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00:03 Rebecca: Financial Wellness is just like anything else. It takes a little discipline and some good advice. At Golden 1 Credit Union, we're here to help. As a not-for-profit, member-owned credit union, our main goal is to help you reach your goal. Providing financial advice and education is another way of doing just that. Whether you're trying to make a major purchase, start an investment fund, or just have some piece of mind, Golden 1 is your financial partner, and together we can be golden.

00:30 Martin: Hello and welcome to the Golden 1 Financial Wellness podcast. My name is Martin and today I'm talking with Rebecca and Manuel. Rebecca, go ahead and introduce yourself.

00:42 Rebecca: Hello, everyone. My name is Rebecca Delmundo, and I am the financial education manager at Golden 1 Credit Union.

00:47 Martin: And Manuel.

00:49 Manuel: Hello, everyone, my name is Manuel Morfin. I am Golden 1 Credit Union's financial education facilitator.

00:55 Martin: This week, our focus is on family and finances, especially now during this crisis. Which is why I wanted to sit down to talk with both of you. Rebecca has a more established family, and Manuel has just started his family, so I thought that you would have an interesting perspective to bring to our listeners. Rebecca, tell us a little bit about your family.

01:18 Rebecca: Well, Martin, I am a mom of three amazing humans. Bella is 17, Logan is 13 and Alena is 11. I am married to my high school sweetheart and my mom lives with us.

01:31 Martin: Oh, a true sandwich generation there, huh?

01:35 Rebecca: Yes, we sure are.

01:37 Martin: Yes, you are. Manuel, tell us a little bit about your family.

01:41 Manuel: I am married to my wife, Vanessa. We have been married for eight years. We have dated since 2004. We have a 18-month-old daughter named Ella Rose. And I can't forget about the dog. Chase is a seven-year-old multipoo.

01:55 Martin: That's right. Even though I don't have kids, I certainly have quite a large family, two dogs, two cats, two guinea pigs. Finances are a little different for pets as they are for kids, though, of course. So Rebecca, tell us a little bit about what changed for you financially when you started your family. You said your oldest is 17, so 17 years ago or 18 years ago, I guess, when you found out you were starting a family, what changed for you there?

02:25 Rebecca: Martin, I think the better question would be what didn't change. I was 22 when I found out I was pregnant with Bella, and I had no idea what to expect becoming a mom at that age as well as what the cost was gonna be. I think I was just so excited to have her. But one thing that I

know changed for us financially was the cost of childcare. Yes, you have time to plan for it, but childcare cost is extremely expensive. And I don't think, at that time, we knew what that was gonna be. So we did the best that we could and we obviously made it work, but that was the one thing that really, really scared us when we were talking finances with having a baby.

03:10 Martin: Thank you. What about you, Manuel, and what changed for you?

03:14 Manuel: Well, having a child was a total game-changer. Financially, we had to re-evaluate many of our habits in order to increase our family's financial safety net. We had to make some changes to our surroundings, like decluttering, so we can make the spare bedroom into a nursery.

03:34 Martin: So you said that it was a game-changer. What kind of things changed other than rearranging your bedroom? Let's talk more financially. What changes did you have to make?

03:45 Manuel: Well, kinda like Rebecca mentioned, we had to budget daycare and daycare is not cheap. Healthcare, we also have to consider healthcare for Ella and that's also not the cheapest thing around. We also... Because we had Ella we weren't able to go out as often as we used to because of the baby, and also because going out is relatively expensive, so we had to factor all that so we can save a little bit more money and stay with that at the same time.

04:21 Martin: That's very true. Rebecca, you have older kids all the way up to 17. Do you think that your financial plan has changed as your kids have gotten older, or have you been able to stick with the plan the whole time?

04:37 Rebecca: Oh, I wish I could say I stuck to a plan the entire time, I come... I think I'm more of the group of plan as it happens, not thinking of the future. And I think that had a lot to do with the fact that I wasn't really making a solid income when I had my first child. And we didn't have a lot of money to put aside, we were really living paycheck-to-paycheck for quite a while. And so I think today, and each child that I had, we got better at understanding how to put money aside. And I think one thing that I really truly understand today better than ever is starting small eventually adds up, and it doesn't have to be something huge to put away. But even putting away, you know, \$50 a paycheck, \$20 a paycheck, just having something put aside.

05:31 Rebecca: And I'm not talking about doing your 401K, or IRAs, or something like that. I'm really speaking about building that emergency savings, having a rainy day fund, and being comfortable in an automated savings process. And as I've gotten older, I've committed to that a lot more than when I did when I first started out.

05:52 Martin: Manuel, you mentioned that you were working on that safety net for Ella. What specifically have you done in order to ensure that Ella has a comfortable financial future?

06:06 Manuel: Well, one of the first things that we set out to do was to make certain money moves to ensure that we have six months of essential living expenses by the time she was born. Also, as soon as we had the opportunity, we maxed out our work life insurance policies to provide us with some peace of mind, in the event something terrible were to occur. We also opened Ella a 529 college investment plan. We have asked our friends and family to consider contributing to the college plan during gift-giving season like Christmas and birthdays. And we increased our employee-sponsored 401k retirement plan. The idea here is that she could benefit from some money

in case we don't use it.

06:53 Martin: And what kind of financial sacrifices, if any, did you have to make in order to make everything work? Manuel, why don't you go?

07:01 Manuel: Yeah, absolutely. Upgrading our cars and phones. The biggest sacrifice that comes to mind right now is not upgrading my car. I still drive a 1999 Ford Crown Victoria that I purchased back in 2008. It's a solid and reliable 21-year-old car. But I keep it clean, though. As well... As well as you know, wear and tear takes a toll. We also held off on upgrading our phones. I upgraded my iPhone 5 to an XR about a year ago. We have used that otherwise car and phone money to grow our financial saving net to help us accommodate for expenses like her medical insurance.

07:45 Martin: Great. What about you, Rebecca? Have you had to make any financial sacrifices to make everything work?

07:50 Rebecca: Well, I wish now hearing what Manuel said, that I had made a lot more sacrifices, [chuckle] because I feel like that would have been the best choice. But I think having kids younger, when you don't have your finances really set up yet, you kind of just start making things work. And I feel like that's kind of what we did. I remember somebody told me, "You're never really financially prepared for children, you just start making things happen." And I feel like that's what we did. As I would say, the things that we sacrificed early on was, the fun stuff that you do in your 20s. You know, it's going out with your friends, traveling, there's no fun beaches necessarily in Cabo San Lucas on your 25th birthday or anything like that.

08:36 Rebecca: But, you know, the sacrifices that we made, it was just what we did. I don't know if I saw it as a sacrifice at the time, but I think as I have gotten older, and like I said before, just with each kid, you learn from things. And you learn how to be more successful in your finances. Such as, like I mentioned, putting money aside, or not making the big purchase, or researching the purchases a little bit more to make sure that you're getting the best deal, or the best price, and really sticking to those choices. Or we've learned to wait on things. If we can't have it today, which I would say early on, I would buy things right away. Now we, today, take the time, put money aside and make sure that we have the money to purchase something before we do.

09:25 Martin: So based on that answer, I assume there are some things that you did when your family was young, that you might do a little bit differently, now. Rebecca, do you wanna tell us about one of those things?

09:38 Rebecca: Yes, I would love to. One of the things that I wish that I hadn't done was bought a brand new car. Like Manny said, he drives an older car and that's smart because it... I just wasn't that smart, at the age. [chuckle] I wanted the car. I went through college and I had a job and yes, I was having a kid, but I also wanted a more reliable car for having her. But I would have still been fine with my Honda Civic. But I went and bought a Nissan Armada, because I felt like you needed a eight passenger vehicle for a family of three. So that wasn't the best choice at that time, but that's a decision that I probably regret to this day. Shouldn't have done it, shouldn't have done it.

10:23 Martin: Well, at least your family was safe driving around in that Armada. I know those things are built like a tank, right? [chuckle]

10:31 Rebecca: Yes, they are.

10:33 Martin: Manuel, if you have another child, even though it sounds like you really thought of everything before Ella was born, what would you do differently?

10:42 Manuel: Well, next time around, if there's the next time around, we will definitely not be suckered into the baby gadgets. There were a lot of baby gadgets in the market, a lot of... We made a lot of emotional impulse purchases. In our defense, these baby gadgets or the majority of these baby gadgets were to improve the baby's sleep, therefore improving our sleep. The majority of these baby gadgets did not work out. Next time around, we'll definitely do some research, and maybe hold off a day or two before we buy something, to limit the amount of impulse purchases.

11:16 Martin: I imagine it's very tempting to purchase anything that promises better sleep for both you and the baby. So I wanna bring this back around to our current situation. All three of us are sitting in the safety of our homes, we are sheltering in place. So what changes have you had to make to your financial plan due to COVID 19 and shelter in place? And Rebecca, what advice would you give families that are struggling?

11:46 Rebecca: So I don't think anybody could plan for what's happened in the last couple of months with the shelter in place and COVID 19. I... But I do think there are some things that we've really considered putting at the forefront, which is paying off credit card debt, and not necessarily taking on new expenses. So for example, we had plans to travel this summer, we wanted to do some home renovations, but none of it was 100% necessary. So instead of focusing on those types of things, what we've really looked at doing is paying off credit cards that we have, getting those out of the way, and then building a stronger savings account for maybe travel or continuing to build our emergency fund.

12:32 Rebecca: And also, you know, with the pandemic right now, we're also saving money on gas, we're saving money on not eating out, so we've been able to kind of put that money aside as well. And I think when you're able to use tools and resources that are available, such as like a budgeting tool or an app that you like to use, when you are able to see it black and white where your money's at, you have a tendency to be more aware or cognizant of the decision that you're making when you're spending your money.

13:03 Rebecca: So I think right now, the best advice that I can give is, it's okay if you have to put things on hold. It's okay if you're not able to pay off debt. But I do advise to at least make your minimum payments. I do think that there is a feeling of just happiness when your finances are in order. And that doesn't mean that you have \$100,000 sitting in a savings account, it could just be paying your bills on time right now. And putting a little bit aside for a rainy day. And that's the advice that I would give is, don't beat yourself up on the things that we can't really control right now, but what we can control, let's do our best to make the best decision that we can for our finances, so we don't have the stress of money on our... On top of everything else.

13:49 Martin: That's great advice. What about you, Manuel, what changes have you had to make? And do you have any advice for other families?

13:57 Manuel: Well, sadly, our income was cut in half. So we had to make some major adjusting. For example, now we cook breakfast, lunch and dinner at home. We eliminated or paused some

automatic subscriptions we had, like the gym membership. We also called our service providers and made some changes to our plans. Example here would be the cable company and our car insurance company. Saving a few bucks here and there has really added up. Some advice I would give everyone is to log in into their online banking and review all of their purchases and bills so they can re-evaluate each and every transaction. Evaluate those transactions and determine if it's a need or want. Eliminate as many wants as you possibly can, without causing yourself any misery.

14:46 Manuel: And research if you can obtain your needs at a better price, like substituting one brand for another. That it's the same quality, or similar quality. Doing all this requires some time, but maximizing every dollar is worth it. Saving money does take time, and so does changing your habits.

15:05 Martin: Manuel, I'm gonna kinda put you on the spot here, and ask you to look into the future. What do you think the financial future looks like for your family, based on the moves that you've made ever since Ella was born? And what kinds of things have you done to make it look that way?

15:24 Manuel: Well, I've thought about this question a lot. And if I'm being honest with myself, we are optimistic about our future. We survived and learned from the great recession of 2008-2009. We took those lessons and implemented them for the past 12 years. In particular, we have avoided financing as much as possible, like holding off on buying a new car. We committed to a mortgage that was a very comfortable amount, but that meant not being able to live in our dream home, for now.

15:56 Martin: Rebecca, same question to you. Let's look into your family's financial future, and what things have you done in order to make it look that way?

16:04 Rebecca: Well, Martin, if I could look into the future, I would love to see where I'm at in 15 years. Financially, professionally, all of that great stuff. But I think looking into the future right now, it's uncertain times. We don't know what the next six months or a year are gonna look like. But I think by creating healthy money habits, such as like I mentioned earlier, building emergency fund... Savings funds, paying what you can to get your debt down. I heard recently someone say that, "You do not have wealth if you have debt." And so, regardless of what that savings account balance is, if I am still having... If I still have credit card debt, auto... You know, car loans, all of that stuff, I'm still not where I really wanna be, so I just think breaking it down to a level where it's manageable and I can pay a little bit more or even minimum payments, whatever that is, that is what I... I'm hoping I can take into the future, is managing my money that is comfortable, and reasonable, and setting us up for success.

17:14 Rebecca: I think that would be where I see myself in the future. As well as maybe even teaching my kids. Well, of course, teaching my kids budgeting tips, making sure they understand putting their money away and doing the smart things with their money. So they're 13... 15 years from now, they're making strong financial decisions that will set them up for success.

17:32 Martin: Well, thank you both so much for sitting down and answering my questions. I know that you taught me a lot of things about planning for the future and I hope that our listeners also got a lot out of this. These are difficult times, and people that have to provide for a family, especially right now, are struggling. So the words of wisdom that you gave us today I'm sure will go a long,

long way. Thank you so much for taking the time to come up with thoughtful responses, and we hope that you are happy and healthy and safe.

18:13 Martin: And as usual, I would like to remind you to subscribe to our podcasts on Apple, Google and Spotify podcasts. Don't forget to check out our Financial Wellness Center at WWW.Golden1.com/Financial-Wellness for videos, more podcasts, a schedule of our webcasts, and online learning modules in our learning lab. Stay happy and healthy and safe out there. And as usual, Stay Golden!