

IN NO PARTICULAR ORDER, HERE IS A LIST OF HELPFUL MONEY MOVES AS YOU ENTER THE REAL WORLD.

USING CREDIT/BORROWING TO BUY THINGS THAT LOSE VALUE

Cars, furniture, appliances, and tech gadgets - the value of these things is headed in one direction, and that's down. Paying interest means getting hit twice, first by the value loss, then by finance charges.

There are purchases where borrowing is justified: a home, a business, or an education can be among them, since they at least have a chance of ultimately increasing your net worth. For pretty much everything else, the fewer borrowed bucks, the better.

INSURANCE, THE NECESSARY EVIL

You must carry it and it costs a ton, but very few people take the time to understand the insurance they're paying for, or how they might pay less. Here are five tips on how to manage your insurance.

- Understand your options, whether it is car, home, renters, life, or health insurance
- Review your coverage once a year
- Shop around
- Raise your deductibles to lower your premium
- Don't pay for protection you don't need

BUILD YOUR SAVINGS

According to a study by Forbes, only 37 percent of Americans have enough savings to pay for a \$500 or \$1,000 emergency. Studies show that 56.3 percent of people have less than \$1,000 in their checking and savings accounts combined.

Begin saving now. Calculate how much you'd need to live without income for six months, then make that sum your goal. Set up an automatic transfer into your savings account so you pay yourself first.

BUDGET. IT IS THAT SIMPLE!

Your goal is your destination - where you want to be. The shortest path to get there is allocating your resources with a spending plan and tracking your progress. Not having financial goals and tracking your expenses is like driving around blindfolded, expecting to somehow arrive where you want to go.

Setting budgets and tracking expenses used to be a time-consuming pain because you had to do it by hand. Now, it's as easy as going to a free site like Mint.com or Power Wallet. For more in-depth budgeting tools, there is YNAB. Don't forget all of the options on your iPhone and Android.

FREE MONEY!

Not participating in your employer's retirement plan at work, especially if they offer matching money, is really dumb. Stash all the money you can into a tax-advantaged retirement plan. Take advantage of employer matching contributions and tax breaks. Time and compound interest are essential to building wealth for retirement.

ACTIVELY MANAGE YOUR CREDIT

You've heard it all before: A low credit score means higher borrowing costs, higher insurance premiums, and more difficulty renting an apartment. A bad credit history could even affect your ability to land some types of jobs.

If that hasn't hit home yet, maybe this will: Say we both take out a 30-year mortgage. Because my credit scores are low, I'm saddled with a higher interest rate and higher payments. My monthly payment is \$1,200 a month. Because your credit is stellar, you're offered a lower rate, which means lower monthly payments, \$1,000 a month.

Now, suppose you invest your extra \$200 every month during that 30 years and manage to earn an average of 8 percent annually. After 30 years, we'll both have paid-for houses, but you'll have \$300,000 that I don't have.

That's a nice chunk of change simply for showing up with a good credit score.

RED TO BLACK

Red to Black offers peer-to-peer financial coaching to Texas Tech students. They provide individual coaching sessions and group presentations on topics such as creating spending plans, the importance of saving early, maximizing financial aid (including student loans), how to choose employee benefits, and establishing and wisely using credit. Their purpose is to empower students so they can achieve their financial goals. They believe that no one understands the needs and concerns of students better than fellow students.

Contact redtoblack@ttu.edu for assistance.