



Priorities



President's Message

Jim Morrell, President / CEO

Recently, a common question was posed to me and our Leadership Team about how we can assist our members. Cris Jorgensen, Member Service Representative in our Port Orchard Branch, phrased it this way: "My role as a teller sees a look of concern in people's eyes as they share concerns about inflation, rising gas prices, rising interest rates, and the potential for recession. What can I share to help calm the nerves of people, especially those living at or around a household survival budget?"

Inflation is real! Gas prices are hitting record highs across the U.S. with Washington State pulling up the average cost of what we put in our tanks. The cost of food, housing, utilities and other goods rose 8.6% in May from a year ago – a 40-year high. Your living expenses and what things cost will dig into your cash flow over the next several months.

While a complete list is not possible to summarize in this article, there are a variety of things people can do to strengthen their financial well-being during this time.

Budget: If you do not have a budget, now would be a good time to start keeping track



of your spending. A simple process of keeping your bills and receipts for a couple weeks, then categorizing what you spent money on over that time will give you a good idea about how you are spending your money (e.g. groceries, gas, rent/mortgage, utilities, etc.).

Spending Habits: Aside from filling your gas tank, the grocery store is one place you can save money by buying one less package of cookies or six pack, venturing into the produce section where the cost of fruit and vegetables has not increased nearly as much as meat, and you're your hand at cooking as it tends to be less expensive than pre-made food.

Clip coupons and buy in bulk when possible. Take advantage of deals and sales. The price for non-perishable items such as toilet paper or laundry detergent is typically a little cheaper than buying only what you'll need for the next couple of weeks. Compare the price per ounce and go for the cheaper per size option.

Strong Credit: Despite interest rates rapidly rising, the ability to borrow at rates less than

the projected inflation rate for the rest of 2022 is an option to allow you to purchase goods and services now before prices rise.

Peninsula Credit Union has a variety of services that do not cost anything for you to try.

- Online and Mobile Banking includes FREE services such as "Trends" for helping you develop a budget and "Credit Sense" for assisting you in building a stronger credit score.
- Financial Fitness tools can be found on our webpage: www.pcfcu.org/financial-fitness. Here you can find resources under the tab called "BALANCE" for creating a personal plan to financial fitness and contact our Financial Educator, Darrell McVea, dmcvea@pcfcu.org.
- PCU Perks is free with a Vista Premier checking account and provides discounts near you as well as other benefits for hearing, vision, pharmacy savings, ID theft aid, cell phone protection, and 24 hour emergency roadside assistance.
- Investment Advice is offered through our partnership with CUSO Financial Services. You can find Melody Bliss' contact information in this newsletter.

As Cris has also shared, "In tough and uncertain times like these, sometimes just having someone to turn to who has answers to the questions that worry us can be invaluable to attaining the mental and financial security necessary to make it through."

We are always here for you. We trust you will reach out to us or raise questions to anyone here at Peninsula Credit Union with questions about how we can support you during these inflationary times.



Cris Jorgensen, Member Service Representative

In this issue...

- Inflation-Fighting Tips
- Bonds, Interest Rates, the Impact of Inflation
- How PCU Card Connect Helps with Scam Protection

Your Path to Financial Fitness Starts Here



At Peninsula Credit Union, we care about your financial wellness. That's why we've partnered with industry-leading BALANCE to provide you with free access to expertly-crafted financial education and resources to help with your fiscal matters. Attend free interactive webinars to learn the basics of financial planning. For all your financial life stage changes and more, we—in partnership with BALANCE—are here to help.

Learn more today at [PCFCU.BALANCEPRO.ORG](https://pcfcu.balancepro.org)

Financial Fitness: Inflation-Fighting Tips to Preserve Your Spending Power

Of all the economic problems that arise, inflation is among the most destructive. When prices rise, every dollar earned is worth less, making it even more challenging to make ends meet.

Saving for the future can take a back seat during inflation and even after prices stabilize, putting families behind in their savings goals. To preserve wealth and buying power, a strategy is needed for survival, and here are valuable tips to use starting today:

Banish food waste

The only thing worse than spending more at the grocery store is watching those dollars disappear into the trash or down the garbage disposal. With inflation on the rise, it has never been more essential to banish food waste. Embrace those leftovers, freeze the excess, or share the bounty with those in need.

Stock up on shelf-stable staples

Even with prices on the rise, there are bargains to be had. When deals pop up, it is time to stock up. Filling the pantry with pasta boxes, jarred sauce, and canned vegetables will be good for future finances, so clear some space and start shopping.

Experiment with meatless meals

With the price of meat rising faster than other grocery store staple, now could be the time to embrace your inner vegetarian. Maybe a meatless Monday is a way to experiment. Of course, giving up meat entirely isn't necessary, but eating meatless one or two days a week could make a big difference in the size of monthly grocery bills.

Put off major purchases unless absolutely necessary

If you are contemplating a major purchase, like a new car, ask if it is something you can live without. If so, putting it off until the worst of the inflation spike is over might result in considerable savings.

Seek out inflation friendly investments

If extra cash is available to save and invest, looking for products that benefit from inflation is smart. Consult our CUSO financial advisor Melody for the best options.



Optimize your fuel economy

The price of gas has been especially problematic of late, and inflation at the pump is surely one of the most painful aspects of rising prices. Looking for ways to maximize fuel economy can have an outsized influence in this environment. Think about the way you drive as well as how many miles are traveled. Are there other, less expensive transportation options available?

Inflation is nothing new, and rising prices have arisen in decades past. When prices are rising, it is easy to despair, but it is important to realize that spending power can be retained. Solving the Federal Reserve dilemma or controlling the larger economy might not be an option, but the ability to make strategic changes to how you shop, drive, cook, and live your daily life still exists. The seven inflation-fighting tips listed above may help make the most of those shrinking dollars. Learn more at pcfcu.org/financial-fitness.



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Wealth Management: Bonds, Interest Rates, and the Impact of Inflation

There are two fundamental ways that you can profit from owning bonds: from the interest that bonds pay, and from any increase in the bond's price. Many people who invest in bonds because they want a steady stream of income are surprised to learn that bond prices can fluctuate, just as they do with any security traded in the secondary market. If you sell a bond before its maturity date, you may get more than its face value; you could also receive less if you must sell when bond prices are down. The closer the bond is to its maturity date, the closer to its face value the price is likely to be.

The price-yield seesaw and interest rates

Just as a bond's price can fluctuate, so can its yield — its overall percentage rate of return on your investment at any given time. A typical bond's coupon rate — the annual interest rate it pays — is fixed. However, the yield isn't, because the yield percentage depends not only on a bond's coupon rate but also on changes in its price.

Both bond prices and yields go up and down, but there's an important rule to remember about the relationship between the two: They move in opposite directions, much like a seesaw. When a bond's price goes up, its yield goes down, even though the coupon rate hasn't changed. The opposite is true as well: When a bond's price drops, its yield goes up.

That's true not only for individual bonds but also for the bond market as a whole. When bond prices rise, yields in general fall, and vice versa.

If inflation means higher prices, why do bond prices drop?

The answer has to do with the relative value of the interest that a specific bond pays. Rising prices over time reduce the purchasing

power of each interest payment a bond makes. Let's say a five-year bond pays \$400 every six months. Inflation means that \$400 will buy less five years from now. When investors worry that a bond's yield won't keep up with the rising costs of inflation, the price of the bond drops because there is less investor demand for it.

Focus on your goals, not on interest rates alone

Though it's useful to understand generally how bond prices are influenced by interest rates and inflation, it probably doesn't make sense to obsess over what the Fed's next decision will be. Interest rate cycles tend to occur over months and even years. Also, the relationship between interest rates, inflation, and bond prices is complex, and can be affected by factors other than the ones outlined here. Remember, investments seeking to achieve higher yields also involve a higher degree of risk.

Your bond investments need to be tailored to your individual financial goals and take into account your other investments. A financial professional may be able to help you design your portfolio to accommodate changing economic circumstances.



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How PCU Card Connect Can Protect You From these Top Five of Scams in 2022

There are many ways to measure the largest scams, but most measure them by the number of people affected and the total dollars scammed.

Debt Collection: Most of the complaints under this category involve debt collectors. Consumers tell of receiving calls from harassing collectors who are threatening and will repeatedly call attempting to collect a debt. Other complaints that fall under this category involved credit/debit card fees, pay day loans, credit repair companies and unauthorized use of credit/debit cards. Some of these complaints involved hidden fees and billing disputes as well.

Fake Government Officials: If you received an email, letter or phone call from a government agency (typically the IRS or FBI) and it instructs you to wire, Western Union or MoneyGram money someplace, or follow a link and enter information - don't believe it! The U.S. government would never instruct anyone to use those methods to pay any bill or carry out a financial transaction, particularly with an overseas bank or agency.

Identity Theft, Phishing and Pharming: Scammers gain access to your confidential information, like social security numbers, date of birth and then use it to apply for credit cards, loans and financial accounts. Typically, the victim receives an email that appears to be from a credible, real

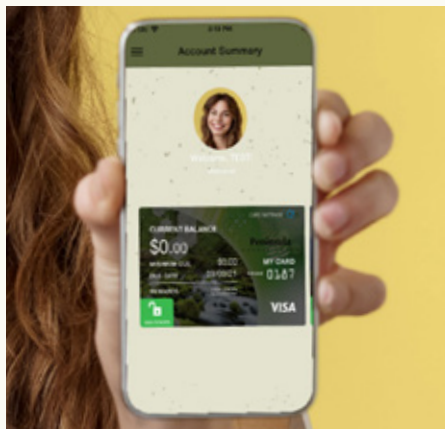
bank or credit card company, with links to a website and a request to update account information. But the website and email are fakes, made to look like the real website.

Phone scams: This includes telemarketers violating the Do Not Call list, Robodialers, scammers calling up pretending to be from a bank or credit card company. The National Do Not Call Registry (U.S.) or the National Do Not Call List (Canada) offer consumers a free way to reduce telemarketing calls. Scammers call anyway, of course, and they've even found a way to scam consumers by pretending to be a government official calling to sign you up or confirming your previous participation on the Do Not call list!

Loans Scams / Credit Fixers: False promises of business or personal loans, even if credit is bad, for a fee upfront. Or a scam that promises to repair your credit for a fee.

These scams can feel scary or overwhelming, but Peninsula is here to help you avoid scams like these. We offer a free app to help you set up alerts, which can help you detect fraud as soon as it happens.

PCU Card Connect offers an immediate notification, helping you stay in control of your money. As soon as you know or even suspect that your personal information has been in the wrong hands, call us at 800.426.1601.



HOLIDAY CLOSURES

Independence Day
Monday, July 4

Labor Day
Monday, September 5

SHELTON

(360) 426-1601

Monday - Thursday

Drive-up 8:30 - 5:30

Lobby 9:00 - 5:30

Friday

Drive-up 8:30 - 6:00

Lobby 9:00 - 5:30

BELFAIR

(360) 275-6066

Monday - Thursday

Drive-up 9:00 - 5:30

Lobby 9:00 - 5:00

Friday

Drive-up 9:00 - 6:00

Lobby 9:00 - 5:30

PORT ORCHARD

(360) 876-8898

Monday - Thursday

Drive-up 9:00 - 5:30

Lobby 9:00 - 5:30

Friday

Drive-up 9:00 - 6:00

Lobby 9:00 - 5:30

POULSBO

(360) 697-3011

Monday - Friday

Lobby 10:00 - 5:00

PORT TOWNSEND

(360) 385-5575

Monday - Friday

Lobby 9:00 - 5:30

CALL CENTER

(800) 426-1601

(360) 426-1601

Monday - Friday

8:30 - 5:30