



## **Your First Job!**

The reopening of school not only means new students, it also means a new group of young people entering the work force. And for most of them, it will be the first time that they will be working, save for the occasional summer job. This week, we provide these 'rookies' with some important tips as they embark on their financial journey.

### **Budgeting**

Budgeting allows you control over your life. People are constantly looking for that miracle that would allow them to predict their future but the truth is that it is all down to **budgeting**. Making a budget is very easy, all one has to do is record all his/her expenses and subtract them from his/her income. If the expenses exceed the income then there is a problem. One should always strive to have income above expenses with an allocation for savings included. Budgeting can also allow you to see the areas where you can cut back, for example, on entertainment.

### **Savings vs. Investing**

New job entrants have the option of saving their money as opposed to investing it. Both have benefits so we suggest that you seek financial advice before making any investment. There are a number of ways in which people can invest or save their money. For savings, there are savings accounts, chequing accounts, retirement accounts and certificates of deposit (CD). Regarding investments, there are money markets, bonds, treasury bills and shares. Your decision to save or invest will depend on what your immediate future plans are. The best advice would be to diversify i.e. place some funds in savings and some in investment, bearing in mind that savings in a bank is the most secure form of savings. However, the upside to investments is that the returns are usually higher than a regular savings account.

### **Preparing for Retirement**

Retirement planning is very important and so one should start planning early. Currently, many financial institutions offer retirement savings accounts, for example, Bank of Saint Lucia offers the Registered Retirement Investment Account (RRIA). This account allows you to build your retirement savings while receiving some tax relief. Most people dream of the day when they can drop out of the rat race and spend time with their family. However, most people do not save for this. But it is imperative that we try to save as much as possible for the kind of life we wish to enjoy.

We hope that the information provided will in some way assist our new job entrants. If there are any additional questions you may have about savings, budgeting or investing, feel free to call a Personal Banking Officer at 456-6000.