

UPPER CUMBERLAND FEDERAL CREDIT UNION

Mortgages • Auto Loans • Checking & Savings

ARTICLES

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We Love Our COMMUNITY



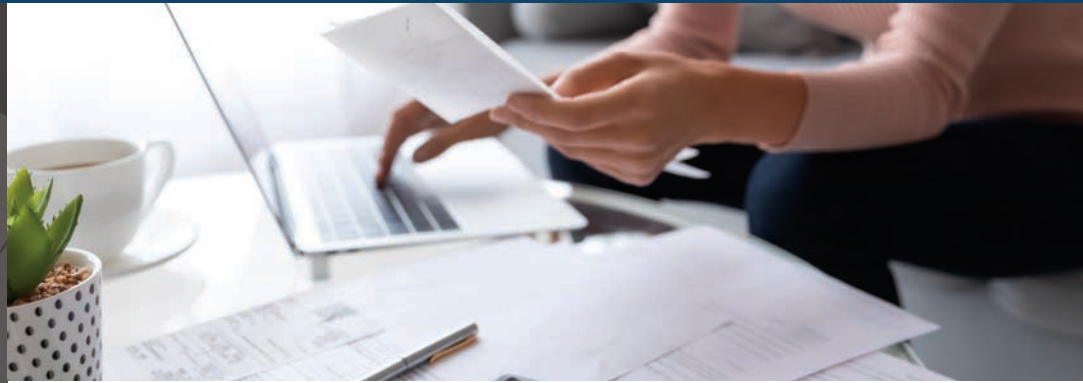
Kirsten and Felicia of UCFCU Clarkrange Branch volunteered to help distribute food for the Second Harvest Food Bank at the South Fentress Park.



We were proud to support Home Away from Home-Early Childhood Education Center!



David and Miranda of UCFCU Main Branch had a blast serving up free hot chocolate and cookies at TCAT of Crossville.



Preventing Lifestyle Creep from Overtaking Your Finances

Have you ever found yourself daydreaming about how you will spend your next pay raise or bonus? Maybe you plan to make repairs on your home, begin saving for your child's future college expenses, or want to eliminate high-interest credit card debt.

However, before you know it, those funds are gone, and your goals remain incomplete. Where did all this new money go? It's a phenomenon called lifestyle creep. We're here to help you understand its causes and consequences and how to avoid it.

What is Lifestyle Creep?

Lifestyle creep, also known as lifestyle inflation, is when your general spending increases as your income rises. It's a common occurrence and can happen to anyone. It might not seem like a big concern; after all, earning more money means having more money to spend.

However, lifestyle creep is a slippery slope. It happens so gradually that you may not notice the uptick in your spending. Things that were once considered luxuries now become part of your routine – and it can quickly sabotage your finances if left unchecked.

What Causes Lifestyle Creep?

While the common cause of lifestyle inflation is a sudden increase in income, it's not the only reason this phenomenon occurs.

Inflation: As the cost of living rises, your spending on everyday items will likewise increase. If your income does not keep up with or outpace inflation, you may find the money you traditionally put into savings now being used to cover basic needs.

Increased Income: A higher paycheck or bonus often makes you feel more financially secure. Consequently, you'll be more likely to spend more on areas you avoided previously.

Feeling the Pressure: Peer pressure, that is. Seeing others within your inner circle living a particular lifestyle or buying certain brands or products can pressure you to keep up.

Available Credit: Lifestyle creep doesn't only result from an increase in income. On the other end of the spectrum, it can happen as more credit is made available to you. For example, if you open a new credit card with a high credit limit, you might be inclined to spend more.

What are the Consequences of Lifestyle Creep?

The effects of lifestyle creep can be sudden or gradual. You might not even...

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Upper Cumberland FCU 89th Annual Meeting Information and Board Nominees

You are cordially invited to attend UCFCU's 89th Annual Meeting! **The Upper Cumberland FCU Annual Meeting is scheduled for 5:00PM Central on Thursday, March 14, 2024, at the Cumberland County Community Complex.** We hope to see you there!

The nominating committee for Upper Cumberland FCU's Board of Directors has nominated the following people to serve on the board: Herschel Murner, Margaret Noland, and Jay Wood.

Board member nominations by petition require a minimum of 85 signatures (1% of membership as of December 31, 2023) and must be submitted to UCFCU's Marketing Department, CUDesigns@ucfcu.org, no later than 4:00PM on Friday, March 8, 2024. Biographical data and a signed "Notice of Willingness to Serve" must accompany petitions. Blank petitions and "Willingness to Serve" notices may be obtained by calling 931-337-5340 or 931-250-5133. You also have the option of sending an email to jessie@ucfcu.org.

UCFCU Board Member Nominees

Herschel Murner

Education: Herschel has a BS in Health Informatics from King University and is currently pursuing his Master of Science in Data Analytics from the University of Alabama.

Work Experience: Herschel is currently the President and CEO of Uplands Village, has worked in the healthcare IT field for more than 20 years, and operated his own IT business that has supported Cumberland County and surrounding counties business and healthcare IT services.

Community Service: Herschel serves on the board of directors of Leading Age TN currently as Chairman.

Credit Union Service: Herschel served on the MedEd Credit Union board for over 13 years, several of which were Chairman of the Board. Herschel has been a credit union member for over 22 years and has served as a director of UCFCU for several years.

Margaret Noland

Education: Margaret obtained a Bachelor of Arts degree in chemistry with honors from the University of Tennessee in March 1983. In 1988, she received a Doctor of Jurisprudence degree from the University of Tennessee College of law.

Work Experience: Margaret is a Senior Associate in the Cookeville, TN office of Wimberly Lawson Wright Daves & Jones, PLLC, joining in September 2008. She has been a practicing attorney since 1988. While in college, she worked part-time at a Crossville banking institution as a customer service representative/teller.

Community Service: Margaret is a member of Tolletts Chapel, a Global Methodist Church, where she is treasurer and worship leader. She is active in community affairs, including the Bread of Life Rescue Mission in Crossville, TN, where she has volunteered since its inception in 2001.

Credit Union Service: Margaret has served as legal counsel to UCFCU for several years. She has been invaluable helping UCFCU with laws concerning finance and other legal matters.

Jay Wood

Education: Jay graduated Cumberland County High School and has a technical certification in Manual J load design from TVA/VEC. Jay also has additional certifications through Trane.

Work Experience: Jay worked and helped manage Action Heating and Cooling for 25 years. While working at Action Heating and Cooling he served in various positions (Manager, Leader, President/CEO and Co-Owner).

Community Service: Jay served as the Captain of the Cumberland County Rescue Squad for several years and has also served as Treasurer, 2nd Lt. and has continued to serve as an Honorary Member. Currently he is also a member of the Home Builders Association.

Credit Union Service: Jay has been a credit union member for over 12 years and has served as a director of Upper Cumberland FCU for several years.

(Lifestyle Creep cont'd from page 1)

notice it taking place. However, you'll eventually feel the impact of this trend, and it can lead to significant financial challenges.

Less Financial Security: As your spending increases, it's common to put financial goals and savings on pause. Or, even worse, you dip into your savings to keep up with your new lifestyle.

Higher Debt: Many people find they must take on more debt, such as credit cards, to keep up with their elevated lifestyle. More spending and higher credit costs can put you into a financial hole that's difficult to escape.

Stress & Regret: The pressure of maintaining a more lavish lifestyle can lead to an increase in stress and anxiety. You may need to work longer hours or find other sources of revenue to keep up, which will only compound the tension. Eventually, you'll likely come to regret financial decisions that are not aligned with your long-term goals and values.

How Can You Avoid Lifestyle Creep?

The greatest challenge with lifestyle creep is that you often don't realize it's happening. An extra dinner out here, a few additional purchases there, before you know it – your entire raise or bonus is spent. Preventing this trend from overtaking your finances stems from your ability to plan for it.

Stick to a Budget: Maintain a clearly defined budget that allows you to prioritize your goals. Following a budget and balancing regularly is the best way to ensure your spending doesn't creep out of control.

Prioritize the Income Increase: If you know you will be receiving a bonus, pay raise, or other income (e.g., inheritance), plan for it ahead of time. For example, if you receive a bonus, put at least 50% into savings. Then, use the balance to treat yourself over the coming months or toward other immediate goals.

Track Your Expenses: Keep an eye on your daily and monthly transactions. If you notice your expenses creeping higher,

identify the culprit immediately. If the spending increase is on non-necessities, reevaluate the pattern and look for ways to cut back.

Pay Yourself First: Paying yourself first means treating your savings contributions as a fixed monthly expense and immediately setting aside a portion of your income. This strategy ensures you save regularly and prevents funds from being spent frivolously.

Remain Focused on Your Goals: Identify your long-term financial goals and create reminders for yourself. The more often you review your goals, the less likely you will spend recklessly or take on new debt to maintain a lavish lifestyle.

It's always exciting when your earnings increase. And, while it is okay to enjoy your higher income, be sure to do it in a way that aligns with your financial goals and values. Awareness is the key to conquering lifestyle creep. Knowing what can happen if you succumb to overspending will help you avoid the pitfalls of this phenomenon.

Start saving for the holidays
with a UCFCU *Christmas Club!*

2.00% APY*

APY = Annual Percentage Yield. Maximum balance in Christmas Club to receive dividend is \$10,000. Account must still be open on 11/01/2024 to receive dividend. All withdrawals from Christmas Club are subject to an early withdrawal fee of \$10.00 per transaction made before November 1st. UCFCU is federally insured by NCUA.

Upcoming Federal Holiday Closings

Presidents' Day - Monday, February 19th

Memorial Day - Monday, May 27th

Juneteenth - Wednesday, June 19th

Independence Day - Thursday, July 4th

Labor Day - Monday, September 2nd



FREE SHRED DAY

Upper Cumberland FCU will be hosting a FREE shred day at the UCFCU main branch location!

Upper Cumberland FCU - Shred Day

UCFCU Main Branch

627 Livingston Road

April 25, 2024

9AM - 12PM Central (or until the truck is full)

Guidelines

- **Paper items ONLY!** All boxes, bags, or other materials will be returned to you after paper is collected.
- Limit **THREE** boxes (dimensions 12"x10"x15") or **THREE** tall kitchen trash bags (13-gallon or smaller) per vehicle.
- Don't forget to go through all paperwork before arriving to ensure you don't accidentally shred important documents you may still need (birth certificates, marriage licenses, social security cards, etc.)



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YOU'RE INVITED!

Family Love Letter - How Every Family Can Prepare

Learn more about an indispensable planning tool that helps organize the paper trail tied to your life. It gives you a voice, and your family the confidence in knowing what to do if faced with your sudden incapacitation or death. During this complimentary session, we'll discuss planning tools and the importance of working with your family and advisor to document your wishes.

Presented By: Michelle Sarmiento with Neuberger Berman

This FREE educational seminar will take place at:

Cumberland County Community Complex

1398 Livingston Road, Crossville, TN 38571

February 19, 2024 @ 4:00PM Central



RSVP to reserve your spot!

Email: helpdesk@ucfcu.org or **Call:** 931.250.5133