Dear Members,

I hope you had a great summer! In this issue we give advice on how to raise your children to be financially independent adults, with tips and resources that will serve your children well as they transition to adulthood.

If debt is weighing heavily on your life, check out our six steps you can take to make an immediate and positive impact on your finances. You’ll sleep better at night knowing you have a plan of action.

Finally, we’ll cover 10 reasons to be grateful you’re with a credit union, and KCT in particular. I know we at KCT are certainly grateful for each and every one of our members!

How do I raise my kids to be financially independent adults?
One of the most helpful things you can teach your children is how to be financially independent. We give some helpful and actionable tips, covering topics from budgeting to credit cards to checking accounts. It can be a scary world when you must step up to manage your money on your own, but it’s also a world filled with wonderful opportunities.

6 Steps to Crushing Debt
Have you just about had it with those endless piles of credit card bills and those hideous numbers that never seem to get any lower? Getting rid of high debt will take hard work, willpower and the determination to see it through until the end, but there’s no life like a debt-free life. Here, we’ve outlined six steps to help you start crushing debt today. It’s time to kiss that debt goodbye!

10 Reasons to be Grateful You Belong to a Credit Union
There are many great reasons to belong to a credit union, and at KCT we are certainly proud of our contributions to our communities, low rates, friendly service and more! Read on for even more about what sets KCT apart from the big banks!
How do I raise my kids to become financially independent adults?

It’s commendable to try raising your kids today with an eye toward their future. Teaching your children how to be financially independent will help smooth the transition into adulthood. It will also give them the tools they need to achieve and maintain financial wellness throughout their life. Here are some tips for raising kids to grow into financially independent adults.

Start with basic budgeting
Successful budgeting is the foundation of every financially independent household. You can introduce your children to the concept of earning money and spending it mindfully when they’re still young, and then build upon that knowledge as they grow older. Preteens can watch you work on an actual budget, and teens can even assist you in creating a budget for a large expense, such as a family vacation.

Another way to bring this lesson home is by showing kids how to budget their own money. Help them create columns for “income” and “expenses,” listing their allowance, occasional gift money and income from any jobs they may have in the income column, and the ways they’d like to use their money in the expense column. Show them how to divide their money across their expenses in a reasonable fashion and talk to them about setting aside money for the future.

Finally, you can allow your older kids to make some spending decisions on their own, provided they don’t later complain about the choices they made. For example, you can give your preteen a specific amount of money to spend on a fall wardrobe, and then let them choose to spend more on a jacket and less on a pair of sneakers, or vice versa. They may make some mistakes, but you’ll be teaching them a lesson they’ll carry with them throughout life.

Split the costs of “must-have” items
If your kids are like most, they’ll likely be asking you for all sorts of trending items they claim they absolutely need; from a pair of designer jeans all the in-kids are wearing, to the latest fad toy they insist their entire class already has. As a parent, you may be inclined to bend and give them what they want more often than you’d like. Or maybe you play hardball by refusing most of these requests. Neither approach is likely to leave both you and your child feeling happy with your choices.

A great way to compromise on just how often to say yes to kids, and to teach them a fantastic financial lesson at the same time, is to have your child pay half the cost of expensive trending items. They’ll quickly realize that what seems like a “must-have” really isn’t when you’re the one footing half the bill. Or, they may go ahead with the purchase and either come to regret it as they learn this lesson later or enjoy the gratification that comes from paying your way toward an important goal.

Teach them about credit cards
To a child, a credit card is a magical piece of plastic that makes everything possible. If your child observes you using a credit card or debit card often, you owe it to them to teach them what’s behind that little card. Show them your credit card bill when it arrives in the mail and talk about how you need to pay for all those expenses you swiped during the month, plus the interest you may incur. Teach them about debit cards, too, explaining how money is withdrawn from your checking account when you swipe the card. It’s also a good idea to give older kids a quick rundown on credit scores, how they work and why they’re so important.
Open a checking account for your child
Experience is the best teacher, and giving your child their own checking account can be an excellent way to teach them how they manage their own money. KCT Credit Union offers both Youth and Teen Checking Accounts, with activity worksheets and financial resources to help your child learn all about money. They’ll make their own deposits (with your help), check on their balance, and may even enjoy a debit card to use as appropriate, so long as they have enough funds in their account to cover the purchases. This first account opened and managed under your watch will help them transition easily into truly handling their own money as financially independent adults. For more information on KCT Youth and Teen Checking Accounts, visit kctcu.org/youthandteen.

Talk openly about what they can expect in terms of support for the future
When your child is mature enough to talk about their college years and beyond, it’s time to have a conversation about their transition into financially independent adulthood. The more you communicate about your plans now, the less room you’ll leave for misunderstandings and upset feelings in the future.

Be open and specific about how much financial support you plan to offer while they attend college, immediately after they graduate and further into the future. Ask about their plans as well, paying attention to when they anticipate being financially independent and whether you believe they are being realistic in their planning.

When speaking to your young-adult child about the future, it’s a good idea to bring up the topic of career paths and earning potential as well. You can help your child determine a basic budget for the lifestyle they plan to lead, and then assist them in narrowing down their career choices to just options that can support their future desired lifestyle. Talk to your child about student loans too, and explain how crippling debt can be.

It’s a scary world when you must step up to manage your money on your own, but it’s also a world filled with wonderful opportunities. Use the tips outlined above to help raise your child to be a financially independent adult.

Financial Wellness Education at KCT
KCT is proud to offer financial wellness education to the communities that we serve. If you have questions, or if there is a topic not covered that you would like to see, contact KCT’s Financial Wellness Educator, Marlen Glenn at 847.289.3266 or mglenn@kctcu.org.

Our Financial Wellness seminars cover topics such as:
- Build a Basic Budget
- Debt Management
- Identity Theft and Fraud
- Understanding Credit
- Estate/Retirement Planning
- Steps to Home Buying
- Auto Buying
- Student Loan Solutions

To view and register for upcoming KCT Webinars, please visit seminars.kctcu.org.
You and debt are so over. You’ve just about had it with those endless piles of credit card bills and those hideous numbers that never seem to get any lower. It’s time to kiss that debt goodbye!

Getting rid of high debt will take hard work, willpower and the determination to see it through until the end, but it is doable. Here, we’ve outlined six steps to help you start crushing debt today.

**Step 1: Choose your debt-crushing method**
There are two approaches toward getting rid of debt:

- **The snowball method**, popularized by financial guru Dave Ramsey, involves paying off your debt with the smallest balance first and then moving to the next-smallest, until all debts have been paid off.

- **The avalanche method** involves getting rid of the debt that has the highest interest rate first and then moving on to the debt with the second-highest rate until all debts have been paid off.

Each method has its advantages, with the snowball method placing a heavier emphasis on achieving results at a faster pace, which then motivates the debt-crusher to keep going, and the avalanche method, focusing more on actual numbers and generally saving the borrower money in overall interest paid on their debts. There’s no right approach, and you can choose whichever method appeals to you more.

**Step 2: Maximize your payments**
Credit card companies are out to make money, and they do this by making it easy to pay just the minimum payment each month, thus really paying only the interest without making progress on the actual principal, thereby trapping millions of consumers in a cycle of endless debt. Beat them at their game by maximizing your monthly payments. Free up some cash each month by trimming your spending in one budget category or consider freelancing for hire and channel those freed-up or newly earned funds toward the first debt on the list you created in Step 1. Don’t forget to continue making minimum payments toward your other debts each month!

**Step 3: Consider a debt consolidation loan**
If you’re bogged down by several high-interest debts and you find it difficult to manage them all, you may want to consider consolidating your debts into one low-interest loan. A Get Out Of Debt (GOOD) from KCT Credit Union can provide you with the funds you need to pay off your credit card bills and leave you with a single, low-interest payment to make each month. For more information on this popular loan, visit [GOOD.kctcu.org](http://GOOD.kctcu.org).

**Step 4: Build an emergency fund**
As you work toward pulling yourself out of debt, it’s important to take preventative measures to ensure it won’t happen again. One of the best ways you can do this is by building an emergency fund. Ideally, this should hold enough funds to cover your living expenses for three to six months. Start small, squirrelling away whatever you can in a special savings account each month, and adding the occasional windfall, like a work bonus or tax return, to beef up your fund.

**Step 5: Reframe your money mindset**
Sometimes, like when there’s a medical emergency or another unexpected and expensive life event, a consumer can get caught under a mountain of debt through no fault of their own. More often, though, there is a wrongful money mindset at play leading the consumer directly into the debt trap. As you work on paying off your debts, take some time to determine what got you into this mess in the first place. Are you consistently spending above your means? Is there a way you can boost your salary or significantly cut down on expenses? Lifestyle changes won’t be easy, but living debt-free makes it all worthwhile.

**Step 6: Put away the plastic**
Credit cards are an important component of financial health and the gateway to large, low-interest loans. However, when you’re working to free yourself from debt, it’s best to keep your cards out of sight and out of mind. You can set up a fixed monthly bill to charge one or more of your cards to keep them active, but only do this if you know you will pay off the charge in full before it’s due. Learning to pay your way using only cash and debit cards will also force you to be a more mindful spender.

Kicking a pile of debt can take months, or even years, but there’s no life like a debt-free life. Best of luck on your journey toward financial freedom! For more information on how to crush your debt, including an opportunity to ask questions and get answers directly from the experts, check out KCT’s free Financial Wellness educational seminars! Find out more about our offerings and register by visiting [seminars.kctcu.org](http://seminars.kctcu.org).
10 Reasons to be grateful you belong to a credit union

1. **Superior member service**
   At KCT Credit Union, you’re always greeted with representatives who are ready and willing to help you. We’re truly invested in your financial wellness, and we’re here to help you achieve and maintain it, every step of the way.

2. **Better savings rates**
   At KCT Credit Union, we’re proud to offer you share certificate, money market and savings rates that are well above the national average.

3. **We make it easy to qualify for credit**
   The absence of a national bank corporate office enables us to be more flexible about offering lines of credit. We don’t have to abide by strict credit qualifications, and that makes it easier for you to open a new line of credit, even if your existing credit isn’t perfect.

4. **Lower interest rates**
   Stop by KCT Credit Union to take your pick of personal loans, home loans, auto loans and more, all with reasonable interest rates that are often lower than average. You’ll have the funds you need with a rate you can actually afford!

5. **Safer money**
   Both federally and privately insured credit unions and banks offer insured savings accounts, but credit unions are also subject to strict regulations on their investments and loans. Your money is super-secure at KCT Credit Union.

6. **Checking Accounts**
   Checking accounts at KCT Credit Union are easy to set up and maintain. At KCT Credit Union, you’ll have a safe place to keep your money without exorbitant fees.

7. **You own a piece of your credit union**
   Credit unions are member-owned and member-operated. You get to weigh in on our major decisions instead of being forced to follow along with whatever the higher-ups decide. Your money=your choices.

8. **We support small businesses**
   Here at KCT Credit Union, we’re happy to offer small business loans to qualifying members at extremely reasonable rates. We also offer business checking and business savings so you can run the financial side of your business without worrying about expensive rates and fees.

9. **Fewer fees**
   If your checking account is mistakenly overdrawn, we’ll help you untangle what happened instead of hitting you with high fees for the overdraft and every subsequent transaction. Any fees we do have are nominal and a lot lower than what banks demand.

   We also want you to have access to your money without worrying about expensive ATM fees. To that end, we provide our members with a large network of ATMs with no fees for our members. To view a map of KCT’s no-fee ATM locations, visit locations.kctcu.org.

10. **Access to a variety of financial services**
    At KCT Credit Union, we provide our members with an array of financial services to meet every money-related need at every life stage. These include: direct deposits, financial wellness education, investment services, youth accounts, auto loans, notary services, online banking and more! Visit kctcu.org for more information.
Does your home need renovations this holiday season?

Learn how a Home Equity Line of Credit from KCT can help fund your next home improvement project!

**Home Equity Line of Credit rates as low as 3.00% APR**

*Intro Rate*

1.99% APR*  
For 6 cycles*

No closing costs valued up to $320!**

Call 847.741.3344 to speak to an MSR or visit apply.kctcu.org to get started today!

New Auto Loan rates as low as 1.99% APR1

Used Auto Loan rates as low as 2.74% APR2

No payment for 90 days!  
rates include discounts, see details below**

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**Members can receive a 0.25% discount on approved auto loan rates when borrowing 60%-80%, depending on credit score, of appraised vehicle value. Receive an additional 0.25% discount on approved auto loan rate when you setup or have an existing automatic deposit into your KCT Checking account of at least $500.00 per month with automatic loan payment. If at any time the automatic deposits discontinue in the duration of the auto loan term the discounted rate will no longer be applied and the rate will adjust accordingly. Offer subject to change.**