

# 5 Best MONEY MOVES

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## 1 Make Bi-Weekly Payments on Loans

There is no better way to pay off your loans quicker! Even better, you'll end up paying less in interest too! All you need to do is make half of your normal monthly payment every two weeks. Twice each year, an additional bi-weekly payment will be made - which results in a full extra payment on your loan each year. Ask your lender about making bi-weekly payments on your loans to be sure that you won't be charged for this service! There are plenty of institutions out there that want you to stay current on your loans & pay them off quicker to better yourself! You can do this with home loans, auto loans - even credit cards!

	MONTHLY	BI-WEEKLY
Amount of loan	\$100,000	\$100,000
Loan repaid in	30 years	24 years 5 months
Payment	\$616	\$308
Interest paid	\$121,759.67	\$95,109.66

All calculations are based on a 30 year payback term at 6.25% APR\*  
 \*APR = Annual Percentage Rate. Rates subject to change.

As you can see in the example above, you can save five years and seven months on the term of the loan and \$26,650.01 in interest paid over the entire length of the loan.

## 2 Tax Deductible Loans

If you are a homeowner and don't know that you can have an auto loan where the interest may be tax deductible, keep reading!!!

Let's start by talking equity in your home. To find this out - take the dollar amount that your home is worth and subtract the amount that you owe. That number is your equity.

Now, you can do two things with that equity. Your first choice is to get a home equity loan, which you can use to purchase anything (and the interest may also be tax deductible). With a home equity loan, your home is used as collateral; meaning if you don't make your payments, your home may be taken away from you.

Your second choice is a Tack-On Loan, also known as an Auto Equity Loan. With this type of loan, you purchase an auto, boat, motorcycle - something that can be used as collateral - and tack it onto your home loan. With it "tacked" onto your home, the interest may now be tax deductible. Since the auto will be used as collateral for the basis of the loan, if you do not make your payments, it is more likely your auto will be taken away from you by your credit union or bank.

Either way, you win! Get what you want and the interest may be tax deductible saving you money! Consult tax advisor to discuss the tax deductibility of these and other loans.

## 3 Pay Yourself First

If you're like many Americans, when you get paid, you pay your bills and then immediately spend everything that's left over. From a cup of java at a local coffee shop to some new clothes from the mall, the money gets funneled out, and by the end of the month you're broke again. Yes, sometimes you put money in savings, but by the end of the month, you're back to the same scenario as before - broke again. You vow that next month will be different, but it never is.

"Pay yourself first" means that, just like the monthly bills you pay such as rent, car payments, credit cards, etc., you make a bill out for yourself and pay it first. Think of it as a payment and not a savings, or you'll be more likely to

spend it. Just keep in mind that - just like the other monthly obligations - you can't skip one. Once you don't pay yourself first, it will be real easy to find excuses not to do it again and again. Then you'll be back in the same boat as you were before.

You'll want to put this money into an account that you don't have easy access to - such as a mutual fund, retirement, or a savings account at a credit union or bank. Don't leave it in your checking - with that ATM card of yours, it's just too easy to get at it. If you have payroll deduction, try using that as a way to make that savings payment. That's also a great way to save, since you don't miss what you can't see!

If you want to pay yourself first before any deductions come out of your pay check, put some money into a pre-tax retirement account (401K, 503C, etc.). Then you'll get paid even before Uncle Sam can take state and federal taxes, Medicare and any of the other deductions that get taken out of your check.

The easiest time to start "Pay yourself First" is when you get a raise. Just put that extra amount away that you haven't had in the past. You'll never miss it, and you'll be on the path of financial freedom. The best time to start is NOW!

## 4 Buy Running Shoes

Instead of spending \$50 or more per month on a gym membership - spend \$120 or so on a pair of good running shoes. One pair will most likely last you quite awhile. Not to mention, you'll be saving gas money by not having to drive to the gym. Along with saving money, you'll also be helping yourself to get physically fit & stay healthy. Running reduces the risk of heart disease and strokes, it lowers blood pressure and burns more calories than any other exercise!

## 5 Automate Your Finances

Automating your finances is a smart move to make, especially because it will make taking control over your money easier! Using services like online banking & bill pay are a quick, easy & convenient way to control your finances. Here are a few of the best ways to automate.

### Automatic Payments

Paying your loan and credit card payments should be automatic and bi-weekly. This helps for you to always be on time which assures you no late fees. Use automatic payments to put money into your savings to build your savings without ever touching your money. When money never touches your hands and you don't have the cash, you are less likely to spend it. This is also true when you put this money directly into your savings account and not into your checking. To make automatic payments, you should be

using online banking & online bill pay to make it easier.

### Online Banking

This service should be free from your financial institution.

All you'll need a computer and internet connection. With online banking, you can view your accounts and statements, and transfer money between them as well. This allows you to keep on top of how your money is being used & is a great tool which will make balancing your checkbook easier.

### Online Bill Pay

This service should also be free from your financial institution. Again, all you'll need a computer and internet connection. Online Bill Pay is linked to your checking account and can be used to pay all of your bills from your cell phone to insurance, from the water to the electric bill. You can even pay your babysitter through this service!

Using Online Banking & Online Bill Pay will also help reduce your risk of identity theft. It's a safe and secure ways of conducting business, and saves big on postage costs over time!

