

HUECU

Money Management



EXPLORE YOUR FUTURE



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Financial Education Services Specialist

HARVARD UNIVERSITY EMPLOYEES CREDIT UNION



The Harvard University Employees Credit Union is a financial institution exclusively serving the students, alumni, faculty and staff of Harvard University and the affiliated organizations. Family members are also eligible.





MISSION



“ To enhance our members’ lives by developing and offering trustworthy products that are easy to understand, easy to use and best suited to meet their financial needs.

”



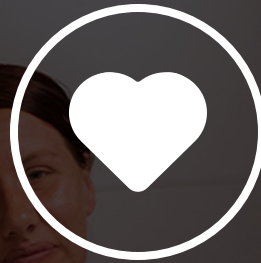
Harvard University Employees Credit Union

NOT-FOR-PROFIT



All earnings returned to the members
in the form of better value and
enhanced services.

COOPERATIVE MODEL



- Member deposits used to fund loans for other members.
- Every member is an equal shareholder
- Volunteer Board of Directors elected by members

AGENDA

- Financial Personality
- Budgeting
- Credit Report and Score
- Debt Repayment Strategies
- Resources



What are your
financial goals?



Financial Goals

Home Ownership



Education



Travel



Savings



Psychology of Spending



Psychology of Spending

Spender

- “Retail Therapy”
- “Keeping up with the Joneses”
- Impulse shopper

Saver

What triggers your spending and saving?

Cash versus credit



Key Takeaway #1

KNOW YOUR
GOALS & FINANCIAL
PERSONALITY



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Could you cover a...

\$10

\$100

\$1,000

\$10,000

emergency today?



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HOW MUCH DID YOU SPEND?

Today?

This week?

This month?



Know Your Expenses

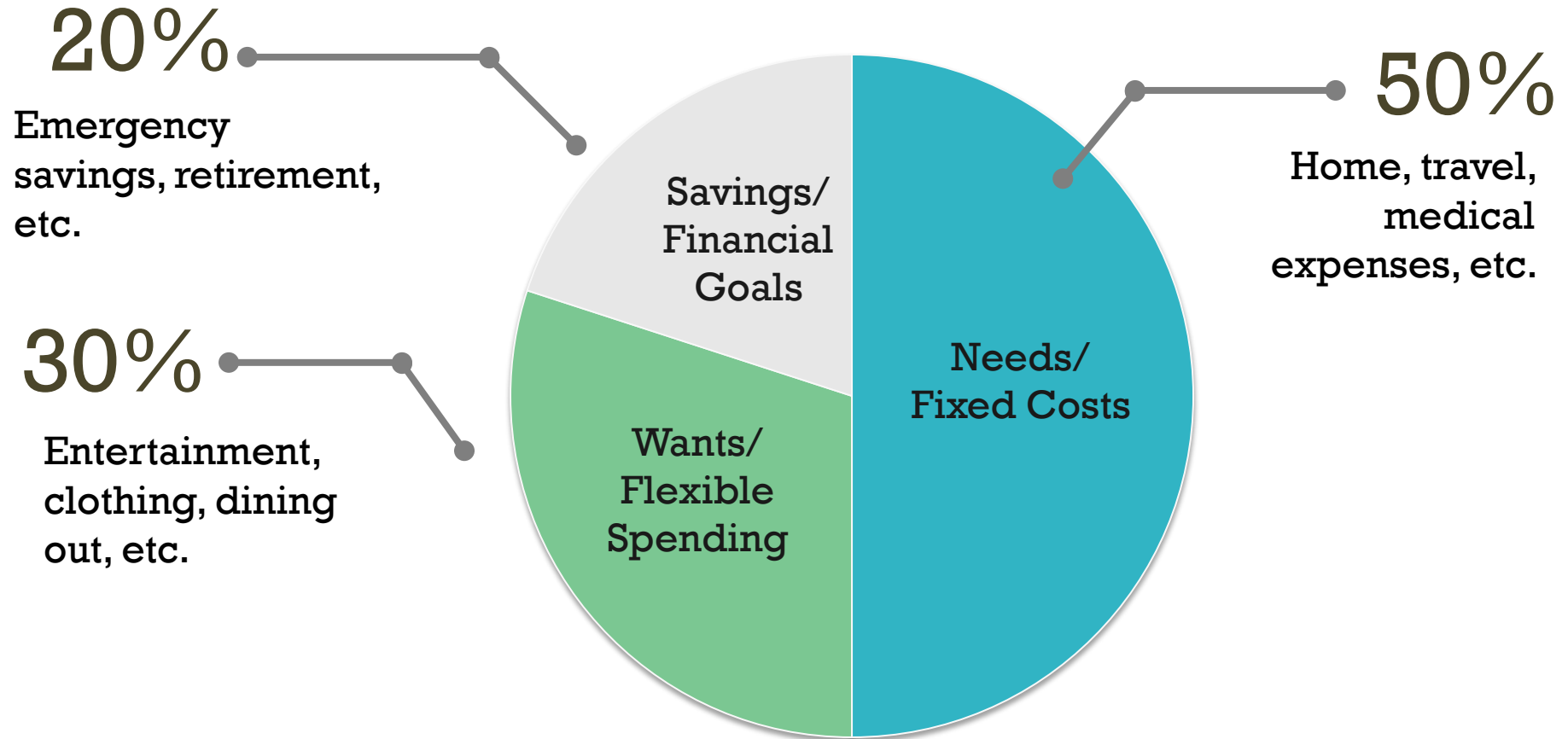
| | Cost | Weekly Cost | Annual Cost |
|---------------|-------------|--|--------------------|
| Coffee | \$3.50 | \$24.50 <i>(Seven times a week)</i> | \$1,274 |
| Lunch | \$10 | \$30 <i>(Three times a week)</i> | \$1,560 |
| Dinner | \$25.00 | \$50 <i>(Twice a week)</i> | \$2,600 |
| Total | | \$97.50 | \$5,434 |

***What else could you have done
with \$5,000?***



**HARVARD UNIVERSITY
EMPLOYEES CREDIT UNION**

Spending Plan



Sample Budget (\$80,000/year)

| | | |
|--|------------------|--------|
| A) Monthly Income* | \$4,015 | |
| Monthly Expenses | | |
| Housing (Rent/mortgage, utilities, insurance, taxes, etc.) | \$1,300 | 32.38% |
| Food (groceries) | \$300 | 7.47% |
| Cell phone | \$100 | 2.49% |
| Student loan repayment (standard repayment for \$85,000 at 6.0%) | \$944 | 23.51% |
| Credit card payment | \$100 | 2.49% |
| Savings (emergency) | \$200 | 4.98% |
| Entertainment (dining out, movies, etc.) | \$200 | 4.98% |
| Transportation (MBTA, parking, taxi, car etc.) | \$100 | 2.49% |
| Medical expenses (medicine, glasses, dental, etc) | \$100 | 2.49% |
| Other (laundry, haircuts, clothing, children, pets, etc.) | \$300 | 7.47% |
| B) Total Expenses | \$3,644 | |
| A) Total Income | \$4,015 | |
| Minus Total Expenses | - \$3,644 | |
| C) Monthly Discretionary Income/Deficit | \$ 371 | |

*www.Paycheckcity.com, 1 federal and 1 state allowance, 10% pretax contribution to retirement



**HARVARD UNIVERSITY
EMPLOYEES CREDIT UNION**

Cost of Attendance (COA)

| | Immunology (9 Mos. Sept-May) |
|--|---|
| EXPENSES | 2016-17 |
| STUDENT ACCOUNT CHARGES | \$39,616 |
| TUITION | \$35,648 |
| UNIV HEALTH SERVICE FEE | \$1,088 |
| BC/BS INSURANCE FEE* | \$2,630 |
| REGISTRATION FEE | \$250 |
| LIVING EXPENSES | \$21,665 |
| RENT (HOUSING) | \$10,620 |
| FOOD | \$4,320 |
| MISC. EXPENSES (CLOTHING, RECREATION, LAUNDRY, UTILITIES, OTHER) | \$3,825 |
| LOCAL AND CLINICAL TRANSPORTATION | \$675 |
| LONG DISTANCE TRAVEL | \$630 |
| SOFTWARE/LICENCES | \$408 |
| BOOKS & SUPPLIES | \$968 |
| LOAN FEES | \$219 |
| TOTALS (with BC/BS Insurance Fee) | \$61,281 |
| TOTALS (without BC/BS Insurance Fee) | \$58,651 |



Cost of Attendance (COA)

Immunology 1st Year

Monthly

Daily

%

| LIVING EXPENSES | \$21,665 | \$2,407 | \$80 | |
|---|-----------------|----------------|---------------|------------|
| RENT (HOUSING) | \$10,620 | \$1,180 | \$39 | 49% |
| FOOD | \$4,320 | \$480 | \$16 | 20% |
| MISC. EXPENSES (CLOTHING, RECREATION, LAUNDRY, UTILITIES, OTHER) | \$3,825 | \$425 | \$14 | 18% |
| LOCAL AND CLINICAL TRANSPORTATION | \$675 | \$75 | \$2.50 | 4% |
| LONG DISTANCE TRAVEL | \$630 | \$70 | \$2 | 3% |
| SOFTWARE/LICENCES | \$408 | \$45 | \$1.50 | 2% |
| BOOKS & SUPPLIES | \$968 | \$108 | \$4 | 4% |
| LOAN FEES | \$219 | \$24 | | |



Boston-Area on a Budget

- Harvard and student discounts
- Free events
- Dining Options
- Shopping options
- MBTA shopping

Be Green



**Reusable water bottle/
coffee mug**

**Turn off the lights/
adjust the temperature**

**Walk, bike or take public
transportation**

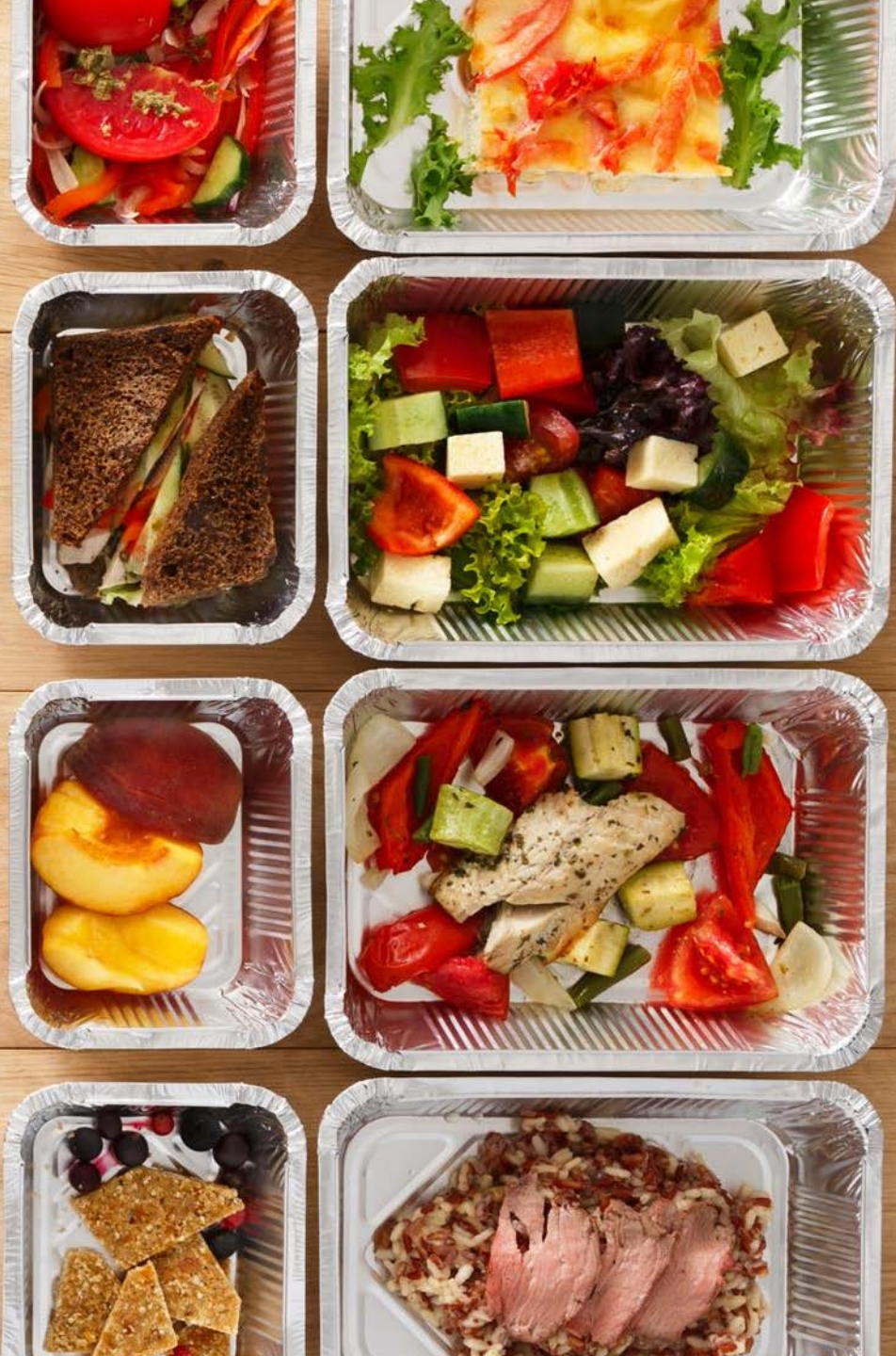
Reduce food waste

- **Eat/freeze leftovers**
- **Eat what is in your house**

“Cook”



Prep



Dealing with fomo

It's okay to say...

“

No, thank you.

“

I can't, I am saving for...

“

I spent more than I wanted last week...going to skip this time...

“

I brought lunch/dinner.

Or...suggest alternatives



Places To Go

Share “Family Style”

Appetizers instead of
Main Courses



Potlucks

Swaps



Times To Meet

Know your money

Set alerts

- Daily balance
- Spending over X amount
- Bill payment reminders

Use separate accounts

Automate

Track your spending

- Online tool/apps
- Excel
- Cell phones
- “Envelope”/cash only method

Know what you owe

(rate and terms)



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BUDGETING TIPS

- Money is fun: Cut expenses you won't miss *OR* don't bring you joy.
- Adjust your budget frequently.
- Make a date with your money.

You're going to go off budget...life happens. Those are opportunities to reevaluate.



Key Takeaway #2

KNOW WHERE YOUR
MONEY GOES



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Making Credit Work For You



Credit Impact: Rates and Payments

| Credit score | APR | Monthly Payment | Additional Cost in a year |
|--------------|--------------|-----------------|---------------------------|
| 720-850 | 4.23% | \$741 | \$0 |
| 690-719 | 5.68% | \$757 | \$192 |
| 660-689 | 7.73% | \$780 | \$468 |
| 620-659 | 11.29% | \$822 | \$972 |
| 590-619 | 16.28% | \$882 | \$1,692 |
| 500-589 | 17.71% | \$900 | \$1,908 |
| <500 | Not eligible | ---- | ---- |

If your credit improves, you may be able to refinance your debt.

Source: Myfico.com – 36 month car loan - \$25,000

Credit

Utilizing something now
(e.g. education, car or home)
and paying for it over a period of time.

Credit Bureaus

Collect financial
information from:

Creditors, lenders, utilities,
debt collection agencies, the
courts, amongst other sources.

Provide credit
information on
individual consumers

Three major U.S.
credit bureaus:

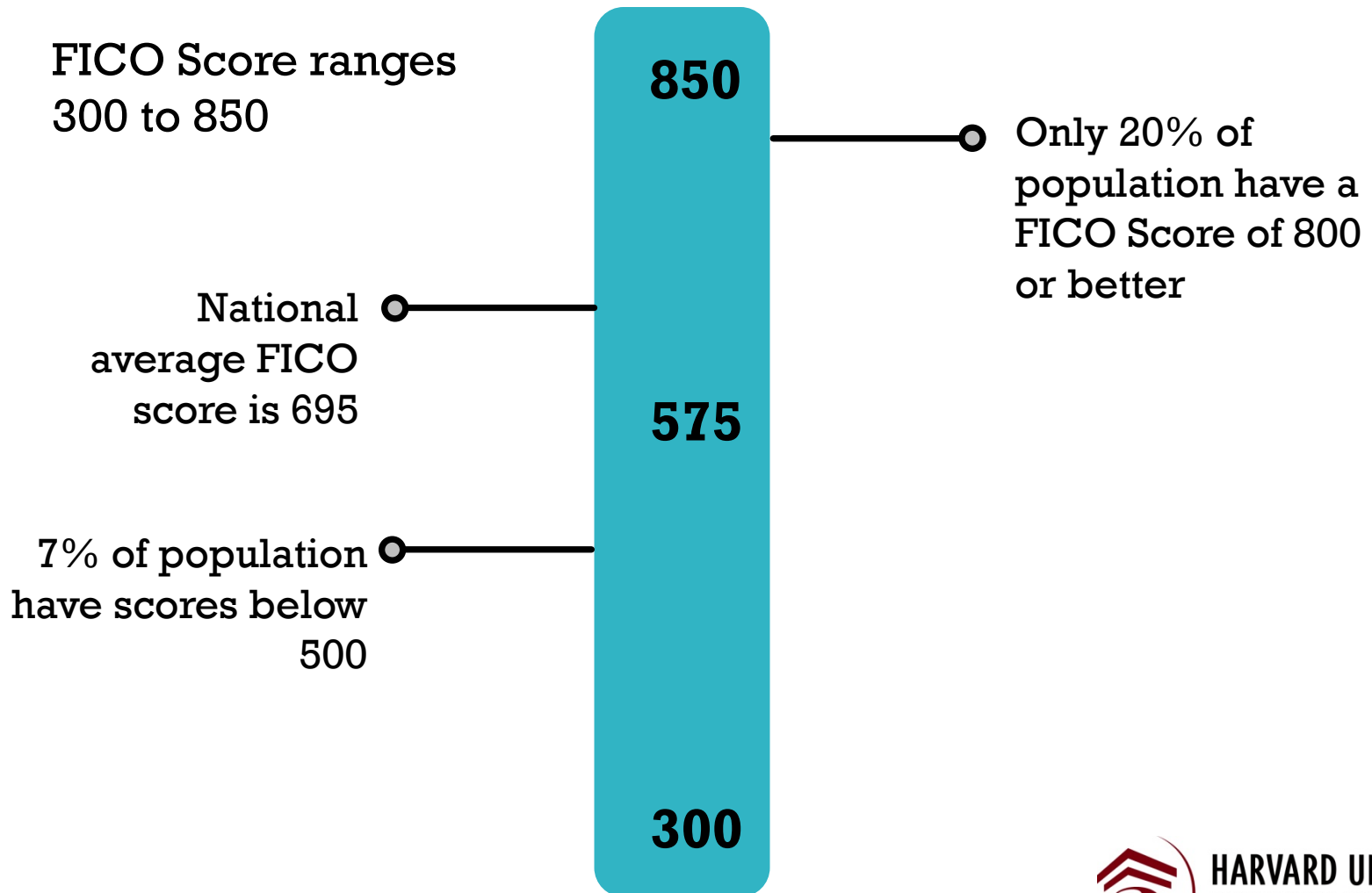


Credit Report

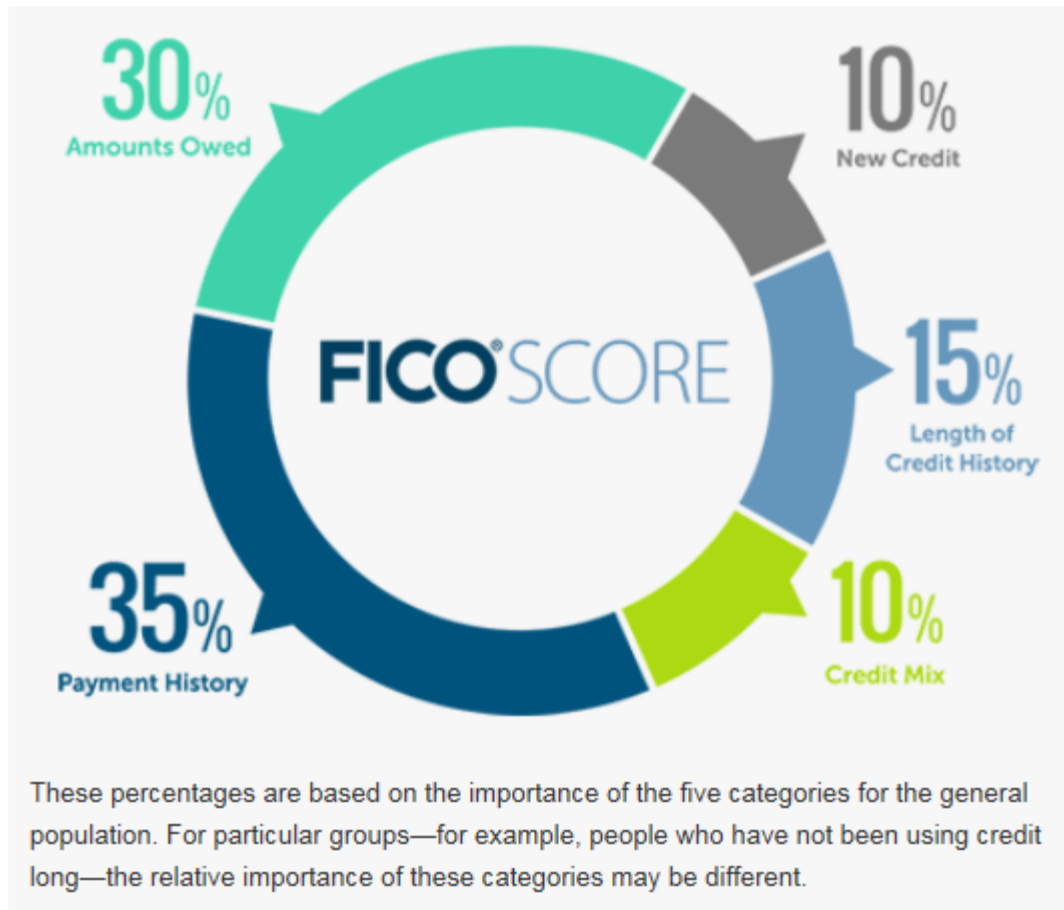
Reflects your current and past uses of debt, including:

- Credit card debt, auto debt, education debt, and other debts
- Open and closed accounts
- On-time and late payments
- Collections
- Requests for credit (inquiries)

Credit Score Ranges



FICO SCORE



Credit Tips:

- Know your rates
- Pay your bills on time
- Be cautious of co-signing debt for someone else
- Protect your identity
- Check your credit report

AnnualCreditReport.Com

Receive a free annual copy of report from each of 3 bureaus.

AnnualCreditReport.com

The only source for your free credit reports. Authorized by Federal law.

Home

All about credit reports

Request yours now!

What to look for

Protect your identity

Frequently asked questions

Contact us

One of these things is not like the others.

You may think you have one credit report and one credit score. But you really have several, and they may differ. You should check all three reports regularly.

Request your free credit reports



PLAY ▶

SPOT IDENTITY THEFT

GOOD CREDIT

DON'T BE FOOLED

MORE THAN A SCORE

NOT LIKE THE OTHERS

Your credit reports matter.

- Credit reports may affect your mortgage rates, credit card approvals, apartment requests, or even your job application.
- Reviewing credit reports helps you catch signs of identity theft early.

Request your free credit reports

FREE Credit Reports. Federal law allows you to:

- Get a free copy of your credit report every 12 months from each credit reporting company.
- Ensure that the information on all of your credit reports is correct and up to date.

BROUGHT TO YOU BY

TransUnion^{tu}

EQUIFAX

Experian



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Key Takeaway #3

MAINTAIN A STRONG
CREDIT SCORE



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Paying Off Debt



Look for Lower Rates

- Credit Card Balance Transfers
- Personal Loans
- Debt Consolidation Loans
- Home Equity Loans
- Student Refinancing Loans

Extending the terms of your loan may lower payment, but increase total payments over the life of the loan.

You will lose benefits and conditions of the original debt once you refinance (example: federal student loan benefits).

Federal Student Loan Benefits

- Public Service Loan Forgiveness
- Repayment Options
- Deferment
- Forbearance

www.StudentAid.gov

Outsmart Your Debt

| Original Loan (10 Years) | Interest Rate | Monthly Payment | Interest Over Life of the Loan | Total Cost of Loan |
|--------------------------|---------------|-----------------|--------------------------------|--------------------|
| \$100,000 | 10% | \$1,322 | \$58,581 | \$158,581 |

Refinancing (*same term*)

| Original Loan | Interest Rate | Monthly Payment | Interest Over Life of the Loan | Total Cost of Loan |
|---------------|---------------|-----------------|--------------------------------|--------------------|
| \$100,000 | 7% | \$1,161 | \$39,330 | \$139,330 |

Paying more than minimum.

| Original Loan | Interest Rate | Monthly Payment | Interest Over Life of the Loan | Total Cost of Loan |
|---------------|---------------|-----------------|--------------------------------|--------------------|
| \$100,000 | 7% | \$1,322 | \$32,295 | \$132,295 |

Outsmart Your Debt

Round Up

| Original Loan | Interest Rate | Monthly Payment | Interest Over Life of the Loan | Total Cost of Loan | Number of Payments |
|---------------|---------------|-----------------|--------------------------------|--------------------|--------------------|
| \$100,000 | 7% | \$1,350 | \$31,326 | \$131,326 | 92 |

Original

| Original Loan | Interest Rate | Monthly Payment | Interest Over Life of the Loan | Total Cost of Loan | Number of Payments |
|---------------|---------------|-----------------|--------------------------------|--------------------|--------------------|
| \$100,000 | 10% | \$1,322 | \$58,581 | \$158,581 | 120 |



Tax Benefits

- Student Loan Interest Rate Deduction
 - Up to \$2,500
- Home Mortgage Interest Deduction
- Home Equity Loan Interest Deduction

Visit [IRS.gov](https://www.irs.gov) or consult a tax professional for details.

Contribute Extra Money to Retirement or Student Loans?

Figure 5: Examples of Net Wealth at Age 65 Under Varying Assumptions

| Loan Amount | Interest | Investment Return | Loan Payments | | Match Rate | Net Wealth at Loan End | Net Wealth at 65 |
|-------------|----------|-------------------|---------------|-------------------|------------|-------------------------|------------------|
| \$40,000 | 5% | 7% | \$424 | On Schedule | 3% | \$87,023 | \$2,147,373 |
| \$40,000 | 5% | 7% | \$500 | Ahead of Schedule | 3% | \$54,010 | \$2,090,096 |
| | | | | | | Difference at 65 | \$57,276 |

HelloWallet- Twos a Crowd, March 2016

Key Takeaway #4 & #5

Do the Math

Pay more than minimum and
look for lower rate (and terms)



Steps to Success

- Know Your Money Personality
- Know Where Your Money Goes
(Make a Financial Plan)
- Use Credit Responsibly
- Know the Cost of Your Debt
- Protect Your Identity
- Stay the Course

RESOURCES



HUECU.ORG

HUECU Products and Services

- Secured credit cards
- Unsecured credit cards
- Credit builder loans
- Debt consolidation loans
- Student Refinancing loans
- One-on-one financial coaching.



International members are eligible to apply for credit at HUECU.

HUECU.org/Financial-Wellness



Not a bank. A benefit.

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Financial Wellness



As a benefit of Credit Union membership, you have access to the GreenPath Financial Wellness Program.

[Learn More about GreenPath](#)

[SPENDING PLAN](#)

Where is your money going? Is it working towards your financial goals? The resources below will help your money work for you.

[CREDIT](#)

How does your credit and credit score affect your finances? Can you increase your credit score? Credit can be complex but the links below will give you the tools to be credit savvy.

[STUDENT LOANS](#)

Education costs can add up and repaying your loans can be confusing. *What's deferment? Consolidation? Tax Benefits?* We'll walk you through the various steps.

HUECU.org/Calculators

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Calculators

HUECU Financial Calculators

SAVINGS

HOW MUCH SHOULD I SAVE TO REACH MY GOAL?

Savings and Assumptions

Current savings balance (\$)

Future amount desired (\$)

Number of years until needed (1 to 120)

HMS Financial Aid Office

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Financial Aid Office
Harvard Medical School
211 Gordon Hall
25 Shattuck Street
Boston, MA 02115
(617) 432-0449
(617) 432-4308 FAX
financial_aid@hms.harvard.edu

The Financial Aid Office is located on the second floor of Gordon Hall. The office is open Monday through Friday from 9 A.M. to 5 P.M. Please call or write if you have any questions or concerns about financing your medical education at Harvard.

SFS.Harvard.edu/Financial-Fitness

University Student Financial Services

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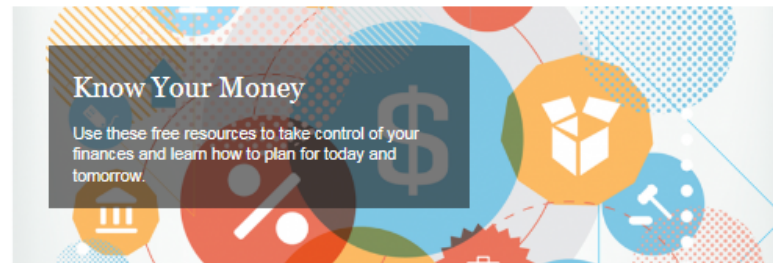
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Financial Wellness

[Financial Wellness - The Basics](#)

[Financial Wellness Resources](#)

Financial Wellness



Know Your Money
Use these free resources to take control of your finances and learn how to plan for today and tomorrow.

We are committed to the wellness of students beyond academics. The physical, emotional, and financial wellness of our students is very important to us all. Our goal is to provide tools and resources to help students become financially fit. In addition to the resources on these pages, we have partnered with [SALT and iGrad](#), at no cost to students. Please check back often as our content and events are updated regularly!

Financial Wellness Tips



Trending



Thank You



Woo!
You made it!

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