The truth about credit unions: Misconceptions cleared up

Everyone has their own reason for being a Coca-Cola Credit Union member. Perhaps it’s our nonprofit status. Or because we’re owned by members and act in the interest of members. But some people wonder if these qualities hold us back from offering as much as banks do. In fact, we offer many of the same or similar perks as banks, and provide our own unique advantages, too. Let’s clear up some common misconceptions about credit unions:

**Misconception:** There aren’t enough locations.

**Truth:** One of the big banks can technically offer you more branch locations. But thanks to the CO-OP Shared Branch℠ network, your Coca-Cola Credit Union accounts can be accessed from over 5,000 partner branches all over the world, with no penalty. So if you need to make a deposit, transfer money or purchase a money order away from home, we’ve got you covered. And if ATM access is your concern, we provide access to nearly 30,000 of them nationwide thanks to the CO-OP ATM℠ network. That’s almost double the number of ATMs compared to the biggest national banks. The best part? You won’t lose a cent to ATM fees.

**Misconception:** Credit unions have inferior technology.

**Truth:** Banks have been louder in promoting their online and mobile banking than credit unions. But a 2014 CFI Group report shows that credit unions have a slightly higher satisfaction rating for online and mobile banking compared to banks.* So if you’re considering switching your accounts to Coca-Cola Credit Union, don’t be afraid of losing mobile deposit or ATM locators.

**Misconception:** Credit unions can’t afford to have better interest rates.

**Truth:** Actually, the opposite tends to be true. On average, credit unions offer lower rates on loans and higher rates on savings accounts.

**Misconception:** Deposits aren’t insured like at banks.

**Truth:** Banks offer insurance coverage on deposits up to $250,000 through the Federal Deposit Insurance Corporation (FDIC). But credit unions have an equivalent to the FDIC known as the National Credit Union Administration (NCUA). The NCUA also provides insurance on deposits up to $250,000.

You can help your friends and family take advantage of the benefits of Coca-Cola Credit Union by encouraging them to become members. To check eligibility, visit creditunion.coca-cola.com to learn more.

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* Source: CFI Group, “Credit Union Satisfaction Index 2014.”
Will rising rates hurt or help retirees?

The Federal Reserve (often referred to as “the Fed”) has signaled that it intends to gradually raise interest rates to more normal levels after several years of extraordinarily low rates. The Federal Open Market Committee (FOMC) influences interest rates on financial products such as certificates of deposit (CDs), credit cards and consumer loans by setting a target for the federal funds rate, which is used for overnight loans between banks. The Fed set a target near zero for the fed funds rate in December 2008 to help pull the economy out of the depths of the financial crisis, and has kept it at that level ever since.

Retirees — and investors in general — wonder how rising rates will affect their portfolios. When rates start to rise, individual investors will be affected differently depending on the makeup of their portfolios. Consider the potential impact of rising rates on three primary asset classes — cash equivalents, bonds and stocks.

**Each asset class reacts differently**

**Cash equivalents and certificates of deposit (CDs).** If the Fed raises rates, yields will rise on CDs and Treasury bills. Retirees with short investing timelines often rely on these vehicles to keep their nest eggs safe as they spend them down. Those investors have suffered through several years of abysmally low rates, which may finally be coming to an end.

**Bonds.** A bond is basically an IOU issued by a corporate or government entity — a promise to repay the principal along with interest by a stated date. As bond issuers are forced to keep pace with the market and offer higher interest rates in order to find buyers, the existing pool of bonds, which were issued at lower rates, loses value. Bond prices will likely fall when interest rates rise.

**Stocks.** Historically, stocks have performed relatively well during periods of rising rates. Stocks typically respond with rising prices to the economic growth that typically leads interest rates to rise. When the FOMC raises rates, it will be because its members believe economic growth is strong enough to withstand the increases, so stock prices could rise as well.

**Will inflation heat up, too?**

In addition to questions about portfolio performance, rising interest rates may bring concerns about inflation. Over the five years from 2010 to the end of 2014, inflation averaged just 1.8 percent, compared to its 30-year average of 2.7 percent. Inflation often increases when the economy is performing well. In fact, Fed Chair Janet Yellen has said that an inflation rate of 2 percent is one of the signs of economic strength that the FOMC wants to see before raising rates.

Want to know more about the potential impacts of rising interest rates and what you can do to position your portfolio appropriately? An investment professional at Coca-Cola Credit Union would be happy to review your portfolio with you. Contact a Member Service Representative at (404) 676-2586 in Atlanta, or toll free at (877) 277-2586 outside Atlanta, or visit creditunion.coca-cola.com.

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***Securities sold, advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor. CBSI is under contract with Coca-Cola Credit Union to make securities available to members. Not NCUA/NCUSIF/FDIC insured, May Lose Value, No Financial Institution Guarantee. Not a deposit of any financial institution. FR-14298021-0216-0318
Is it time for a new car?

Drivers are keeping their cars for longer than ever before — the average time is more than 11 years (in 1995, it was eight years). But even though today’s vehicles can run beyond 200,000 miles with the right care, here are three signs that it’s time to get a new car.

1. **The car is no longer safe.** If your older vehicle doesn’t have anti-lock brakes (ABS), electronic stability control (ESC) or curtain air bags, *Consumer Reports* recommends buying a car with these safety basics.

2. **Repair costs are high.** Is “my car’s in the shop again” becoming a frequent phrase? Are annual repair and maintenance costs soaring above a year’s worth of car payments? In addition to the cost factor, if car trouble is making you late to work or adding other hassles to your life, it’s time for newer and more reliable wheels.

3. **It no longer fits your lifestyle.** Although a top reason, a growing family isn’t the only impetus for a different car. You may need better gas mileage for a new job commute. Or your ongoing home remodeling work requires a vehicle with more room for hauling supplies.

When it’s time for a new car, Coca-Cola Credit Union is here to help. From loan preapproval to rates and terms that fit your life, the right car for you can also have the right loan. Call us, stop by or visit us online to learn more.

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**Spring Car Sale**

April 29 – May 9, 2016

‘Spring Fever’ is in the air at the Spring Car Sale! Enjoy by taking 25 basis points off* posted loan rates on new vehicles up to 84 months. Our 11-day sale will take place from April 29 to May 9, 2016 with the returning participation of several metro Atlanta dealerships. Out-of-state members can also take advantage of the special rate during the 11-day sale. Contact a Member Service Representative for details.

For assistance in locating a vehicle in the Metro Atlanta area, contact our Car Buying Service at **(404) 515-2689**.

Get pre-approved today by calling **(404) 676-2586** or toll free **(877) 277-2586**, or by applying online at [creditunion.coca-cola.com](http://creditunion.coca-cola.com) (click E-Loan).

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* Special offer of 25 bps off posted loan rates is good only on 2014-2016 models up to 84-month term; standard rates apply to all other models and terms. Offer good only with approved credit; no rate concessions; rates may vary depending on individual credit history and underwriting factors; all loan programs, rates, terms and conditions are subject to change at any time without notice. Ask a Member Service Representative for details. An example of a loan made on 4/24/2016 for 84 months at 2.99% APR for $35,000 is a payment of $463.46 per month, with payments beginning on 06/25/2016.
CONSUMER UPDATE

How to protect yourself from ATM skimmers

When you travel, it’s hard to beat the convenience of being able to use your credit or debit card at an ATM wherever you are — worldwide — for quick, easy access to cash. However, whether you’re just down the street or in another country, it pays to be aware that skimming devices could be a threat.

Thieves sometimes install high-tech devices called skimmers on ATMs to capture account information and steal money. Skimmers read information from a credit or debit card’s magnetic stripe when the card is swiped. Sometimes a tiny camera is hidden nearby to capture the PIN. ATMs in high-traffic areas such as airports, gas stations and convenience stores are most vulnerable to these devices, which are usually left in place for just a short time.

Avoid being skimmed and scammed

The FBI offers this advice to protect yourself:

• Inspect the card reader at the ATM or gas pump before using it. Look for anything that’s loose, crooked or damaged. Adhesive tape residue or scratches can also indicate the card reader has been compromised.

• Be especially careful of ATMs in tourist areas. They are a popular target for skimmers.

• Block the keypad with your other hand when entering your PIN so any hidden cameras can’t record it.

• Use ATMs that are indoors whenever possible. They’re usually more difficult for criminals to access.

• Contact your card issuer immediately if your card isn’t returned after completing a transaction or hitting the “cancel” button.

• Review your account statements promptly. Report any unauthorized withdrawals or purchases to your bank or credit union right away.

A special warning about tourist areas in Mexico

Some popular spring break (and year-round) destinations in Mexico have recently been found to be hot spots for a particularly insidious form of ATM skimming. In September 2015, blogger and computer security expert Brian Krebs documented numerous ATMs in the Riviera Maya tourism district with Bluetooth skimmers inside of them.

A crime ring allegedly bribed ATM technicians to place Bluetooth skimmers inside ATMs. The Bluetooth devices allow thieves to stand near a hacked ATM with a smartphone and retrieve sensitive card data. Since the Bluetooth components are actually inside the machine, nothing about the machine looks at all suspicious or out of the ordinary.

Krebs recommends standing next to an ATM and using your smartphone to scan for a Bluetooth signal before using an ATM. The compromised ATMs he found had a Bluetooth signal called “Free2Move.”
How millennials can stop worrying and love the credit card

Ever since the recession, debt has become a much scarier word. Spending on someone else’s dime brings along a load of baggage including payment due dates, fees and interest. So when young adults first become eligible for credit cards, many choose not to get one. In fact, a poll of 1,161 adults from 18 to 29 years old showed that 63 percent of them do not own a single credit card. Many feel they should spend within their limits and stick to cash or debit cards, which provide many of the same conveniences of credit cards.

But are millennials dismissing credit cards without giving them a fair chance? These are some of the advantages credit cards offer when used responsibly:

• **Building a credit history.** If you never have a credit card or take out a loan, you won’t be able to build a credit history and earn a high credit score. It’s important to show creditors that you are capable of paying back loans so that you can take out big-purchase loans such as for a car or home.

• **Short-term liquidity.** If you need to make a few major purchases at the same time, credit cards will give you the funds you need to purchase everything now. This way you get what you need right away and can pay when you are more comfortable with how much money you have in your checking account.

• **Credit card rewards.** Lots of credit cards offer cash back on purchases. You could earn hundreds of dollars in cash just from spending how you already do. But do your homework, since some cards have interest rates that can effectively cancel out much of what you earn in cash.

Credit cards have their share of benefits, but you shouldn’t radically change your spending habits. Avoid accumulating debt by paying off the full amount you owe each month. To see if a credit card is right for you, contact a Member Service Representative at (404) 676-2586 in Atlanta, or toll free at (877) 277-2586 outside Atlanta, or visit creditunion.coca-cola.com.

* Source: Bankrate.com.
Spotlight on … store brands vs. name brands

Did you know? Americans tend to favor name brands when purchasing breakfast cereal, carbonated soft drinks, bagged snacks, coffee and yogurt.

Women purchase name brands more than men for products like breakfast cereal, yogurt and pet food. But when it comes to milk, women choose the store brand more often than men do.

Choosing store or generic brands over name brands can save you up to 25 percent on your grocery bill.

No matter which brands you prefer, you can track your spending and savings easily with online and mobile banking from Coca-Cola Credit Union.

Sources: The Harris Poll®, Feb. 11, 2015, and ConsumerReports.org®, October 2012.