June 2020

Considering Spending Your Emergency Fund?

Date/time to schedule: Tuesday, June 9 @ 10:30 a.m.
Preheader Text: Ask Yourself These Questions
Social Media Share Text: Congratulations – it took hard work & lots of discipline to save-up that emergency fund. Here are four questions you should ask yourself before spending it.

Body Copy:

We get so used to thinking of our emergency fund as cash that we should not touch. It can feel wrong to spend that money. But the financial situation that has cropped up as a result of the coronavirus pandemic makes now a perfectly legit time to tap into your reserves. Honestly.

Your individual circumstance, however, may leave you questioning whether it's really okay to be spending your emergency fund. There are many unique situations that could describe the need to reach into this designated fund.

Nicole Dow, a senior writer at The Penny Hoarder, has four questions you should ask yourself before spending your emergency cash.

1. Is This Expense a Need?

This is an obvious question but one that's vital to consider. When you use your emergency fund to replace lost income, you can't afford continual spending habits like you used to.

Ask yourself: Is this expense necessary for my survival? If not, it's not worth draining your rainy day fund for.

That may mean pausing your cable service, discontinue coffee shop visits for the month, or taking a break from tithing so you can eat, stay healthy and keep a roof over your head.

2. Are There Resources to Help with This Expense?

In response to this financial crisis, various organizations and companies are offering some type of aide for those in need.

Most banks and credit unions are waiving overdraft fees and working to make payment plan adjustments on loans. Many credit card and mortgage companies are letting customers defer payments.

Food pantries are trying to distribute more food. School districts are providing free meals to children regardless of schools being closed. Utility companies are vowing not to shut off service for those who can't pay during this unfortunate period.

Any assistance you can get will help stretch the money in your emergency fund.

3. Do I Have Cash Outside of My Emergency Fund?

Before you start spending your emergency fund, look at other money you can use first.

If you have money saved up for a summer vacation or holiday gifts, use that cash first. If you have more money than usual left in your checking account because social distancing eliminated your entertainment spending, spend that.

Hold off on using your emergency fund until you have exhausted other viable options. Make every effort possible to avoid pulling money from your retirement accounts.

4. Can I Get What I Need for Less Money?

Your emergency fund will only stretch so far. Be smart about what you spend by looking for cheaper alternatives.

Switching from name-brand to store-brand products to save money on groceries, or shop at a store that offers lower prices. Reduce your utility usage to lower your bills. Compare medication costs with a prescription discount card to find the best deal.

Even if these aren't your normal habits, think of them as a temporary belt-tightening. And, by the time you have recovered from this financial hardship, some of these changes could be worth permanently sticking to.

Read the full article here.

How to Buy a House

Date/time to schedule: Thursday, June 18 @ 8:45 p.m.
Preheader Text: A 9-Step Guide to Your Biggest Purchase Ever

Social Media Share Text: While the road to buying a house has become more riddled with potholes and speed bumps, it's still one you can navigate with the right savings plan, a decent credit score and a little professional guidance.

Body Copy:

Housing prices are on the rise with no signs of slowing down. Since 2011, single-family home prices have climbed 42%. That means a house that cost $200,000 eight years ago would now cost $284,000.

With rising home prices and inflation, growing student loan debt and stagnant wages, the dream of homeownership is becoming more challenging for each generation. However, do not be discouraged. Timothy Moore, from *the Contributor* will explain why this is not impossible.

9 Steps for First-Time Buyers

1. Whip Your Credit Score Into Shape

A strong credit score is crucial to securing a low interest rate on your mortgage.

Over 30 years, the most common length of a mortgage, paying just 1 percentage point more in interest could cost you big time. For example, if you bought a house with a $200,000 fixed-rate 30-year mortgage at 5% interest, you would pay an extra $40,000 in interest over 30 years than you would have at 4%.

At a minimum, your credit score should be 620. Some mortgage lenders may approve you for a loan if your score is under 620, but prepare for astronomical interest rates and larger down payment requirements. An above-average credit score falls within the 680 to 740 range. Anything above 740 will secure you the best interest rates available.

Paying off debt is especially important because lenders look at your debt-to-income ratio, which is your monthly debt obligations (including your estimated future mortgage payment) divided by your pretax monthly income. Lenders look for a debt-to-income ratio of 43% or lower.

2. Save for a Down Payment

Saving for a down payment while also paying off debt is challenging, but if you want to be a homebuyer, you will need to do both.

The age-old wisdom is that you need to save 20% for a down payment. But with the median home sale price at $232,700 as of February 2019, that would make the average 20% down payment $46,540.

FHA loans, which are popular among first-time buyers, require 3.5% down with a 580 or higher credit score.

VA loans, reserved for members of the military, veterans, and some surviving spouses, require no money down but typically require a funding fee of 2.15%, which can be financed into the loan.

However, there are benefits to putting 20% down. One of those, is that you typically avoid having to carry private mortgage insurance, or PMI. A larger down payment can also make your offer more attractive in a competitive market.

3. Figure Out Your Price Range

How much house you can afford and how much you should spend on a house may be two vastly different numbers.

The golden rule: Never set your sights on a house that you could afford — but that will cause you to make other sacrifices you're not thrilled about, such as eliminating vacations or ruling out education.

Similarly, if you or your significant other (if you're buying with a partner) both work, but one of you is considering a career change that could result in less income or becoming a stay-at-home parent, you should not budget using your current combined income.

Be conservative. Your home should not cost more than three to five times your annual income.

4. Get Preapproved for a Mortgage

Before shopping for houses, you should ask us to preapprove you for financing. We will provide a preapproval letter, which is an official document saying we have committed to giving you a loan, assuming nothing changes in your finances.

5. Hire a Real Estate Agent

The beauty of the homebuying process is that the seller will typically pay your real estate agent fees, so hiring an agent does not cost you anything. It can be peace of mind to have a professional walk you through the buying process, especially if it is your first time. One thing to consider when deciding whether to hire a Real Estate Agent, is some sellers may lower the price slightly if you purchase without an agent.

6. Shop for Your Dream Home

This is the most exciting step. Now you can set foot inside of homes and envision your life inside them.

Try to keep focus on the things that really matter. Cosmetic things like ugly carpet and questionable wallpaper can be changed relatively cheaply. The structural components are what you should be most concerned with. Some things to look for when you tour a home:

- **How's the plumbing?** Can you get hot water fast? What's the water pressure like? Do you notice any leaks or signs of water damage? Does the basement show signs of flooding?
- **Is the foundation solid?** Or are there issues that might require costly repairs?
- **How old are the appliances?** Will they need to be replaced soon?

- **What about the exterior?** When was the roof last done? Is the siding in good shape? Are the windows going to make your energy bills high?
- **What's the neighborhood like?** Do you feel safe where this house is? Is it conveniently located near restaurants, shopping, hospitals, and parks? If you have or want children, are there good schools nearby?

7. Make an Offer They Can't Refuse

Once you have found a house that fits your needs and is within your budget, you and your real estate agent will submit an offer. Be prepared to negotiate the purchase price, especially if you envision remodeling soon.

The seller may make a counteroffer. You can counteroffer right back until you land on an agreeable contract.

It is typical to put up "earnest" money as a show of good faith to the seller that you are serious about moving forward with the sale. You will get this money back if the sale falls through because of issues with the appraisal or inspection. If you purchase the home, the money is applied to the price of the home.

At this point, the house will go into escrow while you secure financing.

8. Get a Home Appraisal and Home Inspection

Your lender will typically coordinate the home appraisal to determine what the house is worth. If the house is valued at less than what you offered to buy it, the contract will likely need to be revised, because it is not a good investment for the lender.

It is your responsibility to coordinate the home inspection, which, though not always legally required, is something you should absolutely do. A home inspector will investigate the property, checking for structural issues, HVAC issues and issues with the roof and major appliances. The average home inspection costs between $300 and $400.

9. Close on Your New Home

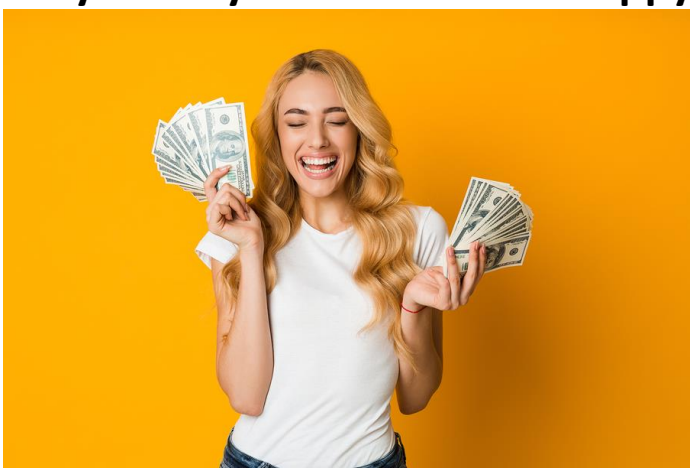
A few days before you officially close, you should do a final walk-through of the house to ensure everything is as you expected. Check that all agreed-upon repairs were made, and if the contract specified that certain appliances would be left behind, verify that those are still present.

This will also be the day you write a large check for the down payment and any closing costs that you have agreed to cover. Of course, this significant amount was anticipated and planned for, before and throughout the buying process.

All told, it will take great thought and months of hard work to prepare for buying a home.

Read the full article here.

Why Money CAN Make You Happy!



Date/time to schedule: Sunday, June 28 @ 7:00 p.m.
Preheader Text: Here are 5 distinct ways.
Social Media Share Text: There are two types of happiness: short term & long term. See how these concepts can teach you to use your money in ways that create more happiness.

Body Copy:
Here are the biggest ways making more money can make you happier:

1. Less worry and stress
2. Freedom
3. More control over your time
4. More extraordinary experiences
5. The opportunity to give back

To understand how money can make you happier at a deeper level, I think we should look at two different types of happiness – short term and long term.

Short-term happiness comes from finding your flow state.

You know that feeling when you're sitting on the beach with a cold beverage and feel one with the world? What about the feeling you get after seeing your favorite DJ or band and walking out into the crisp air after the show? What about the feeling you get when you are in such a good conversation, that time disappears? Or maybe it's how you feel when you buy that new handbag or a new truck?

That is what you could call your flow state, from something or someone in which you feel immediate, but shorter-term happiness. One way to maximize your happiness is to find your flow state every day, or at least as often as you can. It's about doing the things you love. This is the most beneficial form of short-term happiness.

Unfortunately, so much of American culture has linked happiness with consumption – therefore we feel happy, albeit temporarily when we buy stuff. But that happiness typically is not long term. It usually exists at surface level.

Making more money can open more time and the freedom to experience your flow state. Money is freedom if you have control over how you use it.

Long-term happiness comes from finding purpose and exploring your passions.

It's fairly simple to just go out and buy short-term happiness, but long-term happiness needs to be cultivated.

As humans, we all essentially seek and require the same things to live a happy life – community, loyalty, love, excitement, curiosity, passion, and peace.

At its core, living a happy life means having more fun, rich, and meaningful experiences. It also means living a life full of meaning, passion, and purpose… which does not necessarily require an abundance of money.

The more money you make, the more time it could free up to follow your true passions. Extra money can deliver more time for you to do things that fulfill you and make you happy!

It's important to know that long-term happiness has less to do with making money and more to do with exploring the freedom and connections it provides. It's normal to make money mistakes along the way. Just try to be aware when mistakes are made, so that they are not repeated. Money can only make you happy if you also work on other areas of your life.

Success is not directly a result of hard work – it is more a result of building good habits and maximizing your value. Most people can escape living paycheck to paycheck and use money to live richer and happier lives.

Read the full article here.