

Money 201:
A Guide for
New Graduates
and Early-Career
Professionals



Stepping into your first full-time job is exciting — and a little overwhelming.

Suddenly you're making real money, signing real paperwork, and making decisions that can shape your financial life for years. You don't need to know everything on day one, but understanding the basics of benefits, pay, insurance, and long-term planning helps you start strong. Think of this as your next step toward financial confidence; a guide that can help you build stability, independence, and momentum as you begin your career.

Evaluating a Job Offer: Beyond the Salary

A job offer is more than a number. The full package matters, and it can vary widely.

What to Look At

- Base salary: your guaranteed annual pay
- Bonus structure: performance-based or company-wide
- Benefits: health insurance, retirement plans, disability coverage, wellness perks
- Time off: vacation, sick time, holidays
- Work flexibility: remote options, hybrid schedules, commuting expectations
- Professional development: training, certifications, tuition support

Questions to Ask Yourself

- Does this salary support my cost of living?
- Are the benefits competitive for my field?
- Will this role help me grow professionally?
- Does the work environment fit my lifestyle and values?

A strong benefits package can be worth thousands, so don't overlook it.

Understanding Your Total Compensation

Your paycheck is only one part of what your employer provides.

What total compensation may include:

- Salary
- Employer retirement contributions
- Health insurance subsidies
- Bonuses
- Equity or stock options
- Paid time off
- Professional development funds

Knowing this helps you compare offers more accurately.

Total compensation = salary + everything else your employer pays for on your behalf.

Benefits: What New Professionals Need to Know

Benefits can feel like a foreign language at first. Here's what matters most.

Health Insurance: Choosing the Right Plan

Most employers offer multiple options. The right one depends on your health needs and budget.

Common Plan Types:

- **Preferred Provider Organization (PPO):** flexible, usually higher premiums but lower out-of-pocket costs
- **Health Maintenance Organization (HMO):** usually lower premiums, must stay in-network
- **High Deductible Health Plan (HDHP):** high deductible, low premiums, often paired with a Health Savings Account (HSA)

Flexible Spending (FSA)

An **FSA** lets you set aside pre-tax money for medical expenses, similar to an HSA, but with key differences:

- You don't need an HDHP to contribute to one.
- Funds generally must be used within the plan year (some employers offer a small rollover or grace period).
- FSAs are employer owned, so unused money may be forfeited.
- You can't invest FSA funds.

Health Savings Account (HSA)

An **HSA** is a special savings account you can use for qualified medical expenses, and it comes with major tax advantages.

- You must be enrolled in an HDHP to contribute to one.
- Contributions are tax free.
- Growth is tax free.
- Withdrawals for medical expenses are tax free.
- Can be invested for the long-term and used to reimburse yourself for past medical expenses.

If you're generally healthy, an HDHP + HSA can be a great option.

FSAs reduce your taxable income, but they're "use it or lose it," so plan contributions carefully.

An HSA is one of the most powerful long-term financial tools available to employees.

What to Compare

- Monthly premium
- Deductible
- Out-of-pocket maximum
- Prescription coverage
- Network size

Retirement Plans: Your First Big Wealth-Building Tool

Your employer's retirement plan is one of the most powerful benefits you have.

401(k) or 403(b) Basics

- You contribute a percentage of your paycheck.
- Your employer may match part of your contribution.
- Money grows in a tax-efficient way.
- You invest through funds offered in the plan.
- You may have the option to choose from Roth or Traditional contributions.

Aim to contribute at least enough to get the full employer match. It's free money.

Traditional vs. Roth IRAs

- **Traditional:** lowers taxable income now; taxed later
- **Roth:** taxed now; grows tax-free

How to Start

- Enroll as soon as you're eligible.
- Contribute enough to get the match.
- Choose a diversified fund (target-date funds are beginner friendly).
- Increase contributions as your salary grows.

Insurance You Should Understand

Disability Insurance

Replaces part of your income if you can't work due to illness or injury. Often overlooked, but important.

Life Insurance

Usually inexpensive through work. If you have dependents or co-signed loans, consider supplemental coverage. Many obtain additional coverage outside of work coverage.

Insurance protects your future earning power, which is one of your most valuable assets.

Managing Your Paycheck: Taxes, Withholding, and Take-Home Pay

Your first full-time paycheck will look different from part-time or hourly work.

What's New

- Federal and state income tax withholding
- FICA (Social Security + Medicare)
- Pre-tax benefit deductions
- Retirement contributions
- Health insurance premiums

Your take-home pay is your real spending power. Build your budget around that number.

Building Your First “Adult” Budget

Your expenses, such as rent, utilities, insurance, commuting, and groceries, can shift dramatically after graduation.

Core Categories

- Housing
- Transportation
- Student loans
- Groceries
- Insurance
- Savings + retirement
- Fun + lifestyle

Student Loans: Understanding Your Repayment Options

If you have loans, you'll need to choose a repayment plan.

Common Options

- Standard repayment
- Income-driven repayment
- Refinancing (private loans only)

Don't wait until your grace period ends. Explore your options early.



A Simple Framework

50% Needs | 30% Wants | 20% Savings:
Adjust as needed based on your cost of living.

Investing Beyond Your 401(k)

Once you're contributing to your employer plan, you can expand.

Options:

- Roth IRA (with income limitations)
- Brokerage account
- HSAs (if eligible)

Principles Stay the Same

- Diversify
- Stay consistent
- Think long-term
- Avoid emotional decisions

Credit: Strengthening Your Financial Reputation

You've built the basics. Now it's about optimizing.

What to Focus On

- Keeping utilization low
- Paying every bill on time
- Avoiding unnecessary credit inquiries
- Monitoring your credit report annually

From apartments to car loans to future mortgages, strong credit can lower your costs and expand your options.

Your Early-Career Financial Checklist

- ✓ Enroll in your employer's retirement plan.
- ✓ Get the full match.
- ✓ Choose a health plan that fits your needs.
- ✓ Build a starter emergency fund.
- ✓ Create a realistic budget.
- ✓ Understand your student loan repayment plan.
- ✓ Protect your income with insurance.
- ✓ Keep your credit strong.
- ✓ Revisit your goals annually.

Remember

You're stepping into a new chapter, one where your financial decisions really start to shape the life you're building. You don't need to have it all figured out today. Just keep making thoughtful choices, learning as you go, and taking steps that support your future. You're more prepared than you think, and every move you make builds momentum.

Stay steady, stay curious, trust the progress you're making and enjoy the journey!

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