

# Report Card

WINTER 2021

- 5 'Dos' to Get Out of Debt
- Compound Interest: The 8th Wonder of the World



SCOTT Y.  
MEMBER SINCE 1976

# PRESIDENT'S MESSAGE



This has been a challenging year in so many ways. While there are encouraging signs with new vaccines and more help for those who need it, this will take time. All of us have been challenged, but we know we can get through this together.

The one constant that has seen us through is the loyalty and commitment you have shown to the Credit Union. Your unwavering support of SchoolsFirst FCU has given us the encouragement to forge ahead. I also want to give a shout-out to our team who has worked tirelessly to continually serve you in an ever-changing environment.

While we pride ourselves on delivering exceptional Member Service each and every time you contact us, we know at times, some of our Members experienced service challenges this year. This was not our intent and for that I apologize. We too were challenged with the pandemic and are working hard to exceed your expectations moving forward. We will continue to make Member Service and the safety and health of our Members and team a top priority. We are people helping people.

## During Tough Times, You Need Answers

There's no doubt about it, many Americans are experiencing tough times, and are looking for answers. If you're dealing with debt, reduced hours or a layoff, or if you just need guidance on how best to financially navigate this crisis, we are here for you. Please let us know how we can help. You can start by visiting the "Advice" section of our website. You'll find information on our partnership with GreenPath Financial Wellness, a resource that offers personal and confidential counseling. They will help you explore your options and develop a game plan.

## Financially Strong for You

These are uncertain times, and we hope you are confident in SchoolsFirst FCU's ability to meet your needs. We have navigated significant economic challenges before. Time and again, our financial strength has kept us moving ahead to meet the changing needs of our Members.

## Serving You Today

Our branches and Contact Centers remain open and available for Members who need assistance. For the fastest and safest service, 24/7, we encourage you to take advantage of Online and Mobile Banking, including electronic deposits, payment and transfer options. Visit our website to see how easy it is to manage your accounts with our wide range of eServices.

There are many unknowns in the present moment. One thing you can count on is your Credit Union.

As always, take care of yourself, your family and friends. Thank you for your continued Membership and trust in SchoolsFirst FCU. We are grateful for you.

With kindest regards,

**Bill Cheney** | PRESIDENT/CEO

Insured by NCUA.

## ONE MEMBER'S STORY

As a former teacher and principal, Scott always dreamed of retiring early, and his savings helped him achieve his goal. See how SchoolsFirst FCU was there for him.

Walking around his neighborhood one day, Scott came across a rusty '57 Chevy Bel Air for sale. "It had been my dream since I was 12 to own one." The car was one of many things on Scott's bucket list, so he bought it and got started on its restoration. A Member since 1976 when he first began working for a school district, Scott turned to his Credit Union when he needed help maximizing his retirement savings. "As long as I can remember, I always wanted to retire at 55. That was the magic year."

With some sound advice from a trusted financial advisor<sup>1</sup> at the Credit Union, he did it. Now, Scott is happily retired after a long, fulfilling career as an elementary, junior, high school and special needs teacher, as well as principal.



SCOTT Y. | MEMBER SINCE 1976

"Saving and retiring early has allowed me to do all of the things I want to, while I'm still young and can enjoy them." He was also able to help both of his daughters buy homes and set up savings accounts for his grandchildren, accomplishments that make him especially proud as a father. While visiting a branch, he's been known to give children using the Coinstar machine a dollar and tell them he's proud of them for saving.

**"I'm truly a blessed man, and I couldn't have done it on my own. My Credit Union and family were along with me."**

1. Financial Professionals are registered representatives of CUNA Brokerage Services Inc. Representatives are registered, securities and, advisory services offered through CUNA Brokerage Services Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor. CBSI is under contract with SchoolsFirst FCU to make securities available to Members. **Not NCUA/NCUSIF/FDIC insured, may lose value, no financial institution guarantee and not an obligation of the Credit Union. Not a deposit of any financial institution.** CUNA Brokerage Services Inc. is a registered broker/dealer in all 50 states of the United States of America.



## 5 'DOS' TO GET OUT OF DEBT

Wherever you are on your journey, making the choice to get out of debt is a game-changer. These 5 “dos” are helpful tips for getting out of debt.



### 1. Write Down Your Awesome, Attainable, Specific Goal to Get Rid of Debt

Make your roadmap with a clear, specific goal that you can measure and see your progress. The first thing to do is to start. Decide what you want to accomplish in a very specific term.



### 2. Write Your Debt Payoff Plan into a Monthly Budget

Get down to the nitty-gritty about how you will reach your goal. Use a worksheet to get started, or grab a calculator:

- + Total up your take-home income (how much you make from paychecks and other sources after taxes)
- Subtract the amount you need for living expenses
- Subtract the amount you need to cover your minimums on credit card bills
- = This gives you the amount you have left to spend on paying off debt faster

Optimize your budget for getting out of debt by reducing non-essential expenses such as home entertainment, meal planning, saving money on groceries, and lowering high energy bills.

### 3. Remix Your Spending Habits to Get Out of Debt Faster (and Save Money)

Take a look at where you spend your money and set a milestone goal to learn new habits that get you the most bang for your buck. The more you can free up from non-essential living expenses, the more you can devote to getting out of debt faster.



### 4. Bring Your Debt-Free Future to Life with Mental Practice

The simple act of imagining can help bring it about. Olympic athletes use this mental visualization technique to help them win. You can do it, too – for free – from your living room. Find a quiet spot, and

imagine, in great detail, what it feels like to be debt-free. Use all your senses and emotions.

Building a vision board is a helpful way to give yourself a constant reminder of success. Gather items, sayings, photographs, whatever inspires you, that bring your debt-free future to life. Pin them up to the board and hang it in a place that you can see it every day.

### 5. Act on Your Debt Payment Plan, and Optimize as You Go

The biggest, most important thing is to take action. Put your plan into action. Plan your paychecks and check back to see how your actual spending compares with your plan.

Check in on your progress and celebrate wins. Automate everything. Set up direct deposits and automated payments so that you don't miss due dates and get hit with a late fee. Use alerts and overdraft protection to help you avoid mistakes.

Choose a debt payoff strategy that works for your situation. You will probably want to pay the minimum on all your debts and focus extra payments on one at a time. When you pay one account off, redirect the monthly payment to the next one in line, adding it to the minimum you were paying already. This way, each time you retire one debt, your payment on the next one gets bigger.

**What to do if your budget doesn't balance: Ask for help. You are not alone. On average, our partner GreenPath Financial Wellness helps around 200,000 people a year get out of debt and improve their financial health. Visit <https://www.greenpath.com/partner/schoolsfirstfcu> to learn more.**

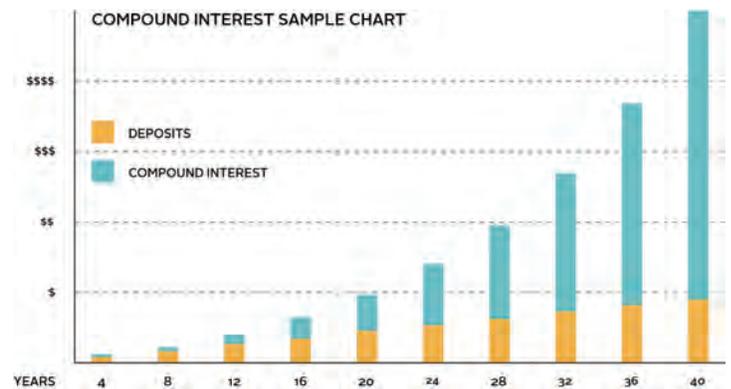


# COMPOUND INTEREST: THE 8TH WONDER OF THE WORLD

## Want your teens to get the hang of a money miracle?

Having money talks with your kids now will help them make smart decisions when they're adults. And with time on their side, they can save and see their money grow, thanks to the power of compound interest. Talk to them about what it will be like when they get their first job and start earning money.

By investing in their 20s and even contributing just small amounts regularly, that money will grow. Why? Because the money invested earns interest, and over time, interest on the interest, creating a savings snowball. This example shows them the ropes.



Kim, age 25, starts investing \$100 a month. Hank, 35, starts investing \$100 a month, too. Each earns an average return of 7.3% on their investments.\*

### KIM'S CHART



MONTHLY  
**\$100** X YEARS  
**40**

Kim's earnings at age 65 after 40 years of investing:

**\$269,015**

### HANK'S CHART



MONTHLY  
**\$100** X YEARS  
**30**

Hank's earnings at age 65 after 30 years of investing:

**\$124,340**

As you can see, over time, Kim has made \$144,675 more than Hank, simply because she started investing earlier. And that monthly contribution will grow as Kim and Hank's financial circumstances improve. The chart illustrates that it's not so much the amount you invest, as time and consistency that matter the most.

\*The chart represents a compounded rate of investing returns before taxes, and the 7.3% is a conservative example. It is not indicative of returns on basic savings products such as share certificates. The S&P 500 had an annual compounded rate of 13.6%, including reinvestment, for the 10 years ending Dec. 31, 2019. Source: Goldman Sachs. Past performance is no guarantee of future results.