



F.O.N.T. Focus On New Teachers

A Publication of the Farmingdale Federation of Teachers

Issue #2
October 2018

How Millennials Can Get Off to a Good Start

INSIDE THIS ISSUE:

Millennial Financial Planning	Front
Did You Know?	Front
Millennial Financial Planning continued	Back
Useful Websites	Back

What can you do to start building wealth before age 35?

You know time is your friend and that the earlier you begin saving and investing for the future, the better your financial prospects may become. So what steps should you take?

Reduce your debt.

You probably have some student loan debt to pay off. According to the Institute for College Access and Success, which tracks college costs, the average education debt owed by a college graduate is now \$28,950. Hopefully, yours is not that high and you are paying off whatever education debt remains via an automatic monthly deduction from your checking account. If you are struggling to pay your student loan off, take a look at some of the income-driven repayment plans offered to federal student loan borrowers, and options for refinancing your loan into a lower rate one, which could potentially save you thousands.

You cannot build wealth simply by wiping out debt, but freeing yourself of major consumer debts frees you to build wealth like nothing else. The good news is that saving, investing, and reducing your debt are not mutually exclusive. As financially arduous as it may sound, you should strive to do all three at once. If you do, you may be surprised five or ten years from now at the transformation of your personal finances.

Save for retirement.

If you are working full time for a decently-sized employer, chances are a retirement plan is available to you. If you are not automatically enrolled in the plan, go ahead and sign up for it. You can contribute a little of each paycheck. Even if you start by contributing only \$50 or \$100 per pay period, you will start far ahead of many of your peers.

Away from the workplace, traditional IRAs offer you the same perks. Roth IRAs and Roth workplace retirement plans are the exceptions-when you "go Roth," your contributions are not tax-deductible, but you can eventually withdraw the earnings tax-free after age 59 and a half as long as you abide by IRS rules.

Workplace retirements are not panaceas-they charge administrative fees exceeding 1% and their investment choices can sometimes seem limited. Consumer pressure is driving these administrative fees down, however; in 2015, they were lower than they had been in a decade and are expected to lesson further.

Keep an eye on your credit score.

Paying off student loans and getting started saving for retirement are a great start, but what about your immediate future? You're entitled to three free credit reports per year from TransUnion, Experian, and Equifax. Take advantage of them and watch for unfamiliar charges and other suspicious entries. Be sure to get in touch with the company that issued your credit report if you find anything that shouldn't be there. Maintaining good credit can mean a great deal to your long-term financial goals, so monitoring your credit reports is a good habit to get into.

Did You Know?

- The Farmingdale Teacher Center is at Woodward Parkway School, Room 221
- The Teacher Center has books, supplies, and a poster maker.
- You can contact them at 434-5814 or see your mentor.

