



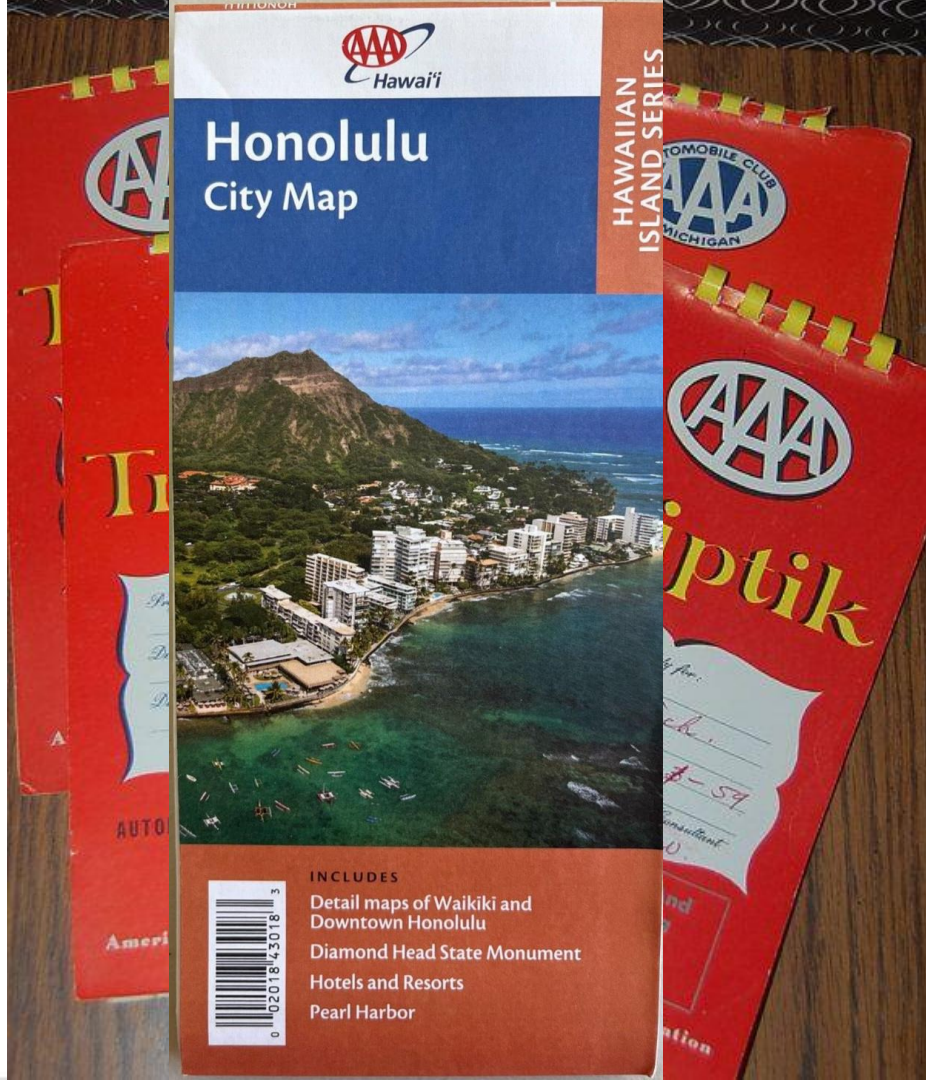
Level Up Your Finances! Eight Winning Plays for 2025

Mark Munzenberger & Nicole Bernacik, University of Michigan Credit Union
Financial Education Team

What's got your attention (financially-speaking) so far this year?

- Volatility in the stock market
- Stubborn inflation
- High interest rates for credit cards
- Cost of housing & care-giving
- Avoiding Fraud!

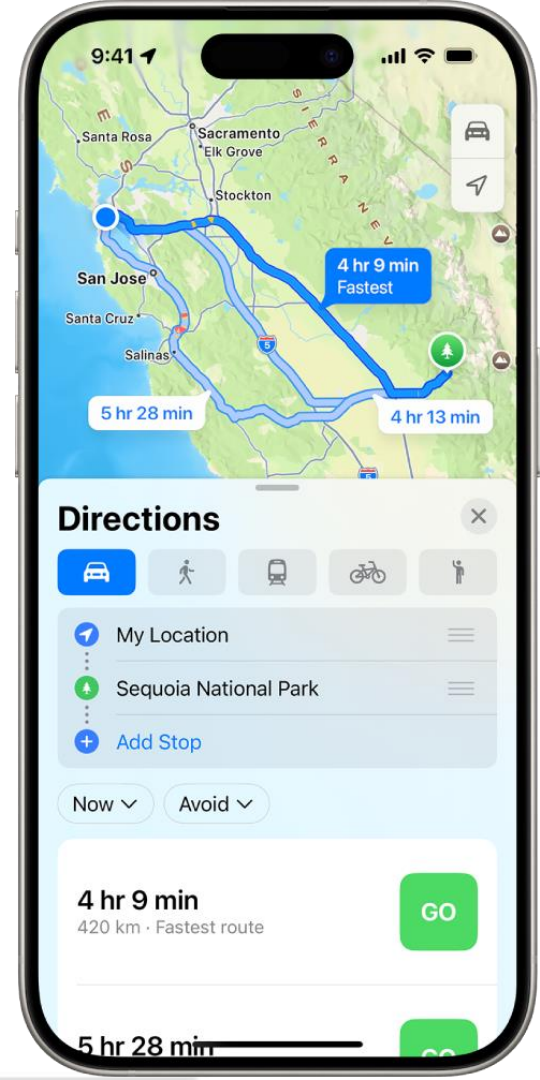
Who
remembers
these?



We've evolved 😊 ...

**We've got options,
and we like to
choose our own
path ...**

The goal – get there!



Navigating our way to Financial Wellness



- Money management can be learned 😊
- Both emotions and values will play a factor in how we make our financial decisions (*FOMO & YOLO*)
- Social media is on 24/7/365 – lots of “influencers” out there
- Some financial decisions will impact you for weeks & months & years ... so be thoughtful!

Play #1 – Get Good Advice!

creditkarma | Press Room

[Press Releases](#)

[In The News](#)

[Karma Comm](#)

February 18, 2025

Gen Z feels burned after taking financial advice from social media

- 43% of Americans actively seek financial advice or information online or through social media platforms, increasing to 77% of Gen Z and 61% of millennials.
- 37% of Gen Z and 25% of millennials have gotten into trouble (i.e. IRS audit) after taking financial advice from social media/online.
- A quarter (25%) of Gen Z and 23% of millennials say they've been scammed by a bad actor portraying to offer financial advice or guidance on social media/online.

When TikTok exploded in popularity during the pandemic, many Americans started

Why trusting social media for financial advice can be a bad idea!

1. Financial advice often comes from non-experts
2. Financial advice may be self-serving
3. Financial advice is not tailored to your needs

Connect with us





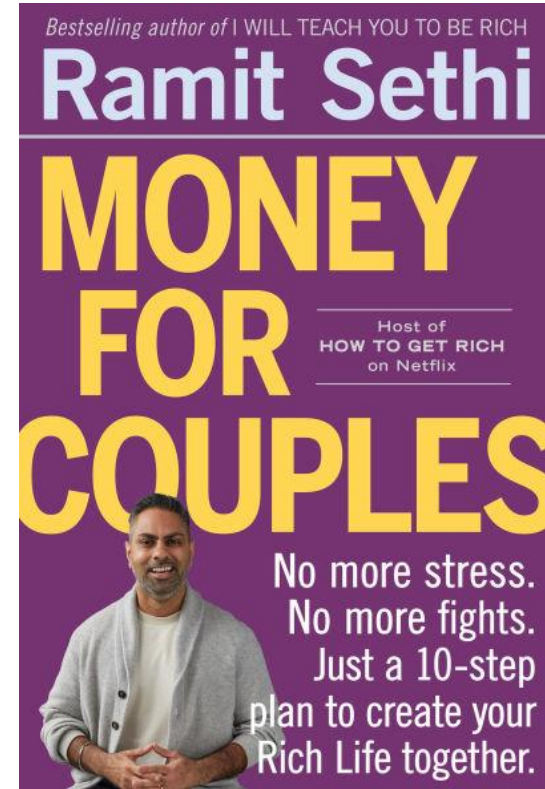
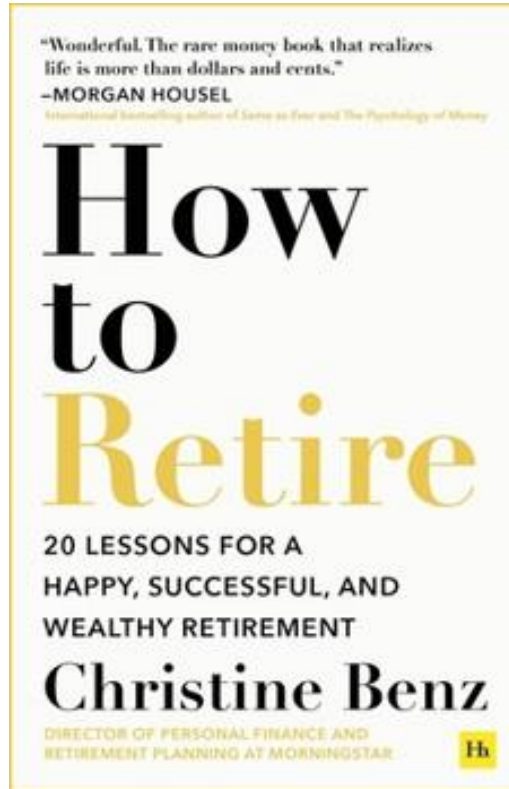
Invest the time in financial education

- **Nervous about retirement planning?** Engage with a financial advisor / planner.
- **Struggling with credit or debt issues?** Engage with a financial counselor or coach.
- **Goal is to buy a house?** Attend a first-time homebuyers education class.

Mark's recent favorites ...



Mark's recent favorites ...

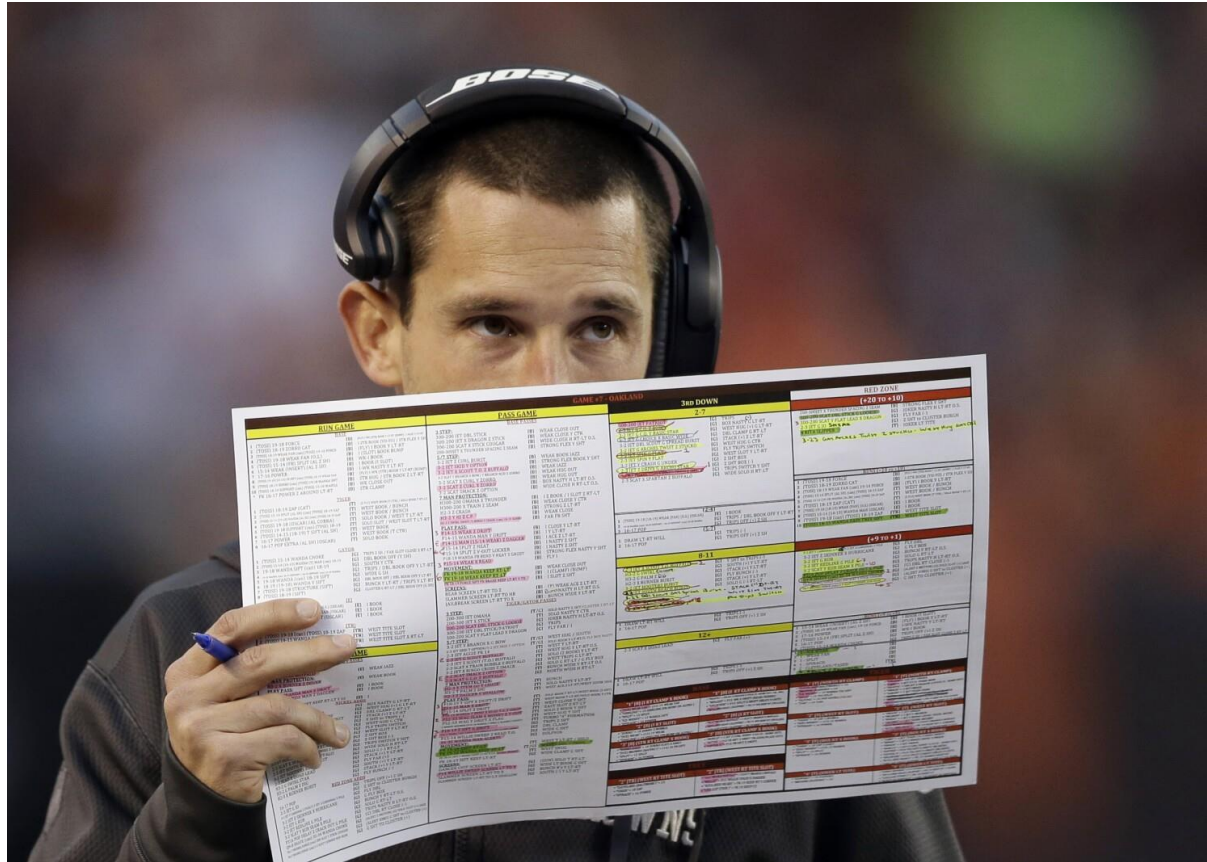


Mark's favorites ...



PBS.org

Play #2 – Create a Game Plan





Your Financial “Chart”

- **A 360-degree view of your finances.** Seeing everything you own and owe in one place can be eye-opening.
- **Transparency is Key.** Less uncertainty, less surprises, easier decision-making.
- **Motivation.** I like to win ... but I need to see where I’ve been and where I’m going.

Our Financial Snapshot

Current household
net income

Current balances on all
my investment
accounts
(401k, IRAs)

Life Insurance
policies (coverage
amounts)

Net Worth
(Assets minus
liabilities)

Social Security
& Pension Estimates

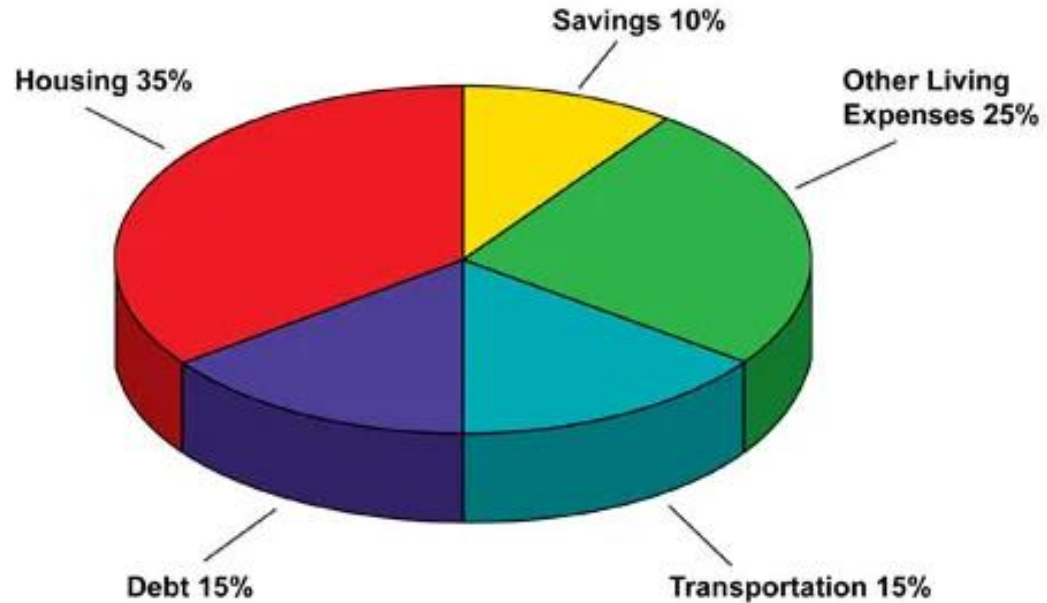
Current balances and
APRs
on all my loans
(mortgage, car, credit
cards)

Current balances on
all my savings
accounts (savings, CD,
savings bonds)

Home Equity
(current market
value minus owe)

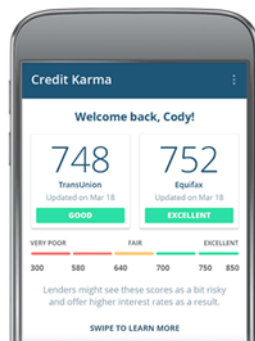
Credit
Score

Monthly Spending Plan (Budget) Using NET income



Need a Boost? Use Technology

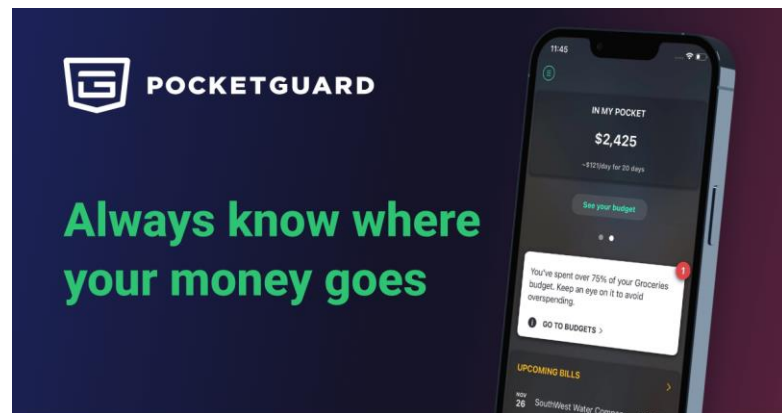
YNAB.



Free credit scores
are just the beginning.

credit karma

Screen images simulated.





✓ Knowledge Check

According to the Bureau of Labor Statistics, using 2024 survey data, how much does the average person in the US spend each year on eating out? This would include restaurant meals, takeout, and food delivery.

- A) \$1,986 annually (\$165 monthly)**
- B) \$2,655 annually (\$221 monthly)**
- C) \$3,639 annually (\$303 monthly)**

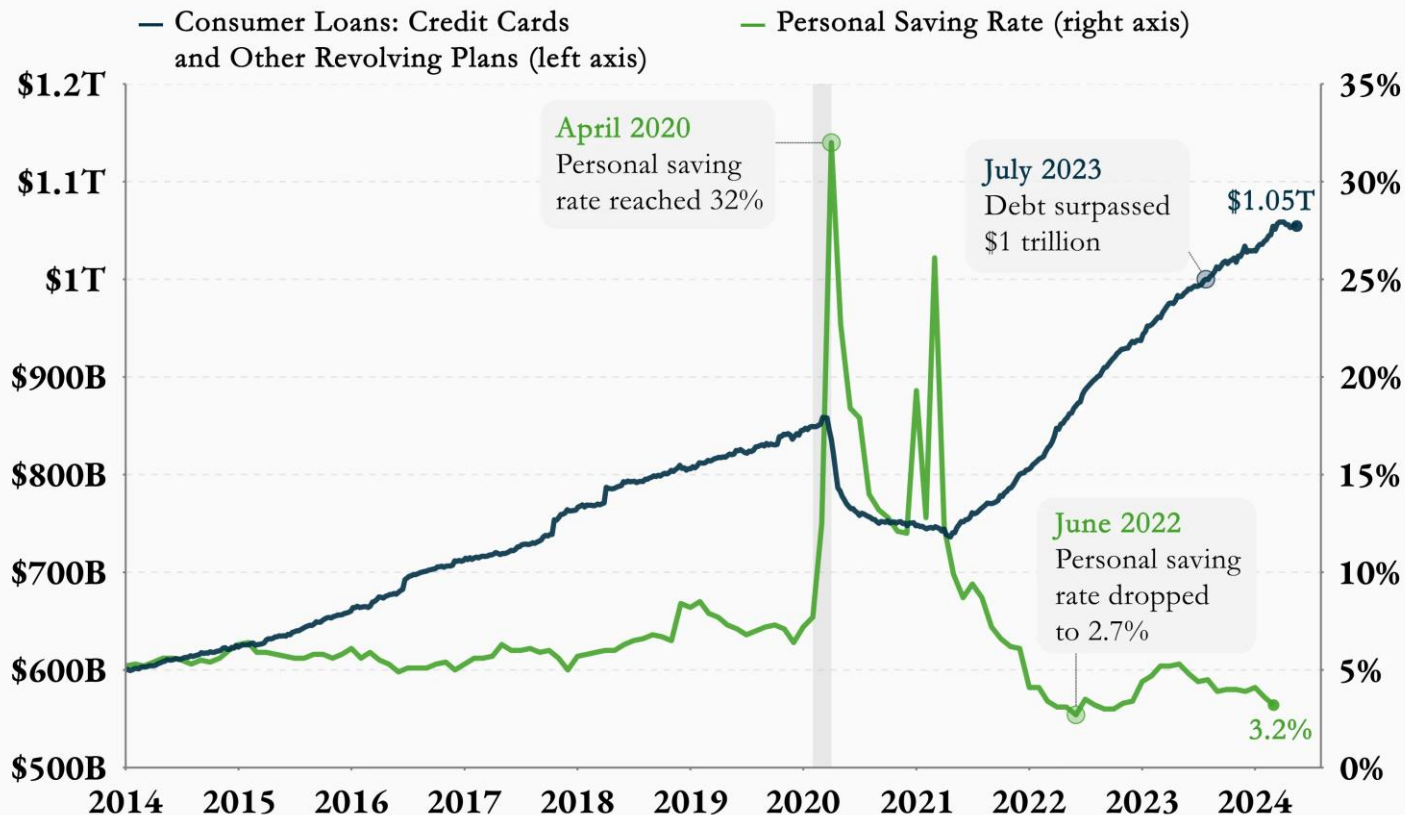
Play #3 – Tackle credit card debt!



What are the APRs we are paying?
Has our credit score decreased?
Are revolving balances increasing?

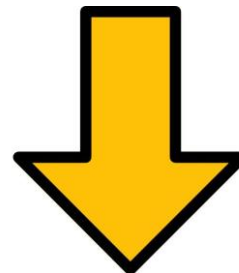
U.S. Personal Saving Rate v.s. Credit Card Debt

2014-2024



DEBT

SAVINGS





Credit Cards – Friend or Foe?

The average credit card interest rate is **22.69%** for new offers and **21.37%** for existing accounts, according to [WalletHub's Credit Card Landscape Report](#). In the first quarter of 2025, total credit card balances in the US reached \$1.18 trillion, marking a slight decrease from the previous quarter, but a 6% increase compared to the same period last year.

www.wallethub.com, 5/19/2025



APR = 32.29%



APR = 34.49%



APR 29.00%

Interest Charge Calculation

Your Annual Percentage Rate (APR) is the annual interest rate on your account.

| Type of Balance | Annual Percentage Rate(APR) | Balance Subject to Interest Rate | Interest Charge |
|-----------------|-----------------------------|----------------------------------|-----------------|
| Purchases | 19.49% P | \$0.00 | \$0.00 |
| Cash Advances | 22.99% P | \$0.00 | \$0.00 |

Account Summary

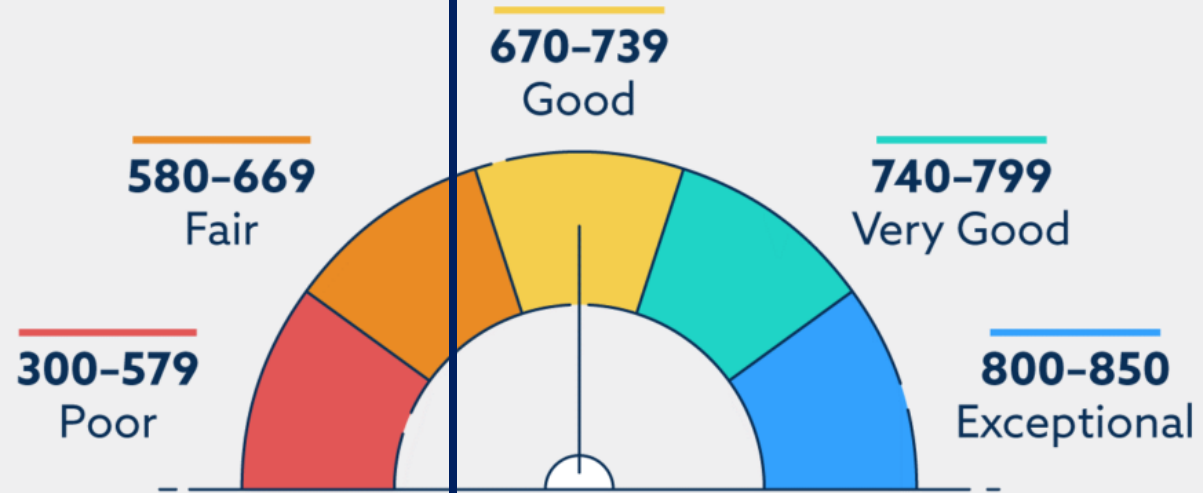
| | |
|--------------------|--------------------|
| Previous Balance | \$2,490.03 |
| Payments | -\$500.00 |
| Other Credits | \$0.00 |
| Transactions | + \$0.00 |
| Fees Charged | + \$0.00 |
| Interest Charged | + \$30.52 |
| New Balance | =\$2,020.55 |

Solutions ...

- Be more aggressive – make it a higher priority.
Goal is to pay the balance down to zero (\$0) each month
- Balance transfer offers
- Debt consolidation
- Home equity options
- Debt management plan



Play #4 – Achieve a high credit score



Source: FICO

Two parts to the equation



www.annualcreditreport.com



✓ Knowledge Check

What action would cause the most damage to a credit score?

- A) **Maxing out a credit card**
- B) **Being 30+ days late on a payment**
- C) **Applying for 3 new credit cards over 30 days**



\$30,000 Auto Loan Finance for 60 months



Shrek

Donkey

Credit Score = 645

Credit Score = 730

APR = 11.99%

APR = 4.5%

Monthly Payment = \$667

Monthly Payment = \$559

Total cost = \$40,031

Total cost = \$33,557

What makes a credit score go down?



- **A late payment (30 days+)**
- **A hard (not soft) inquiry**
- **Closing a credit card**
- **A high utilization ratio ... using too much of your individual and overall credit lines**

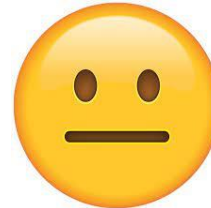


**\$10,000
Credit Limit**

**\$1000 End of the
Month Statement
Balance**



**\$4000 End of the
Month Statement
Balance**



**\$8000 End of the
Month Statement
Balance**



Managing Debt - Summary

- **Are we moving debt, or reducing debt?**
- **Repayment terms ... the longer the term, the more expensive**



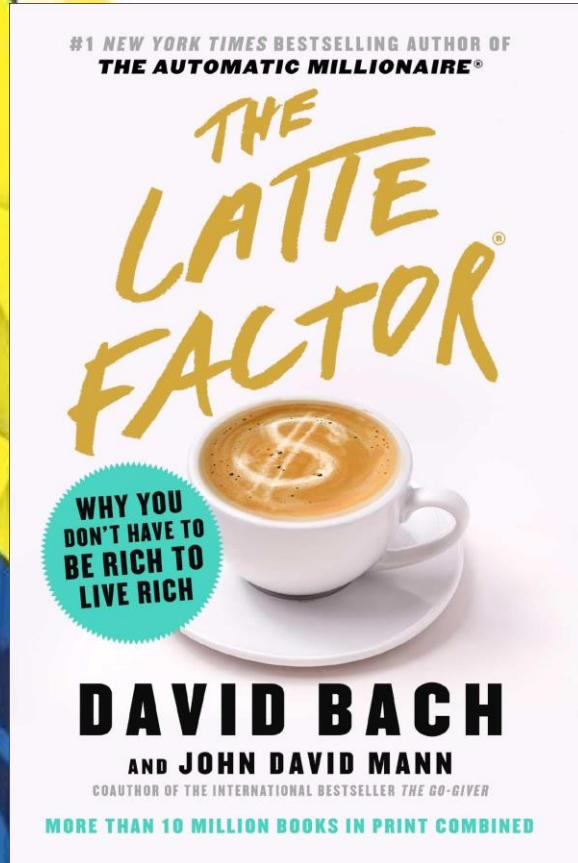


✓ Knowledge Check

How often can a consumer obtain a free copy of their credit report using the website www.annualcreditreport.com?

- A) Once a week
- B) Once a month
- C) Once a year

Play #5 – Manage your “Latte factor”



What is the Latte Factor? The Latte Factor is a concept popularized by author David Bach. The idea behind it is that the little things you regularly purchase can impact your budget more than you might realize.

What are we referring to?

amazon



Minimum Payment “Treadmill”

- Balance is \$1,000, interest rate is 21%, minimum payment is 2.5% (or \$25)

| If you make no additional charges using this card, and each month you pay | You will pay off the balance shown on this statement in about | And you will end up paying an estimated total of |
|---|---|--|
| Only the minimum amount | 5 years, 10 months | \$1,734 |
| \$50 | 2 years, 1 month | \$1,242 |

Saving example ...

- **Start with \$50, and commit to saving \$50 per month**
- **Earn 4% interest**
- **After five years, you will have \$3,370.**

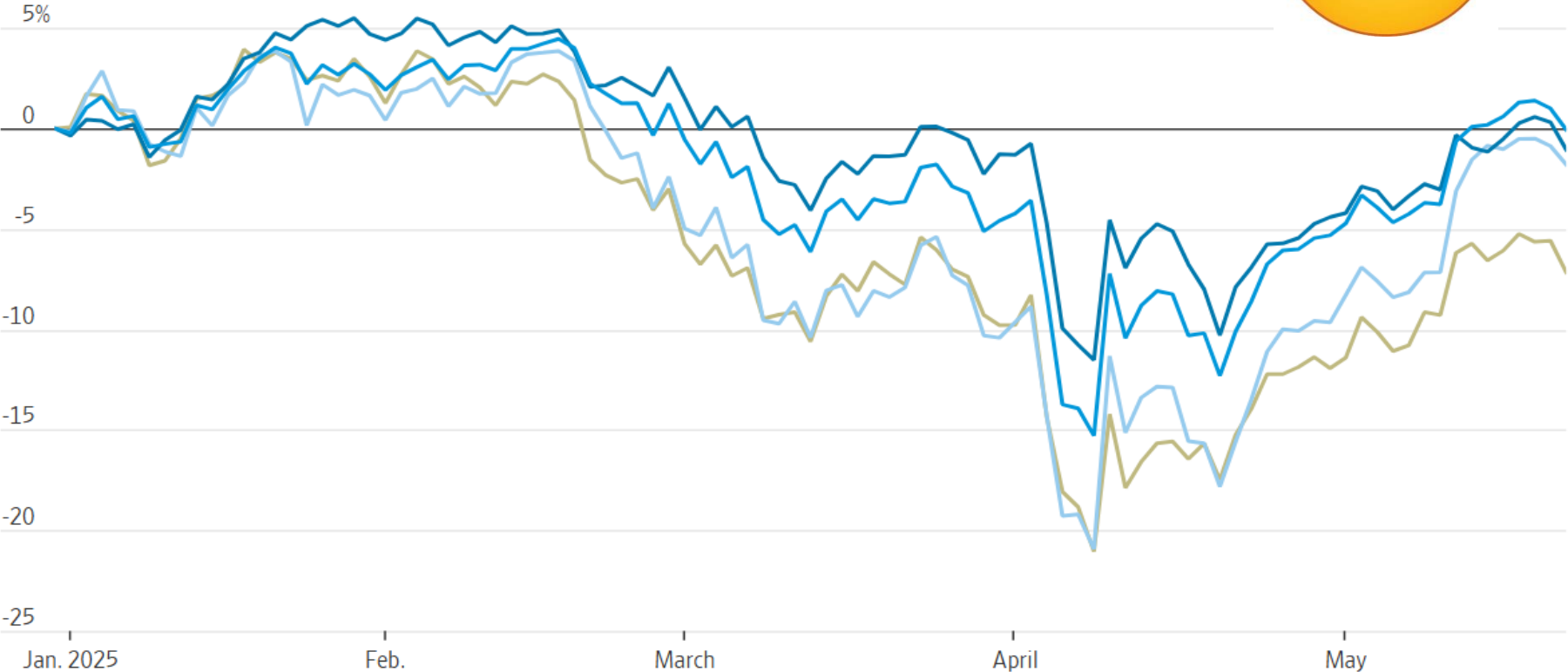


Play #6 – Be a long-term investor



Index performance this year

S&P 500 Dow industrials Nasdaq Composite Russell 2000





Fundamental Rules of Investing

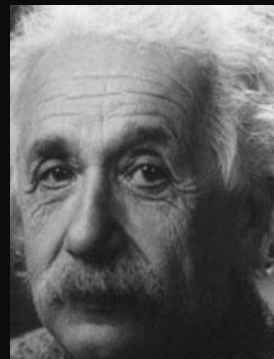
- **Stay diversified**
- **Adjust as you age**
- **Dollar-cost averaging**
- **Time is your best ally**

Example

- Investor A is 22 years old, and invests \$5,000 per year until age 30, and then stops.
- Investor B is 35 years old, and invests \$5,000 per year until age 67.
- Assumption is a 10% annualized return (which is the long-term average for stocks)

\$2,503,212

\$1,211,827



Compound interest is the eighth natural wonder of the world and the most powerful thing I have ever encountered.

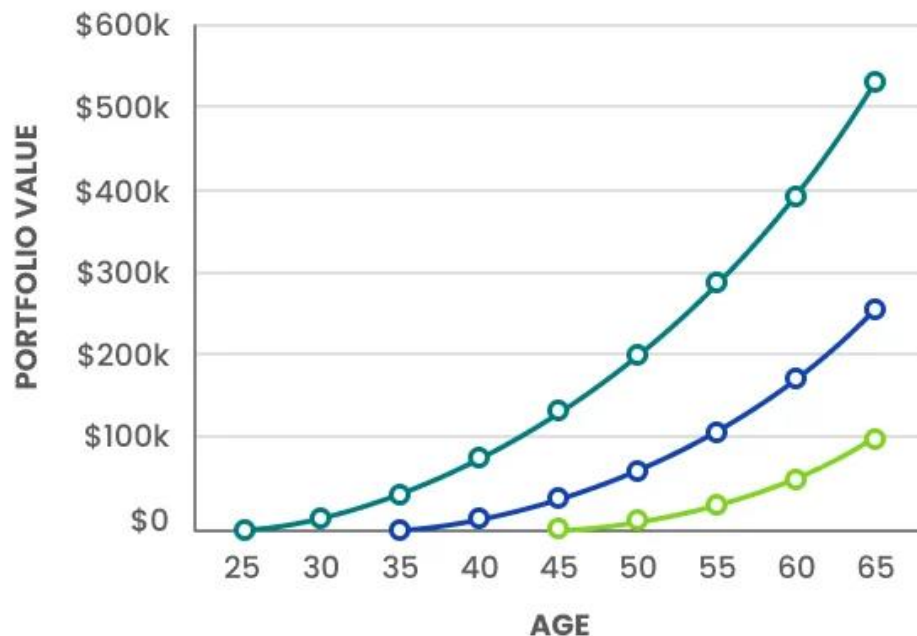
— *Albert Einstein* —

AZ QUOTES

Example

- \$200 per month
- 7% annualized return

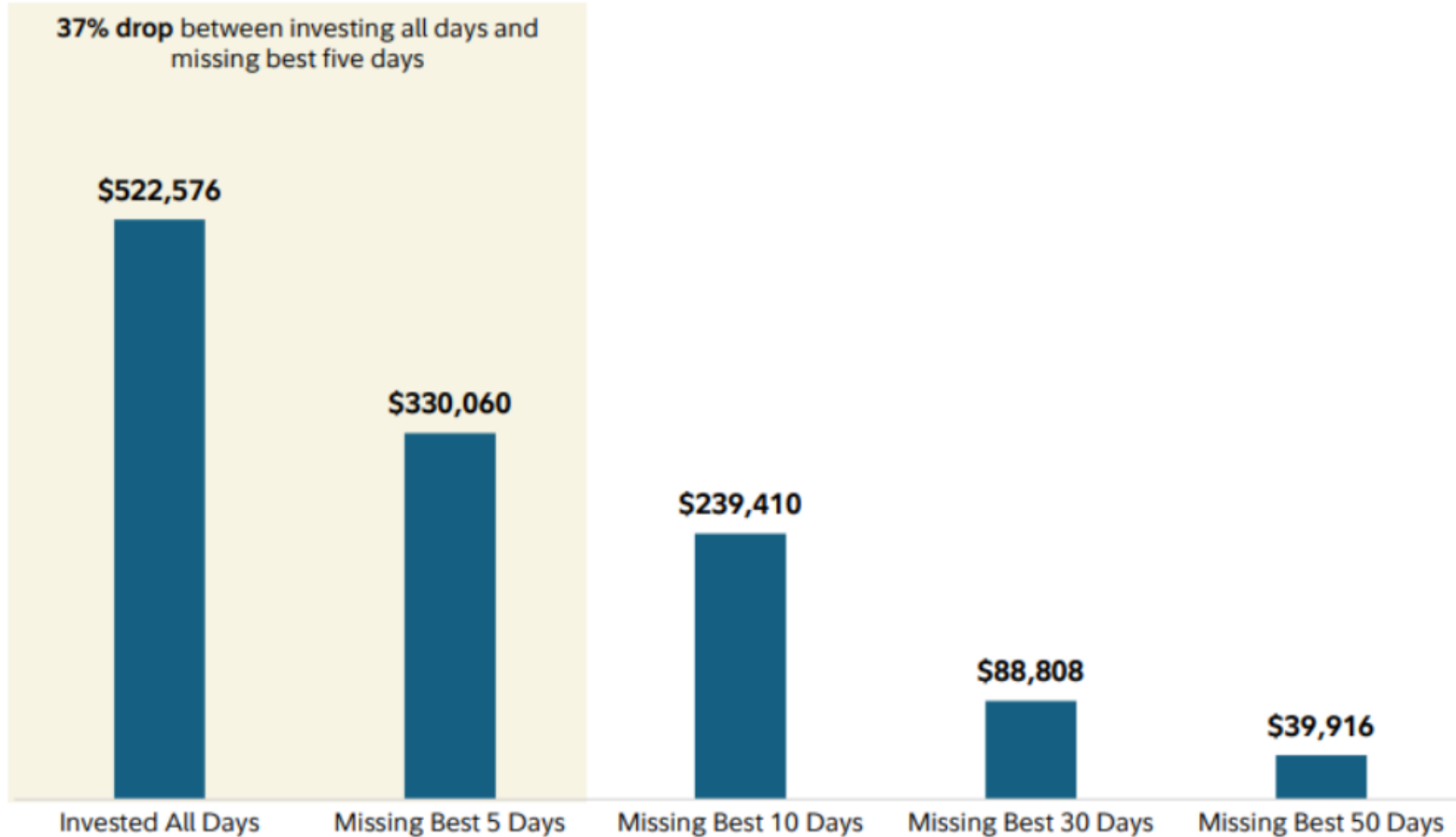
The Advantage of Investing Early



Totals Invested: ● \$96,000 ● \$72,000 ● \$48,000

Hypothetical growth of \$10,000 invested in S&P 500® Index January 1, 1988–December 31, 2024

Source - Fidelity





✓ Knowledge Check

What type of individual retirement account (IRA) allows you to contribute after-tax dollars to save for retirement, with the added benefit of tax-free growth and withdrawals in retirement.?

A) Traditional IRA

B) Roth IRA

C) 529 IRA

Play #7 – Get in the driver's seat with your insurance policies





Questions

- **How much do we pay annually for our auto insurance?**
- **How much do we pay monthly for our health coverage?**
- **How much is our homeowner's policy? Or rental policy?**
- **Do we have life insurance that we are paying for?**

Schedule yourself a semi-annual insurance check-up

- Auto
- Home / Renters
- Life
- Disability
- Health Care
- Long-term Care



Ways to Save Money

- Increase your deductible
- Bundle
- Pay in advance
- Shop around – use a broker



Play #8 – Be Kind to Yourself



What is
this a
picture
of?

HOW TO INSTILL A **Positive Money Mindset**



1) Speak Kindly
To Yourself



2) Get Educated
About Your Finances



3) Have Good
Influences



4) Practice
Gratitude



5) Learn From
Your Mistakes

Thank You!

UMCU Financial Education Team

Mark Munzenberger

Nicole Bernacik

**Please reach out for free resources
and assistance ---**

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www.umcu.org

