



SWC Advice

**A PSWE POST-COLLEGE
GUIDE FOR SENIORS**

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TABLE OF CONTENTS

What I wish I knew... advice from PSWE alumni	1-2
Making Friends: Outside of Work & at Work	3-4
How to Stay Connected with SWE	5
6 Financial To-Dos	6-8
Insurance: Health, Life & Disability	9-10
Taxes	11
Investing Tips for Your 20s	12

What I wish I knew... advice from PSWE alumni



Megan Bingenheimer
BSEEE '23

PSWE Professional Director 2022-2023

1. **You don't have to have your "dream" job or move to a big city right out of college**, even if you feel like your friends and peers are. Comparison is the thief of joy! Know that each step will move you closer to discovering where you want to be.
2. I expected that after being a senior in college and completing my engineering curriculum that I would hit the ground running and immediately make contributions at work. **Expect for it to take some time before you really get the hang of things** - do more learning and listening for the first three months.
3. I thought that when I started my job I would make friends with all these young college grads but most of my colleagues are close to retirement. I found that a better way to make adult friends was to find community groups like joining a sports team or hobby group.
4. **Adult friends are hard to make, but harder to keep.** You have to dedicate some effort to keeping in touch with your college friends. Schedule a FaceTime call or visit when you can!

What I wish I knew... advice from PSWE alumni



Angie Zhang
BSAAE '22

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1. **You will probably never live walking distance from your friend group, and that's ok.** It just means you find commonalities that'll help you see each other on a recurring basis to stay in touch. This also means you're going to have to be more intentional about who you spend your time with because you're not going to have the convenience of walking to your friends house or seeing them in class.
2. **You are not the only one struggling to make friends.** Most young people are "transplants" in the city or town you're living in and everyone is also trying their best to meet people. Take the initiative and don't be afraid to cold approach someone on the street or at a social event. They probably wanted to talk to you anyways (at least I tell myself that haha).
3. **Whatever city or town you move post-grad does not have to be permanent.** It's scary starting from scratch, and once people start in one place, they don't ever feel the need to move and start over because they're comfortable. Don't be afraid to uproot your life and move somewhere you've never been. This is the only time in your life you don't have things holding you down. Experience living in a bunch of different cities and places so when you are ready to settle down in one place, you will feel like you've seen so many parts of the US and world, and there's no regret. People say this about jobs, but you'll know when you're ready for a change when you're too comfortable. Take that as an opportunity to move somewhere new for a challenge and to try something new.
4. **Unless you move to a city with your college friend group, it's tough staying in touch.** Best way I found that works for me is scheduling bi-yearly group calls for everyone to catch up

Making Friends



Advice from
Angie Zhang
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Outside of Work

1. Joining sport leagues, work out classes, art classes, and grab dinner with them afterwards. Best way to meet people from all different backgrounds while having a common interest
2. Is there an activity or a sport that you love to do? Set up something that's reoccurring and invite everyone you know that shares that hobby. For example: I got really into beach volleyball post-grad. I invested in a net because I knew the return of investment on friendships would be well worth it. I started inviting everybody I know to the beach on a Saturday morning to play beach volleyball. Naturally, people will start bringing their friends, you will naturally start to form a strong community of people who all share the same passion for a hobby as you do. That way you see your friends on a weekly basis and your friendships go a lot farther than your typical planning dinner to catch up every couple of weeks.
3. Elevator Talks: We all know how awkward riding the elevator with people is. When you move into your apartment post-grad, be brave and strike up conversation with people you get into the elevator with. If they're carrying bags of groceries or takeout, ask where they got it from, what they recommend you get at the grocery store, etc... or ask them if they have any plans for the weekend or the rest of the day.. These conversation starters have worked wonders for me AND help you make friends in your apartment so the occasional time you forget your key fob or you see a giant cockroach and need help killing it, you can phone a friend to help out (and yes, speaking from experience).
4. Especially when you move to a new city, ALWAYS say yes. And don't just stop once you feel you've met enough people, there are always people to meet and things to learn from those people.

At Work

1. Join a Resource Group at your company to plan events (community service, networking, professional events, etc.). I'm sure a lot of people on the SWE board love planning and organizing events. Don't stop after you graduate, get involved with your company to build your network. Two benefits from this: 1. you can bring it up during your annual performance reviews and it's a huge flex because it shows that you're active with the company outside of just your work. 2. you can meet so many people through planning these events. Example: when I moved to Seattle for Boeing, I joined the resource group to plan networking events. I planned a happy hour my 1st month working (yes it was terrifying but so worth it) - 60 people came, everyone was young and had just moved to the city; I met some of my closest friends through these happy hours. Tying in the "Recurring events" advice I talked about earlier, I planned the same happy hour every quarter and my last happy hour had over 200 people in attendance because of word of mouth on how people were meeting so many other young and new individuals. Highly recommended because you build your reputation at your company while building your own network of people.
2. Organize bi-weekly dinners with your coworkers who are in the same (program, role, cohort) with you. More often than not, they also want to make friends in this new job/city, someone just needs to corral everyone. Key to transitioning coworkers to life friends is getting them out of the work setting. Grabbing dinner with a group of people that you share work with will, one, create a community that you can then bring into the workplace and help each other out, and two, help you find commonalities outside of your immediate work.
3. Similar to #2, set aside 30 mins for lunch to eat in the cafeteria with your coworkers or young engineers you meet from all around. Even though you have to stay later in the day, it's well worth building connections with people you work with. Sometimes grabbing dinner is a commitment so this is an easier way to meet up with people in a less formal setting.



How to stay connected with SWC

PROFESSIONAL MEMBERSHIP

- SWE'S PROFESSIONAL MEMBERSHIP GIVES YOU ACCESS TO A DIVERSE, GLOBAL NETWORK OF ENGINEERS AND ALLIES. BENEFITS INCLUDE: NETWORKING AND COMMUNITY, EVENTS, CAREER RESOURCES, EDUCATIONAL RESOURCES, AND PROFESSIONAL DEVELOPMENT. MAKE SURE TO CHECK IF YOUR EMPLOYER HELPS COVER THE COST OF MEMBERSHIP.

FIND YOUR LOCAL SWE AFFILIATE OR SECTION

- [HTTPS://SWE.ORG/MEMBERSHIP/SECTIONS/](https://swe.org/membership/sections/)



JOIN PSWE'S ALUMNI NETWORK

- FILL OUT THIS FORM TO STAY CONNECTED WITH PURDUE SWE:
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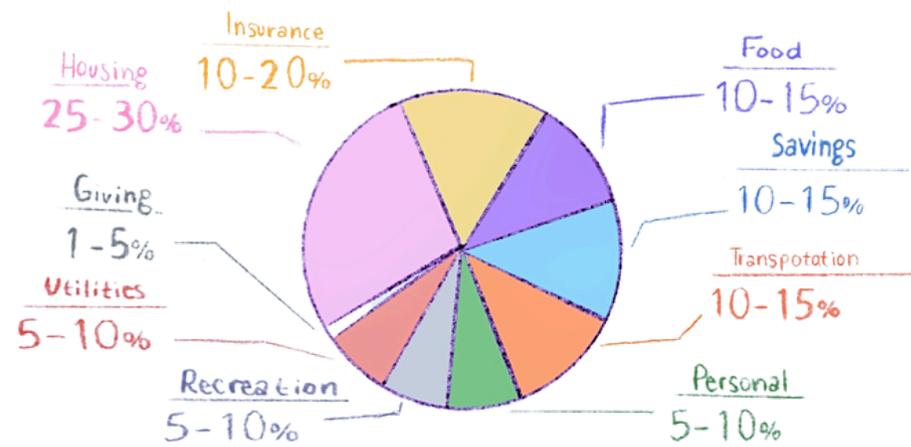


6 Financial To-Dos

1 Develop good budgeting habits

To get an idea of how to set up your budget, start by tracking your spending to see where your money is going.

- Create line items for your **must-haves**, like rent, groceries, and utilities
- Next, aim to pay off **debt** and boost your progress toward **savings goals**
- Make room for **meaningful spending**, which could be travel, events, or a monthly allotment for nights out with friends.



Use the figure to the left for a reference on how to slice your budget.

You may need to add categories (debts, childcare, healthcare etc.).

A common guide

- 50% of income on needs
- 30% on wants
- 20% on savings and debt repayment.

2 Pay down your debts

Debt for people in their 20s is often in the form of **student loans** or a **credit card balance**. Look for places you can reduce spending, then reroute those funds towards paying off debt.

Hold yourself accountable by building payments into your budget and automating them if possible. If you have credit card debt, work to pay that off first - it typically comes with the highest interest rate, which means paying a lot more for something in the long run. Paying more than the minimum each month will cut down what you end up paying in interest.

3 Build a solid credit score

Good credit makes more things possible. With a credit score **720 and above**, you'll get **lower interest rates** when you need to borrow money, so you'll spend less over time on large purchases like cars and a home.

Paying off your credit card balance every month and making loan payments on time are good first steps toward improving your credit score.



4 Set up an Emergency Fund

One of the best steps you can take in your 20s is to establish an emergency fund to cover any **unexpected expenses** that may arise, such as **medical bills or car repairs**. The money in your emergency fund can help you avoid taking out a loan or carrying a balance on a credit card, which can save you money on interest charges.

When you set up a fund, consider keeping the money in a **high-yield savings account** that limits how often you can **withdraw without penalty**. This might help reduce the temptation to withdraw money for non-emergencies. Experts generally recommend putting three to six months of expenses into an emergency fund, but some are now encouraging people to focus on saving as much as you can afford after covering necessary bills.

5 Develop Good Money Habits

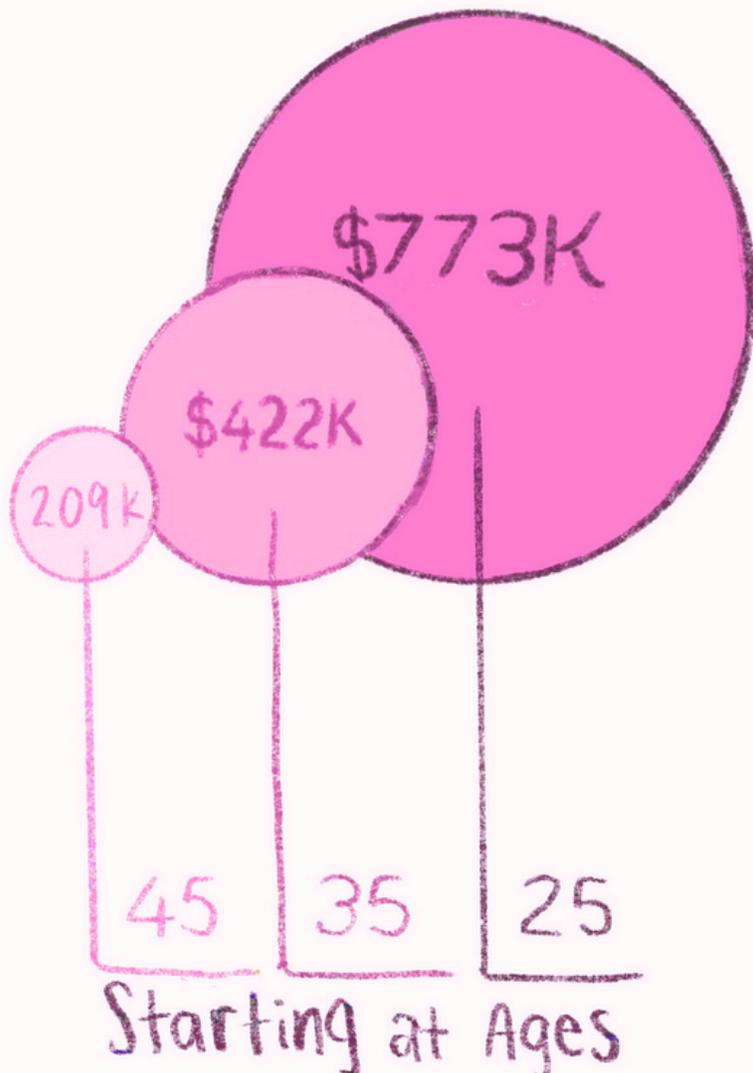
Build good money habits and be proactive with your finances while in your 20s.

- Get into the habit of **regularly checking your different account balances**
- Avoid paying unnecessary monthly fees by making sure you have a no-fee checking account
- Make sure to spend within your means and avoid racking up unnecessary credit card debt and paying high interest charges
- Be proactive and monitor any changes to your credit history to spot fraud early.

6 Start Saving for Retirement

It's never too soon to start saving for retirement. The earlier you start putting money in the more it can grow. Many employers offer a retirement account, such as a 401(k), that you can open and deposit a percentage of every paycheck into each pay period. Additionally, many employers match your contributions up to a certain percentage. As a general rule of thumb, opt to save at least a percentage that is equal to your employer's match. So if they match up to 6% of your contribution each paycheck, choose to transfer 6% or more to your 401(k) every pay period. Also, Roth IRAs are a great alternative to a 401(k) to start saving before you have a full-time job.

Benefits of Starting Sooner



This chart assumes a \$1,000 initial investment, \$500 monthly contribution, 5% rate of return, monthly compounding and retirement age of 65.

Keep in mind the value of your investment will fluctuate over time, you may gain or lose money. IRA withdrawals prior to age 59 1/2 may be subject to a 10% penalty.

Insurance

Health, Life & Disability

Given the high cost of healthcare in the U.S. having the right level of health coverage can be essential. While you may not think you need health insurance in your 20s, if you fall sick or get injured, health insurance can *help cover the costs you may not be able to afford to pay on your own.*

Options: As a 20-something, you have some options.

- If you work for an employer that offers an employer-sponsored health insurance plan, it's a good idea to find out what the coverage is. If your employer offers health insurance, it'll likely be cheaper than one's offered elsewhere.
- If you're under 26, your parent's policy may cover you and you should review each plan to determine which is better.
- If you don't have an employer sponsored health plan available but you're in a relationship with someone who has one, you can consider being added to your partner's health insurance plan.
- Alternatively, you may wish to consider purchasing a plan from the Health Insurance Marketplace.

How to choose the right plan

With so many health insurance options available, choosing the right one can be difficult. It's important to consider what health benefits are essential to you and what you can afford to pay for your health insurance, including costs other than just your premium.

Life Insurance

If you're in your 20s, you may not think you need life insurance since you're young and likely to be more healthy, but those factors can actually make it more attractive to buy now. Life insurance premiums are cheaper when you buy a policy at a younger age.

Life insurance provides a safety net for your loved ones and beneficiaries if you die prematurely and may even accumulate cash value to use while you're still alive. You may want to buy life insurance in your 20s if someone relies on you financially, you have a family or plan on having one, you have large debts, or you want to cover your final expenses. Getting life insurance will help mitigate the financial burden on your loved ones.



Things to consider when looking at insurance

- **Your health needs**
 - Many 20-year-olds haven't had a lot of healthcare needs, so a lower premium plan option could be a good choice. Although, if you're considering starting a family, getting a plan that covers all your needs is essential.
- **Premium costs**
 - A premium refers to the total cost of the health insurance plan, which is usually paid monthly or annually. The cost depends on the benefits in your plan.
- **Deductible**
 - This is how much you need to pay before your insurance kicks in during your coverage period. Once you reach this amount, which varies by plan type and provider, covered medical expenses will be paid for by your health insurance company. Generally, the higher your deductible, the less your premium. A higher deductible plan can be a good option if you don't require health care often.
- **Co-pays**
 - This refers to the amount you pay on top of your premium every time you access health care. These don't apply towards your deductible. Typically, the higher your premium, the lower your copay.
- **Co-insurance**
 - This refers to the percentage of a bill you're responsible for paying after your insurance provider has paid their part. Coinsurance only applies after you meet your deductible and varies depending on your policy.
- **Provider network**
 - Many health insurance policies have strict provider networks, meaning you're only eligible for coverage if you visit specific providers.
- **Prescription drug coverage**
 - If you need medication regularly, check the prescription portion of your plan. You may be required to purchase the generic version of the drug or have to pay a copay.
- **Vision and dental**
 - Many dental and eye procedures aren't covered by standard health insurance plans. Check your inclusions if you think you'll need coverage

TAXES

Filing taxes for Beginners

1. Keep an eye on your income

- You need to file a tax return if you meet or surpass certain levels of income during the year. Remember to include income from other sources too, such as anything you sell, investments or interest.

2. Save the right paperwork

- It's helpful to stay on top of tax-related paperwork throughout the year. You might want to keep receipts for charitable donations, work-related expenses, or medical bills and statements from student loans, grants, or fellowships. Having these handy and organized can help you determine whether to itemize or take the standard deduction. The IRS recommends keeping records and paperwork for at least three years.

3. Watch for your income documents to arrive

- You should receive forms about how much income you've earned from your employers and other income sources in January or February. If you are a full-time employee, you will receive a Form W-2 detailing your earnings, as well as which taxes were withheld. You may also receive documents showing student loan interest you've paid (form 1098-E) or if you're a college student you'll receive a Form 1098-T that shows how much you paid in tuition, as well as any amounts you received from grants or fellowships.

4. Learn which credits and deduction you can take

- Some credits and deductions you might be eligible for include Saver's credit, student loan interest, charitable deductions, or freelance expenses. Refer to the tax savings section for more information.

5. Mind your deadlines

- In general, experts recommend filing tax returns earlier rather than later. The earlier you file, the better your chances of avoiding tax-related identity theft, a crime that's on the rise. Plus, if you're owed a refund, you will get it sooner. Plan the date when you'll start your return, and make sure it's early enough that you can plan another session or two in case you need to spend time locating more documents or getting help.

Tax Savings

1. Reduce your taxable income. By contributing the maximum amount to your workplace 401(k), your taxable income will be reduced. You'll be planning ahead by saving for retirement and decreasing your tax payment in the short term.
2. Student Loan Interest Deduction. If you have a student loan, you might be able to deduct a portion of your student loan interest payments. As your modified adjusted gross income (MAGI) increases, this deduction is reduced and ultimately phase out, which is why the best time to take advantage of it is when you're just starting out in your career.

Investing tips in your 20s

- **Accept your employer's generosity**
 - Refer to “Start saving for retirement” for more information on 401(k)s and Roth IRAs. Make sure to take advantage of any match contributions your employer offers.
- **Make risk your friend**
 - Many investors make the mistake of avoiding risk even though it helps them over a long time. While investing in stocks can be riskier than, say, putting your money in a savings account, stocks have shown to be a much more rewarding investment in the long run. When you invest in stock, you'll probably see drops in the short term. That's why the market is generally a no-go if you need the money within five to 10 years, but in the end, you'll come out ahead for long-term financial goals such as retirement. One reason investing in your 20s is so important is that you're looking at a very long term, which allows you to capitalize on all that growth. Bonds can be generally lower-risk, lower-return investments that can counter the risk of stocks. Investing may also help protect your portfolio from the negative effects of inflation.
- **Keep it simple with index funds**
 - One good way to invest in stocks or bonds is through index funds. These funds hold pieces of many investments and track the performance of a portion of the stock market; for example, the S&P 500 tracks 500 of the largest companies in the U.S. Instead of buying stocks of all those companies, you can buy into an index fund. The idea is to invest in several of these funds within your 401(k) or IRA to build a diversified portfolio that includes U.S. stocks, international stocks and a small allocation of bonds. For each fund, you'll pay an expense ratio, which covers the cost of running the fund. A 401(k) will have a small, curated list of fund choices. In general, you can decide between two funds in a category by going with the one with the lowest expenses.
- **Incrementally raise your savings rate**
 - Starting where you are is just fine, but a general investing tip is that over time, you need to save more. One of the easiest ways to do that is to up your savings rate every time you get a raise.

SOURCES:

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