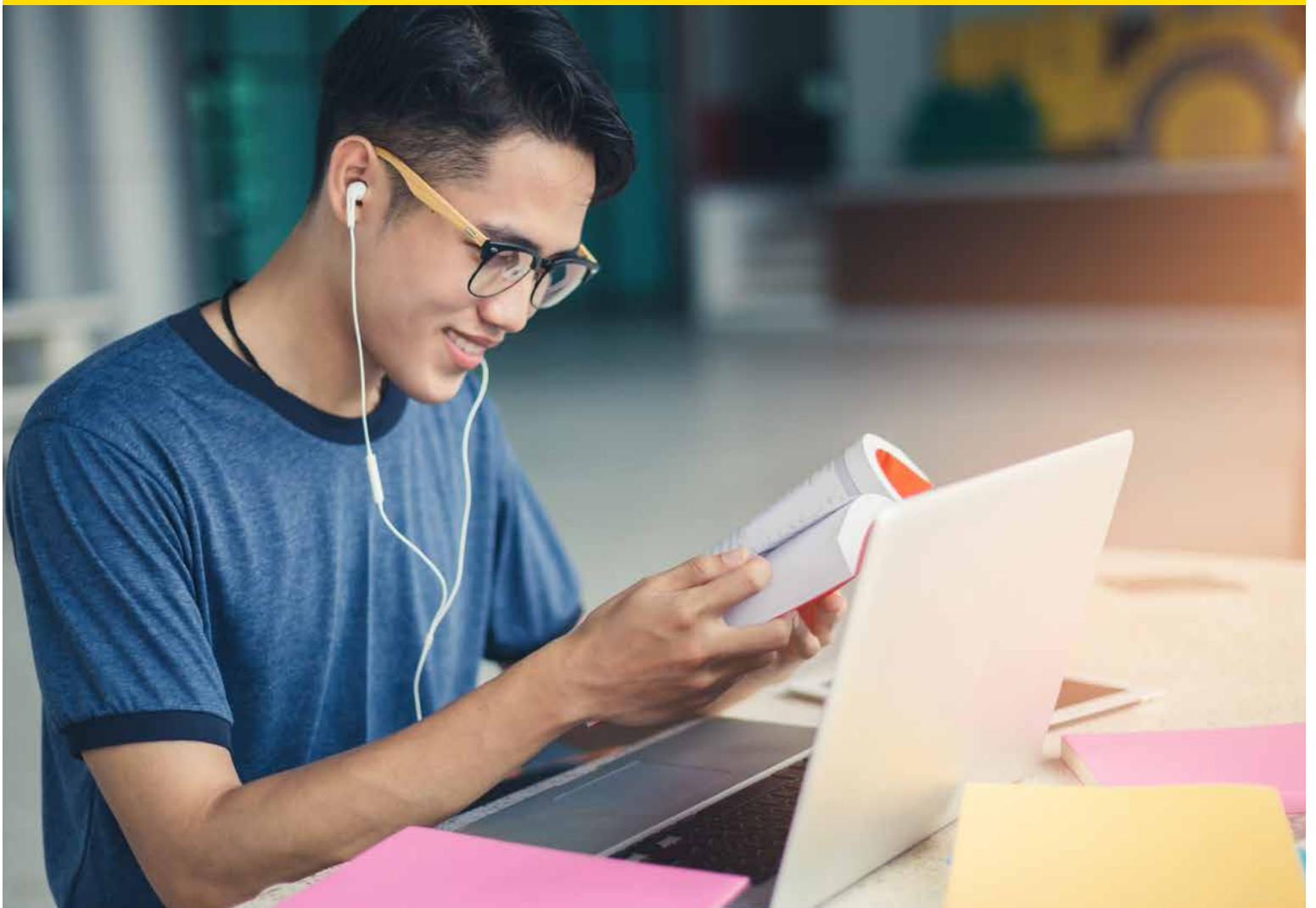


FINANCIAL WELLNESS PROGRAM



FINANCIAL FITNESS

for college students



WELCOME!

We are honored to be a part of this exciting new chapter in your life as you begin your academic career and start on your path to financial wellness.

From the basics of budgeting to tips that help you establish credit, pointers on how to correctly use a checking and savings account and common mistakes to avoid along the way, our Financial Wellness Program is designed to teach you how to keep your finances organized so you stay on top of your money.

We break down the essentials of money management and help you create a plan so you can build a solid financial foundation that pays dividends long after you graduate.

MARK MUNZENBERGER

UMCU Financial Education Manager

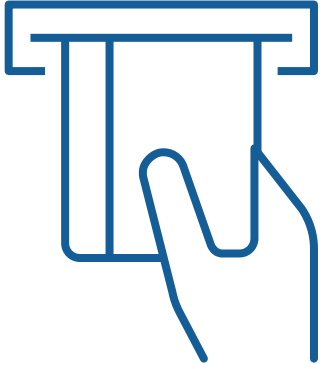


ARE YOU FINANCIALLY FIT?

This guide will help you develop an action plan to start building a foundation for your financial future.

@umcreditunion





SPEND

Being able to successfully manage your cash flow and spend less than your income each month directly affects your ability to build savings and be resilient in the face of unexpected events. In addition, how well you keep up with monthly bill payments sheds light on how you handle your financial commitments and begins to formulate your financial reputation.

What to do ...

- Spend less than what you make (your income) – the goal is to have a monthly surplus
- Pay bills on time and in full – no late or missed payments!

How to do it ...

- Use a monthly budget or spending plan to manage income and expenses
- Have a clear picture of your needs versus your wants
- Set up automatic bill payments
- Consider a budgeting app such as *You Need a Budget* or *PocketGuard*



SAVE

Having sufficient savings is the foundation for financial health. You need short-term savings for expenses such as clothes or travel that occur periodically throughout the year, or when faced with an unexpected expense such as a car repair or an illness. Long-term, starting an investment plan as a young adult is important for financial security later life.

What to do ...

- Have sufficient short-term savings in your bank account
- Start a savings habit early – compound interest is powerful

How to do it ...

- Make your savings deposits automatic with monthly transfers from checking to savings
- If working, split your direct deposits into both a checking and savings account
- In your monthly spending plan, consider savings as an expense similar to groceries and utilities
- Explore apps such as *Acorns* for beginning investors



BORROW

Establishing good credit is an important step toward financial independence. Having a manageable debt load means that you will not be consumed by high interest charges or late fees. Credit scores (300-850) serve as your financial GPA, and are used by lenders and others to make decisions on your ability to access affordable credit and manage the payments.

What to do ...

- Have a low debt to income ratio
- Have a credit score of at least 700

How to do it ...

- Open a low limit, unsecured credit card and pay the balance in full each month
- Pay all bills in full and on-time
- Use the *CreditKarma* app to track your credit report and scores



PLAN

Planning ahead and setting goals indicates that you are future-oriented and will use patience and resiliency to achieve financial wellness.

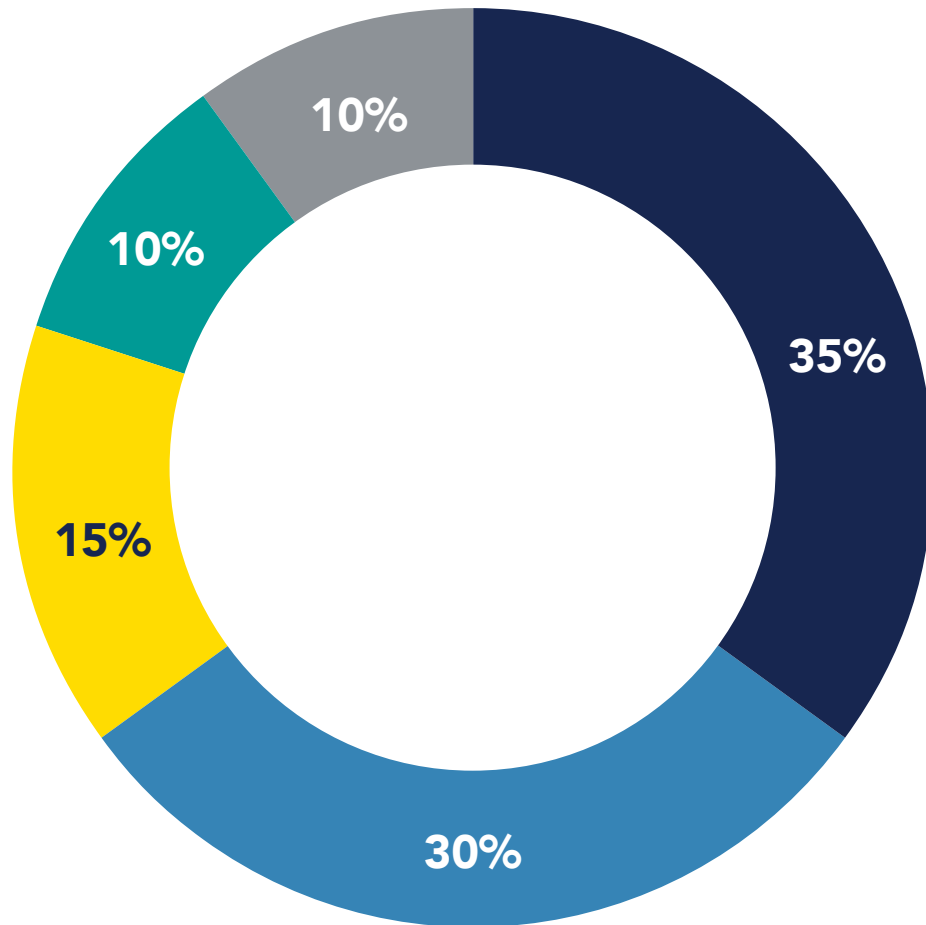
What to do ...

- Look beyond the current month and identify your goals over the next 3, 6, and 12 months
- Establish targets (dates, dollar amounts, etc.) to work towards
- Protect yourself and your belongings with insurance

How to do it ...

- Bring your goals to life by applying the S.M.A.R.T. formula (Specific, Measurable, Attainable, Realistic, and Timely)
- Habits are formed with repetition – set aside 30 minutes per month for financial planning
- Shop around for insurance (renters, auto, life, health) depending on your needs

HOW IS YOUR CREDIT SCORE DETERMINED?



● **35%** Payment History

● **30%** Amounts Owed

● **15%** Length of Credit History

● **10%** Types of credit

● **10%** New credit



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UMCU'S FREE FINANCIAL WELLNESS WORKSHOPS

offer a variety of options to assist students throughout the academic year.

In-person and virtual workshops are available for students, student groups, organizations, and university departments on relevant topics related to personal finance:

- Money management & budgeting
- Credit education
- Avoiding identity theft and fraud
- Savings strategy
- Managing debt, including student loans

Contact us at education@umcu.org or
(734) 662-8200, ext. 2741.

Visit **UMCU.ORG** to unlock
your financial potential.