



Wealth Management 101 Checking Account

Building wealth starts with not paying fees that can be easily avoided; the most overlooked fee producer can be your checking account. There is an old adage that states, "Don't write a check if you don't have any money in your account," to bring this into the 21st Century we can add, "don't use your debit card either." The simplest way to avoid fees is to balance your checking account every month; this is easily accomplished with the use of the free check register provided to you for recording transactions. Take about 15 minutes each month to balance your register to your statement. Alternatively, if you use a program like Quicken you can set it up to automatically download and balance your account for you. The secret is to balance every month to avoid fees.

However, we understand that "Stuff happens," so if you do happen to write a check or use your debit card without having sufficient funds you can be proactive to avoid high fees and embarrassment. Here are some money saving suggestions:

- **Cushion** – Keep a cushion (extra money) in your checking account that you do not record in your register as a safety valve in the event you may overdraw your account. This can be \$50 or \$5,000, whatever you are comfortable with, and if you are an e-Power user, you gain the benefit of increased earnings with this cushion.
- **Share Transfer** – You can set up your checking account so that in the event of insufficient funds a transfer will be made from your share account. The fee for this is \$3.00.
- **Line of Credit** – You can apply for a line of credit that can have an advance made against it in the event you have insufficient funds. The cost is only the interest from the day of the advance to the day you pay the advance back.

The above are all proactive, money savings steps that you can take. However, if you do nothing that is where you can really start seeing the fees pile up. Ignorance is bliss but comes at a high cost.

- **Privilege Pay** – Some call this Courtesy Pay or Overdraft Protection. Whatever you call it, this is an expensive way to cover an NSF Check. The amount of protection is determined by the amount of your monthly deposits, the minimum to qualify is \$1,000. The fee to have a check covered by Privilege Pay is \$26.00; this is on top of the amount needed to cover the check. If you average one per month you are taking \$312.00 out of your pocket a year that could have been used more productively. You may opt-out of Privilege Pay if you wish.
- **NSF Return** – If none of the above applies; your check will be returned. You will be charged a \$26.00 return check fee and may have additional fees added by the business that you paid.

Main Street Financial, as your Financial Cooperative, is interested in helping you build your wealth. Balancing your checking account is a good way to start. If you would like assistance with getting started come by and visit with one of our Financial Services Specialist - they will be glad to help you start building your wealth.

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