



Money Matters!

William M. Fisher

Coastal Federal Credit Union



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Welcome/Introductions



Benefits of establishing a banking relationship



Establishing a budget

- Wants vs. Needs



Understanding the Importance of Credit



Questions and Answers & Goals!



Credit Unions vs. Banks

Different Types of Institutions

	CREDIT UNION	BANK
Philosophy	Not for profit	For-profit corporation
Ownership	Members	Stockholders
Management	Volunteer Directors	Paid Directors
Primary Objective	Meet member/owner needs	Increase share price through maximizing immediate profit
Community Ties	Locally owned and operated	Headquarters and stockholders live anywhere in the world and have no connection with the local community
Rates/Products	Offer better rates and lower fees	Rates and fees may not be favorable because of for-profit status
Safety	Insured up to \$250,000	Insured up to \$250,000



Banking

Different Types of Accounts & Creating a Relationship

-Having a bank account means a safe place to store your money.

-Most financial institutions offer the same 4 category of accounts.

-It is important to establish a relationship with a financial institution because this will help you long term in securing loans and getting help when you need it.

-Having a financial institution that you use for all of your accounts strengthens that relationship



What are your Financial Dreams?

As we get older our needs and values change.



Needs vs Wants

How do you spend your money?



Top 10 reasons people over-spend

10. KEEPING AN IMAGE
9. AVOIDANCE
8. THE MONEY IS ON IT'S WAY
7. CREDIT DOESN'T FEEL THE SAME
6. IMMEDIATE GRATIFICATION
5. LIFESTYLE MAINTENANCE
4. POOR AS A CHILD
3. SENSE OF POWER
2. PROVE SELF WORTH
1. JUST CAN'T SAY NO





Creating a Budget

Wants vs. Needs- "Delayed gratification is a good thing".

WANTS

- To feel a desire for something
- Example: We want a new car
- Can you list some wants?

Have you heard that _____ is coming in March? I have to go!

NEEDS

- To be essential or necessary to something
- Example: I need water to drink
- Can you list some needs?

We have just moved to the area and we need a place to live!



Things to consider budgeting for a systematic savings plan

1. **Household or Car Maintenance** (*Most emergencies are costly and will happen when you least expect it*)
2. **Healthcare/Medical** (*HSA Accounts due to increasing premiums, Family premiums usually around \$6000.00*)
3. **Hobbies** (Golf, Fishing, Biking, Sporting Events, Etc.. (*Because its part of our lifestyle*))
4. **Shopping** (*Consider saving for a shopping spree to maximize value and prevent credit card use*)
5. **Vacation/Travel** (*Will prevent or reduce using a credit card to fund your vacation*)
6. **I.C.E** (*In case of Emergency for peace of mind*)
7. **Miscellaneous Account** (*Gifts, Christmas, Birthdays, Amazon Prime, Donations Etc.*)
8. **Down Payment on Cars, Homes or large ticket Items .**



Creating a Budget

WHY?

- To achieve your goals
 - To use money efficiently
 - To control and track spending
 - To prevent overdrafts
- “Let’s set a goal to log dollars spent and establish a monthly budget”*



Creating a Budget

5 Steps to Start

• **Setting Up A Budget**

1. Listing all sources of income
 - What is Income?
2. Listing all major expenses
 - Fixed and Variable
3. Track Every Dime
 - Carry a Small Notebook
4. Learn to Save
 - Pay Yourself First
5. Keep Good Records
 - Frequent & Constant Monitoring

Paycheck
from a Job

Utility Bills
Car Payment

Movie Tickets



But where can I find the extra money to save???





Money Saving Ideas

How do you save money for you and your family?

- **Avoid credit card debt!**
- **Sales/Coupons**
- **Discount programs, i.e.-AAA, Student, Military, AARP, ect.**
- **Accountability partners**
- **Refinance higher interest rate debt if possible (rate shop)**
- **Consolidate of possible**
- **Renegotiate services providers, TWC, Mobile phones, Insurance providers, ect...Shop for better deals or packages.**
- ***What else? Let's brainstorm!***



Food Money Savers

- Dine “in.” *Eating out can be costly*
- Don’t go shopping when you are hungry.
- Make your food go further.
- Bring your lunch to work
- Shop in “bulk”
- Sales /coupons
- Forget the extras!
- Avoid restaurants with waitresses.
- Groupon
- *What else? Let’s brainstorm!*



Entertainment Money Savers

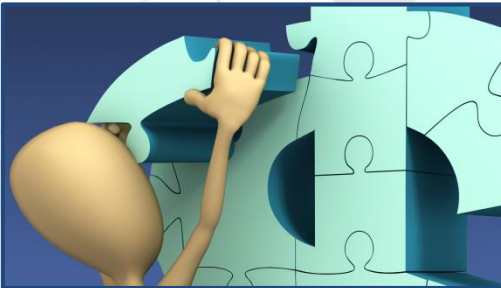
- Cheap/Free concerts.
- Exercise.
- Home entertainment.
- Museums
- Groupon
- Living Social
- Netflix
- Redbox
- Check newspaper for free local events
- What else? Let's brainstorm!
- **"Lets set a goal to save a portion our gross income"**

Understanding Credit

What is Credit?



- Pay Later System: Arrangement by which a buyer can take possession of something now and pay for it later or over time



- Another definition is the amount of money that a financial institution is prepared to lend somebody

Understanding Credit

Why is it important to establish credit?



- Helps decide whether someone will extend you credit in the future
- How much that credit costs
- Housing
- Utilities
- Jobs



How to maintain Good Credit

- Pay all bills on time
 - Keep utilization on credit cards low (below 30%)
 - Keep number of inquiries low
 - Length of Credit History
 - Have different types of credit
 - Dispute inaccurate information with credit bureau
- Check your credit reports every year at www.annualcreditreport.com



What will credit cost you?

Example: Used Car Loan for \$10,000 – 5 year Term

Credit Score	720	620	580
Interest Rate	2.99%	10.99%	17.00%
Monthly Payment	\$179.67	\$217.45	\$248.66
Cost of Credit	\$779.54	\$3,046.85	\$4,918.62
Total Cost	\$10,779.54	\$13,046.85	14, 918.62

What are your Financial Goals?

What are SMART goals?

- 1. **S**pecific
- 2. **M**easurable
- 3. **A**ttainable/Actionable
- 4. **R**ealistic
- 5. **T**imely





Got Questions?

