



OUR2CENTS

NCFCU'S MEMBER NEWSLETTER



NEW YEAR, NEW (FINANCIAL) YOU!

Dear Member,

This season we are all about "New Year, New (Financial) You! In this issue of *Our2Cents*, you will find helpful tips for evaluating the results of last year's positive financial habits, establishing new financial goals, and how to improve your financial health. We've even created a list of easy-to-follow financial resolutions that will guide you through your new year. You can find information about our products and services that we love, including our digital banking services and our always low-rate NCFCU Visa® Credit Card. You can also find more financial tips throughout the year on our NCFCU social media pages and on the *Our2Cents* blog. At NCFCU, our priority is helping our members meet their financial goals. Thank you for reading this issue!

Sincerely,
The NCFCU Team

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EVALUATE LAST YEAR'S FINANCIAL OUTCOME

In order to successfully begin your New Year's Financial Resolutions, you must begin by evaluating how successful last year's financial year ended for you. If you are starting fresh or just beginning your new financial goals for 2022 - no worries! It is important to understand what your overall financial portfolio looks like to get started.

Here are some tips for evaluating your current financial status:

Review last year's budget plan. Time to be honest - did you follow last year's budget? Establishing and accurately following a budget is essential for overall financial wellness. Understanding where your money is going will give you a clear vision of where you can decrease expenses, eliminate over-spending, or prevent unwanted debt to make ends meet. For most, creating your budget once a year is not frequent enough. With costs and expenses fluctuating, regular budget evaluation is necessary. If you don't have a current budget to follow, we will feature more about making a budget later in this issue.



Calculate your total Debt Levels. Did your total debt amount increase or decrease over the last year? If your overall debt levels decreased - great job! If your total debt amount increased over the previous year, establishing a debt-reduction plan should be top priority. Evaluate your personal expenses to see how you can decrease your overall debt amount. One way to pay down debt faster would be adjusting your budget to increase monthly payments amounts, which would allow larger principal payments (rather than interest payments) to decrease the total amount owed. Consider refinancing your debt at a lower interest rate, thus higher principal payments and shorter pay-off dates.

Calculate your Savings. Did your overall savings increase over the last year? Are you prepared to cover up to six months of expenses in case of an unexpected emergency? Incorporating a "savings" category into your budget can help you stay on track, not just for your expenses but to increase your money saved over a period of time. If you haven't saved anything in 2021, you can start this year with a fresh and income-relevant savings plan.

Educate yourself on your Credit Score and Credit Report. Checking your credit reports and credit score is necessary at least once a year, if not more! This report is what financial institutions use to evaluate your credit worthiness - thus determining interest rates when applying for any loans, which can affect your overall net-worth. Additionally, it is not uncommon for creditors to report incorrect information that may negatively impact your credit score or for fraudsters to unlawfully open accounts using your personal identifiable information - reviewing your report can help eliminate errors and prevent identity theft.

After evaluating these categories, you will have a better perspective on the areas that you were successful and the areas that need improvement. If you're realizing that you have room for growth in all of these categories, don't become overwhelmed! Financial health and wellness is a life-long process and you will have better results the more involved and dedicated you become. As you review last year's finances make sure you remain realistic about this year's budget and overall financial plan. Be cautious not to set unrealistic financial resolutions that you can not maintain and meet - this will just set you up for failure for the next year!

Don't wait in line.
Online Banking | Mobile Banking



7 FINANCIAL RESOLUTIONS THAT YOU CAN ACTUALLY KEEP



It's a new year and we're here to help you achieve your financial goals. While you create your 2022 new year's resolutions, we've created a list of 7 easy-to-follow financial goals to carry you through the year.

1 Update your goals and budget. After you've evaluated 2021's financial progress, update your goals and budget. Start by determining if you accomplished last year's goals. Did you meet your financial goals? Are the unfinished goals from last year's plan still priority for this year? Once you've reassessed your goals, create your budget that is realistic for your income - and your goals.

2 Save every month & build up your emergency fund. Saving can be the trickiest part in everyone's budget. One unexpected cost could throw off your

whole budget and might cause you to save less - or nothing at all. Consider "paying yourself first". For example, set aside your monthly savings portion of your budget into an account that is not easily accessible in order to build savings before paying your other expenses. Additionally, establishing an emergency fund can help you from depleting your savings. Set aside the funds needed to cover your monthly expenses for a minimum of 6 months to prepare for the unexpected.

3 Start Investing. For those who aren't active investors, this could seem overwhelming. However, investments are the best way to increase your overall net worth. There are many investment apps that you can download right to your smartphone or tablet. If you didn't have any investments in 2021, this is your year to start - even if you only have a small investment budget.

4 Pay down your Debts. If you have loans - whether they be Auto, Educational, Mortgage, or Personal - increasing your monthly payment amount can help increase your overall wealth for the long run. If you pay extra on your monthly loan payments towards principal, you will lower your debt quicker AND pay less on that loan overall. Increasing monthly payment amounts equals more payments toward principle and less toward loan interest. Budgeting your loan expenses at a higher amount than what is due for the monthly payment is a great way to do this, without much effort.

5 Pay off Credit Cards. Paying down credit card debt is a great way to increase your credit score and eradicate drowning debt. If your credit score allows, consider consolidating your credit card to a lower-interest rate card (like our always low-rate 6.9% APR* NCFCU Visa® Credit Card), which can help you pay down your credit card debt quicker. Once you've paid off your debt, get into the habit of only charging what you can pay off each month. This will prevent your manageable debt from spiraling into deeper debt.

6 Write your Will. If you have any assets, creating a Will is necessary. Once you establish your financial portfolio, having a Will can help ease the burden for your loved-ones because your wishes are already established.

7 Define your future financial goals. When it comes to this resolution, it's okay to think "big picture". Creating a 5-year, 10-year, and 25-year financial plan will help you first realize the areas of your finances to prioritize and continue the positive financial habits you already have mastered. Determining where you want to end up can help you determine the path you should follow to get there!

*APR= Annual Percentage Rate. Federally insured by NCUA. Equal Housing Lender.

MASTER YOUR BUDGET USING THESE TIPS

Record all of your expenses and categorize your spending. Every purchase counts! Many small purchases can add up to big spending. In order to fully understand your expenses, track your purchases for a full month. This will give you insight on where you can save money - or dedicate cash to other parts of your budget that are under-funded. When you track your expenses, determine which expenses are essential and which are discretionary.

Focus on discretionary spending. This is the area that you have the most room to work with. You may be able to reduce your monthly bills - however, these expenses will always exist within your budget. Consider changing your habits, like cooking at home rather than going out to eat, or making your own coffee and cutting out that \$5 per day coffee habit. This could mean more money for saving, paying back debt, or increasing your overall wealth!

OUR NCFCU VISA® CREDIT CARD CAN HELP WITH YOUR FINANCIAL HEALTH

Credit Card debt is a huge part of managing your budget and sticking to your financial new year resolutions. NCFCU is proud to offer you our low-rate **6.9% APR Visa® Platinum Credit Card** for your purchases and this credit card is one of our favorite financial tools. Here's why:

NCFCU offers an always low-rate of 6.9% APR* on purchases. Having a card with lower interest rates in your wallet is essential for preventing credit card debt from exponentially growing through high interest rates. If your monthly budget or an unexpected expense prevents you from paying off your credit card bill in total for the month, you won't be hit with high interest charges for rolling-over a previous month's balance. With our NCFCU Visa® Credit Card, you'll have 25 days to pay off your purchases before you start accumulating interest and you won't face any annual fees, cash-advance fees or balance transfer fees.

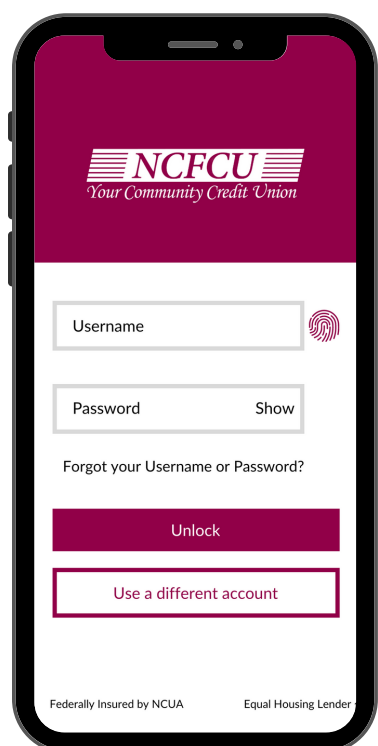
Additionally, for those facing overwhelming credit card debt, consolidating all your debt to a lower-rate card could help you pay off your debt faster. If you have other higher-rate cards consider moving some (or all) of your old debt to your new card. This can simplify your payment schedule by eliminating multiple credit card payments per month. Also, unlike traditional loans, credit cards are a form of unsecured loan, which means that you could take advantage of a balance transfer without the risk of putting up your home or other personal property.

If you are ready for a better credit card option, applying is easy! You can apply online at [NCFCUonline.org](https://www.ncfcuonline.org).



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MANAGE YOUR FINANCES WITH EASE



NCFCU's digital banking tools makes it easy to manage your finances! With our Online Banking and NCFCU Mobile Banking App you have the control to pay bills, transfer funds, and deposit checks remotely:

Electronic Bill Pay*: NCFCU members who have a Share Draft/Checking account can sign-up for Electronic Bill Payment (EBP). This service makes it easy and convenient to schedule and pay bills ensuring all bills are paid on time - which is great for improving your credit score! Once registered through Online Banking, it's quick and easy to schedule one-time or reoccurring payments, transfer money between institutions, and even receive payment reminders via email or text message.

Remote Xpress Deposit*: This is a free, secure, mobile service allowing you to deposit checks into your eligible NCFCU account from wherever you are using your smartphone's camera to submit pictures of the front and back of your check. Once deposited, you can store the check for your records.

External Transfers*: If you utilize accounts from other financial institutions, Online Banking allows you to easily connect those accounts to transfer funds. Once your accounts have been linked through Online Banking, you can schedule automatic transfers or transfer funds as you need them.

Getting started is easy - visit [NCFCUonline.org](https://www.ncfcuonline.org) to enroll your NCFCU account in Online Banking. Our Mobile Banking App is available via the Google™ Play Store or Apple® App Store, which can be downloaded to your smartphone or tablet.

*Must qualify for product/service.