

Pattie Lovett-Reid: 10 pieces of financial advice for new grads



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With a smile on their faces and a diploma in hand, what's next for the recent graduate?

It is all about creating a new set of goals with a very clear outline of what you are trying to achieve. For most, it will be about securing a full-time job. And while your degree might get you in the door, your experience, attitude and even social media presence could trump your academic achievements. Many will chart their own course and have their own path, but it's important to remember your path, like so many others, can be messy until you achieve your own success.

Assuming you land a job, in all reality it isn't likely to be your dream job. However, know that very few actually retire from their first job, so don't wait for the perfect position. Your first job is often a stepping stone and an opportunity to make some money. You will be asked to do jobs that are outside of what you thought your job would be – embrace it and see it as a learning opportunity. You want to be a valuable team player regardless of your role, not the one who always complains and does less than expected.

In light of the graduation season, here are 10 pieces of financial advice I would give my younger self:

1. Create a budget, stick to it, and know exactly how much money you have coming in and what you are spending it on.
2. Spend less than you earn – always.
3. Pay yourself first. In a perfect world 20 per cent, but start with 10 per cent.
4. Take some risk. Don't be afraid to take on new assignments, be prepared to learn on the job, and step out of your comfort zone early in your career – and do it often.

5. Minimize discretionary costs by going line-by-line and cut out unnecessary spending. The sooner the better.
6. Tackle your debt by paying off the most expensive debt first: the one with the highest interest rate, not necessarily the biggest balance.
7. Ask for feedback from those without an agenda. People have a tendency to listen to those who simply tell them what they want to hear.
8. Embrace life-long learning.
9. Don't leave any money on the table by not understanding your benefits package.
10. Chill out as hard as you hustle. Burnout happens when you least expect it.

As James McCreath, portfolio manager at BMO Nesbitt Burns said to me: "Financial literacy is critical. The more you learn about money, investing and financial planning, the better prepared you'll be to make sound long-term decisions. Ask questions. It's your money and the more you know about how it's working for you, the better off you'll be. And remember, there are only three things you can do with money: save it, spend it or give it away. Saving is the hardest part, so if you can develop the discipline to save, you enhance your ability to be adequately-prepared for life's financial requirements."

A little humility goes a long way. Treat all people with respect and shake hands on the way up because you may have to shake them on the way down.