

Financial Planning for Recent College Graduates

What is Financial Planning?

Financial planning is a comprehensive and custom process of managing your money to achieve financial security and to meet financial goals. Strategies are implemented to optimize wealth accumulation and minimize your tax liability while implementing risk mitigation strategies to protect your assets and achieve your financial goals. Financial planning considers:

- Budgeting and cash flow management—understand how you spend your money and identify areas to improve upon, pay down debt, build a good credit history, and identify a budget for savings.
- Savings and Investment Management—establish an emergency fund, employer or self-employed retirement plans (tax-deferred), and individual investment strategies (tax-free and taxable accounts).
- Tax Planning—develop strategies to minimize tax liability and optimize tax-advantaged accounts.
- Risk mitigation—protect income and assets with the use of health, life, disability, property, auto and liability insurance. Other strategies include the use of an emergency fund, Roth IRAs, Health Savings Accounts (HSA), and taxable brokerage accounts.
- Estate planning—plan for the distribution of assets, according to your wishes, after death. This includes wills, medical directives, beneficiary forms, trusts, and powers of attorney.

Top 5 Benefits—For a recent college graduate or someone early in their career, working with a financial planner can be a powerful way to build a solid foundation for long-term financial success. Potential financial stress is reduced by making informed decisions.

1. Build smart financial habits early
2. Manage student loans and debt
3. Start retirement savings right the first time
4. Create a clear plan for financial goals
5. Avoid potentially costly mistakes

1. Build Smart Financial Habits Early—Habits formed in your 20's and 30's compound over time, whether good or bad.

- Develop and stick to a realistic monthly budget.
- Identify discretionary income to commit to an investment strategy. Investment savings can be used to fund retirement needs, an emergency fund, first home purchase, and other financial goals.

2. Manage Student Loans and Debt—mismanaging debt early can lead to years of financial setbacks.

- Choose the right repayment plan for your financial situation and understand your refinancing options.
- Balance debt payments with savings goals.
- Build and manage “good” debt—evaluate and choose a consumer credit card that provides benefits (cash back, travel rewards, etc.) and reduces fees. Utilize a credit card for monthly living expenses and pay off monthly. This method can help to track spending and establish a strong credit history.

3. Start Retirement Savings Right the First Time—saving even a minimal amount early can have a huge impact due to compounded earnings.

- Evaluate and establish an employer or self-employed retirement plan. Begin contributions to a tax-free Roth IRA and/or tax-deferred retirement accounts, such as a 401(k) or IRA.
- Choose appropriate investments based on your risk tolerance, risk capacity, and time horizon.
- Evaluate and take advantage of other employer benefits, such as Health Savings Accounts (HSA), Flexible Savings Account (FSA), group term life and disability insurance, health insurance, and possible employer educational benefits (reimburse for further education or pay off loans).

Financial Planning for Recent College Graduates

4. Create a Clear Plan for Financial Goals—without a clear strategic plan, people are often focused on short-term wants at the expense of long-term goals.

- Pay off debt, whether it be student loans and/or consumer credit cards.
- Identify financial goals and develop a savings strategy to purchase a car, purchase a first home, travel, or pursue other hobbies.
- Plan for graduate school, other professional certifications and licenses, or future entrepreneurship.

5. Avoid Potentially Costly Mistakes—mistakes made early can have long-term consequences; however, identifying and taking corrective actions earlier, rather than later, can ensure you are back on the right path for financial success.

- Choose the right types of insurance specific to your needs.
- Avoid bad investments or scams.
- Navigate, with a trusted financial planner, taxes and major financial decisions.

Final Thoughts

Choosing a trusted fiduciary, someone who prioritizes your needs above their own, can be an important step in providing your financial security and ability to meet financial goals. To get a better idea of the breadth and detail of NovaPoint's financial planning process, check out this [Sample Financial Plan for Recent College Grad](#). At NovaPoint, our investment, wealth management, and tax experts can help advise you on your employer benefits, establishing a retirement plan, managing debt, optimizing tax strategies, and planning for various financial goals. If you want to manage your money more wisely and develop your own financial plan, [contact us here](#).

Written by Meghan Hoover, Investment Associate, Financial Planning Team

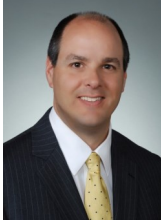
NovaPoint – Financial Planning and Wealth Management

The NovaPoint Team



Joseph Sroka, CFA, CMT / Chief Investment Officer / jsroka@novapointgroup.com

Joe has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a portfolio manager at Spectrum Advisory Services and GMT Capital in Atlanta, and Epoch Investment Partners in New York. He has also worked as an equity research analyst at Merrill Lynch and ABN Amro. Before beginning his investment career, Joe was an Infantry officer in the U.S. Army. Joe holds a BS from the U.S. Military Academy at West Point and an MBA from the University of Chicago. He is both a Chartered Financial Analyst (CFA) and a Chartered Market Technician (CMT).



Alan J. Conner / President and Chief Compliance Officer / aconner@novapointgroup.com

Alan has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a fixed income manager at both Spectrum Advisory Services and a private family office. Alan was also with the Bank Group division of Countrywide Capital Markets where he developed balance sheet strategies for depository institutions. He holds a BS in Banking and an MBA in Finance from Nova Southeastern University. Alan is an endurance athlete and three-time IRONMAN finisher.



Frederick Wright, CFA / Managing Director & Portfolio Manager / fwright@novapointgroup.com

Frederick has over 30 years of experience in the investment management industry. Prior to joining NovaPoint, Frederick was a Partner and Investment Advisor at Brightworth where he advised high net worth investors. Frederick began his investment career in 1991 at Balentine & Co where he rose to Partner. He also co-founded and served as Chief Investment Officer at Wright Investment Management and at Smith & Howard Wealth Management. Prior to beginning his investment career, Frederick served as an Engineer officer in the U.S. Army. He holds a BS from the U.S. Military Academy at West Point and an MBA from Emory University. Frederick is a Chartered Financial Analyst (CFA).



Larry Dixon, EA / Tax Managing Partner / ldixon@novapointgroup.com

Larry leads NovaPoint's accounting, tax and outsourced CFO business. He built his previous company, Atlas Solutions, as a solo entrepreneur before merging into NovaPoint CFO. Larry began his career as a Field Artillery officer in the United States Army. Larry earned his Bachelor of Science degree from the U.S. Military Academy at West Point, where he was a four-year letterman on the football team. Larry is a certified Enrolled Agent, recognized by the U.S. Department of the Treasury to represent taxpayers before the Internal Revenue Service.



Meghan Hoover / Investment Associate / mhoover@novapointgroup.com

Meghan is an Investment Associate focusing on financial planning. Prior to joining NovaPoint, Meghan spent 18 years in government service as an Operations Officer in military intelligence. She holds two Bachelor of Science degrees from the University of Maryland and a Master of Science from the Joint Military Intelligence College. Meghan has additional education specializing in financial planning, successfully passed the Certified Financial Planner® (CFP®) board exam, and is a member of the Financial Planning Association.



Blake McDaniel / Investment Associate / bmcdaniel@novapointgroup.com

Blake is an Investment Associate focusing on financial planning. Prior to joining NovaPoint, Blake served in the United States Army with 7th Special Forces Group, specializing in intelligence. Following his service, he worked as a financial planner in Atlanta. Blake has a Bachelor's degree in business administration and analytics from the American Military University and a Bachelor's degree in finance from Georgia State University.

NovaPoint Capital LLC (referred to herein as "NovaPoint" or "the Company") is registered with the SEC as an investment adviser, but registration does not imply any certain level of skill or training. The information contained in this document has not been filed with, reviewed by or approved by any regulatory or self-regulatory authority.

Not an offer of advisory services or securities: This document is limited to the dissemination of general information about the services provided by the Company and is provided for informational purposes only. This document is intended for residents of the United States only and the information contained herein does not constitute an offering of advisory services or an offer to sell or solicitation to buy any securities or other financial instruments in any jurisdiction in which such offer or solicitation, purchase or sale would be unlawful under the securities, or other applicable laws of such jurisdiction. Nothing contained in this document constitutes tax, legal or investment advice. Responses to any inquiry which may involve the rendering of personalized investment advice for compensation or effecting or attempting to effect transactions in securities will not be made absent compliance with state broker-dealer, investment adviser, broker-dealer agent or investment adviser representative registration requirements, or applicable exemptions or exclusions from such requirements.

Investment risk: The Company makes no representation, and it should not be assumed, that past investment performance is any indication of future results. Moreover, wherever there is the potential for profit there also is the possibility of loss. Certain of the Company's strategies may involve investments that are illiquid, are subject to a substantial risk of loss and are not suitable for certain investors.

Limitation of liability: While the Company uses reasonable efforts to include accurate and up-to-date information in this document, errors or omissions sometimes occur. The Company makes no warranties or representations as to the accuracy of this document. Opinions expressed herein are subject to change without notice. Under no circumstances shall the Company or any party involved in creating, producing, or delivering this document be liable for any direct, incidental, consequential, indirect, or punitive damages that result from the use of the information contained in this document, even if the Company's authorized representative has been advised of the possibility of such damages. Applicable law may not allow the limitation or exclusion of liability or incidental or consequential damages, so the above limitation or exclusion may not apply to you.

Trademarks and copyrights: All trademarks, service marks, trade names, logos, and icons are proprietary to the Company. Nothing contained in this document should be construed as granting, by implication, estoppel, or otherwise, any license or right to use any trademark displayed in this document without the prior written permission of the Company or such third party that may own the trademarks displayed in this document. Your use of the trademarks displayed in this document, or any other content in this document, except as provided herein, is strictly prohibited.