



MoneyMatters

July 2018



Stretch Your Summer Dollars

Summer is officially here. So kick back, enjoy—and get yourself a budget! It’s a great time to take that vacation. But it’s also easy to overspend. According to Experian over 70% of vacationers spend more money than they expected. So, avoid racking up debt with a simple budget, and avoid post-summer stress from financial strain with some simple tips from the experts.

Here are our top 5 tips, with props to travelandleisure.com, realsimple.com, and Experian.

1. If your summer includes a hotel stay, budget realistically. Factor in transportation, activities, meals and snacks. And remember “additional” costs like resort fees, tolls, boarding fees for pets, parking and the cost of new or special clothing, then “pad the bill.” Add an extra 15 - 20% to cover estimating errors and unexpected costs.
2. Make a daily budget allowance, and do your best to stick to it. If you’re getting close to “running out of money” in a given day, adjust your budget for the rest of your stay. If part of that is cash in local currency, work out what each of the denominations is in U.S. dollars. You tend to spend more freely when using an unfamiliar currency (psychologically it doesn’t feel ‘real’). One way to make the budget go further is to “eat like a local” rather than opting for the touristy venues.
3. Carry plastic, preferably one that comes with free travel protection and a low rate (like Credit Union Credit Cards) - and factor in a balance that includes interest, then add this to the budget. And notify your Credit Union in advance about travel plans to avoid having your card frozen due to potential fraud—especially if you’re traveling abroad or out of state.
4. Budget for space as well. If you plan to bring back a life-size model of the Eifel Tower, take an empty collapsible suitcase to avoid having to buy one on vacation.
5. Use a travel app or site to keep track of expenses on the go. Trail Wallet is a low cost app and Budgetyourtrip.com is a free website.

Above all, enjoy the trip and remember that if you need your Credit Union, we’re only a call or a click away! ■



CEO's View

Credit unions and banks. Similar? Yes. And different? Yes! Allow me to explain.

Credit unions are owned by their members who are also their customers. So, we work for one “master”, whereas bankers work for two: their customers and their stockholders, which usually have conflicting and competing interests.

Bank customers, like credit union members, want low loan rates, higher savings rates, lower fees and service charges. But what do bank stockholders want? Mostly, solid dividend income and/or stock value appreciation. This makes it inherently more difficult for bank management to please both their constituent groups.

In credit unions, our members are our owners and are our customers, so no inherent conflicts of interest.

Further, credit unions, by their very nature (income tax-free financial cooperatives), are supposed to offer more competitive pricing than banks across the board*, and the vast majority do exactly that. I know we do! Plus, we also give bonuses to our more active members. This year we anticipate paying out at least \$2 million in bonuses.

The core mission of our Credit Union is to help you, our member/owners, enhance your financial well-being. This means that it is a higher priority for us to help you improve your financial life more than anything else we do, including making a profit. (Yes, credit unions, like any business, must make a profit over the long term.) We believe that our successes flow from serving you with nothing but full integrity.

You make our income statement stay in the black where it should be year in and year out, by choosing to do business with us over and over. And we don't have to set aside any portion of our earnings for stockholders per se; in providing great rates and bonuses to our member/owners, we are returning to our “stockholders.”

We believe in, and practice, the fine art and science of budgeting. You MUST do the same. You've seen and heard about the mega-wealthy filing bankruptcy repeatedly. Budgeting successfully is actually quite simple; spend less than you earn/receive every month.

But, sometimes actually doing the simple, virtuous things is a difficult, lifelong process. Budgeting must be habitual. That good habit is only formed from implementing tough self-discipline...all the time. Our Financial Wellness Center (found on our website) has many good resources available free of charge to help you set up and carry out a viable budget. We are also always happy to answer your budgeting questions as well. We love it when you borrow. We love it more when you borrow for a well-reasoned and well-timed basic tenet of your financial life — one that will help you achieve personal financial success.

Mark Herter
CEO

*The major credit union trade associations each year hire econometric studies done to prove that the credit union industry returns far more in hard dollars financial value to their 100 million plus members each year than the value of the income tax exemption. So, credit unions make certain that American consumers are getting the very best in absolutely legitimate, government insured consumer and small business financial services available anywhere.



Credit Unions

The Best Thing Since Sliced Bread?

We sometimes take it for granted that members know the important differences—and similarities—between a credit union and a bank. So, here's a quick history of how we came to be, and how we stack up against banks.

Doing more with your “bread”, aka money, is something credit unions really understand. About 170 years ago in Germany, prompted by crop failure and famine, a cooperatively-owned mill/bakery was formed to sell discounted bread (real bread). The concept expanded to offer affordable credit— eventually coming to America where in 1934 it was formalized by the creation of the Federal Credit Union Act. Today, credit unions (CUs) prosper worldwide, rivaling traditional banks. But what exactly is a modern credit union, why has the movement flourished, and how are they different from other financial institutions? And, you might actually be asking yourself, why should I care?

Today the founding principles of the first credit union still apply— a member-owned financial institution with a real desire to help the collective membership. Above all, a “people helping people” philosophy and service that pervades all we do.

CUs offer all the services of a typical bank. Sometimes—like yours —they go further. We have an ownership share in financial institutions like a mortgage company and a cutting-edge, financial-technology company that makes banking smarter, safer and more convenient for members.

Beyond this, CUs offer all the day-to-day services to manage your finances— including checking with direct deposit, debit cards, savings, home, auto and business loans, and mobile/online banking to name a few. Also, because CUs share resources, members can access a vast, shared, nationwide banking network—same or better than a “big bank.”

And like a bank, your savings are invested to give back as loans that help members reach goals and dreams. This is where the similarity with a bank stops, however, and the special benefits of a credit union start.

Not only do we call members by their names (not numbers), but a CU's profits are owned by you, so all surplus profit helps members. That's why we give better savings rates, lower loan rates and reduced, or no, fees— benefits banks can't afford to offer as they have to return profits to shareholders. Some credit unions, like yours, also return profit as cash bonuses. Our Summer Of Giving Back is one example. It's this “return of profits” and level of service that's a hallmark of credit unions uniquely. But there is something else.

Not all benefits are tangible ones like savings accounts. A big part of credit unions is the level of guidance, to help members make savvy decisions that bring big rewards. This includes, for some credit unions, financial education to help members grow wealth and attain financial goals more quickly and

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Employee Spotlight



Meet Our Newest
Collector

Carla Burks

Your Credit Union wouldn't be what it is without our awesome employees. Get to know our team a bit better in the fourth of our ongoing Spotlight series.

Five hashtags that describe you?

#neverwithoutasmile #musicinmysoul #liveandlearn
#thinkbig #optimismalways

Favorite music, sport teams and recreation?

My father says, "music is the soul to the world." I love Rock, R&B, Gospel, Soul. Music period! Teams? LOVE the Lakers, the Oakland A's and the 49ers (stop teasing us...they're doing better). I love reading! I also mentor [four] at-risk girls...so proud of them and their accomplishments! I set up a non-profit [on hiatus "takes a lot of funding"] called I Lost My Love But Found My Purpose. It's for women and men who are victims of domestic violence and sexual assault.

In your own words—what is your job?

People might think Collections is adversarial. My job is to help people who feel they are at their wit's end and give them hope, find a solution, and help them reach their brighter future.

A secret talent and ambition?

I love writing. It's an expression of your inner being. An ambition? One day I'd like to build up underdeveloped towns. If you build up the infrastructure, like bring basic services such as a small hospital or internet [some towns don't have this] business and people will follow.

A piece of wisdom to live by?

My grandmother's. She told me she wished she'd traveled more, learned another language; lived life a lot more. I took from this—don't be afraid to try something different. Live life fully and in this way you can pass on pearls of wisdom to others and they will be inspired to do the same. And so the cycle continues. ■

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effectively. Your own credit union is proud to offer best-in-class educational resources, like our online Financial Wellness Center with many actionable, easy modules—to help members do more with their money. We also offer a “Financial Wellness Check” where a Branch Counselor will review a member’s finances, goals and aspirations, and unearth some easy, smart choices to keep more money in their wallet, and grow wealth faster.

Now you’re in the know, we hope you take advantage of everything we— and the credit union movement— have to offer! ■



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Up to 100% ³ (owner occupied)	4.49%

HOME EQUITY ² Terms up to 240 months	
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Calendar



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