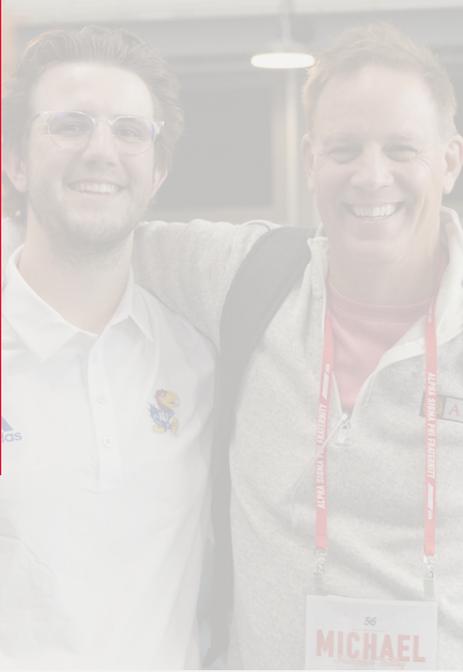




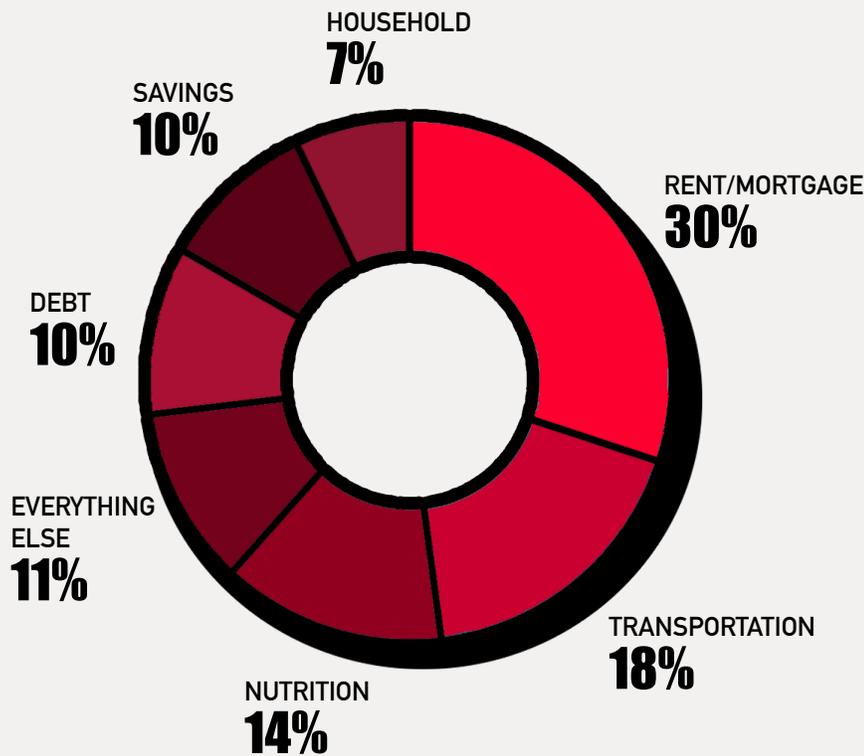
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BEYOND *the* LETTERS



YOUNG ALUMNI NEWSLETTER

FEBRUARY 2026



BEGINNING YOUR CAREER & BUDGETING

Congratulations! You have graduated and are now beginning your career. You are likely making more money than you have in your life. So, how do you take your income and stretch it to cover your expenses? You may have loans to repay, monthly bills such as electricity, cell phone, and internet as well as car insurance, renters insurance, car payments, etc. The below chart shows a suggested breakdown of your net pay, which is also called “take home” pay.

IF YOU FIND IT CHALLENGING TO MANAGE YOUR BUDGET EACH MONTH, HERE ARE SOME TIPS TO HELP REDUCE EXPENSES:

- When going out with friends, use cash. Leave your debit/credit card at home.
- Attend free concerts/plays in the community.
- Use a bicycle and public transportation rather than your car.
- Carry a refillable water bottle instead of purchasing soft drinks or coffee.
- Limit apps or downloads that require fees.
- Keep a spending diary with the date, item purchased and amount to keep track of your purchases.

USING CREDIT RESPONSIBLY

Credit is a valuable tool for your financial arsenal and can help to build your credit history and credit score. Credit can be used to prepare for the future, but like any tool, it can do significant damage if misused. Credit is great to assist with financial emergencies, to accrue valuable rewards or as a cash substitute. The key is to understand the credit terms and to use the credit in a way that leverages your financial capacity, rather than allowing the credit card issuer to use your spending habits against you.

DEBT REPAYMENT

CREDIT CARD BALANCE	INTEREST RATE CHARGED	MONTHLY PAYMENT	MONTHS TO PAY OFF BALANCE	YEARS TO PAY OFF BALANCE	TOTAL COST BALANCE + INTEREST
\$2,000	18%	\$40 MINIMUM	90	7.5	\$3,608
\$2,000	18%	\$50	60	5	\$3,004
\$2,000	18%	\$150	15	1.3	\$2,211



CONTRIBUTE EARLY & OFTEN

	JOHN'S 401(K) PLAN	MATT'S 401(K) PLAN
ANNUAL SALARY	\$35,000	\$50,000
CONTRIBUTION RATE	6%	6%
MONTHLY CONTRIBUTION EMPLOYEE EMPLOYER	\$175 \$87.50	\$250 \$125
TOTAL RETURN	7%	7%
NUMBER OF YEARS WORKED	45	45
COMPANY MATCH	3%	3%
FINANCIAL ACCT. VALUE (AGE 67)	\$995,556	\$1,422,223

TIPS FOR MANAGING YOUR CREDIT

- Limit use to one card
- Don't spend more than you can pay off in the next cycle
- Define an "emergency" that may require use of a credit card
- Understand the terms of the loan/credit card
- Pay more than the minimum payment

SAVING & INVESTING

If you're like most people, you have to set aside money to ensure your financial future in both the short term and the long term. Saving is generally defined as short-term (less than 2 years) and is typically in low-risk products such as bank accounts or money market funds. Savings is designed for emergencies to provide a source of ready cash outside of normal monthly expenses. Investing is longer term and can be for goals such as a downpayment on a residence, retirement, or saving for children's college education, among many other things.

IMPORTANT ADVICE:

- Practice self-discipline—You may have to sacrifice current consumption for your long-term benefit.
- Make savings a fixed expense—Pay yourself first!
- Set realistic goals—Start at a level that is affordable with your current income and add 1-2% each year as you receive annual raises or your income increases.
- Increase your investment knowledge—Use the internet to educate yourself on investment concepts and strategies. AI is a great tool for self-education.
- Invest in a retirement plan that will likely be offered by your employer.



We'd like to thank Ed Leedom, CFP, Bowling Green '86, for providing the statistics shown in this newsletter. He's graciously offered to speak with anyone who has further questions or is seeking advice. He can be contacted via email at eglcfp@aol.com.