



Financial Fresh Start: 10 Ways to Become/Stay Financially Fit in 2012

With the Peach Drop behind us, the New Year presents the promise of a fresh start in many areas of your life, including finances. But unlike the many failed New Year's resolutions of the past, commit to a sound strategy of small, measurable steps to help you make better, smarter financial decisions for the coming year and beyond.

1. **Set Clear, Attainable Goals**

This may sound simple, but start by setting concise, attainable and measurable financial goals for the year. Saying "I want get rich quick," is just not going to cut it. Instead, start with "I will pay down 1/3 of the balance on my credit card by March" and/or "I will grow my savings account to \$5,000 by June." Creating a clear action plan based on deadlines is a great way to successfully reach your goals.

2. **Put Your Savings On Autopilot**

Ask yourself how much is in your savings account. If you're unhappy with the answer, either because your balance is \$0 or simply lower than you would like, then it's time to get serious about your savings. A good solution is to arrange for a set amount to be automatically taken from your paycheck and deposited into a separate account. Your other account can be a saving or money market account, or even a mutual fund, but, whichever you choose, be sure that it makes your money work for you by earning interest.

Start building your savings slow, taking a small amount from each paycheck. And, if you're able, double the amount you're putting into savings by midyear to see your savings grow with no effort on your part. Consider that if you start putting away \$25 bi-weekly, then double it to \$50 starting in June, you'll have savings of \$950 by this time next year. If you can do more, say start with \$100/mth, then double it to \$200, you'll save \$1900 for the year.

Open a savings account with Delta Community Credit Union for just \$5 deposit and start earning competitive dividends today.

3. **Make Your Change Work for You**

Your loose change can be the start of a new savings plan, helping you reach your financial goal fast.

Whether you collect pocket change or raid the piggy bank, coin counting machines make it easy for you to turn your coins into a deposit, without the need to sleeve the change before bringing it in. Available to Delta Community members - at no cost - are coin counting machines. These machines are used to conveniently count coins and produce a receipt of your change amount that can be deposited directly to a Delta Community Credit Union account.

4. **Track Your Expenses**

Sure, you've switched to store brand items and cut down on your daily lunch outings. But if you really want to save, take a close and honest look at what you're spending and wasting on. Using personal finance software such as Quicken and Microsoft Money, or even Microsoft Excel, can help you lay out and chart your income vs. expenditures for easy review. Try it. You'll be surprised to see how much you're spending on expensive lattes and ATM fees.

5. **Close Unnecessary Accounts**

As you enter 2012, take time to look at each and every bank account you own. Is it really necessary to have several credit or checking accounts? Although there are exceptions, in most cases the answer is a firm "No!"

Many financial institutions are now charging fees (sometimes hidden) for their services, so take the time to evaluate if your money is in the right place. Example: If you're currently charged \$8 each month for your checking account, in thirty years, that \$8 will have added up to more than \$8,500 after taxes. And just think about what ATM charges amount to at \$2-\$3 per transaction.

If you're looking for a better alternative, consider Delta Community Credit Union. As a not-for-profit financial institution, the Credit Union returns earnings back to our members in the form of lower loan rates, higher deposit rates and lower fees, while offering the same products and services as larger banks.

6. Manage Your Credit

Did you know that your credit record and score can affect what you pay in interest on most types of loans and can even play a role in whether you get hired for a new job? Good credit is an important foundation for achieving the rest of your financial goals. Nurture your credit by finding out where you currently stand with a credit report from CreditReport.com or Equifax. If your credit score is lower than 700 due to some outstanding debt, see if you can get those bills paid off as early in the year as possible.

To help members understand their credit, Delta Community CU frequently hosts an 'Understanding your Credit' seminar. Visit our community events calendar to view upcoming seminars and workshops offered.

7. Pay Off High Interest Debt

High interest debt can be one of the worse risks to your financial stability. To decrease this burden, identify your debts with the highest interest rate and pay these down first. Why? Because while you've committed to growing your savings, you're doing yourself an immense disservice by carrying high interest debt such as credit cards that cost you around 19+% in interest.

Also, pay off whatever debt has the smallest balance. Seeing your debt whittle down will motivate you through the process. Then take on one loan at a time.

For credit cards with high interest rates, consider transferring the balance for a lower interest. Delta Community CU's Visa Credit cards have low rates and offer free rewards and other great benefits.

8. Maximize Benefits at Work

Take advantage of all that your employers have to offer, from health care to investment opportunities. Fund your 401k retirement account to the limit. If your company offers an employer match to your retirement plan, take full advantage; otherwise it's like turning down free money. Example – your 401k plan has a dollar for dollar employer match up to \$1500. So for every dollar you contribute to your account, your employer also contributes the same amount to your account, up to \$1500. If this is the case for you, you put in \$1500, your employer puts in \$1500, and you've doubled your money. Each plan is different so check with your Human Resource department to determine your employer's matching contributions.

9. Learn About Investing

"Knowledge is Power," right? So make it a point to learn how to make better financial decisions this year. If you're not sure where to start, here are some great ways to pick up what you don't know about finance and investing:

- Take an online course
- Read one (or several) investment book this year

- Subscribe to a financial publication such as Wall Street Journal, Investor's Business Daily or Kiplinger
- Make an appointment with a Delta Community Retirement and Investment Services advisor to discuss your options, including purchasing stocks, bonds, mutual funds and managed accounts

10. Teach Your Children About Finances

Even if you are just starting to get your finances under control, this is an excellent time to teach your children the importance of saving and maintaining good credit. By educating your kids about finances and setting a positive example, you can help them develop healthy financial habits as they get older. Start them out by opening a savings account for them -- whether it is for allowances or birthday money -- to help your children aspire to save for certain material objects they desire.

Delta Community's selection of Youth Accounts can help you in this task. For younger children, DCCU offers the Sandy Savers Club, a savings account with competitive returns that comes with an educational quarterly newsletter with fun games, activities and even a special parent's section, as well as a savings pass book to help the child keep track of the balance in their account. Older children would be better suited for our CU Succeed or CU College Club programs, depending on their age.

Slow and steady wins the race to financial independence. Let Delta Community Credit Union help guide you on your path. As a member of Delta Community you are entitled to a no-cost, no-obligation consultation with one of our financial advisors. The advisor will sit down with you to review your current financial situation and develop a financial plan that makes sense for you.

Happy Financial Fresh Start!