

THE CREDIT UNION COLUMN

AVOID THESE 3 COMMON FINANCIAL MISTAKES

From Miriam DiGiovanni of Financial Feed comes this timely financial advice.

When it comes to dieting and budgeting, it's amazing how similar the advice is for both, based upon simple inflow and outflow principles. For example, how many times have we heard, "burn more calories than you consume," or "spend less than you make?"

Both concepts sound very simple, but most people struggle to execute them. It's like the old saying goes, "it may be simple, but it's not easy."

But is managing finances really as easy as it seems? Research shows most consumers don't know as much about money as they think they do.

A GuideVine study found many Americans are lacking in education about basic financial concepts such as how inflation works, how interest is calculated, or the negative impact of bankruptcy. And the most common mistake respondents admitted to making was not saving enough money.

Sometimes despite our best financial planning efforts, we stumble. Here are a few financial mistakes that may cost you in the long run.

Not tracking funds. If you don't know where your money is going, there's no way you can prioritize spending, let alone set savings goals or figure out a budget. If you track where you spend every single dollar for one month, you may be shocked to learn where your hard-earned money goes.

Waiting to invest. Every little bit helps when it comes to having your money work for you to build wealth. Make the most of tax-deferred retirement accounts and/or employer-sponsored plans. If you are unsure about investments, speak to a financial adviser who can walk you through the basics of risk and how you can put the right mix of risk and yield to fit your goals and investment style.

Relying on credit cards to live. Just because you can make the minimum payments on your credit card statement, it doesn't mean you can afford your lifestyle. You don't have to pay your balance in full every month, but if you are carrying debt on credit cards, make sure you have a plan to pay them off because interest adds up. For example, if you charge a pair of \$300 designer sunglasses to your credit card, if that card charges interest at an annual rate of 18% (APR means annual percentage rate), you're paying an extra \$54 per year. Carry that balance for 10 years without making any progress toward paying down the principal, and your \$300 sunglasses could actually cost you \$840!

COLLECTIONS

One of the most challenging jobs at any financial institution is collections and the job is that much harder at Boulder Dam Credit Union because we care about the members' well-being. Very seldom are the stories they hear good news, and it is a constant battle trying to determine if someone is being honest or not. But our collection department is one of the best and they are there for one primary reason only, to help our members. Can they always provide assistance for every circumstance, no. Will they always give you the answer you want, probably not. But, we can promise they will listen and will give you an honest answer.

Whether you are opening a new account at the teller line, closing on a home loan in our loan department, or working with our collections department during difficult times, the Credit Union staff is here for one reason only, to help you. If you are a member that is struggling, let us try to help you through the tough times. We will do our absolute best to help you land on your feet!

WORDS OF WISDOM

Life is the art of drawing without an eraser.

- John W. Gardner



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ACCOUNTS INSURED UP TO \$500,000



American Share Insurance insures each account up to \$250,000. Excess Share Insurance Corporation provides up to an additional \$250,000 of insurance per account. This institution is not federally insured.