

April 2022 Issue

# Community News

## Financial Literacy Can Help You Build Wealth

**April is Financial Literacy Month**, which might sound like just another made-up marketing hashtag holiday. But don't make the mistake of lumping this important calendar event in with National Chocolate Chip Cookie Day, Great American Pot Pie Day and the rest.

People who are empowered with even a basic level of financial literacy are much more likely to have less debt, greater savings and more assets than those who don't, according to the National Financial Educators Council (NFEC).

Equally important are the intangible benefits of a strong financial education, things like the confidence to invest and — perhaps most important of all — the likelihood that you'll pass sound financial advice down to your children. That last one is a key ingredient to building generational wealth.

Keep reading to find out why learning is just as important as earning when it comes to building wealth.

### **A Lack of Financial Literacy Is the Rule, Not the Exception**

There's no shortage of riches-to-rags cautionary tales about pro athletes who wound up broke after blowing through mega-fortunes. Some squandered it on material excess like supercars and mansions, others fell victim to fraud or financial predation.

But the underlying cause is always the same — a lack of financial literacy. The high and mighty of the sports world are hardly alone, and things appear to be getting worse.

According to a study from the Financial Industry Regulatory Authority (FINRA), the financial literacy rate among Americans fell from 42% to 34% between 2009-2019, despite the fact that 71% think they have a high level of financial knowledge.

Less than half of the survey's respondents could correctly answer even the most basic questions about financial risk, compound interest and bond prices — fewer than 1 in 3 got the last two right. Only a little more than half could answer simple

*Education is the great equalizer — and when it comes to money, knowledge is more powerful than ever.*

questions about inflation and fewer than 3 in 4 could answer questions about mortgages and interest rates.

### **With Education Comes Empowerment**

According to the National Bureau of Economic Research, more than 40% of people with insufficient financial literacy rely on friends, family and acquaintances for financial knowledge. But for the financially educated, that percentage is cut in half — financial literacy, it turns out, leads to empowerment and self-reliance.

"Money without financial intelligence is money soon gone," said Dominic Harper, an entrepreneur and founder of Debt Bombshell. "Take note that your mind is your biggest investment.

By accumulating some time per day studying financial literacy, you gain better control of where your money goes."

And that standard applies to everyone, from athletes earning eight figures to the opposite end of the socio-economic spectrum.

### **In Half the Country, Financial Literacy Is Not Taught in School**

According to NFEC, research shows that students who go to school in states that require financial education courses are more likely to save money, less likely to max out their credit cards, less likely to make late payments and more likely to take on a healthy amount of financial risk. However, that's not representative of the average education in the U.S.

In America, teenagers graduate from high school knowing the preamble to the Constitution and the acronym "please excuse my dear Aunt Sally" to remember the order of algebraic operations.

But despite the fact that they'll be bombarded with credit card offers from the moment they turn 18 — while applying for student loans, in many cases — they're likely to leave school without the slightest idea how credit works, how interest compounds, or the basics of saving, spending and managing money.

**WCCU provides financial literacy for all ages. Visit [westerlyccu.com/literacy](https://westerlyccu.com/literacy) to check out our Youth Financial Education to learn how to take control of your financial future.**



# What's New at WCCU!



## FREE Homebuyer Tips & Tasting

### Tip topics include:

- Steps to buying a home
- How to get pre-qualified
- The application process
- WCCU Mortgage Programs

**5.11.22 • 6:00pm to 7:00pm**

### Perks & Corks

62 High Street • Westerly, RI  
30 Min. Presentation • 30 Min. Q&A  
*Complimentary Food & Drink Ticket*

Seating is limited. Register by May 2nd at  
[WesterlyCCU.com/HB-Seminar](http://WesterlyCCU.com/HB-Seminar)

## Celebrate Financial Literacy & Give Your Child a Head Start!

It is never too early to start teaching your child the importance of saving money. WCCU offers many accounts & resources to teach children, tweens & teens responsible money management. Plus, parents, teachers, and kids of all ages can access fun free online, financial literacy games, activities, and more.

Visit [westerlyccu.com/youth](http://westerlyccu.com/youth) to learn more!

### Open a New Youth Account &

# Get \$10!\*

- Money Mammals Savings\* (Ages 0-10)
- Young Adult Share Savings\* (Ages 11-17)
- Free Checking\* (Ages 14-17)



\*Those under the age of 18 must have a Parent or Guardian on the account. \*\*Offer valid for new youth deposit accounts opened through 6/30/22. WCCU will deposit the first \$10.00 at account opening. \$10 will be held for 90 days and will be forfeited if the account is closed within that timeframe. Insured by NCUA. The Money Mammals Saving Money Is Fun Kids Club ©2015 Snigglezoo Entertainment. All Rights Reserved.

## Scholarship Opportunities Last Chance!

Apply by April 15th at  
[westerlyccu.com/scholarships](http://westerlyccu.com/scholarships)

### Westerly Community Credit Union College Scholarships (3) - \$1,000

Robert M. Bewlay Memorial Scholarship  
Joseph N. Cugini Memorial Scholarship  
Westerly Community Credit Union College Scholarship

### The Westerly Community Credit Union Vocational Scholarships (2) - \$500

### The CCUA Credit Union College Scholarship Program (1) - \$1,500

## Complimentary Virtual Seminars

WCCU members have unlimited access to complimentary seminars covering a variety of topics to increase financial awareness. Below is a schedule of upcoming topics:

**Tuesday, April 12:** Social Security & Your Retirement

**Tuesday, April 19:** Understanding Medicare

**Tuesday, April 26:** Income for Life

Register at [westerlyccu.com/seminars](http://westerlyccu.com/seminars)

# Westerly Community Credit Union

Westerly ~ Richmond ~ Wakefield ~ Coventry

[www.westerlyccu.com](http://www.westerlyccu.com)

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