

Press Release



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Fab Five Financial Tips for Recent College Graduates

SAN FRANCISCO, May 26, 2004 – With over one million students expected to graduate in the coming weeks, many young adults will soon be faced with juggling rent, student loans and more bills than they'd care to imagine. Fortunately, with a little planning, graduates can pave the way for a more successful financial future.

Below are five easily-implemented financial tips that serve as a foundation for developing positive financial habits. They also offer parents an ideal opportunity to speak with their children about the importance of financial responsibility and how a little foresight right out of the gate will lead to reduced headaches down the road.

Bank online. Graduates will be faced with an average of 10 bills per month. Late payments can damage a credit record, and maintaining good credit is essential when planning for a big purchase, like a car. One way to keep a credit history in perfect shape: Online banking and e-payments. Wells Fargo (www.wellsfargo.com), for example, allows customers to schedule one-time or recurring payments, and has bill notification alerts automatically sent via email. And paperless payments and online statements are better for the environment, too.

401(k) plans. Graduates may feel the need to squeeze every dollar from their paycheck, but the fact is they'll be doing themselves a bigger favor by investing in a retirement plan right from the start. Over 75 percent of companies match employee contributions to some degreeⁱ, and this free money, along with the power of compound interest, will help a nest egg grow faster and larger.

Invest in a mutual fund. History shows that over the long-run investing in a mutual fund is likely to provide a higher rate of return than a standard savings account. Post-graduation, those who are on the receiving end of monetary graduation gifts should consider investing in a mutual fund with a low minimum initial-investment requirement. One option: the no-load Sierra Club Mutual Funds (www.sierraclubfunds.com)ⁱⁱ invest in environmentally friendly companies, so investors can help keep the world green while trying to make green at the same time.

Look at potential employers' entire benefits package. While healthcare and 401(k) plans are quite common, there are lesser-known benefits that can have a significant impact on the wallet. Flexible-spending accounts for health care expenses and commuter-benefit programs enable employees to save up to 40 percent on everyday expenses such as transportation and personal care items like eye glasses. Graduates should check out www.wageworks.com for helpful information on how these programs can benefit them.

Get renters' insurance. Post graduation, many young adults might not think they have enough valuables to warrant insurance, but the reality is they probably do, especially if they're ever forced with the prospect of replacing everything they own all at once. In many cases, premiums can be as little as \$10 per month, which should cover a majority of any graduate's personal property.

ⁱ 2003 Defined Contribution Survey from Plansponsor.com

ⁱⁱ Although the Sierra Club Funds are no load, other annual fees and expenses do apply as described in the prospectus.

You should consider the investment objectives, risks, charges and expenses of the Sierra Club Funds carefully before investing. A prospectus with this and other information about the Funds may be obtained by calling (866) 897-5982 or download one at www.sierraclubfunds.com. The Sierra Club Funds are distributed by PFC Distributors, Inc., King of Prussia, PA 19406.