

ADVICE FOR A TWENTY-SOMETHING

Edited by Sacha Chua (<http://sachachua.com>), September 18, 2007

I asked my network: "I'm starting out in the real world. What tips would you share with a twenty-something?" Here's what they shared:

1. Follow your dreams.
2. Live life to the fullest.
3. Manage stress.
4. Plan your career.
5. Remember that people are important.
6. Reach out.
7. Manage your finances.
8. Write.

Have other tips to share? E-mail me at sacha@sachachua.com!

1. Follow your dreams.

... think where you want to be 30, 20, 10, and 5 years from now, and what you need to get there. Then act on what it calls for.

Moti Levi, "financial expert who can change your life"

Make a list of what you want to do/see in your life, what experiences do you want to have, and work to make those happen. You can have the greatest retirement portfolio in the world, but if you look back and say, I wish I could have done xxx when I had the chance, then you made a mistake. Balance.

Larry Boyer, principal economist at Freddie Mac

Follow your dreams and your real passion. If it is engineering that's fine but if it is motivating and inspiring others, stay with Toastmasters (if you've dropped out, rejoin and continue with Toastmasters). Learn from the World Champion speakers (attend the conventions). Engineering is great and I enjoyed my chemistry career but that wasn't my real passion. Don't wait as long as I did to follow your dreams. Get a mentor or an associate who you can confide in and help you to be accountable for reaching your goals.

Frank (Francesco) Adamo, "known as the godfather of effective communications"

One other thing that you didn't mention is the non-financial stuff, your personal life. It's easy to get caught up in "optimizing" your financial portfolio. Often times, personal happiness then takes a second seat. I would suggest being sure about what your personal goals are (getting married? starting a family? and working on that just as hard). Personal growth is a big one.

Larry Boyer, principal economist at Freddie Mac

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2. Live life to the fullest

Never forget to have fun.

Ali Anwer, MBA student at Concordia University and mortgage professional at UM Financial Inc.

Look around you, take a deep breath, make some friends along the way and take time to enjoy the ride. That, and always wear good shoes! You never know where you end up.

Jyotika Malhotra, marketing, communications and Web professional

The most important thing to make life wonderful is to live in the present moment. Listen to your body, to your feelings, and to what you think, and to others (verbal and non-verbal) at all moments.

Jean-Francois Degelaen, group facilitator and animator

In my opinion, the key is to act. Very few people seem to take the very actions they know that they should. If you can find the motivation to act on the things you know you should/could, then you will have a very good life indeed :)

Todd Pasley, regional manager (QLD) and testing services manager at K. J. Ross & Associates Pty Ltd

It's great that you are so mature and responsible (would that I had been, at your age)... Now, buy a big box of crayons. The real ones, Crayolas, the big box of 96. And paper. Not coloring books, which let you capitalize on someone else's imagination, but plain unlined drawing or construction paper. Then color. Color whenever you're feeling creative, or feeling like you're not creative enough. Color when you're sad. Color when you're happy. Color when you're angry. And take the time to lose yourself in a simple, childlike pleasure. And if you can find a kid to color with you, all the better.

Sara Farina, program development professional

Travel. This is your chance, before you have kids. You can still travel with kids, of course, but usually not to the same kinds of places, and certainly not unencumbered.

Jason Tibbetts, NLP artisan at SRA International, Inc

Travel. See the world. Make sure you get out in the fresh air now and then, and get some exercise. Read a lot of good books, just for fun.

Jane Farnan, business analyst and training consultant at Ventyx Inc

Always stash away some funds in a 'travel budget' and take a trip to a new destination every year. Make your airmiles count here. This will re-energize your mind and not make your job look like a drudgery.

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Ali Anwer, MBA student at Concordia University and mortgage professional at UM Financial Inc.

All of life isn't finances, however. I would recommend is that you take some chances in your life. Consider a new direction, a new location, whatever works for you. Take chances now, while you are young and the cost of losing everything is relatively low. Once you have settled down this is much, much, much more difficult. Live where the living is good, where you like the people and there are opportunities in your field. While everyone is the captain of their own ship, the sailing will be easier where the water is deepest and you don't have to worry about scraping on the rocks.

...

Some sage advice I heard as a younger man is to "always go for the story". When presented with several options, you shouldn't be inclined to go for what is safe or what will bring you money or accolades or respect. You should gravitate towards whatever will turn into the best story to share with your grandchildren.

Morgan Goeller, data and information architect

3. Manage stress

I suggest reading up or asking your doctor about dealing with stress. As you work you will find it increases, and it is helpful to have some tools for dealing with it already in place.

The planning that you are doing, especially financial planning, will serve you well in this regard. I would also strongly suggest establishing an exercise routine if you do not already have one. Find some fun things to do. Yoga is great, as is Pilates. Change up your exercise periodically to keep it fun. Trying new physical activities also helps to keep your mind active and your brain healthy.

Connie Crosby, library manager at WeirFoulds LLP

The way I judge things in my life is by how much peace they bring to me. At this point in my journey, the things that have brought me the most peace have been learning how to:

1. Be wrong without letting my ego get in the way.
2. Be right without diminishing others.
3. Give and take compliments.
4. Listen to what people are trying to say.
5. Understand the needs of others.
6. Change with the times.
7. Set difficult goals and try to accomplish them.
8. Focus my work on learning and making others more successful.
9. Focus my life on connecting with people.

Morgan Goeller, data and information architect

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I would be aware that, despite your early successes, you are likely to encounter some big crashing failure, when your current style of working will not succeed. If you are lucky, it will happen early enough in your career that it will humble you and make you resilient and resourceful without bitterness. If it comes too late, you might not be able to develop the emotional muscles to shake it off and keep going. Early bloomers often stall or falter after a few years because they don't know how to deal with those big failures; late bloomers sometimes do better in the long term, because they are accustomed to bouncing back. They know themselves better, warts and all. Early successes sometimes become a little smug - beware!

I am not talking about just being smart or working hard. It is about facing your own character flaws and realizing that the world is more complicated than any formula, that the world changes in ways that are unexpected, and that there is always room for surprise.

So, congratulations on what you have achieved so far, and may you have enough crises to "temper your steel" for the long haul.

Pat Wagner, management consultant and trainer at Pattern Research, Inc.

Take care of your health. If you smoke, try nicorette and quit smoking. You do not need to spend money to ultimately acquire life-threatening diseases. NEVER DRINK AND DRIVE. If you are in a non-fatal car crash then a lot of money productive months will be spent in recouping your health.

Ali Anwer, MBA student at Concordia University and mortgage professional at UM Financial Inc.

4. Plan your career

I think the most important thing is having a career plan and frequently update it and consult it. Too many of us forget that we are not done answering the career plan question (Where do you see yourself in 5 or 10 years?) when we complete school. These answers guide our job choices and motivate our work. I found that without aligning ourselves with what we truly want, working anywhere is a painful chore instead of exciting and fun.

And who wants to do painful boring work for the next 40 years?

J. S., entrepreneurial firmware engineer

Career wise, I'd suggest not chasing money at the onset, you want to build up experience. Don't be afraid to switch jobs, either to get better experience, or to change your career path if you don't like what you're doing.

And make sure to apply to get your P.Eng. I'm not sure what province you're in, but at least in Manitoba you can apply some of your grad school time to the 4 years. Besides the professional credentials, the P.Eng is a good marketing strategy. Yes, I said marketing! In your career, you're marketing yourself.

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Also develop your professional career outside of the job. Writing, speaking, freelancing, or just a hobby all help round you out.

Sean Walberg, network guy, Linux guru, and author

Here's a career related tip....learn to build a team of individuals that will help you achieve any career goals you have. You should define them, write them down and then use your team to accomplish them. I struggled with this for years but have finally overcome. You'll find that many people in organizational management don't want you to succeed. It doesn't matter if you build the right team. Check out the site for the book, Blitz The Ladder, <http://blitztheladder.com>. I help a number of people each year to improve their careers using this approach. It's a lot of work but it's free. It takes about two years and I'm currently booked. My book will be coming out soon. The earlier you learn how companies function, the happier you'll be. I just wish I had known much of this in the beginning (i.e. when I graduated with my Master's in Engineering).

Todd Rhoad, "Creator of the Blitz Approach" and senior program manager at SymTx

Here's a revelation that may shock you, but it's always better to hear such news earlier rather than later: The real world may have little to do with the real you. Einstein put it this way: "Don't try to be a man of success. Try to be a man of value." In other words, the "real you" is much harder to find than a good job or even a great job at a great company (like you, I once worked for IBM during their spectacular turnaround under Lou Gerstner in the 90s, as well as many Fortune 500 companies). The "real you" can only be found once you find your passion, your unique and special talent (read Marcus Buckingham, Tom Rath and Richard Bolles), your values and your solution to the world's needs. Without such a holistic framework, it is easy for a person (even for those who have apparently successfully mastered the basics like education and finance) to get lost.

Peter Nguyen, CEO and co-founder of Talentelle

5. Remember that people are important

My only tip - which you've already started doing on LinkedIn - is begin building your contact base. If I knew then what I know now, I would have worked much harder to have people in my corner, and to have a bank of wisdom to draw from.

Gordon Dymowski, experienced non-profit administrator, consultant, and troubleshooter

Always keep in contact with your old friends and with new ones that you make as you move from job to job. You never know when you may need to call on them for a favor or job reference, or when you have to do the same for them.

Jason Tibbetts, NLP artisan at SRA International, Inc.

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Make sure your "Favour Bank Account" is always Active, Full and Usable on demand.

Shabab Khan, head of IT at Vizualize Technologies

Settle down with a partner as soon as possible. It looks very early at 24 but settling down (marriage / common law) will give you a new perspective on life. Research says that married people are more successful monetarily than unmarried ones.

Ali Anwer, MBA student at Concordia University and mortgage professional at UM Financial Inc.

Have some kids. They are the most precious creatures in the world!

John R. Holst, financial advisor at Merrill Lynch

6. Reach out

Life wise: get involved in community/charity organizations. It sounds as you are already in that frame of mind, so add activity to money ;-)

Moti Levi, "financial expert who can change your life"

I would repeat what someone else said about volunteering. Volunteering is one of the most important things you can do. Whether you realize it or not, you have personally benefited from the hard work of volunteers your whole life. Now that you're enjoying some success, it's time to give back.

Aaron Cruikshank, professional researcher

The most long-lasting impact you're going to have is on young people. Share your discipline with younger ones to help them see the world properly. Since the age difference will not be that big, in 10 years, you would have gathered a strong army of successful supporters in wildly differing walks of life. Internal satisfaction and external rewards will just keep growing. Good luck.

Reda Fayek, VP operations, /ab automation at Dynacon

Be engaged in sharing what drove you to make the decisions you have made to get to the solid footing at such an early age. Good job! Pass it on!

Ray Miller, energy expert, educator, and award winning sculptor

Carry on with what you're doing. Don't forget about the Philippines. Be invited to Rotary and become a Rotarian. There's lots you can do to help the Philippines through Rotary.

Frank (Francesco) Adamo, "known as the godfather of effective communications"

There is a tax saving when you invest in stocks and give those stocks in charity than the money itself. This is because of the capital gains on the stocks.

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Check this out with your tax planner. And try to make your charity contributions 12.5% (one-eighth) if you think you can afford it.

Ali Anwer, MBA student at Concordia University and mortgage professional at UM Financial Inc.

7. Manage your finances

A. Set your goals

It sounds like you have really accomplished a lot so far. Financially, I think meeting your goals of living debt free and giving are incredibly important over the course of your life. Other than that, saving the maximum that you can for retirement will be a great blessing to you and your family over time. I am very thankful I was able to do this at a younger age and you will be too.

Morgan Goeller, data and information architect

Maximize your available tax-deferred or tax favored savings vehicles... Remember this is a long term vehicle. Don't day-trade. Diversify, diversify, diversify. Choose appropriate risks to invest your money into and remember to review at least annually. Consult your CPA or financial advisor for the best possible choice.

Create a budget and stick to it. As your income grows continue to live within that budget as long as possible. This will allow a large pool of disposable income or an increased ability to invest, purchase real estate, or other goals you may have.

Dennis Bissell, CLU, ChFC, LUTCF, CFP®, MGA relationship manager at Lincoln Financial Group

B. Learn, learn, learn

Read, read, read! Start with "The Richest Man in Babylon." Continue to learn! Save, save, save!

John R. Holst, financial advisor at Merrill Lynch

Check out Financial Peace University, it is a great book/course, it is taught by Dave Ramsey, you can find out more at www.daveramsey.com

Jeff Steinfeldt, quality and reliability engineer at Intel

Financially, find an investment adviser to help you. Personally I use Investor's Group, I like my adviser, though if I had to do it again I might look towards a fee based investor.

Sean Walberg, network guy, Linux guru, and author

One book that's been vital to my financial well-being is Ric Edelman's "The Truth About Money."

Jason Tibbetts, NLP artisan at SRA International, Inc.

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Have a self-directed RRSP and control what you invest in. It is enjoyable and challenging. Study companies and investments. This will add a new dimension to your life.

Ali Anwer, MBA student at Concordia University and mortgage professional at UM Financial Inc.

C. Establish an emergency fund

Some people save lots of money in a retirement plan, but they can't access that for other things they may need. One thing you need is an emergency fund of 3-6 months of expenses. This should be in something stable (cash-- cds, savings account, etc). Then put more aside in taxable bonds and stocks. Be slightly more conservative than you would in your retirement fund (which you're not touching for 40 years, right?).

Larry Boyer, principal economist at Freddie Mac

Create an emergency savings account. This account should contain 3-6 months of living expenses net of taxes. This account is your foundation. Many firms such as Vanguard or local banks offer no or low fee options for an automatic deposit. Currently Vanguard's Prime money market in the US is offering close to 5.25%. This vehicle must be extremely liquid and safe and should not contain risk based investment vehicles.

Dennis Bissell, CLU, ChFC, LUTCF, CFP®, MGA relationship manager at Lincoln Financial Group

D. Think carefully about credit

Even though you're debt-free (congratulations!), you must still establish a good credit history. Get a credit card, even one with a very low credit line, use it, and pay it off on time, every month. I didn't get my first card until I was your age, and when my girlfriend & I tried to buy a car two years later, we didn't have enough credit history to do so without having her parents co-sign. Now, 10 years later, I can walk into a car dealership and walk out with a brand-new car, with no money down and an interest rate that matches the prime lending rate. That's because I now have 13+ years of absolutely spotless credit.

Jason Tibbetts, NLP artisan at SRA International, Inc.

Debt free, you don't need a credit card. Pay cash, you can negotiate when using cash, and you will spend less when using cash.

Jeff Steinfeldt, quality and reliability engineer at Intel

NEVER get into credit card debt. Use the credit cards for airmiles and pay off the 100% balance at the end of each month.

Ali Anwer, MBA student at Concordia University and mortgage professional at UM Financial Inc.

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E. Check your insurance coverage

One of the biggest mistakes people make is underestimating the likelihood of getting a disability during their working life. Buy some short term and long term disability insurance outside of what your employer might offer. That people are underinsured for "income replacement" (and possibly over-insured for life insurance) is a known but not well-publicized statistic. In fact, I just had a 40-year old colleague go on LT disability after suffering a stroke. You just never know.

- Larry Boyer, principal economist at Freddie Mac

Evaluate your risks. As a younger person your major risks are loss of income, disability, and liability. Review your benefits and personal insurance and make sure that your disability insurance will cover your income needs if something were to happen. Also review any liability coverage you may have including auto, home, or a renter's policy. Make sure the amounts are appropriate for your needs.

Dennis Bissell, CLU, ChFC, LUTCF, CFP®, MGA relationship manager at Lincoln Financial Group

F. Buy a house

Buy, do not rent, a place to live, no matter what a hovel it is or how difficult it is to pay for it. It WILL pay off, probably sooner than you think.

Jason Tibbetts, NLP artisan at SRA International, Inc.

A house can be a good investment too, as long as you're not buying a McMansion on a 40 year mortgage. Early on in my marriage we bought a condo until we were ready for children, which helped us build equity until we had to move to a bigger house.

Sean Walberg, network Guy, Linux guru, and author

G. Plan for retirement

Start saving for retirement now—even if it is just a little bit! The compounded interest over time will make a significant difference. Utilize any company-matched funds that you can.

Jeff Senechal, executive recruiter

Contribute the maximum possible to your RRSP. If you start your contributions now, you can retire sooner.

Ali Anwer, MBA student at Concordia University and mortgage professional at UM Financial Inc.

As other people said, dump all the money you can into your RRSP early on.

Sean Walberg, network guy, Linux guru, and author

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8. Write

Write a lot. Anything. On blogs, articles in local or national publications, on LinkedIn, a book: No matter what profession you pursue, write a lot. And see how enriching your becomes. (Don't forget to read a lot to sharpen the mind to write better)

Ajay Jain, freelance journalist, blogger, technology analyst, and blog consultant

Keep a diary, if only for a month. In later years when you feel "old" it will rejuvenate you to revisit your 24-year-old thoughts and dreams!

Alison Rogers, author of "Diary of A Real Estate Rookie"

What else?

Do you have any tips to share? E-mail your thoughts to sacha@sachachua.com and help at least one twenty-something figure life out!

Sacha Chua is 24 years old and has just finished her master's degree at the University of Toronto. She is looking forward to starting work at IBM and getting the hang of the real world. To find out what she's been up to, check out her personal blog at <http://sachachua.com>.