Money matters. An obvious observation, true, but one often overlooked by young workers starting to draw their first paychecks. The sight of all of those zeros figuring at the end of your annual income is enough to start you dreaming Mr. and Mrs. Bigstuff dreams, when in reality most starting salaries offer little cushion to finance your dreamstuffs. Without intelligent financial planning—including an easy-to-maintain system of money management—you're likely to find your money going out the door faster than it's coming in.

Taking money matters into your own hands may sound intimidating at first, but a systematic approach to saving, budgeting and planning is the surest way to ensure that your bankroll never runs out before the next Pay Day. As we saw in the first installment of *The Real Life Planner*,℠ starting salaries rarely exceed $20,000, and that amount, after taxes, doesn't go as far as you might think.

To extend your money as far as it can go, you'll need a workable system of personal cash management, a functioning budget to keep track of where your money's coming from, and where it's going.

FACT: Many recent graduates live under the false notion that, as single, working adults with only one source of income, a budget is unnecessary. The truth is, you will always spend less, and have more discretionary income, when you operate within a broad financial picture. Budgeting is the only sure path to living within your means.

"Start off slowly," counsels Mark Robertson, director of the New York City Budget and Credit Counseling Service, to young workers who look on their new-found wealth as an excuse to spend wildly. "A lot of times someone will come out of college and they get a pretty good $15,000 or $20,000 salary, and they think that the money will go very far," Robertson says. "It won't. I think everything will fall into place once that person sits down and prepares a budget. They'll see that a third of that salary goes to taxes, in some cities another third might go to rent, and you don't have that much left over for lunch."

There are so many rules of thumb when it comes to managing your money that, were you to follow all of them, your financial statements would be all thumbs—a bumbling, out-of-control mess. In this issue of *The Real Life Planner*, we'll take a look at the prevailing wisdom in financial planning and set you straight on money strategies that matter. We'll also point you in the right direction with advice on where (and how) to look for professional financial advice, and how to determine when you need outside help.

Chances are you'll be earning more money after graduation than you have at any other time in your life. It's likely also that you'll incur more expenses during this time than at any other period to date. Read on for some money management tips to help you make sure the getting and spending of your salary never meets to your disadvantage.

YOUR PERSONAL MONEY-MANAGEMENT SYSTEM

Most students have little day-to-day budgeting worry at school. Sure, there are loans to pay back, tuition bills to be met, but the cost-of-living expenses (room and board) seem to get taken care of in the process. If you're part of a full, campus-living plan, there is already a hidden budget at work for you—your meals and housing are pre-paid; heat, electricity and the use of a dormitory phone are provided without a second thought on your part; the amenities of real world living are taken for granted.

None of this will necessarily be so once you're out on your own. We don't mean to alarm you, but some of the luxuries (and necessities) you've grown used to on campus will be harder to come by after you flip your graduation tassle to the other side of your mortar board.

"It's a cold shock when most students come out into the real world," observes Nancy Dunnan, author of *Financial Savvy for Singles*. "They can't bury their heads in the sand anymore, they really do have to meet the bills. There's no way around it."

"What we're seeing in the young worker group is too much, too soon, too fast, with too little planning," reports Pat Zito, a senior financial counselor with the Office of Consumer Credit and Counseling in Seattle, Washington. "With the people who are getting out of college it's been deny, deny, deny to get through school, and now that they're in the realm of the steady paycheck there's an impatience to catch up."

Since there's no way around it, let's