

FIRST FORUM

Your Source for Financial Solutions

Are We in a Recession?

You have probably seen news stories a time or two in recent months that suggest our economy may be approaching a recession (or even in one already!). Many are worried about what this means for their finances and are wondering what steps they can take now. Although we hate to kick off the New Year with such a touchy topic, it's important we provide you with information that could help you prepare.

Economists are divided on whether we're already in a recession or likely heading toward one. All signs seem to be pointing towards a recession: inflation has hit a 40-year high, interest rates have hit a two-decade peak and investing in the stock market now is like riding a terrifying rollercoaster.

Taking steps to improve your financial health in case of a recession is a responsible and forward-thinking move. Here's how to be in position for weathering a recession.

Take stock of your financial reality

Before you make any financial changes, ask yourself these questions:

- Am I making it through the month, meeting all my expenses and putting some money into savings?
- What is my total monthly income?
- What is the total of my monthly expenses?
- What is the total of my outstanding debt?
- How much money do I have in savings?
- How much liquid funds do I have?
- Do I have any major and expensive life events coming up in the next year, such as a wedding, the birth of a new baby or a household move?

Build up your emergency fund

If you don't already have a well-padded emergency fund, now's the time to work on building one up. Ideally, an emergency fund should have enough funds to keep you afloat through three to six months without any income.

Having this money set aside in case of an emergency or unexpected financial stress can help you avoid getting tangled up in a cycle of debt or even losing your home or car. Pinch pennies wherever you can to get that fund ready for a recession. It may be challenging now, but the security of having money safely tucked away to get you through difficult financial times will be more than worth the struggle.

Diversify your investments

With stock market fluctuations expected to be more extreme and to happen more often during a recession, it's crucial to keep your investments diversified. Make sure your investments are not all tied up in one asset or asset

class so that a poor-performing investment won't bring down your entire portfolio. Mutual funds and index funds both provide a great way to keep your portfolio diversified.

Get rid of high-interest debt

It's never a good idea to hold onto high-interest debt. In a rising-rates environment, such as that of a recession, this monthly bill can increase significantly. If you have one or more outstanding credit card balances, work on consolidating the debt by moving the balance to a personal/unsecured loan. You can also transfer the debt to a new credit card that features no interest or a low interest rate. Just be aware that many of these deals are promotional, short-term offers. When the introductory period ends, you'll be hit with interest rates that may be even higher than the rate you are paying now (so be prepared to transfer again if you don't pay it off in full before that intro period concludes).

Stick to a budget

This is the perfect time to flex those budgeting muscles! If you tend to blow your budget and overspend in various categories, work on learning to stick to your budget. Revise your budget as necessary. Avoid temptation by keeping away from stores and areas where you typically overspend, and only shop with the cash you need to make your purchases. Training yourself to live within your means is one of the best ways to improve your financial health ahead of a recession.

Look for ways to increase your income

Did you know the average millionaire has seven sources of income? You don't have to go that far, but establishing additional income streams can be a great way to prepare for a possible recession. Consider starting a side hustle that plays to your strengths, moonlighting for a company like Uber and/or finding a passive income stream like a real estate investment.

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ALL YOU NEED TO KNOW ABOUT CREDIT CARD MERCHANT FEES

If you're a frequent credit card user, you may have noticed that you often get charged more than the actual price of the item you're buying. Sometimes you'll be notified about this fee in advance, but at other times it can be an unpleasant surprise. Let's take a closer look at these credit card surcharges and what you as the consumer need to know.

Why merchants charge "swipe fees"

Credit card surcharges have been a hot-button topic among retailers and credit card companies for years. Credit card issuers, like Visa® and Mastercard®, bill the retailer for the payment service they provide, and the retailers then pass a portion of this charge on to their customers. Swipe fees can be as minimal as 1.5% of the purchase or as much as 3%. Some merchants will pass the entire credit card processing cost onto the customer. Others will require a minimum sale amount for all credit card purchases.

Are credit card surcharges legal?

According to a 2017 U.S. Supreme Court ruling, surcharges are protected as a form of free speech. However, there are restrictions on how they can be applied. Merchants charging a credit card swipe fee are required to:

- Clearly disclose the fact that there is a surcharge prior to the transaction
- Display the credit card surcharge on the receipt
- Keep surcharges below 4% of the transaction or the fee the merchant pays to the credit card companies, whichever is less

In addition, if the retailer chooses to impose a minimum purchase requirement for all credit card purchases, this amount cannot exceed \$10. The minimum also cannot be set higher than the amount set by other merchants using the same credit card network.

It's also important to note that credit card surcharges are legally protected, but debit card surcharges are not. You should never be charged a fee for paying with a debit card, even if you choose "credit" on the payment terminal when completing the transaction.

State laws on credit card surcharges

While it's legal under federal law to add a surcharge to purchases made with credit cards, some states forbid the practice. As of Nov. 1, 2022, the following states and Puerto Rico have laws prohibiting merchants from charging surcharge fees:

- California
- Colorado
- Connecticut
- Florida
- Kansas
- Maine
- Massachusetts
- New York
- Oklahoma
- Texas

In addition, Minnesota prohibits merchants from imposing surcharges on their own brand's credit cards. For example, Macy's cannot impose a surcharge on a purchase made with a Macy's card.

What happens when a merchant breaks the rules?

Unfortunately, retailers frequently break the rules by charging a swipe fee in a state where this is not allowed, charging more than is legally permitted or imposing a fee without informing the consumer. This is more common among small businesses that cannot afford to receive ongoing guidance from a legal team.

Often, the law is broken without malicious intent; the merchant is simply unaware of or does not understand the latest version of the law. If you find yourself on the consumer end of a broken credit card surcharge law, you can politely let the merchant know. You'll be doing them a favor, as it's in their best interest to comply with all regulations to avoid issues with the credit card companies and law enforcement agencies.

Sometimes, though, the merchant is well aware of the law and consciously chooses to disregard it. If you notify a retailer that they are engaging in illegal practices and they ignore your advice, there are additional steps you can take. Report violations to the credit card network by calling the number on the back of your card or submitting an online complaint through their website.

Key takeaways for the consumer

As a consumer, it's important for you to know that your credit card swipe will cost the merchant a fee. You may be charged a swipe fee to help cover this cost, but this has limitations and is not allowed across all 50 states. Finally, you need to be informed of this charge before you pay for your purchase.

Credit card surcharges are usually legal, but you need to know your rights as the consumer. Let this guide keep you in the know on credit card merchant fees.



7 MONEY MYTHS YOU NEED TO STOP BELIEVING

We grow up hearing the same financial advice: spend less, save more and invest early. While most of these words of wisdom ring true, there are a lot of widespread money management tips that are actually false or misleading.

Here are seven money myths that might be causing you more financial stress than benefit.

Myth #1: Debit is always better than credit.

Do you automatically reach for your debit card when making a purchase? While it's true that paying for your expenses with money you already have in your account is often the best choice, there is a time and a place for credit cards as well.

The real deal: Credit cards get a bad rap for the debt trap they represent, but they should be your payment method of choice on occasion. First, many credit cards offer rewards in the form of travel miles, cash-back systems and other bonuses. Second, building and maintaining a strong credit history is crucial for your financial wellness; the only way to achieve this is by using your credit cards and paying your bills on time. Finally, lots of credit cards offer purchase protection, which makes them the smarter payment method for big-ticket items.

Myth #2: Buy a home at all costs.

It's part of the American Dream: go to college, land the perfect job, get married and buy a house, complete with a white picket fence and two cars in the driveway. Unfortunately, though, too many people are fixed on that dream without realizing that owning a home might not be in their best financial interest.

The real deal: For many people, including those who are not yet ready to put down roots or who anticipate a career change that necessitates moving across state lines, renting a home or apartment might be the better choice. It can also be a financially expedient option if you live in an expensive area.

Myth #3: Investing is only for the rich.

Investing is for people who drive luxury vehicles and have homes in three different states. Or is it?

The real deal: Anyone with a small stash of money squirreled away can get a foothold in the stock market. A smart investment strategy can be the best way to let your money grow and put you on the track to financial independence. If you're a beginning investor, look into passively managed index funds for an easy way to start building your wealth.

Myth #4: My partner handles our bills and manages our finances; I don't need to think about money at all.

Are you living in blissful financial oblivion, confident that your partner is managing your money?

The real deal: Every adult should have a handle on their family's finances, regardless of their partner's involvement. While it is fine for one partner to actively manage their money, it is crucial for both partners to be aware of the state of the family finances and to be capable of managing the household expenses and investments if something happens to their partner.

Myth #5: Credit cards will get me through any financial crisis.

Why would I need an emergency fund? I have credit cards!

The real deal: Depending on credit cards to get you through a financial emergency is the perfect way to dig yourself into a deep pit of debt. Thanks to interest, you'll be paying back a lot more than you spend. Additionally, without a plan, it's easy to overspend when you pay with credit.

Myth #6: It's too soon to think about retirement.

Who thinks about retirement when it's so far down the road? Besides, who can afford to save for retirement when they're bogged down with more pressing expenses, like saving for a house and putting kids through college?

The real deal: There's no better time to start planning and saving for your retirement than right now. The younger you start, the less you'll have to put away each month, and the more you'll save by the time you're ready to retire. Gift yourself with a comfortable retirement by maxing out your 401(k) contributions and/or opening an IRA or another retirement fund. Start today and let compound interest work its magic!

Myth #7: I have enough in my account to cover my expenses, so I don't need to budget.

Budgeting is for people who are barely squeaking through the month. I have enough money, so why budget?

The real deal: Budgeting is for everyone. Without a realistic budget in place, someone pulling in a high-dollar salary can still easily spend their way into debt. A budget will force you to make responsible money choices and always be fully aware of the state of your finances.

Were these common money myths enlightening? As always, if you need a little more information on managing your finances and squeezing all you can out of your hard-earned money, we're here for you! Schedule a few minutes with one of our Certified Credit Union Financial Counselors [it's always free!]. Visit membersfirstga.com/ccuafc, give us a call or stop by for a chat at your convenience!



GET YOUR CHECKING IN CHECK AT MEMBERSFIRST

If you don't have a checking account with MembersFirst, you're missing out! Take advantage of all the great services and features your MembersFirst Credit Union checking account has to offer you.

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- Free Visa® debit card with no purchase requirements
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We make it simple to switch with our free Bill Payment system and mobile app. Add a checking account today at membersfirstga.com.



Deposit Rates Are on the Rise Again!

Stash your cash at a competitive rate with your Credit Union and enjoy the peace of mind that comes with knowing your funds are secure and insured. CDs are available for terms from 90 days to five years! Or, enjoy the convenience and flexibility of access to your funds with a Money Market account.

Invest with MembersFirst today! Visit membersfirstga.com/rates to view all available rates and terms.

NOTICE OF ANNUAL MEETING

The annual MembersFirst Credit Union members' meeting will be held via video/ phone conference among the offices in Decatur (Lawrenceville Highway), Douglasville, Hiram, Pooler, Sandy Springs, Savannah and WellStar-Kennestone Hospital at 3:00 pm on Tuesday, February 7, 2023. The nominating committee of the Board of Directors has nominated the following members for re-election:

Don Neunaber
Nancy Ward
Don Remillard

Additional nominations are accepted through applications available at each branch. All members of MembersFirst Credit Union are encouraged to attend. Only items that are on the meeting agenda will be addressed during the membership meeting.

Opening Soon on Chapel Hill Road

Our new Douglas County location is making great progress and will open soon! We're looking forward to relocating to **3024 Chapel Hill Road in Douglasville**. We're busy putting the final touches on the expanded location and can't wait to provide you with the same level of friendly service you look forward to!



HOLIDAY CLOSINGS

Martin Luther King Jr. Day
Monday, January 16, 2023

Presidents' Day
Monday, February 20, 2023

CU HAPPENINGS!

We're working hard to give back to our friends and communities. Check out these CU Happenings – happening all around us!

Mr. and Mrs. Claus

Did you know Mr. and Mrs. Claus are MembersFirst Credit Union members? They stopped by our table at Wellstar Douglas Hospital to see how our elves, LeeAnn and Angie, were doing and told us they're looking forward to our new Douglasville location opening soon on Chapel Hill Road. They hope you all had a very happy holiday!



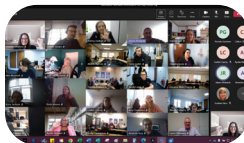
Congratulations, Heard Elementary in Savannah!

For the education community, achieving STEAM certification is a major accomplishment! We were thrilled to celebrate this achievement with Heard Elementary school and district staff, students and State School Superintendent Richard Woods. STEAM or STEM certification places emphasis on studies in Science, Technology, Engineering, Art and Mathematics. The ceremony concluded with a tour of the school to see the students' and teachers' hard work. Pictured above is SCCPSS Superintendent Dr. Ann Levett, Principal Alonna Curry, Dr. Angie Lewis and Ashley DuBois with MembersFirst. Pictured below is Superintendent Dr. Levett, Principal Curry and State School Superintendent Woods.



International Credit Union Day

On International Credit Union [ICU] Day, credit unions all over the world celebrate the impact we have on the financial lives of our members and the community. This year, we celebrated virtually with Commsave Credit Union, our sister credit union in Northampton, UK. It was fun to talk with other credit union staff members and share our differences and similarities. We're grateful for their friendship!



Locations and Contact Information

Call Center

METRO ATLANTA
Phone (404) 978-0080
Fax (404) 978-0095

COASTAL GEORGIA
Phone (912) 352-2902
Fax (912) 352-0838

Branch Locations

Visit a branch near you.

Atlanta, Austell, Decatur, Douglasville, Hiram, Marietta, Newnan, Pooler, Sandy Springs and Savannah.

Main Office
2476 Lawrenceville Hwy.
Decatur, GA 30033-3226

Mortgages
(404) 978-0080

Mailing Address
2476 Lawrenceville Hwy.
Decatur, GA 30033-3226

Phone Banking
Metro Atlanta
(404) 978-0089
Coastal Georgia
(912) 352-0059

24-Hour Lending Service
membersfirstga.com

Website
membersfirstga.com

This credit union is federally insured by the National Credit Union Administration.



Download our free Mobile Banking App from Google Play™ or the Apple® App Store. Just search "membersfirstga".

Thank you for allowing MembersFirst the opportunity to serve you in 2022! Wishing you and yours a wonderful New Year and a joyous 2023!

CU SUCCEED SCHOLARSHIP DRAWING

Hey, CU Succeed members! There's still time to submit your report card for our next scholarship drawing! Be sure to get your grades in by **Friday, January 27, 2023**, for our January 2023 drawing. Is your student a CU Succeed member? Learn more about this student account benefit at membersfirstga.com.