Financial Wellness
An Educators Guide to Managing Money

Steve Eugene
Seugene@neamb.com
NEA Member Benefits
Affiliate Relations Specialist
Agenda

01
Six Easy Steps to Build a Budget that Works

02
Debt and Credit Management

03
Getting a Better Return on Your Membership Investment
Introductions

• 25 years at NEA Member Benefits

• 11 years at Marsh, a subsidiary of Marsh McLennan. TPA for Associations and Affinity Group Insurance Plans

• BS and MS Degrees in Business Management & Marketing

• Organizational Development & Systems Change Certified

Member Advocacy Center
800.637.4636
What Is Financial Wellness?

Financial wellness is when you take control of your money so that it doesn’t take control of you.

<table>
<thead>
<tr>
<th>Present</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security</td>
<td>Having the capacity to absorb a financial shock.</td>
</tr>
<tr>
<td>Having control over day-to-day and month-to-month finances.</td>
<td></td>
</tr>
<tr>
<td>Freedom of Choice</td>
<td>Being on track to meet your long-term financial goals.</td>
</tr>
<tr>
<td>Having financial freedom to make choices that let you enjoy life.</td>
<td></td>
</tr>
</tbody>
</table>
Did you know?

Stress resulting from financial challenges is often chronic.

Worries about finances are the number-one stressor across all age groups.

Source: https://www.purdue.edu/hr/CHL/healthyboiler/news/newsletter/2020-01/finances-health.php
The Toll Owing Money Takes On The Body

MIGRAINES/HEADACHES
44%

SEVERE DEPRESSION
15%

INSOMNIA/SLEEP TROUBLE
39%

SEVERE ANXIETY
23%

HEART ATTACKS
6%

HIGH BLOOD PRESSURE
26%

MUSCLE TENSION/BACK PAIN
51%

STOMACH ULCERS
27%

People with low levels of financial stress

People with high levels of financial stress

APA401 Health Poll: Debt Stress: The Toll Owing Money Takes on the Body
Support when you feel stressed or overwhelmed

Access the latest self-care techniques, coping tools, meditations, and more at no additional cost to you—anytime, anywhere with Self Care from AbleTo. Each week you’ll find new, personalized content that you can move through at your own pace to help boost your emotional well-being, which may help you feel better.

Receive 12 months of Premium Service

Exclusive to NEA members, the NEA Members Insurance Trust is offering ONE YEAR OF EXCLUSIVE, NO COST ACCESS to the NEA Mental Health Program powered by Sanvello.
The Road To Wellness

Guided Journeys
Explore psychologist-designed journeys on topics like cognitive behavioral therapy and mindfulness meditation.

Mood/Health Tracking
Record your mood throughout the day, and track health activities (sleep, exercise, etc.) to identify patterns in your moods.

Relaxation Techniques
Calm your mind with mindfulness meditations, deep breathing, progressive muscle relaxation, and more.

Receive 12 months of Premium Service
Exclusive to NEA members, the NEA Members Insurance Trust is offering ONE YEAR OF EXCLUSIVE, NO-COST ACCESS to the NEA Mental Health Program powered by Sanvello.
The Road To Wellness

Receive 12 months of Premium Service

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What’s Your NET WORTH?

\[ \text{ASSETS} - \text{LIABILITY} = \text{NET WORTH} \]
What Your Net Worth Should Be

1. Multiply your age

2. by your pre-tax annual household income from all sources other than inheritances.

3. Then divide by 10

Example:

50 X $60,000 ÷ 10 = $300,000
How To Increase Your Net Worth

How to increase net worth:

- Saving
- ROI
- Risks
- Costs
Develop a realistic **strategic** plan that will help you **reach your goals**.

https://www.neamb.com/guides/build-your-budget-in-6-easy-steps
Visit neamb.com/start

Thank you for your interest!
Take the next step to make the most of your membership.

Sign in

Don't have an account? Sign Here

NEA® Auto & Home Insurance Program
Auto Insurance. Member Discount.
NEA members could save an average of $638* on auto insurance from Travelers.

NEA® Customized Cash Rewards Visa Signature® Credit Card with Bonus Offer
Earn Cash Back. Maximize It.
LIMITED TIME ONLINE BONUS OFFER: $250 Amazon.com Gift Card (students not eligible). Apply here for this offer. Offers vary elsewhere.

NEA Student Debt Navigator powered by Savi
Find Student Loan Debt Relief.
Find information about any forgiveness or cancellation programs you may qualify for, along with how much you can save.
Visit neamb.com/start

Search Results

build your budget

GUIDE
Build Your Budget in 6 Easy Steps
Use this workbook to help you organize your finances and figure out where your money goes each month. Input your income and expenses and let the workbook do the math for you.

ARTICLE
6 Simple Steps to Build a Stress-Free Budget
Use these tools to plan a successful budget so you can spend and save your money with confidence.

ARTICLE
Test-Drive Your Budget
Here’s how to anticipate your income and expenses in retirement and come up with a plan before you have to depend on it.
Figure out the approximate cost and divide that by the number of months until you’ll actually need the money.

---

<table>
<thead>
<tr>
<th>Step 1. What are your goals?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you want to stop living paycheck to paycheck? Your goal could be to determine how to pay all of your monthly bills, plus save some money each month in an emergency fund.</td>
</tr>
<tr>
<td>Do you want to save money for an apartment or a house down payment? A car? A wedding? Figure out the approximate cost and divide that by the number of months until you'll actually need the money.</td>
</tr>
</tbody>
</table>

### Goal 1:
- **Cost:** $_
- **Months to goal:** 
- **Monthly savings needed:** $

### Goal 2:
- **Cost:** $
- **Months to goal:** 
- **Monthly savings needed:** $

### Goal 3:
- **Cost:** $
- **Months to goal:** 
- **Monthly savings needed:** $

### Goal 4:
- **Cost:** $
- **Months to goal:** 
- **Monthly savings needed:** $

---

neamb.com/start
To achieve a goal, you must have a goal.
Pull out a clean sheet of paper and write down your top ten goals

TOP 10 LIST:
I statements
• I have...
• I do...
• I play...

I’m or I am statements
• I am having...
• I am doing...
• I am playing...
I statements
• I believe...
• I love...
• I feel joyful...

I’m or I am statements
• I am grateful for...
• I am excited that...
• I am happily...
Imagine you have a magic wand and could have any one of these goals in the next 24 hours.
Imagine you have a magic wand and could have any one of these goals in the next 24 hours. Which one would have the greatest positive impact on your life?
Close your eyes and
Visualize your #1 goal
Now put all your senses to work

Write down

- I see: _______________
- I hear: _______________
- I smell: _______________
- I touch: _______________
- I taste: _______________
Everything is energy. Your thought begins it, your emotion amplifies it and your action increases the momentum.
Use AI to Help Build An Action Plan
Vision Boards Help!

Extra-curricular Activities:
- Travel
- Sports
- Hobbies, etc.

Relationships:
- Marriage
- Family
- Dating
- Love
- Friends, etc.

Career:
- School
- Education Certification
- Advanced Degrees
- Certifications
- Inventions
- Patients

Health Fitness Beauty:
- Great Health
- Body
- Fitness
- Self Confidence
- Hair
- Smile, etc.

WOMEN ARE STRONGER WHEN WE SUPPORT ONE ANOTHER!

PERFORM MIRACLES
Top 10 Motivational Speakers
10 Most Popular blogs

WEALTH ABUNDANCE
- New Car
- Jet
- Yacht
- Jewelry
- Business Success

Dream realized
Reach for the stars
San Diego non-profit
Give what you want to get
Kids to give back
Give, Advocate, Volunteer
True love lasts forever

Home
Renovate
Redecorate
Buy
“Be a better you, for you.”
— Inara Bueno
Step 2. What’s your total income?

This is the monthly dollar amount that actually hits your bank account. Include salaries (the amount you get to keep after taxes and deductions), any part-time work or freelance work.

<table>
<thead>
<tr>
<th>Paycheck #1 (or take-home pay / 12):</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paycheck #2 (or take-home pay / 12):</td>
<td>$</td>
</tr>
<tr>
<td>Additional income from</td>
<td>$</td>
</tr>
<tr>
<td>Additional income from</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
</tbody>
</table>

**TOTAL MONTHLY INCOME:** $ 0.00

Step 3. What’s your debt load?

What do you HAVE to pay each month? (What higher amount would you like to pay?)

<table>
<thead>
<tr>
<th>Credit card payment:</th>
<th>Minimum:</th>
<th>Goal:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit card 2 payment:</td>
<td>Minimum:</td>
<td>Goal:</td>
</tr>
<tr>
<td>Credit card 3 payment:</td>
<td>Minimum:</td>
<td>Goal:</td>
</tr>
<tr>
<td>Car loan:</td>
<td>Minimum:</td>
<td>Goal:</td>
</tr>
<tr>
<td>Student loan:</td>
<td>Minimum:</td>
<td>Goal:</td>
</tr>
<tr>
<td>Other:</td>
<td>Minimum:</td>
<td>Goal:</td>
</tr>
<tr>
<td>Other:</td>
<td>Minimum:</td>
<td>Goal:</td>
</tr>
</tbody>
</table>

**TOTAL DEBT PAYMENTS:** MINIMUM: $ 0.00  GOAL: $ 0.00

NOW SUBTRACT YOUR “HAVE TO PAY” DEBT TOTAL FROM TOTAL INCOME: $ 0.00

The amount left over is what you have to work with to cover the rest of your expenses.

*In most cases, your DTI needs to be **50% or less** to qualify for a mortgage, although this varies based on lender, loan type and a few other factors.
Understanding the Debt-to-Income (DTI) Ratio

A DTI of 43% is typically the highest ratio a borrower can have and still get qualified for a mortgage, but lenders generally seek ratios of no more than 36%.

A low DTI ratio indicates sufficient income relative to debt servicing, and it makes a borrower more attractive.

https://smartasset.com/credit-cards/what-is-a-good-debt-to-income-ratio
Time to Get Out of Debt ASAP!!!!!
NEA® Student Debt Navigator

Members receive:

✓ One free year of this online tool to determine eligibility for federal programs to potentially reduce or more efficiently manage student loan debt

✓ Members who use this benefit save an average of $2,000 annually on their student loans

Paid for by the Members Insurance Trust
More NEA Members Are Finding Student Loan Debt Relief

As of January 2024, more than 44,170 NEA members have reduced or eliminated their student loan debt obligations with help from the NEA Student Debt Navigator tool. Here’s a look at the numbers:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$908.6M</td>
<td>The total amount of student loan debt eligible for forgiveness</td>
</tr>
<tr>
<td>$37,375</td>
<td>The average amount of student loan debt forgiven</td>
</tr>
<tr>
<td>$57.3M</td>
<td>The total annual projected savings on student debt repayments</td>
</tr>
<tr>
<td>$2,000</td>
<td>The average annual savings on student debt repayments</td>
</tr>
</tbody>
</table>
NEA Personal Loans

Members get:

✓ Preferred pricing and a 0.25% interest rate discount when enrolled in autopay.
✓ Fixed For Life rates from 10.99% APR to 18.99% APR, no collateral required
✓ Affordable monthly payments that can fit within your budget
✓ Apply for loan amounts up to $30,000
✓ No annual fee, application fee, processing fee or pre-payment penalties
✓ Request loan terms between 36-72 months
✓ A free consultation
Debt Consolidation Calculator
Should I Consolidate My Debts Into a Personal Loan?

Keeping track of several credit card and loan payments can be time-consuming and costly. If you consolidate your higher-interest balances with an NEA Personal Loan®, you could potentially save interest with a Fixed for Life rate, reduce your monthly payments and even pay off your debts faster.

First, enter a little bit of information about your existing loans. Then, experiment with our simple calculator to see if consolidating your debts with the NEA Personal Loan® could help you meet your financial goals.

Check my options

This calculator is for educational purposes and does not guarantee the accuracy or applicability of the results of this calculator to your specific circumstances, nor is this calculator intended to provide any type of financial advice. Your actual loan terms may differ based on your creditworthiness, including but not limited to your FICO® Score.
- Build an Emergency Savings Fund
- #1 Goal
- #2 Goal
- #3 Goal
Get Out of Debt...FAST!

Use “Power Payment” Methods to eliminate debt in a structured way.

**Rule #1**
No new debt!
For any reason

**Rule #2**
Set up an Emergency Cash Fund of $1,000
Focus on your smallest balances first

Source: https://getoutofdebt.com/how-to-pay-off-credit-card-debt-fast-5-foolproof-strategies/

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Balance</th>
<th>Interest Rate</th>
<th>Minimum Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Card 2</td>
<td>$8,000</td>
<td>18.5</td>
<td>$35</td>
</tr>
<tr>
<td>Car Loan</td>
<td>$9,000</td>
<td>7.2</td>
<td>$125</td>
</tr>
<tr>
<td>Credit Card 1</td>
<td>$12,000</td>
<td>22.5</td>
<td>$50</td>
</tr>
<tr>
<td>Student Loan</td>
<td>$18,000</td>
<td>6.5</td>
<td>$122</td>
</tr>
</tbody>
</table>
Sort your outstanding debts by **interest rate**
Pay off your **highest interest rate loans first**.

Source: https://getoutofdebt.com/how-to-pay-off-credit-card-debt-fast-5-foolproof-strategies/
Power Payment Method

Murphy’s Law Strikes!!!
Use your Emergency Savings Fund.
Temporarily stop the Power Payments.

- Go back to paying the minimums
- Re-establish the Emergency Savings Fund.
- Once replenished, go back to Power Payments.
Increase Savings & Reduce Costs

HOW TO INCREASE NET WORTH?

- SAVING
- ROI
- RISKS
- COSTS
Leverage Your State & National Member Benefit Resources

1. PSEA.org/mb
2. NEAMB.com/Start
PSEA Member Benefits

There are a lot of benefits to being a PSEA member, and one of them is that your membership saves you money.

The PSEA Member Benefits program offers you thousands of discount and savings opportunities on mortgages, mobile service, insurance, financial services, restaurants, hotels, and more.

Check out the programs below and start saving today!
NEAMB.Com/Start
No-Cost Benefits
NEA® Complimentary Life Insurance

Eligible members receive:

✓ $1,000 in no-cost term life insurance
✓ Up to $5,000 of accidental death and dismemberment (AD&D) coverage
✓ $50,000 AD&D benefit for any covered accident that occurs on the job
✓ $150,000 of coverage for unlawful homicide while on the job

Don’t forget to name a beneficiary

Paid for by the Members Insurance Trust
NEA® Travel Program

Members receive:

✓ **$500 Travel Dollars** to lower the cost of domestic and international travel

✓ **Discounts** on rental cars, airfare, cruises, hotels, resorts and guided tours
NEA® Magazine Service

Members receive:

✓ Two free magazine subscriptions

✓ Savings of up to 85% on more than 800 magazine titles for members’ personal use or for their classroom
Savings and Discount Programs
NEA® Customized Cash Rewards Credit Card

Members receive:

✔ A member exclusive online bonus offer for a $250 Amazon.com Gift Card (Students not eligible)

1% UNLIMITED CASH BACK on all purchases, everywhere, every time

3% CUSTOMIZED CASH BACK

2% AUTOMATIC CASH BACK at grocery stores & wholesale clubs

NOW WITH ENHANCED CATEGORIES

Earn 2% and 3% cash back on the first $2,500 in combined grocery store/wholesale club choice category purchases each quarter, then earn an unlimited 1%

Learn more at www.neamb.com/250. This credit card program is issued and administered by Bank of America, N.A.
NEA Discount Marketplace

Members receive:

- Savings at 3,500+ top retailers and restaurants
- Exclusive **cash back deals**
- A **$10 welcome bonus** when they spend $25 at any store through Discount Marketplace
NEA Discount Tickets

Members receive:

- Savings of up to 40% on theme parks (including Disney & Universal Studios)
- Access to high demand concerts, Broadway shows and sports events
- Discounts on local movie tickets
Costco Membership

New members receive:

- Online activation redemption and a $40 Digital Costco Shop Card for Executive membership
- or a $20 Digital Costco Shop Card for Gold Star membership*
- Savings on bulk groceries, school supplies, electronics, items for the home and more at 500+ locations across the country
SAVINGS AND DISCOUNT PROGRAMS

New NEA Wireless Program

Members receive:

- As a thank you to the education community, Consumer Cellular is offering $50 off each new line when National Education Association members make the switch.

Superior Nationwide Coverage

We use the networks of the largest cellular providers in the United States, with access to 99% of the U.S. population.
Increase Your Return On Investments

**HOW TO INCREASE NET WORTH?**

- **SAVING**
- **ROI**
- **RISKS**
- **COSTS**
YOU ARE LEAVING
DEBT
DO NOT COME BACK!
# 1 Rule of Money Management

PAY YOURSELF FIRST
The NEA® Retirement Program

InvestMyself℠

Choose investments and create your own portfolio to take advantage of a lower cost profile. We've curated clear online tools and guidance to help you set up, monitor, and manage your savings.

Learn about available options ➔
Professional Planning

Partner with an NEA Retirement Specialist who will work with you to design and manage a retirement savings program. NEA Retirement Specialists understand your district and state pension programs and can develop a savings program that meets your unique needs.

Learn about available options →
Access to in-person and virtual financial workshops.

Learn key financial concepts to help you prepare for retirement and gain confidence in your financial plan.

• What you need to know about your state pension
• The advantages of saving through a 403(b) or 457 plan
• Understand Individual Retirement Accounts (IRAs)
Retirement Planning Resources

Looking for a Financial Edge?

Get our four part email series with financial tools, tips, guides and more.

Read Kiplinger’s Retirement Report

Find practical information and advice to help you better prepare for and enjoy your retirement. This monthly resource, valued at $40/year, is FREE to NEA members.

Where are you on your personal path to retirement? Answer a few questions now to quickly gauge what your retirement might look like. This can help you identify strengths and challenges you might have in achieving a comfortable retirement. Take the 5-Minute Retirement Checkup now!
Track your spending

Step 4. How much do you spend and save?

Figure out your monthly expenses—fixed, variable and annual—plus your savings.

**Monthly Savings:**

Treat your savings goals like a monthly expense. Even $5 per month will add up!

Write what you actually save and what you’d like to be saving. This is a good time to start thinking about your goals from Step 1!

<table>
<thead>
<tr>
<th>Retirement fund:</th>
<th>Current amount: $</th>
<th>Goal: $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency fund:</td>
<td>Current amount: $</td>
<td>Goal: $</td>
</tr>
<tr>
<td>Summer savings:</td>
<td>Current amount: $</td>
<td>Goal: $</td>
</tr>
<tr>
<td>Savings goal 1:</td>
<td>Current amount: $</td>
<td>Goal: $</td>
</tr>
<tr>
<td>Savings goal 2:</td>
<td>Current amount: $</td>
<td>Goal: $</td>
</tr>
<tr>
<td>Savings goal 3:</td>
<td>Current amount: $</td>
<td>Goal: $</td>
</tr>
<tr>
<td>Savings goal 4:</td>
<td>Current amount: $</td>
<td>Goal: $</td>
</tr>
</tbody>
</table>

**TOTAL SAVINGS PER MONTH:**  
CURRENT AMOUNT: $ 0.00  
GOAL: $ 0.00
Track your spending

### Monthly Expenses:

Take all the financial information you've gathered—bank statements, credit card statements, receipts, etc.—and figure out, as best you can, what you spend on average each month.

Fixed expenses are the same each month, such as rent. For variable expenses, such as groceries, add up 3 months’ worth of bills and divide by 3 to get the monthly average. For annual expenses, such as car insurance, divide the total bill by 12 to come up with your monthly amount.

Use the following categories as a guide. Not all categories will apply to you, but they may remind you of other expenses you need to track.

#### Professional Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classroom supplies</td>
<td>$</td>
</tr>
<tr>
<td>Professional development</td>
<td>$</td>
</tr>
<tr>
<td>Licensing</td>
<td>$</td>
</tr>
<tr>
<td>Others</td>
<td>$</td>
</tr>
</tbody>
</table>

**TOTAL PROFESSIONAL EXPENSES PER MONTH:** $0.00

#### Home Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent or mortgage (including taxes and PMI)</td>
<td>$</td>
</tr>
<tr>
<td>Home or renters insurance</td>
<td>$</td>
</tr>
<tr>
<td>HOA or other fees</td>
<td>$</td>
</tr>
<tr>
<td>Home maintenance contracts (e.g., HVAC services)</td>
<td>$</td>
</tr>
<tr>
<td>Home warranty</td>
<td>$</td>
</tr>
<tr>
<td>Home maintenance</td>
<td>$</td>
</tr>
<tr>
<td>Furniture and decor</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
</tbody>
</table>

**TOTAL HOME EXPENSES PER MONTH:** $0.00

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**Building Your Budget in 6 Easy Steps**

1. **List all sources of income.**
2. **List all your expenses.**
3. **Calculate your net worth.**
4. **Plan for long-term goals.**
5. **Set financial goals.**
6. **Create a budget.**
Track your spending
What is Mint, and how does it work?

Mint brings together everything from spending, balances, and budgets to your credit score and more. Access your financial life in one powerful app.

Get your free credit score

Get 24/7 access to your score for free. Plus, we'll let you know of any important changes on your report.
Increase Your Return On Investments

HOW TO INCREASE NET WORTH?

NET WORTH

SAVING  ROI  RISKS  COSTS
Know Your FICO Score

How Credit Scoring Helps You

• Obtain Loans Quicker
• Credit Decisions are Faster
• Older Credit Blemishes Count Less
• More Credit is Available
• Rates can be Lower Overall (i.e. Auto/Home, Mortgage, Home Equity)
Impact On Your Cost of Living

Credit Score  Interest Rate
FICO Score Factors: The Road to 850

- Payment history: 35% = 297.5
- Amounts owed: 30% = 255
- Length of credit history: 15% = 127.5
- Types of credit: 10% = 85
- New credit: 10% = 85

Total = 850
The FICO 10T credit scoring model is designed to give lenders a more precise picture of your creditworthiness. It provides trended data of how you've managed your credit over the past 24 months.

<table>
<thead>
<tr>
<th>FICO Score Ranges</th>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;580</td>
<td>Poor</td>
<td>Your score is well below the average score of U.S. consumers and demonstrates to lenders that you are a risky borrower.</td>
</tr>
<tr>
<td>580-669</td>
<td>Fair</td>
<td>Your score is below the average score of U.S. consumers, though many lenders will approve loans with this score.</td>
</tr>
<tr>
<td>670-739</td>
<td>Good</td>
<td>Your score is near or slightly above the average of U.S. consumers and most lenders consider this a good score.</td>
</tr>
<tr>
<td>740-799</td>
<td>Very Good</td>
<td>Your score is above the average of U.S. consumers and demonstrates to lenders that you are a very dependable borrower.</td>
</tr>
<tr>
<td>800+</td>
<td>Exceptional</td>
<td>Your score is well above the average score of U.S. consumers and clearly demonstrates to lenders that you are an exceptional borrower.</td>
</tr>
</tbody>
</table>

Impact On Your Cost of Living

Source: https://www.myfico.com/credit-education/calculators/loan-savings-calculator/
Credit Utilization

- Credit utilization ratio is the amount of debt you have compared with your available credit.
- Divide the amount of debt into the amount of available credit.

<table>
<thead>
<tr>
<th>FICO® Score Credit Range</th>
<th>Average Credit Utilization Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>300-579 (Poor)</td>
<td>82.1%</td>
</tr>
<tr>
<td>580-669 (Fair)</td>
<td>56.1%</td>
</tr>
<tr>
<td>670-739 (Good)</td>
<td>35.2%</td>
</tr>
<tr>
<td>740-799 (Very good)</td>
<td>14.7%</td>
</tr>
<tr>
<td>800-850 (Exceptional)</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

Source: Experian data from Q3 2022
Pay down credit card balances

• Credit utilization ratio is the amount of debt you have compared with your available credit.
• Divide the amount of debt into the amount of available credit.

Source: https://www.experian.com/blogs/ask-experian/credit-education/score-basics/credit-utilization-rate/
Pay down credit card balances

How paying your credit card bill early could raise your score

Paying your bill early will **lower** your monthly statement balance.

Credit bureaus will report you are **using less credit** overall.

Utilization accounts for **around 30 percent** of your score.

**Source:** Lexington Law

Source: https://www.experian.com/blogs/ask-experian/credit-education/score-basics/credit-utilization-rate/
Ask Your Card Issuers to Raise Your Credit Limit

If you've had the card for a while and made your payments on time.

Consider making a request after your income increases, credit score improves, or you pay off other debts.

Note: credit limit increase requests sometimes lead to a hard inquiry, which might lower your credit scores a little temporarily.

Source: https://www.experian.com/blogs/ask-experian/credit-education/score-basics/credit-utilization-rate/
Credit card issuers might increase your card's credit limit when your income rises, but they won't know unless you update your annual income in your online account.

You also might be able to report your household's income if you started sharing finances with someone since opening your card.
Getting a new credit card or line of credit increases your overall available credit.

Many credit cards also offer **intro bonuses** and **other perks**.

Avoid opening **new accounts** solely to increase your available credit.
Don’t Close Credit Cards

You may want to close credit cards that have an annual fee or if you tend to overspend.

Freezing credit cards, keeping them open can help you maintain a lower utilization rate because their credit limits add to your overall available credit.

Source: https://www.experian.com/blogs/ask-experian/credit-education/score-basics/credit-utilization-rate/
Check A Free Copy of Your Credit Report

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The only source for your free credit reports. Authorized by Federal law.

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Pennsylvania

Lynne Wilson, lwilson@psea.org
Virginia Birmingham, vbirmingham@psea.org
Pennsylvania State Education Association
400 North Third Street Box 2225
Harrisburg, PA 17105
P 7172557000
F 7172557132
Step 5: What’s your bottom line?

Add your Step 3 “Have to pay” debt total to your Step 4 monthly expenses total: $ 0.00
This is approximately how much you are spending each month.

Next, subtract that number from your Step 2 monthly income to get your Bottom Line: $ 0.00
If your bottom line is zero or positive, move on to Step 6.

If your bottom line is negative, meaning you are spending more money than you take in each month, reevaluate your Step 4 expenses to see what you can trim for now, then move on to Step 6.
If you can’t trim, then you may need to consider ways to bring in additional income, or change your living arrangements so your expenses are less.

Step 6: Make your budget work better for you!

A budget is always in flux. Keep track of every dollar you spend, either through an online service like Mint.com, or though the other worksheets in this series, such as the Monthly Expense Tracker. Use that information to make your budget more and more accurate every month.

You may find that tweaking some of your expenses—cutting down on ATM fees, streamlining your grocery bill or even increasing your insurance deductibles so your premiums are lower—will give you extra money to work with. Take that money and add it to your Step 4 Savings Goals, or increase the amount you put toward your Step 3 Debt Payments.

REMEMBER: By developing a budget and setting up a way to track it, you’re creating a money roadmap to financial freedom. But the key to sticking with your budget is to stay flexible and realistic. These numbers provide guidelines, and you can adjust them as you see fit to make your budget work for you.

The Bottom Line

If “Plan A” Didn’t Work.
The alphabet has 25 more letters! Stay Cool.
Member Engagement Spring Giveaway

Prize: $50 Gift Card (10 winners)
NEA Member Benefits will give ten lucky members a $50 Gift Card as a thank you for registering on the NEA Member Benefits Website.

Sign In to Enter

* This giveaway is open to NEA members only. Please sign in!
Sign up for the Ambassador Program

→ (bi-monthly)

→ Receive valuable information about benefits and programs to share with members

→ Help build membership and create Association loyalty

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