Ant and Grasshopper Graduate From College

Each spring thousands of college graduates leave the safe haven of university life for the real world. From paying off student loans to the shock of auto insurance rates, there's a host of new financial experiences awaiting these grads, and some situations for which they're totally unprepared.

A 2009 study reported by Nellie Mae (an affiliate of Sallie Mae), a student loan financier, found that 84% of undergraduates own credit cards, up from 76% in 2004. The report also states that 92% of the students use credit cards for school supplies, textbooks, and food.

The cost of credit
Perhaps the most unsettling surprise for recent college graduates surrounds the long-term impact that poor credit decisions can have during and after college.

To help avoid getting into credit trouble, college students and recent college grads should get copies of their credit reports to have a clear picture of their financial situations. Credit reports also can show the deep impact debt can have on credit histories, and allows you to spot any inaccurate information. Individuals can obtain a free copy of their credit report from each of the three major credit reporting bureaus--Equifax, Experian, and TransUnion--once a year.

In addition to obtaining a credit report, young grads also will want to regularly check their credit score. A credit score is a number from 300 to 850 and is used by potential lenders to determine the interest rate on loans and whether credit is granted, and at what cost. A credit score also can be obtained from each of the three credit reporting bureaus--but at a cost of around $15.

It's never too early to start saving for retirement
One of the most serious mistakes young grads can make is to put off saving for retirement. Those in their late teens and early 20s may think that planning for retirement makes little sense, considering that it's an event that won't take place for another 40 years. But retirement is a process as well as an event. What occurs in the many years that lead up to retirement has a profound effect on the quality of retirement once it arrives.

Save for a rainy day
Many financial experts recommend you have three to six months of your salary and income put away in case of an emergency or unexpected expense. It's important that this money be liquid, which means that you can withdraw it without penalty at a moment's notice. You also will want to earn as much interest on it without incurring risk, which may make a money market account your best option. While you'll never lose the money deposited into this account, you're not guaranteed to increase the value either.