

# MoneyMatters

Agent Edition

## 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](http://travelandleisure.com), [realsimple.com](http://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! ■

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## 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.



## Reaching Your Potential,

## Milking Cows, And Other Life Skills

For **Lisa Vermette**, getting up at 4 a.m. to milk cows was the normal thing. Growing up on a farm in Howell, Michigan, Lisa learned early on the valuable skills that would enable her to be the successful businesswoman she is now. Having competed in numerous horse shows —“...I learned to ride a horse before I could walk.”— each competition held valuable lessons. “If I didn’t win, I reflected on what I needed to do, to perform better next time.” By 1995, Lisa had outlived her horse riding days and moved on to bigger and better things in Indiana, where she opened her own agency (Farm Bureau Insurance) as well as a fast-food franchise (Jimmy John’s). She recalls, “We [Jimmy John’s] grew double-digits each month. You need to put in the hours...work smarter...use creative and strategic marketing. I’d go out to local businesses to offer samples of my product, not wait for them to come to me.”

Lisa sold her successful sandwich franchise to focus on insurance, using her extensive entrepreneurial experience to help her agents grow successful businesses. “I can teach anyone, but only if they’re open to it. They need to find the positive—what you can take away from any situation and grow. I stop and reflect on everything I do, just like I did when I was showing horses.” In 2013, Lisa joined Farmers as a Life and Financial Sales Consultant for San Diego County, before reaching the position of District Manager, and becoming a member of the Credit Union in 2015. She has since earned numerous awards for her skilled hard work and high-quality services, such as Rookie of the Year and Trailblazers’ Top 10 Agency Owners.

We asked Lisa about meeting the challenges of the business today. She offered: “[Use] social media and events. Like the Meetup app and others that bring together people with similar interests. Marketing has evolved into a close networking form, so actively market. You can’t just do a mailer. Have a plan in place. Follow up with a timely call. Then an email, text and/or a call.”

“I [only] see the possibilities. Nothing is out of reach. If I hit a wall I keep trying again. I get discouraged — we all do. But, I listen to music, then go for a walk outside to clear my head.”

The first experience Lisa remembers with the Credit Union was when she was shopping around for an acquisition loan for her husband’s insurance business. “I now have all my agents go through the Credit Union. Especially for staffing and marketing—things you need to grow your business. Hands down, they [other financial institutions] don’t offer anything that would allow a person to be successful. They don’t understand an agency model.” She mentioned Chase and B of A as examples. “The Credit Union has taken a lot of time to develop what they offer based around the industry. I like personalized service. They really want to help. I can text John questions [John Stevenson — her Credit Union Business Consultant] and he gets back to me immediately.” **Continued on page 5**

# 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. ■

Continued from page 3

We closed the interview with the Golden Rules. Lisa took a few moments to reflect. “Get a mentor who is at the level of success you want. And learn. If they’re not doing the same thing they were six months ago ask them what has changed? What are they doing better? Don’t recreate the wheel...work smarter, not harder. The other key is implementation. Take *The Rule of 72*. For example, If you learn something, implement it within 72 hours or the likelihood is you’ll never do it.”

The most important rule—and one she lives by—she left for last. “Do the right thing for the right reason. Help people [with insurance products and in life] to the best of your ability. If you do right by others, it will come back around to you.” ■



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## Loan Rates

AUTO Fixed Rates		HOME EQUITY LINE OF CREDIT <sup>2</sup>	
Term	Fixed Rate (APR <sup>1</sup> as low as)	% Financed	Variable Rate (APR <sup>1</sup> as low as)
48 mo.	1.99%	Up to 100% <sup>3</sup> (owner occupied)	4.49%
60 mo.	2.49%		
72 mo.	2.99%		

  

HOME EQUITY <sup>2</sup> Terms up to 240 months	
% Financed	FIXED Rate (APR <sup>1</sup> as low as)
Up to 100% <sup>3</sup> (owner occupied)	4.99%

<sup>1</sup>APR=Annual Percentage Rate. Rates listed are current as of 5/1/2018 and are subject to change without notice. Rates shown are our preferred rates based on credit worthiness and a 1.00% Direct Deposit/Folio Direct Deposit discount, if applicable and a 0.25% discount when you purchase through the Farmers Insurance Car Buying Service. <sup>2</sup>Home Equity loans are available in all states except Alabama, Alaska, Florida, Hawaii and Louisiana. Lines of Credit are available in all states except Alabama, Alaska, Florida, Hawaii, Texas and Louisiana. <sup>3</sup>Maximum Loan-to-Value of 100%.

**EQUITY LOANS** Please call **800.877.2345** ext. 6050, 6051 or 6052 for the most current equity loan rates.

## Calendar



**Sept. 3** **Labor Day**  
Sept. 3, 2018  
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## MoneyMatters

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