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## How Do Electronic Checks Work?

### A simple explanation of how eChecks work and when they're worth using

Digital banking can be confusing if you remember a time when the internet didn't exist. Now, all your finances occur in the digital realm, and many of the terminologies used may sound similar. We want to help clear up that confusion by explaining what an electronic check is and how it works.

#### A basic definition

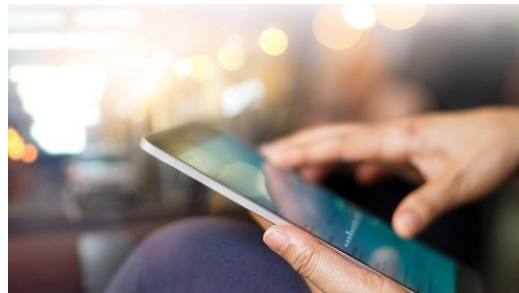
An eCheck is a shortened name for an electronic check, which is a digital version of a paper check. Just like a traditional check, an e-check allows you to move money from one checking account to another.

An eCheck gives the recipient's financial institution the directive to withdraw money from your specific account and deposit the funds in their account. The notice relays the account number and routing number needed to process the transfer.

#### Advantages of eChecks over paper checks

Paper checks and electronics are largely similar in nature, but they have some key differences that make eChecks more advantageous. Payment Cloud Inc. contributor Allison Eilhardt points out these benefits:

- **Faster:** Electronic checks have much shorter clearing times than paper checks, as they can be initiated immediately once approval is given.
- **More convenient:** Electronic checks don't need to be physically deposited at a location, nor do they take time to travel through the mail or be handed to the recipient.
- **Clearer:** The typed numerals on an electronic check won't be misread like the scribbled monetary amount on a paper check can be.
- **More secure:** Electronic checks won't be misplaced or stolen like paper checks can be. Plus, the information is encrypted and sent over a secure gateway when it's transmitted.
- **Eco-friendly:** Electronic checks don't use paper and thus help reduce the toll that paper takes on trees and the waste left behind.



#### How do eChecks work?

Paper checks have to be scanned or manually entered through an electronic payment system that transmits the information. An eCheck is also an electronic means of transferring funds that uses this same technology, but it eliminates the need to scan a paper copy to upload the transaction information to the Automated Clearing House.

The U.S. Bureau of Fiscal Service defines the ACH as "the primary system that agencies use for electronic funds transfer (EFT). With ACH, funds are electronically deposited in financial institutions, and payments are made online." In other words, this computer-based network processes most domestic transactions like credits and debits. When the information is transmitted, the payer's bank verifies the transaction and initiates the transfer of funds.

An electronic check is not the same thing as using a check-scanning app to deposit a paper check into your financial account.

#### When should you use an eCheck?

Although electronic checks are not as common as they had been a few years ago, there are still some situations in which using an eCheck is advantageous.

U.S. News & World Report contributor Ellen Chang says that many businesses use electronic checks to pay their employees their recurring salary installments instead of using paper checks. Plus, eChecks also allow businesses to pay their vendors on a cyclical basis.

eChecks are generally more secure than debit card transactions. Plus, this method allows both entities to avoid the fees associated with debit and credit card processing. It's a contactless payment method that lets you establish recurring payments securely and easily.

While an eCheck may not be the most common type of electronic payment method, it still has its benefits as being a simple, secure, quick, and affordable way to send and receive money.

## How Much of Your Income Should Go to Housing Expenses?

### How to budget for home expenses based on your income

It's easy to fall in love with the grandeur of a home or the amenities and hip location of an apartment or condominium. So easy, in fact, it may blind you to its cost — a cost that may exceed your budget. Before you start searching for a home and falling in love with a dwelling, you should figure out how much you can afford to spend on a space.

#### Do a little math before buying a home

If you're looking to buy a new home and take on a mortgage, you need to look at your paycheck. Focus on your gross monthly income, the sum that is untouched by deductions and taxes, and calculate no more than 30% or 28% of that number. When you opt for the 28% mark, you'll be implementing the 28/36 rule, a tactic favored by financial experts for aspiring homeowners.

"The 28/36 rule stipulates that in order for a home to be considered within your budget, your housing expenses (such as mortgage payments, taxes and insurance payments) shouldn't exceed 28% of your gross monthly income. Your total debt (including credit cards, student loans and car loan payments) shouldn't exceed 36% of your gross monthly income," advises Megan Leonhardt, writer for CNBC.com.

Be sure to factor in the debts and income of your partner or spouse, too, when you're working out what your household can afford, she adds.

#### Calculate a little more as a renter

Renters should increase their percentage goal by 2 points, to earmark 30% of your gross income. "For renters, that 30% includes rent and utility costs like heat, water and electricity. That means if you earn \$75,000 a year before taxes, you should spend no more than \$1,875 a month on your housing," according to Leonhardt.

The reason for this percentage is so that you do not have to spend all your funds on your mortgage or rent payment. She notes it is designed to leave enough money to pay for essential items such as transportation and food. Although this a common and recommended practice, you should note that where you choose to live may alter the equation.

"If you live in an affordable area, for example, you shouldn't pass up an apartment renting for \$500 per month simply because it's only 18% of your income. On the flip side, sticking to spending 30% on rent isn't always feasible in a place like Hoboken or San Francisco, where median rents top \$2,000 per month for a one-bedroom apartment according to recent data from Apartment List," reports Kelsey Sheehy, writer for NerdWallet.com.

Another method to work out your housing finances that Sheehy suggests is the 50/30/20 budget guide. In this breakdown, you'd work with what you take home each month after taxes have been deducted. You'd need to allocate 20% to debts and savings while 30% is earmarked for wants. Your needs including food, insurance, minimum debt payments, and of course rent, get the most with a 50% cut.

If your numbers aren't adding up or you're having trouble working out your finances, seek advice from a real estate professional who can steer you to a more affordable market and a financial expert to help you craft a realistic budget.



## Why You Shouldn't Pay Cash for a New Car

### The benefits of financing a car outweigh the benefits of buying with cash

If you're shopping for a new car, you may be wondering if it makes sense to pay cash. But even if you have the money at hand to buy a car outright, there are still advantages to taking out a loan. In fact, for most Americans, it's almost never better to pay cash for a new car.

#### Build your credit history

Having no credit history is a major disadvantage any time you seek approval for a loan or to move into a new apartment. If you plan on buying a home with a mortgage or financing a car in the future, having a lengthy credit history can help you get approved as well as qualify you for lower interest rates.

According to FICO Scores, the most widely used credit scores, 15% of your credit score is determined by the length of your credit history. Additionally, the most important factor is payment history, which accounts for 35% of your credit score. This means that simply having credit and making payments on time can be responsible for half of your credit rating. Financing a car and paying it off shows future lenders that you are a safe bet. By paying for a new car with cash, you miss out on a major opportunity to improve your credit score.

#### Save your savings

It's always a good idea to have enough savings to get you through a rough patch. According to savings expert Margarett Burnette, there's no one-size-fits-all answer for how much money you should keep in the bank. Nonetheless, "the standard recommendation is to have enough to cover three to six months' worth of basic expenses," she writes in an article for NerdWallet. If buying a new car with cash would deplete your savings to the extent that you couldn't cover at least three months of basic expenses, it makes more sense to finance. Especially in an uncertain economy, you can never feel too good about having a lot of money saved. And even if you feel comfortable letting go of the capital, investing it in stocks, mutual funds, or a retirement account can result in much bigger savings compared to avoiding paying for the interest on a loan.

#### Don't limit your options

New cars are expensive, and buying one with cash can severely limit your options. If your liquidity isn't sufficient to purchase the car, SUV, or truck that fits your needs, financing a loan can give you access to a more comprehensive selection of vehicles. But it isn't just your vehicle options that are more limited when buying with cash. "A brand will sometimes offer lower interest rates or maybe no interest at all on a new vehicle," says Kelley Blue Book. "Dealers might offer significant rebates if the buyer finances the car through an institution tied to the automaker. Skipping this offer could be a missed opportunity."

The biggest perk of buying a car with cash is avoiding the interest payments, but with many low-interest or even no-interest loans available, it makes more sense to finance in most situations. Visit your local financial institution to get pre-approved on a loan before you set out to purchase your dream car!



## Voted Best of the Best!

Thank you all who voted



PSCU has been voted the 2022 Best of the Best Credit Union! We want to show our appreciation to both our employees and members! Thank you for being apart of the PSCU family!

## Early Pay is Here!



Introducing our new member benefit, Early Pay!\*

Early Pay allows members to receive their direct deposit up to 2 days in advance! No activation or hidden fees required. Look out for your next payday and tell a friend about this exciting new benefit as a member of PSCU!

\*Early Pay is a free service for all Public Service Credit Union members with direct deposit. ACH payroll can be posted up to 3 business days early, but not guaranteed. The payroll sender determines when they send the payroll files, PSCU has no control on how early payroll will come in.

## Upcoming Closing

Staff Training



Tuesday, October 25, 2022 | All branches and departments will close at noon | Romulus branch closes at 1pm.

## 2022 Board of Directors Elections



Considering running for the PSCU Board of Directors? Elections will be held during the Annual meeting on January 24th, 2023. If you would like to run for a Board position, you can pick up a petition from Donna Follbaum at the Administration office after November 2nd, 2020. The petition must be returned no later than December 10th, 2021 at 4:00pm with signature of 652 bona fide Public Service Credit Union members. To run, you must be at least 18 years of age and a PSCU member in good standing. Board of Directors members running for re-election this year are Juanita Henry, Jeffrey King and Dean Trudeau. The Annual Meeting will be held at the Romulus Branch located at 7665 Merriman Rd. We would like to encourage your attendance and participation.



## Beautiful Fall Décor Tips and Tricks

### Tips and tricks to help you decorate for fall

Fall ushers in brilliant hues, a festive spirit, and a fun opportunity to decorate inside and outside your home. The following tips and tricks will help you celebrate the season whether you're looking for simple décor or elaborate creations.

#### Decorate with natural materials

The season of fall is lush with natural materials perfect for décor. You can craft a wreath for your front door with fallen leaves. Stick with one color for a monochromatic look, mix in the colors for a patterned look, or graduate the saturation into an ombre effect.

"Pieces featuring apples, cobs of corn, or autumnal flowers will breathe some seasonal life into your space," advises Blair Donovan and Rebekah Lowin, writers for CountryLiving.com.

Pumpkins and gourds will be plentiful at grocery stores, roadside stands, and farmer's markets. These elements offer a pop of color and a chance for artful arrangement, especially since they range in size from small to giant.

"A bunch of magnolia leaves add a fresh note to a neutral living room. The branches pick up warm colors of the space, including a reclaimed-wood mantel," according to Hadley Mendelsohn, writer for HouseBeautiful.com.

#### Use signature style

When you think of fall, certain colors come to mind like yellow, orange, red, and brown, all taken from the changing environment outside. These shades are perfect for your decorations! You can change the entire look and feel of your living room with pops of these colors — think throw blankets, pillows, candlestick holders, and table linens. Another signature look of fall décor is plaid, which offers a pop of comfort.

"Just one pillow or two makes all the difference in this autumnal vignette. Turn your entryway or mud room into a bona fide fall haven with a splash of plaid," suggests Donovan and Lowin.

#### Celebrate the holidays

Fall contains both Halloween and Thanksgiving, two holidays that have unique design styles. You can go fun and playful or spooky and scary with your Halloween décor. Bust out the skeletons, the carved pumpkins, and fake spider webs. If you prefer not to carve pumpkins, you can still make them a standout element in your Halloween design by painting funny faces on them, offers Julia K. Porter, writer for the FamilyHandyman.com. Using what you have is also a great way to decorate when it comes to transforming your outdoor space.

"Use bushes to your advantage. Add eyes or zombie hands. Rake your leaves and fill trash bags that you can decorate," she adds.

For Thanksgiving, concentrate on fall colors or even a neutral palette for your table linens. Again, plaid, is always a hit for this holiday. Your front porch will look festive with pumpkins, gourds, and a wreath on your door.

#### Employ the senses

The decorations you create, buy, or coordinate for fall will be a feast for the eyes. But, you can also bring in fall when you cater to other senses, especially the sense of smell.

"Scent plays a huge role in mood, so set the right tone in your home by lighting seasonal candles that make you feel cozy, warm, and ready for the holiday season ahead," advises Mendelsohn.

Let your creativity and imagination run wild with your fall décor. You can find inspiration from the season's natural beauty, including its changing leaves, flowers, and edible gifts, as well as the seasonal holidays meant to bring everyone together.



## Tips for Boosting Productivity When Working From Home

### Get your head in the game with these tips

Whether you've been working from home for the past two years or you just started, you might be hitting a wall when it comes to productivity. Check out these helpful tips if you're struggling to stay focused when working remotely.

#### Stick to your schedule

The Center for Creative Leadership (CCL) suggests setting a schedule to help hold yourself accountable when working from home. With no supervisors or coworkers nearby, it can be easy to log on later in the morning or stop working early. Or worse, it can lead to working later than anticipated, leading to a poor work-life balance.

#### Get ready for the day

Another tip to boost productivity is to get up, take a shower, and get dressed. It might seem easier to just roll out of bed and log on in your pajamas to save time and do less laundry, but you might feel groggy or sleepy in these clothes. When you put "real" clothes on, your brain is more likely to think it's time to get down to business. You don't have to go all-out with a suit and tie if your job doesn't require it. If you're uncomfortable, you're not going to be able to focus on anything other than that instead of getting tasks completed.



#### Limit distractions

Distractions can be detrimental when you're trying to get quality work done. When something interrupts your train of thought, you might end up with nonsense in an email or presentation. If you have to work remotely with a spouse or kids at home, be sure to set proper boundaries with them in regards to your working time. It might become necessary to invest in ear plugs or noise-canceling headphones if you find yourself getting distracted easily.

#### Create a specific work space

To further improve your work-life balance, be sure to set up a specific work space at home. While the goal is to enjoy your job, you may not want a constant reminder of it if you're trying to relax on the couch when watching TV or spending time with family in the den. The CCL suggests choosing a spot with a lot of natural light and in an area that does not experience a lot of foot traffic. If you've got family members or roommates constantly walking by or doing activities nearby, you may not get much work done.

#### Temporarily change your scenery

If you're still having trouble finding the motivation to get any work done, it may become necessary to temporarily change your scenery. Doing so will help stimulate your brain and get out of a funk. Go for a 5-minute walk around the block if the weather is nice, watch a short music video on your phone in another room, or just listen to some upbeat music for a while to see if that helps. If all else fails and you have a laptop that allows you to travel, try working at a local coffee shop or park if your work allows it.

With these tips in mind, you should be well on your way to having more productive days when working from home.

