Gen Z and millennial finance coaches on how to spend your first paycheck

It's graduation season once again, which means a fresh set of faces are entering the workforce. When entering the daunting professional world, it's normal to feel lost at the beginning as one navigates unfamiliar terrain. Among the many overwhelming things one has to learn, perhaps the most difficult one is getting the hang of managing your own finances, especially when you start receiving your own paychecks.

One of the best feelings in the world is receiving your first paycheck in your first job. However, fresh graduates usually make the common mistake of overspending and failing to invest. In this article, Pru Life UK Senior Financial Advisor, Certified Associate Financial Planner, and Tiktoker Antonette Aquino give eight quick tips on how to build good financial habits for yourself even as early as your first job.

1. **Figure out where you are, then where you need to be.** For Aquino, to determine her financial health, she listed all her expenses in a budget tracking app when she started out with her first job as a sales associate at a jewelry shop back when she was 16. This allowed her to make the distinction between her wants, needs, and the allowance she had in her budget to dedicate to savings or investments.
2. **Prioritize spending on needs and avoid splurging on things that will not bring you value in the future.** A well-known financial advisor once said, only buy luxury items if you can afford to buy ten of them. That puts things into perspective doesn't it? If you don't build this habit when you are young, your future self will experience the consequences. However, Aquino also says that we can treat ourselves once in a while to enjoy the fruits of our hard work…for as long as it doesn't jeopardize our future.
3. **Pay yourself first.** Before paying for bills, commit to setting a percentage of your income to savings and investments. This includes putting money into your investment accounts and buying insurance.
4. **Use the bucketing method to separate your finances**. Instead of having all of your money in one savings account, "bucketing" allows you to have a clearer view of your spending and saving habits when all your funds are separated. It is best to have four kinds of accounts:
    a. Operating Fund - Allocate money for recurring expenses such as quarterly, monthly, or annual bills in this account.
    b. Emergency Fund – Allocate 20% of your income to this account for unforeseen expenses such as a medical emergency or a job loss
    c. Financial Freedom Fund – This account is for the achievement of life goals and dreams, which include retiring early or going back to school
    d. Happy Account – This account is for all of your leisurely expenses!
5. **When you earn more, don't immediately upgrade your lifestyle**. If you continuously upgrade your belongings and lifestyle every time you earn more money, you will never be able to hit your targets.
6. **The longer you put off investing, the harder you'll need to work to get to the same level of financial freedom as someone who starts investing earlier.** When we are

young, there's a tendency to apply the YOLO (you only live once) attitude, even to our spending habits. But the last thing you want is to suddenly realize in your thirties that you should have started investing sooner. If you start saving and investing as soon as you start earning, you will reap the benefits of financial freedom sooner rather than later. The peace of mind this will bring, is priceless.

7. **Understand that money needs direction.** Financial planning is important because if you don't have a plan for your money then you'll never reach your financial goals.
8. **The importance of saving money is simple: It allows you to enjoy greater security in your life.** If you have cash set aside for emergencies, you have a fallback should something unexpected happen. Once you're in the habit of saving, you'll forget there was ever a time when you didn't save. You don't need to be the smartest, you just need to be consistent.

For those who want to begin their journey to financial stability, look no further. GSave, the first-ever bank account which you can open and maintain on the GCash application, helps customers control their money conveniently through safe and secure digital banking. It also grows your money with its 2.6% interest rate per year, one of the highest in the country. Following through with its promise to provide a hassle-free experience to its customers, all you have to do to start your banking journey with GSave is a valid ID to verify your GCash account. To know more about the service, visit https://www.cimbbank.com.ph/en/digital-banking/savings-accounts-and-loans/gsave.html.