



July 2022



How to Teach Your Kids About Earning, Saving, and Investing



Many parents feel their kids will learn about money and investing when they get their first jobs or become independent young adults. But a better way to help your children understand earning, saving, and investing is to teach them such skills while they are young.

Developing good earning and saving skills can help your child eventually become a financially responsible adult. Model and teach the following behaviors, and your children will learn how to handle money with confidence.

Earning

Although many kids don't get jobs until after they can drive or are at least 16, many still receive money in the form of allowances, gifts, or in exchange for household help. These early experiences with earning money can influence a child's attitudes about earning and saving for years to come.

Many experts agree that allowances should not be given purely in exchange for chores. Instead, a "hybrid" system wherein kids receive a base amount of money weekly or monthly, plus additional money for additional chores or responsibilities, can help children learn money management.

Allowing children to earn or have money will enable families to discuss family finances. If children spend some of their own money, they will become much more aware of prices. They will also learn math skills; if they spend all their money on something, they won't have any money left to buy other things.

Learning this will naturally lead to learning and discussions about saving.

Saving

Adults have more freedom than children to adjust the "earning" part of their financial lives. Children, however, can learn about the importance of saving their money from a very young age.

Parents can choose to talk with their children about saving resources in various ways. For example, some parents might want to encourage children to save their allowance for a bigger or special item that they want to buy in the future. Other parents may want to talk about different "savings buckets" in which you put money into separate piles or envelopes for various purposes. For example, one envelope has money to buy candy, another to give to charity, or another to "save for a rainy day."

With older kids, parents can discuss the idea of allocation and how to think in terms of percentages. For example, suggest that your kids save a certain percentage of their allowance and wages, so they have spending money later. Encourage them to use a small percentage for instant spending on things they need or want.

Discussing saving will also help you raise the subject of creating a budget with your children. Explain how different things necessary in life have a cost and require money and that budgets must be designed to ensure all needs (and then wants) can be covered.

Encourage your children to set aside money for different purposes; they will naturally learn about making budgets and staying within them.

How Market Cycles Can Impact Retirements

Sequence of returns can play a role in your overall portfolio.

A thoughtful retirement strategy may help you pursue your many retirement goals. That strategy must consider many factors, and here are just a few: your income needs, the order of your withdrawals from taxable and tax-advantaged retirement accounts, the income tax implications of those withdrawals, and sequence of return risk.

Just what is the sequence of return risk? In brief, it is the risk that market declines in the early years of retirement, combined with steady withdrawals, could reduce your portfolio's outlook.

A recent CNBC article mentioned how sequence of return risk can affect retirement accounts. It used a 20-year example – someone retiring in 2000 with \$1 million in an account tracking the returns of the S&P 500, making withdrawals of \$40,000 a year that increased 2% annually in view of inflation.

In 2000, a bear market began. The 37% pullback for the S&P 500 that occurred in 2000-02 would have reduced the \$1 million account to about \$470,000 by January 1, 2020, the end of the 20-year period. The balance reflects the annual withdrawals of \$40,000 and the 2009-20 bull market.

Now, if the order of yearly returns were flipped, the portfolio would show much different performance. At the end of the 20-year period, the retiree would have had more than \$2.3 million in that account after the exact same schedule of income distributions.

It's critical to point out that investing involves risk, and past performance does not guarantee future results. The return and principal value of stock prices will fluctuate as market conditions change. And shares, when sold, may be worth more or less than their original cost.

The S&P 500 Composite Index is an unmanaged index that is considered representative of the overall U.S. stock market. Individuals cannot invest directly in an index, and index performance is not indicative of the past performance of a particular investment.

In retirement, it is vital to address risk and volatility. You have less time and may have fewer opportunities to rebuild your savings. Fortunately, there are ways to address the challenge of sequence of return risk and manage your portfolio risk while looking for opportunities.



Would you like to discuss investments or your financial goals? **Reach out to Bill Anderson at 636-222-7585.**

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About Bill

Bill has been a financial advisor since 2012, focusing on creating a client-centric experience by providing education, organization, objectivity, proactivity, accountability, and partnership. In 2012, Bill started his financial services career at Edward Jones, providing investment services, retirement planning, protection strategies, estate planning opportunities and education savings plans for almost six years. In April of 2018, Bill moved his practice to Huntleigh Securities to provide a more customized client experience for his varied clientele and continue to grow professionally. Since then, Bill has continued to grow his services and practice, and has expanded into offering services and advice to Gateway Metro Federal Credit Union members.

Upcoming Events
+ Holidays



Sept 5th

Labor Day - CLOSED

Sept 17th

Electronic Shred Day - Shiloh

Don't Forget to Update Us on Your Travel Plans!



Adding a Travel Notice to your account helps us and you with staying on top of potential fraud. Now you can do this in a few simple taps within the Gateway Metro mobile banking app on your smart phone! Once signed into the app and your card has been set up for the first time, click on the My Cards link. Scroll down to Manage Travel Plans, then add your plan. You can add up to 2 plans with up to 15 destinations. Updates are immediate.

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EFFECTIVE July 15th, 2022

VEHICLE LOANS

The following are approx. payback terms. **AS LOW AS**

Up to 36 months 1.99% APR*

37 to 48 months 2.50% APR*

49 to 63 months 2.50% APR*

OTHER LOANS

AS LOW AS

Mortgage [Click for current rates.](#)

Share Secured 2.01% APR*

Stock Secured 9.25% APR*

Signature Loans 7.99% APR*

Personal Line of Credit 12.90% APR*

*APR=Annual Percentage Rate. Rates are subject to change, and terms and conditions apply. Our website contains the most current rates. Contact GMFCU for complete details. NMLS# 410276

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If your GMFCU credit or debit card is lost, stolen or if you suspect unauthorized use, please call:

CREDIT CARD (800) 558 3424 | 24/7

DEBIT CARD (314) 621 4575 or

(800) 621 4828 during business hours or

(800) 472 3272 | 24/7

Article continued from Page 1.

Investing

When your children have learned about earning and saving some proportion of their own money, the subject of investing will naturally introduce itself.

Open a conversation with your children about how much money they have saved. Explain that there are different ways they can use and invest their money so that it will grow and provide a return.

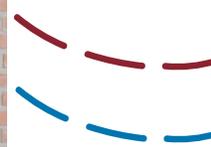
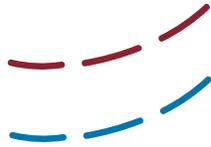
The most accessible place to start teaching kids about investing may be to help them open an in-person or online bank account. Introduce the subject of interest and how banks will pay savers an incentive, in the form of a specific percentage rate, on whatever dollar amount they put in a savings or certificate of deposit account.

Parents can discuss different ways to invest money with older kids, including buying stock in companies through the stock market. Important stock market topics include ROI or return on investment (how much money you can expect to make in addition to your original investment) and risk (what makes some investments riskier than others).

Experts agree that speaking with your kids about financial topics and their money resources and choices can help them learn financial literacy. It can also encourage them to form good financial habits, with your guidance, while they are still young.

In short, if you want a good return on your kids' understanding of personal finance, the best thing to do is to invest some time and conversation into the process of their financial education.

Mobile Banking: Convenience in Your Pocket



We are always working to make your mobile banking experience more convenient for your everyday needs. On the go banking is located in your pocket 24/7 with the Gateway Metro mobile banking app! Don't worry about your upcoming vacations, you can easily keep track of your GMFCU accounts and control your debit card spending right from your phone.



**Check balances | Deposit checks* | Make transfers | View credit score
Set limits | Send money with Zelle® and so much more**



This is all available right through the Gateway Metro mobile app. Download today in the App and Play Stores. For more information visit our [Mobile Banking](#) section.

*Application required to deposit checks using Deposit2Go

Save to Win

What better time to find an awesome savings hack than today? Open a Save to Win certificate with a deposit as little as \$25. Qualify for the monthly & quarterly drawings with each net deposit of \$25.

It's easy to open your Save to Win certificate and qualify for entries. Ask an MSR for help getting started.

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[STW FAQ](#)

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May winners!*



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Rates start at 1.99%*

*Must be eligible for membership with GMFCU. Must qualify for loan based on credit worthiness. Not all applicants will qualify for the lowest rate. Loan amount determines rate and term. All loans are subject to a minimum monthly payment. Rates current as of July 1st, 2022 and are subject to change.



Expertise, Commitment and Service

Christina began her career in the banking industry in 2001 while working with different companies from around the world. She started in the position of teller and has advanced to different areas throughout her career. Her most recent change brought her to Gateway Metro as the Branch Manager of our St. Peters location. Christina recently moved to the St. Louis area and looks forward to seeing what this great city has to offer. Not only does she have experience in the banking industry but she is also an experienced world traveler! Christina has lived in Naples and Aviano, Italy as well as Guantanamo Bay, Cuba and traveled to Iceland, Norway, Scotland, and England to name a few. She loves the outdoors from kayaking to hiking and everything in between.



Because of the diversity in different cultures she has experienced she believes it has helped her be a better manager and coworker. Christina enjoys working with the public and especially Gateway Metro's members. They are the best members she has had the pleasure to work with!

Here at Gateway Metro our Mission statement is "Helping people realize their financial potential." Christina is here to help our members reach their potential by helping them discover their financial agenda and goals. She believes through education and resources we can help our members achieve those goals.

Save on Interest with a Home Equity Line of Credit!

A Home Equity Line of Credit (HELOC) for home improvements? Sure! But you may also think about using it for, well... just about anything! Consolidate higher- interest debt, get some new furniture, go on a much needed vacation or pay for school tuition and supplies. With the Home Equity Line of Credit you are able to access lower rates helping you save loads of money over time.



Rates start as low as 2.95%* for 12 months. No closing costs!

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*Must be eligible for membership with GMFCU. Must qualify for loan based on credit worthiness. Introductory rate is applicable for first 12 months of loan. Rate is subject to change and is subject to credit qualifications. No additional discounts. Had there not been a rate discount, the applicable rate would have been 5.50% -7.00% depending on credit. The maximum payback period for the loan is 240 months. The maximum draw period is 120 months. After the Introductory Period, the APR may adjust semi-annually in the months of January or July during the life of the loan based on the Prime Rate published in The Wall Street Journal, plus a margin that is based on credit worthiness. Maximum APR is 18.00%. After the introductory period the minimum APR is 5.00%. If loan is paid off and closed within 24 months from opening of loan, member must reimburse the credit union for fees paid. These are currently estimated at \$650.00-\$900.00. Minimum advance of \$5,000.00 is required at loan closing. Cannot be combined with any other offer. Offer valid through 8/31/2022.

This Month's Tips:

Keeping Your Vehicle in Shape

- #1: Keep your engine properly tuned
- #2: Keep tires properly inflated
- #3: Use the recommended grade of motor oil
- #4: Replace clogged filters

Get more in depth with each of these tips by reading the full article. [Click here](#) to read the full article now.



Vacation Loans Have Got You Covered

There is still plenty of time to plan that summer getaway. Pack your bags and get ready to go explore worry-free. Gateway Metro has you covered with a Vacation Loan.

Whether it is a short weekend getaway or the trip of a lifetime, we want to help! Borrow from \$500 to \$10,000 with terms between 12 to 60 months. Find the perfect loan for your vacation needs! Speak to a representative for details or apply online at goGMFCU.org



*Must be eligible for membership with GMFCU. Must qualify for loan based on credit worthiness. Not all applicants will qualify for the lowest rate. Loan amount determines rate and term. All loans are subject to a minimum monthly payment. Rates current as of July 1st, 2022 and are subject to change.

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