

ARE YOU FINANCIALLY PREPARED?

“Are you prepared?” is a very open ended question. Prepared for what?

- Retirement
- A major home or car repair
- A child leaving for college
- Hurricane season
- Long-term illness or disability
- Loss of employment



Do you have a financial plan?

Financial planning is something many people steer clear of with the thought, “I don’t have extra money at the end of the month to contribute toward a financial plan,” or “I’ve got time, I’ll get to that in a few years.”

Being ready financially includes preparedness for expenses that you expect to have in the future, like college education (if you have children), retirement, housing and auto. You also need to consider and prepare for unexpected expenses.

Thinking through the emotional “what-ifs” of long-term illness, disability, loss of employment, natural disasters, or even death of a family member is hard enough without having to conceptualize the expenses that accompany such issues. Going through the process now by developing and implementing a well thought out financial plan, just might be your saving grace. A benefit of establishing a financial plan now, is minimizing hardship—both financially and emotionally in the future. To begin the process of financial planning, areas you’ll need to review include:

- Cash flow
- Cash Reserve
- Retirement
- Medical and Disability Insurance
- Special Circumstances/Natural Disasters

Know how your money is spent each month. The big expenses are obvious—mortgage/rent, utilities, car payments, groceries, gas—but what about small purchases like lunches out, or impulse purchases that add up over the course of a month. Even expenses like satellite or cable subscriptions may be an area you could scale back to increase your cash flow. For the next month, keep track of how you spend your money—even the little things like a latte’ on the way into work. You’ll likely find spending habits that could be converted into saving habits. Also, review your credit card debt. Determine whether a debt consolidation loan would benefit. You could lower your monthly finance charges and simplify your bill paying at the same time. Consult the loan department at SCORE for information on a consolidation loan.

In upcoming issues of NewFlash and SCOREBOARD, look for information on how to become financially prepared.

Calendar

The credit union will be closed for the following holidays:

FOURTH OF JULY • Tuesday, July 4, 2006