

LIFE AFTER COLLEGE

SURVIVING IN THE “REAL WORLD”



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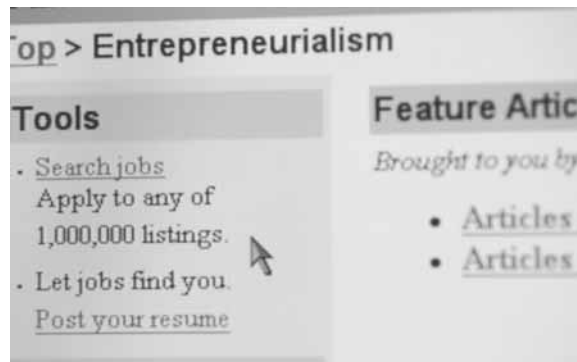


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APPLYING FOR A JOB

Resume

- Sell yourself. A resume is a marketing tool of your skills, education and experience.
- Objectives should be clear and concise, employers are looking for the candidate who is able to commit in writing what they want to accomplish in their career.
- The average resume is reviewed in under one minute. Include a summary section after your objective. The summary should list notable skills and personal qualities. Be specific!
- Resume software is not a good investment. There are many free resources on college campuses and the internet.
- Be prepared to send your resume at a moments notice, check for formatting and grammatical errors.



MORE INFORMATION ON RESUMES, COVER LETTERS, INTERVIEWING AND
NEGOTIATING YOUR SALARY IS AVAILABLE AT
[HTTP://WWW.COLLEGRAD.COM](http://www.collegrad.com).

APPLYING FOR A JOB

Cover Letters

- Follow standard business letter writing format.
- Thoroughly research the company and the position.
- State how your experiences and education can benefit the organization.
- Be sure to specify how you can be reached and let the employer know you will contact them to follow-up on your application.

The Interview

- Always arrive a few minutes early. Know where you are going and the person’s name conducting the interview.
- Do your homework. Avoid asking questions which can be easily researched and answered.
- Check your appearance. Your attire should be neat, professional and appropriate for your intended field. Suits for men and business suits or dresses for women.
- Greet your interviewer by name, with a firm handshake and a smile.
- Send a thank you letter immediately!!



THE NEW JOB

Success Tips

- Always arrive at work on time, if not a little early.
- Dress appropriately. Look around to see how others are dressed.
- Listen, listen, listen, and observe before suggesting changes.
- Mind your manners. Please and thank you are still the magic words.
- Find a mentor. Look for someone on the same career path for guidance.
- Ask questions. New employees are not expected to know everything.
- Always stick to deadlines. Bosses want things done on time. If there is flexibility, they will usually let the employee know.

Corporate Culture

Pay close attention to corporate culture. Learn how things work within the company. Are relationships formal or friendly? Does everyone arrive early and stay late? Are lunch hours short or non-existent? Follow the leaders.



BENEFITS

Not many areas of human resources have changed as rapidly as employee benefits during the past 20 years. Employers recognize this component of total rewards as vital to attracting and retaining employees.

Vacation and Sick Time:

These are common benefits often based on an “earned” basis. For example, an employee might earn 10 hours vacation time per month and 8 hours sick time per month. Many employers require employees to work for a specified amount of time before they can begin to use vacation time. This averages anywhere from six months to a year. Check with your company’s Human Resource Representative.

Health Insurance:



Many employers offer health benefit packages which may include all or a combination of hospital, dental, vision, and prescription coverage.

Employers typically expect employees to contribute money toward their medical coverage at a lesser fee, this is known as an employee contribution.

**THERE ARE NO STATE OR FEDERAL
LAWS REQUIRING PRIVATE
EMPLOYERS TO OFFER HEALTH
BENEFITS TO THEIR WORKERS.**

Disability Insurance:

Total disability occurs when, because of injury or sickness, a person is unable to perform the material and substantial duties of an occupation. Disability insurance is designed to replace lost monthly income, and not to exceed 2/3 of monthly earnings. Disability never covers the entire amount of income lost.

Retirement and Pension Plans:

Many employers offer retirement plans, the most common is a 401(K). Employers will often “match” employee contributions. each dollar contributed by the employee, the employer contributes a certain percentage, usually between 2-5%.



Perks:

Some employers offer workers a variety of new perks and benefits to help them balance work and personal life. Day care, loan forgiveness, and fitness facilities are examples.

For more information about a company's benefit plan, inquire at the Human Resource Department. Information is readily available on the Internet. Employees can visit a company's web site to find out what benefits are offered.

SPENDING PLAN

The easiest way to save money is to know exactly how much is necessary for living and lifestyle expenses versus how much income is earned. Budgeting is a good exercise to set guidelines and should be done each time expenses or income changes significantly.

- Gather tax returns, income statements, checkbook register, bank statements, bills, and receipts.
- Make complete and specific notes about where money is being spent.
- Create a column for each category such as housing, food, clothing, utilities, entertainment, personal care, transportation, insurance, and miscellaneous.
- Fill in weekly or monthly columns for the last six months from available records. If this information is unavailable, start by tracking expenses for a month or two to determine where the money is going.
- If income is less than expenses, it is time to do some adjusting. Consider ways to increase income or decrease expenses.



COMPLETE BUDGET SET-UP FORMS
AND INSTRUCTIONS ARE AVAILABLE
IN THE CONSUMER ALMANAC. GO TO:

[HTTP://WWW.PUEBLO.GSA.GOV](http://www.pueblo.gsa.gov) AND
SEARCH FOR “CONSUMER ALMANAC”

STUDENT LOANS

Repayment of your student loan debt will be fairly easy to manage as you will receive a great deal of information before repayment begins. Repayment begins immediately after your six month grace period ends.

Pay close attention to the information provided by your loan servicer because it will include details on when your first payment will be due, the monthly amount, and payment options. The standard repayment period on a student loan is ten years.

If you have questions regarding your student loan, ASK! The loan servicer and the financial aid office are there to help. The loan servicer is the organization that maintains the borrower's loan account. Be sure to contact both offices before leaving school. If you do not know which company is servicing your loan, check with the financial aid office.

Contact your student loan servicer if you:

- Change your name or address
- Return to school at least half time
- Experience any type of economic hardship or are unable to make a payment on your loan.

Loan Consolidation:

It can be advantageous to combine multiple loans into one loan through a consolidation program. Extending the payment terms, which may be up to 30 years, can reduce the amount of the monthly payment.

FOR MORE INFORMATION ABOUT CONSOLIDATION CONTACT THE
STUDENT ASSISTANCE FOUNDATION. LOG ONTO
[HTTP://WWW.SAFMT.ORG](http://WWW.SAFMT.ORG) AND CHECK IT OUT.
1-800-852-2761 EXT. 9750

CONSEQUENCES OF STUDENT LOAN DEFAULT

Default occurs when a loan is delinquent over 270 days and is turned over to the guarantor for payment in full. Once this happens other consequences follow including:

- Eligibility for further financial aid is suspended
- Income tax returns and other federal payments could be withheld
- Credit bureaus are notified
- Collections costs of up to 42% are added to the defaulted balance
- Wages can be garnished
- No statute of limitations

Avoid default by ALWAYS staying in touch with your loan servicer!

Federal Student Loan Ombudsman

The ombudsman will act as a third party mediator to help resolve a dispute with your student loan if you have been unable to resolve a dispute on your own. The phone number is 1-877-557-2575.

Good Resource Information:

Student Assistance Foundation Branch Offices:

MSU—Bozeman	SUB Room 130 A	safoffice@montana.edu
MSU—Billings	Room 69 McMillan Hall	safoffice@msubillings.edu
UM—Missoula	Griz Central	safstaff@mso.umt.edu

Websites, Websites, Websites:

<http://sfahelp.ed.gov> (Federal Student Loan Ombudsman)

www.nslsids.edu.gov (federal government website for aggregate loan totals)

BANKRUPTCY WILL NOT CANCEL A STUDENT LOAN

CREDIT CARD DEBT

A credit card provides pre-approved credit which can be used for the purchase of items now and payment of them later.

Positive Uses of Credit Cards:

- Establish credit rating
- Provide emergency buying power
- Record of purchases
- Security, convenience and identification

Negative Uses of Credit Cards:

- Cause individuals to be more likely to make impulsive buys
- Are an expensive way to borrow money—credit cards often have high interest rates and fee surcharges
- Carrying a credit card balance provides less money to spend in the future

If Using a Credit Card:

- Carefully read the terms and agreement
- After charging an item, put the money away to pay the bill
- Pay off the balance each month
- Make the payment on time, every time



BUYING WHEELS

Consider all costs of owning a car.

Age of car — A used car may be financially beneficial because new cars depreciate rapidly the first year. Have a used car checked by a reliable mechanic to determine general condition.

Fuel costs — Consider the miles a person may drive, miles per gallon the car uses, and gasoline type and cost.

Fees and Licenses — These vary so call the local Department of Motor Vehicles for costs and requirements.

Taxes — includes sales tax and personal property tax. Check with car dealers or tax professionals.

Insurance — All several agents to compare costs. Insurance costs vary with the make, model, and age of the car. More information is available in the section on automobile insurance.

Finance costs — Then obtaining a loan, call several financial institutions to check and compare costs. Added service charges may include a requirement for comprehensive insurance coverage on the automobile for the life of the loan.



FORMULA: MILES DRIVEN PER YEAR DIVIDED BY AVERAGE MILES PER GALLON
MULTIPLIED BY PRICE PER GALLON EQUALS GASOLINE COST PER YEAR.

HELPFUL TIPS

- Choose two or three models which match your preferences. Research to find the real costs of these models and check their repair records.
- Comparison shop for a car. Do not sign anything until ready to buy!
- Do not be bullied or rushed. Do not be afraid to walk out!
- If there are concerns about the vehicles maintenance record take it to a trusted mechanic, a diagnostic center, or a dealership selling the same make of car to get an estimate for needed repairs.
- Ask for a lower price if sold “as is.” Make sure the price will not change later.
- It is valuable to look prepared. Take the information obtained during the vehicle search and refer to it often.
- Decide on a purchase price in advance and stick to it!
- Do not mention trade-in until after a price is reached without one. Then ask for a new price with the trade-in.
- Bargain with the salesperson to receive the lowest price possible.
- Review Consumer Reports and Kelly Blue Book for vehicle reliability and pricing.

INSURANCE BASICS

Health Insurance

It's a fact of life. People need health insurance and the time to get it is before an accident, serious illness, or pregnancy. Insurance does not cover health care for medical problems or conditions prior to the effective date of the policy.

Shopping for Health Insurance

Contact an insurance agent in the area. A list of agents can be found in the phone book, by contacting state departments of insurance, or asking family and friends for recommendations.

Discuss particular health insurance needs.

Be honest. Report all health problems to the agent. If any health information is misstated or incomplete, the company might refuse to pay claims and could cancel the policy.

Shop around! Get several quotes and compare for the best buy.



HEALTH AND AUTO
INSURANCE CARRIED
THROUGH A PARENT'S POLICY
TERMINATE SIX MONTHS
AFTER GRADUATION.

Renter's Insurance

Personal belongings are NOT COVERED under the landlord's policy. This insurance is inexpensive and can be obtained by contacting a local insurance agent. Standard policies will cover seventeen types of perils which include fire, lightning, wind, hail, explosion, vehicles, smoke, vandalism, volcanic eruption, water-related damage from home utilities, and electrical surge damage. Items NOT covered include floods and earthquakes. Water bed liability and liability protection are standard with most renters' policies.

Shop around!

Look for "replacement cost" coverage (the cost of purchase at today's prices), not "actual cash value" coverage. Actual cash value coverage does not account for how much you paid for the item, only the estimated value at the time of loss.

- Keep a current inventory. This will help determine how much insurance to purchase and will simplify claims. Inventories should list each item, the value, and serial number.
- Photograph or videotape each room with its contents including closets, open drawers, and storage buildings.
- Make a list of all items of value, both monetary and sentimental. Put it on a spreadsheet or simply keep it in one central location with all of your other important documents.
- Keep receipts for major items and the inventory in a fireproof place.

**MOST INSURERS OFFER A DISCOUNT FOR
"PROTECTIVE DEVICES," INCLUDING SMOKE
AND FIRE DETECTORS, BURGLAR ALARMS, AND
FIRE EXTINGUISHERS.**

AUTOMOBILE INSURANCE

An automobile insurance policy is a package of different types of automobile coverage. Most states require minimum amounts of certain kinds of coverage. Check with a local insurance agent for local requirements.

Liability insurance is the foundation of auto insurance.

- If at fault, liability insurance will pay for bodily injury and property damage to another person's vehicle.
- It is usually presented as a series of three numbers. For example, 20/40/10 stands for \$20,000 in bodily injury coverage *per person*, \$40,000 in bodily injury coverage *per accident*, and \$10,000 in property damage coverage *per accident*.
- Property damage coverage pays for the repair or replacement of items wrecked other than the car.

Collision coverage is the most expensive part of insurance.

- If at fault, collision coverage will pay to repair the policy holder's vehicle.
- It will pay only the actual cost of the automobile, NOT the replacement cost.
- Choose a higher deductible to keep premium costs down, usually \$500-\$1,000. Keep in mind the deductible amount must be paid before the insurance company will pay.

INSURANCE COMPANIES WILL OFTEN “TOTAL” THE CAR IF THE REPAIR COSTS EXCEED A CERTAIN PERCENTAGE OF THE CAR'S WORTH.

Comprehensive coverage pays for damages not caused by an accident, including theft, fire, vandalism, or hitting an animal. A deductible is also included. The insurer will only pay as much as the car was worth when damaged.

Insurance companies will not normally pay more than the auto is worth, or its **“book value”**. If the auto is worth less than the deductible or less than the coverage being paid for, it is better to *not opt* for the coverage.

Personal injury protection (PIP) coverage is an expanded form of medical payment protection and may be required in certain states.

MedPay covers expenses to the policy holder or passengers which may occur while he/she is driving the car, someone else's car (with their permission), and injuries suffered when the policy holder or his/her family members are pedestrians.

Uninsured motorists (UM) coverage pays for injuries incurred by hit-and-run drivers or uninsured motorists. It is required in many states.

Underinsured motorists (UIM) coverage will pay if the driver at fault causes more damage than his/her liability coverage will cover.



FIND THE “BOOK VALUE” BY REFERRING TO THE KELLY BLUE BOOK OR CONTACTING THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION.

SAVINGS

- **It's never too early to start saving.** The best way to ensure personal prosperity is to live below available means and develop a savings plan. The trick to successful saving is “pay yourself first!”
- The point to saving is for money to remain saved and invested. Start with \$25 per week if possible. Ideally, aim for 7-10% of post-graduate income. If money is put away first, as though it was never earned, it may be surprising at how little it is missed.
- “Savings” are usually put into the safest places to allow access to money at any time. Examples include saving accounts, checking accounts, and certificates of deposit.
- Most smart investors put enough money into savings to cover an emergency like sudden unemployment.



**HAVE 3-6
MONTHS OF
GROSS INCOME
IN SAVINGS
FOR
EMERGENCIES.**

FEATURES OF SAVINGS ACCOUNTS

- The average interest rate for savings accounts is 1.0-2.0%
- Frequent deposit or withdrawal of funds
- Funds easily accessible
- Most accounts are accessible through 24-hour automated teller machine
- May require a minimum balance

Certificates of Deposit

Interest earning savings instrument offered by a depository institution that accepts deposits for a fixed amount of time.

- Interest rates vary depending upon economy
- Simple, no risk, no fees
- Offers higher interest rate than savings accounts
- Required deposit ranges from \$100 to \$100,000
- Restricted access to money
- Withdrawal penalty if cashed before expiration date



**MOST
AMERICANS SAVE
LESS THAN 5% OF
THEIR INCOME.**

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NOTES

WEBSITES

<http://www.collegegrad.com>

<http://www.safe.montana.edu>

<http://www.safmt.org>

<http://www.fool.com> (general financial information)

<http://www.consumerreports.org>

<http://www.kbb.com> (Kelly Blue Book)



PHONE NUMBERS

Student Assistance Foundation

Main Office (Helena) — 800-852-2761

MSU Billings — (406) 657-1639

MSU Bozeman — (406) 994-5024

UM Missoula — (406) 243-5426

REFERENCES

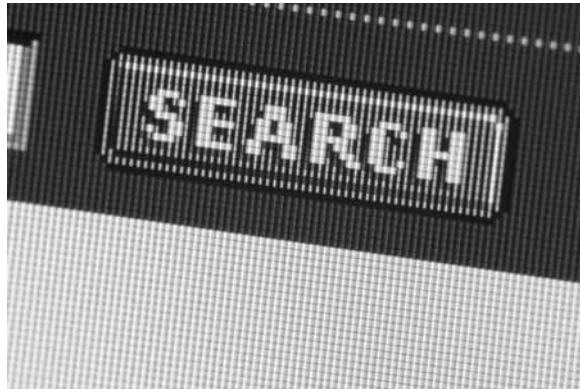
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<http://www.pueblo.gsa.gov>

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Student Advocates for Financial Education provide free financial counseling and education to college students in Montana. This booklet is designed to assist new graduates with financial decision making. Upon graduation students are faced with finding employment and earning money, but one must also learn how to manage money to meet their daily living expenses.



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