

Budgeting After College

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Office Hours: M-F, 8:30 a.m. to 5 p.m. | Walk-in Hours: M-F, 2 to 4 p.m.



Alumni & Career Services

Money: You can save it. You can spend it. You can give it away.

First, make a plan. A Plan is how you reach your financial goals:

- It's where you learn to give to others.
- It's where you learn to pay yourself first.
- It's where you set your priorities for life.
- A plan insures money is available to achieve your goals.

“Personal finance
is who you are.”

Dave Ramsey

The 10/10/20/70 Plan:

- Pay your taxes
- Give 10% of the balance away
- With what's left:
 - Pay yourself 10%
 - Use 20% to pay off debts
 - Use 70% for living expenses

The Best Way to Save: Buy Right

- Use cash
- Negotiate everything
- Hunt to get great bargains
- Check your attitude
- It's all about lifestyle choices

Short-Term Savings (Less than five years)

- \$1,000 emergency cash
- 3 to 6 months living expenses
- Other goals: vacation, new car, computer...

Midterm Savings (Five to ten years)

- Buying a house
- Saving for college
- Real estate investments

Long-Term Savings (More than ten years)

- Retirement

Dealing with Debt

- Quit borrowing money
- Get mad about it
- Never borrow money for anything that doesn't appreciate in value
- Avoid more loans
- Cut up your credit cards
- Use cash
- Get a debit card
- Lower your credit limit
- Reduce cards to one
- Don't open offers and toss direct mail

The Time Value of Money

- Age 15: save \$3,000 /yr for 5 years = \$1,615,000 on retirement
- Age 27: save \$3,000 /yr for 38 years = \$1,324,000 on retirement
- Skip one \$3,000 IRA payment at age 25 = it will cost you \$103,422 when you retire

Tying It All Together

- Have \$1,000 in emergency savings (easily accessed)
- Three to six months living expenses (also easy to access on short notice)
- Get out of debt
- Start your retirement savings
- Buy a house, then develop other savings/investments

It's not how much you make, it's how much you save.