MANAGER'S MESSAGE

January 2017

At the beginning of the year, we receive statements from the credit union, investments, and loan accounts. This makes for a good time to prepare the most useful project of the year, the calculation of household net worth. All that is needed are the statements, a calculator, and a piece of paper. With goals of financial stability and comfortable retirement, growing net worth is a worthy goal.

The numbers get put in two columns starting on the left side with assets. Starting with liquid assets, one would put checking account balances and cash investments. Also included would be 401K accounts, mutual funds, and cash value of life insurance. Estimated value of your house can be found on real estate tax statements and vehicle values found on a NADA internet site. Personal property is a guess and often not worth what was spent to purchase.

On the right side are the liabilities and that is what is owed to other people. Here is where the mortgage statement, student loan debt, vehicle loans, and credit card balances are listed. When we add up the left side assets and subtract the right side liabilities, the difference is our net worth. Study the numbers, analyze spending habits, and make a plan on improving the net worth position. Common sense is that net worth will improve by increasing our assets. But even if we are struggling to save and invest, by continuing to make our scheduled mortgage payments, installment loans, and credit card balances, one's liabilities will decrease and net worth will increase.

Excellent Financial Literacy Resources can be found at NCUA.gov and MyCreditUnion.gov. Check out the ***Financial Education-Articles & More*** area on our website homepage.

My wish is for all our members to work towards financial health. The credit union is there to help create healthy financial habits. Have a Happy New Year.

John Nevins