

## 10 Smart Money Moves for Your 20s

If you're in your 20s, you have a financial asset money can't buy--time. And time makes your money grow. "Making some smart money moves in your 20s pays off now and in the future," says Bobbie Shocket Lazarz, CFP (certified financial planner). Here's her list of 10 smart money moves for twenty-somethings:

1. Set financial goals, say, to take a vacation, go back to school, get married, buy a house, or start saving for an early retirement. Put your goals in writing, then calculate how much you'll need to save each month to reach them.
2. Make a spending plan, limit your debt, and concentrate on paying off existing bills. Limit debt to your ability to repay. Monthly credit payments, excluding a mortgage, shouldn't exceed 20% of your monthly take-home (after-tax) pay.
3. Build an emergency fund equal to three to six months' living expenses, even if it takes years to build. Use this fund only for true emergencies, such as unexpected car repairs, illness, or unemployment.
4. Save at least 10% of gross income for your emergency fund, future goals, and retirement. If you can't manage 10%, start with 5% and increase it over time.
5. Take advantage of the services FFCU offers. You'll earn more when you save and pay less when you borrow.
6. Make it a priority to get adequate health, disability, auto, personal liability, and tenants' or homeowners' insurance. If someone else depends on your income, you also need life insurance.
7. Once you've implemented your spending plan, built your emergency fund, and obtained appropriate insurance, make the most of your money by starting to invest. Lazarz says the key to making the most of your money is investing small amounts gradually and sensibly over time.
8. Use tax-advantaged savings plans your employer or the government offers to save money for your retirement, such as company 401(k) retirement savings plans and individual retirement accounts at FFCU.
9. Keep job options open by keeping your job skills fresh. Get necessary training and education so your knowledge and skills stay up to date.
10. Maintain orderly financial files to keep track of your money and put your hands on important records when you need them.

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