Dear Members,
Summer is in full swing, and I hope you are enjoying the great weather. First and foremost, I want to thank you for your business and supporting the credit union throughout the years, it means a lot! KCT held its Annual Meeting in April and is excited to share the Annual Report with you. View the Annual Report here.

Are you considering taking a trip this summer? In this edition of the KCT Difference, we’ll discuss the best way to finance your next vacation. Would you like to be able to view your accounts more quickly, and save paper at the same time? We give you five reasons to make the switch to eStatements. Finally, we spotlight Marlen Glenn, our Financial Wellness Educator, with a Q&A about budgeting, credit and how to become financially well.

How should I pay for my next vacation? Credit Cards vs. Closed-End Loans
So you have the perfect vacation all planned out. How will you get around the steep price tag on your dream getaway? Credit cards? A risky loan from family and friends? You don’t have to take extreme measures to fund the perfect summer vacation. With KCT Credit Union, you have a team of friendly professionals here to help you make the best decision for your wallet.

Helping You Be Financially Well
Whether it’s starting a budget, monitoring credit or preventing identity theft, we’ve got you covered! KCT’s Financial Wellness Educator, Marlen Glenn answers important questions related to these topics and more. Whether you are a financial wellness veteran or you are at the starting line of your journey, continuous education is the most effective way to reach your goals.

Five reasons to switch to eStatements
Why bother with piles of paperwork when you can access your accounts online? With eStatements, there’s no need to wait for your monthly statement to arrive in the mail. When you choose to receive your monthly account statements electronically, you’ll also be doing the environment a favor. Quick, convenient and clutter-free, eStatements are the way of the future.
How should I pay for my next vacation? Credit Cards vs. Closed-End Loans

If you’re like most Americans, as soon as you see ads announcing Memorial Day sale events, you start thinking summer. Summer means flip-flops and sandy beaches, sunscreen and baseball, fireworks and ice cream — and expensive vacations. Perhaps you’re really needing to get away this summer, so you have the perfect vacation all planned out. But how are you going to get around the steep price tag on your dream getaway? Do you pull out the plastic, make it happen and worry about paying your credit card bills after you return home? Do you ask for a loan from family and friends, putting your most important relationships at risk? Do you live off pasta in the weeks leading up to your vacation and use the money saved on groceries to cover the cost of your trip? You don’t have to take extreme or irresponsible measures to fund the perfect summer vacation. As a member of KCT Credit Union, you have a team of friendly professionals here to help you make the best decision for your wallet and your financial future.

Credit Cards
Using your plastic can seem like the best option for almost anything. It is simple, secure and convenient, but these benefits come with a slew of downsides when it comes to paying for your next trip. Vacations tend to be expensive no matter where you go and most people are not able to pay off a large balance immediately, leaving them with a daunting mountain of debt. Even though many credit cards offer great rewards when you use them, they also typically come with a high interest rate. This means you can end up paying hundreds of dollars more in interest when you use a credit card if you cannot pay your balance shortly after. Finally, with the ease of use that a credit card offers, it is very possible to spend more than you can actually afford, driving up your credit usage and causing your credit score to take a nose dive. If you cannot pay for your vacation using cash or debit, there is a smarter way to finance it.

Vacation Loans
Closed-end loans are a great way to get cash fast while paying down the ensuing debt before it becomes unmanageable. KCT offers a Vacation Loan with a short term and a fantastic rate. Just like credit cards, personal loans are dependent on your credit health among other factors but there are benefits that set them apart from their plastic counterpart. These kinds of loans offer a fixed monthly rate, allowing you to budget accordingly so that you always pay the loan back on time and in full before the accrued interest becomes as large as the loan. The other major benefit of financing your adventure with a personal loan is that interest rates are often far lower than credit card rates.

Examples
If you are looking to pay for a vacation that costs $2,500, let’s see how the math would work out.

**Vacation Loan example**: a $2,500 loan with a 12-month term at an interest rate of 5.74% APR would have 12 payments of $215, resulting in total finance (interest) charges of approximately $85.53.

**Credit Card example**: a $2,500 charge on a card with an interest rate of 18% making a monthly payment of $215 would take 13 months to pay off, resulting in total finance (interest) charges of approximately $267.79.

Conclusion
By paying for the vacation with a KCT Vacation Loan as opposed to using a credit card, a person can save almost $600! Even though the monthly payment is quite a bit higher on the personal loan, it is the smart option to avoid debt that will take years to pay off. If you are thinking about taking a vacation this summer and are interested in the Vacation Loan from KCT, visit kctcu.org/vacation or call us at 847.741.3344 to speak to an MSR and make your dream vacation a reality.
Financial Wellness, by definition, refers to the relationship that you have with your money. This is your past, present and future journey beginning from the time you earn your first dollar. Every choice you make with your money can have an impact on your financial wellness and KCT is here to guide you through your individual milestones. KCT’s Financial Wellness Educator, Marlen Glenn, believes that four important steps everyone should take to reach financial wellness include creating a budget, managing your debt, understanding credit and being aware of identity theft and fraud.

**Question: How do I start a budget?**

**Marlen:** First and foremost, make a list of your monthly expenses and determine which are needs and which are wants. For example, do you need to spend $200 on cable or is that a want? It may differ from person to person because each individual’s priorities are different. Once needs and wants have been sorted out, the next step is to calculate your total monthly household income. This should include bonuses, monetary gifts, tax returns and regular overtime. When all income has been accounted for, it is time to review monthly expenses. This means everything from your morning cup of coffee to your mortgage. Next you subtract monthly expenses from monthly income. This is your discretionary income, or is what you have left over at the end of the month to use for things like an emergency savings account, unpaid debt or any other necessities. You now have a basic budget and spending plan for yourself!

Another useful tool is KCT’s Financial Wellness widget. See your spending broken down by category, with customizable timeframes and recurring expenses. This widget is completely free and available to all members using our online banking platform. Click “Learn More” to go to the financial wellness widget, or navigate to it from your KCT Online Banking dashboard by selecting “More” then “Financial Wellness”.

**Monthly Income – Monthly Expenses = Discretionary Income**

**Question: What does managing my debt mean?**

**Marlen:** Managing your debt well means knowing exactly what your outstanding balances are on each of your loans. Whether this is a car loan, student loan or a mortgage you are focusing on paying your bills on time to avoid late fees or other additional charges. Review the interest rates on your outstanding debt and keep track of your total monthly payments to stay on target with your budget. Keeping up to date on interest rates and loan payments can help you manage your money long-term and give you a good idea of, if, and when you may want to look into refinancing your loans. Managing credit card debt is completely different. While credit cards are convenient and allow you to make a purchase when you may not have the money at the moment, they were never intended to support long-term financing. Your goal should be to pay off your credit card debt completely at the end of each month to avoid paying interest and losing more money that you may not have. While managing your debt may seem overwhelming, taking the time to understand your situation can put you on a more successful path.

**Question: Why do I need credit?**

**Marlen:** Credit can affect every aspect of your life from qualifying for student loans and getting a job to buying a car or house. Credit can also affect your debt management and budgeting because lenders and creditors use this information as a base for the interest rate they will offer you. Sustaining good credit by paying bills on time and not overspending contributes to your credit history and credit score, the quantifiable metrics used by the professionals mentioned previously. In short, credit is a key factor of your financial well-being.
Question: When should I worry about identity theft and fraud?

Marlen: Identity theft is the fastest growing crime in America that can affect anyone at any time, including children, elderly folks, ANYONE! Identity theft and fraud does not discriminate! With technology having as large of an impact on our lives as it does, evolving forms of cybercrime are here to stay. You can help protect yourself by creating strong passwords for your accounts, disposing of sensitive information properly and being vigilant about unsolicited emails or phone calls that you receive. Cyber criminals are always adapting so it is important to keep yourself informed on the newest scams and fraud activity.

The foundation of the financial wellness components mentioned in this article come together when you create SMART goals for yourself. The acronym SMART stands for Specific, Measurable, Attainable, Realistic and Time-Oriented. For example, Specific: I would like to start a savings account. Measurable: I would like to save $600. Attainable: I can save $600 by putting $50 into my savings every month. Realistic: I will save $50 each month by dining out less frequently. And Time-Oriented: I will reach my goal within twelve months.

At KCT we truly believe in giving our members the tools to help them succeed. When a member is denied a service or product because of their financial situation we want to work with them to develop knowledge of their finances. Whether you are a financial wellness veteran or you are at the starting line of your journey, continuous education is the most effective way to reach your goals. Visit seminars.kctcu.org to learn more about the presentations we offer and to register for any of our free, public seminars.
Are you constantly dealing with a barrage of junk mail that clogs up your mailbox? Drowning in papers that need to be sifted through? Are you always afraid to throw out any paper from your financial institution, fearful that you’ll be throwing sensitive material into the trash and making it an easy steal for would-be scammers? If this sounds familiar, you may benefit from switching to electronic account statements.

Electronic statements (eStatements) are similar to paper statements, except for the fact that they’re delivered electronically. At the end of each statement period, you’ll receive a notification from KCT Credit Union informing you that your statement is ready to view through KCT Online Banking. Once you access the eStatement, you’ll find it has all the information you’re used to receiving in your paper statements. Quick, convenient and clutter-free, eStatements are the way of the future. Here are five reasons to consider switching to eStatements.

1. **Check your accounts at a glance**
   With eStatements, there’s no need to wait for your monthly statement to arrive in the mail. Just a few clicks and you get your account statement at any time. With eStatements, viewing your account activity is easy.

2. **Clear out the clutter**
   Why bother with piles of paperwork when you can access your accounts online? It’s neater, cleaner, and helps cut down on the paper in your mailbox. You’ll also save time sorting through papers when you can find your last account cycle balance with just a few clicks.

3. **Keep your information safer**
   No matter how careful you are with papers containing sensitive data, there’s always a chance you can miss something and it’ll end up in the wrong hands. It can also be a pain to keep track of every incoming piece of snail mail and to dispose of it properly. With eStatements, you’ll never have to worry about losing a paper that contains confidential banking information, or mistakenly tossing it into the trash where it can be easily accessed by identity thieves.

   Some people are wary about sending sensitive information online and are fearful that an eStatement can easily be hacked. However, you can access your account balance online with confidence, knowing that KCT uses several layers of protection to keep your information absolutely safe, including a secure login portal and email/SMS-based verification.

4. **Monitor your accounts frequently for fraud**
   When you have instant access to your accounts throughout the month, it’s a lot easier to check for signs of fraud. Plus, when you spot the fraud sooner, you can take steps to mitigate the damage earlier and have a better chance of a full recovery.

5. **Eco-friendly**
   When you choose to receive your monthly account statements electronically, you’ll be doing the environment a favor. Less paper statements means less paper waste and fewer trees getting felled for something that will ultimately be tossed. Go green for the environment with eStatements!

Ready to make the switch to eStatements? Signing up is easy! Primary account holders can visit [kctcu.org](http://kctcu.org) and sign in to their online banking account (desktop only). From there, they can select the “Accounts” widget on the left hand side and choose the Banking Statements tab, there they can opt-in to eStatements. Hello, convenience!
Looking to make some home renovations?

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

No closing costs valued up to $320!*

Looking for a new ride?

Let KCT help you get a new car this summer with our new and used auto loans

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

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

Intro Rate
1.99 % APR*
For 6 cycles*

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 45 days!

rates include discounts, see details below**

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