

MONEY'S WORTH

for TFCU Members • September 2024



The dangers of money procrastination

It may surprise you to know, procrastination is not typically caused by laziness. Instead, it's usually caused by much deeper feelings — the fear of failure, lack of confidence or feelings of being overwhelmed. Regardless of the reason, waiting can cause the looming consequences to grow in intensity in both our minds and reality, especially when it comes to our finances. Below are a few dangers of money procrastination.

Missed opportunity for investment growth. It can be tempting to delay saving and investing for retirement, but every day can be an opportunity for growth. Missing just a few of the best investment days can have serious consequences on portfolio growth. Investing small amounts early can keep you from serious regret and missed opportunities.

Spending more than you make. The likelihood of overspending income is higher when you don't plan where household dollars will be used. With smaller budgets, a higher percentage of dollars is usually needed to provide for needs, so planning becomes much more necessary. However, larger budgets can fall prey to this danger as well. Creating a budget to track your spending can help you detect overspending before it becomes a problem.

Collections and delinquencies. Money procrastination can lead to late payments that, if ignored, can turn into debilitating credit problems. Creditors and businesses have a vested interest in your financial success because the availability of funds directly affects their ability to be paid. The earlier a creditor is notified of a problem, the more options they can offer. Waiting to call creditors can lead to a host of problems including interruption of service, credit report damage, late or penalty fees and stress.

Not enough money in reserve for an emergency. The earlier you start to save, the more money there will be when it is needed. Many consumers are motivated to get a credit card for emergencies. However, with a decent emergency fund, you

can avoid high interest rates that can come with using a credit card. Adding money to a savings account regularly, not only keeps your money safe, but also helps with money management by separating it from other funds.

Creating measurable financial goals and tracking progress often can help battle procrastination. If you find yourself in a perpetual cycle of procrastination, TFCU's certified financial counselors would love to help. To set up an appointment, call 405-319-7991 or email MemberSolutionsReferrals@tinkerfcu.org. ■

Article by Tina Herndon
TFCU financial educator

TFCU events

Holiday Closing: September 2, 2024

TFCU branches will be closed September 2, 2024 in observance of Labor Day.

Drop-in financial coaching: September 3, 2024

OKC, Northwest branch, 4626 N.W. 39th St.
9 a.m. – 5 p.m.

Drop-in financial coaching: September 13, 2024

OKC, Capitol Hill branch, 2315 S. Western Ave.
9 a.m. – 5 p.m.

CU in the Park: September 28, 2024

Scissortail Park, 300 S.W. 7th St.
7 p.m. – 10 p.m.

Local credit unions have teamed up to host a free concert for Oklahoma communities. The concert will headline country music artist Jordan Davis.

Unpacking the psychology of loss aversion

As the name implies, loss aversion is our instinct to not just prefer a gain over a loss but to prioritize avoiding losses over almost anything. It might sound wise to try avoiding losses but taking it too far could keep you from realizing your financial goals.

Loss aversion is a proven cognitive bias, and when applied to investments or long-term financial goals, can hold you back. The unwillingness to part with something for less than you originally paid can keep you clinging to declining investments. It could also make you hesitant to tackle more emotional planning challenges, like estate planning.

Here are some steps for overcoming the fear of letting go.

- Reexamine your holdings with fresh eyes — from investments to real estate and inherited items. If you were starting from scratch, which investments would you still want to have? Which investments could you part with?
- Give careful thought to what your true long-term risk tolerance is and stress test your portfolio. This can give you the confidence to stick to the plan even when conditions or circumstances get more volatile.
- Look past loss. Instead of dwelling on a loss, focus on how moving forward can help make progress toward your goals.
- Study long-term market data. If an investment has lost value, consider the root cause. Is this a case of periodic market volatility, which has historically led to consistent upward momentum over the long run, or is a particular security no longer an appropriate fit for your financial plan?

Most importantly, seek out the perspectives of people whose beliefs differ from your own and professionals with specialized expertise. In the case of your financial future, it helps to work with an objective third party — like an experienced advisor at TFCU Financial Advisors — who can offer perspective in addition to wealth planning and investment support.

TFCU Financial Advisors

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TFCU
FINANCIAL
ADVISORS



CU IN THE PARK FREE CONCERT presented by LOCAL CREDIT UNIONS



WHERE X Scissortail Park
Downtown OKC

WHEN X Saturday
September 28, 2024
Show starts at 7pm

CMA Song of the Year Winner
JORDAN DAVIS



TFCU
Tinker Federal Credit Union

For locations, numbers and hours please visit [TinkerFCU.org](https://www.TinkerFCU.org)

P.O. Box 45750, Tinker AFB, 73145

405-732-0324 OKC
918-592-0324 Tulsa
405-707-7440 Stillwater
580-310-0324 Ada
580-233-3330 Enid
800-456-4828 Toll Free

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