URL: <https://www.vox.com/even-better/23400558/life-skills-adult-budget-phone-call-health-insurance-adulting>

Author: Allie Volpe

Title: The skills you should know before moving out on your own

How to budget, make a phone call, and other important life skills you should know.

Date: Oct 16, 2022, 8:00 AM EDT

Allie Volpe is a senior reporter at Vox covering mental health, relationships, wellness, money, home life, and work through the lens of meaningful self-improvement.

When Genevieve Bellaire graduated from law school in 2015 at 26 years old, she had acquired ample knowledge of case law, but didn’t really understand the deal with health insurance, taxes, or how to find an apartment. What were all these forms she was being asked to complete at her new job? How do you set up a 401(k)? “I found that I just really didn’t have the answer,” Bellaire says, “and oftentimes, didn’t even know the question to ask to make smart decisions.”

Bellaire realized many young people were similarly ill-equipped to deal with the realities of adulthood. According to a 2021 survey of recent US college grads, 81 percent wished they were taught more life skills before they graduated. After years of following a syllabus, there are few instructions for how to get your act together outside the confines of a classroom or your parents’ home, she thought. In 2021, Bellaire launched Realworld, an app designed to answer those same adulting questions for its user base of over 100,000.

The responsibilities newly independent adults face are vast, and range from hard skills, like budgeting, to soft skills, like relationship deftness. Everyone’s experience on the road to adulthood won’t mirror Bellaire’s exactly — maybe you’ve been working full time since before leaving home; maybe you didn’t pursue higher education; maybe you’re the primary caregiver for your parents, siblings, or children. Regardless of your situation, there are common responsibilities and skills that can be mystifying if you’ve never heard of them before or were never taught. You don’t need to be an expert in all aspects of adulting (and many of these topics are expansive and complicated), but experts say having some baseline knowledge about key subjects will help make the transition into self-reliance a little smoother.

These tips are meant as a general framework rather than a purely prescriptive guide, since so much of how you approach finances and relationships depends on your situation — so come up with systems that work for you.

Budgeting and finances

Realworld users are consistently most concerned about budgeting, Bellaire says. Surveys show Gen Z Americans are anxious about their finances yet don’t know how much they spend in a given month.

Budgeting doesn’t need to be complicated. First, determine how much money you take home every month. This is the amount of money you earn after taxes, social security, health insurance, and retirement are taken from your paycheck. This is easier to calculate if you have a salary or work a set amount of hours each week, and your employer already removes these deductions. If you’re a freelancer or contract employee, set aside 20 to 30 percent of your earnings for taxes.

Next, tally up your expenses. This includes rent or mortgage, utility bills, student loans, health insurance premiums (if you pay for health insurance independently), food, transportation, car insurance, child care, and any other bills.

From there, you’ll need to figure out how you’re going to allocate your income to cover your expenses and beyond. Bellaire is a proponent of the 50/30/20 budget, in which 50 percent of your income goes to needs (housing, food, transportation, child care, utilities), 30 percent goes to wants (streaming subscriptions, dining out, concerts, entertainment), and 20 percent goes to yourself (savings account, retirement account, paying off debt). These breakdowns won’t work for everyone’s circumstances, especially if you financially support other people, but you should have a general idea of how much you’re spending versus bringing in.

It’s also worth incorporating some buffer money, says Alyssa Mairanz, founder of the online platform and e-course Adulting In The Real World. “Not every month is going to be the exact same expenses,” she says. “Things come out of the blue.”

You can track your budget in a spreadsheet, a budgeting app or go old-school with a notebook.

If you can, start saving for retirement, Bellaire says. Read through any materials given to you by your employer if you’re enrolling in their 401(k) plan. Mairanz suggests seeking out a financial adviser who can offer financial advice and can help with retirement planning. (Just be aware of how they get paid: through a fee or commission.)

Young adults should also know their credit score, Bellaire says. Your credit score measures your trustworthiness as a consumer and the likelihood of you paying back a loan. “We like to call it the GPA of the real world,” Bellaire says. “It’s the most important three-digit number that can have a big impact on your ability to rent an apartment, to buy a house, buy a car, even get a job.” Yes, the calculation for determining a credit score is discriminatory and arbitrary, but it’s still a figure worth having in your back pocket. You can check your credit report online to keep tabs on your credit score.

Young people may not have credit and will need to build it in order to get a loan or rent an apartment. You can build credit by getting a credit card, or becoming an authorized user on your parents’ card, and setting up automatic payments. Sometimes, putting a major expense, like a medical bill, on a credit card is unavoidable, but if you can, try to avoid making major purchases on a credit card. Try to pay back your credit card bills in full if you can; interest will accrue quickly and you don’t want to struggle for years with paying off credit card debt.

Health insurance

Young people can stay on their parents’ health insurance until they’re 26, but may choose to get their own insurance if their parents are not insured, they prefer to join their company plan, or they purchase their own insurance through HealthCare.gov, the health insurance marketplace. (Open enrollment through the marketplace is November 1, 2022, through January 15, 2023.)

If you’re covered under your workplace plan, double check the dates for open enrollment and if you need to reelect coverage each year. If you lost coverage, got married, or had a baby and need to change your coverage during the year, you qualify for a special enrollment period and can make those changes.

When you’re shopping for plans or making selections on your company plan, you’re going to need to learn some lingo. “People need to understand deductibles,” Mairanz says. A deductible is what you pay when you see a doctor who is covered by your insurance before your insurance starts to pay. If your deductible is $2,000, you’ll need to pay for $2,000 worth of services by an in-network provider. After you hit your deductible, you’ll pay a copay or coinsurance for covered services and the insurance company will pay the rest. Most health insurance plans cover preventive services, like shots and screenings, for free before you’ve met your deductible.

If you’ve met your deductible and have continued paying copayments until you’ve reached your out-of-pocket maximum, you won’t have to pay for anything else after that; your insurance plan will. Another term worth knowing is premium, the amount you pay every month for health insurance coverage.

Always remember to check if a doctor is covered by your insurance before you make an appointment. If you go to an out-of-network provider you may be responsible for paying the full amount of the service or other costs. Should you receive a massive medical bill by surprise, Elise, co-host of the podcast Kinda Adulting, suggests calling your medical provider and requesting a payment plan instead of paying the large sum at once — or worse, not paying it at all. “Because it will get to collections,” says Elise, who, along with her co-hosts, Jordan and Simone, asked that their last names not be used in order to avoid conflicts with their employers. Also, she says, make sure you have your health insurance card ready when dealing with doctors’ offices and billing departments.

Cooking basics

A major part of living away from your parents is knowing how to feed yourself. Mairanz suggests always keeping your kitchen stocked with the basics of your typical diet. (Meaning, if you’re gluten-intolerant or dairy-free, you won’t want to stock up on bread or milk even if they are considered staples.) This can include eggs, pasta, chicken, and frozen veggies. Make sure you have the appropriate tools to make these foods, too: frying pan, pots, microwave, baking tray.

Beyond having the necessary equipment, think about your lifestyle and what kind of cooking habits you’ll have. If you work two jobs and only have time to pick up a bite on the go, you might be better suited allocating your food budget for takeout, premade meals, or kits. If you genuinely enjoy cooking and food shopping, your dollars will go further at the grocery store. “A lot of it gets back to budgeting to where you’re putting your dollar and your time budget as well,” Bellaire says.

Accustomed to grocery shopping with her family, Jordan, of the Kinda Adulting podcast, had to learn to shop and cook for one once she moved out on her own. Buying in bulk and storing copious leftovers occupies precious space in what may be a small apartment and refrigerator, so only buy what you need to feed yourself for the week. “Look on YouTube so you can see how people are preparing things if you don’t have somebody that you can learn from in person,” Jordan says. Elise frequently uses HelloFresh recipes for inspiration, since they’re often portioned for a single diner, and then purchases the ingredients on her own.

Making a phone call

A popular topic in Mairanz’s adulting course is how to make a phone call. “We’re in more of a digital age and with online booking and texting, people talk on the phone less,” she says, “but there are times that this is something that has to be done.” From doctors’ appointments to customer service requests, feeling comfortable talking to another human on the phone is a must.

Mairanz suggests writing down the main points you want to discuss in the call ahead of time and to be prepared for either talking to another person or leaving a voicemail. Your script can be as simple as “Hi, I’m a customer and I just received a bill that I think is incorrect. Could I speak to someone who can review and explain my bill?” Be prepared with your account information and questions about next steps.

For voicemails, Elise suggests leaving your full name, repeating your phone number twice, your email address, and the reason for your call.

Build new structure

If you’ve been living at home for a significant chunk of time, you’ve developed set patterns and dynamics. Maybe your parents always bought the groceries and did your laundry; there were expectations and standards. On your own, you’re going to need to rebuild these frameworks.

Regardless if you’re living with roommates, a partner, or solo, have a discussion both with your housemates and with yourself about how your home is going to operate, says clinical psychologist Jamie Goldstein, author of How to Adult, A Practical Guide: Advice on Living, Loving, Working, and Spending Like a Grown-Up. When are cleaning days? When will you go food shopping? What day are you doing laundry? What guests are able to visit and how long are you comfortable with them staying? “That structure can then follow you out into the world of other dynamics that you’re navigating,” she says.

Setting these home boundaries with yourself and others lays the foundation for maintaining limits in other relationships, like work and romance.

Interpersonal skills

Early adulthood comes with many new faces and responsibilities. For those first moving out of their parents’ house, they’re navigating living with new people. Professional environments place people of different ages, experience levels, and backgrounds in one place. Dating as an adult is rife with interpersonal misfires. One of the greatest skills young people can have is learning how to navigate these relationships, Goldstein says.

Two keys to navigating the murky waters of real-world conversations, Goldstein says, are to engage with curiosity and learning to deal with discomfort. Some conversations will be hard, but she advises entering them not by accusing another person, but by hearing them out and learning from their experience. “The world of ‘adulting’ can be a really uncomfortable place to be, and you’re navigating all of these relationships and situations that bring you a heck of a lot of discomfort,” she says. “Discomfort of figuring out your budget, discomfort of how am I going to split groceries with roommates, discomfort of these dishes have to get done, but they’re not my dishes, and how do we deal with that and talk about that?”

Goldstein is also a proponent of running your errands in person instead of shopping online, to get the benefit of interacting with others. There’s value in feeling confident approaching an employee at a store to ask if they have a shirt in your size or if there’s a restroom available. You’re practicing asking questions and potentially hearing “no” and troubleshooting from there.

When you’re engaging with store employees or customer service reps, maintain your composure even if you’re frustrated and feel like your requests are not being met, says Simone, another co-host of Kinda Adulting. “My mom always tells me to ignore attitudes,” Simone says. “I just keep going on with what I have to do. That’s a part of adulting: you’re dealing with [customer] service all the time, and a lot of times it’s not the best and you have something to accomplish.”

These skills aren’t as easily Google-able as budgeting spreadsheets, but are equally as important to living a successful adult life. Because these conversations and relationships are so difficult, you might stumble and say something you regret, or act in a way that exacerbates the problem. Be kind to yourself and others when these missteps occur (because they will). Another thing they don’t teach you in school: even in adulthood, everyone’s still learning.

Even Better is here to offer deeply sourced, actionable advice for helping you live a better life. Do you have a question on money and work; friends, family, and community; or personal growth and health? Send us your question by filling out this form. We might turn it into a story.

You’ve read 1 article in the last month

Here at Vox, we're unwavering in our commitment to covering the issues that matter most to you — threats to democracy, immigration, reproductive rights, the environment, and the rising polarization across this country.

Our mission is to provide clear, accessible journalism that empowers you to stay informed and engaged in shaping our world. By becoming a Vox Member, you directly strengthen our ability to deliver in-depth, independent reporting that drives meaningful change.

We rely on readers like you — join us.

Swati Sharma

Swati Sharma

Vox Editor-in-Chief