

# dollars & sense

SPRING 2010

## Budgeting Your Money in a Tough Economy

Budgeting your money and staying in control of your finances is never easy, but the difficulty of it soars in a troubling economy. Money is tight right now, and it's more important than ever to take care of the money you've worked so hard to earn. Here are some tips:

**Have an emergency fund.** Try to save as much as you can in case you or a family member loses their job so you can make it through the next few months. Stash away at least three to six months worth of income. Even better, stash away eight to 12 months' income – especially when the job market is weak.

**Make every penny count.** Even if saving a small amount of money may seem insignificant, it will add up in the long run. That \$4 mocha latte you have three times a week adds up to a whopping \$624 in one year!

**Reduce debt.** In uncertain economic times, interest rates rise, so one of the best things you can do is reduce your debt. Pay off high-rate credit cards first. Also look into refinancing high-rate loans to lower your payments and pay the bills off faster. Feel free to contact us for a personal loan or a line of credit.

**Search for deals.** Comparison shop, especially for big-ticket items. Scour ads closely and stock up on things you know you'll need in the future when they are on sale. Start cutting coupons – it will be worth the time you put into it.

**Track your spending.** Sit down every month and create a spreadsheet of your finances to help you keep track of unnecessary spending. This will immediately help you sort out what you need vs. what you want.



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## How to Boost Your Credit Score

If you are thinking about purchasing a car or house or just need to borrow some money, your credit score will largely determine the terms of your loan. If your credit score is lower than you like due to missed payments or maxed out cards, you may feel like you are doomed to a lifetime of high interest rates. Don't lose all hope though; raising your credit score is possible and worth the effort. With a few strategies and a commitment to smart money management, you'll boost your score and probably save yourself a lot of money along the way!



### Find your score

Determine your credit score by obtaining a free credit report from one of the three main credit bureaus. Credit scores range from 300 to 850. A score around 700 is considered good, while anything above 720 is excellent. A score below 620 is generally considered poor. Once you know your starting point you can create a goal credit score.

### Pay down your credit card bills

Start by paying down your highest-interest rate card first, and aim to get all balances below 50 percent of your credit limit. Since 33 percent of your credit score is based on the amount you owe, work on relieving your debt in any way that you can.

### Make all payments on time

Even if you can only afford to make the minimum payment, make sure you at least pay your bills on time. Consistent on-time payments for only one month can raise your credit score by up to 20 points.

### Don't close old accounts

A part of your credit score comes from how long you've had credit, and the longer a card is open, the higher your score will be. Keep old accounts open; they can help boost your score and balance out newer lines of credit.

### Don't open new cards that you don't need

Avoid opening new cards at department stores or gas stations for a one-time promotional discount. New cards carry 10 percent of your credit score, and can bring down the average age of your credit, lowering your score even more.

### Don't be afraid to ask for help

Sometime credit scores and reports are overwhelming. Please contact one of Blue Mountain Credit Union's capable financial advisors for a free credit consultation. Our advisors can assess your unique situation and help you map out a plan for improving your credit score.

## IRAs – They're Not Just for Tax Time

Contrary to what many people think, an IRA (Individual Retirement Account) can be opened or contributed to at any time during the year, not just at tax time. A Traditional or Roth IRA can be funded any time during the year and up until April 15 of the following year, and the Traditional IRA can still be deducted from the income taxes of eligible investors. However, the earlier in the year an IRA is opened, the greater the long-term accumulation potential.

### Changing jobs or retiring?

Get the peace of mind you're looking for and consider rolling over your 401(k) to a Blue Mountain Credit Union IRA where it's safe and secure. Rolling over your 401(k) or other qualified retirement plan from your previous employer gives you more flexibility and control while keeping all the great tax advantages.

Your Blue Mountain Credit Union Individual Retirement Account is federally insured up to \$250,000, so you know your hard-earned money will be there when you need it, regardless of where the stock market is headed.

To decide whether a Roth or Traditional IRA is right for you, please contact us today!

## Make the Most of Your Tax Refund

If you're like most people, when tax season rolls around, you file and then wait impatiently for your refund... which you've spent before the check is even in your hands. How did you spend your refund? A new TV? That great vacation you've been wanting to take?

This year, think about doing something different with the money you get back from the government. Financial advisors suggest four possibilities for how to make the most out of your tax refund. Check it out!



**Pay down high-interest debt.** With more Americans getting further into debt, many financial advisors believe it is prudent to use your tax refund to pay off as much of your high-interest debt as possible.

**Start an emergency cash fund.** The majority of financial advisors recommend setting up a separate account with three to six months of living expenses saved in the event of a layoff or unforeseen health problems that aren't covered by insurance. Keep this emergency account separate from your checking and savings accounts.

**Invest for your retirement.** If you decide to put away your refund for long-term savings, advisors recommend putting it toward your retirement by adding more to your employer's retirement program or a Traditional or Roth Individual Retirement Account (IRA) if you are unable to contribute more to your employer's program.

**Invest for your child's college education.** After you've built up your own retirement account, you can turn your attention toward building your children's or grandchildren's college savings plans.

## Get Your Finances In Shape



**Signature Loan**  
rates as low as

**6.00%** APR\*

Up to \$6,000 for 36 months

It takes dedication and determination to stay financially fit. If your financial fitness is lacking or you have taken a hit from the holidays, it may be time to consider a low-rate signature loan from Blue Mountain Credit Union.

You can use this unsecured loan to consolidate your high-rate debt from other loans and credit cards and make one monthly payment. You could save HUNDREDS in interest and fees over the life of the account!

At BMCU, your good credit equals lower interest rates on signature loans.

- No prepayment penalties.
- Additional terms available up to 60 months.
- Free online banking, free bill pay and eStatements to help you stay organized.
- Consolidate your high interest credit cards with a BMCU low-rate signature loan.
- Offer good through April 30, 2010.

Pay off high-rate debt with a BMCU signature loan and get into tip-top financial shape. To start saving, visit BMCU, call 509-526-4562 or apply online at [bmcu.net](http://bmcu.net) today!

\*APR=Annual Percentage Rate. On approved credit. Additional restrictions may apply. See Credit Union for more details.

## Share Account Rates

0.30% APR - 0.30% APY

**1-Year CD**

1.55% APR - 1.55% APY

**6-Month CD**

1.20% APR - 1.21% APY

**IRA Rates**

1.55% APR - 1.57% APY

**Select Checking**

0.10% APR - 0.10% APY

**Preferred Checking**

0.35% APR - 0.35% APY

## Holiday Closings

May 31	Memorial Day
July 5	Independence Day
September 6	Labor Day
October 11	Columbus Day
November 11	Veteran's Day

In 1984, MasterCard® was the first to use a hologram on its cards to deter fraud.



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Office Hours Mon.-Wed. 9-4 • Thurs. 9-5 • Fri. 9-2

Drive-Up Mon.-Thurs. 9-5 • Fri. 9-2

Fun Facts!