

July 2019

PATHFINDER

Uniquely partnering to make life's journey easier.



OUR QUARTERLY NEWSLETTER IS NOW PATHFINDER

For over 43 years, **Parsons Federal Credit Union** has served its members as a **guiding light**, helping them achieve financial wellness in a complex, ever-changing world. As our members' needs evolve, we strive to move together with them to provide sound financial advice that will help them navigate through their personal life's journey. We understand that each person's journey is unique—that is why we pride ourselves in building strong relationships with each and every one of our members, so we can help them plan their next move.



Our quarterly journal is now Pathfinder. Though the name of the newsletter has changed, its core mission remains the same. Our newsletter's new name reaffirms **Parsons Federal Credit Union's commitment to making our members' lives easier.** A pathfinder is someone who leads an expedition and goes ahead to find the best route to the end goal. We hope our newsletter will continue to act as such by guiding our members toward the **most prosperous routes on their financial journeys.**

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5 WAYS TO SAVE ENERGY DURING THE DOG DAYS OF SUMMER



With the **heat of summer**, you may want to run the air-conditioning all day, but the **resulting bill will only send shivers down your spine** and make you consider moving to the basement. Even **cost-effective methods** like fans will only continue to pile up your electricity bill with the increased summer rates.

If summer utility bills are scorching your budget, take heart. **With these low-effort ways to save energy, you can spend less without moving underground.**

1. HANG SUN-BLOCKING CURTAINS

When summer sunlight hits your windows, much of it enters your home as heat. High-quality blackout curtains can reduce this heat gain by up to 25%, while more expensive cellular shades with a honeycomb design can slash unwanted solar heat by up to 80%.

Basically, anything you can do to block direct sunlight—closing shutters, deploying an awning, or adding white liners to your existing drapes—will keep things cooler and help you save energy.

2. TURN THE WATER HEATER DOWN

Water heaters account for about 18% of total home energy use, often because they're set too high. The default temperature for most water heaters is 140 degrees, which takes more energy to generate, can damage pipes, and may burn your skin!

Turning the water heater down to even a slightly lower 120 degrees protects your plumbing, saves energy, and reduces risk of scalding. Who wants boiling-hot showers in the summer anyway?

To adjust the temperature, look for a thermostat knob on the front of your water heater. If it has Hot, A-B-C, and Very Hot settings instead of numbers, set it to Hot to achieve 120-degree bliss.

3. SWITCH TO A REUSABLE AIR FILTER

It's a good idea to change the air filter on heating, ventilation, and air-conditioning systems every 30 days, according to the Air Conditioning Contractors of America. But buying stacks of disposable air filters gets expensive fast.

Permanent electrostatic air filters may cost more than disposables initially, but they're washable and can last up to 10 years. By cleaning the reusable filter often, ventilation systems can get more air in while keeping efficiency-killing particles out—a win-win.

4. TURN UP THE THERMOSTAT

With summer heat in full swing, this energy-saving tip may sound crazy, but hear me out. The air-conditioner's main job is to control indoor humidity. When set to 78 degrees, a properly installed air-conditioning system will limit indoor humidity to 50% or less, keeping occupants comfortable while using less energy.

For those who usually like things on the frigid side, 78 degrees may feel like the Sahara. Ease into it by nudging the thermostat up a little each day. Even a small change makes a big difference: turning the thermostat up just one degree could generate savings of 3 to 5%, according to the American Council for an Energy Efficient Economy, a nonprofit that advocates for efficient technologies.

5. OPT FOR FLAT-RATE UTILITIES

Also known as "budget billing" or "balanced billing," flat-rate utility programs split your annual energy use into equal monthly payments.

A flat-rate plan smooths away seasonal bill spikes, but it is important to understand the terms before signing up. Ask about service fees, how often rates readjust, and what happens if the actual energy use differs from the power company's estimate.

Lower payments. Lower rates. More opportunities.

STUDENT LOAN REFINANCING

To learn more, visit our website
www.parsonsfcu.org or call 800-765-4527.



BONUS: LEARN TO READ YOUR METER

Much like checking a bank account balance, **reading the energy meter** can give a better understanding of real-time usage and **may help to spot billing errors**.

With digital meters, reading is easy: Simply record the numbers seen, from left to right.

For analog meters, do-it-yourself readings take a bit more work. Numbers are still read from left to right, but if a dial hand is between two numbers, record the lower number. And if a dial

hand points directly at a number, check the dial to the right before recording it. If the dial to the right is on 9, subtract one from the other dial before recording it. Otherwise, record it as is.

Once the first two readings have been recorded, subtract the first reading from the second to see how much energy has been used in the interim. It is important to record readings on a regular basis to keep tabs on consumption over time.

The article "5 Ways to Save Energy During the Dog Days of Summer" originally appeared on NerdWallet.

PRESIDENT/CEO LETTER



Summer is a season of growth, and that also applies to Parsons FCU. I am delighted to announce that your Board of Directors has approved the **addition of a branch to be located in Centreville, VA**. The expansion will make it even **easier for our East Coast members to do their banking with us** and extend Member Services phone coverage from 8:00AM to 7:30PM

EST once it is completed. More information will be shared as it becomes available.

Our 2018 Annual Report is now available for viewing on our website. I encourage you to take a moment to check it out, so you can see the impressive results the credit union has achieved. Last year was a record-setting year, with 10% membership

growth and 22% loan growth. While this sort of progress is usually accompanied by a decline in customer satisfaction, our staff was able to deliver an even **higher service satisfaction rating of 97%**. I am proud to say that our employees stand by our mission to make life's journey easier for our members. Remember that **we welcome your family members to join the credit union** and be a part of our movement to put members first.

Thank you for being a member-owner and have a safe, enjoyable summer!

Sincerely,

Ray Crouse

Ray Crouse
President/CEO
Parsons Federal Credit Union

WHAT IS DEBT CONSOLIDATION AND SHOULD I CONSOLIDATE?

Debt consolidation is a personal finance strategy that rolls high-interest debts into a single, lower-interest payment. It can reduce total debt and reorganize it to be paid off faster.

However, consolidation isn't a silver bullet for debt problems. It doesn't address excessive spending habits that create debt in the first place. It's also not the solution for someone who is overwhelmed by debt and will have trouble paying it off even with reduced payments. For a manageable amount of debt or to reorganize multiple bills with different interest rates, payments, and due dates, debt consolidation is a sound approach you can tackle on your own.

HOW DOES DEBT CONSOLIDATION WORK?

To help our members repay debt, Parsons FCU offers a Debt Consolidation loan with flexible terms and borrowing limits up to \$30,000. Members can use the money from the loan to pay off their debt at once, then pay back the loan in installments over a set term.

To begin to assess your chances with consolidation, first add up all your unsecured consumer debts: credit card balances, medical debt, and personal loans. Don't count a mortgage, student loans, or auto loans. Compare the total with your gross annual income. If it's less than half your income and you think you can pay it off within 5 years, you may be a good candidate for debt consolidation.

You can visit our website, www.parsonsfcu.org, to access a calculator tool under Forms and Resources to see how long it'll take to pay it off and how much interest you'll pay. Once you see the numbers, you can determine which debts to prioritize.

WHEN DEBT CONSOLIDATION IS A GOOD IDEA

Success with a consolidation strategy requires the following:

- Your total debt doesn't exceed 50% of your income
- Your credit is good enough to qualify for a 0% credit card or low-interest debt consolidation loan

- Your cash flow consistently covers payments toward your debt
- You have a plan to prevent running up debt again

Here's a scenario when consolidation makes sense: Say you have four credit cards, with interest rates ranging from 18.99% to 24.99%. You always make your payments on time, so your credit is good. You might qualify for an unsecured debt consolidation loan at 8.99%—a significantly lower interest rate.

For many people, consolidation reveals a light at the end of the tunnel. If you take a loan with a 3-year term, you know it will be paid off in 3 years, assuming you make your payments on time and manage your spending. Conversely, making minimum payments on credit cards could mean months or years before they're paid off, all while accruing more interest than the initial principal.

WHEN DEBT CONSOLIDATION IS A BAD IDEA

If your debt load is small—you can pay it off within 6 months to a year at your current pace—and you'd save only a negligible amount by consolidating, don't bother. If this is the case, try a do-it-yourself debt payoff method instead, such as the debt snowball or debt avalanche. Our Online Banking's Goals tool helps users automate snowball payments toward debt and lets members choose how much they pay toward their repayment goal every month, as well as how long they want to take to repay it.

Whether or not you choose to consolidate your debts, any time is a good time to start evaluating your financial footprint, from spending habits to cash flow to net worth, to make sure you're always on the right path of smart financial health.

The article "What Is Debt Consolidation and Should I Consolidate?" originally appeared on NerdWallet and was published by the Associated Press.

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Your savings are insured up to \$500,000 through a combination of federal insurance by the National Credit Union Administration, a U.S. government agency, and private insurance by American Share Insurance.

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