

The Science of Saving

Saving your money isn't always easy, especially when you don't have a lot to spare. After paying all your usual expenses, there may be very little "fun" money at the end of the month. When we do find ourselves with some extra cash, like a tax refund, many of us rush out to buy those shoes or that electronic gadget we've been eyeing for months instead of putting it into our savings.

Why do we do that? Why do we spend the money we planned on using for our future?

We can blame it on our brains. Behavioral science has shown that humans are hard-wired to act on impulse and that it takes conscious thought to delay gratification. It's also much easier to focus on the present than our future.

To help you save for your future, behavioral science suggests visualizing yourself as you might look when you're older.

For instance, if you want to save for retirement, imagine yourself at age 67, living comfortably, maybe travelling the country, or having the time and the means to do something you've always wanted to do. According to a study done in 2014, this technique works. The researchers took photos of 50 college students and digitally altered each person's photo to make them look 70 years old. The participants were instructed to study the photos. Then they were told to imagine receiving \$1,000 and were asked how they'd like to use the money: buy something now for a special person or for extravagant night out, or put that money into a retirement fund. After

seeing a photo of themselves at 70 years old, the majority allocated more of the money to their retirement fund than to the other options.

Another way to help you save for your future is by making it a habit. Start with small goals. For instance, commit to putting a certain amount, say \$10, into a savings account every week. If you have direct deposit, you might want to consider setting up an automatic transfer of \$10 into your savings account every time your paycheck is deposited. Over time, you can gradually increase the amount by a dollar or two.



Teach Your Children How to Save

To help your children get into the savings habit, start by having them cut out pictures of something they'd like to have someday and post the images where they'll see them often. Then help them open a savings account at San

Tan CU. You can open an account with as little as \$25. Encourage your child to make regular small deposits each week. Tell them their money will earn interest while it's in their account. If they keep this routine going, they'll quickly see their savings grows.

The RAIN Method for Buying a Car

The average cost of a new vehicle today is around \$35,000. Whether you're looking for a brand new car or a reliable used ride, you want to get the most for your money. The process can be made easier by following the RAIN. method :

First, get preapproved at San Tan CU to secure your financing. Then begin the RAIN process:

Research - Check out Consumer Reports, Kelley Blue Book, and other sources to make sure the vehicle you want is reliable and right for you. Use the buyer's guide to find the wholesale price -- the price the dealership paid minus any rebates, hold-backs, or incentives. That is the price you'll use to negotiate.

Ask - Ask the dealership for information about the average cost of upkeep. This information is critical as you examine the overall costs of the purchase. Insurance is another big cost. Contact your insurance company to find out the rates you can expect with the vehicle you are looking at.

Investigate or inspect - If you're thinking of buying a new car, tell the salesperson at the dealership that on this trip you will be test driving only and not ready to make a deal yet. This is your opportunity to get a feel for the car. Will it meet your needs? How does it handle? Will you be happy with it for years to come?

If you're buying a used vehicle, the inspection process is very important. Check out the exterior and interior. Take it for a test drive and see how it handles, how it accelerates and brakes. If everything looks good, take it to a certified mechanic for a full diagnostic check. It may cost you \$100, but not only will you get a detailed report of the condition, most will provide you with a list of problem areas and the cost to fix them. This will be helpful for your last step.

Negotiate - Many people find the negotiation process is intimidating, but it's important if you want to get a good deal. Pick out two to three dealerships to visit.

Tell the salesperson that you're checking out other dealerships and the one that offers the best deal will be getting your business. Ask them "What's the lowest price you can offer on this vehicle?" Take that number and visit your other dealerships. See which offer comes in the best. If you still aren't happy with the offers, tell them what you think is fair based on the research you have done. If they say no, move on.

Purchasing a vehicle is probably going to be the second largest expenditure in your life. Being prepared is key to getting the best deal.

If you're looking to borrow-check out our rates!

THEY'RE UNBE-LEAF-ABLE!

New Car Rates as low as 2.20%!

*OAC, 48 months, 730 credit score.

San Tan CU lobby hours:

Monday, Tuesday,
Wednesday, Thursday:
10 a.m. to 5 p.m.
Friday: 10 a.m. to 6 p.m.



2018 Upcoming Holidays

Veterans Day
Monday November 12—closed.
Thanksgiving
Thursday November 22—closed
Friday November 23—closed.
Christmas
Monday December 24—close @ 12 p.m.
Tuesday December 25—closed.
New Year
Monday December 31—close @ 12 p.m.
Tuesday January 1, 2019—closed.



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San Tan CU's Routing & Transit:
3221-72069

Wire Transfer Instructions:

Receiver Depository Institution:
Catalyst Corporate FCU
ABA/Routing & Transit # 311990511

Beneficiary Financial Institution:

San Tan Credit Union
322172069

Beneficiary
Your name & account number



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