

Kitsap Credit Union

varsity newsletter



CU Scholarships CU SCHOLARSHIPS

If you thought Kitsap Credit Union only had great products and services, think again! KCU Educational Grants Foundation awards scholarship dollars to local students to help with any post secondary education. According to the U.S. Census in 2006, college graduates make almost double in their income vs. a high school diploma. Stop in today for details about our scholarship program. Applications will soon be available online at kitsapcu.org.

Understand Your Summer Paycheck UNDERSTAND YOUR SUMMER PAYCHECK

Ever wonder what happens to the money in your paychecks from your summer job? You'll soon find out that you're not the only one who has claims on what you earn!

Example: You work 25 hours over a two-week pay period. Your pay is \$8.24 an hour. You figure you should see \$206 on your paycheck, right?

Sort of. But not in your pocket. There's a big difference between gross income—or your hourly rate times the hours you work—and net income, or the money you put in your pocket—your take home pay.

Your gross income is reduced by deductions. Look at your pay stub—the earnings statement—you should receive with your check. It includes:

- Your identification information
- The dates of the pay period
- Your gross income
- All your deductions, which include taxes
- Your net income

You can't control all the factors that lead to paycheck deductions, but you can do two things to raise your pay, one for now and one for later:

- For now—Keep your eyes open for opportunities to take on more responsibility. Your boss may show appreciation for your enthusiasm by promoting you. Even if that doesn't happen, you are building a good work ethic and developing skills that could lead to better pay in your next job.
- For later—Make smart decisions about your education. Staying in school increases your chance of earning more money in life. Take the same attitude to school that you take to work: Show up on time, do your job, and be polite.

As you look to future classes, look for ways to earn extra credit, take advanced placement courses, form relationships with your teachers, and volunteer for school events. All of these can "pay off" with good grades, possible career experience, and excellent letters of recommendation for college.

Want more money now? Save some. Stop by or call us today!



You Work Hard For Your Money, Why Not Make Your Money Work For You?

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Compare these three ways of managing your money:

1. Daily saving:

Save a dollar a day in a jar. After 10 years you'll have \$3,650. Simply saving your money - just not spending it - adds up!

But your money isn't working for you yet - and it's neither safe nor protected by insurance.

2. Weekly saving:

Once a week, put \$7 in your credit union savings account. This is called a periodic investment.

Assume the dividend rates stay fixed at 2.2% APY.¹ After 10 years you'll have \$3,650, plus \$429 in interest, totaling \$4,069. Your money is working!

3. One-time savings:

Remember that \$3,650 you received at your graduation party? (How could you forget?) Put it in a credit union savings account. This is called a lump-sum investment. (Again, assuming interest rates remain at 2.2% APY.)

After 10 years you'll have \$3,650 plus \$897 in interest, totaling \$4,547.

What causes such a difference in earnings? Compound interest.

When you leave your money in your account, you earn interest on the interest, as well as on the original amount. That's called compound interest.

In the example, the earnings from periodic investments are about half the earnings from one lump-sum investment. That's because:

- The weekly \$7 investments earn interest on small amounts that slowly get larger;
- The \$3,650 lump-sum investment earns interest on a large amount right from the start.

Of course you'll combine both kinds of investments. Most important? Start today!

¹An interest rate of 2.2% Annual Percentage Yield is used here only as an example. At the time of this writing, interest rates on savings accounts are much lower; however, in the future, they could be significantly higher.

Back To School Tips BACK TO SCHOOL TIPS

Fall! It is a great time of year. The start of another school year might bring you a fresh start, a new school and a new opportunity to make a change in your life. Here are some tips as you are going back to school!

- Pack your bag the night before so you're not scrambling around at the last minute looking for what you need.
- Are you a Bremerton High School, South Kitsap High School or North Kitsap High School student? Save time and gas by utilizing your KCU student financial center branch! Deposit checks, get cash or information on your account during your lunch break.
- Back to school shopping can get expensive. When buying clothes, think about how often you would wear it. If it's something that doesn't work for everyday, you can eliminate it!
- Carry emergency snacks! You might need it to keep your energy up during class or maybe a pick me up before your activities.
- Stop carrying lots of cash in your wallet and get a debit card! If you are 16 or older, ask us about getting the Varsity debit card!

