



August 2024

8 Financial Tips for Young Adults

In 2024, 35 U.S. states required a personal finance course and 28 required an economics course for high school graduation, up from 23 and 25, respectively, in 2022. While these numbers represent progress, there are still knowledge gaps for young adults to learn how to manage money, apply for credit, and stay out of debt.

1. Pay With Cash, Not Credit

Exercise patience and self-control with your finances. If you wait and save money for what you need, you will pay with cash or a debit card to deduct money directly from your checking account and avoid using a credit card.

A credit card is a loan that accumulates interest unless you can afford to pay off the balance in full every month. Credit cards can help you build a good credit score, but you should use them for emergencies only.

2. Educate Yourself

Take charge of your financial future and read a few basic books on personal finance. Once armed with knowledge, don't let anyone take you off track, whether a significant other who encourages you to waste money or friends who plan expensive trips and events you can't afford. Research professionals like financial planners, mortgage lenders, or accountants before utilizing their services.

3. Learn to Budget

Once you've read a few personal finance books, you will understand two rules. Never let your expenses exceed your income, and watch where your money goes. The best way to follow these rules is by budgeting and creating a personal spending plan to track the money coming in and going out. Tracking expenses, like your expensive morning coffee, can provide a valuable wake-up call. Small changes in your everyday expenses are under your control and can impact your financial situation. Keeping monthly expenses, like rent, as low as possible can save you money over time and put you in a position to invest in your own home sooner rather than later.

4. Start an Emergency Fund

A mantra in personal finance is "pay yourself first," which means saving money for emergencies and your future. This simple practice can keep you out of trouble financially and help you sleep better at night. Even those on the tightest budget should put some money into an emergency fund every month.

Once you get into the habit of saving money, you will stop treating savings as optional and start treating it as a required monthly expense. Many accounts offer the power of compound interest, such as a high-yield savings account, a short-term certificate of deposit (CD), or a money market account.

5. Save for Retirement Now

No matter how young you are, plan for your retirement now. With the power of compound interest, when you start saving in your 20s, you will earn interest not only on the principal you deposit but also on the interest you earn over time, and you will have what you need to retire someday.

Company-sponsored retirement plans are a great choice. Not only do you get to put in pretax dollars, but many companies will also match part of your contribution, which is free money. Contribution limits tend to be higher for 401(k)s than for individual retirement accounts (IRAs), but both are one step closer to financial health.

6. Monitor Your Taxes

When a company offers you a starting salary, calculate whether that salary after taxes meets your financial needs and savings goals. Many online calculators help you see your after-tax salary, such as PaycheckCity.com, and chart your gross pay (total earnings) and net pay (earnings after taxes and other deductions, or take-home pay). In 2024, an annual salary of \$43,000 in New York netted \$34,549 after federal and state taxes; about \$2,879 per month.

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What Can You Buy With 529 Distributions?

Some of the biggest challenges many face when it comes to education are financial. Luckily, a 529 college saving plan can help. And they're not just for college anymore - added to the tuition eligibility are K-12, private and religious schools. These funds can also be used for four and two-year colleges, trade schools, graduate programs, and some international institutions.

A 529 plan is a college savings plan that allows individuals to save for college on a tax-advantaged basis. State tax treatment of 529 plans is only one factor to consider prior to committing to a savings plan. Also, consider the fees and expenses associated with the particular plan. Whether a state tax deduction is available will depend on your state of residence. State tax laws and treatment may vary. State tax laws may be different from federal tax laws. Earnings on non-qualified distributions will be subject to income tax and a 10% federal penalty tax.

Here's a list of 529 qualified educational expenses:

Educational Strategy

To take advantage of the 529 distribution for educational costs, you must submit your request for the funds during the same calendar year. If you request cash during the academic year, you may end up owing taxes as a non-qualified withdrawal.

- Higher Education - Post-secondary students (after high school) are eligible to participate in the federal student aid program administered by the U.S Department of Education and qualify for the use of 529 funds.
- Vocational or Trade School - Culinary students can draw from their 529 accounts to pay expenses related to culinary institute courses. The institution must participate in the U.S Department of Education for federal student aid.
- Early Education - K-12 schools, public, private, and religious institutions can now use 529 plan distributions up to \$10,000 per student for tuition.

Lifestyle and School Supplies

Learning how best to use your 529 distributions while establishing a manageable budget for qualified and non-qualified purchases can be tricky. Here are some tips to keep in mind.

- Housing - Campus housing can be paid through 529 distributions, including college room and board fees. Off-campus housing rentals qualify up to the same cost of the room and board on campus.
- Books and Supplies - paper, pens, and textbooks required by the specific course are qualified expenses. Schools set the budget limit for books and supplies.

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Would you like to discuss investments or your financial goals?

Reach out to Bill Anderson at 636-222-7585 or email banderson@hntlgh.com

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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 2	Labor Day CLOSED
Sept 14	Recycling Event @ South 9-11:30am
Oct 14	Columbus Day CLOSED



August 18 - Bad Poetry Day

Bad Poetry Day is a day to create some really bad verse. But, why you ask? Perhaps, the answer is simply "because you can".

To celebrate this special holiday, it is not enough to just write some bad poetry. Rather you need to read it to someone or give it to someone to read.

LOAN RATES

EFFECTIVE August 15th, 2024

VEHICLE LOANS

The following are approx. payback terms.	AS LOW AS
Up to 36 months	5.95% APR*
37 to 48 months	6.25% APR*
49 to 63 months	6.95% APR*

OTHER LOANS

	AS LOW AS
Mortgage	Click for current rates
Share Secured	2.01% APR*
Stock Secured	9.25% APR*
Personal 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

LOST CREDIT/DEBIT CARDS

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

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In the U.S., low-income earners are taxed at a lower rate than higher-income earners—the higher your salary, the higher the tax rate. A salary increase from \$43,000 to \$49,000 a year looks like an extra \$6,000 per year or \$500 per month, but the tax rate will be higher, so it will only give you \$4,469, or \$372 per month.

7. Guard Your Health

If you're uninsured, don't wait to apply for health insurance. If employed, your employer may offer health insurance, including high-deductible health plans that save on premiums and qualify you for a Health Savings Account (HSA). If you're under the age of 26, you may be able to stay on your parent's health insurance, an option that has been allowed since the 2010 passage of the Affordable Care Act (ACA).

If you need to buy insurance, investigate the federal and state plans offered by the Health Insurance Marketplace of the ACA. Look at quotes from different insurance providers to find the lowest rates. Research all your options to see if you qualify for a subsidy based on your income.

8. Protect Your Wealth

If you rent, get renter's insurance to protect the contents of your home from loss due to burglary or fire. Read the policy carefully to see what's covered and what isn't. Disability insurance protects your ability to earn an income by providing you with a steady income if you are unable to work for an extended period due to illness or injury.

If you want help managing your money, find a fee-only financial planner to provide unbiased advice. Unlike a commission-based financial advisor, who earns money when you sign up with the investments their company markets, a fee-only planner can provide advice that's in your best interest.

Meet The Community: Champion Allison Kloepple

Allison is the newest member on Gateway Metro's Marketing Team. Her can-do spirit is noticed and appreciated.

Channing from our Member Services Team is a fan. Here are her thoughts about Allison and her ability to demonstrate one of our core values: *“Allison invests her time and resources into mastering services and products which enhance our members' lives.”* She goes on to say, *“Since Allison joined the GMFCU family she has been hands on, taking the time needed to create new ways for us to engage with our membership and educate them about establishing a better financial future.”*

Only four months into her career at Gateway Metro, Allison has taken to heart the credit union's mission, *“Helping People Realize Their Financial Potential.”* Channing goes on to share, *“Whether Allison is talking with us about the Youth Month Program or the free shred and e-Recycle events, she makes sure she has the answers we need when she is visiting each branch. Allison takes time to explain new campaigns. Her marketing displays grab our members' attention. She helps create anticipation and excitement so we can deliver information to the membership. This helps us engage and retain members of all ages.”*

When it's all said and done, Allison shows a positive spirit and a can-do attitude, even when she is running around a shred event making sure all the working parts are moving as planned. She is never without a resource or tool.

Welcome aboard Allison. Keep up the great work!

Written by Jeri Peterson



Allison K. - Marketing Representative

What *You* Have to Say

Written by Jeri Peterson & Gateway Metro Members

The Gateway Metro Federal Credit Union team is committed to serving our members and our community. We choose to stand out from other financial institutions by being member-focused, relationship-focused and fiscally responsible advocates. We build authentic relationships, adhere to rigorous professional training and are mindful that this is your credit union we take care of every day. Sharing some of the meaningful acknowledgments and memorable testimonials we receive from members of the Gateway Metro family is an honor.

My Gateway Metro Experience:

We all know Ms. Maloney. She was kind enough to be one of the first member-vendors to participate at one of the free shred events displaying her Mary Kay products where she met new potential customers for her business. She even donated prizes for the event. She asked me how this wonderful idea came about to include the members and community members with small businesses to be a part of these events. When she learned it was my idea to provide an opportunity to highlight our members' entrepreneurship and creativity free of charge to them as a way to honor my parents, Ms. Maloney was both moved and appreciative to be a part of this tribute. Gateway Metro's support of the staff and member-vendors impressed her.

Ms. Maloney shares: I just love the service I receive even when I come into any Gateway Metro branch at the end of the day. The tellers have me in and out. I also love the personable feeling I get that lets me know they truly care about my well-being.

J Maloney, Gateway Metro member since 1988

We like taking a few moments to feature What You Have to Say to let you know just how much your words and deeds of kindness add to the growth of the Gateway Metro culture and community. If you would like to be considered to share your Gateway Metro Experience, please contact us at marketing@gmcu.org.



Continued from Pg 2: "What Can You Buy..."

- Needs and Services - Special needs equipment and services qualify for 529 distribution. Students using equipment for mobility may be eligible for 529 distribution purchases. Depending on the circumstances, other modes of transportation may also apply.

Welcoming Technology

Finally, many don't realize that computers and some electronics are included on the list of qualified education expenses. Keep in mind that these items must be required as part of the students' study programs to qualify.

- Personal Computer - Computers must be used primarily by the student during any of the years the student is enrolled at the eligible educational institution.
- Software - software may qualify as a 529 distribution expense, but only if it's used by the student and required by a class. For example, technical engineering or design classes may involve computerized assignments.
- Internet - Lastly, under certain circumstances, internet services can be paid for using 529 funds. Check with your internet service provider (ISP) for more details.

The above tips are sure to help get you started, but make sure to check with the school as well as chat with your financial professional to learn more. As mentioned earlier, each state and school may have different restrictions on using 529 funds. If you are unsure about anything, your plan sponsor may be able to provide some guidance.



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Discover more at [goGMFCU.org](https://www.gomfcu.org) or contact a GMFCU representative. Be sure to use the promo code **SUMMERFUN** when applying!



*Must be eligible for membership with GMFCU. Must qualify for loan based on credit worthiness. Rates current as of July 1, 2024 and are subject to change. Your actual APR will be determined at the time of loan approval and will be based on your application and credit information. Not all applicants will qualify for the lowest rate. Loan amount determines rate and term. All loans are subject to a minimum monthly payment. Offer ends September 30, 2024. Loan must be submitted by 09/30/24 and closed by 10/15/24 to receive offer.

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Rev up your ride this summer with an affordable auto loan with us. To make things even sweeter, we're offering a 2.00% discount off a qualified rate.

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*Must be eligible for membership with GMFCU. Must qualify for loan based on credit worthiness. Rates current as of July 1st, 2024 and are subject to change. Actual APR will be determined at the time of loan approval based on your credit, loan amount and term. Not all applicants will qualify for the lowest rate. Offer ends August 31st, 2024. Must close the loan by September 16th, 2024.



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*Must be eligible for membership with GMFCU. Must qualify for loan based on credit worthiness. Rates and offers current as of July 1, 2024 and are subject to change. Actual APR will be determined at the time of loan approval based on your credit, loan amount and term. Not all applicants will qualify for the lowest rate. Offer ends September 30, 2024. Loan must be submitted by 09/30/24 and closed by 10/15/24 to receive offer.



Save Big With Save to Win

This is a safe and fun way to save money at your own pace with the perk of being entered into a FREE drawing to earn more money! Every \$25 you save each month qualifies you for one entry. You could win \$25 - \$1,000 as a monthly winner or even up to \$5,000 if you are a Quarterly winner, wow! Learn more about Save to Win online at goGMFCU.org

Remember to keep your personal information updated in our system so you can qualify for Save to Win! Updating your address, contact information and ID is not only important for qualifying to be a winner but it helps us keep your account safe too!

Congratulations to our June & Quarter 2 Winners!



Barbara J-H

*Limited to 100 entries per month

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*Must be eligible for membership with GMFCU. Must be a current member of GMFCU and be signed up for GMFCU Online Banking to use Credit Sense. Checking your credit score with Credit Sense will not affect your credit score. Credit scores are calculated using various data points such as payment history, amounts owed, length of credit history, new credit, and credit mix. Your credit rating does not guarantee approval of other Gateway Metro financial services such as loan approval, loan rate, or credit card upgrades.

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