



CENTER FOR
CAREER DEVELOPMENT

AFTER GRADUATION: WHAT'S NEXT?



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Introduction

Entry into the “real world” should be a time of excitement, enthusiasm, and exploration. School, at least for the time being, really is over. Now is finally the time to apply some of the knowledge and insights you’ve acquired during all those school years. You may be financially independent for the first time. All kinds of doors are opened, presenting a world of new opportunities.

The transition from the world of higher education to that of a first career is a dramatic one. You may not have given much thought to the magnitude of the transition, but you’ll need to make adjustments on many fronts in a mature and speedy manner.

Just as you had to learn the ropes as a freshman, you’re faced with a new world to navigate after graduation—one that gives you less time and flexibility for adjustment and is less tolerant of mistakes.

This booklet presents some of the realities and opportunities of your first professional position to help you make the transition successfully. It is divided into three sections: The World of Work, Personal Life after Graduation, and Financial Management.

The World of Work

The first year of employment after graduation is a time of transition and opportunity. This section describes some of the issues many people face. The key to a successful transition is to recognize and adjust to a new set of expectations.

Dealing with the Clock

College life offers incredible flexibility in how you spend your time. In school, you may have avoided morning classes, stayed up late, cut classes, and alternated between goofing off and frenzied catch-up—but most professional settings require a structured work day.

First of all, you can’t cut work. If your starting time is 8:30 a.m., you are advised to arrive early and alert. Excuses for tardiness or absences will not be appreciated, and recurring instances will result first in a negative image, then in dismissal.

Your supervisor and co-workers will not care that you’re not a morning person, that you were out late the night before, or that your car wouldn’t start. You are expected to be punctual and ready to perform at the start of the day.

Many professors’ grades are based on exam scores and maybe a term paper. They don’t care if you ever show up for class, as long as you learn the material. This may be fine on campus, and some jobs do allow for work from home or flexible scheduling, but it’s not acceptable at most workplaces. Make sure you understand what’s expected of you in terms of time in the office, and make sure you meet those expectations.

Develop a reputation for being punctual. Get plenty of sleep and arrive early and alert for each day’s work. One of the easiest ways to make a good early impression at your new workplace is to demonstrate consistent punctuality.

College life allows for all kinds of midday breaks. In most workplaces, you are expected to be present and working continually through the day except for lunch and brief breaks. This straight-through schedule can be a rude adjustment.

When Does Vacation Start?

It is a good idea to take some time to unwind between graduation and beginning your job, because it probably will be your last vacation for a while. Many jobs offer two weeks of vacation per year to new employees, and usually you cannot take a vacation day until at least six months have passed. Thanksgiving, Christmas, and New Year’s are just short holidays.

All the years you've been attending school, you got used to long vacations after each term, a summer vacation of three months, and a liberal holiday schedule. Now you find that it's week after week of work with no big break at the end of a project. You may even be asked to work weekends to meet a tough deadline—just a part of the job.

You may look back enviously on all the free time you had during your college years. Remember that time fondly, but don't resent the demands made by the job. You paid the college—your employer is paying you.

The Importance of Image

We tend to think of workplace success in terms of substance—that is, the work you do. While substance is usually the most important factor in your success, the image you project is also important.

In college, you could dress as you pleased, doze off in class, use profanity, and express strong opinions freely. In the workplace, however, the image you project is an important factor in your success. It may seem like a superficial concern, but those who neglect it usually end up paying a price.

A major part of image is how you dress and groom for the job. Clothing is important! Your attire is one of the first things people will notice about you, and you must pay attention to it

Most college students have not accumulated a collection of appropriate business or business casual attire and accessories by the time they graduate. They expect to get by for a while, realizing that they might look shabbier than colleagues from time to time. This approach does not work well! You need to be able to dress appropriately the first day, the first week, the first month on the job. This means an upfront investment in clothing that will allow you to be attired appropriately on a daily basis.

Appropriate attire differs from organization to organization, and even from one workplace to another within organizations. Conservative workplaces may frown on facial hair for men, flashy hairstyles for women, dangling jewelry, and other attention-attracting features. Impeccable personal hygiene should be an obvious standard. Determine before your first day what attire is appropriate on the job and dress appropriately.

The Boss: Ally or Enemy?

Your boss is not like your college professors and should not be viewed in a similar manner. The professor had all the answers, encouraged argument and debate, laid out guidelines to assignments (generally well ahead of a due date), and was expected to be fair and objective. Your boss, on the other hand, may send you to get the answers, discourage argument, and may saddle you with last-minute assignments, unclear priorities, and vague directions. The sooner you can accept this change from professor to boss, the greater your chance at success.

Your boss controls a great deal of what can happen to you during your first year. If you come into the organization with a willing attitude, demonstrate poise and maturity, and work well with others, you will begin to be chosen for better assignments. If you fight the system, grunt work will become your specialty. The more you complain, the more likely they will keep piling it on. The more enthusiastically you complete the grunt assignments, the more quickly you'll be moved into the better ones.

In spite of demands and personalities, try to think of your boss as an ally, someone whose job is to train and develop you. Don't feel resentful of feedback, demands, or even intrusions into your free time. At the same time, don't expect to become buddies or use your boss as a sounding board for personal or financial problems. (Too much knowledge of your personal life may influence their perception of your maturity and professionalism.)

One of your biggest responsibilities in the new job is to make your boss look good. This means completing work on time and with excellent quality, acting like a professional at all times, and maintaining a positive attitude. If you regularly do what you can to make your boss look good, you already are progressing in the right direction.

Let's discuss a hypothetical situation: It is Friday afternoon, and you have plans at the lake for the whole weekend. Suddenly your boss calls you in and loads you down with files so that you can prepare a detailed report for an unexpected Monday morning meeting. She apologizes, but the meeting was just scheduled and she also has to prepare for it.

You are left with several possible choices:

- 1) You can go through with the weekend plans and try to do your work in quiet moments here and there, or by pulling an all-nighter on Sunday. You might not do your best work, but you feel it's unfair to expect you to change plans that have been made for weeks
- 2) You can explain the situation to your boss and see if she'll reassign the work to someone else. She seems pretty reasonable and might not hold it against you
- 3) You can cancel the weekend plans and do the best possible job on the report. You get a good night's sleep on Sunday so you go to work on Monday fresh, alert, and confident in your information. Your boss recognizes and appreciates your effort and knows that she can count on you, a point she makes clear to some of her superiors.

Career-wise, the choice is clear. You sacrifice personal plans at times to do the best job possible if you want your career to advance. This may happen a number of times during your first year, and if you are not responsive, your boss will probably write you off.

Is it fair? That depends on your frame of mind. But it is realistic, especially if you're competing with others for advancement. Willingness, flexibility, and cooperation count for a lot.

Suppose you're working for a good organization but got stuck with a lousy boss—demanding, unreasonable, poor at training, not motivated or motivating. Remember your goal is to move up, and you will not have this boss forever. Perform and learn as best you can so that you can be promoted to work for someone else. There are intolerable bosses, to be sure, but many college graduates either quit prematurely or dig themselves into an irreparable hole through a negative attitude and weak performance under circumstances to which they overreact. Your initial boss is not forever, and if you can survive a year with a particularly tough boss, that alone can be viewed as a feather in your cap. Before you lose your temper or take any rash steps that could jeopardize your career with the organization, take time to think things through.

Should You Confide in Your Peers?

Competition for grades in college can be fierce in some cases, but usually it does not get in the way of friendships, trust, and personal openness. Few faculty members pit students against one another, and students generally help one another by studying together, sharing class notes, and tutoring.

In the job setting, you are faced with a different situation. You and your peers are working for the same organization with the objective of helping the organization fulfill its mission. That is why they pay you. In order to function effectively, you must be able to work well with others. You continually will be called upon to engage in teamwork to get a task or project completed. At the same time, you are competing with these peers for recognition and advancement.

You may have very little contact with your peers in the organization or you may work side by side in a group. It is important that you cooperate, get along well, and develop relationships of mutual support with them. Those who stay with the organization will be advancing with you as you assume management roles, and your ability to work with them will magnify in importance.

You may come across some people whose behavior is questionable. They may deceive others, take credit for ideas not their own, attempt to use personal relations in place of job performance, misrepresent their real influence or power. If you encounter such co-workers, have as little as possible to do with them and be cautious in your dealings. Such deceptive tactics will sooner or later cause their downfall, so don't let such people discourage you or bring you down with them.

When you begin meeting your peers, be friendly, but don't immediately join a clique. Spend some time observing how people act, who performs well, and who takes a positive view toward the job and the organization. Keep your distance from those who complain perpetually. Look for those who are doing well on the job and whose personalities you can relate to.

Finally, don't use co-workers as confidantes. A peer may someday be your boss, or you may be his. Laying out all your feelings, fears, anger, emotions, dreams, etc. to a colleague can come back to bite

you when you least expect it. Your innermost feelings should be saved for those who are outside of the organization.

Hopefully, some of your co-workers will become good friends. The above paragraphs are not meant to discourage your willingness to establish on-the-job friendships, but you need to be cautious. Unlike college, where you can add and drop acquaintances at the drop of a hat, job-related relationships must go on, even where two people may have little in common personally.

Who Will Correct Your Spelling?

Many new hires have the idea that an army of subordinates will be on hand to perform all sorts of undesirable tasks, but this is rarely the case. In fact, it is often the entry-level college graduate who is asked to photocopy reports, deliver memos, proofread documents, check tedious spreadsheets, and even run errands. The better your attitude in handling these chores, the sooner you can advance from them. They are all part of learning the ropes.

You may well work in an environment that has both hourly and salaried employees. Hourly employees generally are paid less than salaried employees, have lower-status jobs with less advancement potential, and receive extra pay for overtime work.

Some recent graduates who come into an organization in a salaried position make the mistake of treating hourly employees as subordinates. Never act in a condescending or superior manner to those who have less education or are in a lower position. It is just not right, and it will scuttle you.

Let's take an example of how this can happen: A management trainee at a large retail store is put in charge of the small appliance department. He arrives on the job and immediately lectures the lead salesperson about how he is going to straighten up the department (based on his college coursework and a summer job at another store). The lead salesperson, who has been in the department for more than 12 years, listens to his lecture and decides not to support him because of his arrogance. That management trainee is in for a tough time because of his lack of sensitivity, but the veteran salesperson will not suffer at all.

Treat all people well! Develop a reputation for being good to work with. Before you try to order someone to bring you your coffee, or drop a stack of papers on someone's desk and insist that they be copied in five minutes, think about how you would like to be treated if the situation were reversed.

Subordinates are not at your beck and call. Many of them have been in their jobs for years, are highly valued employees, and do not exist to cover the deficiencies in your background. They will not correct all your spelling errors or any of the other first-time errors you well might make—unless they like you.

When Do Grades Come?

The end of a college term brings with it the typical push to finish term papers and reports, study for final exams, and then wait for grades. Grades become the measure of how you have done over a clearly defined period of time, based on generally established criteria. A couple of weeks later, you begin new courses with a new syllabus and new professors. The slate is clean and you have a fresh start toward a new set of grades.

On-the-job evaluations may be less regular, less formal, less precise—and more important. If you think grading in college is often unfair, wait until you find that a single two-minute encounter with a client can color your evaluation for an entire year!

Your boss will be your evaluator, and your organization may or may not require systematic performance appraisals. Regardless, much of what comes out of your evaluation will be based upon attitude, interpersonal skills, cooperativeness, and reliability,

Almost any evaluation will include some criticism of performance or behavior. View this as a road map of where to direct some of your efforts. You might find that your boss's priorities don't match your own, but that is not cause for argument. Pay heed to your priorities, but make sure you work on those suggested by your boss.

Some bosses are very good at giving positive feedback on a regular and informal basis. It may be in the way he thanks you for completing an assignment or a reinforcing comment about how you met a client.

It may be an encouraging remark about how you dealt with a frustrating situation. Such feedback is important. Equally important are the clues your boss might give you about how you can improve your performance. Offhand comments about the length of a memo, your attire, or your time spent on a personal telephone call should be taken seriously and the issue corrected.

Results in the workplace are cumulative, and memories are long. Unlike school, where terms end, workplace performance carries over because it is based so much on the opinions of others. It is not only your boss's opinions, but also those of others that can have an effect on your career, so your objective is to be regarded as highly as possible by as many people as possible. A negative slate is not wiped clean.

Many new college graduates are frustrated by the absence of a grading system they've been used to for 16 or more years. This is a major adjustment to be made in entering the workplace. Grading on the job is rare, but your performance is being assessed continually in less formal processes, so you need to be sensitive to this at all times. Even good performance with occasional lapses can be viewed as a lack of dependability.

Professionalism

A few other concerns should be mentioned. While they may seem obvious, they are violated by many new hires, hurting their careers. Don't fall into these traps:

Phone and Internet Use: Use of office time and equipment for personal telephone calls, messaging, and web searching is taboo in most environments. Such activities should be kept to a minimum and should never be for social purposes. Checking Instagram or LinkedIn during work hours in most cases will not be appropriate. Do not use an office computer or tablet for personal items. If you must check your accounts, do it on your own time away from your desk and office. The same rules apply to texting at work. You are not being paid to maintain your personal calendar and activities with friends and family during work hours.

Office Supplies: The supply closet is not your source of personal paper, envelopes, stamps, tape, etc. Taking these materials for personal use is stealing and may cost you your job.

Clock Watching: Don't just be on time for work. Be early! And don't leave at the stroke of 5 p.m. Stay after the formal quitting hour to read files, prepare memos, clear your desk of paperwork, etc. Managers quickly identify the clockwatchers.

Gossip: Most gossip is petty and inaccurate. It often arises from resentment or jealousy on someone's part. Stay out of it. No one trusts a gossip.

Gripping: Some people are not happy unless they have something to gripe about. You will find people at work who take delight in griping about all kinds of things. Nothing ever meets their satisfaction. Avoid falling into this habit: it will label you as one who tears down rather than builds up.

Office Romance: Many young professionals socialize with their co-workers, and romantic relationships are a frequent result. Some organizations have policies on workplace relationships. Even if yours does not, it's generally a bad idea to become involved with a close colleague, and especially with someone you report to or who reports to you. Those relationships in particular may also violate sexual harassment guidelines.

Pandering: No one appreciates the new hire who panders to the boss and to other managers. Do your job well, let others know of what you have done, but don't be self-serving. It is quickly identified and a subject of ridicule.

Honesty: You will make mistakes now and then. Your boss expects this but will not want to be surprised as a result of a mistake. Let your boss know of errors that have any chance of coming to the surface, and don't make the same mistake a second time.

Confidentiality: You may be in a situation where you deal with sensitive information about people, programs, products, etc. All managers deal with some confidential information, and a lack of discretion will seriously impede your advancement.

Drinking, Drugs, and Inappropriate Behavior: Never show up for work under the influence of either alcohol or drugs. To an extent, your free time is your own—but not when it affects your job performance. In many smaller towns, you are widely known to be an employee of your organization, so inappropriate behavior in your free time can be public information and hurt your career. Even in a large city, inappropriate behavior in the off hours can get back to your boss. Is it their business? If they feel that your free-time behavior affects job performance or credibility, or that it reflects your maturity and advancement potential, they will make it their business.

Listen: One of the great professional skills you can develop is to give undivided attention to what others are saying. It is called listening, and most people are not very good at it—they're more interested in what they themselves have to say than what you have to offer. If you are a good listener, others will invariably think you are very bright. A good conversationalist gets others talking.

Personal Life

Personal life and jobs often become intertwined. Experienced people are usually aware of how to separate the two and when to bring them together. New graduates usually lack experience in this area, so some words of advice are in order.

The first issue is to make sure that you establish a personal life in your new environment. Your job will take up many hours, and new hires have a tendency to commit long hours at work and then socialize with colleagues from the office. All of their social life involves job-related people. Recreation time is spent talking about people or problems at work. This is not an advisable way to bury yourself in your career.

Your job and career must have a high priority if you hope to succeed, but there should be other aspects to your life. These might include outside friends, hobbies, family, sports, interests, etc. Though the job might sometimes interfere with your outside life, it is not healthy to allow your career to dominate all of your time.

The college environment is one where it is easy to find people with common interests. Most college students are surrounded by others of similar age, socioeconomic, and cultural background, and friendships are readily available.

Suddenly, you are a stranger in a new location where peers outside the workplace are harder to find. Most of the people around you seem to have their lives already in place, and it is more difficult to become part of a group or to establish new ties.

There are a variety of places where you can meet people:

Apartment Complex: If you will be renting an apartment, try to find one in a complex that has other new professionals. Neighbors are among the easiest people to get to know.

Sports and Activities: Join a softball team, bowling league, book club, or another activity.

Church Groups: Many churches have special programs helping newcomers to the community meet others.

Hobbies: If you play chess, collect stamps, enjoy drama, or whatever, locate a group centered around that activity.

Volunteer Activities: Volunteer to help in a fundraising campaign, to work with children, to help in a hospital, or whatever else is a particular interest of yours.

Health Club/Fitness Center: Health clubs can help you improve your physical state, and they are also a potential place to meet people.

Alumni Chapters: See if there's an active alumni chapter in your area at alumni.utk.edu.

Continuing Education Courses: You can enroll in credit or noncredit courses or workshops to meet people with common interests. These are available at almost any university or community college.

Service Clubs: Clubs such as Rotary International, Kiwanis, etc. can be a way to meet young professionals as well as older ones.

Professional Groups: Professional associations exist for many fields of work, particularly in large cities. Your boss can help you identify an appropriate group in your community.

The above list is not exhaustive, but it should give you ideas about places to find friends and companions. Whatever you choose, the key point is to develop a life outside of your job and career where you can be yourself, confide in others, and express yourself without fear that the wrong information will get back to your boss or co-workers.

Some graduates pay too much attention to their personal lives. Just as they partied through college and squeaked by academically, they now do the minimum on the job and treat it as little more than a source of income. Their focus is on having fun during free time.

This lifestyle does not lead to success in the workplace. Socializing and recreation are important, but when exaggerated they lead to career failure. Maintain balance in your life with the realization that to succeed on the job calls for your career to occupy a place of primary importance.

First-Year Financial Management

Because entry-level salaries, geographic areas, cost of living, and personal situations can vary so greatly, it is difficult to provide financial advice that can apply to everyone. Pick and choose from the information that follows as it might apply to you.

Initial salaries for most college graduates are well beyond subsistence levels but not enough to be described as lavish. With reasonable financial management, most graduates can make it through their first year on the job without adding too much to their existing debt.

Most college graduates overestimate the spending power of their initial salary while they seriously underestimate the start-up costs of beginning a new job in a new place. Because of these combined misperceptions, they sometimes commit to expenses that they later discover they cannot handle. Examples are high rents, car payments, furniture, clothing, etc. Taking a very realistic view toward how far your salary can go prior to committing any of it is always well advised.

It is not greedy or excessively materialistic to want new and nice things. But it is highly unrealistic and immature to want everything immediately. Unfortunately, many college graduates fall into this trap, and for some it takes years to extricate themselves from a few months of excess.

We recently surveyed approximately 60 young professionals one year after they graduated about their first year's finances. These were graduates from a variety of programs, living in different cities around the country and working for major employers.

A substantial majority had either received parental assistance or been forced to borrow additional money to make ends meet during the year. Those who had been able to save money were generally those who shared housing with at least one other person (or lived in their parents' home), had not made large initial purchases, and had developed a budget.

The best way to determine what you can afford is to develop a personal monthly budget and then live by it. At the end of this booklet you will find a budget worksheet. Use it, realistically, to estimate costs, but only when you understand fairly well what these costs will be. The eventual budget will tell you how much you can afford for housing, transportation, food, entertainment, etc.

Start-up Costs

Depending on your personal circumstances, you may find it surprisingly expensive to get established in a new home. We strongly suggest that you begin making these arrangements early so you can better understand these costs and what you can afford. Ideally, you should be moved in and settled by the time you begin to work.

Many graduates rent an apartment for their residence. Apartments may require a month's rent as deposit, a month's rent in advance, and a cleaning fee. In order to sign the lease on a \$900 apartment, then, you may need \$1,900 minimum. Some apartments even require that the last month's rent be paid up front, another substantial amount. Read your lease carefully before signing and make sure you understand what you will be getting for your money.

Any utilities not included in your rent frequently require an additional deposit. Check with the apartment manager on how this works in your community.

Obviously you will need furniture. Most graduates have some items and can scavenge others from family and friends. Because the first dwelling often will be for only a year or two, it is not generally wise to spend a lot on new furniture. Get inexpensive basics—buying used items where possible—and don't try to have an award-winning apartment your first day. Yard sales, auctions, and used goods stores (particularly nonprofit organizations) can be good sources of sturdy, inexpensive items.

Your most important item is probably the one that no one sees uncovered: the mattress. Make sure you get a reasonable quality, because loss of sleep and chronic backaches are miserable.

Do not run out and purchase expensive, top-of-the line luxuries, particularly if you would be using credit. Hold off, see what your basic needs will cost, and then you will have a better idea of what you can afford for luxuries. Always assess needs before committing to things that can wait!

Beginning life in a new place involves other expenses you might not think of immediately. Brooms, brushes, detergents, soaps, towels, salt and pepper, ketchup, cooking oil, and the myriad of other kitchen and bathroom basics can cost upward of \$200, and you don't even have enough food to prepare a meal yet! Add in some real grocery shopping at another \$150 and you have food in the cupboards and can start to dine at home. The alternative—meal after meal of frozen and fast food—is both expensive and not generally nutritious.

Wardrobe Development

Don't expect to dash out and buy your entire professional wardrobe at one time. You will be continually adding and withdrawing items as time passes, so trying to purchase a complete wardrobe at one time doesn't make sense.

At the same time, you will need to dress appropriately for work every day. You will need sufficient business attire to permit you to look professional on all workdays, even if it means more laundry and trips to the cleaners than you would prefer.

Most new college graduates do not have a lot of suits. If your work will call for wearing a new suit each day, or at least a jacket, you can expect to invest more than \$1,500 on your business wardrobe before you even begin to work. Along with suits are shirts or blouses, ties or scarves, shoes, socks or stockings, and any other accessories you choose. That \$1,500 is just for starters, as you may well invest an additional \$1,500 during the first year on business attire alone. The investment is worth it, however, as your appearance has significant bearing on how you are viewed in most organizations.

Your first step is to assess appropriate work attire for your organization and determine how many suits or outfits you will need. Discuss this with a person who has been on the job only a year or two for insight, and ask for ideas on where to shop.

Invest in durable clothing, avoid faddish items, and shop for the best prices. There should be no need to spend \$500 on a suit for work, but you also want to avoid cheap, poorly made clothing. Go to a good clothing store and talk to a salesperson who is knowledgeable. If you are not confident in the salesperson's insights, try another.

A word of caution: Do not run out and buy a closet full of clothing because you assume it will be needed. Some professional workplaces, particularly those for technical employees, are quite casual.

Most professional clothing calls for dry cleaning. Even shirts and blouses usually look better when professionally laundered. As you develop your budget, keep in mind that you may spend more than \$70 per month on laundry and dry cleaning

Transportation

When we ask a room full of graduating seniors what item they want to purchase first upon accepting a job offer, the most frequent answer invariably is a new car. Some have no car, some have ancient clunkers, and others have had their eye on a particular model for a long time. Our advice on transportation may not be what you want to hear, but it could be crucial in keeping your head financially above water: Do not buy a car until you have lined up your other budget items and know what you can afford.

Transportation may be a necessity, but expensive transportation is not. If you have a car that is reasonably reliable, consider keeping it for six months to a year. If you don't have a car, or if your current one is not reliable and you feel you must dump it, don't immediately head to a new car showroom where a salesperson can convince you that an investment of \$30,000 to \$35,000 is quite reasonable. Unless you will be living at home and not having to pay rent, you probably cannot afford a new car.

As you approach graduation, you will surely notice advertisements directed to new college grads offering great deals on new cars. They will make the deal sound irresistible (particularly if you don't want to resist), but you are financially better off to buy a car that is two to five years old, somewhere in the \$10,000 to \$15,000 price range. Do not saddle yourself with payments in excess of \$500 per month. There will be plenty of time in later years to buy new cars, and you should not take this plunge until you are sure you can afford it.

As you calculate your monthly transportation budget, assess your auto insurance situation. Changes in location and vehicle can substantially change your current insurance bill. Call an agent to discuss insurance rates before you buy a new car.

If you are fortunate, you will work in a place where parking is free. However, many new employees begin their careers in downtown locations where parking can range from \$40 to \$100 per month. Check with your employer to get an idea of what parking will cost you.

Meals

You may have spent your college years eating by means of a residence hall meal plan. You may have inhaled enormous quantities of fast foods, packaged macaroni and cheese, frozen pot pies, or other such consumables. Snack chips and beer may have been staples. Or perhaps you paid attention to nutrition and ate regular, balanced meals. Whatever the case, you probably will eat differently once you begin your career.

First, find out from others whether group lunches are a common practice in your organization. If you find that they are, you will want to take part. Ignoring this sort of group activity can be viewed as isolationist or arrogant, even by the boss. Remember, though, that three lunches a week in a restaurant, can easily add \$45 per week to the budget. Even fast food bills add up quickly when they are part of a routine.

Your grocery shopping also will surprise you if you have been on a campus dining plan. It is easy to spend \$100 in a grocery store and find that it does not go far. At the same time, you need to pay attention to nutrition. A budget of \$200 per month allows approximately seven dollars per day for groceries (aside from restaurant dining)—not much if you enjoy fresh fruits, soft drinks, cheeses, etc. If you like to entertain, you will find that one evening's dinner for four or five people can put you on beans and rice for a week, so make sure you budget adequately for food.

Debit and Credit Cards

Debit cards can be a great way to pay for items and maintain your budget. You can get a debit card from your bank or credit union. Most debit cards are free to use but some have a fee. Debit cards

look like credit cards but do not work in the same manner. A debit card uses money that is in your checking account while a credit card is essentially a loan from your bank. Debit cards enable you to buy things without carrying cash. You may be required to enter a PIN number when swiping your debit card as a security measure. A debit card immediately withdraws money out of your account. If you do not have enough money to cover the purchase, your debit card will be declined.

Credit cards can be a nice convenience for the graduate. It is good to have one especially for emergencies. Credit cards are like many of the pleasures in life: a problem only when used excessively. Used wisely, credit cards that offer rebates can be an economic advantage.

Unfortunately, many people are not wise in their use of credit cards and begin to run up bills that they cannot pay off at the end of the month; and end up seeing the monthly balance grow. The solution to good management of a credit card is to always pay off the balance at the end of the month. Do not charge what you cannot afford to pay off promptly.

Penalties

Penalties for late payment of almost anything can be very high. Late payment of rent, utilities, credit cards, and other services bills, etc. adds substantially to the bill. Manage your bills efficiently and avoid these expensive fines.

Financial Aid

It is not unusual for a new graduate to accept family assistance in the form of gifts or loans. If your family offers help, don't let excessive pride interfere with common sense.

Assistance may come in the form of used furniture, towels and bedding, a couple of boxes of food for the cupboard, or cash. Any of this is helpful. You have a choice, request necessities rather than luxuries. For example, \$1,000 is better spent on professional clothing than on a new television or the down payment for a car you can't really afford. You will not need a Rolex watch, but you will need cash for rental deposits and payments.

If your family is unable to help you get started and your savings are sparse, see if your new employer has any kind of program offering low-interest loans. You may find they can help you and, though the loan will be paid back through deduction from your paychecks, this method can get you over the initial hump in a reasonable manner.

Income

Your take-home pay may not be quite what you expect. You will have federal income tax withheld, as well as your Social Security contribution. In some locations there will be additional amounts deducted for state and/or local taxes. You may contribute to life insurance, health insurance, retirement programs, or other funds as well. It is not unusual for a gross salary of \$42,000 per year, or \$3,500 per month, to provide take-home pay of less than \$2,600.

Check with your employer as to what you can expect for monthly take-home pay. Gross pay is important, but it is the take-home that you must live off of and use for your budget planning.

Savings

Plan to save something. Even if it is only \$10 each month, plan your budget so that there will be something to put aside. As your salary increases, you will increase your monthly savings, but get into the habit now. Keep this money separate from vacation savings, mad money, or other such funds that you tap into from time to time. Make your savings inviolate or you will wipe it out every few months and have to start over.

Planning Your Budget

Finally, with all the previous points in mind, you are ready to plan your budget. You should know what your take-home pay will be and have an idea of what your major costs will be. Use the budget worksheet at the end of this booklet with pencil, eraser, and calculator.

Begin the budget planning with necessities such as food, shelter, clothing, and transportation. Begin conservatively but realistically. Then add in all the other areas that contribute to your monthly expenses.

Some items such as furniture, clothing, etc. are easiest to calculate on an annual basis, then break down into monthly components. This is because they may cost much more in some months than others, so you need to plan based upon the average.

Complete all the budget lines and add them up to see how your estimated monthly expenses compare with your monthly take-home pay. If the expenses are higher, begin to adjust some items downward, but only with the idea that you will live by your plan. It does no good to put down a rent of \$700 per month on a personal budget when you actually are paying \$850. You may go through a number of drafts before you get a workable budget, but it is well worth the time and effort.

For at least the first few months on the job, try to keep a tally of expenses so you can go back and adjust the budget where necessary. If you are spending more than you make, find areas to cut, and do it promptly. If you are surprised at how much is left over each month, increase your savings—and you can even think about one of those luxury items that you passed by. The point is, manage your money!

Conclusion

This information might seem like a lot to keep in mind, but in reality it just scratches the surface of a broad range of issues. We hope that by reading this guide you have become aware of some of the differences between college and career—and are better prepared to deal with them.

Monthly Budget Worksheet

INCOME

Gross Monthly Pay _____

Other Income (dividends, trust funds, parents, etc) _____

Gross Income

\$ _____

Internal Revenue Services Deduction _____

Social Security Deduction _____

State/County/City Taxes Deduction _____

Other Deductions _____

Take-home Pay (gross minus deductions)

\$ _____

EXPENSES

Housing

Rent/Mortgage _____

Utilities/Cell Phone _____

Furnishings/Accessories (dishes, tableware, etc) _____

Subtotal

\$ _____

Groceries & Meals

Restaurants (lunches, social dining, fast foods, etc) _____

Food & Beverage (at home) _____

Alcohol/Tobacco _____

Cleaning Supplies & Toiletries _____

Subtotal

\$ _____

Clothing

Business Attire _____

Recreational _____

Fundamentals (socks, underwear, etc) _____

Dry Cleaning & Laundry _____

Subtotal

\$ _____

Transportation

Car Payment _____

Fuel & Maintenance _____

Insurance _____

Parking _____

Public Transportation _____

Subtotal \$ _____

Entertainment

Books, Newspapers, Magazines, Cable _____

Sports, Recreation, Hobbies, Music, Video Dating, etc. _____

Subtotal \$ _____

Other Areas

Vacation & Other Personal Travel _____

Medical, Dental, Eye Care _____

Insurance (health, life, theft) _____

Charitable Contributions (United Way, church, etc.) _____

Savings _____

Loans (student loans, etc.) _____

Gifts (weddings, birthdays, etc.) _____

Pet Supplies & Expenses _____

Other: _____

Other: _____

Subtotal \$ _____

TOTAL EXPENSES (ADD SUBTOTALS) \$ _____

TAKE-HOME PAY \$ _____

Student Union, Level 2

Monday-Friday

8 a.m.-5 p.m.

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