REAL WORLD 101
COST OF LIVING

Cost of Living

Cost of Living - The cost of living is the amount of money needed to sustain a certain standard of living by affording basic expenses such as housing, food, taxes and health care. The cost of living is often used to compare how expensive it is to live in one city versus another. The cost of living is tied to wages. If expenses are higher in a city, such as New York, for example, salary levels must be higher so that people can afford to live in that city

Lifestyle - The cost of living can be a significant factor in personal wealth accumulation because a salary can provide a higher standard of living in a city where daily expenses such as rent, food and entertainment are less. In contrast, a high salary can seem insufficient in an expensive city such as New York. In a 2018 survey, Mercer, a global human resources firm, finds the cities with the highest cost of living include Hong Kong; Luanda, the capital of Angola; Tokyo; Zurich and Singapore, in that order. New York City was ranked the costliest city in the United States followed by San Francisco and Los Angeles, Chicago, Washington and Boston.

Standard of Living - A standard of living is the level of wealth, comfort, material goods and necessities available to a certain socioeconomic class or a certain geographic area. The standard of living includes factors such as income, gross domestic product (GDP), national economic growth, economic and political stability, political and religious freedom, environmental quality, climate and safety. The standard of living is closely related to quality of life.

Grocery Shopping

Choose unit price over the actual price. Unit price is defined by the quantity you are getting for your dollar. Companies are putting less product in a bigger package to mislead you as too how much you are actually getting. Here is a good example.

Chicken Noodle SOUP 16oz		Chicken Noodle SOUP 19oz	
ITEM PRICE	$1.50	ITEM PRICE	$1.60
UNIT PRICE	$.08	UNIT PRICE	$.08

Basically you are paying an extra ten cents for nothing but air. So make sure you are paying close attention to unit price next time you are shopping.

Instead of shopping at department stores stick to the outlets and pay close attention to when they are having sales. You can also do your shopping through reputable online shops like amazon.com. The differences in prices are huge for the same name brand products not to mention all the money your will save in gas. Many of their products ship for free.

That daily trip to Starbucks is probably costing you at least $3.00 a day. Skip it and make coffee at home using flavored coffee creamer. You'll find you can make a great cup of coffee yourself. This could add up to six hundred dollars a year!

Make your own lunch the night before instead of spending the $5.00 a day on fast food. There's another huge sum of money you'll be saving per year. Also studies have shown that people who make their lunches as opposed to visiting a fast food establishment are 5 to 10 pounds lighter. And when you take the time to pack your lunch you're paying more attention to calorie intake.

At the end of each day, throw your spare change into a jar instead of keeping it in your wallet. You'll find at the end of the month you can easily collect fifty to sixty dollars. Deposit it into your savings account monthly and earn an extra six hundred dollars a year.

Home Ownership

A good education leads to a great-paying career; job security affords the dream of owning your own home becoming a reality. Sounds good, doesn't it? Once upon a time, that was more than likely an achievable dream. These days, however, with housing costs devouring about 70% of an individual's gross income, keeping a roof over one's head may be the most we can do... never mind owning the house! Being employed, does not offer the same security to families that it did during our grandparent's era. The cost of living is not compatible with surging home prices; health care; property taxes; insurance; education... and, on and on, and on. After you have paid the excessive amount of income required in order to live in your own house there is not much left over for necessities (let alone life's little luxuries)!

Housing crosses the threshold of being un-affordable when you are spending 30% or more of your "before tax-income;" yet almost 40% of U.S. homeowners with a mortgage are living that reality. And, over 7 million households are spending 50% of their gross monthly income on covering their home loan, and basics, like utilities. It would appear that the strain of owning your own home is inevitable. Existing homeowners with adjustable rate mortgage should expect to see an increase in their monthly mortgage, especially once the initial fixed-rate period ends.

And, those homeowners who want to sell or re-finance will find it more difficult to get a loan now that the real estate market is softening, and the mortgage industry is plagued with problems. Cities like Stockton, and Long Beach, in California, and Miami and Fort Lauderdale in Florida seem to have the highest percentage of homeowners paying between 30% - 50% of their incomes on housing. With a population of 300,000 in Stockton, California, to date there have been over 8,000 foreclosures in the past 8 months! If you are a potential homeowner educate yourself about the market. Learn about adjustable rates, refinancing, and pre-payment penalties. Having a dream is a necessity in order to achieve goals; home ownership should not become a stigma attainable only by a select few. Don't let your dream become a living nightmare! Own a home; but only if you can afford it!

Reduce Your Cost of Living:
Consolidate your Debt

Worrying over you debts won't help you. You should rather fight out this adverse situation with conviction and a right approach. Debt management can solve your problem. Some of the most popular ways to avoid being declared a bankrupt is to get an administration order from the court, consolidate your debts, or make an individual voluntary arrangement. An administration order is issued by a court and it allows you to make a single payment every month to the court. The court, after deducting an administration fee, divides this money between your creditors. However, administration order can be taken only when your debts are less than $5,000. This limits your options if you have more debts.

Debt consolidation loans, on the other hand, do not pose such a restriction as in the case of an administration order. There are many lenders in the UK who may give you up to $250,000 if you are ready to pledge your home. Debt consolidation Loans can be unsecured also. In that case, you can get up to $25,000 only. That too depends on your monthly income and repayment capability. If a debt consolidation loan is sanctioned, you can repay your existing lenders. It will convert all your debts into one single debt, requiring a single repayment per month. It is a relief when you are deep down in debts and your lenders are asking you to repay their money. However, it is important to note that debt consolidation loans provide you a temporary relief only so that you can repay your existing lenders. The overall outstanding debt remains the same as earlier. Debt consolidation loans provide you with an opportunity to recover by lowering your monthly bills. You can extend the repayment period, thereby bringing down your monthly repayments. In the meantime, you can get time to recover financially. These loans provide you a much needed breather.

Taxes by state Sales Tax- If you are looking to decrease your cost of living move to either Alaska, Delaware, Montana, New Hampshire or Oregon these state don't collect sales tax. States with the highest sales taxes are: California (7.25%), Mississippi (7.0%),

New Jersey (7.0%), Tennessee (7.0%), Rhode Island (7.0%), Minnesota (6.5%), Nevada (6.5%), and Washington (6.5%). Fuel Taxes - Every state without exception tax on fuel. While every state will very due to country and local governments and their taxations. Cigarette Tax-The cost of living for smokers is very high in every state but New Jersey, Rhode Island Washington are the highest in the U.S. The federal taxation of cigarettes is .45 cents per pack. Personal Income Tax-Seven states (Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming) do not tax personal income. New Hampshire and Tennessee apply it only to income from interest and dividends.

Budget Items

When developing your monthly budget, here are typical items you might want to include in your plan.

HOME
Mortgage/Rent
Taxes
Insurance
Repairs
Association Fees

UTILITIES
Electric
Gas/Oil
Water/Sewer
Cellphone
Cable/Satellite
Internet

TRANSPORTATION
Car Payment
Gas
Car Insurance
Repairs/Maintenance
Public Transportation
Parking

DEBT PAYMENTS
Credit Cards
Student Loans
Other Loans

FOOD
Groceries
Restaurants

PERSONAL CARE
Clothing
Grooming/Hair Cuts
Health/Beauty Aids
Medicine

ENTERTAINMENT
Books/Magazines
Movies/Concerts
Hobbies

OTHER
Cleaning Supplies
Pet Care/Food/Supplies
Donations/Charity

How to Create a Frugal Budget

Assess your monthly expenses. Make a list of all of your regular monthly expenses, including any money that you spend on fun things like eating out, entertainment and hobbies; and any minimum payments that you have to make towards your debts.

Total your earnings. Calculate how much you make per month, including any money that you receive from investments and other forms of residual income.

Subtract expenses from earnings. Test out the effectiveness of your budget by subtracting your monthly expenses from your earnings. This will show you how much you can expect to have left at the end of the month.

Rework your budget. If your budget comes out on the negative side, rework it until your numbers crunch. To do this, go back over each expense, and look for places to make cuts.

Build in money for debt reduction. If you have debts, your budget should already include the minimum payments that you have to make each month. Now you need to find the money to pay down those debts. Look at your numbers again, and determine where you are willing to make sacrifices to get out of debt.

Build in your savings and investments. Now it's time to budget money for your financial goals. Do you want to have an emergency fund? Retirement investments? Vacation savings? Make a list of what you hope to achieve, and then survey your budget once more to find the money that you need to reach those goals. If you have a lot of debt, you may need to skip this step for a while, and that's okay – debt reduction should be priority one.

Put your budget to work. Once you've created a budget that covers all of your monthly expenses and financial goals, it's time to put your budget to the test. Try to live within your budget, and see how it feels.

Assess your budget. At the end of each month, look over your expenditures to see if they are matching up to your budget. If they aren't, determine if you need to work harder to stick to your spending plan; or if you need to rework your budget to reflect your actual spending.

Assess and assess again. A frugal budget is never finished. Continue to look over your budget every month to catch areas of overspending. Then, crunch the numbers again until you've made it right.

Tips:
Be honest about your spending habits, and you'll end up with a much more realistic budget. Don't forget to budget for fun; budgeting isn't about total deprivation. Don't be afraid to change your budget; a good budget is always evolving.

Developing a Monthly Spending Plan

Total your earnings.
Calculate how much money you expect to make this month after taxes (only include income sources that you know you can depend on).
Earnings: _____

Assess your monthly expenses.
Make a list of all of your regular monthly expenses, including any money that you spend on fun things like eating out, entertainment or hobbies and any minimum payments that you have to make towards your debts.
Monthly Expenses: _____

Subtract monthly expenses from earnings.
The resulting figure is how much you can expect to have left after covering all of your regular monthly expenses.
Remaining Money: _____

Subtract any extra expenses.
Review your plans for the upcoming month, and make a note of any extra expenses that you are likely to incur. This includes, but is not limited to: scheduled car or home repairs, medical or dental bills, gifts, trips, parties, extra meals out, subscription renewals and holiday-related purchases. Subtract your extra expenses from the figure that you arrived at in Step 3.
Remaining Money: _____

Build in a cushion.
Look at how much money you expect to have left after covering all of your anticipated expenses, and decide if what remains is enough cushion against unexpected expenses (car or home repairs, medical bills, missed work time, etc.) If you're not sure how much extra to build in, 10-percent is a good rule-of-thumb.
Cushion: _____

Rework your budget.
If your budget comes out on the negative side, go over your monthly expenses again, and look for places to make cuts. Keep at it until your budget works.

Invest in yourself.
Use any remaining cash to pay down debts, or to build up your savings and investments.
Money to Invest: _____

Tips:
To allow for adequate planning time, make your spending plan before the start of the month. Don't be afraid to change your spending plan, if your circumstances change. No two months are exactly alike, so make a new spending plan each month

Money Tips for New College Graduates: Spending, Saving, Budgeting

What college student do you know that isn't cheap? When you're in school every penny counts and you learn to manage your money on a very tight budget. Saving money simply becomes second nature to you. I was so cheap in college I used to: Wear every last piece of clothing to delay paying for the laundry… Ride my bike everywhere so I wouldn't have to pay for gas… Keep the heat turned as low as possible… Eat breakfast in the dark to save on the electric bill… Use water on my cereal so I wouldn't have to buy milk… Buy the cheapest beer possible, no matter the taste… Eat the cheapest food possible (rice & beans, ramen noodles) almost every night.

Any of those sound familiar? I'm sure you could give many more examples of ways students save money. The question is, now that you're finished with school do you still have to live like a broke college student?

Making Money
Once you start your first job you may feel like you're rolling in the dough. You go from making zero money to earning a regular income every payday. Although it may not be much, it's a lot more money than you're used to having. As my parents used to say, your money may be "burning a hole in your pocket". You've been scraping by for years and now you may be eager to buy the things you've needed or wanted but couldn't afford. Before you go out and blow your new income on a shopping spree think about the following story.

Starving for Money
A man is rescued from a desert island after four years of surviving on nothing but coconuts and fish. He's taken to an all you can eat buffet and gorges himself on the food he's dreamed about for the last 48 months. His body goes into shock at the massive amount of food he's taken in. He becomes very ill, his bodily systems shut down, and he almost dies from the health repercussions.

See any parallel there between that guy and a new college graduate who finally earns money after 4 years of being broke and goes on a spending spree? Of course you won't die from overspending but you can literally kill your financial future for years to come if you go on a buying binge.

One of the greatest assets you have as a recent college graduate for building your financial future is the value of compound growth over the next several decades. How you choose to spend, save, and budget your money now can determine whether you struggle with money for the rest of your life or have the financial freedom that many people only dream about.

Your Financial Future
If you're a single adult earning a salary your options for building wealth are pretty promising. You don't have to support anyone else. Your money doesn't have to pay for diapers, engagement rings, or your spouse's credit card bills. You don't have to discuss with anyone how you're going to spend your money or why.

Your money is all yours to do what you wish, just don't blow it. You likely won't always have this kind of financial freedom so spend your money wisely now. Here are some tips on how you can maximize the amount of money you keep in your pocket.

Financial Tips

Avoid buying that brand new, flashy car. If you believe it is a good investment, realize that just driving it off the car lot decreases its value tremendously. Additionally, use an auto loan calculator to show you just how much you are paying for the car with interest included.

Avoid expensive rent. Do you need to live downtown in that luxury apartment? The fact is, that's cash you are spending that you may not need to. Look for a lower end apartment that fits your needs and pocket the rest of your money.

Do think about **cheap real estate options**. With the real estate market so affordable right now, chances are good you'll be well on your way to making a sizable investment long term if you buy now.

Look for a roommate. Sharing the expenses of owning a home or renting an apartment is a great way to save plenty of money.

Avoid credit card debt. While credit cards can be a good financial tool if used properly, they can also get you into a lot of trouble financially if you abuse them. In a later article we'll cover some of the best credit cards for college graduates.

Managing Your Money
In addition to saving money on your biggest expenses like cars and rent and avoiding credit card bills, there are a few other key points to managing your money. You'll want to simplify things by following a system to plan and track your spending. You'll also want to protect yourself also unforeseen events with an emergency fund and insurance. Here are some details on these money tips:

Create a monthly budget and stick to it. Figure out how much you'd like to spend, how much you need to spend, then find a happy medium. Be realistic, don't create a budget you won't follow. Use your mobile device to record your spending and use software like Quicken, or even a simple spreadsheet, to track and analyze it. Watch out for things like eating out, bar tabs, and buying gadgets those add up faster than you realize.

Build an emergency fund available to you in an easy to access savings account. Use these funds instead of a credit card when you need money. Open an online savings account with ING Direct or Washington Mutual. Setup a direct deposit to start building up your fund right away.

Use online banking to stay on top of all of your balances and to know where your money is really being spent. You can download your transactions into your financial software to make tracking your spending easier.

Buy health insurance to protect you from catastrophic expenses and medical debt in the event of a major health issue. Make sure you have adequate auto insurance to cover your liability in the event of an accident.

College Graduate Finances
Leaving university for a job in the real world is a pretty exciting time. The money that comes with a job is nice after being a poor student for years. If you can combine the frugal tricks and habits you learned in college with the spending, saving, and budgeting tips we've covered you'll be able to have fun with your newfound cash and still build a financial future for yourself.

Paying Off Student Loans

How are you ever going to pay off your student loans? Is your college debt going to follow you around for the rest of your life?

Investing in Your Future
Although it may seem daunting, if you approach your college loans as an investment rather than a burden it could help you get rid of your debt. If you think about it, you're not much different than a business that borrowed thousands of dollars in startup money. You took out student loans to fund your professional training, now that you have the needed skills you can earn the money to pay back the debt. First we'll take a look at making your payments while managing your cash flow.

Student Loan Consolidation
Many small businesses use a variety of funding sources when getting started such as credit cards, personal loans, and money borrowed from friends and family. Once they begin earning a steady income, one of the things they might do to lower payments and simplify the expense is to consolidate their debt into one payment.

Since college students in search of school money will also frequently use an assortment of funding sources, student loan consolidation may help simplify your college debt repayments. Consolidation can also reduce your monthly payments, for example you could go from owing $200 a month on three different loans to owing $200 on one. Obviously, you still have the same amount of debt and you'll actually pay more interest over the long term. Another reason to consider loan consolidation is if you have loans at several different interest rates, you might be able to roll them all into one loan with a better rate.

Lowering Your Payments
Of course, not all college graduates get a job right away, just like not all businesses are profitable right away. There may be a period of time after graduation when little or no money is coming in. Even though cash flow may be tight, you still have to pay back the money you borrowed. One thing you might look into is lengthening your student loan term, which should reduce your monthly payments. Of course this will actually increase the amount of interest you pay over the life of the loan but can help your cash flow in the short term.

Delaying Your Payments?
One advantage that college graduates in debt have over small businesses trying to pay back startup loans is that repayment rules are a little more flexible for students. If you haven't landed a job yet and run into trouble making your monthly payments you can sometimes work with the lender to get a deferment, which allows you to hold off regular payments. If you don't qualify for the deferment there's also something known as a forbearance which lets you temporarily postpone regular payments, typically for a shorter period of time than the deferment. Although these methods allow you to put off payments the interest on your loan will still be accruing.

Paying Off Your Loans
So far we've looked at cases where money is tight right out of school and you need help repaying your debt. If, on the other hand, you do find a job and have money you can put towards making extra payments on your student loan then go for it. The money you borrowed to go to school was an investment in your future earnings power. If you see the results of that investment right out of school and start paying down your loans then your breakeven point on the money you borrowed will come sooner.

Don't be discouraged if you can't afford to accelerate your loan payments. Your degree should pay for itself eventually. Many students wouldn't have been able to afford a college degree without borrowing money. You're basically using leverage, borrowing money from the government at relatively low rates, to invest in an education. You then use those skills to earn a higher salary and pay off the money you owe over an extended period.

Student Loan Summary
You can use methods such as student loan consolidation, deferments, and forbearance to help manage the amount you pay for student loans as you're getting on your feet. Once you have an established salary, paying down your loans will reduce the amount of total interest you pay and help pay off the debt faster.

Investing Advice for New College Graduates: The Secret to Decades of Growth

What investing advantage do you have that thousands of other people only dream about? As a recent college graduate this advantage puts you in a position where you could make thousands, or even hundreds of thousands of dollars, from investing over the course of your life.

The sad thing is that many people in your shoes ignore this advantage and squander away this opportunity until much later in life. Would you like to know what this enormous advantage is? If I tell you, do you promise to make use of it?

This advantage is no big secret. It's one of those things that the older you get, the more you realize it's benefits. The thing is, that by the time you really understand its value most people have already lost years of valuable time. Oops, I let it slip. Somewhere hidden in that last sentence is your huge advantage, can you guess what it is? Okay, I'll say it again, this time there'll be no mistaking it: TIME!

You have time on your side. Money you invest right now will have decades of compounded growth. As a recent college graduate you'll probably enjoy the most financial flexibility you'll have of any period in your life. Although you likely have student loans to contend with, you're limited financial responsibilities will probably give you enough disposable income to get your investments rolling.

You're fortunate because time is one of the most important ingredients in anyone's investing forecast and you have a lot of it. The more time you have to save money, the more it can grow and that can mean significant returns on your investment for the future.

Investing Example

Assume you don't start saving now, believing you have plenty of time later in life to save. You need a big chunk of money at age 50, and start saving at 40, so you have ten years to save. Let's say you invest $100 a month for that 10 years earning a 6.5% return (here's hoping that you do much more than this…) At 6.5 percent, with no initial deposit, in ten years time, you'll have $16,840 in your savings account.

Now consider a different scenario, instead of waiting, you start investing now so you have 25 years worth of investment time. With the same $100 a month, no initial deposit and a 6.5 percent interest rate, you'll have well over $75,800 in your account by the time you're 50. Hopefully you'll be saving more than $100 a month and be earning higher rate of return but you have to admit, the difference between $16,840 and $75,800 is pretty big.

Reasons to Start Investing Right Now

Pensions and Social Security won't be there to help you. Social Security may not be around at all, and if it is, it likely won't provide the amount of money you need to live on in retirement.

A 401k, especially one that has employee matching, is invested before taxes. Your invested income has **years to grow and compound** before taking a tax hit. Taken together with money contributed by employee matching programs, a 401k is one of the best ways to save for your future. You can tap into it later for your first down payment on a home or as a safety measure for hardships.

You can be **more aggressive when you are younger**. Since you have a longer time frame for your money to grow, you can afford higher risk investments that should yield higher returns. If they end up losing you money, there are still plenty of years to make up for the loss.

Investing Summary

The most important piece of investing advice I can give to new graduates is to start right away. The Internet has made enormous amounts of information available about the principles of investing and the different opportunities available. Take advantage of it and learn how to evaluate and choose where to invest your money.

Today's investing technology allows almost anyone to start investing with minimal amounts of cash. You can open an IRA for as little as $250 if you setup up regular deposits with multiple mutual fund companies. You can even invest as little as $4 at a time in stocks through programs like ShareBuilder.

Take a piece of advice from thousands of people in older generations who wish they could turn back the clock and start saving and investing earlier in their life. Of course, hindsight is 20/20, but wishing something won't make them any money. The good news is you don't have to wish for the opportunity, it's sitting right in front of you. Take advantage of it!

Best Credit Cards for New College Graduates and Young Professionals

The best credit card for you will likely change along with your financial circumstances. As you graduate from college and get a job, you'll want to do a review of your finances and your current credit cards to make sure you're taking advantage of the benefits your new salary might bring.

Many people unfortunately rely heavily on credit in school because they don't have much money coming in. However, once you graduate and find a job you'll finally have a regular income. Not only will this allow you to start paying off the debt you might have accumulated during your college years, it may also mean you're eligible for cards with better features. Here are some tips to follow as you search for the best credit card for a new college graduate.

Tip 1: Upgrade your Credit Card

If you have a student credit card, chances are the interest charged on unpaid balances is higher than it needs to be. In order to offset the higher risk of students defaulting on credit card debt, student cards tend to have higher rates and lower credit lines. If you were able to establish good credit while in school here are some of the best credit cards for you:

Blue from American Express

Blue from American Express has an introductory period of 15 months at 0% interest for purchases. You can't get a rate any lower than zero and after the introductory period is over the rate is still one of the lowest around for credit cards.

The Blue card does offer a rewards option through the Membership Rewards Express program. You could instead opt for the Blue Cash card if you have an excellent credit history. Blue Cash does pay up to 5% cash back but is better for people spending many thousands of dollars a year on their card. A new graduate is probably better off sticking with the Blue card instead of the Blue Cash.

Discover More Card

The Discover More card is similar to the Blue card in that it only requires "Good credit". It doesn't have the introductory 0% interest on purchases but it does have a better rewards program than the Blue card. The More card can earn you up to 5% cash back in certain categories of spending.

Although student lines of credit are excellent to have during school to help to establish a credit history, now that you have a salary coming in, you're likely eligible for a new card that offers more benefits. Things to look for are a lower interest rate and a rewards program. Of course the quality of card you're eligible for will depend on your credit score.

Tip 2: Don't Close Your Student Line of Credit

Many people make the mistake of closing their student line of credit because they have a better line of credit opened. Ironically, this is a move that could actually cause your credit score to drop. The problem is that lenders look for long term credit history on your credit report since a credit history helps establish your ability to repay on time and makes companies more willing to extend you credit. You can check your current report for free once a year with AnnualCreditReport.com. You can also check out your FICO score in addition to your credit report at myFICO.com. There is a fee for the service but they do offer a free trial.

Tip 3: Watch Out For Balance Transfers

With your lower interest rate on a new credit card, you may be tempted to move your existing student credit card balance to a new line. This may not be a bad idea but watch out for the high balance transfer fees often in place. You also want to look for a card that offers a low APR on balance transfers (even a 0 percent APR) so you save money.

One of the cards discussed earlier, the Discover More card, will give you 0% interest for 12 months on balance transfers as an introductory rate. They do have a balance transfer fee, 3% for each balance transfer made under this offer, with a minimum of $10 and a maximum of $75.

How you could take advantage of this is to move your balance on an existing student card over to the Discover More card when you signup. You'd have 12 months of no interest payments so the money you paid each month would go toward paying down the balance instead of towards interest.

Tip 4: Use Credit Responsibly

Now that you have a better credit card in your hand use it wisely. Don't create more debt for yourself with irresponsible spending. As a new college graduate, you are likely looking for a home, furnishings, a car, or even to start your own business. You'll have plenty of opportunity to spend money, if you charge things on your card make sure you have the cash to cover them. Pay off your credit card each month to continue to build a credit history and to avoid interest charges.

If you haven't had a chance to build your credit history yet or have bad credit there are a few options for you. The downside is that you'll have to pay an annual fee due to your bad credit. The upside is you may still qualify for a credit card and if use it wisely you can rebuild your credit.

For the worst credit, apply for the Orchard Bank Classic Mastercard. The annual fee will vary depending on how bad your credit is but at least you may be able to qualify for a card. They also offer the Orchard Bank Platinum MasterCard which is a step up from the Classic. The Platinum has a lower interest rate and can also have a lower annual fee depending on your credit history. Remember, if you do qualify for one of these cards, be thankful for the second chance and use it to repair your bad credit by paying your bills on time and not carrying a balance.

Tip 5: Research Your Credit Card Options

There are many different cards available with a wide array of different card features. Make sure you research your options before applying for a new card. You can call up your current card provider, explain your situation, and ask what cards you're eligible for now that you have a regular income.

There are many sites online that you can use to review and compare different credit cards. Some of the things to look for are:

- Low APR on purchases
- Low APR on balance transfers
- Low Balance transfer fees
- No Annual fees
- Cash Back options
- Travel rewards
- Gas rewards
- High Rewards earning limits
- 0% APR deals on card purchases and balance transfers