



Big Money Dreams?



Congratulations on your new job! You're probably looking forward to your first paycheck and spending money. Below is information to help you avoid financial hardship and make the most out of your hard earned money.

1. 1st Paycheck

When you receive your first paycheck, Look at and understand the deductions.

Taxes

1. Medicare Tax
2. Social Security Tax
3. Federal Income Tax
4. State Income Tax

Benefits (voluntary, usually reduces taxable income)

1. Health, Dental and Vision Insurance Premiums
2. Long-Term Disability & Life Insurance Premiums
3. Retirement Account Contributions

Note: most companies have minimum required hours worked to receive these benefits

2. Budget

- Make it simple by starting with necessities
- How much will you need for food, housing, and transportation each month?
- Compare this with your post-deduction income.
- With the remaining balance, split between savings, emergency fund and fun money.
- Emergency Fund: For unexpected expenses, like a car repair
- Savings: College, house, car, retirement, traveling



Credit Score, Mortgage and Loans



Your Credit Score Matters!

It helps you get a loan or a mortgage.

What impacts it negatively?

Missing any payments, high debt, not paying credit card or loan payments on time.

How to get credit and keep it high?

Make all payments on time and in full.

Credit cards build more credit AS LONG AS you pay them in full and on time.

With a good credit score, you can get a loan for a new car or a mortgage for a house

But just because you can, should you?

When you buy something using a loan or a mortgage, you need to consider the interest that is charged.

This means the true cost is the sticker price plus the interest you are paying monthly.

Did you know?

Investing younger is more important than investing later.

This information sheet was created by a project group of the Hutchinson Leadership Institute, a program of the Hutchinson Chamber of Commerce.

