

Cyprus Credit Union College & Early Career Guide



Making smart financial decisions both before and during college can help set you up for a better future once you graduate. In this guide, we'll help you through the college application process, securing funding, managing finances while in school, and job search tips.



HIGH SCHOOL PREP



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HIGH SCHOOL PREP



Saving for School

There's a lot of expenses you'll have to deal with in college apart from tuition. As soon as you start making your own money, open a high yield savings account, such as a **Dream Certificate** with Cyprus Credit Union. These accounts feature a higher interest rate than a regular savings account and you can continue to contribute throughout the account's term.

Application Process

Preparing for college is a busy time in anyone's life and it's easy for due dates and deadlines to slip past.

Either write down or program important dates into your calendar so you don't forget. Budget your time so you're not filling out forms and documents at the last-minute making mistakes more likely. Have a friend or family member proof read everything so you can have a fresh set of eyes.



Applying for Financial Aid

Many people don't even bother filling out a FAFSA (Free Application for Federal Student Aid) because they don't think they qualify for federal assistance. However, you may be missing out on grants, which you don't have to pay back, if you don't even try. Just like the name says, the form is free to fill out and submit.

When it comes to FAFSA, there is a section for parent's information and one for the students. One of the most common mistakes is accidentally switching that information so the parent appears to be the applicant. Double check that all of the information is correct before submitting including: social security numbers, legal names, addresses, etc.

Once your FAFSA form is submitted, you can still make changes using a special circumstance form prior to the deadline (making it even more important to get it done early). For example, say a parent loses their job, you can go in and change this information and it may change the amount of federal assistance the student receives.

COLLEGE FINANCES



Budgeting

Track Spending

Before starting any budget, you need to know exactly where your money is going. These should be divided into two separate groups: fixed expenses and variable expenses. Fixed expenses are costs that stay the same and you are paying on a consistent basis, such as a car payment. Variable expenses are costs that vary on how much they cost each month, such as going out to dinner.

Set Goals

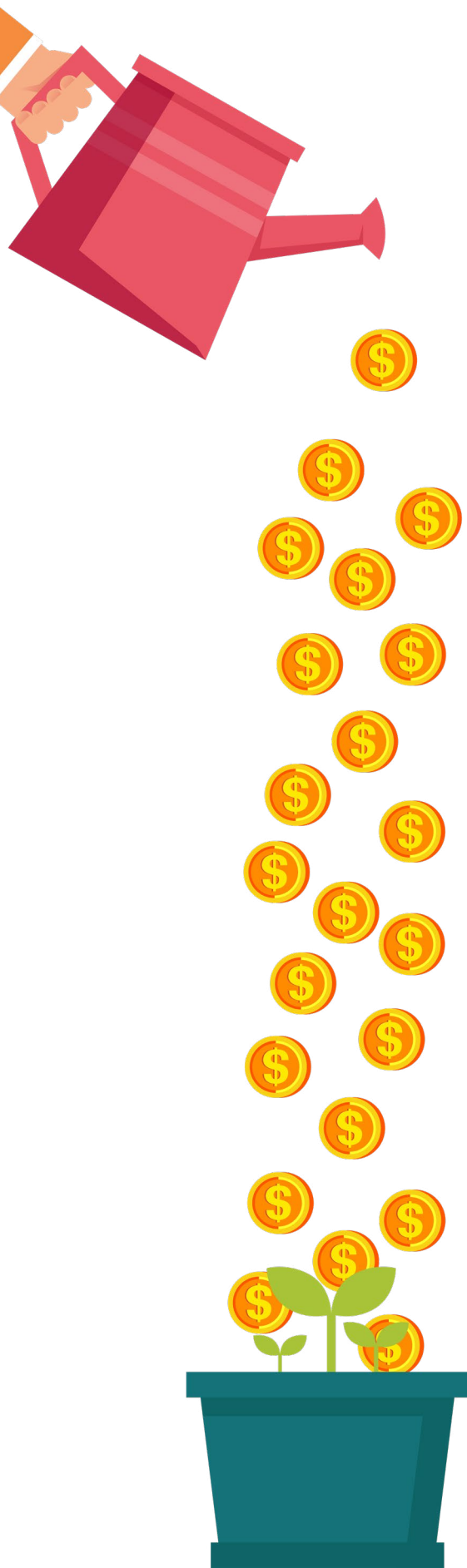
Set goals when you are planning on your budget. These goals can then be separated into two categories: short-term goals and long-term goals. Short terms goals could be saving up to buy a new laptop while a long-term goal could be saving up for college. These goals will help dictate what your priorities are and help you craft a budget centered on them.

Choose a Method

There are several different ways that you can budget your money. Picking the option that works best for you will give you a greater chance at budget success. Three of the most popular forms of budgeting are:

- **The Envelope Method** – put the money needed for expenses in marked envelopes
- **The Zero-Based Budget** – income minus all of your expenses equals zero
- **The 50/20/30 Tool** – 50% of income towards needs, 20% on wants, and 30% in savings
- **Electronic Budgeting** – automatically tracking income & expenses with the help of an app





Saving

Pay Yourself First

Every time you earn money, before buying anything else, start making it habit to pay yourself first by putting money in savings. Even a few dollars here and there will grow over time. To boost your savings even more, **Dream Certificates** from Cyprus Credit Union are a great option. You can open one with as little as \$20 and continually add money throughout the term. The longer of term you select, the higher your interest rate will be.

Include in Budget

Include some saving whenever you create a budget. Remember that as budget is supposed to be flexible and evolve as your situation changes. So if you feel like you're constantly fighting your budget, take some time to go through it line by line and see where you can make adjustments.

Set Up Automatic Deposits

Setting up automatic deposits can make it easier to save because you don't even need to think about it. Not only will you not forget to pay yourself first, but it will also remove the temptation to spend the money you should be saving on something else.



COLLEGE FINANCES



Building Credit

Become an Authorized User

The best and first way students usually start building credit is by becoming an authorized user on their parent's account. This is one of the safer and easier ways to start building your credit. Not only can your parents monitor your spending, but you also get a credit boost if your parents have good credit.

Open Own Cards

Once you turn 18 and have credit history or proof of income, you can open up your own credit card.

Not all credit cards are the same; there are low interest, high interest, yearly fee, reward credit cards, and so much more. It's good to start off with a low credit line on your credit card to get yourself adjusted to having a credit card and paying the complete balance (not just the minimum payment) off each month.

Make Small Purchases

Make small purchases with your credit card to avoid purchasing items you can't afford. You should also make smaller purchases to leave more of your credit line open in case you have to make an emergency purchase.

Apply for One Card at a Time

If you apply for too many credit cards in the same time period, your credit will decrease. One credit card should be more than enough for a college student to build their credit and pay for expenses.

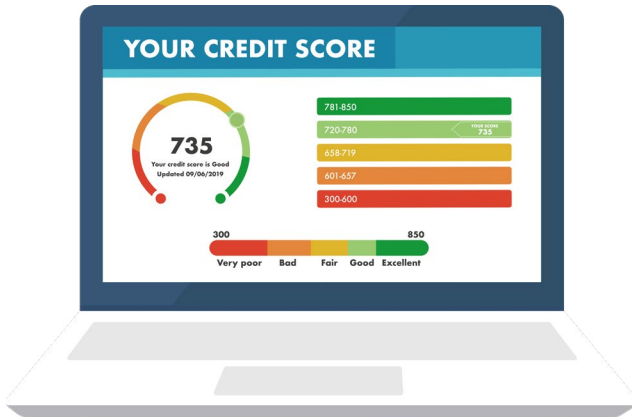
Mistakes to Avoid

Racking Up Unnecessary Debt

While there's some debt you can't avoid in college, you can be smart about it. When using a credit card, select one that features a low interest rate. While you may not be able to get a ton of rewards, you'll be able to start building credit.

Not Taking Advantage of Scholarships

When it comes to financial aid, there are billions of dollars available out there. You should constantly be researching scholarship and grant opportunities both before and while you're in college. The best part is that this money doesn't need to be repaid, which saves you money after you graduate. Do your research and you might be surprised at how many options are out there.





Finding a Job

Stay Organized

Chances are that you'll be applying for multiple jobs at one time. Create a spreadsheet that includes important dates, such as when you applied, when the job is closing, and any scheduled interviews. Save all job listings as you may need them to reference back to later and they may not be available once the posting is closed. While applying, finish one application from beginning to end before starting another one. This will help prevent potential errors, such as the wrong cover letter being submitted.

Practice Interviews

Find a list of common interview questions and have a friend practice with you. Run through the questions multiple times and practice variations of answers. If you tend to fidget when you're nervous, make a conscious effort to hold still. Clasp your hands together and either keep them on the table or in your lap. Ask the friend who's working with you to note any behavior on your part that may be distracting.

Prepare for Interview

Drive to the location of the interview beforehand and find a place where you can park your car. Knowing this information beforehand can help save you the stress of getting lost the day of. Even if you know the culture is a little more laid back, take it up a notch from your everyday wardrobe. It's always better to be a little overdressed compared to under dressed. Bring copies of your resume & references.





Retirement Planning

While retirement might seem like a lifetime away, there are steps that you can take in your 20's to ensure that you can live out your golden years in style.

Enroll in a 401(k)

This is one of the most popular ways to start your retirement planning. Take advantage of any employer matching programs that may be in place. For a Traditional 401(k), the money you deposit is taken out of your paycheck pre-tax, you will then pay taxes on it once you start withdrawing funds.

Start a Roth IRA

If you aren't eligible for an employer sponsored 401(k) plan, go the IRA route. For this type of account, all deposits are made post-tax, which means once you start withdrawing the funds in retirement, there are no additional taxes you need to pay.

Compound Interest

One of the biggest benefits of saving for retirement early is compound interest. For example, if you start saving for retirement at age 20 with \$100 to start and then adding \$100 per month for the next 45 years at 12% interest, you will have saved over \$1.6 million at age 65. In comparison, if your friend starts saving for retirement at age 50, using the same interest, with a \$1,000 initial deposit and then \$1000 a month for the next 15 years, they will have saved a little over \$450,000.



Emergency Savings

Life has a way of throwing curve balls at you when you least expect it. Having emergency savings in place will help prevent you from becoming reliant on your credit cards or to make an early withdrawal from your retirement savings.

When choosing an account to hold this money, find an account that earns higher yields than a traditional savings account but is still easily accessible in the event of an emergency. While a Certificate has great rates, if you withdraw money before the term ends, you may have to pay fees. Look to a Money Market account in which the interest rate is dependent on the balance (the more money you have saved, the higher your rate will be), but funds can be withdrawn at any time.

