



#FYI

# CAN YOU ENJOY YOUR FIRST SALARY and still save for the future?

The feeling of the first pay cheque is something one would say is universal. The instant dopamine hit, the feeling of all the work being worth it, the eagerness to tell your peers about it, and most importantly, the eagerness to spend it. After all, money is meant to be exchanged for other commodities, but spending it recklessly in the early stages of life can have some dire impacts in the later stages. As money comes in, people often begin to spend far more than they should, and this is where the first mistake happens.

## LIFESTYLE INFLATION

Let us think of our lifestyle as a balloon, and money is the air we put into it. The more air the balloon has, the higher it will fly, the more luxuries it will experience, but a time will come when the balloon can take no more air, and eventually, it will burst, and so will the inflated lifestyle.

Human beings in general have an inclination towards nicer things in life, and it is totally normal to spend towards but what is not normal is squandering almost all of the income and spending way more than one should.

"Everything in life does not have to be upgraded at once. Take one thing at a time and build up your life slowly," said Tasmin Islam Esha, a 27-year-old service holder, as she shared how she was able to get over these exact spending mistakes of her early corporate years.

"Income should be divided into percentages. 30 per cent to savings, 20

per cent to investments, 10 per cent in emergency funds, and the rest can be enjoyed," she added.

This aligns us with our second mistake.

## NOT STARTING TO SAVE AND INVEST EARLY

Every financial book, every financial guru, and every mentor has always preached about starting your savings and investing journey early. There seems to be a reason for that as well.

Every small investment made during the age bracket of 25 to 35 has the potential to grow significantly over time, as the investment matures.

While young, a typical person has the least responsibilities and has a long time ahead to invest, hence this period is called the golden period of investing, but ironically, that is the period of adventure as well, the period of going on that Cox's Bazar trip, buying the latest iPhone, and exploring the beautiful country.

"My peers who invested at a young age are financially free now while almost everyone else is living paycheck to paycheck," observed Golam Rabbani, a veteran in the professional marketplace sharing his insights pointing out that investing early is the easiest way to earn financial freedom.

Rabbani also emphasised delayed gratification. "Young

people have to learn to sacrifice early to get benefits later on."

Most people either spend recklessly in cash or use credit, which leads us to the third major mistake.

## CONFUSING CREDIT AS INCOME

For most people, the first time they open a bank account is when they start earning, and at this time, they are exposed to the concept of credit cards. To the naked eye, they might seem harmless, to some it might seem as extra income but few missed payments here and there, and that is when regret sets in.

"Credit should be used very smartly as it is a tricky thing, especially for the youth," warns Zakaria Ahmed, a banker who has

worked in the industry for several years.

Fresh graduates couple their existing income with credit and tend to buy things out of their income bracket, and then to pay back that amount, take in more loans and hence fall victim to a vicious downward spiral.

The solution is simple, according to Zakaria, "Do not use credit cards on large purchases, use a small amount monthly and do not delay monthly payments, this will help everyone to maintain a healthy credit score too."

All of the mistakes pointed out above are common and very easy to make, but they are also very easy to avoid.

The feeling of earning money for the first time is golden, but one thing to remember is that money will be important in the later stages of life as well and it is at this young age that people need to start organising and building their life, also while having fun.

One thing to remember is that at the end of the day, life is all about balance.

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