June 2019

7 Reasons You're Still in Debt & How to Finally Get Out

Date/time to schedule: Wed., June 5 @ 7:30 p.m.
Preheader Text: It's not as hard as you might think.
Facebook Share Text: As the saying says, 'there's no time like the present!' If you're in a debt-cycle & have no plan for getting out, you should definitely take some time to read this article…and then give us a call.

Body Copy:
Paying off debt can be challenging. It's difficult to find extra money to pay off your debt so that you can finally be free of it, especially when you need to pay for daily living at the same time. However, finding a way to break the debt cycle can be the key to realizing future financial success.

Ultimately, taking steps to get debt-free and set yourself up for success means making the right moves now to avoid costly trade-offs later**.**

In a recent *usnews.com* article, contributing writer Andrea Woroch points out 7 common reasons consumers find themselves stuck in debt – and the steps they can take to eliminate debt for good.

1) You live beyond your means
Living beyond your means can happen quickly if you don't scrutinize your spending, especially once you begin changing your lifestyle with every new job, promotion or raise you receive. To break this cycle and set yourself up for long-term success, aim to maintain a low cost of living.

2) You don't have a budget
It's easy to lose control of your finances when you're not monitoring your budget. Take a month to track all of your spending; then, see how you can budget for the next month to reduce costs and pay down debt.

3) You spend before you save
Saving what you have left after you pay bills and other expenses never works, and this holds true for debt repayment as well. Paying down debt first forces you to make-do with what you have.

4) You make spending decisions on impulse

Making impulsive purchases a habit will add up over time and add a considerable amount to your debt load. Curb impulse purchases by creating barriers. For instance, delete payment information stored on favorite retail sites and turn off push notifications from retail apps that may send you deal alerts that tempt you to make an unplanned purchase.

5) You only pay the minimum balance due
Carrying a balance across your credit cards adds a surcharge to every purchase you make. And, if you're only making minimum payments, chances are you're only paying off the interest fees that have applied to your account. To avoid letting your balance spiral out of control, make a point to pay off your card in full every month or pay off purchases as you make them.

6) You have no emergency savings
Even budget-conscious consumers can find themselves in debt if they don't plan for unexpected life moments like a car accident or serious illness. An emergency fund assures that you do not rush for a credit card when an unexpected expense arises. Conventional wisdom holds that individuals need to save at least six to nine months of living expenses in an emergency fund, but the key is to start small and work up.

7) You lack a realistic repayment plan
The key to effective goal-setting, especially when it comes to paying down debt, is being logical and methodical about what you can accomplish. This will help you stay motivated and keep frustration at bay. To set a reasonable repayment plan, determine how much money you can comfortably put toward your debt each month. Keep in mind, you'll get out of debt sooner by cutting out expenses you can live without.

Contact the credit union for assistance or advice on how to break the debt cycle.

Click here to read the full article.

7 Financial Mistakes to Avoid if Your Spouse Passes Away

Date/time to schedule: Monday, June 17 @ 7:50 p.m.
Preheader Text: Good advice to share or tuck-away.
Facebook Share Text: While no one wants to think about it, death is an inevitable part of life, and wise money decisions are tough to make in times of crisis. Tuck this article away, or maybe use to help-out a friend or loved one.

Body Copy:
In the overwhelming period directly following a spouse's death, it may seem too soon to think about how to manage your money from here on out.

While that may be true, at some point, it's one of those topics you need to examine carefully. People who are in deep grief are often in a state of mind that's prone to making financial mistakes. However, there are steps you can take to prevent yourself from tripping up financial following the death of a spouse.

In a recent *usnews.com* article, contributing writer Rodney Brooks highlights 7 common mistakes to avoid if your spouse passes away.

1) Ignoring tax implications
Your tax-filing status will change after a spouse passes away, which could push you into a higher tax bracket or cause you to lose tax breaks. You can no longer file married filing jointly. If you no longer have two exemptions, the chances are that will hurt you financially.

2) Failing to plan for lower Social Security and annuity income
While widows and widowers can claim a Social Security survivor's payment equal to the amount the higher earning spouse received, there will now be one Social Security check coming into the household instead of two. In some cases, pension or annuity payments might also stop. This is especially true for life annuities, which pay only while the purchaser is alive.

3) Taking unplanned withdrawals from tax-deferred accounts
Many people look to make up that lost income by taking retirement account withdrawals, but missteps can trigger both taxes and penalties. When you make that withdrawal from a spouse's IRA, the taxes are due. And, if you are not 59-1/2 or older, you could also pay a 10 percent early withdrawal penalty.

4) Paying taxes on retirement account withdrawals too soon
A surviving spouse can transfer tax-deferred retirement account assets into his or her name, which often

allows you to further delay taxation. If you are under age 70-1/2, it gives you the ability to defer taxes into the future.

5) Getting stuck paying a 10 percent early withdrawal penalty
If the surviving spouse is younger than age 59-1/2 and needs access to some of the funds in a retirement account, you can transfer the money into an inherited spousal IRA. If you need money, the IRS will allow you to take distributions. You will have to pay taxes, but you avoid that 10 percent penalty the IRS could charge.

6) Forgetting to take a required minimum distribution
Distributions from retirement accounts are required after age 70-1/2, even in the year someone passes away. If the decedent was in payout mode and past 70-1/2, make sure between decedent and beneficiary you still take the required minimum distribution.

7) Waiting to seek advice
It isn't always easy or realistic to focus on your finances shortly after losing a loved one. The best course of action to avoid making money missteps is to seek professional advice and guidance. Incorporate tax planning, especially when during estate planning and hire a tax advisor to help with the “what happens next” questions.

Click here to read the full article.

Practical Tips to Avoid Becoming a Victim of Fraud

Date/time to schedule: Thursday, June 27 @ 11:10 a.m.
Preheader Text: How many of these do you do?
Facebook Share Text: You may be surprised by some of these tips. How many things are you doing every day that expose YOU to potential fraud?

Body Copy:
Every year, criminals use clever schemes to defraud millions of people. Crooks often combine new technology with old tricks to get people to send money or give out personal information. However, by arming yourself with some practical knowledge, and some specific proactive actions, you can keep yourself from becoming the next fraud victim.

Below are some practical tips to help you stay a step ahead of the crooks and deter incidents of fraud.

- Plan to protect your assets and to ensure your wishes are followed. Talk to someone at your financial institution, an attorney, or financial advisor about the best options for you.
- Shred receipts, bank statements and unused credit card offers before throwing them away.
- Carefully choose a trustworthy person to act as your agent in all estate-planning matters.
- Lock up your checkbook, account statements and other sensitive information when others will be in your home.
- Order copies of your credit report once a year to ensure accuracy.
- Never give personal information, including Social Security Number, account number or other financial information to anyone over the phone unless you initiated the call and the other party is trusted.
- Never pay a fee or taxes to collect sweepstakes or lottery "winnings."
- Never rush into a financial decision. Ask for details in writing and get a second opinion.
- Consult with a financial advisor or attorney before signing any document you don't understand.
- Get to know your credit union staff and build a relationship with them. They can look out for any suspicious activity related to your account.
- Check references and credentials before hiring anyone. Don't allow workers to have access to information about your finances.
- Pay with your debit card, credit card or check instead of cash to make sure there's a paper trail.
- Feel free to say "no." After all, it's your money.

- You have the right not to be threatened or intimidated. If you think someone close to you is trying to take control of your finances, call your local Adult Protective Services or tell someone at your credit union.
- Trust your instincts. Exploiters and abusers often are very skilled. They can be charming and forceful in their effort to convince you to give up control of your finances. Don't be fooled-if something doesn't feel right, it may not be right. If it sounds too good to be true, it probably is.

If you have any questions, or if you believe you may have been the victim of a fraud, please contact the credit union immediately.