Financial Foundations

A Thrivent resource guide for college students and recent graduates

ADVICE + INVESTMENTS + INSURANCE + BANKING + GENEROSITY

A practical guide to building your financial future

There's a lot to think about when it comes to your finances. And often, everything can feel important at once. You may be balancing multiple priorities, unsure where to start or what to tackle first. The good news is you don't have to do everything at once. Sometimes, one thoughtful step can help you begin moving forward with clarity and confidence.

This resource is designed to introduce key financial topics you may already be thinking about—and help you take that next step.

How to use this tool kit

This isn't a textbook, and it's not meant to be read from start to finish. Each section stands on its own, so you can start wherever it makes the most sense for you. Inside, you'll find:

- Short, easy-to-follow explanations
- Reflection prompts to help you apply ideas to your own situation
- Optional tools and resources from Thrivent to support deeper exploration

Throughout the tool kit, you may see suggestions to watch a short video, download a worksheet, or try a tool. These are optional, but they're designed to help make concepts more practical and easier to apply to your life.

Beginning with with a strong foundation

Completing college is a major milestone—you've prepared yourself for a career and the earning potential that comes with it. Along with a full-time income comes new experiences, responsibilities and opportunities.

Your financial plan should reflect your unique values, needs and aspirations. At Thrivent, we use a tool called the **"Financial House"** to help you:

- Prioritize what matters most
- Build a strong financial foundation
- Track your progress over time

The lessons in this tool kit are designed to align with the foundation of your Financial House, giving you practical guidance for the next steps in your financial journey.

We'll also introduce you to MoneyCanvas®. This **free financial coaching program** helps you get more from your money, see where your money is going, and build better financial habits.

Take action

Watch this short video about what money habits you'd like to create and take with you into your future. (2 minutes)

It's personal: Establishing healthy financial boundaries with those around you.

Reflect and write

- What are your earliest money memories?
- What role did money play in your family?
- How has this history with money made you think about it today?
- What is the difference between a need, a wish and a want?

Use these tools

- Financial House pdf
- Money Canvas

Budgeting

Budgeting basics in five steps

Let's talk about your money. Knowing what's coming in and going out helps you plan for just about anything life throws your way—that's what budgeting is all about. It's a solid foundation for your financial life and a tool that helps you make space for both the things you need and the things you want.

When you understand where your dollars are going, you're better positioned to make intentional choices and move toward your goals with confidence. In this section, you'll learn a simple, flexible five-step approach to budgeting that you can start using now and revisit anytime.

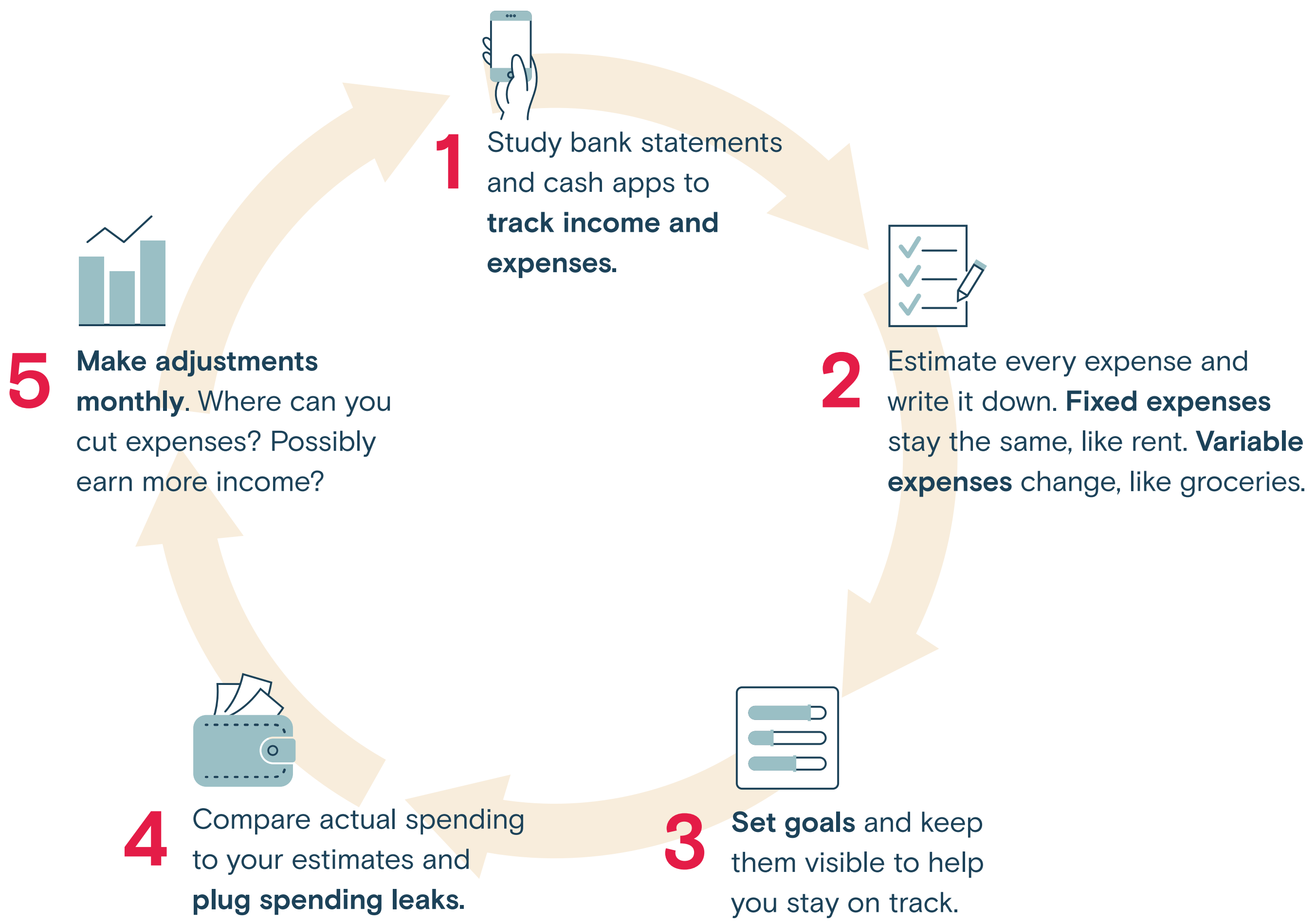
Taking the time to build a budget can make a meaningful difference—giving you a solid foundation to support your short- and long-term goals and helping you feel more confident, prepared and ready for whatever comes next.

What is a budget?

A budget is a plan for your money. It shows how your income is being used and helps you see how your spending supports—or doesn't support—what matters most to you.

There isn't one right way to budget. Some people prefer a notebook, others a spreadsheet or an app. What matters most is picking a method you'll actually use. Budgeting doesn't have to be complicated to be effective.

Your monthly budget in five steps



Budgeting

Continued

Step 1 – Track income and expenses

Start by writing down how much money you bring in. If you have one job—or several—use your **take-home pay**, meaning the amount you receive after taxes and deductions. If you earn money from side gigs or occasional work, include that too.

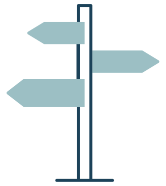
Next, take a close look at your expenses. Review bank statements, debit card transactions or payment apps to see where your money is actually going. This step takes a little effort, but it's worth your time. The more often you do it, the easier it becomes.

Step 2 – Separate fixed and variable expenses

Not all expenses behave the same way.

- **Fixed expenses** are costs that stay about the same each month, like rent or insurance.
- **Variable expenses** can change from month to month—things like groceries, gas, entertainment or gifts.

Organizing your expenses this way helps you see which costs are predictable and which ones give you more flexibility.



Step 3 – Set goals

Budgeting and goals go hand in hand. The reason most people start budgeting is to gain more control over their money—and goals give that money purpose.

Some goals are short-term, like building emergency savings. Others might be midrange, like saving for travel, or long-term, like buying a home.

Setting realistic goals can make it easier to stay motivated, especially when budgeting requires trade-offs. When you know why you're budgeting, it's easier to make changes.

Budgeting

Continued

Step 4 – Do a reality check

Now it's time to compare what you think you spend with what your numbers actually show.

This step can reveal habits you may not have noticed before. If your money seems to disappear, it may be due to **spending leaks**—small, repeated expenses that add up over time. Examples of spending leaks include:

- Impulse purchases
- Food delivery
- Late fees or overdraft charges

Identifying just a few areas to adjust can make a meaningful difference.

Step 5 – Make adjustments

Budgeting isn't a one-time task; it's a habit that takes time to build.

You might overspend sometimes, and that's okay. Use those moments as opportunities to learn and make adjustments. Reviewing your budget regularly helps you stay flexible and keep moving forward.

Think of budgeting not as a test you pass or fail, but as a tool to help you take control of where you are now and prepare for where you want to go.

Take action

Watch these short videos that introduce this budgeting framework.

- **Budget for life** (3 minutes)
- **Financial Clarity: Setting a financial foundation guided by your priorities** (2 minutes)

Reflect and write

- What are your money priorities?
- Do you know how much you are currently spending? If not, where do you need to go to get that information?
- What are your financial needs versus wants? Is it easy to put your financial needs first?
- How can you make sure you stick with a budget over time?

Budgeting Resource Guide

Read this article

"Bad with money?" Common financial mistakes you may be making & how to fix them | Thrivent

Budgeting

Continued

So how do you set up a budget, and why?

Some of the specific benefits of budgeting include:

- **Prioritizing your needs, wants and wishes.** A budget can make sure you're covering your needs and spending money on things that bring you joy without worrying that you'll run out of money before the end of the month.
- **Saving deliberately.** No matter how much you choose to set aside, you're making sure you're putting away something for your future financial goals.
- **Reducing mindless spending.** With a budget, you'll be more likely to consider where something fits into your financial picture before you buy it. You may realize you need or want to spend the money on something else.
- **Providing insight on spending habits.** Establishing and sticking to a budget can help you **avoid bad debt** like high-interest credit cards or consumer loans, that can damage your future financial stability. It can help you live on less than you earn.

Take action

Create a list: Put the things you spend money on into the three categories: Needs, Wants and Wishes.

Reflect and write

- Was it hard to decide what is a need, want and wish?
- What else do you need to fill in? Where will you get that information?

Budgeting

Continued

Different ways to budget

The first step in getting started with your budget is to consider your monthly expenses, such as rent and utilities, along with other financial goals you have, such as buying a car, saving for a down payment on a home, or paying down debt. Then you'll determine how you want to divide your income between your current expenses and applying it to those goals.

There is a trade-off between how aggressively you pursue your goals and your current lifestyle. Striking a balance between the two allows you to reach your goals within a timeframe that's acceptable to you without sacrificing so much that you're driven to abandon your budget.

You can find many different budgeting styles to use as a guide. Some methods may work better for you than others depending on your personality or preferences.

- A **zero-based budget** starts with your monthly income, and you dole out all of it into specific savings and expense categories until you reach zero. While this method ensures you are mindfully allocating each dollar you earn, it can take a lot of time to manage it. Zero-based budgeting may be for you if you like digging into the details and planning for every current and future expense.
- The **50/30/20 budgeting** method is a simple one that looks at the big picture instead of focusing on individual line items. Rather than splitting your budget into several categories with various limits, you allocate 50% of your income to your needs, 30% to your wants and 20% to your savings. If you tend to feel overwhelmed by details, this method can be an easy one to adopt.
- Another low-lift budget is the **"pay yourself first" approach**. You decide how much money will go toward your debts and then your savings, and whatever's left over is what you have to spend for the month. This can be useful if you want to prioritize your goals without getting into the weeds of itemizing every cost.

These are just three types of budgeting. With any system you end up using, you'll likely need to refine it along the way. Your income, lifestyle and goals will continue to change over time, and your budget should be updated periodically to reflect them.

Take action

Use the **monthly money tracker** to put together your estimated budget.

Reflect and write

- What kind of budget feels best for you? Why?
- How will you track your spending?
- How often will you review and adjust your budget?
- Are there spending habits you need to change?

Saving and investing

Using your money today to prepare for tomorrow

Saving and investing are two of the most important financial habits you can develop. Together, they help you prepare for the unexpected, work toward meaningful goals, and build financial confidence over time.

Saving helps you handle short-term needs and emergencies. Investing allows your money to grow over the long term and build wealth in ways a savings account alone can't. Both play an important role in a strong financial foundation.

In this lesson, you'll learn how saving and investing work together—and how to decide when each makes sense for your goals.

Savings starts with a goal

Saving is more effective when you know what you're saving for. Whether it's an emergency fund, a future trip, a car or something further down the road, having a clear goal makes saving feel more tangible and easier to prioritize.

When goals are vague, it's easier to delay saving. Defining what matters most gives your money direction and purpose.

Investing: A long-term approach to growing money

Investing can feel intimidating at first, but it doesn't have to be. Investing is a way to grow your money over time by putting it to work in assets that have the potential to increase in value.

Like most skills, investing is something you learn over time. You don't need to know everything to begin. Starting small, staying consistent and giving your money time to grow are key themes to remember.

Saving and investing

Continued

Three things to consider before you invest

1. What are you Investing for?

So much about money comes down to how you plan to use it. Setting goals helps you focus on what's important to you and choose the right path forward.

You might be saving for:

- Emergency savings (short-term)
- Travel or a major purchase (mid-term)
- Retirement or a future home (long-term)

If your job offers a retirement plan like a 401(k), it can be a great place to start—especially if your employer offers matching contributions.

2. How long until you need the money?

Time matters when deciding whether to save or invest.

- If you'll need money soon—within months—it's usually better to keep it in a savings account where it's easily accessible and protected.
- If your goal is years away, investing gives your money more time to grow and recover from market ups and downs.

The longer your time horizon, the more flexibility you typically have when it comes to investing.

3. How much risk can you handle?

All investing involves some level of risk. Risk refers to the possibility that your investment won't perform as expected due to market changes, inflation or company specific challenges.

Different investments carry different levels of risk:

- Low-risk options offer more stability but lower growth potential.
- Medium-risk options balance growth and uncertainty.
- High-risk investments offer higher growth potential but also a greater chance of loss.

Risk can often be managed through diversification,* which means spreading your money across different types of investments rather than putting it all in one place.

When you're just starting out, time can be one of your greatest advantages—but it's important to choose an approach that fits your comfort level.

* While diversification can help reduce market risk, it does not eliminate it. Diversification does not assure a profit or protect against loss in a declining market.

Saving and investing

Continued

Starting small matters

One of the biggest misconceptions about investing is that you need a lot of money to begin. In reality, you can start investing with small amounts—such as $50 a month—and increase over time.

Automating contributions can help you build a healthy habit and stay consistent without having to think about it every month.

Investing isn't about quick wins. It's about playing the long game.

Take action

Watch these short videos about **how to save and invest wisely** as part of your budget.

- **Savings and investing – living beneath your means** – 2 minutes
- **Investing for life** – 5 minutes

Reflect and write

- What are you currently saving or investing for?
- How much time do you have before you'll need that money?
- How comfortable are you with investment risk?
- What habits could help you save or invest consistently?

Saving and investing

Continued

Saving, investing and spending choices

Saving and investing often require trade-offs. You may need to reduce certain expenses now to support longer-term benefits later.

Building awareness around spending habits, especially impulse purchases or peer pressure, can help you make choices that align with your goals.

Take action

Apply

Think about your current budget and answer the following:

- What expenses could you reduce or eliminate to save or invest more?
- How will you prioritize saving and investing alongside other goals?
- What small step could you take this month to get started?

Read this article

5 ways to start investing after college | Thrivent

Final reflect and write

- What short-term and long-term goals matter most to you right now?
- How can saving and investing work together to support those goals?
- What is one habit you can start—or continue—to build your financial future?

Investing for Life Resource Guide

Protecting your money

Scams, fraud and identity safety

As you start budgeting, saving and investing, it's just as important to protect the money you're working hard to build. Scams and fraud are increasingly common—and college students and young adults are often specifically targeted.

The good news is that most scams follow predictable patterns. By learning a few common warning signs and developing simple habits, you can reduce your risk and feel more confident navigating everyday financial situations.

This lesson focuses on awareness, not fear, so you know what to watch for and how to respond if something doesn't feel right.

Why scams matter for college students

Scammers often target students and recent grads because they know you may be:

- Applying for jobs or internships
- Searching for housing
- Using payment apps and online banking
- Managing money independently for the first time

Recognizing how scams typically work can help you pause, verify and protect yourself before money—or personal information—is lost.

Common types of scams to watch for

While scams come in many forms, most fall into a few common categories:

- **Job and internship scams** that promise easy money or ask for upfront fees
- **Housing scams** involving fake rentals or deposits for places you haven't seen
- **Payment app scams** using urgency or pressure to request money
- **Phishing messages** such as emails or texts pretending to be from banks, employers or well-known companies

A common theme across all scams is **urgency**. Scammers want you to act quickly, before you have time to think or ask questions.

Take action

Watch this short video below to understand how scams work and how to avoid them.

- Scams (4 minutes)

Protecting your money

Continued

Simple habits that can help protect you

You don't need to be an expert to protect yourself. A few small habits can go a long way:

- Pause before sending money or personal information
- Be cautious of requests that feel rushed or secretive
- Double check sender information and website URLs
- Avoid clicking links in unexpected emails or texts
- When in doubt, talk it over with someone you trust

If something feels off, that's often your signal to stop and check.

Take action

Download and use

Use these Thrivent resources as quick reference tools:

- 11 Red flags to help identity scams
- Protect yourself from phishing
- Scams resource guide

Reflect and write

- Have you ever received a message, offer or request that didn't feel quite right?
- Which scam red flags surprised you the most?
- What's one habit you can adopt to better protect your money or personal information?
- Who could you check with if you're unsure about a financial situation?

Protecting your money

Continued

If you think you have been targeted

If you believe you've encountered a scam or shared information by mistake:

- Stop engaging immediately
- Notify your bank or payment provider
- Change passwords if necessary
- Report the incident to the appropriate platform

Taking action quickly can help limit the impact.

Take action

Read this article

Checklist: 7 tips to outsmart scammers and protect yourself online

Reflect and write

- How does protecting your money support your larger financial goals?
- How can knowledge and awareness help you feel more confident—not fearful—about managing money?
- What is one step you'll take to stay informed and alert as you move forward?

Dealing with debt

How student loans fit into your budget

More than half of recent college graduates have student loan debt. If that includes you, you'll need to consider how those loans impact your budget.

- Include the monthly payment as a **planned expense**, even if you have a six-month grace period before your payments begin.
- It's a good idea to think about your student loan payments **at the start of your budgeting** so you aren't caught off guard when the payments become required.
- Making **more than the minimum required payments** will help you to pay your loans off more quickly.
- If that's something you want to do, focus on paying down the loans with the **highest interest rate first** so you'll save more money over time.
- If the number of loans stresses you out, you could focus on paying the loan with the **lowest balance first** to gain momentum over time.

You also may want to consider **consolidating your student loans** or refinancing to take advantage of lower rates and help you simplify your payments. Certain benefits like income-driven repayment plans or forgiveness programs may also be available, depending on your loan type and current employment status. Be sure to carefully consider the pros and cons before refinancing federal loans into private loans, as doing so may result in the loss of certain federal protections and forgiveness options.

If you're still interviewing with potential employers, ask if they offer matching retirement plan contributions for student loan payments. This option was made possible by the SECURE Act 2.0 and ensures you don't fall behind on your retirement savings while paying off your student loan debt.

Take action

Watch Watch this short video about **paying down and managing debt** (3 minutes)

Pay down your debt

Reflect and write

- What debt management tactics did you hear in this video that were new?
- Do you know the interest rate on your credit card or other debt?
- What changes can you make to your lifestyle to accelerate paying off your debts?

Read these articles

- **Debt management: how to evaluate good and bad debt | Thrivent**
- **Paying off debt vs. saving: where to focus first | Thrivent**
- **How to pay off debt: 7 practical tips | Thrivent**

Starting out on the right foot

When you first begin your career, it can be hard to know where to start when planning for your financial future. What's a 401(k) and why is it important? And retirement seems so far off; is it really worth planning for right now?

Take action

Watch this short video that **shares some financial tips** to help you start out on the right foot so you can live the life you want today—and tomorrow. (3 minutes)

Starting on the right foot: Investing in your financial future

Starting out on the right foot

Continued

Top financial considerations for recent grads

In addition to making a budget, these additional financial steps can help give you a leg up and set you up for success after graduation.

Establish an emergency fund

Before you work toward other goals like saving or debt repayment, make sure you have an adequate emergency fund. Most guidelines suggest your emergency fund should be able to cover three to six months of expenses.

Just think about the last unplanned expense you had. Maybe you lost your phone or had a big car repair. An emergency fund will give you some cushion if you experience something like that and prevent the need to turn to credit cards.

It will take some time to build up an emergency fund. Consider how much you can afford to save each month and put that amount in an account until you've reached your goal. The amount you save isn't as important as just getting your emergency fund started. Slowly increase the amount you save as you are able.

Take advantage of your employer's 401(k) match

Some of the easiest money you'll ever receive is your employer's matching contributions to your retirement account. You may have a waiting period before you're eligible, but as soon as you are, aim to save at least enough to ensure you're getting every matching dollar.

To get the most out of your plan, you need to know your employer's matching formula. Employers set this themselves, so it can be different for each one. For example, your employer might match 100% of your contributions up to 5% of your salary, or 50% of your contributions up to 8%. Make sure to ask or check the details.

Starting out on the right foot

Continued

Build up your credit score

Although this isn't always something that's top of mind, knowing how to build your credit score can have long-term impacts on your budget and finances.

- The higher your credit score is, the easier it will be to qualify for loans and potentially get lower interest rates.
- It can help you save thousands of dollars over a lifetime of car payments, mortgages and other loans.
- The biggest thing you can do to keep your credit score high is to make all your payments on time.

Having a long credit history also factors in heavily, so you may want to consider getting a credit card and using it responsibly from time to time to build up a record of good credit use.

Avoid taking on unnecessary debt

It's common for college graduates to want a new car, a more grown-up wardrobe, or a nicer place to live. If you can't afford something right away, resist the urge to take out loans or run up a balance on your credit card.

Accruing debt right as you're getting started will weigh you down, and it can slow your long-term progress. Instead, devote a portion of your budget to saving for those things. For things like a car payment or rent, make sure your monthly budget can handle it without stretching yourself too thin.

Take action

Reflect and write

- What kind of expenses qualify as an "emergency"?
- How easily accessible do the emergency account funds need to be?
- Can you contribute more to your 401(k) than your employer matches?
- What is a "good" credit score and how is a credit score calculated?
- Where can you **check your credit score** and how often should you review it?
- What are some good ways to start building credit?
- How often do you make purchases on a whim that lead to unnecessary debt?
- Are you relying on credit to pay for regular expenses, instead of using cash/debit card?

Renting versus buying

Should you rent or buy a home?

As with many major decisions, whether to rent or buy your home is not a question with a simple answer. Cost is only one of the considerations that will shape your decision. It depends on where you live and how long you plan to live there. You may decide to rent while working to boost your credit score or saving money for a down payment.

There are reasons to rent and reasons to buy, each as unique as your situation. If you are in the process of weighing the pros and cons of renting or buying a home, these benefits may help you decide.

Benefits of renting

- Mobility. Renters can move when and where they want—once the lease is up.
- Credit rating. On-time rental payments may help you establish a solid credit history and qualify for a mortgage.
- Unpredictable employment. If you are considering a job change or are unsure about income in the short-term, renting provides more flexibility.
- No maintenance. If a pipe leaks or a window needs replacing, the landlord is responsible.
- Utilities. Some rental properties will pay for water, sewer, garbage and other utilities.

Benefits of buying

- Flexibility. No landlord means no approval necessary on upgrades, new paint, you name it.
- Appreciation. Home values do fluctuate, but on average the value of homes in the U.S. has increased every year for more than 70 years, according to the U.S. Census Bureau.
- Stable payment. If you have a fixed-rate mortgage, you know your house payment will remain steady for up to 30 years.
- Tax advantages. In some circumstances, homeowners can deduct mortgage interest and real estate taxes at tax time. And when you sell, profits up to $250,000 ($500,000 for married couples) are tax free.
- Satisfaction. There's a reason home ownership is symbolic of achieving the American dream. An accomplishment worth striving for is the feeling that comes with truly being "home."

Take action

Watch this short video about some of **the things you'll need to consider** when you're ready to move out of your apartment and purchase your first home. (2 minutes)

Planning for the future: buying your first home

Reflect and write

- Take a moment to write down some pros and cons of both renting and buying
- What things would you need to have in place (documents, savings, etc.) to rent? To buy?
- What can you do right now to get started preparing yourself to rent or buy?

Thank you

The financial side of life can be a bit complicated, with lots of important things to think about. It might feel overwhelming at times, but remember, just focusing on one thing at a time can be a great way to start making progress.

This resource is here to help you better understand budgeting, managing debt, saving, setting priorities and planning for your future. The lessons you've learned will give you the tools you need to move forward confidently and make smart financial choices.

Thank you for taking the time to invest in your financial knowledge. If you have questions or would like guidance as you put these ideas into action, reach out to a **financial advisor**—they're here to help support you every step of the way.

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