

Articles for Young Adults (Included in Library of Content – May 2006)

Starting on the Road to Financial Security – Achieving financial security is a process that takes time, takes effort and may take some sacrifices. However, the results are worth it. By starting early, you can put time on your side, do a few things right from the beginning to reduce your overall efforts and minimize the sacrifices you may be forced to make later. This article describes some of the most important steps one can take to take control of one's financial future.

Have a Financial Strategy - A financial strategy is simply a plan on how you are going to handle your finances. It does not have to be overly complicated, but it should cover the basics, help you avoid major financial mistakes and put you on your way to a secure financial future.

Establishing Good Financial Habits – We all tend to develop habits that provide a rhythm or structure to our daily lives. Once those habits are developed, they can be hard to break. Building good financial habits can provide a rhythm, or sense of control, for your financial life as well. This article contains ten good financial habits that can help you build a sound financial foundation and help you reach all your financial goals.

Build a Solid Credit History - A solid credit history can be one of your most useful and powerful financial assets. A record of prudent credit use and prompt payments can enable you to not only qualify for credit when you need it, but it may also enable you to get a lower interest rate on your borrowing.

Have an Organized Financial System - There can be a lot of paperwork handling your finances. Each month you will have bills to pay, every year you will file a tax return, you will have receipts for purchases and you will have important documents that deserve special attention. Having an organized system instead of just putting everything into a drawer or box can save time and reduce the stress of not being able to find something when you need it.

Fundamentals of Insurance – Insurance provides protection. As simple as that sounds, many individuals spend little time considering all their insurance options to make sure they have the insurance they need at the most reasonable price. To protect yourself and your belongings you should consider several types of insurance.

Fundamentals of Borrowing – The sensible use of debt should be part of a sound financial strategy. Debt can enable you to enjoy things that otherwise are currently beyond your reach. Borrowing can also have its ugly side. Too much, too expensive or the wrong kinds of debt can make life miserable. Developing good borrowing habits early can help you avoid a lot of anguish later.

Fundamentals of Investing – Investing is simply the process of acquiring assets that you hope will grow in value. Investments can include owning a home, owning a business, owning real estate and having money in savings accounts and CDs at a bank or credit union. This article addresses investing in stocks and bonds and various ways to own them.

Fundamentals of Income Taxes - A simple concept with very complicated details.

Our federal income tax system was implemented in 1913 simply as a way for the government to collect revenue. Since then, the laws have been expanded and revised dozens, if not hundreds of times. If history is any guide, you can expect the tax laws to continue to change and probably not get any simpler.

Fundamentals of Retirement Planning - Most people identify a financially secure retirement as one of their primary financial goals. As you begin your financial life, retirement may seem to be far over the horizon and not worth thinking about. However, by spending a little bit of time now and doing some relatively easy things, you can put yourself on the road to a financially secure retirement.

Measure Your Financial Progress - Taking control of your financial future is a process. As with any process, it is important to monitor your progress and measure results. Doing so will help you understand how well you are doing and to determine if the financial strategies you are using are working.

Renting your First Apartment – Renting that first apartment can be exciting and a little bit scary. You will probably look at several apartments to find the one that has the location you want, the amenities you need and that is affordable. That is the exciting part. This article describes what come next.

Filling Out The Paperwork For Your First Job – After the interview, the salary negotiation and getting hired, you will probably go to the Human Resource Department or see the Business Manager to handle some of the financial details of your job. Understanding those details ahead of time and being prepared to address them can make the paperwork much easier.

Preparing Your First Budget – A budget is generally thought of as a rigid plan on how you can spend your money. While this is true, you may want to think of it as a “household spending analysis.” That does not sound so onerous and it better implies how you can use it to build a solid financial foundation and feel more in control of your finances. A sample spending analysis worksheet is included.

Establishing a Relationship with a Financial Institution – A good working relationship with a financial institution is part of a solid financial foundation. Finding the right one is important. There are probably dozens, if not hundreds, of institutions that offer the products and services you want and need either located close by or with which you can create an electronic relationship. This article describes some of the issues to consider when choosing an institution.

Getting and Using Your First Credit Card - A “first” credit card can be exciting, tempting and intimidating. Credit cards are a great convenience, but they are also borrowing money that must be repaid. Here are some ideas to keep in mind as you get your credit card and use it.

Buying Your First Car - Buying a car is exciting, potentially stressful, and often expensive. In fact, for many people, buying a car is the third most expensive type of transaction they have – after a house and an education. To the process easier, consider that there are three parts of the process – choosing the car you want, negotiating the purchase, and paying for the car.

Making Your First Investments - You may already be making investments through your retirement plan at work, but at some point you may have funds that you want to invest on your own. This article focuses on some simple issues you should consider and provides some details on how to take that step.

Buying Your First House - Owning your own home has been part of the “American Dream” for years. The pride of ownership and sense of “belonging somewhere” have been strong factors in motivating over 60% of all households to own their own homes. In addition, there can be true financial rewards from home ownership. But, not always.

Filing Your First Tax Return - It may sound frightening, but it not as bad as it may sound. Filing income tax returns is something that everyone has been doing since 1913 and it is something you will be doing for the rest of your life. You may decide to use a professional to prepare your return or prepare it yourself with or without the help of income tax software. In any case, there are some things you should know to make the whole process easier.

Handling Your First Retirement Plan Distribution When Changing Jobs - If you have participated in a company retirement plan like a 401(k) plan and change jobs, you will probably receive a distribution of the funds you have accumulated in your plan. If you have participated for several years, the distribution could be quite substantial. Over the course of your working career, you may receive several lump sum distributions and what you do with those funds and how you handle the distribution is important.

Defining and Setting Goals for a Good Financial Life - Defining your financial goals can be difficult, just like reaching them. Also, defining your goals can be a process and they may change over time. Let’s start with some general ideas that could be the definition of a good financial life.

Planning for Major Purchases - There will be always things you want to buy in addition to your normal living expenses. It may be a new computer, a gift for a special person, some clothes, a nice vacation or something for your home or apartment. All of these things take money. Let’s take a look at some of the financial factors you should consider when making those purchases.

Marriage and Money - If you are newly married, or planning on getting married soon, be sure to allocate some time to consider some of the financial aspects of marriage. Marriage will change how you handle your finances and it can also be the source of anguish in a marriage. Here are some things you may want to consider.

Having Children and Money - Having a child is a major event in your family and for your finances. As you prepare for being a parent, be sure to consider the financial impact that a child will have. The additional costs of buying diapers and baby food may not seem too significant, but just wait. In 2000, the US Department of Agriculture estimated that the cost of raising a child from birth to age 18 was over \$160,000, and that did not include the impact of inflation or college.

Divorce and Money - Divorce is one of the most traumatic events that in a person’s life, usually only surpassed by the death of a spouse or the loss of a child. The emotional aspects are difficult to handle and then there are the issues with children and the financial aspects. This article addresses some financial issues to consider.

Considering Starting a Business - Starting a business and being your own boss is a dream of many young people. It can be an opportunity to put innovative ideas to work, to fill a needed niche in a market and potentially to build your wealth. It can also be an overwhelming task. However, millions have been successful and millions have failed. There are no guarantees, but here are some of the issues you should consider.

Beginning to Think About College Funding - As you probably know, college is expensive. As you may not know, college costs are rising faster than inflation and almost no one is predicting that college costs are going to go down. As a result, you may want to start thinking about funding your children's college costs now. The sooner you start thinking (and hopefully saving) the easier it will be.

Beginning to Think About Retirement - Retirement is probably many years, if not decades, in the future. Yet, being able to afford a financially secure retirement is expensive and understanding some of the basics now and taking a few steps can make that retirement you dream of a reality and a few years closer than what you think.

Beginning to Think About Estate Planning - When you hear the term "estate planning," you probably think of estate taxes and think that estate planning is only for older people or those with lots of assets. Estate planning is about estate taxes and quite a bit more. It also includes what would happen to you if you could not make financial and medical decisions and what would happen to your loved ones if you died.

Building Your Financial Literacy - Starting your financial life and making the decisions that go with your independence can be intimidating. The issues can be complex, the consequences of your decisions can be profound and it can be difficult to find someone to rely on. You can turn to your friends or your family for some help and guidance, but ultimately you must assume the responsibility for making and living with your financial decisions.

Keeping Your Financial Life Simple – Unless you are very different from most other people, you do not want to spend lots of time handling your finances, you do not want to worry about your finances and you do not want to make your financial life any more complex than it has to be. Keeping your financial life simple can save time and reduce stress. This article offers ten ideas for consideration.

Make Your Money Work For You – Your money is an asset and it should work hard for you in the same way you work hard to earn it. While this may sound very general, there are three components of putting your money to work that you should pay particular attention to.