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BUDGETING

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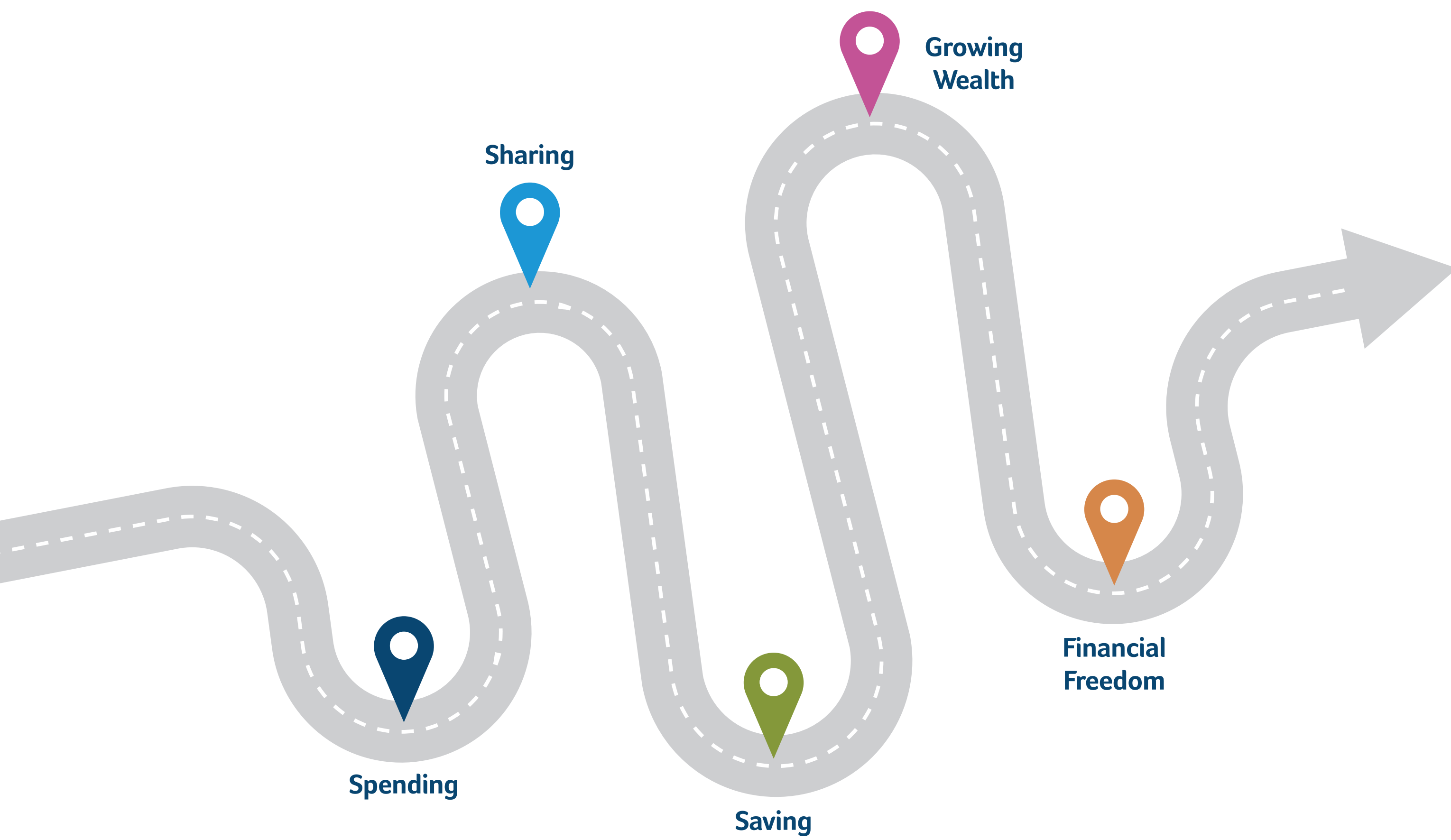
A BUDGET IS A MAP

Your budget is **your road map to success!** When you use a map, it's important to know where you want to go.

The same is true with creating a budget — or spending plan for your money. The budgeting process starts by answering a single question:

What do you want your money to do for you?

With that answer in mind, it's time to draw the map that will help you get there. Creating and sticking to a budget can help you reach your goals, grow wealth, and enjoy financial freedom.



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SAVE, SPEND, SHARE

Let's start with the basics. A budget can be divided into three parts: save, spend, and share. At the start of each month, choosing where our money goes gives every dollar a purpose.

SAVE 25%
of your income:
Emergency fund, savings buckets, retirement, etc.

SPEND 70%
of your income:
housing, transportation, food, basic needs, clothing, entertainment, utilities, etc.

SHARE 5%
of your income:
Nonprofits, community organizations, etc.

A budget for Jack

Meet Jack. Jack is a junior in high school. He just started his first job and is ready to create his first budget.

Jack makes $20 an hour and works 15 hours a week, earning about $1,300 a month before taxes. After paying 12% for taxes, about $1,144 a month remains for Jack's budget.

Jack's budget using save, spend, and share	
Monthly income	**$1,144**
Save 25%	**$286**
Spend 70%	**$800**
Share 5%	**$58**

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EMERGENCIES AND SAVINGS BUCKETS

Jack knows he needs to save for emergencies, so he is setting aside some of his money before he works on his other savings buckets. But how much?

Emergency fund recommendations

In high school	**$500**
In college or trade school	**$1,000**
Working full time	**3-6 months of your essential expenses**

What do you think? What are some emergencies Jack would want to save for?

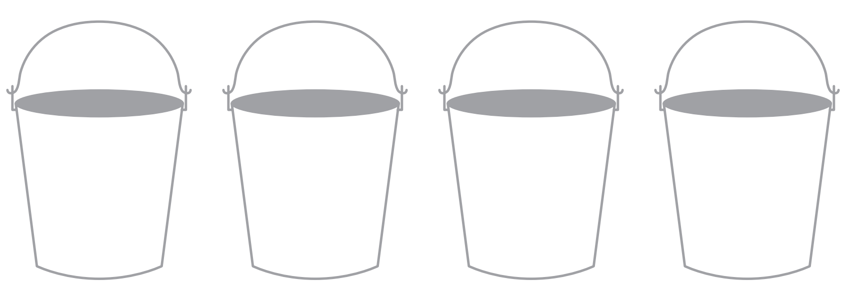
By saving 25% of his monthly income, Jack can build a $500 emergency fund in a little more than two months. After his emergency fund is completed, he can start setting up his **savings buckets** — money saved for specific goals or needs.

Each month, Jack sets up automatic transfers to move money from his checking account into his “savings buckets.”

Savings bucket	12-month goal	Amount to transfer monthly	Balance after 6 months
Holiday fund	**$300**	**$25**	**$150**
Car maintenance	**$480**	**$40**	**$240**
Gaming console	**$600**	**$50**	**$300**
College fund	**$1,356**	**$113**	**$678**

Notice that by transferring 25% of his income into savings buckets each month ($286 per month), Jack will have saved **$1,716** in six months and **$3,432** in one year. Awesome!

If you were setting up savings buckets for yourself, what would those be?



BREAKING DOWN JACK'S SPENDING

At 70% of his income, most of Jack's budget is made up of money he will spend that month. Breaking down spending into needs vs. wants is a great place to start.

What are some examples of needs and wants that you can think of?

Needs

Wants

Remember, Jack had $800 of after-tax income for spending each month. Considering his needs and wants, here is an example of a plan for Jack's spending.

Jack's monthly budget for spending

Car insurance	**$250**
Gas	**$175**
Clothing	**$100**
Food	**$75**
Cell phone	**$75**
Entertainment	**$65**
Video games	**$60**
Total spent	**$800**

What do you think of Jack's budget? What would you spend your money on if you were in his shoes?

THE FOUR WALLS

As a junior in high school, Jack might not have to worry about budgeting for his **four walls**, but in the future he will. **The four walls are the essentials in a budget that you spend money on before anything else.**

1. **Housing:** Rent, mortgage, utilities
2. **Food:** Groceries, eating out
3. **Transportation:** Car payment, insurance, maintenance, fuel, public transportation
4. **Clothing:** Work clothes, personal clothes, laundry

MOVING OUT ON YOUR OWN

Jack has graduated from high school and landed a full-time job. He makes $20 an hour working 40 hours a week. Once he pays taxes on each paycheck (about 12%), it leaves him with about $3,050 each month to budget.

Jack's budget using save, spend, and share

Monthly income	**$3,050**
Save 25%	$765
Spend 70%	$2,135
Share 5%	$150
Save (savings buckets)*	**$765**
Car maintenance	$150
Holidays	$75
Vacation	$75
Gaming console	$90
Clothing	$75
College/trade School	$200
IRA/retirement	$100
Spend	**$2,135**
Rent (with roommates, includes utilities)	$850
Food	$350
Car insurance	$225
Gas	$175
Entertainment	$150
Cell phone	$150
Cable/internet/streaming	$100
Clothing	$75
Household (laundry, dish soap, toilet paper, paper towels)	$60
Share**	**$150**
Your favorite charity	$150

Questions to take home with you

- Do we have a budget for our family?
- If so, what does that budget look like?
- How can we use save, spend, and share for our family budget?

*Assumes fully funded emergency fund of 3-6 months of essential expenses. **We would love to see you get to this point but understand that when you are first starting out this might not be a feasible goal.

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CREDIT

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WHAT IS CREDIT? (AND WHO CARES?)

When you hear the word "credit," what do you think of?

Maybe you think of financial terms like **credit card** and **credit score**. Maybe you think of reputation terms like **credibility** or an actor's name listed in **movie credits**. Maybe you just like the idea of **extra credit**.

All of these concepts point toward something: Credit is something that is earned. And when it comes to your finances, the reputation you earn with your money is reflected by your credit.

If you have good credit, it means you have a good financial reputation. But even if your credit situation is not ideal, there's good news. You can always rebuild your financial reputation.

Ways good credit is important

- If you need to borrow money to buy a car or a home, you'll pay less interest.
- Many employers check your credit during the hiring process.
- If you want to open a business and need a loan, it can help you qualify.

From the perspective of a lender, credit is any type of arrangement that allows you to borrow money and pay it back later. When you have good a financial reputation, you simply have more options.

What is something you would like but don't have money to pay for? How do you suppose your credit — or financial reputation — helps or hurts your ability to get a loan?

THE PROS AND CONS OF CREDIT

Benefits of using credit

Convenience: Credit cards are more secure than cash, and more and more retailers don't accept cash as a form of payment.

Protection: Many credit cards have added security features built right into them, including purchase protection, cell phone insurance, and rental car collision insurance.

Purchasing power: Credit can help you buy a car, home, or education when you don't have the cash on hand. Rewards and cashback: When used smartly, you can capitalize on the benefits that are offered by rewards credit cards without paying any interest.

Opportunity: Using credit responsibly is the best way to build your credit score.

Affordability: Life becomes less expensive when you have good credit.

Dangers of using credit

Interest: The amount paid for the convenience of using credit. If credit card balances are not paid in full at the end of each billing cycle, you could be charged interest and/or penalties. Make sure to review the interest rate on a credit card *before* applying. Overspending: Because you don't have to have the cash in hand at the moment of purchase, using a credit card can lead to overspending.

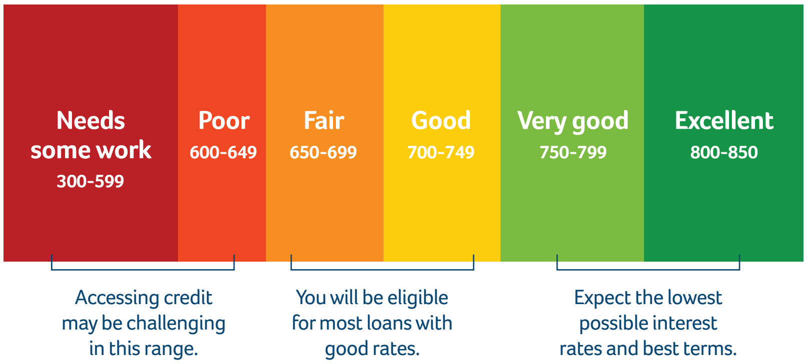
Debt: Taking on debt you can't afford to pay back can lead to stress, a decrease in your credit score, and other financial challenges for your future.

Building good credit

To enjoy the benefits of credit without experiencing the dangers, use these tips to start building credit:

- Make all of your payments on time! Missing a payment can severely hurt your credit score.
- Only open credit accounts you need. (One or two is more than enough.)
- When you turn 18, consider getting a credit card with no annual fee. Use it for regular expenses and pay it off in full each month.

CREDIT SCORE



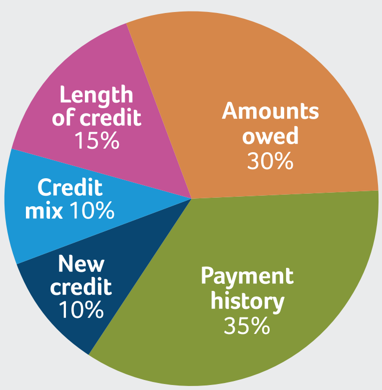
Credit can be a powerful tool but only when you know how to use it well.

You can start building credit when you turn 18 and get your first loan or credit card.

Your income doesn't impact your credit score.

The higher your credit score, the less interest you will pay when you need to borrow money.

You can check your credit report for free at annualcreditreport.com to see how you are doing.



Your credit score is based on five main categories.

FICO® SCORE BREAKDOWN

What do you think are some good reasons to borrow money?

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CREDIT SCORE

Payment history – 35%

Credit Score	
Payment history	Keep your accounts in good standing and your credit score will increase over time.
Amounts owed	
Length of credit	
New credit	
Credit mix	

Your payment history makes up **35% of your credit score**. Focusing on timely, full payments is the most important thing you can do to build your credit.

Paying all of your credit accounts on time will help build your credit. Paying things like your rent and cell phone bill won't help build your credit. But missing payments can hurt your credit, so stay on top of those bills, too.

Missing a credit account payment by **31 days** or more can drop your credit score by as much as **100** points. It can take up to **three years** to regain those points, and the missed payment stays on your credit report for **seven years**.

Negative items on your credit report (late payments, collections, bankruptcy, etc.) will stay on your credit report for at least seven years.

Credit-building tips

- **Pay all of your bills on time.** Any bill can impact your credit score. Paying your credit accounts (auto loan, credit card, etc.) on time will improve your credit score. Failing to pay a bill of any kind can drop your credit score.
- **Keep your bills under control.** Make sure your bills stay manageable so you can afford them when they're due.

Why do you think secured loans like auto loans and mortgages charge a lower interest rate?

CREDIT SCORE

Amounts owed – 30%

Credit Score	How much you owe on all your credit accounts. The amount you owe on different types of accounts. How many credit accounts have balances. Your credit utilization ratio on revolving accounts. How much you owe on your loans compared to the original loan amount.
Payment history	
Amounts owed	
Length of credit	
New credit	
Credit mix	

Credit card utilization

Example of 50% utilization ratio:

$10,000 total credit limit on all credit cards
$5,000 total balances on all credit cards
$5,000 available credit

This factor looks at what you owe vs. what you have available to you and makes up **30% of your overall credit score**.

Having too much debt can be a challenge for your money and your mental health.

If you make sure your credit card balances stay under 30% of your total credit limits, your credit score will be in good shape.

Credit-building tips

- Get a single credit card, charge small purchases, and pay it off each month. This will really help your credit score.
- Not a fan of credit cards? An auto loan, small personal loan, or student loan can help you build your credit.

Why do you think unsecured loans like credit cards and personal loans charge a higher interest rate?

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CREDIT SCORE

Length of credit – 15%

Credit Score	
Payment history	
Amounts owed	
Length of credit	This factor looks at the average age of all your credit accounts. The longer you've had them, the better.
New credit	
Credit mix	

New credit – 10%

Credit Score	
Payment history	
Amounts owed	
Length of credit	
New credit	This factor looks at how much new credit you've applied for.
Credit mix	

Credit mix – 10%

Credit Score	
Payment history	
Amounts owed	
Length of credit	
New credit	
Credit mix	Having revolving and installment credit is the ideal mix.

The average age of all your open credit accounts makes up **15% of your overall credit score**. Credit accounts you've handled responsibly can really help you increase your score. Think twice before closing a credit account, especially one that you've had for more than five years.

Your new credit makes up **10% of your credit score**, so only apply for credit when you need it. Don't open new accounts too rapidly, and don't initiate hard credit inquiries too often. A hard inquiry is when a lender pulls your full credit score and report. A soft credit inquiry is used to check on your credit score, but it doesn't cause it to go down. Apps like Credit Karma use soft credit inquiries to give you a credit score for free.

The mix of your credit accounts makes up the final **10% of your credit score**. An ideal credit mix includes having a revolving credit account (credit card), an installment loan (auto or student loan), and a mortgage (home loan).

Credit-building tips

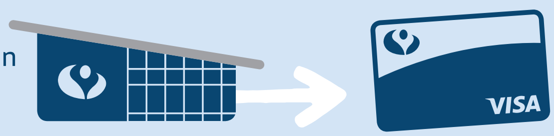
- Open one or two credit accounts and keep them open to increase your length of credit.
- Only apply for new credit when you need it. Hard credit inquiries and new accounts can drop your credit score.
- Mix up your credit a little bit. Having a credit card and a loan will help you increase your credit score.

USING A SECURED VISA TO BUILD CREDIT

Whether you are renting an apartment or financing your new car, your credit score matters. It could be the difference between being approved or not. If you are, it will also play into how much you will pay in interest over the life of a loan.

The good news: It's possible to build a strong credit score without a lot of debt. You just need to show an ability to handle debt responsibly. Once you turn 18, it's important to establish a credit score without taking on a lot of debt. One way to do this is through a Secured credit card. Here's how it works:

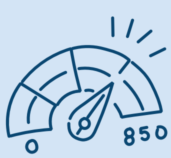
Visit your local Numerica Credit Union branch or apply at numericacu.com.



Talk to us about opening a Secured Visa Card. Secured Visa Cards require a deposit, which typically equals your credit limit; often $250-500. That money will be held in a savings account as collateral until your credit has been established, normally about six months to a year. **You will get this money back once your credit is built.**

Pick one recurring expense, such as your Netflix subscription, to charge to your card.

Using your Numerica Mobile App, set up an automatic payment to your credit card to pay off the balance in full each month.



Watch your credit score increase as you make your on-time payments. You'll normally see your score increase within six months.

As your credit score increases, you may have more options to access additional credit. This will help you when it's time to buy a car, a house, and grow your financial future.

THE TRUE COST OF DEBT

Consider the credit card statement below. This shows **$2,500** in charges for the month. The card has an interest rate of **20%,** but it only requires a minimum payment for the month of **$62.50**.

Sound like a deal? Look closely at the statement. Can you spot how long will it take to pay off this balance if you pay only the minimum monthly payment and don't charge anything else to the card?

SEPTEMBER 2025						
	1	**2**	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

New Balance
$2,500

Interest Saving Balance
$2,500

Minimum Payment Due
$62.50

Payment Due Date
09/02/25

Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a late fee of up to $39.00.

Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance.

For example:

If you make no additional charges using this card and each month you pay...	You will pay off the balance shown on this statement in about...	And you will end up paying an estimated total of...
Only the minimum payment	17 years	$5,675
$150	20 months	$2,953 (Savings = $2,722)

Account Summary

Account Number: XXXX XXXX XXXX 1234

Previous Balance	$0.00
Previous Credits	$0.00
Purchases	+$2,500.00
Cash Advances	$0.00
Balance Transfers	$0.00
Fees Charged	$0.00
Interest Charged	$0.00
New Balance	**$2,500.00**
Opening/Closing Date	08/02/25 - 09/02/25
Credit Access Line	$5,000.00
Available Credit	$2,500.00
Cash Access Line	$500.00
Available for Cash	$500.00
Past Due Amount	**$0.00**
Balance over the Credit Access Line	**$0.00**

Your best option

Pay off your balance in full each month. If you can't, pay as much as possible. Credit cards tend to have very high interest rates, so do your best to avoid paying interest.

How can you handle your first credit card responsibly?

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WHAT DIFFERENCE DOES YOUR CREDIT SCORE MAKE?

Jack is looking to buy a $15,000 car, but he has had some challenges with his credit.

He has a credit score of 580 and a 10% down payment. Many lenders prefer you to have a down payment when applying for a car loan. 10% is a good number to aim for, but the more you put down, the less you'll have to finance and the lower your monthly loan payment will be.

Here is what his loan could look like:

Car price	$15,000
Down payment	-$1,500
Loan amount	$13,500
Interest rate with a 580 credit score	13.49%
Length of loan	60 months (5 years)
Monthly payment	$311
Total loan amount	$13,500
Total interest paid over the life of the loan	+$5,134
Total cost for Jack's car	$18,634 + $1,500 down payment = $20,134

There are other things Jack would have to pay for when he buys his car, like taxes (depending on where he lives), titling fees, and registration fees. Jack can include those in his loan, but it could increase his regular monthly payment.

What if he were buying a $15,000 car with a credit score of 730 and 10% down. How would his numbers be different?

Car price	$15,000
Down payment	-$1,500
Loan amount	$13,500
Interest rate with a 730 credit score	3.74%
Length of loan	60 months (5 years)
Monthly payment	$247
Total loan amount	$13,500
Total interest paid over the life of the loan	+$1,320
Total cost for Jack's car	$14,820 + $1,500 down payment = $16,320

What are some ways Jack could make his auto loan more affordable?

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BUYING A HOME WITH GOOD CREDIT VS. POOR CREDIT

Jack is older now, and he's ready to buy his first home. He qualifies for a first-time homebuyers' program, and he's saved $30,000 for a down payment.

Here is what his loan could look like:

Home price	$300,000
Down payment 10%	-$30,000
Loan amount	$270,000
Interest rate with a 640 credit score	7.00%
Length of loan	30 years (360 monthly payments)
Mortgage payment — principal and interest*	$1,796
Total interest paid	$376,674
Total cost for Jack's home	$676,674 (original amount + interest paid)

With a lower credit score, Jack is paying $220 a month more on his mortgage — that's $79,441 more in interest over the life of his loan. Your credit score can make a huge difference in how much you pay when you borrow money.

What if Jack was buying that same house but his credit score is 740?

Home price	$300,000
Down payment 10%	-$30,000
Loan amount	$270,000
Interest rate with a 740 credit score	5.75%
Length of loan	30 years (360 monthly payments)
Mortgage payment — principal and interest*	$1,576
Total interest paid	$297,233
Total cost for Jack's home	$597,233 (original amount + interest paid)

*Does not include mortgage insurance, taxes, property insurance, etc.

Why do you think lenders charge higher interest rates when you have a lower credit score?

KEY WORDS TO KNOW

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CREDIT CARDS

Annual fee: An extra fee you pay each year for some credit cards. For your first credit card, choose one without an annual fee.

Balance transfer fee: The fee you pay when you move a balance from one credit card to another.

Cash advance fee: A fee charged when you take out cash on your credit card. It is normally very expensive, so avoid this.

Credit limit: The amount of money you can borrow at any one time. If you go over that limit, you may be charged a fee and your transaction may be declined.

Interest rate: The amount you are charged when you borrow money, expressed as a percentage.

Retail card: A credit card for a specific store (Best Buy, Home Depot, etc.) that typically carries a very high interest rate.

Secured card: A credit card secured by a cash deposit. The deposit amount will equal your credit limit on that card. This type of card is a great option for building or rebuilding your credit.

COMMON TYPES OF LOANS

Auto loan: A loan to buy a car, truck, or SUV. Auto loans tend to have a low interest rate since they are secured by the vehicle you buy.

Mortgage: A loan to buy a home. Normally 30 years in length, mortgages have a lower interest rate because they are secured by the home you buy.

Payday loan: This short-term, predatory loan could have an interest rate as high as 400%. Stay away from payday loans! This "cash advance" loan is so named because it's typically meant to be repaid with the borrower's next paycheck.

Personal loan: A loan used for personal expenses like large purchases or debt consolidation. These loans often have high interest rates since they aren't secured.

Student loan: A loan to help pay for college, trade school, or a vocational program. These loans come in federal and private options. Federal student loans tend to have a lower interest rate than private student loans.

CREDIT UNIONS VS. BANKS

Credit unions and banks offer similar products (accounts, loans, etc.), but their structure is very different. A credit union is owned by its members; a bank is owned by the people who own stock in that bank. This means the money a credit unions earns is given back to its members and the communities it serves. This is often accomplished by charging lower interest rates on loans, paying higher interest rates on savings accounts, and charging fewer fees. Awesome!

Credit unions also work with people who have challenges with their credit and may not be able to get a loan, mortgage, or credit card at a bank.

How to apply to become a Numerica member

What do you need to open a Numerica account?

- Social Security number or ITIN
- Valid government-issued photo ID
- Date of birth
- Physical address
- Money to deposit into your new account
- Employer information
- Email address
- For minors, an adult to be a joint account owner

To be a Numerica Credit Union member, you must live, work, or worship in our member service area or be related by blood or marriage to, or reside with, a person eligible for membership.

Closing question

What have you learned today about credit that you'll remember for the future?

FRAUD

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IDENTITY THEFT

What you need to know

Identity theft happens when someone steals your personal information, such as Social Security number, date of birth, driver's license number, or any other personally identifying information. Your information is then used to commit fraud in your name. This serious crime can destroy your finances, credit history, and reputation — not to mention the large amount of time and effort it takes to resolve any issue.

According to the Identity Theft Assistance Center, 1 in 40 (2.5%) households in the U.S. have a child under 18 who have had personal information compromised by identity theft criminals. Unfortunately, much of the identity theft targeting children doesn't get discovered until after they are 18. Child identity theft is often committed by family members or friends. This is referred to as "friendly fraud" and accounts for 27% of the cases.

How does identity theft happen?

Low-tech methods

- Dumpster diving
- Stolen mail
- Stolen purse or wallet
- Shoulder surfing
- Fraudster bribes waiter or waitress for credit card numbers
- Open house theft (when buying or selling a home)

High-tech methods

- Merchant/credit bureau data breaches
- Telephone or text scams
- Email phishing scams
- Skimmers on gas pumps or ATMs to steal card information
- Unpaid or unresolved ransomware attacks
- Unsafe internet transactions

PREVENTING IDENTITY THEFT

Make protecting your identity part of your everyday routine

- Read your statements carefully each month and look for errors or things that seem suspicious. Report issues immediately to **reportfraud.ftc.gov.**
- Know when your payments are due. If a bill doesn't show up when you expect it, look into it.
- Read the statements from your health insurance plan. Make sure the claims paid match the care you received.
- Shred any documents with personal and financial information.
- Review each of your three credit reports at least once a year. Visit **annualcreditreport.com** to get your free reports.
- If asked for information, question how it will be used. Find out if there is some way to identify you other than date of birth and Social Security number. Verify how the requester protects information once it is provided to them, including how they discard documents.
- If you create online accounts, don't include your birthdate on the forms, if possible. Read the privacy policies of any site that will have access to your information. If it's too invasive, don't allow access.
- Don't carry Social Security cards with you. Keep them locked away in a cabinet at home. While you're at it, put the birth certificates in that locked file as well.

Warning signs that someone could have stolen your identity

- You see withdrawals from your bank account you can't explain.
- You don't get your bills or other mail.
- Merchants refuse your checks.
- Debt collectors call you about debts that aren't yours.
- You find unfamiliar accounts or charges on your credit report.
- The IRS notifies you that more than one tax return was filed in your name or that you have income from an employer you don't work for.
- You receive notice that your information was compromised by a data breach at a company where you do business or have an account.

If someone steals your identity

- Create an identity theft report at **identitytheft.gov** or by calling 877.438.4338.
- Get free copies of your credit reports at annualcreditreport.com.
- Place a freeze on your credit reports with Experian, Equifax, and TransUnion.
- Monitor your credit report for free with apps like Credit Karma, Credit Sesame, or Experian Credit Report.
- Gather copies of all documents relating to the identity theft.

WATCH OUT FOR THESE ONLINE SCAMS

Phishing

Phishing is where a scammer send you an email or social media DM posing as someone you know. It could be a business you've shopped at or your bank or credit union. The purpose of the message is to fool you into clicking on a malicious link in that email.

How to spot it

Look for inconsistencies in email messages, such as poor spelling, grammar, unusual sending email addresses, or links that don't lead to the place they should.

How to stop it

Only open or respond to messages from people you actually know. If you aren't sure about a message, delete it or report it as spam. If your bank or credit union is listed, call them directly to ask about the email you received.

Make money fast

Make money fast scams offer you the chance to get rich quick, making a bunch of money quickly without any risk. Scammers will often reach out via social media or payment apps like Venmo, PayPal, or Cash App. Remember, if something feels too good to be true, it probably is!

How to spot it

Making money takes time. When someone promises you easy money, you should be very skeptical. Also watch out for anyone who promises to send you money if you send them money back. That's a huge red flag.

How to stop it

Block email messages, social media DMs, and payment app messages for people you do not know. Remember there is no such thing as free money, so be suspicious of anyone who claims to be able to offer it to you.

Give us money

This scam can take on a bunch of forms — fake scholarships for education, phony modeling or acting gigs, and bogus training or employment opportunities are common examples. The scam is to convince you to send some form of payment before you get your scholarship, job, or training.

How to spot it

Whenever someone asks you to send money in order to get more money back, watch out! If someone is offering you a job, you don't have to pay them first before you get paid. Legitimate scholarships are free and never require payment to access them.

How to stop it

Block anyone who offers these opportunities to you. They aren't worth your time.

Social engineering

Social engineering is where a scammer takes on the persona of someone you may know, such as a friend, neighbor, or family member. It's an attempt to gain your trust and get you to hand over information, send money, or click on a malicious link.

How to spot it

The person reaching out to you will often claim it is an emergency and that they need your help or money urgently. If you suspect that the person is posing as someone you know, call the person directly at a number you know to confirm you are communicating with them.

How to stop it

Never hand over personal identifying information to anyone who reaches out to you online. This includes your Social Security number, address, and date of birth. Block the person on your phone and social media, and report the emails as spam.

Rental scams

This scam involves a fake listing for an apartment or room to rent on Craigslist or Facebook Marketplace. The person offering the apartment will try to get you to pay your first month's rent, security deposit, and other costs without you seeing the apartment or room. People moving to a new city — especially from a long distance — are especially susceptible.

How to spot it

The person offering the apartment will avoid wanting to meet you in person, push you to move in immediately, ask you to pay for rent before signing a lease, and waive a tenant screening process. They will emphasize speed, other interest in the apartment, and that they are the most affordable option you'll find.

How to stop it

Insist on meeting the landlord in person at the apartment offered for rent. If you receive pushback on this, finding a different place to live will be your best bet.

Tech support scams

Tech support scammers want you to believe you have a serious problem with your computer, such as a virus. They want you to pay for tech support services you don't need to fix a problem that doesn't exist. They often ask you to use payment methods that are hard to reverse — such as a payment app, wiring money, or putting it on a gift card, prepaid card, or cash reload card.

How to spot it

These scammers often call or email you. Keep in mind legitimate tech companies will not call you about issues pertaining to your PC. If someone reaches out via email, look for spelling errors, unusual sending email addresses, or links that don't lead to legitimate websites. Never click on those links!

How to stop it

Hang up the phone, report the emails as spam, and never send money to someone who claims to be able to remove a virus from your computer.

What are some scams you've heard of? How can you protect your information while online?

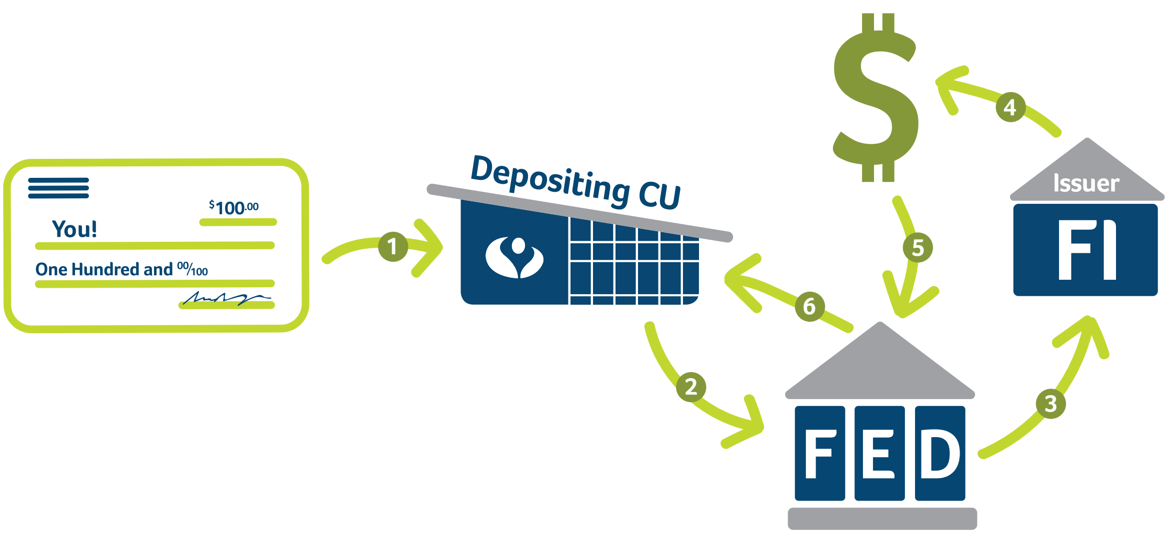
THE LIFE CYCLE OF A CHECK

Make protecting your identity part of your everyday routine

Once you deposit your check 1, the funds may appear in your account. However, funds may have a hold on a portion or all of the deposit amount. This hold protects you from using funds that are not really there. Typically, it lasts from two to seven days.

The check then goes to the Federal Reserve 2. They send it to the other person's financial institution to see if they have the funds in their account 3. If they do have the funds the other institution will then pull the money out of that account, and the check clears 4. If there are not funds in the account they say, "Nope! No good," and return the check back to the Federal Reserve 5.

If the Federal Reserve returns the "bounced" check to Numerica 6, those funds you thought you had will no longer be there, and you may be liable for a returned check fee. This process typically takes two days to two weeks.



Signs of check fraud

If you can say "yes" to any of the following questions, there is a heightened likelihood of fraudulent activity.

- Is the check for an item you sold online?
- Is the check for more than the selling price?
- Was the check sent overnight?
- Have you been informed of winning a lottery you don't remember entering?
- Have you been asked to wire, ship, or send money to a large U.S. city or outside the country?
- Have you been asked to pay money to receive a larger deposit from another country?
- Are you receiving pay or commission for facilitating a money transfer?

Concerned about fraud?

Numerica is always looking for ways to help reduce stress and help you live well. If you have questions or concerns about being a target for fraud, call 800.433.1837.

DIGITAL PAYMENT OPTIONS

There are a variety of ways to send money from person to person. Here are some of the most popular options and what should you know about how each platform works.

Venmo

Owned by PayPal, Venmo allows you to send money to over 50 million people in the United States. Money can be sent quickly from a linked account at a bank or credit union.

Venmo tips

- Never store large amounts of money in Venmo, and immediately transfer funds received to your linked bank or credit union accounts.
- Only use Venmo to exchange funds with familiar people. Don't send money to people you don't know!
- You cannot cancel payments to other Venmo accounts. Any money you send will be gone. Venmo will not reverse it.
- Never share your login information. Doing so will allow them to pull money from your linked accounts.
- Change your settings to private to hide your transaction history. Otherwise, strangers will be able to view your transactions and could pose as people you've previously paid.

PayPal

PayPal is used by 392 million people to send money internationally to more than 200 countries and 25 currencies. Money can be sent from a linked bank or credit union account instantly.

PayPal tips

- Only use PayPal to exchange funds with familiar people. Don't send money to people you don't know!
- You often cannot cancel payments to other PayPal accounts. Any money you send is likely gone. Only an unclaimed PayPal payment can be reversed.
- Never share your PayPal login information with anyone. Doing so will allow them to pull money from your PayPal account and your linked bank or credit union accounts.
- Be cautious about sending money internationally. There will be a fee, and the payment cannot be cancelled.

Cash App

Similar to Venmo, Cash App can be utilized to instantly send money to its 30 million users. It also allows users to buy Bitcoin, a cryptocurrency.

Cash App tips

- Never store large amounts of money in Cash App, and immediately transfer funds received to your linked bank or credit union accounts.
- Only use Cash App to exchange funds with familiar people. Don't send money to people you don't know!
- You cannot cancel payments to other Cash App accounts. Any money you send will be gone. Cash App will not reverse it.
- Never share your login information

Wire transfer

A wire transfer is an established way to send money from your account to the checking or savings account for another person or business. Wire transfers are initiated with your bank or credit union and are most commonly used for real estate transactions, such as buying or selling a home.

Wire transfer tips

- Sending money via wire transfer almost always costs a fee, sometimes for both the sender and the recipient.
- Wire transfers can take anywhere from 24 hours to five business days, depending on where you are sending funds.
- Money sent via wire transfer cannot be recovered. It is a very popular option for scammers for this reason.
- Use only for specific transactions, such as buying or selling real estate.
- You will need the recipient's name, address, exact account, and routing number for any wire transfer you send.

AVOID FRAUD WITH THESE QUESTIONS

Most fraud can be avoided by pausing before sending money or information to whoever is asking for it. Before you send money or personal information to anyone, ask yourself a few key questions:

- Do I know this person?
- How do I know they are who they say they are?
- Why do they need my money, Social Security number, address, or whatever they've asked me for?
- What are the potential consequences of me sharing this information with them?
- Am I being pressured to send this to them?
- Is the person in a hurry? If yes, why the sense of urgency?
- Does this feel off to me in any way?

Your personal information and your hard-earned money are two of your most precious resources. Protect them and set yourself up for future financial success!

How can I protect my personal information while browsing and shopping online?

Why should I be cautious about what I post online on my social media platforms?

How can I safely use payment apps?

PAYING FOR COLLEGE

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PAYING FOR COLLEGE OR TRADE SCHOOL

You worked hard, got good grades, and now you're preparing for your next big adventure. Whether you're considering a four-year university, a community college, or a vocational/ trade school, it's essential to evaluate all of your academic options and how they can impact your financial future.

What educational options are you considering after you graduate?

Start with your FAFSA

To access financial aid, you want to fill out your Free Application for Federal Student Aid, also known as the FAFSA. Available at studentaid.gov, you can complete the FAFSA as early as Oct. 1 of your senior year of high school. The FAFSA requests financial information from the "prior-prior" year. For example, if you are applying for financial aid for the fall of 2026, the FAFSA will use your information from 2024. The earlier you fill it out, the better!

The FAFSA determines your Student Aid Index, or SAI. Colleges and trade schools use SAI to determine financial aid eligibility and amounts. The lower your SAI, the more need-based financial aid you may receive. This can come in the form of Federal Pell Grants, federal subsidized and unsubsidized loans, work study, and state-specific college grant programs.

Before we look at loans...

Your FAFSA will determine what loans you have access to. Only access loans you need to pay for your education. While surplus loan funds may be dispersed to you directly for other expenses (books, rent, etc.), **remember that whatever you spend you have to pay back.**

NUMERICA FINANCIAL EDUCATION

STUDENT GRANTS AND LOANS

Federal SEOG Grant

- Federal grant for undergraduate students with exceptional financial need

Federal Pell Grant

- Federal grant for undergraduate students with financial need
- Does not need to be repaid — though if you leave school or fail a class you may have to!

Direct Subsidized Loan

- Federal loan based on financial need
- Must be paid back, regardless of graduation status
- No interest charged to student while in school
- Six-month grace period after leaving school before interest starts to accrue and payments are due
- Standard 10-year repayment term.

Direct Unsubsidized Loan

- Federal loan based on financial need
- Must be paid back, regardless of graduation status
- Interest accrues while student is in school and continues through life of loan
- Standard 10-year repayment term

Direct PLUS Loan

- Federal loans offered to eligible parents and graduate or professional students
- Loan a parent can take out to help child pay for college is commonly referred to as a parent PLUS loan
- Tend to carry higher interest rates than other federal loans
- Standard 10-year repayment term

Private student loan

- Loan offered by a lender, such as a bank, credit union, state agency, or school
- Higher interest rate is common
- Typically begins accruing interest as soon as the loan is dispersed
- Not forgivable through any government program

STUDENT LOAN STATS

- Student loan debt in the United States totals $1.75 trillion
- 43 million student borrowers have an average debt of $35,453
- 2.4 million borrowers owe an average of $54,921 each in private loans
- The average college student borrows $38,000 to earn a bachelor's degree
- The average monthly student loan payment is $460, and the average borrower takes 20 years to pay off student loans
- The average trade school program costs $33,000, compared to about $90,000 to attend an in-state public college and live on campus all four years

Sources: 1. nerdwallet.com/article/loans/student-loans/student-loan-debt
2. bestcolleges.com/trades/the-value-of-trade-schools

DID YOU KNOW?

- Student loan repayment typically begins 6 months after you leave or complete school.
- Federal student loans are one of the only loans not forgiven in bankruptcy.

NUMERICA FINANCIAL EDUCATION

OTHER FUNDING SOURCES

Scholarships

Scholarships are a great way to help you pay for college! **Each year, over $7 billion in scholarships are awarded to students.** Don't miss out on your share. There are several places to search for scholarships:

- Numerica scholarships (yep, your local credit union has a variety of scholarships available)
- University scholarships (from academic and athletic to volunteer and work-based)
- Community scholarships (check with your local Rotary and Kiwanis clubs)
- Local business scholarships
- Free websites (finaid.org, ed.gov, and fastweb.com)

A key to accessing scholarships — especially scholarships at your preferred school — is to fill out your FAFSA early and apply for early admission. Some scholarships are awarded on a priority admission deadline, so don't miss out by waiting.

Work more, pay less

Get a part-time job to help with your expenses. The more you work and save, the less you'll have to borrow in student loans. The more you can save before starting college, the less student debt you'll wind up with. (Your future, graduated self will thank you!)

While you're in school, look into work opportunities on or off campus. Work study allows you to work on campus to help pay your tuition bill but may have financial need requirements, depending on the school. An off-campus job may pay better and could lead to some hands-on experience for your career. Who knows — you could find a job where your **employer offers tuition assistance**.

You can also apply to be a resident assistant, or RA, after your freshman year at college or university. RAs often get their room and board paid for by serving as an on-campus resource for fellow students. It is a tough job but can save you thousands of dollars per year.

Start saving now

Open a 529 college savings plan, a state-sponsored investment plan that can help you save money for education expenses. These plans can be opened by parents, grandparents, aunts, uncles — anyone who wants to contribute to your education. The money saved in them can be used to pay for tuition, on-campus room and board, and student fees at any college, university, trade, or vocational school that offers federal student aid.

Military Service

Each branch of the military offers college scholarships to eligible students. They also pay for books, fees and provide stipends. Accepting this scholarship requires a term of service. After graduation, you will begin your career as a commissioned officer. This is through the Reserve Officer Training Corps or ROTC. The GI Bill also offers educational benefits for the dependents of veterans.

HOW MUCH WILL YOUR SCHOOL COST?

Net price calculator

Most colleges, universities, and trade schools offer a net price calculator to help you estimate your total cost of attendance, including tuition, room and board, books, and other fees.

Simply search for “net price calculator” on your chosen school’s website to see what your total cost of attendance could be and what financial aid could be available to you.

Sample financial aid award letter

Financial Aid			$39,945
GRANTS AND SCHOLARSHIPS	Fall	Spring	Total
Faculty Scholarship	$15,500	$15,500	$31,000
Federal Pell Grant	$1,323	$1,322	$2,645
Federal Supplemental Education Opportunity Grants (FSEOG)	$400	$400	$800
LOANS			
Federal Direct Subsidized Loan	$1,750	$1,750	$3,500
Federal Direct Unsubsidized Loan	$1,000	$1,000	$2,000

Estimated Cost of Attendance			$46,826
DIRECT BILLABLE COSTS	Fall	Spring	Total
Tution	$15,585	$15,585	$31,170
Fees	$180	$180	$360
Room/Housing	$4,010	$4,010	$8,020
Meals/Meal Plan	$2,688	$2,688	$5,376
INDIRECT COSTS			
Book/Supplies	$550	$550	$1,100
Transportation	$225	$225	$450
Other Educational Costs	$175	$175	$350

Total Estimated Balance	$6,881
ESTIMATED MONTHLY PAYMENT OPTIONS	
$689 10 payments per year	**$573** 12 payments per year

ACCEPTING YOUR FINANCIAL AID AWARD

Log into our website and accept, decline or partially accept your financial aid award.

WORK STUDY	Fall	Spring	Total
Federal Work Study	$1,250	$1,250	$2,500

PAYMENT PLAN

We offer 10 and 12 month payment plans. Payment plans are calculated by semester and subject to change. You need to sign up for a payment plan each semester.

If you have any questions or concerns related to this award letter, please contact the financial aid office.

Financial aid

All of the aid your college has offered you, including scholarships, grants, and direct loans.

Estimated cost of attendance

Total cost for a school year, combining direct costs (like tuition and your meal plan) and estimated indirect costs (like books and transportation).

Total estimated balance

This is the remaining amount you’d have to pay each year — your estimated cost of attendance minus your financial aid. You have several options for how to pay this, including a monthly payment plan.

Resources to pay your balance

This section gives you the opportunity to accept your financial aid award letter. Remember, you can decline any of the loans you are offered if you have another option to pay your bill.

Once you receive your award letter

Review your letter in full. Then, call your financial aid office and ask them to walk you through the letter. Ask questions like:

- How much debt would I graduate with based on the financial aid I’ve been offered?
- What would a monthly loan payment look like for me when I graduate?
- Is there anything else you can offer to help make this more affordable for me?

Some schools are willing to negotiate for financial aid for students. It never hurts to ask!

NUMERICA FINANCIAL EDUCATION

CHOOSING A SCHOOL

Meet Jill. She just graduated high school and is going to college to get her bachelor's degree in nursing. She is considering three different education options to get her degree.

In all three scenarios, Jill will be working part time to help pay for her college classes so she can minimize her student loan debt.

Scenario 1

Jill attends her local community college for two years while living at home. She will then transfer to her in-state, four-year university and live at home while pursuing her bachelor's degree.

Cost breakdown

Two years at community college, two years at state university (living at home)			
Expense	Cost	Paid out of pocket	Paid with student loans
Community college tuition and fees (two years)	$4,750 per year	$4,750 per year	$0
Books and supplies	$1,000 per year	$1,000 per year	$0
Room and board	Free — lives at home	$0	$0
Total cost of attendance first two years	$11,500	$11,500	$0
In-state university tuition and fees (two years)	$12,400 per year	$6,000 per year	$6,400 per year
Books and supplies	$2,000 per year	$0	$2,000 per year
Room and board	Free — lives at home	$0	$0
Total cost of attendance last two years	$28,800	$12,000	$16,800
Total cost of attendance	$40,300	$23,500	Total debt accrued $16,800*

*Total debt accrued is an estimate, as it does not account for daily interest that might be accruing over the length of the loan.

If Jill does not receive any grants or scholarships but works and saves $500 a month for tuition, her total debt accrued in scenario 1 is **$16,800**.

Upon graduation, Jill will have a monthly payment of approximately:

- **10-year loan:** $178 a month at 5% interest, paying a total of $21,383 ($4,583 in interest)
- **20-year loan:** $111 a month at 5% interest, paying a total of $26,909 ($9,809 in interest)

What are some things Jill could do to bring her total amount of student loans down?

CHOOSING A SCHOOL

Scenario 2

Jill attends her local in-state, four-year university and lives on campus all four years. She receives a $5,000 university scholarship toward her tuition each year.

Cost breakdown

Four years at in-state university			
Expense	**Cost**	**Paid out of pocket**	**Paid with student loans**
In-state university tuition and fees (four years)	**$12,400 - $5,000 scholarship = $7,400 per year**	**$6,000 per year**	**$1,400 per year**
Books and supplies	**$2,000 per year**	**$0**	**$2,000 per year**
Room and board	**$12,600 per year**	**$0**	**$12,600 per year**
Total	**$22,000 per year**	**$6,000 per year**	**$16,000 per year**
Total cost of attendance	**$88,000**	**$24,000**	**Total debt accrued $64,000***

*Total debt accrued is an estimate, as it does not account for daily interest that might be accruing over the length of the loan.

If Jill works while she's a student and saves $500 a month for tuition in addition to her $5,000 annual scholarship, her total debt accrued in scenario 2 is **$64,000.**

Upon graduation, Jill will have a monthly payment of approximately:

- **10-year loan:** $679 a month at 5% interest, paying a total of $81,458 ($17,458 in interest)
- **20-year loan:** $422 a month at 5% interest, paying a total of $101,369 ($37,369 in interest)

CHOOSING A SCHOOL

Scenario 3

Jill attends an out-of-state public university and pays out-of-state tuition, which is much more expensive. She lives on campus all four years and receives an annual $5,000 university scholarship toward her tuition.

Cost breakdown

Four years at out-of-state university			
Expense	**Cost**	**Paid out of pocket**	**Paid with student loans**
Out-of-state university tuition and fees (four years)	**$27,800 - $5,000 scholarship = $22,800 per year**	**$6,000 per year**	**$16,800 per year**
Books and supplies	**$2,000 per year**	**$0**	**$2,000 per year**
Room and board	**$12,600 per year**	**$0**	**$12,600 per year**
Total	**$37,400 per year**	**$6,000 per year**	**$31,400 per year**
Total cost of attendance	**$149,600**	**$24,000**	**Total debt accrued $125,600***

*Total debt accrued is an estimate, as it does not account for daily interest that might be accruing over the length of the loan.

If Jill works while she's a student and saves $500 a month for tuition in addition to her $5,000 annual scholarship, her total debt accrued in scenario 3 is **$125,600**.

Upon graduation, Jill will have a monthly payment of approximately:

- **10-year loan:** $1,322 a month at 5% interest, paying a total of $155,862 ($34,262 in interest)
- **20-year loan:** $829 a month at 5% interest, paying a total of $198,937 ($73,337 in interest)

NUMERICA FINANCIAL EDUCATION

SCHOOL DEBT IMPACTS FUTURE YOU

The overall cost of attending college can add up quickly — especially when considering out-of-state options. It's important to consider the impact your monthly student loan payment will have on you as you graduate and begin your career.

A general rule to follow is that your total student loan debt when you graduate should be less than your first-year salary in your chosen career field. For example, if you want to become a nurse and your starting salary when you get your first full-time nursing position will be $75,000, your total student loan debt would ideally be $75,000 or less. That keeps your debt manageable and your life affordable.

Large loans mean large loan payments, and these payments could mean you will have to sacrifice in other areas. A manageable monthly payment or no payment in your future budget means financial freedom down the road to do the things you really want to do. Buy a house, a car, or retire early? We promise, future you will thank you!

Bottom line, **living within a budget is the key to keeping student loans to a minimum** before and during college. It's also the most important tool to help you pay down student loan debt afterward.

Think back to your answer on the first page of this section about educational opportunities you are considering after high school. How can you prepare now to pay for that education?

When should you solidify your future plans?

Are there alternatives to going to a college or university that might be a good fit for you (trade school, vocational program, military service, etc.)?

GROWING WEALTH

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GROWING YOUR WEALTH

Introduction:

This content is for educational purposes only. It does not constitute an offer or recommendation on how you invest. Rates of return used are for illustrative purposes only and not representative of investments currently available.

When you hear words like “Wealth, investing, retirement, or the stock market” what do you think of, how do you feel?

WHAT IS WEALTH, AND HOW DO YOU BUILD IT, WILL I EVER BE WEALTHY?

Wealth means different things to different people. What does it mean to you? Maybe it means...

- Ignoring the price of food at a restaurant and ordering what you want.
- Taking a vacation each year – without going into debt to do so.
- Having enough money to support a family member financially.

The only person who can determine if you are wealthy is you, and how you feel about the resources you have.

At a basic level, your wealth is measured by your net worth, which is the total value of all your assets including accounts, investments, real estate, collectibles, vehicles, a business, etc. minus your liabilities such as car loans, credit card debt, and mortgage balances.

What is your Net Worth today, how do you feel about that number?

If you don’t love your number, we want to help you focus on progress; any improvement is a win.

PLANTING THE SEED FOR WEALTH

Creating Wealth is like planting a seed; the earlier the seed is planted the more time it has to grow. In this case, you **plant money in good places where it has the potential to grow**. That money can help you achieve a goal — pay for education, buy a house, grow a business, go on an adventure, retire comfortably, etc.

Growing wealth works when you buy assets at a low price and sell them at a higher price—for example, investing in stocks, bonds, real estate, businesses, and other items that can increase in value.

Why do you want to grow wealth for your future?

WILL I EVER BE WEALTHY?

How do you feel when you think about this question, how would you answer it? Ask yourself:

- Can I imagine myself being wealthy?
- Who do you know personally who has grown wealth? How did they do it?
- What would it take to make that a reality for you?

Our financial expectations and our family experiences with money often influence our ability to grow wealth, but they don't have to determine it!

Let's concentrate on the aspects within our control: our financial decisions and how we react to financial challenges as they come up.

THE POWER OF STARTING EARLY AND SMALL

What is an area of your life where small choices have led to a big impact?

Small moves combined with time and consistency are crucial to growing wealth; let's explore how with a few examples.

INVESTING FOR RETIREMENT

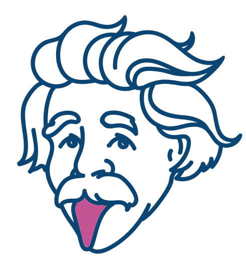
In this scenario each person wants to retire with over $1,000,000, but how much will they need to invest each month to reach their goal if they start with $0?

Starting Age	Retirement Age	Total Years Invested	Monthly Contribution	Investment Return	Money at Retirement	Money you Contributed
20	67	47	$175	8%	$1,087,165	$98,700
25	67	42	$250	8%	$1,030,124	$126,000
30	67	37	$370	8%	$1,005,068	$164,280
35	67	32	$565	8%	$1,002,286	$216,960
40	67	27	$880	8%	$1,004,414	$285,120
45	67	22	$1,400	8%	$1,003,503	$369,600
50	67	17	$2,350	8%	$1,014,723	$479,400

This chart shows how powerful time can be in growing wealth, $175 invested monthly for a 20-year-old is as valuable as $1400 invested monthly for a 45-year-old.

"COMPOUND INTEREST IS THE 8TH WONDER OF THE WORLD. THOSE WHO UNDERSTAND IT EARN IT, THOSE WHO DON'T PAY IT."

Albert Einstein
German American Physicist



Einstein's quote and the chart above show us how compound interest can work in our favor, and the more time it has to work the better!

If you'd like to get some practice investing, The Stock Market Game (**www.stockmarketgame.org**) is a free stock simulator that allows you to buy and sell investments and get practice as an investor.

BUYING A HOME

Buying a home is the main way Americans build wealth. For households that own a home, the equity of that home represents 45% of their wealth.

This chart shows the median sales prices of a home in the U.S . from 2006-2024:

Year	Median Sales Price	Change from the previous period
2006	$247,700	N.A.
2010	$222,900	-$24,800
2015	$289,200	+$66,300
2020	$329,000	+$39,800
2024	$426,800	+$97,800

Homes don't always increase in value, but in the long term, they often do. Buying a home when you're ready can be a solid investment; especially if you plan to live in it long-term. In some situations, it can also be converted into a rental property to generate cash flow.

If you need help with the homebuying process, connect with a Numerica home loan officer and check out our homebuying resources here: **www.numericacu.com/personal/home-loans-team**.

We can help you:

- Determine how much home you can afford.
- Create a plan to save your down payment.
- Get your credit ready for a home loan.
- Access Numerica as a trusted advisor for your homebuying journey.

WEALTH CREATION TOOLS

Investments come in two main categories, loan or own.

When you LOAN your money, you let someone use your money for a set length of time. At the end of that period, you get your original money back plus some interest.

When you OWN an investment, you purchase an investment that you anticipate will grow in value and you get your money back when you sell it to someone else.

LOAN INVESTMENTS

Credit Union Checking, Savings, Money Market, and Share Certificate accounts: These are very low-risk investments that usually offer guaranteed interest.

Bonds and Bond Mutual Funds: Bonds are when a government or company borrows money from investors and agrees to pay them a rate of interest in return. Bonds are typically considered less risky, especially government bonds. When you invest in a bond mutual fund you are purchasing a collection of bonds managed by an investment company.

For example, if a company wants to build a new manufacturing plant, to raise the money they need they may issue a corporate bond. Bondholders lend them their money and get paid back their original amount plus interest.

OWN INVESTMENTS

Stocks: A stock is partial ownership of a company. They go up or down in value depending on the rising and falling value of the company. This makes stocks a more volatile investment. Many companies also pay regular dividends. These payments represent your share of the profits of the company.

Mutual Funds: Mutual funds are when a group of investors pool money for a specific investment strategy. A single mutual fund could invest in an assortment of stocks, bonds, or other investments. Depending on the mutual fund you can easily diversify your investments across a broad range of companies.

Exchange Traded Funds (ETFs): ETFs are very similar to a Mutual Fund, but you can sell or buy them during market hours. ETFs generally hold a collection of stocks, bonds, or other investments. They tend to offer very low fees and natural diversification.

Target Date Funds (TDFs): A Target Date fund is an investment that helps people save for retirement by automatically balancing their portfolio over time. They are often the default investment in workplace retirement plans. They will automatically adjust their investments and risk level based on the retirement date of the investor.

Real Estate: Your primary residence, a rental property, land or a commercial building are examples of real estate investments. These assets may produce regular monthly cash flow if they are rented out and may grow in value. They may also offer tax advantages but can be more difficult to maintain than other investments due to repairs and improvements.

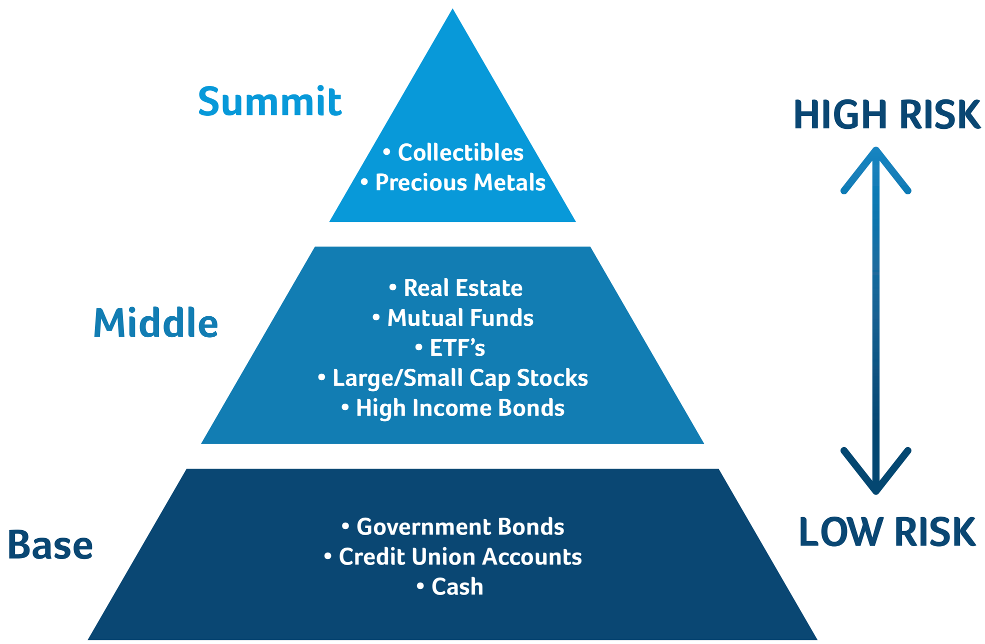
Businesses: Owning and growing a business can help you grow wealth in two main ways, the cash flow and value of the business. If these increase over time the value of your investment increases.

Precious Metals and Collectibles: Gold and silver are the most common metals used for investing, people also may invest in collectibles like fine art, jewelry, toys, comic books, and coins, buying them at lower prices and reselling them at higher prices. These can be risky investments due to price fluctuations, a lack of tax advantages, and in some cases the need to store and secure physical items.

UNDERSTANDING WEALTH CREATION AND RISK

A key to success in creating wealth is taking on some risk while being honest about your comfort with losing money. Your investment choices should align with your ability to stomach risk in your investments and your age. An individual with a long timeframe to grow wealth (15+ years) can take on much more risk than someone who is five years away from retirement.

Let's check out the Investment Risk Pyramid, which categorizes investments based on their risk.



- **The Base of the Pyramid:** The foundation of the pyramid represents the strongest portion, which supports everything above it. This area should consist of investments that are low in risk and dependable. It is the foundation on which other investments are built. It may be a small part of your wealth in terms of dollar amount, but it creates a foundation for adding other investments. You need to be able to draw on these investments in emergencies such as a job loss or medical situation.

- **Middle Portion:** This area should be made up of medium-risk investments that offer a stable return while still allowing for investment growth. They are riskier than the assets creating the base but can still be relatively safe. This is normally the largest part of your pyramid in terms of dollar amount.

- **Summit:** Reserved specifically for high-risk investments, this is the smallest area of the pyramid and only includes money you can lose without any repercussions. Some people choose not to have any money in these types of investments.

In general, the more risk you accept in your investments, the more return you can earn. The opposite is also true, the more risk you take the more money you can lose in your investments.

UNDERSTANDING WEALTH CREATION AND RISK

In the long term, assets in the middle section of the pyramid tend to increase in value. The sooner you begin growing wealth the less money you must invest consistently. You want to put yourself in a space to grow wealth at a pace and risk level you are comfortable with. Growing wealth now gives you more flexibility in your pyramid.

Let's look at some examples for people of different ages who are just starting to invest and what return they would need to average to reach a $500,000+ retirement portfolio when they retire:

Starting Age	Retirement Age	Total Years Invested	Monthly Contribution	Average Investment Return Needed	Money at Retirement
25	67	42	$300	5%	$513,404
30	67	37	$300	6.15%	$507,886
35	67	32	$300	8%	$532,187
40	67	27	$300	10.25%	$517,444

This table shows us that we can afford to take on less risk if we start growing wealth earlier.

Ironically, we can also take on more risk if we start early because our investments have time to bounce back in value from a drop before we need to access or sell them.

How comfortable are you with risk and uncertainty with your money?

HOW TO READ AN INVESTMENT CHART

Picking investments can be overwhelming, but it starts with learning how to read an Investment Chart. All stock market investments have a stock ticker, which identifies the investment and lets you read up on its performance. This is the chart for the Vanguard S&P 500 Exchange Traded Fund (VOO), an index Exchange Traded Fund (ETF) that tracks the performance of companies in the Standard & Poor's (S&P) 500. The 500 largest companies on the U.S. stock market. We are looking at its performance for the past 5 years from 9/12/2024:

Vanguard S&P 500 ETF (VOO) ☆ Follow

513.67 +4.21 (+0.83%)

As of 3:36 PM EDT. Market Open.

Previous Close	509.46	52 Week Range	375.95 - 519.40	PE Ratio (TTM)	27.99
Open	510.09	Volume	3,608,736	Yield	1.28%
Bid	513.35 x 800	Avg. Volume	4,757,363	YTD Daily Total Return	17.43%
Ask	513.40 x 1800	Net Assets	1.24T	Beta (5Y Monthly)	1.00
Day's Range	508.06 - 514.14	NAV	509.82	Expense Ratio (net)	0.03%

Current Price: The value of the investment right now, $513.67.

1D, 5D, 3M, 6M YTD 1Y 5Y All: These show the investment return during a specific time frame, the last day, five days, three months, six months, year to date, one year, five years, and all-time since the investment was first offered. These are the total returns in these periods, not annualized returns. In this example, this ETF has returned 86.29% over the past five years.

Net Assets: The total money invested in this ETF, $1.24 Trillion.

Expense Ratio (net): The fees you will pay to invest in this ETF, .03%. For every $1,000 invested, you will pay $3.00 per year. A high expense ratio can eat into your investment returns. Not all investments have expense ratios, individual stocks being the prime example.

YTD Daily Total Return: This is the amount of profit or loss an investment has made since the first day of the year to today's date, in this case, 17.43%.

This example also shows us that in the long term, the value of these companies tends to go up and that staying invested in diversified investments through market fluctuations can pay off. The value of this ETF dropped significantly in 2020, at the start of the COVID-19 Pandemic, but has since grown well past that value.

Staying invested through market fluctuations is often a sound strategy, especially if you have time for your investments to bounce back.

HOW TO READ AN INVESTMENT CHART

The same cannot be said for meme stocks, which are often individual stocks that fluctuate widely in value. Here is an example of a meme stock, AMC Entertainment Holdings which was driven up in price by speculative investing driven by social media. Here is the stock chart for AMC for the 5 years from 9/12/2019-9-12-2024.

At the start of 2021, AMC sold at about $2 per share, In June of 2021 investors drove up the price by buying millions of shares of the stock. It increased to $72 per share, a 36-fold increase. Yet as we look at the above chart it has sunk in value from that all-time high to around $5 per share.

Some investors made money, some made lots of money in the price spike and the smaller spikes that followed. However, many normal investors tried to time the stock and lost significant amounts of their money. Knowing when to get in and out of an investment quickly is very hard to do.

If you get a hot stock tip or read about a meme stock online make sure to do your research and know what you are getting into. There is an old saying that "time in the market beats timing the market." Pick solid investments that grow steadily over time, and you increase your chances of being successful.

What hot stock tip or advice have you received? How did it turn out?

THE TRUE COST OF INVESTMENT FEES

Investing can come with fees; these are some of the most common.

Expense ratios: If you invest in funds like Mutual Funds or Exchange Traded Funds (ETFs) it may carry an expense ratio, expressed as a percentage, for example, .03% 1.0%, etc.. This fee is charged for operating the fund.

Sales charge or load: These are sometimes charged by mutual funds; it is a fee you pay when you buy or redeem shares in a fund. There are many “no load” mutual funds available so this fee can normally be avoided.

Trading fee: This is a fee you pay when a broker or investment advisor executes a sale or purchase for you. Some investment companies do not charge trading fees.

Investment expense ratios can make a big difference, let’s look at an example of three different investments with different expense ratios that earn the same rate of return over a long investing time frame. We will assume that in both scenarios we are starting with $0 invested.

Starting Age	Retirement Age	Monthly Contribution	Expense Ratio	Investment Average Rate of Return	Money at Retirement after fees	Cost of fees
25	67	$250	.05%	8%	$971,607	$14,141
25	67	$250	.25%	8%	$917,166	$68,582
25	67	$250	.45%	8%	$865,968	$119,780

Expense ratios can make a massive difference in how much money your investments make, so read those investment charts carefully!

INVESTING FOR RETIREMENT & OTHER GOALS

To pursue a financially secure future, it's important to plan and determine your financial goals. You have a multitude of options for retirement, health care, education, and investing for other goals. Let's dive into your options.

RETIREMENT ACCOUNT OPTIONS

Most retirement account options come with tax advantages; non-retirement accounts may not have those same advantages. They come in two main categories, self-initiated or employer offered.

SELF-INITIATED

IRA

IRA stands for an individual retirement account. It allows individuals to direct pre-tax income toward investments that can grow tax deferred. You can invest in a wide range of investments in an IRA including stocks, bonds, mutual funds, ETF's and more, but you must choose your investments. An IRA is intended to be used for long-term investing since a 10% IRS penalty may apply to withdrawals prior to age 59½. You can open an IRA yourself with an established investment company like Fidelity or Vanguard. Keep in mind that you need to pick investments within your IRA, it doesn't automatically invest your money for you.

OFFERED BY EMPLOYER

401(k), 403(b)

401(k) plans are employer-sponsored accounts. They make it easy for employees to set aside pre-tax income from paychecks for retirement. A huge benefit of some 401(k) plans is employer matching. If your employer offers to match your contribution, take advantage of it! That is free money for retirement.

The Roth option

When setting up retirement accounts, there is often an option to open a Roth version. With Roth accounts, investors pay taxes on the front end but enjoy tax-free withdrawals in retirement. That means growth on these investments is not subject to tax. Roth IRAs are available to investors who fall within certain income limitations. Most 401(k) plans also offer a Roth option. Roth IRAs also have some incredible benefits including:

- You can withdraw money you contributed after you've had the account for five years.
- You can withdraw money without penalty to purchase your first home.
- There are no Required Minimum Distributions in a Roth IRA in retirement.

Here are some small steps you can take to impact your retirement investing:

- Talk with your Human Resources department to learn about your workplace retirement plan and options.
- Contribute to your employer-provided retirement plan and invest a small portion of your paycheck.
- Take advantage of a company retirement match, every $1 they match is a 100% return on your investment, which is incredible!
- Utilize a tool like Numerica's small dollar investing tool to set aside small amounts of money each month and grow your wealth.

INVESTING FOR RETIREMENT & OTHER GOALS

SMALL BUSINESS RETIREMENT PLANS

If you own a small business you have a range of retirement account options for yourself or your employees including 401k and IRA plans.

SELF EMPLOYED 401(K)

A Self-employed 401(k) allows owner-only businesses and partnerships to invest for their retirement. This is only available for self-employed individuals with no employees and the owner's spouse may participate in the plan if they are a compensated employee of the business.

SEP IRA

Simplified Employee Pension Plans (SEP IRAs) can allow self employed individuals and small business owners to open a tax-deferred account for retirement. These are available in Traditional and Roth options. These are primarily for sole proprietors or businesses with a few employees.

There are contribution limits and restrictions for SEP IRAs, for example, contributions must be made by the employer and must be the same percentage for each employee i.e. 5% in a year.

SIMPLE IRA

Simple IRAs may be a good fit for employers who have fewer than 100 employees and allow employer and employee contributions to the plan. There are some contribution restrictions for employees and employers. For help or advice setting up your small business retirement account, connect with our Numerica Financial Services team by scanning this QR code.

SAVING & INVESTING FOR EDUCATION

Paying for education for yourself, your kiddo or grandkids can be very expensive. Fortunately, there are great options to help invest for these expenses.

529 PLANS

529 plans are tax-advantaged college savings accounts that can be used to pay for education including tuition, or textbooks for anyone who is the beneficiary of the account including yourself. With changes that were made to 529 plans, they can also become the first retirement accounts for kiddos or grandchildren.

Every state except for Wyoming offers a 529 plan, but you do not have to utilize your home state's 529 plan option. Many states offer a state (not federal) tax deduction for contributing to a 529 plan and there are a wide range of investment options to grow the balance of your account including mutual funds, index funds, ETFs, and more.

INVESTING FOR RETIREMENT & OTHER GOALS

You make after-tax contributions to your 529 plan, and your investments grow tax-deferred, so they aren't subject to capital gains tax annually. When you use your 529 funds to pay for qualified education expenses, that money is tax-free. Those qualified education expenses include :

- Tuition and fees for college, trade school (check eligibility), or private K-12 education (limited to $1,000 per year for K-12 education).
- Books and supplies for college.
- Computers, software, and internet access for college only.
- Room and board for college only, if the student is enrolled at least half-time.
- Student loan payments, up to a $10,000 lifetime maximum.

Funds withdrawn from a 529 for non-qualified expenses are subject to a 10% penalty and you'll pay federal income taxes on those funds. You have options to avoid paying those penalties and taxes.

START A ROTH IRA

You can rollover 529 funs into a Roth IRA for your 529 plan beneficiary, up to a lifetime limit of $35,000. If you have had the 529 plan for at least 15 years, with the same beneficiary, you can roll over the annual maximum contribution to a Roth IRA, up to a lifetime total of $35,000.

There are certain restrictions on these rollovers, so consult a licensed tax professional for further advice.

INVESTING FOR HEALTH CARE EXPENSES

One of the best investment and wealth-creation accounts may help you pay for health care expenses tax-free. If you are on a High Deductible Health insurance plan (HDHP), you may open and contribute pretax dollars to a Health Savings Account (HSA). Those HSA funds can be used to pay for qualified healthcare expenses for yourself, your spouse, and your dependents tax-free.

Many HSA accounts allow you to invest your excess funds in mutual funds, index funds, bonds, target date funds, ETFs, and more.

If used correctly you contribute tax-free dollars to your HSA, can invest those funds and enjoy tax-free investment growth, and withdraw the funds for qualified medical expenses tax-free. This is one of the rare accounts that offers a triple tax benefit!

The funds you contribute to an HSA are always yours, even if you switch health insurance plans or employers. If you are on a qualified HDHP and your employer doesn't offer an HSA, you can open and contribute to one on your own.

After you turn age 65 you can withdraw money from your HSA for non-medical reasons, but you will pay income taxes on those withdrawals.

INVESTING FOR RETIREMENT & OTHER GOALS

Start Early: The earlier you begin, the more time compounding interest can work in your favor.

Start Small: Even $100 a month when invested or put toward home ownership can have a big impact. Start small and increase your contributions to wealth creation as your finances improve.

Be Consistent and Calm: Stay disciplined and make growing wealth a priority, take small steps each month toward your wealth goals. Regulate and check your emotions when you make financial decisions.

Automate your Finances: Set up regular transfers to your retirement account, home savings account, buy a business account etc. to support your financial goals.

Pay down your high-interest debt: Credit card debt and other forms of high-interest debt can eat into the money you need to grow wealth. If you need help tackling your high interest debt connect with one of our financial counselors at **www.numericacu.com/financial-wellness/advice-counseling**.

What area of your finances do you want to focus on this month?

"THE BEST TIME TO START GROWING WEALTH WAS YESTERDAY, THE NEXT BEST TIME IS TODAY."

SOR-W-2025-07-24

INVESTING FOR RETIREMENT & OTHER GOALS

HOW NUMERICA CAN SUPPORT YOU:

At Numerica, we help our members and community members grow wealth for their future. Whether you want to take a small or big step in your wealth creation journey here are a few ways we can help:

- Offer advice on how to use your Numerica accounts and loans to maximize your finances.
- Call our free financial counseling resource, GreenPath Financial Wellness at 855.400.3710, to create a spending plan that includes room for growing wealth.
- Connect with one of our home loan experts to start or continue your home ownership journey by calling 800.433.1837.
- Check out our investment resources for members through Numerica Financial Services **www.numericacu.com/invest-insure/services**.

What questions or concerns do I still have about creating wealth?

CONTACT US

NUMERICA
FINANCIAL EDUCATION

Questions? Want to continue your financial education journey?

Contact the Numerica Financial Education team at **FinancialEd@numericacu.com** or check out website articles and resources at **numericacu.com**.

Starting Off RIGHT

We partner with GreenPath Financial Wellness to offer free financial counseling and education resources. Their certified financial counselors provide individual advice to help you set up a budget, build credit, and more. They also offer interactive online courses on a variety of financial topics. Connect with a GreenPath counselor by calling 855-400-3710, or check out their online financial education tools by visiting **greenpath.com/partner/numerica**.

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