Improving Your Money Habits
The Credit Union Difference

As a not-for-profit, HUECU puts members first in the form of better rates on savings and loans, lower & fewer fees, and more free services and perks.
Learn to Live Your Best Money Life

✅ Free Financial Counseling
✅ Blogs and Workshops
✅ Worksheets and Calculators
✅ Short Videos and Online Education Portal

HUECU.ORG/THRIVE
Created in partnership with our partners at GreenPath Financial Wellness
Behavioral Economics

How psychology influences our financial decisions such as our risk tolerance and savings/spending habits.
Know Your Money Personality

Take the Klontz Money Script Inventory Quiz from Nerdwallet
Money Personalities

**Money Avoidance**
Ignore their finances.

**Money Worship**
Believes money will solve problems.

**Money Status**
Equate net worth to self-worth

**Money Vigilance**
Frugal and focused on savings.
What Influences Your Money Personality?

VALUES

ADVERTISING

SOCIAL FACTORS

SELF CONCEPT
How to Maximize Your Money Personality.
Define Your Financial Goals.

Write down your financial goals.
Improving Your Behaviors

Write down behaviors that you want to improve.
Precommitment

To commit in advance to a particular course of action.

HOW TO IMPLEMENT

✓ Schedule time to work on your finances
✓ Use cash/envelope method
Goal Gradient

Breaking down a goal into smaller goals.

**BUILD AN EMERGENCY FUND GRADUALLY**

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Total Goal</td>
<td>$10,000</td>
</tr>
<tr>
<td>Annual Goal</td>
<td>$3,000</td>
</tr>
<tr>
<td>Monthly Goal</td>
<td>$250</td>
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Planning Fallacy

Underestimating how long it will take you to complete a task.

CREDIT CARD BALANCE TRANSFER TIPS

✅ Calculate monthly payoff payments
✅ Set up automatic monthly payments
❌ Do not add additional debt
Decision Paralysis

Not making a decision, or making the easiest decision, when confronted with too many options.

**AVOID PARALYSIS USING FINANCIAL WELLBEING ELEMENTS**

<table>
<thead>
<tr>
<th>PRESENT</th>
<th>FUTURE</th>
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<tbody>
<tr>
<td>SECURITY</td>
<td>Control over your day-to-day, month-to-month finances</td>
</tr>
<tr>
<td>FREEDOM OF CHOICE</td>
<td>Financial freedom to make choices to enjoy life</td>
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Tunneling

Focusing only on the emergency/need at hand.

**STEPS TO PREVENT TUNNELING**

- ✓ Know your timeline
- ✓ Compare at least two options
- ✓ Talk to someone
Mental Accounting
Treating money differently depending on source and destination.

USING MENTAL ACCOUNTING FOR YOUR BENEFIT

✔ Name savings accounts
✔ Create mental shortcut for unexpected money
Scarcity

Being motivated to buy because of shortage.

**MAKING SCARCITY WORK FOR YOU**

✔️ Wait

✔️ Outsmart marketing tactics
# Hyperbolic Discounting

Valuing the present more than the future.

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### SAVING NOW FOR RETIREMENT

Let’s invest $100 monthly...

<table>
<thead>
<tr>
<th></th>
<th>Iris</th>
<th>Lucas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Investing</td>
<td>25 to 35 years old</td>
<td>35 to 65 years old</td>
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<tr>
<td>Total Years Investing</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td>Total Invested</td>
<td>$12,000</td>
<td>$36,000</td>
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<tr>
<td>Future Value</td>
<td>$200,089</td>
<td>$149,047</td>
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</table>

*Using Investor.gov calculator at 8.00% return and compounding interest monthly*
What the Heck Effect?

Losing motivation due to prior behavior.

FAILURE IS PART OF SUCCESS
Next Steps

- Know Your Money Personality
- Identify Examples You Can Improve On
- Choose one behavior to work on in next 7 days
GreenPath Financial Wellness offers free credit, budget and COVID-19 counseling.

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Survey Says!?  
Let us know how you liked this webinar

HUECU.ORG/SURVEY
Disclaimer

This presentation is a general overview of principles you may want to consider. Only you can decide what is best for you. This presentation is educational in nature and is not intended to be, and should not be construed as tax, legal or investment advice. You should always consult a certified advisor for advice on your specific situation. The examples used in this presentation are for illustrative purposes only.
Let’s keep in touch!

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