

Plan Now. Career Later



SUCCESS AFTER GRADUATION

Enjoying the Start of Your Career



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Introduction

Entry into “The Real World” should be a time of excitement, enthusiasm, and exploration for most college graduates. School, at least for the time being, really is over. Now is finally the time to apply some of the knowledge and insights acquired during all those school years. A substantial salary assures financial independence. 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. Most college seniors are not aware of the magnitude of the transitions and adjustments that need to be made on virtually all fronts, and they are ignorant of the consequences for not making these adjustments in a mature and speedy manner.

What a shock it can be to discover that the new graduate once again drops to “freshman” status, at the bottom rung of the ladder! Just as a college freshman has to learn the ropes of a new environment, the recent graduate starting a career faces a whole new world. The difficulty is that “The Real World” is less tolerant of mistakes than the university world, it offers less time and flexibility for adjustment, and it demands performance for the pay it offers.

The graduate who enters this world with open eyes and with enthusiasm invariably does better than the one who naively expects life to continue as before. The purpose of this handout is to present some of the realities and opportunities of the first career job to help the new graduate make the transition successfully.

The handout is divided into three parts: 1) The World of Work, 2) Personal Life After Graduation, and 3) First-Year Financial Management. Each is an area of great adjustment for the recent college graduate entering a career position.

The World of Work

It could take an entire book to describe the first year of employment for the new college graduate—the problems faced and the opportunities presented. This handout is intended to describe briefly some of the major issues you may face.

The transition from school to work and career need not be a negative one, though much of the information that follows might make it appear that way. The key variable is the recognition of the differences between school and work and a willingness to adjust rapidly to these changes. Fighting the changes, or denying the need to adjust, causes nothing but frustration and failure. Wise graduates will recognize the necessary behavioral changes that must be made with the transition from school to work, accept them, and go on from there.

Dealing with the Clock

College life offers incredible flexibility in how you spend your time. Many students avoid morning courses like the plague, stay up till 3 a.m. most nights, cut classes and get notes from their friends, and goof off for a week at a time, then work at a frenzied pace to finish the term in decent shape. If you had a tendency to follow this sort of schedule in college, forget it.

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 behavior of this type will result first in a negative image, then in dismissal.

The workplace will not care that you are “not a morning person.” It will not be interested in your late-night escapades, or the fact that your car would not start. You are expected to be punctual and ready to perform at the start of the day.

Many professors' grades are based upon 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 might be fine on the campus and you might have enjoyed the

leniency, but recognize the fact that it is not accepted in “The Real World.” Even if you get more done in six hours than others do in 10, you will be punished for tardiness.

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. You could relax during a major part of many days and study on your own schedule. The job will probably call for you to be working continually through the day. Sure, there will be time for lunch, and brief interludes during the day, but you won’t have time to leave the office and go for a swim, take a nap, etc. 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 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, 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 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 them fondly, but don’t resent the demands made by the job. You paid the college—your employer is paying you.

Which Is More Important—Image or Substance?

Substance is very important and much will be expected of you. But in the workplace, you must recognize the importance of image as well.

In college, those who assign grades don’t care much about image. You may dress radically, doze through classes, drink heavily many nights of the week, use profanity liberally, complain about the establishment, and so forth. College is meant to be a time for self-exploration, and many of these activities are tolerated as long as acceptable grades are maintained. Also, grades are not assigned based upon image, but rather upon whatever other criteria the professor has set.

In the workplace, however, image becomes much more important than it was in college. This seems superficial to many graduates, particularly those with a penchant for rebelliousness, but there are reasons for the importance of image. Many of the first impressions you make will be based upon image, and these impressions affect how you are viewed within your organization, as well as by clients or other outside contacts. These impressions project an image of your entire organization. Image should not be treated lightly.

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 business suits 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 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.

It should be noted that appropriate attire differs from organization to organization, and even from one workplace to another within organizations. Many frown on facial hair for men, flashy hairstyles for women, dangling jewelry, and other attention-attracting features. Impeccable personal hygiene should be an obvious demand. You will have the

chance to make personal statements through appearance in later years, but do not risk your initial credibility with such individuality during your first year on the job. 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, often will send you to get the answers, will discourage arguments, will be vague as to how to complete a task, and often will come up 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 the better assignments. If you fight the system, grunt work will become your specialty. The more you complain about it, the more the boss will pile it on. The more enthusiastically you complete the grunt assignments, the more quickly you'll be moved into the better ones.

If your boss is not your ally, you have big problems. You might sometimes view her as the enemy because she may be demanding more than you want to give, intruding on your free time, and causing you to lose sleep at night. Accepting all of this requires you to take on a realistic perspective regarding the world of work and how it differs from college.

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.

Your boss is expected to train and develop you, not to become your best friend. Don't expect to form a "buddy" relationship with this person; and it is not recommended to use her as the sounding board for your personal or financial problems. Too much awareness of these problems can affect her view of your maturity, professionalism, and competence. Not all of us handle our personal lives as well as our jobs, and they should be kept separate.

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 now 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 "freshman" year, and if you are not responsive, your boss will probably write you off.

Is it fair? Probably not, in the college frame of mind. However, in your career, where you and others are competing for advancement, it certainly is fair. Willingness, flexibility, and cooperation count for a lot in your boss's eyes, and in the view of others with whom you work.

Suppose you're working for a good organization but got stuck with a "lousy" boss. She is demanding, unreasonable, poor at training, and everyone agrees that she's going nowhere. Remember your goal is to move up, and you will not have this boss forever. The idea is to perform and learn as best you can so that you can be promoted out from under her. 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, somewhat paradoxical in nature. 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. But, at the same time, you are competing with these peers for recognition and advancement.

Entry-level positions vary greatly in personal contact. You may have very little contact with your peers in the organization or you may work side by side with a whole group of them. 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, etc. Obviously, such co-workers cannot be trusted, but you must be careful around them, for they can be vicious enemies. 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. There is a good chance that one or more "perpetual grippers" will try to befriend you and add you to their group, spending lunch hours talking about how bad things are. Keep your distance! Look for those who are doing well on the job and whose personalities you can relate to. The grippers are going nowhere.

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.

Do Subordinates Correct My Spelling?

Many new hires have the idea that an army of subordinates will be on hand to perform all sorts of undesirable tasks.

Unfortunately (for a new hire), 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, tally columns of numbers, 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 with “hourly” employees (while you will be “salaried,” meaning management or professional and expected to work as many hours as are needed to get the job done). Hourly employees generally are paid less than salaried employees, have lower-status jobs with less advancement potential, receive extra pay for overtime work—and are the lifeblood of many organizations.

Too frequently the new college graduate arrives on the scene and treats the hourly secretaries, sales clerks, production workers, technical aides, etc. as personal subordinates. If you fall into this pattern, you will jeopardize your potential to succeed. Hourly employees are very well attuned to the arrogance of many new college graduates, and if they sense this arrogance in you, they can respond in many ways to make your life miserable. Never act in a condescending or superior manner to those with less education or lower positions. 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 upon college coursework and a summer job at another store). The lead salesperson has been in that department for more than 12 years, listens to his lecture, and decides not to support him because of his arrogance. That poor 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 a secretary to bring you your coffee, or drop a stack of papers on someone’s desk and insist that it be copied in five minutes, think about how you would like to be treated if the situation were reversed.

As a new hire, subordinates are not at your beck and call. Many of them will 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 My 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 upon generally established criteria. A couple of weeks later, you begin new courses with a new syllabuses 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 call for systematic performance appraisals. Regardless, much of what comes out of the 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 your 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, the 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 lack of "grading" they have been so 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 manners, so you need to be sensitive to this at all times. Good performance with occasional lapses is viewed as a lack of dependability.

Professionalism

A few other concerns should be mentioned. Whether or not these seem obvious is beside the point; they are violated by many new hires, hurting their careers. Don't fall into these traps:

Telephone 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.

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 clock-watchers.

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: Avoid any kind of job-related romance if you can. For a woman, this can be particularly problematic, if you are the subject of a more senior person's fancy. A very useful skill is the ability to make it clear that you want no romantic involvement without leaving the other person feeling rejected or humiliated.

Brown-nosing: 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 brown-nose. It is quickly identified and a subject of ridicule.

Honesty: You will make mistakes now and then. Your boss expects this, but she 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 if you demonstrate a lack of discretion, it will seriously impede your advancement.

Drinking, Drugs, and Raucous 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 raucous 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. You will find most people are 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. The good conversationalist gets others talking.

Personal Life After Graduation

The personal life and the job often become intertwined. The experienced person is usually aware of how to separate the two and when to bring them together. The new graduate lacks 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. The 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 stimulation comes from 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 this outside life, it is not healthy to have job and career totally 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, socio-economic, and cultural background, and friendships are readily available.

Suddenly, you have been pulled from this highly social college environment and 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 you can use to meet people with whom you can share personal time:

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 whatever else might be your interest.

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: Your college or university might have an active alumni chapter in your town or close by.

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 the appropriate group in your community.

The above list is not exhaustive, but it should give you ideas about the many places to turn to find friends and companions. Whatever you choose, the key point is to develop a life outside of 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 will not allow one to succeed 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 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 level.

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, installment purchases of video or stereo equipment, 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 and 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 excesses.

We recently surveyed approximately 60 young professionals one year after they had graduated about their first year's finances. These were graduates of a variety of schools, living in different cities around the country, and working for major employers with strong college recruiting programs. We asked them for details about their experiences in their initial year of earning a full-time professional salary.

A substantial majority either had received parental assistance or had been forced to borrow additional money to make ends meet during the year. Those who had been able to save money were generally the graduates who shared housing with at least one other person (or who had 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 to 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 you begin making these arrangements early so that you will better understand these costs and what you can afford. 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 \$700 apartment, then, you may need \$1,500 minimum. Some apartments even require that the last month's rent be paid upfront, another substantial amount. Read your lease carefully before signing and make you understand what you will be getting for your money.

Then you may deal with other deposits. Utilities frequently require money upfront. 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 at this time. Get inexpensive basics, 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 mattress because loss of sleep and chronic backaches can make one miserable.

Items like a television set, a DVD player, a stereo, a computer, etc. might be important to you. If you don't already own such items, 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 such as these. Always assess needs before committing to luxuries!

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, 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 of meal after meal of frozen foods and fast food restaurants 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 continually will be adding and withdrawing items as time passes, so an attempt 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 a minimum of business attire to permit you to look professional on all workdays, even if it means more 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, hose, 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 the 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 just 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 in excess of \$70 per month just 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 may be crucial in keeping your head financially above water: Do not purchase a new automobile 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 waltz to the 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 and do not need 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.

By the way, as you calculate your monthly transportation budget, assess your auto insurance situation. Changes in location and vehicle can add (or subtract) substantially to your current insurance bill. Call an agent to discuss the impact of these changes prior to purchasing any 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 potpies, or other such consumables. Snack chips and beer might have been staples. Or perhaps you were one of the minorities of college students who 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 lunch with "the group" is a common practice in your organization. If you find that it is, you will want to be part of it. 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 \$35 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 others, 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.

Credit Cards

Credit cards can be a nice convenience for the college graduate. It is perfectly reasonable to have one or two major general credit cards. Credit cards are like many of the pleasures in life: They are only problems when used excessively. When used wisely, credit cards that offer rebates can be an economic advantage.

Unfortunately, many people of all economic levels make excessive use of this easy credit. They convince themselves that it is just like cash, begin to run up bills that they cannot pay off at the end of the month, and forlornly watch the monthly balance grow. Soon they have used the maximum credit allowed on a card, make minimum payments just to keep the creditors from the doorstep, and proceed to get another credit card with which they follow the same path.

The solution to the use of charge cards is to pay the balance off at the end of the month—always. Do not charge what you cannot afford to pay off promptly. Once you begin to make partial payments, you may be headed toward disaster and need to look again at your budget to see where it is out of kilter.

Penalties

Penalties for late payment of almost anything can be very high. Late payment of rent, utilities, most bills, etc. adds substantially to the bill. Bouncing a check (even accidentally) can cost big bucks in fines (even if the check was only \$5). 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, loans, or handouts. There should be nothing humiliating about this, and 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 boxes of food for the cupboard, or just cash. Any of this is helpful. Remember, though, that you may have extensive start-up costs and if you have a choice, request necessities rather than luxuries. For example, \$1,000 is better spent on professional clothing than on a new stereo system or on a 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 \$36,000 per year, or \$3,000 per month, to provide take-home pay of less than \$2,400.

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 that 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 line and you can even think about one of those luxury items that you passed by. The point is, manage your money!

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 handout you have become aware of some of the differences between college and career—and are better prepared to deal with them.

College Graduate 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) \$ _____

HOUSING

Rent/Mortgage _____

Utilities/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

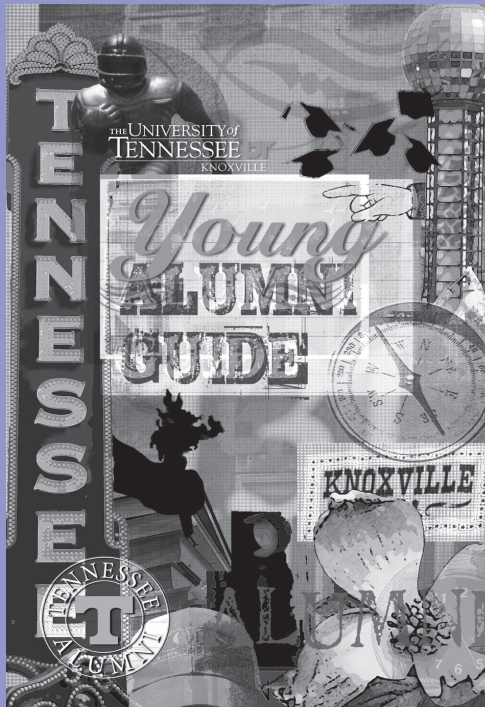
Books, Newspapers, Magazines, Cable _____
Sports, Recreation, Hobbies, Music, Video, Dating _____
Subtotal \$ _____

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 MONTHLY EXPENSES (ADD SUBTOTALS)..... \$ _____

TAKE-HOME PAY..... \$ _____



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