



## April is Financial Literacy Month

In 2004, the **U.S. Congress** designated April as National Financial Literacy Month to promote the importance of financial literacy and education.

Financial literacy is important because it helps us understand **how to save, earn, borrow, invest, and protect our money wisely**. It is also essential to developing and maintaining healthy financial habits, such as budgeting, managing personal debt, and investing for retirement. According to the Financial Industry Regulatory Authority, only about 1/3 of individuals in the U.S. have a sufficient understanding of financial literacy.

Here is a brief overview of the financial literacy basics and some suggestions on how to get started:

**Budgeting:** An analysis of your spending habits, often helping you identify where you could cut back or save.

- Create a spending budget and commit to following it. Review and revise your budget regularly.
- Be honest about your needs versus your wants – you need groceries, you want to get take-out.

**Credit Cards and Debit Cards:** Buying on credit versus debit are very different experiences. Credit allows you to make purchases you may not have the funds to pay off immediately (and allows you to pay at a later date), while debit allows you to spend only what you have available in your account (and takes out those funds immediately upon purchase).

- Pay more than the minimum due on your credit cards – try to pay in full if you can, to avoid costly interest charges.
- Keep track of how much you have in your account, and how much you're spending with a debit card – if you try to spend more than you have in your account, your transaction may be declined.

**Saving:** Having money stored in a savings account helps prevent emergency costs (such as car repairs, visits to the vet, unplanned medical needs, etc.) from draining the funds you need for everyday purchases (such as groceries, rent or utility bills, mortgage payments, etc.).

- Save first – set up a portion of your paycheck to be automatically deposited into a savings account.
- Make saving a priority – check your budget to see if there is anywhere you could reasonably cut back in order to build your savings faster.

**Credit Scores:** Your personal credit score can be a good indicator of your financial well-being. Scores can range from 300 to 850 and are determined by a group of factors that reflect your spending habits. Credit scores are used to help potential loaners determine if you are high-risk (if your credit score is low) or low-risk (if your credit score is higher).

- Get a copy of your credit report for free once a year from each of the credit bureaus (Equifax, Experian,

and TransUnion).

- Review your credit report for blemishes and address them to raise your credit score.

**Retirement:** According to World Bank, the average life expectancy in the United States is about 79 years. If you are looking forward to having a comfortable retirement without worrying about finances, the sooner you start saving the better.

- Be sure to take advantage of any matches to your retirement savings your employer may offer.
- Setting up automatic deposits from your paycheck into a traditional IRA or 401k retirement plan are tax deferred – meaning that the amount

of those contributions are not counted as income when you file your taxes. Be aware, though, that there are limits to the amount you can contribute to each type of tax-deferred retirement account per year.

Don't stop here! Just because this is the end of the article doesn't mean you shouldn't continue learning. The goal of financial literacy is to give you the tools you need to make educated financial decisions. When you feel confident in your financial knowledge, you're more likely to reach your financial goals. Keep researching until you're comfortable and confident in making your own financial decisions to help you reach your personal financial goals.

## Fraud: It Can Happen To Anyone



DCU has received reports of fraudsters spoofing our 800 and 508 phone numbers and posing as a representative from DCU's Fraud Prevention team or as another representative of DCU. These criminals are calling or messaging DCU members and non-members claiming that the individual has unauthorized activity on their account.

The fraudster will then prompt the sending of a one-time passcode or security code via a text message for the individual to verify their account and other security information such as password, PIN and/or social security number.

**This information would never be requested by a DCU representative on an unsolicited basis, and it should NEVER be shared.**

If you receive a call or message from someone claiming to be from DCU or DCU's Fraud team and you have concerns about the validity of the communication, please do not respond and contact us immediately by calling **800.328.8797**.

You can learn more about these types of scams and how to avoid them, by visiting [dcu.org/phone-scam](https://dcu.org/phone-scam).

## 2022 Annual Meeting

DCU's Annual Meeting will be held on **Monday, April 18, 2022 at 5:00 pm (ET)**. For more information visit [dcu.org/annualmeeting](https://dcu.org/annualmeeting).

### Contact Us

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### The DCU Way



People Come First



Do the Right Thing



Make a Difference