



# MONEY TIPS & GIFT IDEAS

## *For the Graduate On Your List*

by **Richard Rosso, MS, CFP, CIMA**

It's that time of year again. Wide-eyed grads are anxious to move on to the next step. It's exciting for them and their loved ones-an important and memorable milestone has been reached.

Thankfully, the prospects for employment are improving for new grads. What are the perfect gifts for the class of 2016? What about those student loans? Many will venture out into the workplace at least \$28,950 in debt. Here are some ideas: ***The Right Gifts for Today's Grad Go A Long Way:***

1). ***Don't Discount Cash*** ? Not imaginative, but effective. Since it may take a bit longer to gain employment, bolstering an emergency reserve in the form of a savings or money market account for a grad, could be a lifesaver. 2). ***Make it Personal*** ? A personalized writing instrument, new leather laptop case or briefcase, or a quality watch, can go a long way to impress prospective employers. A vast collection of items for monogramming can be found at [www.thingsremembered.com](http://www.thingsremembered.com). 3). ***Think from the Heart*** ? Graduation is a special time to pass down a special family heirloom-perhaps great-grandmother's earrings or grandfather's timepiece are ways to express how proud the family is of the accomplishment. It's a time for celebration.

There exists an opportunity for reflection, too as gifts from the past can take on new life with graduates. 4). ***The Gift that can Keep on Giving*** ? Investing in a resume-writing service package may go a long way to assist a new college graduate with securing a job. Package prices can range

from \$69-\$230 so do your homework before a purchase. 5). **Help with that Student Loan** -a sigh of relief may be heard with a simple note that shows support in helping make student loan payments early on as their life gets started. The burden of debt payments are a major source of stress with today's Grads. A little help could go a long way. **The Right Money Habits for a New Grad lead to Success:** 1). **Don't Overlook Tax Deductions** ? It may be too soon to worry, but tax planning now will help you later. Student loan interest can be deducted if you're legally obligated to pay interest on a qualified student loans. If filing single with a modified adjusted gross income of \$65,000 or less, there's a \$2,500 deduction available. The deduction is reduced if your modified adjust gross income is between \$65,000 and \$80,000. If married filing jointly, the full deduction is available if modified adjusted gross income is \$130,000 or less. Unfortunately, job-search expenses aren't tax-deductible when looking for a first job, but new grads can write off the cost of job-related moving expenses. Meeting with a tax advisor would be a smart idea. 2). **Think Retirement Now** ? Don't forgo signing up for the company retirement plan even though your budget may be tight with an entry level full-time job. Contributions are considered pre-tax and will lower your taxable income thus your tax burden. If there's a match provided, **that means free money** as your employer provides additional contributions to match your contributions up to a specific percentage. 3). **Forge a Two Year Saving Plan with a Little Help From Parents** ? With a challenging economy, asking mom & dad to shelter you for a couple of years doesn't seem farfetched, even if you've secured a first job. Here's your opportune time to focus on saving as much as possible and paying down student loan debt. **Don't blow it.** 4). **Don't Disrespect Insurance** ? It may sound tempting to gain a bit more pocket money over paying for disability, renter's or health insurance. What are the odds of getting robbed or becoming disabled or sick? You better hope they're zero because a disability, serious illness or apartment robbery could be enough to financially break you. Remember, insurance is a way to transfer risk to another party (the insurance company) for a rather nominal fee. Make certain to examine your employer's benefits package carefully or review it with a Certified Financial Planner professional. Graduation is a significant milestone in a young adult's life. **Smart gifting and financial planning strategies right from the start will go a long way to jumpstart success.**

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