

# MoneyMatters

July 2017



## COLLEGE FRESHMEN

### "Survival Boot Camp"

**E**xhale! Your kid is college bound! Wipe away those tears, pack the car, and don't remove the extra place setting just yet. Some 19% of 4-year and 39% of 2-year college students won't return to school after freshman year (National Center for Education Statistics, April 2017).

Reasons for dropping out vary but high on the list is *unpreparedness*. (Pew Research Center: *Is College Worth It?* (2011)). We want to help! Our *Survival Boot Camp* gives top "survival" tips for students, courtesy of orientation counselors—seasoned students who help freshmen anticipate the worst (and make the most) of their critical freshman year. Share these with your college-bound child to increase their chances for success.

### Your Student's Social Wellbeing

**"You be you."** During freshman year you'll have many social decisions to make. Make them for your benefit, not others'—and find activities you really enjoy. People will respect your authenticity.

**Stay in contact with folks back home for support** but make new friends as well. Freshman year is a giant social mixer, but be warned most early connections won't pan out. Don't be discouraged by this but make new contacts at every opportunity as those that stick (and enough will) are really important.

**Spend time exploring the college/town.** Learn your neighborhood and how to navigate around campus so you know where to go when you need a break.

Also, connecting with your town gives you a sense of community that makes you feel like you're home away from home.

**Try new things.** This seems obvious but goes beyond fun/recreation. Join clubs and organizations that seem interesting, and quickly drop those that don't match expectations. From the "winners" you'll probably meet like-minded peers who become firm friends, and form a part of your college support network—critical to surviving and flourishing in college.

### Your Student's Academic Wellbeing

**Form a support network.** There's little "hand-holding" at college—so create a network for academic/social support. This includes friends, peers you admire and professors and graduate-student advisors. Their help versus going it alone WILL raise your GPA and might even save you from a failing grade. Your group will also help you secure jobs and internships.

Continued on page 4

### In This Issue

- 2 **CEO's View**
- 3 **10 Summer Budgeting Tips**
- 6 **Calendar**
- 6 **Loan Rates**



## CEO's View

What is the essence of saving money, in other words, how does one ensure success at saving? First of all, understand the basics, starting with your underlying motivation. What is your motivation? Set your goals and remind yourself of them daily. There is never a bad time to save. Why? Well, there are many reasons, starting with your own peace of mind. Being successful at saving money requires self-discipline. Eating dinner out too often, buying that article of clothing on impulse, or stopping by the coffee shop are great ways to blow through hundreds of extra dollars every single month. And if you saved just \$200 a month for a year, you'd have about \$2,500 in your savings account. And what about a summer vacation? The trick is to save in advance for your vacation. We offer a special savings account just for that purpose. Whatever your goal, if it's important enough to you, you will find the way to achieve it.

Second, know your appetite for risk. Saving here at your Credit Union essentially does not involve the risk of losing your principal, as it well might mean in the stocks, bonds, commodities, and real estate markets. Are you playing the lottery instead of putting that money into savings? If you took the money you spend on lottery tickets, and put it in a savings account, you would have more money in your account GUARANTEED by the end of the year instead of taking a huge risk. Another safe investment.

Third, define personal financial success. Is it possible to be successful financially without having a substantial, risk-free savings account? I would argue that without this key element, real financial success has not happened yet.

For agents and district managers, the challenge may be even greater. Agents know that maintaining and building a positive monthly cash flow is at the top of the financial prudence hill. But what about regularly funding deposits to a SEP-IRA? Or funding other prudent, risk-free investments that will be there when you decide to, or need to, stop working. Self-employed people know how hard it is to put money away for retirement. Yet, doing so is simply an absolute necessity.

We are here for you, to help you enhance your financial well-being. Our savings rates are among the very best. Our federal insurance fund, the National Credit Union Share Insurance Fund, the NCUSIF, dollar for dollar, is stronger than that of the FDIC for deposits-insured banks. The NCUSIF insures up to \$250,000 per separate eligible member in non-IRA funds, and an additional \$250,000 in IRA deposits. We can explain more about ways to obtain government deposit insurance of far more than that first \$250,000 per eligible member. It can be a little complex. Get that first quarter of a million \$\$ saved with us, then we'll talk more!

A handwritten signature in black ink that reads "Mark Herter". The signature is fluid and cursive.

Mark Herter  
CEO



## 10 Summer Budgeting Tips

The siren-song of summer is calling us to come out and play! Now that days are getting warmer and longer, you'll probably be spending more money on entertainment and activities. But don't let the added expense have you singing the blues. We penned some budget-stretching tips to help you do more with less—ideas courtesy of **Quicken Inc., Forbes Magazine** and the **LearnVest** team of financial planners.

1. When hosting family and friends for a summer bash, throw a potluck. It's economical and a fun way to showcase recipes.
2. Use credit-card miles for summer travel—then use the cash you save for extras, or pocket the savings for a fall or winter break.
3. Each summer, buy one “must-have” entertaining tool like a good drinks blender or a portable icemaker. By adding gradually you'll feel the expense less and get to try a new toy each year!
4. If you have a yard or a patio garden, cut some flowers and foliage for table decorations when entertaining. It adds a bit of magic to the table without the added expense.
5. Take advantage of free/low-cost summer concerts, movies and plays put on by your town council. Local malls and restaurants may also sponsor live music.
6. Pack your own snacks for the family road trip. If you take a lot of mini excursions or day trips, the

high cost of buying snacks at convenience stores or the gas station mini mart add up quickly. Keep the kids happy by making a supermarket run prior to setting out.

7. Now that school's out, video games are a larger part of the daily routine and a greater expense. Save big by buying less and switching to a subscription service like GameFly instead. You'll pay a set price for fixed number of games, and when one game is finished, just substitute for another.
8. Stock up on winter clothes while they're still on sale. Summer's a great time to take advantage of winter clothing discounts, which also extend to winter accessories including gloves and boots.
9. Don't floor the accelerator. In summer we're all in hurry to “get there,” but a few minutes faster is a lot more expensive. At 85 miles an hour you'll burn up 15%-30% more gas than at the speed limit—not to mention the odds of a costly ticket if you're caught speeding.
10. And we've saved the best advice for last. DON'T forget to set an annual summer-fun budget so you know exactly how much you can afford. Then save with small deductions from each paycheck over the course of a year. *Editor's note: A Credit Union Savings Club Account is a painless, automatic way to save while accruing interest! Start saving today. ■*

Continued from page 1

**Form a study group & collaborate.** Never go through class alone. Need to skip a morning lecture after a late night and want a proxy note taker? Can't quite come up with an "A" thesis? Become part of a study group. Diverse perspectives make for better work (= better grades). And you'll get to practice career skills like negotiation/debate—all in a non-threatening environment.

**Try out new courses.** In the first half of freshman year, don't be afraid to mix 'n match academically. Even if you're "destined" to be an engineer, doctor or lawyer, try some classes just because they sound fun. It's possible (actually this happens a lot) that you find a brand new major and a lifelong passion.

## Your Student's Career Wellbeing

**Go to class every day (well, most of them).** Hearing lectures first-hand is ideal even if notes are posted online. You get attuned to the professor's likes/dislikes and personality, which gives you an edge when writing assignments. Your professor also gets to know your face and name and sees you participate. Standing out like this in lectures (and remember this applies to office hours, too) is central to an awesome letter of recommendation—and by extension to securing college internships and grants.

**College is a breeding ground for careers.** Millennials are expected to emerge *career-ready* from college, so pressure to snag a college job/internship is huge. Go there to learn—but also utilize career resources—formal and informal. Students who've had internships can share their experiences, and even refer you to companies. Also network with professors for job leads.

And don't forget your Credit Union is here to support you. Some financial institutions see students as prey and load them up with unsustainable levels of debt. We care about getting you through college and financially prepared for a great future. Period. Our own "college survival kit" includes great savings products (good for college expenses), competitive student loans (with flexible repayment terms), and savings-secured credit cards to build solid credit while in college (=cheaper car loans!).

Congratulations and good luck to all incoming freshmen! ■



# They Grow So Fast

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# Loan Rates

AUTO Fixed Rates	
Term	Fixed Rate (APR <sup>1</sup> as low as)
48 mo.	1.24%
60 mo.	1.74%
72 mo.	2.24%

<sup>1</sup>APR = Annual Percentage Rate. Rates listed are current as of 12/16/2016 and are subject to change without notice. Rates shown are our preferred rates based on credit worthiness and a 0.50% 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 and Lines of Credit are available in all States except Alabama, Alaska, Florida, Hawaii, Louisiana and Texas. <sup>3</sup>Maximum Loan-to-Value of 100%.

HOME EQUITY LINE OF CREDIT <sup>2</sup>	
% Financed	Variable Rate (APR <sup>1</sup> as low as)
Up to 100% <sup>3</sup> (owner occupied)	4.49%

HOME EQUITY <sup>2</sup> Terms up to 240 months	
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# Calendar



Sept.

4

**Labor Day**

Sept. 4, 2017

**Credit Union  
Closed**

## MoneyMatters

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