

Welcome to the Real World

School's out—finally—and you're on your own for the first time. That's a good thing. But it also means facing some hurdles you've never faced before, from writing a resume and finding a job to doing your taxes for the first time.

Enter What's My Score. Sure, we're the credit advice guys, but we have some great tips for you about the financial choices you're facing now, too. Look below for handy guides on paying off student loans, searching for a job and handling post-grad paperwork—info. just for recent grads like you.

Welcome to the Real World: Student Loans

So you finished school – congratulations! Of course, for most students out there who borrowed money for school, graduation also means it's time to start paying your tab. If you're worried about that great big total, take a deep breath and read on for our advice about tackling student loans.

Where to start If you've taken out student loans, the law entitles you to an exit interview at your college, and that's a meeting you shouldn't miss. It's your chance to sit down with a financial aid advisor and find out about your repayment obligations and options.

Go grace period Student loans generally come with a grace period of about six months after you leave school and before you have to start paying. Whether you graduate, quit school or take some time off, this time is yours.

Create a plan Knowing what you owe and when you need to start making payments is the first step to handling your debt well and keeping that credit score high. Storing your loan paperwork in one safe place is another key to staying on top of your loans.

Ways to repay Depending on what you can afford, there are lots of ways you can arrange to pay back your loans. If you can swing it, the standard payment plan gets you the lowest total loan cost. Here are the other options:

- **Graduated payment plan:** Payments start small (like your salary), and then get bigger over time. It's convenient for now, but you'll be paying more interest over the long haul.

- **Income-based payment plans:** Similar to the graduated plan, this plan means monthly payment amounts are tied directly to your income.
- **Extended repayment:** Allows you to make smaller payments for a much longer period of time. Of course, the longer you owe money, the more interest you pay, and the total amount in the end goes up dramatically.
- **Consolidation:** If a lender offers you a lower interest rate and allows you to combine all of your loan payments into one convenient payment, you can save a lot of money over the life of your loan.

Don't default Blowing off your loans is one of the worst financial missteps you can take. After six months of missed payments, you will likely be faced with collectors and a destroyed credit rating. So if you're having trouble making payments, call your lender and find out your options (including deferment) right away.

Reducing your debt Depending on your career path, there are few prime ways to knock out big portions of your loans:

- **Peace Corps:** By joining the Peace Corps, you can get a 15% cancellation of your loans during your first two years and 20% during your third and fourth years.
- **AmeriCorps:** If you like the idea of the Peace Corps but don't want to leave the country, AmeriCorps could be for you. Get up to \$7,400 for living expenses and, after a year of service, \$4,725 toward your education.
- **Military service:** All five branches of the military offer education assistance programs. Check with your local recruiter to find out how they can help you.
- **Teaching:** Depending on where and how long you teach, you can get complete loan cancellation or at least a deferment of some loans by filling specific understaffed teaching positions.
- **Legal and medical service:** If you decide to study medicine or law, research programs that offer partial cancellation of loans for public service.

Welcome to the Real World: Tips for Finding a Job

You just spent four years of your life working like crazy. It's finally time to land that job and get your career started. Finding the right position requires thoughtfulness and planning. Here are a few tips for a successful search.

Get started It's easy to get overwhelmed by the process, and to put it off. But starting your job search before—or shortly after—graduation can mean beating

the competition to open positions. It can also take time to find a job, so starting early is generally the best approach.

Decide what you want Doing some research and deciding on a path that interests you is key to going after it. Look past your first job to the next step of your career. What will get you closer to that step?

Know where to look

- **Internet job boards:** The key is to look daily and send your resume as soon as you see a listing that interests you.
- **Search the websites** of companies you'd like to work for; some may list openings here instead of on job search sites.
- **Check trade magazines** in your field.
- **Speak to a recruiter** who is likely to have an inside edge.
- **Stop by your school's career center** to find listings and see about on-campus interviews.
- **Network:** One of the best ways to find a job is to let friends, family and social networking contacts know that you're looking for a job.

Do your resume right Your resume is a first look into who you are, so yours should be well-done and error-free. For most jobs, you should send it along with a cover letter or introductory email. Here are a few more tips:

- **Include only relevant information:** education, work and other relevant experience, and any applicable awards you've received.
- **Cater it to the job you're seeking,** using terms relevant to that industry and the types of experience they're looking for.
- **Make sure it reads well by using action verbs.** And be concise: even if your experience is limited, be careful not to use four sentences if one will do.
- **Have someone proofread it for you.** In this competitive market, a single typo can sink you.

Ace the interview Your resume can open doors, but you still need to sell yourself in person. That's where the interview comes in. The key to success is being prepared. Know the company and the industry and how you fit in to that picture. Be ready for the standard interview questions: What's your biggest weakness? Where do you see yourself in five years? And have some questions of your own ready: about the company, the job, and opportunities for advancement.

Have offer...will travel? How far are you willing to go in pursuit of your dream? Depending on your goals, your decision could be made for you—if you want to be

a fashion designer and you're in North Dakota, you may need to extend your search. One tip is to factor in cost of living if you're considering taking a job elsewhere.

Welcome to the Real World: Job Search Resources

Kicking off a job hunt can be nerve-racking. But if you know where to look for openings and you devote time to your search on a daily basis, you'll be off to an amazing start. Here you'll find resources for everything from popular job search sites, to websites devoted to interview preparation.

Job Search Sites There are hundreds of online job search sites out there. Some provide listings for you to browse, while others allow you to post your resume for employers, as well. Here are a few of the most popular sites out there:

- **Monster:** This popular site features a wide range of listings—plus job search tools.
- **Indeed:** This is an aggregator for listings from major job search websites.
- **Jobster:** Allows job seekers to browse listings from almost 30 different categories nationwide.
- **Craigslist:** A constant source of opportunities for major cities in every state.
- **CareerBuilder:** One of the largest online job search sites out there.

Trade magazines in your field are another excellent place to find relevant listings. You can search for magazines catering to your industry **here**.

Resume Websites Here are a few links to great resume resources:

- **ResumeTemplates.org**
- **Howtowritearesume.org**
- **About.com**

Career Fairs Scope out career and job fairs in your area **here**.

Recruiters In some cases, it can help to hire a recruiter to help find the right opening for you. You can search for a recruiter **here**.

Networking Letting friends and coworkers know you're looking for a job can lead to a successful search. You can network at sites like **LinkedIn**, **Jobster** and **Facebook**.

Interview If you've gotten an interview, congratulations. Here are a few sites that can help you prepare for the big day:

- **About.com**
- **BestJobInterview.com**
- **AceTheInterview.com**

Welcome to the Real World: Paperwork and Taxes

Out in the real world, there's a whole lot of paperwork to fill out, turn in, and hang on to. Here's a quick overview of the documents you'll probably come face-to-face with in the near future.

The W-4 Every time you get a new job, you'll fill out this form, designed to let the government know how many taxes to take out of each of your paycheck. If you're single and childless, you'll probably claim either 1 or 0. Remember: the more money they withhold, the less you owe next April and vice-versa.

The I-9 If you've done a W-4, you've done an I-9. It's the form that ensures you're a United States citizen or, if not, that you're eligible to work here. Have some ID ready for this one.

Health Insurance If you're lucky enough to have insurance benefits, you'll need to wade through insurance paperwork. The forms can be confusing but the staff in Human Resources can give you a hand – it's their job to understand this stuff.

Your Paycheck The best part of a new job — payday. It's great to start making money, but don't be surprised if your check has less money than you expected, since the salary you agreed to is pre-tax. The federal government withholds Social Security tax, Medicare tax and your federal taxes. State and local governments take out taxes as well. Your company may also take cash out for your health insurance and a 401(k) contribution. That doesn't mean you're being ripped off – it just means you should pay attention and expect a little skimming off the top.

Taxes By the time they hand you your paycheck, you've already paid taxes – just not all of them. Come spring, you'll probably find yourself parked at the kitchen table, poring over some pretty serious forms.

It starts in January, when you get your W-2 – a summary of everything your employer paid you during the past year. Hang on to this for when you file taxes in April. There are a few other tax items to consider. If you're going to itemize deductions like donations you've made or medical expenses you've paid, you'll need those receipts, as well.

If taxes seem confusing, hiring someone to help is another good option. The hundred bucks you spend today may seem like a lot, but it's money well spent if it helps you save even more on taxes.

Welcome to the Real World: Budgeting

Now that you've got a steady paycheck, you need to figure out what you're going to do with the money you earn. Lots of people fall into the habit of spending more than they can afford, and it's one of the quickest ways to fall behind and slip into debt. Knowing your income and expenses, spending less than you make and starting to save is the only way to get ahead.

Spend smart What are your top priorities, and where can you cut back? Those ripped jeans and hoodies from college days probably won't cut it at your new job, so you may need to spend a little more money on clothes. But cooking a nice dinner at home instead of eating out somewhere spendy can save you. Ditto for making gifts instead of buying them, choosing the generic brand at stores when you can etc.

Create a budget This is the easy part. Add up your income (your take-home pay, that is), estimate your expenses and figure out the difference. Then decide how much of that you can put into savings. Once you've made your budget, track your spending over the next few months to see how well you're sticking to it.

Stash some away Building up your savings is the way to save for what's important—and to weather future storms. If you're already saving, see if you can save more. If you have school loans, try paying a little extra on them each month. Since your money and your debt have a long time to grow, every little sacrifice you make today will pay off big in the future.