

# THE SHEAF

Fall 2023

## The Importance of Saving for a Rainy Day

Life is full of surprises, and some of them can be expensive. Whether it's a medical emergency, job loss, car repairs or any other unforeseen event, having a financial safety net can provide a sense of security and stability. Let's take a look at why it's so important to save for rainy days.

### **Stay out of debt**

When life throws an expensive surprise your way and you don't have money to pay for it, you may fall into debt just to get by. On the flip side, if you had a well-padded emergency fund, you'd have the cash you need to fall back on in case of an emergency.

### **Be prepared for sudden unemployment**

When you live paycheck to paycheck, your job is your financial lifeline. But no job is guaranteed to last forever. Your workplace may decide to downsize, close its doors or even to replace you with a bot. Or, you may find yourself unable to work due to personal circumstances. Having an emergency fund when you're gainfully employed can help you stay afloat should you suddenly find your lifeline is reduced or cut out.

### **Flexibility and freedom**

Saving for a rainy day brings an element of flexibility and freedom to your life. It enables you to pursue new opportunities, take risks and make major life changes without the constant fear of financial instability. Whether it's starting a business, furthering your education or taking a sabbatical, savings provides the support you need to confidently explore these possibilities.

### **Peace of mind**

Financial stress can take a toll on your physical and mental wellbeing. Constantly worrying about money

can lead to anxiety, depression, strained relationships and more. Knowing you have an emergency fund prepared and on the ready for a rainy day can offer a sense of security and peace of mind.

### **Achieve long-term financial goals**

Saving for a rainy day is not just about preparing for emergencies; it's also a stepping stone toward achieving long-term financial goals. Whether it's buying a house, starting a family or planning for retirement, having savings will help you stay on track.

### **Avoid economic downturns related to market fluctuations**

The economy is subject to fluctuations, and financial markets can be volatile. During economic downturns or recessions, people will often face reduced job opportunities, pay cuts or decreased business revenue. However, an emergency fund can make a challenging economic climate easier to navigate. People who've saved up money for emergencies will be less reliant on credit cards and loans during such times, thus lowering their vulnerability to economic uncertainties.

If you don't have a well-padded emergency fund, start building one today! Most experts recommend having three to six months' worth of living expenses in your emergency fund. Review your monthly expenses to reach this number, and then make a plan for building up your fund until it's complete. You may want to prioritize your emergency fund over other investments until it's set up.

When the sun is shining, it's hard to believe the rain will come, but no one's life is all sunshine, all the time. Saving for a rainy day is a crucial part of financial wellness. Start saving today for a more secure and financially fit life.



## CONTACT US

### 24/7 Member Services:

(202) 479-2270

### 24/7 Online Banking

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Email us: members@agfed.org

### 24-hour Loan by Phone:

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### USDA South Building Branch

1400 Independence Ave., SW, RM SM-2

Washington, DC 20250

### USDA Cafeteria Branch

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Effective October 1, 2023, the fees for Returned Items (1st Party Returned Deposits, Returned Loan Payments, Returned ACH, Returned Electronic Transfer Deposits), Member Privilege, Non-sufficient Funds and Stop Payments will increase from \$25 to \$29. The current schedule of fees can be viewed at [agfed.org](http://agfed.org).



# AgFed

## Credit Union

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## CHAIRPERSON'S CORNER

# Building a Strong Financial Future for Generations to Come



At AgFed we have always taken pride in being more than just a financial institution. We are a trusted partner committed to supporting you through life's journey. I want to emphasize the tremendous benefits of extending the partnership to your children and grandchildren. This would help to ensure that the generations to come have a solid foundation for their financial well-being.

I would recommend starting the journey early with your children. When children witness their parents and grandparents responsibility managing their finances, they absorb essential lessons about prioritization, savings and making informed choices. By introducing your children and grandchildren to the concept of saving and budgeting through our youth accounts, you're laying the groundwork for a lifetime of financial responsibility. Teach them the value of every dollar and you can watch as they grow into financially savvy individuals.

From their first job to their first car, we are here to support your family members at every milestone. With an array of savings options and personalized lending, AgFed is here to guide them through important decisions, helping them build credit and achieve their goals.

The values of prudent financial management are timeless. By involving your family in the credit union experience, you're passing down a legacy of fiscal responsibility that can span generations. Remember, the credit union movement is more than numbers; it's about community, support and growth. By sharing AgFed membership with your loved ones, you're securing their financial future while fostering a sense of belonging to a community who truly cares.

I encourage you to share the gift of membership with your family. Let's work together to create a financial journey that spans lifetimes and generations, ensuring prosperity and security for all.

Thank you for your continued trust and loyalty. We look forward to being a part of your family's financial success story.

Sincerely,

Elard J. Phillips, Chairperson