

Mom's Moment: Money Smarts for Recent Grads

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I graduated college nearly ten years ago. One would have thought I'd be out of debt by now, but I'm one of the many college grads who will be paying off loans through eternity.

As kids embark on their college endeavors, I thought now would be a good time to share some money saving insight for recent grads. Some of these tips might not be achievable immediately, but they are good goals for setting a foundation for financial independence and stability.

Truth be told, I can't think of anyone who prefers financially struggling...that's why I've turned to Larry Mathis for saving 101. Mathis is an esteemed money man and author of [Mom Was Right](#), a book documenting his upbringing being raised by a single parent who pinched pennies to financial freedom.

Savor these 6 tips.

1. Start an emergency fund.

Your goal should be to have six months worth of expenses set aside in a regular savings account. It's recommended having the savings account at a financial institution other than your normal bank. Why? Simply put: out of sight - out of mind. If you have had a hard time saving money, having your emergency account at another institutional may help you from transferring money back and forth from checking to savings and then back again. Treat this "savings" like a bill and set it up as an automatic payment.

2. Begin contributing to a retirement plan.

If your employer offers a retirement plan, sign up for it as soon as you are eligible, especially if they offer a matching contribution. If your employer doesn't offer a plan, open a Roth or Traditional IRA as soon as you have a regular income.

3. Put together a debt elimination plan.

If you have debt (credit cards!), it is vital that you do everything you can to get it settled and paid off. Many creditors offer payment plans if you're struggling.

4. Don't let your lifestyle get ahead of your income.

All too often when someone gets a job or raise, they want to "reward" themselves with something lavish. Rewards are OK, but don't go crazy and buy a new car.

5. Make a list of what's important to you.

For instance, how important is security to you (knowing you have place to live and food to eat)? How important is having less stress in your life, or spending time with friends or family? Make a list of the top 5 most important things in the world are to you. Then, every time you want to spend money on something, ask yourself: How does this measure up with what's important to me? If it doesn't fit, don't spend the money!

6. Don't make large *impulse* purchases.

Simply put, set limits...on everything- grocery shopping, entertainment, clothes, etc. It's important to embrace budgeting- trust me, you'll thank me later.