

Essentials

Select
Saversclub
AN AFFILIATE OF QUORUM FEDERAL CREDIT UNION

WHERE GOOD SENSE MAKES GOOD MONEY.

THIS NEWSLETTER IS PUBLISHED
QUARTERLY FOR MEMBERS OF
SELECT SAVERS CLUB.

Welcome to the Select Savers Club!

The Select Savers Club (SSC) is a not-for-profit club designed to educate and empower its members with financial knowledge. We are committed to helping our members achieve their financial goals with information on spending, saving, borrowing, and managing money and debt wisely. Membership is open to anybody with a desire to learn about financial matters, savings and the wise use of credit.

AT A GLANCE

Annual Meetgjn

April 17, 2024

1:00 - 1:30 p.m. ET

Virtual Board Room

RSVP: info@selectsavers.org

USEFUL WEBSITES

- SelectSavers.org
- PracticalMoneySkills.com
- FTC.gov
- quorumfcu.org

CONTACT INFORMATION

Telephone
914.371.6600

Email Address
info@selectsavers.org

Mailing Address
Select Savers Club
P.O. Box 566
Purchase, NY 10577-0566

BOARD OF DIRECTORS

- Dave A. Peart
- Caryl Buhler
- Benjamin McNutt
- Sharon Cobo
- Andrew Chunka

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Five Ways It Pays to Improve Financial Literacy

People often say that knowledge is power. When it comes to knowing about money, that old adage is spot on. Financial literacy is one of the most life-changing gifts you can treat yourself to because it helps demystify money. To prove it, here are five key ways that educating yourself about personal finance pays you back over and over again.

1. Leads to smarter financial decisions.

Life is full of decisions that involve money. Here are just a few of them:

- Opening a checking or online savings account
- Applying for a credit card
- Taking out a student loan
- Getting an auto loan
- Buying a home and financing it through a mortgage
- Opening a home equity line of credit
- Investing in an employer-sponsored 401(K) or IRA
- Taking out an insurance policy

The more informed you are, the easier it is to face decisions like these and make choices that serve you today and in the long run.

2. Helps you understand the importance of a budget.

Living beyond your means, i.e., spending more than you make, can be very tempting. This can lead to a perpetual cycle of money insecurity, which is why budgeting is one of the critical elements of financial literacy. As you work toward a higher money IQ, you'll figure out the following:

- How to create a basic budget
- Whether you want to track your budget on paper, in a spreadsheet or via a budgeting app like Goodbudget, Mint or Wally
- What tips can help you stay within budget
- When it's time to reevaluate your budget

3. Teaches you how to pay off credit card debt quicker.

According to a 2023 report by the Consumer Financial Protection Bureau, 74% of U.S. adults have a credit card in their name, and the average credit card balance is approximately \$5,288. Through financial literacy, you can learn more about the three methods often recommended for paying down credit card balances in order to decide which one makes the most sense for your particular situation and which one will be most motivating for your personality:

- Debt snowball: Pays off the smallest balance first.
- Debt avalanche: Pays off the credit card with the highest interest rate first.
- Debt consolidation: Involves opening a new loan or credit card with a lower interest rate and transferring all credit card balances to it for one monthly payment at that lower rate.

4. Facilitates your big financial goals.

Being more financially literate helps you achieve your major goals sooner rather than later and often with less stress no matter what you have planned for the future. Additionally, with more money knowledge, you can feel more confident about when and how to fulfill less substantial, but still costly, goals such as buying an engagement ring or other fine jewelry, purchasing new furniture or appliances for your home, taking care of a major home or car repair, or adding a pet to your household.

5. Allows you to teach your kids better money skills.

Perhaps best of all, you can pass your money knowledge on to your children so that they learn how to be financially literate at a young age, which reduces the chance that you'll need to support them in their adulthood. And in case your adult children move back home, you can use what you've learned to help reset them for success.