



First Federal



Who's in charge?



Take a second to think about this question: Who's in control, you or your money? Sometimes it can feel like our money is the one pulling the strings. It can leave us stressed, frustrated, and wondering if we're really in charge of anything.

But imagine if money wasn't running the show. Imagine having a sense of confidence knowing that you call the shots when it comes to what you can do now – and down the road.

Wouldn't that feel awesome?





Becoming the master of your money



We're going to look at five ways we can take back the control once and for all.



Managing money movement



Spending



Saving



Emergency-proofing



Borrowing like a boss

We'll cover what we need to know for each. And give you ways to make sure you're the boss of your money.



The tools you'll need

Before we get started, let's make sure we have the tools to make this "money managing" thing easy.

CHECKING ACCOUNT



We need a place for our money to come and go. It should come with the basics, like a debit card, direct deposit of our paychecks, and the ability to easily transfer money to a savings account. Plus, look for an account that allows you to avoid fees. And gives you access to your money online, at branches around town, and ATMs nationwide.

SAVINGS ACCOUNT



We need a place for our money to sit and grow. This account should let us move money from checking and have a competitive interest rate so saving isn't a chore.

CREDIT SCORE

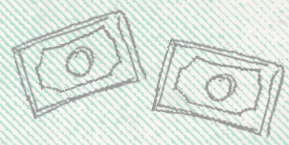


This score is what lenders use to determine our potential credit risk and the interest rate we'll be charged. Our credit score is based on a number of factors, including payment history, how much we owe creditors, the age of credit accounts, the types of loans we have, and more.

FDIC INSURANCE



This is federal insurance that protects the money we have in the bank (up to \$250,000). So no matter what happens to the bank, our money is still our money.



Managing money movement



MANAGING THE \$\$\$ FLOW

We need to understand what's coming in and going out each month. When we do that, we start to feel like the boss.





UNDERSTANDING YOUR PAYCHECK



We all love payday. But do we really know when that money hits our account? Knowing that can help us plan the flow of money out and make sure we're not paying unnecessary fees or penalties for a low balance or overdraft.

For most people, the money in each month comes from a paycheck. Scott works at a local factory that makes Halloween costumes for cats and dogs. Let's take a look at his paystub to help us understand what's taken out of a check and why.



Spirit Pet, 1200 W 10th St. Kansas City, MO, 64021

EARNINGS STATEMENT

EMPLOYEE NAME Stein, Scott	SOCIAL SEC. NO. XXX-XX-1921	EMPLOYEE ID 343434
-------------------------------	--------------------------------	-----------------------

CHECK NO. 1253	PAY PERIOD 01/15/2017-01/31/17	PAY DATE 01/31/17
-------------------	-----------------------------------	----------------------

INCOME	CURRENT TOTAL	YTD
--------	---------------	-----

GROSS WAGES	1,192.00	2,384.00
--------------------	-----------------	-----------------

DEDUCTIONS	CURRENT TOTAL	YTD
------------	---------------	-----

EE Medical	27.00	54.00
------------	-------	-------

401k	35.00	70.00
------	-------	-------

TOTAL	62.00	124.00
--------------	--------------	---------------

TAXES	CURRENT TOTAL	YTD
-------	---------------	-----

Federal Taxes	152.31	304.62
---------------	--------	--------

MO Taxes	39.00	78.00
----------	-------	-------

KCMO Taxes	21.30	42.60
------------	-------	-------

Medicare	15.25	30.50
----------	-------	-------

SocSec	66.00	132.00
--------	-------	--------

TOTAL	293.86	587.72
--------------	---------------	---------------

TAXES + DEDUCTIONS	CURRENT TOTAL	YTD
--------------------	---------------	-----

TOTAL	355.86	711.72
--------------	---------------	---------------

INCOME	CURRENT TOTAL	YTD
--------	---------------	-----

NET PAY	836.14	1,672.28
----------------	---------------	-----------------

1 Gross pay

This is what Scott makes before taxes and any other deductions.

2 Voluntary deductions

These are deductions from Scott's paycheck for things like a retirement 401(k), health insurance, and dental or vision insurance.

3 Federal taxes

These are the taxes he pays to the federal government for things like national defense, highway repairs, and more.

4 State taxes

These are the taxes Scott pays that go to the state government to pay for things like education, law enforcement, programs for the needy, and more.

5 Local taxes

These are the county or city taxes Scott pays that cover things like emergency services from police and firefighters, and other municipal projects.

6 Payroll taxes

This money pays for the Medicare and Social Security programs.

7 Net pay

This is Scott's gross pay minus taxes and voluntary deductions.



Money out

Money comes out of our accounts almost daily, sometimes without us remembering it. And it can go quickly. That means we need to do a few simple things to stay on top of it.

STAYING IN THE KNOW

Take a few minutes each day and check your balance online or through a mobile app to make sure what's coming out of your account isn't more than what's in there. That also means accounting for things like automatic payments for bills or any checks that might be in the mail.

AVOIDING MISSTEPS

An overdraft can turn a \$5 coffee into a \$40 mess. Know how much money you have so you won't go over. That way you'll avoid possible bank fees and lots of hassle. Or, link your checking account with a savings account to automatically transfer money if you happen to go over.

SIDESTEPPING THE CREDIT TRAP

Making ends meet throughout the month shouldn't mean resorting to loans with ridiculously high interest rates – like payday loans, title loans, or pawning. While these types of loans might help in the moment, they'll cost you far more down the road.





→ Spending



THERE'S A NEW BOSS NOW.

There's nothing worse than "having more month than money." It's why finances are so often a source of stress and aggravation for lots of folks. Why do we let our money do that to us? Let's change it. Let's show our money who's really in charge.





Balancing needs and wants

We all have basic things in life that we need, like housing, food, and reliable transportation. And there are things that add fun and enjoyment, like streaming TV, trips to the coffee shop, or dinners out with friends. And there's nothing wrong with any of that.

We just need to make sure we have the needs covered first, and that our spending on the wants doesn't put us in the poor house. Or worse, mom and dad's basement.



The Budget-nator



Some people like budgeting. Some of us not so much (who has the time – especially with so many TV shows to catch up on.) But what if we looked at it differently? Like as a way to get decision-making superpowers? What if these superpowers gave us the anxiety-crushing ability of not having to worry about how to make it to the end of the month? Let's look at some ways to do that.



50/30/20 RULE



Categorize what you spend each month into 3 areas: essentials, everyday stuff and savings.



50% ON ESSENTIALS



Housing costs (mortgage or rent, and insurance)



Groceries



Utility bills



Car costs (loan payment, insurance, gas, and repairs)



Child care

30% ON EVERYDAY STUFF



Cable/internet bill



Cell phone bill



Movies



Coffee shop



Fast food

20% ON SAVINGS



Retirement



Emergency-proofing (more on this later)



Saving goals (like for a car, trip, or wedding)



THE 80/20 RULE

We're breaking your money into 2 categories – the money you spend and the money you save.

The goal is to work toward saving 20% of your income.

80% ON MONTHLY SPENDING



Housing costs (mortgage or rent, and insurance)



Groceries



Utility bills



Car costs (loan payment, insurance, gas, and repairs)



Cable/internet bill



Cell phone bill



Child care



Miscellaneous spending
(fast food, coffee shops,
household items, etc.)

20% ON SAVINGS



Emergency-proofing



Retirement



Saving goals (like for a car, trip, or wedding)

Ready to dig deeper? Download our budget worksheet and show your money who's boss.



→ Saving



SAVING = CHOICES

Thinking about saving our money just isn't as fun as thinking about spending it. So what if we thought about it as buying ourselves something instead? Like freedom, options, choices, and opportunities.

The first step toward buying these choices and options is building habits. These are habits you can repeat day after day, week after week and month after month. The great thing is that once you see success, you'll be hooked. And you'll want to keep building the good vibes.



Here are a few tips for discovering and building habits you can use over time:

BUILD ON SUCCESS

We all like momentum, so use it for your savings goals as well. Start saving \$25, \$50 or \$100 from each paycheck. Once you see success there, you'll want to keep the momentum rolling.

SPECIAL ACCOUNT

The best way to make sure the money you're saving doesn't get spent is to get it out of your checking account and into a savings account. Some banks allow you to open multiple accounts and give them specific names, like "Emergency-Proof Savings" or "Travel Fund."

AUTOMATE IT

The easiest way to get in the habit of saving is to have it happen without even having to think about it. Set up an automated transfer from your checking account to your savings account so the money moves – and you don't have to do a thing.

Check out our ebook on "Ruling Your Tomorrows" to learn how you can save for things like trips, weddings, retirements and more.





Emergency-proofing



Being emergency-proof means being free from the worries of whatever speed bumps, detours, or roadblocks drop in our path.

Check out our "Emergency-Proof" ebook to learn more about how you can buy a feeling of invincibility when it comes to money.



MAKE YOURSELF EMERGENCY-PROOF

SPEED BUMPS



It's things like the refrigerator going out on the hottest day of the year. These are the moments when we wish we had a little extra cash around. To handle these speed bumps, we recommend saving \$1,000 so you're always prepared.

DETOURS



Sometimes big things happen in life, like losing a job or getting hit with a major medical bill. These detours can set us back for a long time. That's why it's wise to work toward having enough cash in savings to cover three to six months of expenses.

ROADBLOCKS



These are the major things – like a serious injury or (gulp) kicking the bucket. But being emergency-proofed means we – and our loved ones – are ready for anything. To get through these roadblocks, it's important for us to look at our life and disability insurance needs.




Borrowing



BORROWING LIKE A BOSS

Borrowing can help us do some pretty awesome things. From moving into the house that's the perfect spot for our family to the practical things like buying the car that helps us get around. But borrowing should be about getting the money we need – not grabbing all the money we can get.





What to know about borrowing

There are options to consider, like length of the loan, interest rates and down payments. All these things deserve some thinking about because they impact our wallet - now and in the future.

Check out our "Borrowing Like A Boss" ebook to learn more.



HOW MUCH SHOULD I BORROW?

When borrowing, consider this guideline from the experts. Home loan payments, including insurance and taxes, shouldn't exceed more than 25% of our monthly income (or combined income for married couples). But this is just a ballpark number. Sitting down with one of our home loan consultants can help you figure out exactly how much home you can buy. And hey, it could be less than you're paying in rent. Or it could be more house than you think you can afford.

When it comes to a car, experts recommend not spending more than 10% of your monthly income on your car payment and insurance.





What kind of loan is right for me?

There are plenty of loan options out there. We're here to help you sort through all the jargon and complexity and boil it down to what it really means.

HOME-RELATED LOANS



Let's look at the ways we can use a loan related to a home.

BUYING A HOME



Home buyers have plenty of options to think about – from fixed-rate and adjustable-rate loans, to loans for first-time buyers and veterans. Each offers options that change how much we have to pay up front and per month.

BUILDING A HOME



Designing and building a home from scratch is an exciting, dream-fulfilling time. The right loan will help you ensure your dream home becomes reality without a hitch.



IMPROVING YOUR HOME



The right projects – financed either by the equity we've built up in our home or a personal loan – will help add value to the home and increase its price when it's time to sell.

LOWERING YOUR PAYMENT




Refinancing can be a way to get a lower interest rate (and lower your payment). Or it could help you move from an adjustable-rate mortgage to a fixed rate and stabilize your payment for the life of the loan.

CAR LOANS



A car loan comes with monthly payments over a set period, usually 3 to 5 years. As we look at what we can afford, remember, making a 20% downpayment is a good rule of thumb. And don't forget that we'll have to pay sales taxes and fees for titling and licensing.





What will a lender need to know?

We all want to be the boss of borrowing. To be that boss, we need to understand the types of things a lender will need to know about us, our situation, and our goals.

PURPOSE



The more our lender knows, the better able they are to help us find the right fit. Take a home loan for example. Our lender should have a good understanding of our needs –whether we’re buying our first home, seeking more space for a growing family, building a new home, or downsizing for retirement.

(CREDIT



Knowing your credit score, which tells your history of paying on past debts like credit cards and other loans, helps the lender know what type of borrower you are.

INCOME



Knowing this helps the lender understand our ability to pay back the loan and to find the right amount for our situation.



ASSETS



The lender will want to know what assets we have. This could be a home, business, investments, cash in the bank, and more.

DEBTS



This helps the lender know what we owe to others. This can impact how much money we can qualify for and the interest rate we can get.

COLLATERAL



The lender will want to know the value of the home or vehicle we're looking at buying.



One of our home loan consultants can work with you to gather what you'll need, answer any questions you have, and make the home buying process a stress-free experience. Get connected now.





Becoming the money master

Mastering money makes us the boss. It means we decide how our money comes and goes. And how we will use it to make our life richer.

We all work hard for our money. But the money masters know how to make their money work hard for them.





BETTER. TOGETHER.



We have a belief that when we help each other, we all prosper. That's why we create stuff like this ebook. And why we offer some great options to help you become the master of your money. Check them out:

First Free Checking

First Free Checking delivers what you want from your money – simplicity and no fees. There are no hoops to jump through, either. It's free checking that helps keep things simple. Because simple stuff rules.

First Savings Plus

A First Savings Plus account rewards you with a higher interest rate just for having a First Federal Bank checking account.

Online & Mobile Banking

Manage your money whenever and wherever you want. Check balances, pay bills, set alerts, and more right from your computer or smartphone.

Home Loans

We have the options. Fixed rate or adjustable. 30 year or 15. FHA, VA, and more. We can help you find the loan that's right for you, whether you're buying a home or refinancing to lower your payment or consolidate debt.

Home Improvement Loans

Need to update that kitchen or add on a room? We can help you use the equity in your home to get things done.

Vehicle Loans

Whether it's a car or a truck, we can help you get to the loan that's right for your situation.



First Federal
BANK of KANSAS CITY

Got a question? Need a little help? Call or stop by any of our locations. Or visit us online at ffbkc.com.



TO CONTINUE THE JOURNEY TO WELLBEINGVILLE, CHECK OUT THE OTHER GREAT HELP BELOW.

