

FINANCIAL WELLNESS – STATE OF THE UNION

Message from Keith Sultemeier, President & CEO, Kinecta Federal Credit Union

A wise person once said “all things in moderation.” Those are words to live by, especially when it comes to matters of the wallet. You might feel that while this is an admirable philosophy, it’s difficult to live up to in a culture where excess, spending freely, and keeping up with the Joneses are the norms.

You’re not alone, and I’ve taken notice.

Recent studies about average American spending and savings habits have caught my eye. The temptation to spend now and save later is understandable, but the consequences can have long-lasting implications. Take a look at some of these eye-opening statistics:

- 25% of non-retired adults have no retirement savings¹
- 40% of adults are unable to cover a \$400 out-of-pocket emergency expense¹
- Since 1960, the U.S. Average Personal Savings Rate has steadily decreased to 2.8%²

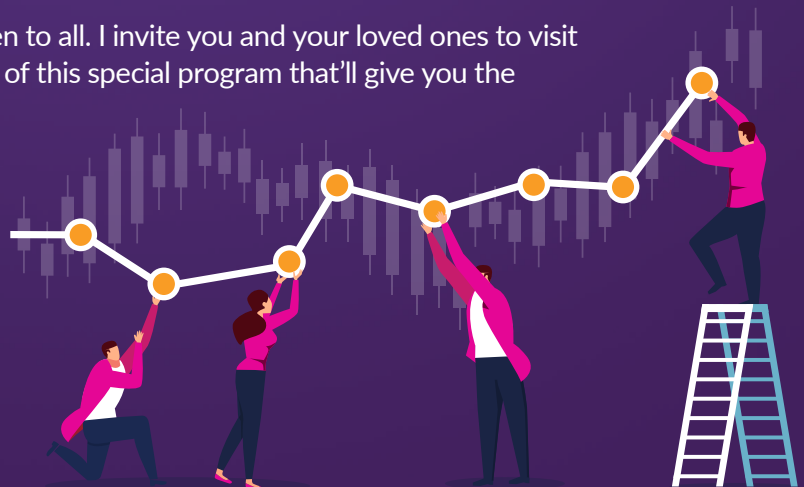
Surprised? I was too, and also concerned about the financial wellbeing of those we serve. But it’s not all doom and gloom – there are some encouraging signs:

- 73% of adults keep track of their spending, while 50% follow a budget¹ (more than I thought!)
- Also common is the increased use of technology: 62% use auto-pay to cover bills while 52% use electronic account alerts¹

As your credit union, our goal is to help you avoid some of these financial pitfalls by sharing the best financial practices that you can incorporate into your daily life. That’s why we’ve partnered with EVERFI to bring you an innovative Financial Empowerment program that leverages technology to put this knowledge at your fingertips:

- Access free interactive online learning modules on key financial topics
- Choose from courses in English or Spanish
- Learn about savings, credit cards, loans, retirement and much more
- Coming soon - Financial calculators and budgeting tools

The path to Financial Empowerment should be open to all. I invite you and your loved ones to visit www.kinecta.org/financial-tools to take advantage of this special program that’ll give you the knowledge and tools you need. Enjoy!



Sources:

1 U.S. Federal Reserve “Report on the Economic Well-Being of U.S. Households in 2017”

2 Forbes report “Our Relationship With Money is Broken.”

THE SAVINGS TRADEOFF

Liquidity vs. High Yield

We all know it's important to save, and finding the right savings option for your personal financial situation is imperative. There are countless options when it comes to saving.

High yield, less liquidity

Some prefer to invest in higher risk options, such as stocks, while others prefer a safer way to save. Share certificates are a great option regardless of on which end of the savings spectrum you fall. Share certificates are also federally insured and can offer much higher returns than savings or checking accounts.

For eager savers looking for even higher returns from a share certificate, they can choose a multi-year term, such as a 5-year share certificate from Kinecta. On the other hand, for savers looking to have access to their money sooner, they can choose a 90-day term. This will result in a lower return but, in exchange, they are allowed access to their money more quickly.

High liquidity, low yield

Money Market Accounts offer more liquidity than share certificates, but the yield is generally lower, so it's a tradeoff. Like a share certificate, these accounts are also federally insured. Many investors use these accounts to park their money until a better savings opportunity presents itself, while still earning a return.

The best of both worlds?

There are unique products that offer savers the benefits of a high yield and allow access to the funds – the best of a share certificate and money market account all in one. These hybrid accounts are not as common as share certificate and money market accounts, but they are available. Kinecta actually offers such a product; it's the liquid certificate, which offers 1.50% APY for 12 months, with penalty-free withdrawals and unlimited deposits.

Additional information about share certificates and the liquid certificate can be found at www.kinecta.org.

It's a saver's market, so compare the savings and products offered available from your bank or credit union and choose what's best for your situation.

Federally insured by NCUA.

*APY = Annual Percentage Yield. Membership and certain restrictions apply. Rates and terms are accurate as of 9/1/18 and are subject to change. **Liquid Certificate requires \$1,000 minimum balance to earn 1.50% APY. Liquid Certificate allows for penalty-free withdrawals of up to 50% of the start of day balance as of 12:00 AM on a daily basis. Early withdrawal penalties may apply. Withdrawals exceeding 50% of the start of day balance are subject to penalties. Unlimited deposits are accepted during the certificate term. \$1,000 minimum balance required. Fees and other conditions may reduce earnings.

IDENTITY THEFT PROTECTION

Millions of Americans fall victim to identity theft each year. With fraud becoming more common, there are extra precautions that you can take to protect yourself from identity theft, such as purchasing an identity theft protection plan.

Most identity protection plans offer a variety of services, the most common of those are monitoring credit bureaus, certain websites, or other places for your personally identifiable information.

But not all identity protection plans are alike. Take the time to compare them to ensure that you are getting the most value for your money. A good identity protection plan is worth the investment, but you want to make sure that it provides you with as much protection as possible.

Start by looking at Kinecta's IDLock protection plan, which provides:

- Notification to your creditors with the click of a button
- \$1MM Identity Fraud Insurance for the entire family
- Smart Credit Report® & Credit Scores
- ID Theft & Credit Monitoring
- Personal Finance Management
- Money Manager links online bank & credit accounts
- A \$1 trial

Visit www.kinecta.org/idlock to see more information. Compare these features to other plans that you research and choose the best one for you.

FINANCIAL EMPOWERMENT

As Keith announced in his CEO message, Kinecta is excited to present our new online financial education program that's available for free to all members. These interactive online learning modules focus on key financial topics and are available in English or Spanish.

The program offers an assortment of adult financial education learning topics. Each learning topic is 3-10 minutes in length and is designed to encourage participants to build financial confidence via a series of interactive activities. Courses include:

- Credit Cards
- Savings
- Credit Scores & Reports
- Building Emergency Savings
- Checking Accounts
- Auto Loans
- Identity Protection
- Considering Homeownership
- Retirement 101
- Budgeting Tool
- Plus many more!



You're encouraged to take advantage of these valuable, complimentary courses. In fact, we're offering members the chance to win \$250 from now through November 30. Just take two courses within a calendar month and be automatically entered to win – two \$250 prizes will be awarded per month.†

You can access these courses on our website at www.kinecta.org/financial-tools. We recommend that you register with your email address before starting the courses, so that you can stop and keep track of your progress.

†NO PURCHASE NECESSARY TO ENTER OR WIN. The Financial Empowerment Sweepstakes period begins 8/8/2018 and ends 11/30/2018. To be automatically entered into the sweepstakes, participant must be logged in as a registered user of Kinecta's Financial Empowerment site while completing 2 distinct course modules within a calendar month during the sweepstakes period. Two (2) winners will be randomly selected among eligible entries on a monthly basis, approximately fifteen days after the end of each month. Eight (8) \$250.00 prizes in total will be awarded; one prize per winner. Estimated odds of winning: 1:13,000. For complete Official Rules, including alternate method of entry, please click here.

SAFETY TIPS FOR HOLIDAY SHOPPING

The hustle and bustle of the holiday season is upon us. With all the excitement of holiday shopping it can be easy to overlook your digital safety when purchasing gifts online or in stores. We want to provide you with some options and safety tips to keep your information protected this holiday season.

Digital Wallet Payments

"Carrying around large amounts of money or multiple debit and credit cards has many risks. For extra security, adding your debit and credit cards to your smart phone's digital wallets is a good idea. Simply put, this technology eliminates the need to carry around multiple plastic cards that can more easily get lost, stolen or compromised." – Bobby Rahmania, VP Product Management at Kinecta.

Apps such as Google Pay™, Samsung Pay™ or Apple Pay™ add an extra layer of protection. Each payment option has a unique way of allowing you to pay without actually storing or using your credit or debit card information. So you can rest assured all your transactions are secured. More information on digital wallets is available at www.kinecta.org.

Online Shopping Safety Tips

Shopping online has become one of the biggest perks of the new digital age we live in. Unfortunately, it comes with a downside: credit card fraud. Last year, online credit card fraud increased 30% from the previous year and is becoming one of the most common forms of identity theft.

Here are some helpful tips to keep your information safe while shopping online this holiday season:

- Make sure the website is secure – that means sites with HTTPS in the website address.
- Check your accounts and statements online regularly, and look for any fraudulent charges.
- Beware of sites and apps that only accept money orders, wire transfers, or checks.
- Don't shop on public Wi-Fi networks; disable Wi-Fi and Bluetooth when not in use.
- Use a secured payment method such as a credit card, PayPal or a digital wallet.
- Don't allow auto fill to save your passwords or personal information on websites.



PAST EVENTS

Back to School Backpack Drive



In August, employees, members and community partners made the first day of school a little easier for Watts and Compton area students with the donation of more than 600 backpacks which were filled with supplies and distributed during the Back-to-School Community Luncheon.

Miracle Jeans Campaign



During the month of September, employees sold paper icons and wore blue jeans to raise funds in support of Children's Miracle Network (CMN) Hospitals. Proceeds benefited Children's Miracle Network (CMN) Hospitals in Los Angeles, Orange County and Santa Barbara.



UPCOMING EVENTS

Kinecta employees are teaming up to raise awareness and funds for pediatric care, children and adults with special needs and helping others for the holiday season. You can help too! Go to www.kinecta.org and click on the "Kinecta Community" box to help us make a difference.

OCT 22
THRU
NOV 17

Holiday Food Drive

From October 22 through November 17, we will be collecting cash donations at all Kinecta locations for our Annual Holiday Food Drive.



OCT
28

Skechers Pier-to-Pier Friendship Walk

Join us in helping to enhance the lives of children and young adults with special needs by supporting the 8th Annual Skechers Pier-to-Pier Friendship Walk on Sunday, October 28. Receive a free Kinecta Volunteer Corps shirt when you join the Kinecta team or donate \$10 to the team page online. Visit SkechersFriendshipWalk.com and search for "Team Kinecta" to participate.

NOV
11

Veteran's Day Beer-B-Que

In honor of our Veterans, Kinecta and the Manhattan Beach Rotary present a Craft Beer and Western Style Barbecue Event on Sunday, November 11 from Noon - 5:00pm at the Kinecta Main Office, 1440 Rosecrans, Manhattan Beach (Must be 21 or over to attend). We will cover the cost of admission for Kinecta members who are Veterans (enter promo code: KinectaKindness to redeem and must bring valid V.A. card to event). Full event information and tickets can be purchased at <https://mbrevents.org> - General Admission tickets are \$50.

NOV 26
THRU
DEC 15

Holiday Toy Drive

Help make the holidays a little brighter for a hospitalized child. All Kinecta locations will be collecting new, unwrapped toys to benefit Children's Miracle Network Hospitals, from November 26 through December 15.

For questions or more information about these upcoming events, please contact us at volunteercorps@kinecta.org.

Member Access/Download our App

**Member
Contact Center**
800.854.9846
310.643.5400

Online
www.kinecta.org

