FINDING A PLACE

- ◉ START AS EARLY AS POSSIBLE!
- ◉ Craigslist - <http://bloomington.craigslist.org>
- ◉ Classifieds in local papers (*IDS, HT*).
- ◉ www.bloomingtonrent.com
- ◉ Look around town for rental signs in areas you would like to live.
- ◉ Work cooperatively with your future roommates and be prepared to compromise!
- ◉ Be communicative with your future roommates, too, and make sure everyone does an appropriate amount of work.
- ◉ Make sure the place you choose has appropriate parking/transportation options available to you.
- ◉ If you have pets, make sure they are allowed.
- ◉ If you are a smoker and need to do so inside, make sure it is allowed.
- ◉ Finally, ask yourself....

IS IT IN YOUR BUDGET?





ESTABLISHING YOURSELF IN A NEW PLACE

RENTING A PLACE

- ◉ If you find a place you like, call right away – they go fast!
- ◉ Be persistent if you don't get a call back, but be polite!
- ◉ **HAVE YOUR SECURITY DEPOSIT READY.** Make sure you plan for this ahead of time in your budget.
- ◉ Dress decently at your landlord interview – they don't **HAVE** to rent you anything (“Halo effect”).
- ◉ Be prepared to fill out housing applications and have appropriate ID and financial records ready.
- ◉ Be prepared for credit checks. If you don't have credit built yet, begin establishing this now.
- ◉ **DON'T PROCRASTINATE.**
- ◉ **READ THE LEASE** and look for hidden costs (pets, damage, lawn care, etc.) Take it to an expert if need be.



ESTABLISHING YOURSELF IN A NEW PLACE

ONCE THE LEASE IS SIGNED

- ◉ Set up utilities AS QUICKLY AS POSSIBLE – not getting these taken care of can cause great inconvenience.
- ◉ Your name on a utility is important
 - ◉ Establishes credit
 - ◉ Shows responsibility
 - ◉ Necessary for licensing/future renting
- ◉ Subsidized utilities? Fixed payments?
- ◉ Take care of renters' insurance
- ◉ Parking permits?
- ◉ ROOMMATES
- ◉ Be realistic – you're an adult.

ESTABLISHING YOURSELF IN A NEW PLACE

MOVING IN

- ◉ If you need a truck, RENT IT NOW – don't wait until the last minute to rent/borrow/PLAN
- ◉ Make sure to note with the landlord the damage you already see in the house BEFORE YOU MOVE ANYTHING IN. This will be the only way you aren't charged when you move out.
- ◉ If the landlord is not abiding by their side of the lease, make it known immediately. Not communicating leads to larger problems in the future.
- ◉ Moving is stressful: Prepare!
- ◉ Establish house rules immediately.





ESTABLISHING CREDIT

- ◉ Having NO CREDIT can sometimes be as bad as having BAD CREDIT.

Comparing Credit Cards

- ◉ <http://www.bankrate.com/credit-cards.aspx>
- ◉ Ask your bank what your options are
- ◉ Watch for annual fees and other “hidden” costs!
- ◉ [Federal Trade Commission Bureau on Consumer Protection Tips](#)

LOANS

- ◉ Taking out a small loan can also help establish credit
 - Vehicles
 - Personal loans
 - School loans

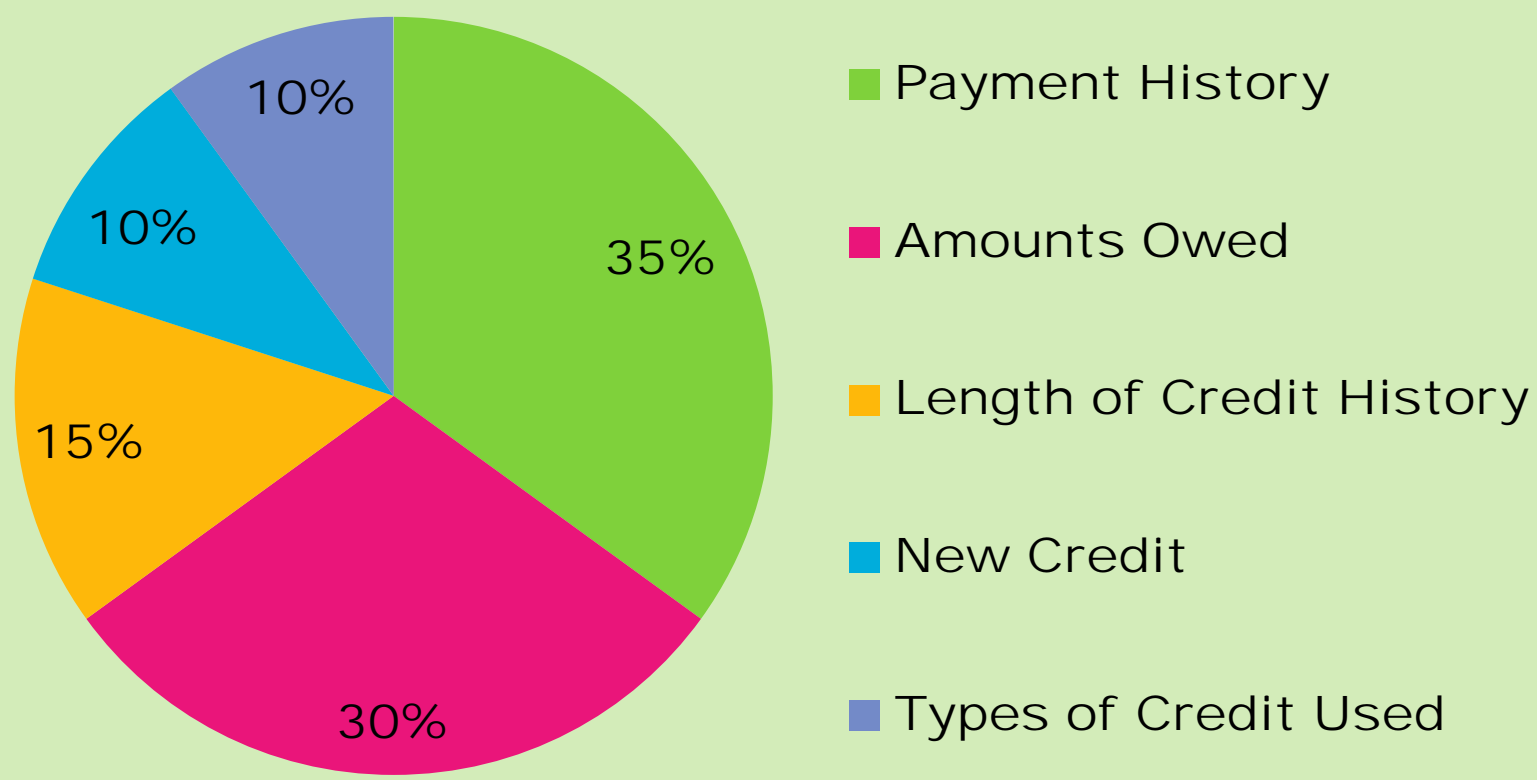


CREDIT REPORT

- The Fair and Accurate Credit Transactions Act (FACTA) requires a mechanism for American consumers to receive up to three free credit reports per year.
- AnnualCreditReport.com is a website operated by the three major U.S. credit reporting agencies: Equifax, Experian, and TransUnion.
- The goal is to allow consumers a way to ensure their credit information is correct and guard against identity theft.
- FreeCreditReport.com and FreeCreditScore.com ARE NOT FREE



Where does your credit score come from?



TIPS TO RAISE YOUR CREDIT SCORE

- ◉ Pay your bills on time.
- ◉ Pay off debt rather than moving it around.
- ◉ Have credit cards, but be responsible.
- ◉ Review your credit reports annually.
- ◉ Strive to use less than 30% of your available credit.
- ◉ Apply for / open new credit accounts only as needed.
- ◉ Try to keep open one card you've had for a long time to build your credit history length.
- ◉ If you're having trouble making ends meet, talk to your creditors or see a credit counselor. Don't let the problem go on any longer.

LARGE PURCHASES

A NEW (OR USED) CAR

- ◉ Can you afford it?
- ◉ Consider hidden costs (tax, title, license, etc.)
- ◉ Consider long-term costs (gas, maintenance, insurance, parking)
- ◉ Weigh new vs. used
- ◉ Carfax!
- ◉ Consider Credit Score
- ◉ Alternate forms of transportation (walking vs. riding mpg)



LARGE PURCHASES

House shopping?

- Owning *can* be cheaper than renting
- Builds equity and can be a good investment
- Don't just call the person on the sign. Find someone that is working for you!
- Pre-approval
- Down-payment



LARGE PURCHASES

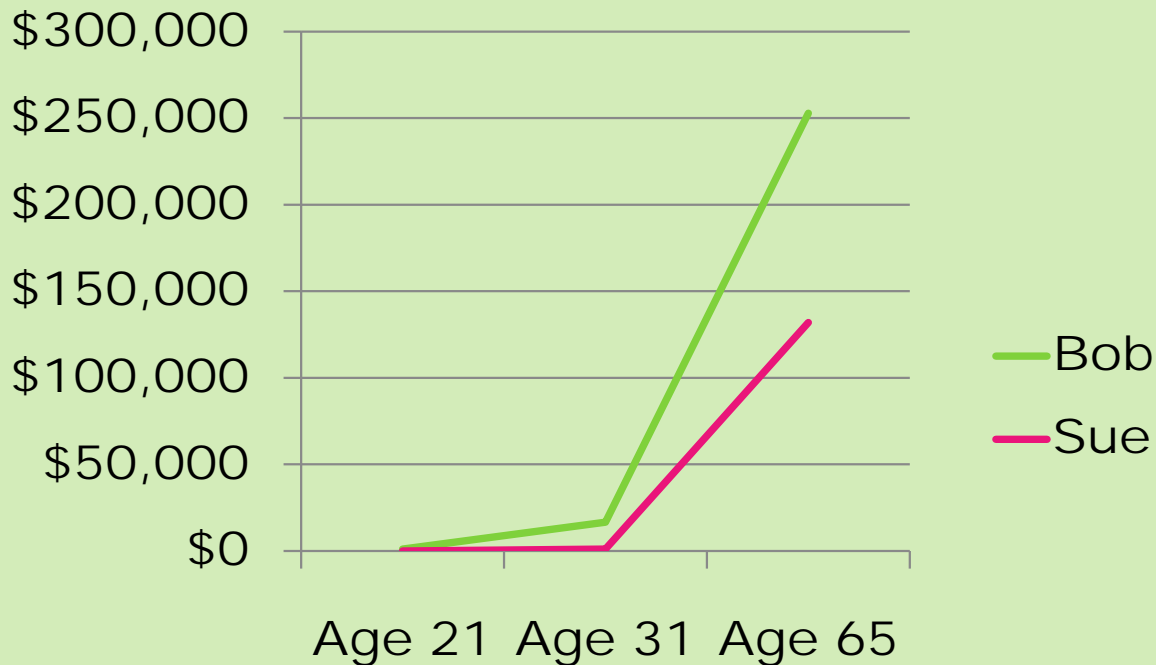
House shopping?

- ◉ Working with realtors
- ◉ FSBO
- ◉ Closing Costs
- ◉ Inspections
- ◉ Appraisals
- ◉ Mortgages
- ◉ PMI
- ◉ Taxes
- ◉ Maintenance
- ◉ Insurance
- ◉ Is it worth it?



LONG-TERM SAVINGS

- ◉ When you're in your 20s, you can invest a little and wind up with way more money than someone who waits to start saving.
- ◉ Scenario: Bob and Sue





SAVINGS OPTIONS

- 401(k)
 - annual contributions limited to \$17,000
 - contributions are tax-deferred
 - many employers match your contributions
- Individual Retirement Account (IRA)
 - provides tax advantages for retirement savings
 - contributions up to \$5,000 a year
 - Traditional IRA: contributions are often tax-deductible, all transactions and earnings within the IRA have no tax impact, and withdrawals at retirement are usually taxed as income
 - Roth IRAs: contributions are made with after-tax assets, all transactions within the IRA have no tax impact, and withdrawals are usually tax-free



QUESTIONS?

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