

What Are Your Financial Goals?

If you had to choose between sitting down at your kitchen table to set financial goals or sitting on a beach in the Caribbean, you would most likely choose the beach. But how would you pay for the airfare? Hotel? Food? Souvenirs?

Goal setting may not be exciting or fun, but it helps you save for exciting and fun things. It also helps with things that are important but less exhilarating, such as setting up a retirement fund or a child's education fund. When saving, you could wait and see what is left over at the end of the month after you pay your bills, but because it's easy to get into the habit of spending what you make, you may find yourself with no savings at all.

Even if you are putting money into your savings account, how do you know if it's enough to get what you want when you want it? By taking the time to think about your goals, how much they cost, when you want to achieve them, and what your regular financial obligations require, you will know exactly how much to save each month. Then, if you see the need, adjust your budget so you can more easily reach your goals and pay your bills.

The first step in achieving your financial goals is to determine what they are. For now, just think about the goals themselves and when you want to achieve them by – don't worry about the cost at this point. Do you want to buy a new computer in a year? Have a down payment for a house in four years? Be debt free in five years? Once you figure this out, you can calculate how



much you will need and divide it by the number of months to discover how much you should set aside each month. How you do this depends on whether it is a short-, mid-, or long-term goal.

When you're ready to begin to progress toward achieving your financial goals, SLFCU can help. Log in to online banking and click on the Savings Goals widget. You only need to know the amount you'd like to save and the date you'd like to reach your goal. The online banking system will tell you how much you need to save each month and will also track your progress. Once your goal is created, you will be able to view it in online banking and the mobile app.

Visit slfcu.org/Balance for free financial resources, including calculators, articles, and videos. ■

Beware of Social Media Scams

From Facebook and LinkedIn to Instagram and TikTok, just about everyone these days uses some form of social media. While you're likely using social media to connect with friends, family, and coworkers, scammers are using these sites to find their next victim. So, what happens when a scammer enters your social media circle? Can you spot them?

Being a victim of any social media scam can impact your life for many years. Below are tips for identifying the most common social media scams and how to protect yourself from the fraudsters.

Be Careful Where You Click

It's normal to get curious about something new or interesting that comes through your social media feed, but think twice before clicking any link. Often times, scammers post about intriguing topics in hopes you will click the link. And it's not always as obvious as you might think. Scammers have even left comments with harmful links on trending posts, knowing people aren't as familiar with spotting bad links in the comments section. If you do click a nefarious link, malicious software could be installed on your computer or mobile device. The best way to avoid this happening to you? Think before you click.

Re-examine Job Offers and Dating Profiles

In both work and relationships, if something is too good to be true, it likely is. Don't fall victim to a scammer who promises something that is implausible. Scammers invade online dating and job sites and will spend weeks, even months, laying the groundwork to take advantage of their victims. Remember, if someone you've met on a dating site asks you to send money, or a job you've found on social media requires you to invest

money to begin work, it's a scam – no matter what their reasons may be. If this happens to you, block the user and report them as a scammer.

Think Twice Before Taking That Quiz or Poll

Participating in quizzes and polls on social media can be fun, but often the sites linked to them ask you to enter personal information such as your name, date of birth, address, or sometimes even your social security number. If you find yourself on a website such as this, leave the site immediately, close your browser, and consider changing your account password.

Following are additional tips for protecting your identity and financial information on social media:

- Set your profile to private and limit your friends or followers to people you know personally.
- Don't fill out every field on your social media profiles such as your phone number or home address.
- Use complex passwords with letters, numbers, and symbols that would be impossible for others to guess.
- Never share your online banking username or password with anyone. Your debit card PIN number should also be kept private. SLFCU will never call and ask you for this information. If someone asks for your credentials, it's fraud.
- Never agree to "send money back" to any individual in return for a direct deposit or check deposit.
- Learn what information is really needed to set up a direct deposit. Sharing your online banking credentials is **not needed** to set up a direct-deposit or a person-to-person transfer. ■

A Reflection on Compassion and Generosity

SLFCU employees, members, and community partners raised \$80,000 in 2019 to help establish an accredited full-time teacher to work from a classroom within the University of New Mexico Children's Hospital (UNMCH) for a year. All donations were gifted to the New Mexico Credit Unions Connected Academy (NMCUCA).

The new teacher, Monica Garcia-Roach, is in place and is employed by the Mimbres School – a state-accredited, year-round elementary and high school that operates in a hospital setting to help keep kids learning while admitted to UNMCH. The ultimate goal of NMCUCA is to create a self-sustaining endowment fund that will establish the teaching position for the next decade - and beyond.

With our 2019 fundraising success, SLFCU has committed to a new goal of raising \$200,000 over the next several years on behalf of NMCUCA. We are doing this by engaging our employees, members, and community partners with innovative fundraising opportunities.

"It's going to take all of us pulling together to meet our goal," said SLFCU Vice President of Marketing, Melissa Stock. "I'm amazed and humbled by the generosity and thoughtfulness our community partners, members, and employees showed as we worked as one toward our 2019 goal. I am certain that we can help significantly reduce the number of critically ill children dropping out of school in our region, and instead help them progress toward graduation."

To view our progress and learn more about our fundraising opportunities, visit slfcu.org/NMCUCA.



SLFCU employees visited with Monica and the staff at UNMCH to deliver donated Sandy stuffed animals to kids admitted at the hospital.



The Hope Hearts trees at all of our New Mexico branches flourished from the generosity of our members and employees.



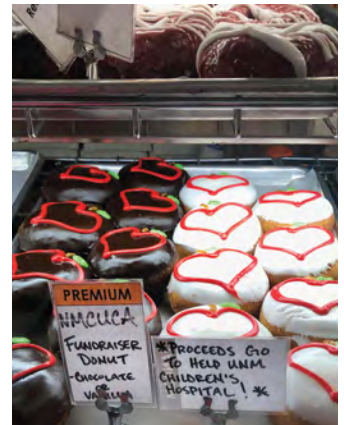
Sandy the Lab visited with kids at the UNM Children's Hospital during Child Life Week back in March.



Auriana, a UNMCH patient, and her brother, Colbey, visited with Santa at our Breakfast with Santa fundraiser.



The executive team at SLFCU helped serve food to employees during our National Hot Dog Day fundraiser.



Rebel Donuts donated part of their proceeds from their NMCUCA specialty donut sales to our fundraising efforts.



With Love Waffles came to our Juan Tabo branch and donated 10% of their proceeds to NMCUCA.



O'Beans Coffee came to our Juan Tabo and Jefferson branches and donated 10% of their proceeds to NMCUCA.



Nate's 66 Grill came to our Juan Tabo branch and donated 10% of their proceeds to NMCUCA.



Pop Fizz came to our Juan Tabo branch and donated part of their proceeds from their paleta sales to NMCUCA.



SLFCU members can buy **discounted tram passes***

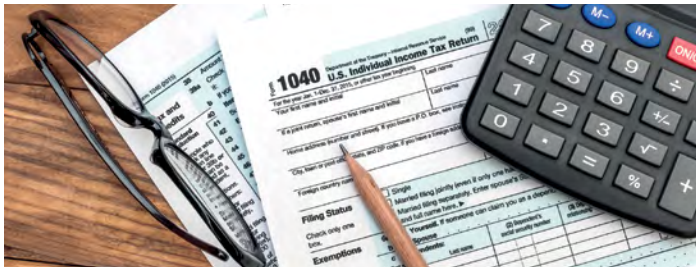
\$40 for up to four people.

Call 505.293.0500 or 800.947.5328 or visit any branch to reserve your pass.

*Limited availability



Tax Documents Mailing Schedule



2019 IRS tax forms will be mailed by the following dates. Tax documents generated by SLFCU will also be available in online banking.

January 31

- 1098 Mortgage interest paid
- 1098-E Student loan interest paid over \$600
- 1099-INT Account dividend income over \$10 and/or redeemed bond interest income
- 1099-C Loan cancellation of debt
- 1099-Q CESA (Education) IRA distributions
- 1099-R Traditional, SEP, and Roth IRA distributions
- 5498 Traditional, SEP, and Roth IRA contributions*

March 16

- 1042-S Account dividend income over \$10 (paid to some non-resident aliens)

April 30

- 5498-ESA CESA (education) contributions

* If you make a 2019 IRA contribution after this form is generated, SLFCU will send you another form in May, and your original 5498 form in online banking will also be updated.

2019 IRA Contributions

Make the most of your retirement savings by contributing the maximum yearly limit to your IRAs.

For the 2019 tax year, you can contribute a total of \$6,000 to Traditional or Roth IRAs. If you are over age 50, you can contribute an additional \$1,000 “catch-up” contribution.

Please submit your IRA contribution in advance of the tax filing deadline to allow plenty of time to complete the necessary paperwork.

IRA contributions for 2019 can be made until the tax filing deadline in April 2020. Please consult your tax advisor or financial advisor with questions about your individual tax circumstances.

If you don't have an IRA, get started today at slfcu.org/IRAs. SLFCU offers traditional and Roth IRAs, Education Savings Accounts, and IRA Certificates. Open your IRA account with as little as \$5. ■

Tax Season Help

- Turbo Tax Discount
- Direct Deposit Information
- IRA Contribution Deadlines
- Taxpayer Resources

Visit slfcu.org/TaxHelp.

Teen Article: Three Saving Tips for Teens



SLFCU Teen Member
Hailey Robbins

From going shopping every week with friends to eating out almost every day, the idea of saving as a teen doesn't sound very fun. In fact, saving is something not many people find fun, as it doesn't let you spend money left and right. The things you learn and the skills you develop at a young age while saving money teaches responsibility. Saving

doesn't have to be hard – and the more you do it, the easier it is to figure out what fits for you. The following tips can help you create a great lifelong saving habit.

The first tip is to embrace the Pareto principle (the 80/20 rule), which states that 80% of effects come from 20% of the causes. There is much more to this principle, and it can be applied to many aspects of life, but let's apply it toward saving. Putting 20% of your money into savings and spending 80% on everyday costs is a useful tactic. You can put more into savings, but having a simple rule for always depositing 20% of your profit/income into your savings is a great start.

Second, have two separate accounts for your money. Having only one account can make it hard to save money, because you never feel you have actually saved much. For example, say I just got a paycheck for \$200. Depositing all that money into one account would make it hard to feel like I have actually saved it, since I will be withdrawing constantly from that same account. If you only have one account, deposit 20% of your money into it, and keep 80% in your wallet to spend. It's important to keep the money you save separate from the money you spend.

My third tip is a basic one: set a minimum amount for your savings account, and never let it drop below a certain amount. Be it \$20 to \$400, consider your lifestyle factors when setting this minimum balance. My goal is to always have at least \$200 accessible on my debit card. Dropping below that number tells me I have spent too much. This helps prevent me from withdrawing too much from my savings account.

Savings is not a “no touch” account. After all, what is the point of saving it if you never spend it? It's important to know why you save – to have a safety net, or maybe to splurge occasionally on something you have really wanted. Don't think of saving as a chore; it could save you from possible hardships later in life. Set up the savings habit now to avoid money problems down the road. ■



Teens Can Earn \$100

SLFCU members age 13-17 are invited to submit an article on a financial topic to be considered for publication in our Dollars & Sense newsletter and on our website. Teens are awarded \$100 for published articles. Visit slfcu.org/TeenArticles for details, topic suggestions, and to submit an article. SLFCU will review all submissions and respond within 30 days.

What Financial Priorities Do You Need to Address in 2020?

Presented by the MEMBERS Financial Services Program* at SLFCU

January is a good time to think about the investing, saving, or budgeting methods you could employ toward your financial, business, and life objectives this year. From building your retirement fund to managing your taxes, you have plenty of choices. Here are some ideas to consider:

Could you contribute more to your retirement this year?

In 2020, the annual contribution limit for employee 401(k), 403(b), and most 457 plans increased to \$19,500. The catch-up contribution limit for employees aged 50 and over who participate in these plans is increased from \$6,000 to \$6,500.¹

For Roth and traditional individual retirement accounts (IRAs), the 2020 contribution limit is \$19,500 and the catch-up contribution is \$6,500, making the maximum contribution for older savers \$26,000.²

Your modified adjusted gross income (MAGI) may affect how much you can put into a Roth IRA: singles and heads of household with MAGI above \$139,000 and joint filers with MAGI above \$206,000 cannot make 2020 Roth contributions.³

Could you take a home office deduction for your small business?

If you are a small-business owner, you may want to investigate this option. You may be able to legitimately write off expenses linked to the portion of your home used to exclusively conduct your business. Using your home office as a business expense involves a complex set of tax rules and regulations. Before moving forward, consider working with a professional who is familiar with home-based businesses.⁴

Should you open an HSA?

A Health Savings Account works a bit like your workplace retirement account. There are also some HSA rules and limitations to consider. You are limited to a \$3,550 contribution for 2020, if you are single; \$7,100, if you have a spouse or family. Those limits jump by a \$1,000 "catch-up" limit for each person in the household over age 55.⁵

If you spend your HSA funds for non-medical expenses before age 65, you may be required to pay ordinary income tax as well as a 20% penalty. After age 65, you may be required to pay ordinary income taxes on HSA funds used for nonmedical expenses. HSA contributions are exempt from federal income tax; however, they are not exempt from state taxes in certain states.

Should you change your withholding status?

It may need to be adjusted if you meet any of the following scenarios:

- You tend to pay a great deal of income tax each year.
- You tend to get a big federal tax refund each year.
- You have recently married or divorced.
- A family member recently passed away.



- You have a new job and you are earning much more than you previously did.
- You started a business venture or became self-employed.

Are you getting married in 2020?

If so, why not review the beneficiaries of your retirement accounts and other assets? You may also want to make changes to relevant beneficiary forms and your insurance coverage. If you will have a new last name in 2020, you will need a new Social Security card. Additionally, the two of you may have retirement accounts and investment strategies. Will they need to be revised or adjusted with marriage?

Are you returning from an active duty assignment?

If so, check the status of your credit and the state of any tax and legal proceedings that might have been preempted by your orders. Make sure any employee health insurance is still active, and revoke any power of attorney you may have granted to another person.

This information represents general guidelines and is not a replacement for real-life advice. Speak with a professional who understands your situation before making any changes.

Vow to focus on being financially healthy in 2020. Contact MEMBERS Financial Services to make a no-cost, no-obligation appointment at an SLFCU branch:

- **Juan Tabo, Jefferson, Cottonwood, Paseo, Rio Rancho, or Los Lunas branches:** call 505.237.3930.
- **Edgewood, Kirtland, Tech Park, or Livermore branches:** call 505.237.7330.

¹irs.gov/newsroom/401k-contribution-limit-increases-to-19500-for-2020-catch-up-limit-rises-to-6500 [11/6/19]

²investopedia.com/ask/answers/102714/what-are-roth-401k-contribution-limits.asp [11/8/19]

³thefinancebuff.com/401k-403b-ira-contribution-limits.html [11/19]

⁴nerdwallet.com/blog/taxes/home-office-tax-deductions-small-business/ [1/22/19]

⁵cncb.com/2019/06/03/these-are-the-new-hsa-limits-for-2020.html [6/4/19]

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Thinking of Buying a Home? It May be More Affordable Than You Think

SLFCU has financial tools and resources to help you reach your goal



It may be easier than you think to save for a down payment on a home – and depending on your situation, purchasing a home may be more cost-effective than renting. Here are some simple savings strategies to help you reach your goal.

You Don't Need a 20% Down Payment – or PMI

It's a common misconception that lenders require a down payment of at least 20% of a home's purchase price. SLFCU can help qualified first-time homebuyers purchase a home with a down payment as low as 3% in most markets. For example, a 3% down payment for a first-time buyer on a \$200,000 house financed through SLFCU would be \$6,000 plus escrow and closing costs, which are typically low. The down payment for qualified buyers who have previously purchased a home can be as low as 5% in most markets.*

SLFCU never requires private mortgage insurance (PMI). Many other mortgage lenders require PMI when a down payment is less than 20% of the home's purchase price. PMI costs are typically between 0.5% and 1.75% of the financed amount and can really add up: on a \$100,000 loan, PMI could

cost \$1,750 a year. SLFCU helps homebuyers avoid PMI by providing a first mortgage for 80% and a second mortgage for the additional amount.

Visit slfcu.org/HomeLoans to learn more and to get an instant, personalized payment and closing cost estimate for each of our home loan options.

Budgeting and Savings Strategies

Even if you can only save small amounts of money at a time for your down payment, it will add up. Build a budget so you know where your money is going, and look for places to reduce expenses.

You could cancel cable TV, cut back on eating out, and/or get a new quote for your car insurance. Put the money you save into a savings account. Also consider larger changes. Could you move to a less expensive apartment or get a roommate? Would an additional part-time or second job fit your schedule?

Check out more budget-building tips at slfcu.org/Budgeting.

Talk with an SLFCU Mortgage Loan Officer

Even if you have just started saving, all potential homebuyers are encouraged to meet with an SLFCU mortgage loan officer, who can help you determine how much you should save, advise you about ways you can improve your credit, and share helpful resources like the HomeAdvantage® program.** SLFCU mortgage loan officers do not work on commission, and want to help you understand the entire process from start to finish.

To talk to a mortgage loan officer or set up an appointment, call 505.237.7161 or 800.947.5328, ext. 7161 or email us at mortgages@slfcu.org. ■

*Qualified homebuyers could purchase a home with a 3% or 5% down payment under SLFCU's "piggyback" program: a 5/5 adjustable-rate mortgage (ARM) for 80% of the home's value with a second 5/5 ARM for up to 17% more of the value of the home.

**Cash Rewards are awarded through the HomeAdvantage program to buyers and sellers who select and use a real estate agent in the HomeAdvantage network. Home buyers or sellers are not eligible for Cash Rewards if they use an agent outside this network. Cash Rewards amounts are dependent on the commissions paid to the HomeAdvantage network agent. Obtaining a mortgage or use of any specific lending institution is not a requirement to earn Cash Rewards. If you are obtaining a mortgage, your lender may have specific rules on how Cash Rewards can be paid out. Cash Rewards are available in most states; however, are void where prohibited by law or by the lender. Please consult with your lender for details that may affect you.

In the Community



Christmas Electric Light Parade

SLFCU mascot Sandy the Lab attended the Christmas Electric Light Parade in Los Lunas for the first time, along with SLFCU employees and their families. Thank you to everyone who came out for the event and waved hello to Sandy – we all had a great time!



SLFCU Employees Help Serve Breakfast with Santa

SLFCU employees spent their Saturday morning serving breakfast to the Los Lunas community at our Breakfast with Santa fundraiser, where kids had a chance to eat pancakes and meet Santa. Applebee's Los Lunas generously donated 50% of the proceeds from the breakfast to our NMCUCA fundraising efforts.

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Dollars & Sense

What Are Your Financial Goals?

Beware of Social Media Scams

A Reflection on Compassion and Generosity

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On the Calendar

Martin Luther King Jr. Day

Monday, January 20 • All Branches Closed

Brought to you by the MEMBERS Financial Services Program* located at SLFCU. Register at slfcu.org/Calendar or by calling 505.293.0500 or 800.947.5328.

2020 Vision

The case for equities.

Tuesday, January 21 **Noon - 1:00 p.m. • Tech Park**
5:30 - 6:30 p.m. • Juan Tabo

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We can help you pay for college.

Options for funding your future.



Private Student Loans and Consolidation.

To learn more, visit slfcu.org/StudentLoans.