



### STARTING OUT

Starting out can be one of the most exhilarating times in your life. School or training is finally done and you are ready to make your mark. Getting a job is your first step to becoming financially independent and leaving home to establish your own household can be easier if you follow some basic rules. We hate to resort to school lingo, but in all cases do your homework! You may not get the job of your dreams at the start and you may have to make some concessions when you rent or buy your first home. Be prepared to be flexible and look at everything you do now with your long term goals in mind.

#### Your first job.

You have studied or trained for years and want to make sure that you get a job that makes the most of your talents. Decide if you are willing to do shift work or be on call during your

time off. Many companies now do not operate solely on a 9 to 5 schedule, so be prepared that you may have to be flexible in this regard as well. Research the company before you apply for a position and ask if they provide opportunities for you to advance or if they provide training venues so that you can "move up the ladder". Find out what kind of benefits are available and, if it is a unionized employer, what the terms of engagement are with both the company and the union.

Begin as well by networking with people you and your family or friends know. Join Linked In or other networks and start searching; you may be surprised at the number of people you know. They can provide you with an inside scope on available positions and if the company is a good employer. If you want to start your own business be aware of upfront costs and the time it may take you to establish yourself before you start to make a profit.

#### Banking needs.

There are all kinds of accounts out there. Determine what you need and who the best provider is. Many bank accounts have hidden charges or they provide "free" transactions for a minimum monthly fee, some of which are high. Credit Unions traditionally offer you the best value and you should look to Comtech first to see what they offer in terms of everyday banking products. Access to Internet banking, surcharge free AIMS and POS are basic necessities. Many employers require that you have an account that accepts direct deposit as this is the safest, most efficient way of depositing your pay.

#### Budget.

Before you start looking for a place to live and start buying furniture and big screen TVs, it's important to establish a budget. You know how much is coming in on a monthly basis; you now have to determine what your threshold is for funds going out. Living in a luxurious place that is beyond your means will not get you to your long term goals, which may be to travel or purchase a home. Live within your means. The most common mistake people make is to go beyond their paycheque and live on credit. Don't bankrupt your future.

#### Finding a place to hang your hat.

Before you go looking for a place to live, know what the maximum is that you are willing to pay each month. Renting in large urban centres gives you a variety of choices but at all times take transportation needs into account. In order to rent a larger accommodation, you may have to consider sharing the rent with a roommate but remember that this can also create problems especially if the roommate leaves abruptly or cannot pay their share of the rent. What to do!

Sometimes flats or basement apartments in private homes provide the most affordable accommodation and are a good place to look for when starting out. Remember too that when you sign a lease, it is a binding document. By not fulfilling the terms of the lease, you could incur legal fees or have a derogatory reference on your credit rating. So take your time when looking for your first place to make sure that you will enjoy living there.

#### Furniture and appliances.

Most rental accommodation will have appliances like a fridge or stove, but will probably not have some other basic items like a microwave, toaster, or kettle. Unless you rent a furnished apartment or flat, you will also need to furnish your home and this can add up.



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Try to stagger your purchases and limit your initial buying to absolute necessities like a bed or kitchen table. The couch, TV, and bookcases may have to wait. It is all too easy to buy on credit but with credit card financing fees at approximately 19% and store credit card rates at 29%, your buying power in the future would be seriously limited by having to pay those high interest charges. Ask family and friends for "donations" of items they may not need anymore or are thinking of replacing and check out consignment furniture stores for deals. Whine to your mother, she'll come across!

### Establish credit.

You may not feel like you need to establish a credit rating now but it becomes very important when you are ready to buy a car or purchase a home. Getting a national credit card and paying your bills off in full monthly is one of the best ways to establish a good credit rating. Forget to make a payment and your credit rating can take a dive. Then when you are ready to take on a bigger obligation you may find your range of lenders limited because every lender will access your rating and make their decision based on what they find.

### Start a savings plan!

If you ask any financial planner what the most important thing is to become financially independent they will tell you that you should start saving something as soon as your first pay cheque hits your account. The most common advice is that 10% of your net pay should be directed to savings. This can be in the form of a registered retirement savings plan, a tax-free savings account or just a high interest savings account. Your Credit Union can give you the best advice on how to do this and where the best place is to direct your funds.

\* Securities and securities related financial planning services are offered through Qtrade Advisor, a division of Qtrade Securities Inc., Member of the Canadian Investor Protection Fund. Mutual funds are offered through Qtrade Asset Management Inc., Member MFDA.

### Country mouse to the city and vice versa.

Your new job may take you to a new city or move you from the city out to the country. Each transition has its own challenges. You will leave behind friends and possibly family so it's important that you weigh the benefits against the drawbacks before you make the move. As the global village gets smaller, there are many younger people who also accept job offers from abroad and move to exotic locales. If you decide this would be an exciting option, make sure that the company that hires you has support mechanisms in place. Looking for a place to live in say Singapore, could be an overwhelming experience when you have no knowledge of the area or the processes involved in finding somewhere to live, bank, shop or meet other people.

### Starting your own business.

Being your own boss sounds just about right, but when you are starting out the hours are long and your earnings may not meet your expectations. There are many websites that can give you advice on starting your own business and one of the first requirements is that you establish a workable business plan. Is there a need for your skills/business? Is the marketplace saturated with entrepreneurs in this field or is there a niche for you? What are your start-up costs? How long can you exist with minimum income in order to establish yourself? Where will you get your living expenses if your business projection takes longer than expected? Not trying to dissuade but having a plan before starting your own business alerts you to the challenges that you will face before you can start reaping the rewards.