BELLE EVE
FINANCIAL

Bird Launcher Program

A guide for recent graduates to commence their journey towards financial independence.

Understanding Your Offer Letter

- An at will employment status: Employee may be dismissed at any time or reason within legality. This is typical as it also means you the employee can leave employer at any time.
- Exempt employment status: Exempt employees are ineligible for overtime pay.
- Mandatory arbitration clause: Prohibits employees from taking disputes to court. Instead must settle through private arbitration.
- Non-compete clause: Employee cannot join competitor upon leave of company. Will typically have a geographical or time limit.
- Make sure any special considerations or other benefits/perks/future actions are in writing.

Employee Benefits

- Legally required benefits include social security, unemployment compensation, worker's compensation, and family and medical leave. Popular optional benefits include PTO (paid time off), wellness programs, and education benefits.
- Employers with 50 or more full time employees are required to offer health care. Plans vary by company and employees will have a variety of options to select. Dental and vision insurance is separate.
  - Health Maintenance Organizations (HMOs): Limits coverage to care from doctors who work for with the HMO.
  - Preferred Provider Organizations (PPOs): Pay less if you use providers in network.
  - High Deductible Health Plan (HDHP): Monthly premium is usually lower but pay more before the insurance company will begin to pay. Typically younger people are healthier and have less money so this may be appealing.
  - Flexible Spending Account (FSA): Use pre-tax money to pay for qualified medical expenses (ex. over-the-counter items, dental care, and vison care). There is a dollar limit each year and any unused funds do not roll over. Must be offered through employer.
  - Heath Savings Account (HSA): Make pre-tax contributions to pay for qualified medical expenses. This money is not subject to use it or lose it like the FSA. You can invest this amount similar to a investment account. Can open without an employer.

Save for Retirement

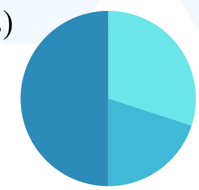
It is critical to start investing for retirement early. Historically, the S&P 500 has had an average return of around 10% for nearly the last century. Using the rule of 72, your money should double roughly every 7.2 years. Time is the biggest factor, use it. You can and should have both a 401k and a Roth IRA.

1. 401k: Offered by employers who will often match your contribution up to a certain percentage (free money). To enroll, choose which offered package you prefer. Contributions will be deposited into your account automatically from your gross income. This means you are investing pre-taxed dollars, but will pay taxes on withdrawals. It is suggested you contribute at least enough to get full employer match. There are limits to how much you may invest each year. Remember you must be at least 59 and 1/2 before you can make withdrawals without penalty.
2. Roth IRA: Contributions are after-tax dollars meaning you are able to withdraw them tax-free after the penalty free age of 59 and 1/2, as long the account has been open for five years. There are limits to how much you may invest each year. Beneficial if you believe you will be in a higher tax bracket in future years. To open, you will need to go to find a brokerage and choose your investments as this is not offered by employers.

Your First Paycheck

Maintaining an accurate budget is critical for understanding your cashflow. Remember being over or under budget indicates a misallocation of funds - you want to be as accurate as possible. Knowing how much you spend in a year allows you to know how much money you need to retire.

- Follow the 50/30/20 rule: 50% of after tax income is spent on needs (rent, groceries)
30% on wants (entertainment, restaurants, travel)
20% on savings/growth
- Build up a emergency fund of ideally 3-6 months worth of expenses.



You do not need to have a perfect plan to start budgeting or investing.
You're young. Use this time to learn and adjust.

Legal Documents

1. HIPPA: A legal document an individual signs for their health care provider before the entity may disclose or use the individual's protected health information. The signature of the document authorizes the sharing of this information for treatment, payment, and healthcare operations.
2. Power of Attorney (POA): A legal document that provides someone the ability to act on behalf of you
   a. Durable Power of Attorney: Allows someone to act on behalf of you if you become incapacitated.
   b. Medical Power of Attorney: The person has the ability to sign agreements related to medical care. Typically this document contains a living will and possibly a do-not-resuscitate clause.
3. Will and Trust: Dying without a will requires state authorities to assume control of your assets and then distribute them. You can get a basic Trust and Will so that you control how your assets are distributed instead of the state you reside. There are many details so it is best to consult a lawyer.