



I am proud to announce a series of articles from Jean Chatzky, developed exclusively for our members. She is a personal finance columnist, financial editor of NBC's TODAY show, and AARP's personal finance ambassador. I hope these articles provide you with insights and information to help you achieve your financial goals.

Tackling Your Financial Fears

When it comes to the list of fears that many of us harbor, financial fears often top our list. We tie our money to our security, our independence, the care we take of our families—and even our personal identities.

You can tackle the fears that preoccupy your mind. We have solutions and strategies to move your fears into a place where they're no longer stressful. Here are the top 5 financial fears and how to manage them.

Fear #1: Outliving Your Money

Why we have it: In the U.S., men live a decade longer than in 1950, on average. Women live 5 more years than men, and because they often may earn less money, this fear can be greater for them.

Solution: Go by the numbers when dealing with this fear. You have to face it and calculate how much money you'll save by retirement.

- Aim to have 10 times your annual income saved
- Reduce that by the amount your pension replaces. For example, if your pension replaces 30% of your income, you only need to have 3.33 times your income put away

Experts also suggest that if you reach this goal, your savings coupled with Social Security should enable you to maintain your standard of living for at least another 30 years. If you are on track to meet this goal, keep saving.

Fear #2: Losing a Spouse or Partner

Why we have it: When others rely on your income for their well-being, it's normal for them to worry about being able to stay in your home and ensuring your children can complete their education if the unforeseen happens. Your spouse or partner may also be concerned about assuming the role of the family's financial manager if you're no longer able.

Solution: If your family relies on you for income, make sure you have enough life insurance. Generally, a term insurance policy covers 8 to 10 times your annual living expenses for a long enough period to pay off a mortgage, college expenses and address other family needs.

If you manage your family's finances, consider letting your spouse or partner play a bigger role in managing the household funds or another part of the family budget.

Fear #3: Losing Everything

Why we have it: You probably know someone—a parent, grandparent or colleague—who struggled with money toward the end of their life. As a firefighter who sees what fires, accidents and natural disasters can do, you may worry about the worst happening to your family.

Solution: Separate fear from fact. Use the data you know to be true about your life to shut down the negative thoughts in your head.

Think about all of the facts you can affirm:

- I have a fulfilling career
- I have friends and family who support me
- I save 10% in my retirement account

- I am paying down my mortgage
- I am taking care of any debt
- I am building my emergency cushion

Fear #4: Losing Your Job

Why we have it: From the Great Recession of 2008 to the pandemic in 2020, times of economic upheaval can create unease, even for people with a stable work life. For firefighters, who face physically challenging and dangerous situations regularly, unease can grow during these times.

Solution: Prepare for the what-if. Consider business opportunities that might parallel a hobby or personal passion. Look at investments, such as real estate, that might allow for a financially viable transition from active firefighting.

Fear #5: Never Getting Out Of Debt

Why we have it: While credit card debt is not the only way that you can become over-leveraged, it is a chronic problem in America—with the average household balance nearing \$8,000.

Solution: Addressing credit card debt one account at a time offers the quickest, least expensive way to see a reduction:

- Line up all your debts
- Put all your extra money toward the card with the highest interest rate
- Make minimum payments on the rest
- If you have equity in your home, you could tap into it and consolidate your debt into a lower rate HELOC (Home Equity Line Of Credit)

Is it time to talk to a professional Financial Advisor?

Financial planning is more than saving for retirement, it can help you achieve your goals at every life stage. Contact a Financial Advisor at Firehouse Financial, available through CUSO Financial Services, L.P. (CFS)*, to help you reach your goals and get you started on the right plan.

We are here to help

Call us anytime if you have specific questions about your unique situation. You can reach us at 800-231-1626 or visit us online at FirefightersFirstCU.org.



Sincerely,
Dixie Abramian
President/CEO



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