

### 9. THE IMPORTANCE OF INVESTING WHEN YOU'RE YOUNG

The greatest asset that you have as a young adult is time. You have the benefit of many years to build your financial future. The key to investing is to regularly invest money over time and not withdraw it until many years down the road. Money can be invested into an IRA, stocks, bonds, mutual funds, a savings account, etc.

### 10. IT'S NEVER TOO EARLY TO START A RETIREMENT PLAN

If you have a part-time job, open a Roth IRA to begin saving for retirement. Roth IRA's are retirement accounts where you can contribute after-tax dollars and the earnings generated on the account are tax-free.

Establishing good financial habits early in life will help you avoid mistakes in managing your money. Many young people today graduate from school without having received any classroom instruction in financial literacy and become troubled with financial problems. Don't be one of them. Your best line of defense is to read, read, and read. Read the financial magazines such as Forbes, Money, Fortune and the financial section of the newspapers. Take a course on financial literacy at Queensborough or through a continuing education program. By educating yourself, you will become financially savvy and lead a financially successful life.



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# TOP 10 TIPS FOR MANAGING YOUR MONEY

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In light of volatility in the economy, it is more important than ever before that you become prepared for the financial challenges that await you in the future. It is important to become financially literate at an early age so that you're prepared to make better decisions and to be able to navigate through an increasingly complicated financial world.

I have put together these Top 10 Tips to help you to become financially savvy in managing your money which will have a real, positive impact on your future.

It's a financial jungle out there; you *can* be prepared to navigate through that jungle!

### 1. SET UP A BANK ACCOUNT

You'll need a place to deposit your paycheck and to withdraw cash when you need it. Shop around before opening a bank account. Smaller banks may offer better deals than large commercial banks. Most banks have free checking for students. Ask if there's a fee to use a debit card. Also inquire about ATM fees and overdraft protection.

### 2. MAKE SURE YOUR CHECKBOOK IS IN BALANCE

Whether you balance your checkbook online or manually, take the time to review your bank statement and watch out for any charges that you may not have authorized. Be careful not to bounce any checks. Bouncing checks means that you have written a check for more than you have in your checking account. Banks will charge anywhere between \$20 - \$35 or more for each check that has bounced. Ask your banker about overdraft protection. This will ensure that your checks will be honored and it will help to avoid any embarrassment.

### 3. GET A CREDIT CARD AND DON'T ABUSE IT

Having one or two credit cards is a great way to establish a credit history. But don't charge anything on it if you can't pay for the charges at the end of the month. It's never a good idea just to make the minimum payment each month because you will pay a lot of interest. Stop using your credit card until you have paid off your balance.

### 4. PAY YOUR BILLS ON TIME

One of the worst things you can do to your credit rating is to pay your bills late. This includes not only your credit card but also other bills such as your rent, utilities and cell phone bill. Arrange for electronic (online) payment for all your bills if possible or you can set up a reminder system that will help you to remember to pay your bills on time. This will not only help you maintain a good credit history but it will also save you money in paying late fees.

### 5. START AN EMERGENCY FUND

Have you ever lost a textbook, had a flat tire, or discovered your laptop simply stopped working? Start putting a little away from your paycheck for those unforeseen events so you don't have to rely on your credit card to pay for such emergencies.

### 6. CREATE A BUDGET

Setting up a budget will help you identify what you are spending your money on. It will help you to have clear expectations on how much money you can spend per month. This will help you to avoid falling into the credit card trap.

### 7. YOUR CREDIT SCORE

Your credit score is a three-digit number that helps lenders and others predict with some accuracy how likely you are to repay your debts. The score is based upon the information that is in your credit report. The leading credit score in the industry is called FICO and ranges from 300 to 850. Your credit score can come between you and many things in life. The higher the score the better because creditors will offer you better interest rates and loan terms. A low credit score means you pay higher interest rate on your loans, pay higher premiums for auto insurance and pay higher deposits to get utility services.

### 8. PROTECT YOUR IDENTITY

There are many proactive steps that you can take to protect your identity from being stolen. Here are the top 5 things you can do to reduce your chances of identity theft:

- Shred any documents that contain personal information such as credit card bills and receipts.
- Order a copy of your credit report to ensure that no one has opened any accounts without your knowledge.
- Photocopy the contents in your wallet, so if your wallet ever gets stolen, you'll have all the account numbers and phone numbers to call to cancel your credit and ATM cards.
- Monitor your credit and debit card statements to make sure that all transactions are accurate.
- Never keep your Social Security card in your wallet.