

Life stages and relationships

New grads: your first paycheck, student loans and savings

Just graduated? Simple first moves for your paycheck, student loans and savings, plus a few tips for parents.

7-minute read • Updated October 2026 • Checked against its sources



The short version

- ✓ Before your first student loan bill, log in to StudentAid.gov, find your servicer and compare plans. The plan choices changed on July 1, 2026.
- ✓ Give each paycheck a plan: a share for savings and a share for debt, set as percentages so both grow when your pay does.
- ✓ Start with a bare-bones budget of just the essentials, and keep your savings in a separate, insured account.

From a nonprofit. Every volunteer adviser is a fiduciary, which means they must put your interests first. We never sell your information.

Rather talk it through?

A volunteer financial adviser can help with your situation, one-on-one, for free.



Point your phone's camera at the code, or go to:

go.advisersgiveback.org/start

1

Give your first paycheck a plan

With a diploma in hand, you're stepping into a new chapter. It comes with new chances, new choices and, yes, new bills. A little planning now can make a big difference later.

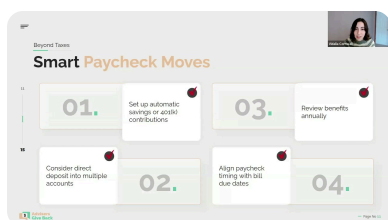
Your first real paycheck is worth celebrating, so enjoy a little of it. Then give the rest a job before it slips away. One simple way: set aside a percentage of every paycheck. For example, you might send 10% to savings and 10% to debt.

Why a percentage? Because it grows when your pay grows. When you get a raise, your saving and your debt payments go up too, and you don't have to redo your plan.

A new job also means new forms. Three choices on them are worth a close look:

- **The retirement plan.** If your employer offers a plan, such as a 401(k), the U.S. Department of Labor suggests you sign up. Ask how much you need to put in to get the full employer contribution, and how long you must stay in the plan to keep it. ¹ In 2024, roughly 30% of private-industry workers who could join a plan like this didn't. ¹
- **Direct deposit.** Ask to split it, so part of each paycheck goes straight to savings before you can spend it.
- **Your first pay stub.** Check your pay, your taxes and what came out for benefits. Our guide to [reading your pay stub](#) shows what to look for.

Online: advisersgiveback.org/resources/dont-skip-the-stub/



Watch · 1:12

Two free paycheck moves

Two no-cost paycheck moves: check your deductions for add-on benefits you don't use, and split your direct deposit so part of every paycheck goes straight to savings.

Vidalia Cornwall, a volunteer CFP® professional

Scan the code to watch it, or go to

advisersgiveback.org/resources/new-grads-new-goals/



2

Get to know your student loans before the first bill

If you borrowed for school, you have plenty of company. In 2025, 16% of all adults had student loans, and so did 25% of adults ages 18 to 29. ²

You may not owe a payment right away. With a Direct Subsidized or Direct Unsubsidized Loan, you get a six-month grace period after you graduate, leave school or drop below half-time. ³ Use it to get organized. Payments are easy to miss when they're new.

42%

of student loan borrowers with payments due had paid late at least once in the past year

And 54% of borrowers worried they wouldn't be able to pay off their loans. From a national survey in 2024.

Source: FINRA Investor Education Foundation, Financial Capability in the United States: Results from the FINRA Foundation's National Financial Capability Study (6th Edition) (July 2025)

Here's a simple way to get ready, using the steps StudentAid.gov suggests: ³

1**Log in to StudentAid.gov.**

Your dashboard shows your federal loan balance, interest rate, repayment plan and next payment.

2**Know your servicer.**

That's the company that sends your bills. Keep your address, phone and email up to date there and on StudentAid.gov, so you don't miss a notice.

3**Compare plans.**

The Repayment Calculator on StudentAid.gov estimates your monthly payment on each plan you qualify for.

4**Pick a plan early.**

Most people in a grace period can apply online for an income-driven plan 60 days before it ends, so the first payment is on the plan they chose.

5**Turn on auto pay.**

It's free, and your servicer takes the payment from your bank account each month, so you don't miss one. On most Direct Loans, auto pay also cuts your interest rate by 1 percentage point, instead of the usual 0.25 point, through June 30, 2028, as long as you stay enrolled. To get it, sign up by 11:59 p.m. Eastern on December 31, 2026. ^{3 5}

**Try this before your first bill**

Log in to StudentAid.gov. Write down each federal loan's balance, interest rate and servicer. Then run the Repayment Calculator and note the monthly payment on two or three plans. Take that short list, and your questions, to your servicer.

3

Know which repayment plans you can use

The rules for federal student loans changed under the One Big Beautiful Bill Act, signed on July 4, 2025. Some changes began right away, more began on July 1, 2026, and the rest will come over the next few years. ⁶

Here's what StudentAid.gov says as of October 2026. The plans you can use depend mostly on when your loans were first paid out. ⁶

All your loans were first paid out before July 1, 2026

- If you qualify, you can use the Standard, Graduated or Extended plan.
- You can also use an income-driven plan, if you qualify: Income-Based Repayment (IBR), the Repayment Assistance Plan (RAP), or, for now, ICR or PAYE.
- ICR and PAYE will end no later than July 1, 2028. ⁶
- A new loan on or after July 1, 2026, even a consolidation loan, moves you to the newer rules and ends your access to IBR, ICR and PAYE. ⁶

At least one loan was first paid out on or after July 1, 2026

- You repay your eligible Direct Loans on one of two plans: the Tiered Standard Plan or RAP.
- That includes any loans you took out before July 1, 2026.
- Parent PLUS loans can use only the Tiered Standard Plan. ⁶

If you don't choose, your servicer will put you on the Standard Plan or the Tiered Standard Plan, depending on when your loans were first paid out. ³ Both have a fixed monthly payment. A plan based on your income can lower it: the lower your income, or the larger your family, the less you pay each month. ⁷

Income-driven plans base your payment on your income and family size. Under RAP, your payment is 1% to 10% of your income, spread over 12 months, minus \$50 a month for each dependent. It's never less than \$10 a month. ⁸ On any income-driven plan, you update your income and family size once a year. Private student loans can't use these plans. ⁸

There's a trade-off. Lower payments, or paying over more years, will likely cost you more interest in total, sometimes much more. And RAP has no cap on the monthly payment, so you could pay more each month than on the Standard or Tiered Standard plan. ⁸ The Repayment Calculator shows what you'd pay each month and in total on each plan. ³



Working for a government or nonprofit?

Public Service Loan Forgiveness forgives the rest of your Direct Loans after 120 qualifying monthly payments on an accepted plan, made while you work full-time for a government or a qualifying not-for-profit employer. The plan matters: payments on the Tiered Standard, Graduated or Extended plans don't count toward PSLF. StudentAid.gov suggests

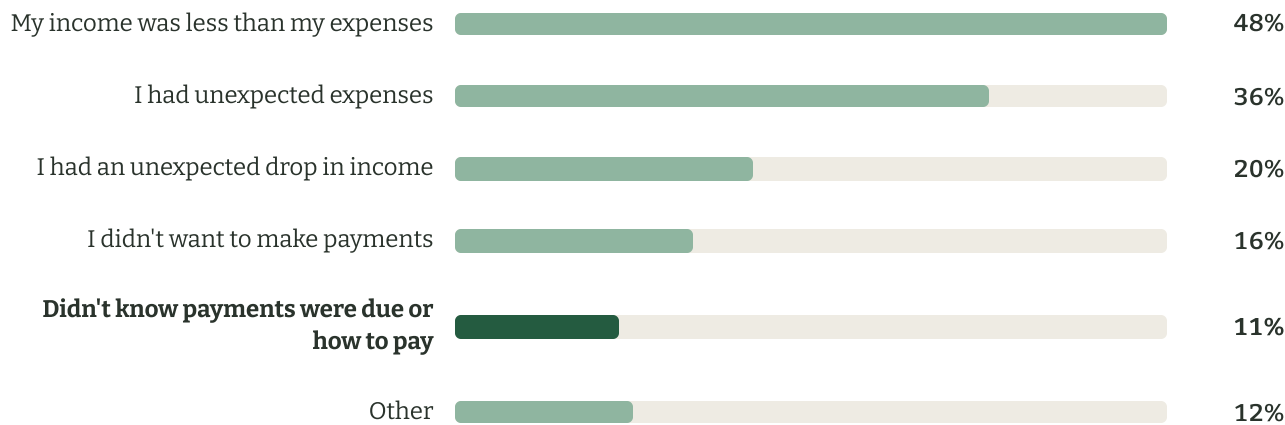
certifying your job every year and whenever you change employers. ⁹ If you're aiming for PSLF, StudentAid.gov says to repay on an income-driven plan. ⁸

4 If a payment won't fit

Trouble with loan payments is common, and most often it comes down to money. In 2025, 41% of borrowers who had to make payments had recently had trouble paying. The most common reason was simple: their income didn't cover their expenses. ²

When loan payments get hard, it's usually a tight budget

Why borrowers who had trouble repaying said it happened, 2025



Among borrowers who had trouble repaying in the prior 12 months. They could give more than one reason. Three in four named at least one money reason: income below expenses, a surprise expense or a drop in income.

Source: Federal Reserve Board, Economic Well-Being of U.S. Households in 2025 (May 2026)

If your payment is more than you can manage, look at an income-driven plan first. If you still can't afford it, ask your servicer about a short pause, called a deferment or forbearance. Save it for last: interest can keep adding up while you pause, and a pause can affect loan forgiveness. ³



Don't let a missed payment sit

A loan is late the day after you miss a payment. At 90 days late, your servicer reports it to the credit bureaus, which can hurt your credit score. After 270 days, the loan goes into default, and the government can take your tax refund or up to 15% of your paycheck. ³ Call your servicer before it gets that far.

5

Start with a bare-bones budget

A full budget can feel like a lot while your pay and your bills are still new. So start small, with only what you must pay each month:

- Rent and utilities
- Transportation
- Groceries
- Minimum debt payments, including your student loan once it's due

That total is your baseline: what it costs you to get by. After a month or two, when you can see your real spending, add the rest, like savings goals, subscriptions and fun. Our guide to [a quick spending check](#) can help.

Online: advisersgiveback.org/resources/where-did-my-money-go/

6

Give your savings a home of its own

Keep your savings in a separate account, away from the checking account you spend from. It's easier to leave money alone when you don't see it every time you pay for lunch.

Use that account for an emergency fund, for near-term goals like a move or a trip, and for bills that don't come every month, like a car repair. Our guide to [building an emergency fund](#) shows how to start.

Online: advisersgiveback.org/resources/not-if-but-when/

- **Make sure it's insured.** At a bank insured by the FDIC, deposits are covered up to \$250,000 per depositor, per bank, for each type of account ownership.¹⁰ At a federally insured credit union, the NCUA's insurance covers individual accounts up to \$250,000.¹¹
- **Compare rates.** The national average rate on savings accounts was 0.37% in September 2026, and rates vary from bank to bank.¹² Banks must tell you an account's rate and fees, so you can shop around before you open one.¹³

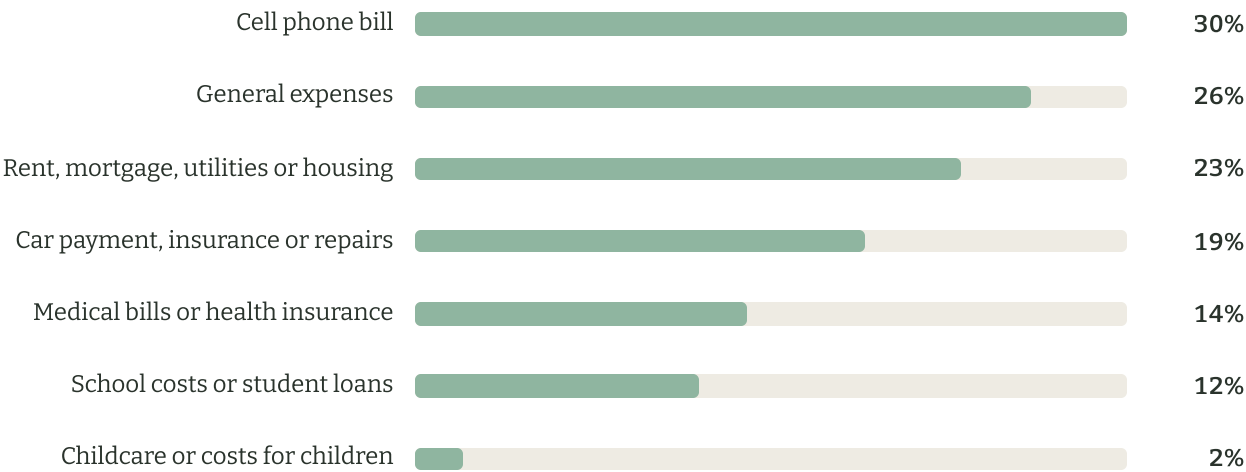
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For parents: from paying to coaching

If you're the parent of a new grad, your role is changing too. Help with bills is common at this age. In 2025, 47% of adults ages 18 to 29 got help from someone outside their household to pay an expense, most often a phone bill.²

Nearly half of adults under 30 got help paying a bill

Adults ages 18 to 29 who got help paying each kind of expense from someone outside their household in the prior 12 months, 2025



47% got help with at least one of these. People could name more than one.

Source: Federal Reserve Board, Economic Well-Being of U.S. Households in 2025 (May 2026)

Help can also build skills. Instead of covering costs, you might help your graduate:

- Make a first budget they can live with
- Set a savings goal and an automatic transfer
- Understand credit and their student loans

That way, they make the choices, and you’re the person they trust with questions. A short money talk once a month, with time to celebrate small wins, keeps the door open.

Every small step you take now builds the foundation for the future you deserve.

Questions to bring to your adviser

A volunteer adviser is ready when you are.

A volunteer adviser can look at your numbers with you and help you decide what to do first.

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