

# Insights & Advice

2021 SPRING/SUMMER EDITION



 SCU



## Message from the CEO

Welcome to the first edition of our new Insights and Advice, an evolution of our previous member newsletter. Our new format, published twice a year, will provide you with more articles, recommendations, and updates on 'everything SCU.' You'll receive advice and guidance on a variety of products, services, and options to help you reach your financial goals.

In each edition, I'll share what's on my mind, provide industry insights, and update you on the latest at SCU. For instance, this year we will reach two important milestones: 80 years serving our community and growing to 100,000 members!

As I reflect on the past, I think about how much has changed since SCU first opened its door (yes, one door) almost 80 years ago. In the nearly 25 years since I became CEO, we've gone from passbooks to eStatements, from depositing cheques in person, to depositing them from the comfort of our homes, and from banking only during set branch hours to 24/7 digital access.

What hasn't changed since we first opened in 1941 is our dedication and commitment to serving our members and supporting the communities where we operate. Certainly, technology has played a role in the changes over the years, but only as a means of providing you with greater convenience and options. We know that technology will continue to evolve, but our promise to provide you with solid advice and tailored solutions will never change.

I want to extend my gratitude for your loyalty and patience during the uncertain times of the past year. Our success in tackling and adapting to constant change could not have happened without your trust and commitment.

All the best,  
Glenn Friesen, CEO

## Here's what's happening at SCU



### IT PAYS TO BE A MEMBER: \$10 MILLION MEMBER BONUS

Being a member of SCU means that our success is your success, too. This year, we have shown that it pays to be a member by sharing a **\$10 million cash bonus**. Thank you for your continued loyalty to SCU.



### NEW DIGITAL EXPERIENCE COMING MAY 18

Get ready today by updating your email address and mobile phone number with us through online banking or our mobile app.

Learn more at [scu.mb.ca/digitalbanking](http://scu.mb.ca/digitalbanking).



### 80 YEARS AND 100,000 MEMBERS STRONG!

This June, SCU will reach two important milestones. We're excited to share the news, and to celebrate we're giving all active members a chance to win cash prizes! Watch for details coming soon.

## The true value of a financial advisor

"Every Canadian should have some sort of a financial advisor," says Manish Kaushal, Associate Vice President of Wealth and Business Solutions. So why don't they? And why should they?

"It's like having a good doctor," Kaushal explains. A good doctor comes in and asks a lot of good questions the first time they meet you. They look at your history, what's ailing you, and what's keeping you up at night. Then they come up with a plan to keep things good or make them better, and check in on a regular basis to see if you're following that plan. Are you getting that nutrition? Are you exercising? Did you find out about a new health risk we need to adjust for?

What doctors and financial planners really have in common is this: They know your future wellness depends on taking care of yourself now. Or, as Kaushal puts it, "Your financial destiny is predetermined. It's based on the actions you take today."

Of course, in money as in health, the right actions are easier said than done. Events and emotions can threaten even the best-laid plans, but that's precisely when an advisor really shines. "People get very emotionally ingrained in decisions about money and children," says Kaushal. "They hold those close to the heart."

The ability to steer the ship during tumultuous times might be the greatest value of a financial advisor, and it explains why a strong, transparent relationship is so important. The more open the dialogue you have with your advisor, the better the experience will be. "There must be honesty on both sides of the desk," Kaushal says. "The advice an advisor gives you is based on the information you provide. And if something makes you uncomfortable, or you see something in the market that doesn't make sense, let's talk about it. Don't panic. Don't get spooked."

The bottom line is that if you want the future you envision for yourself, you should commit to getting the guidance you need to get there. So if you understand the value of a good doctor, maybe it's time you treated your finances to a checkup.

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## Education: your best defence against fraud

Here are some tips to keep in mind as you go about your daily activities.

1. Keep all personal documents in a secure place. Never carry your birth certificate, passport, or SIN with you.
2. Don't tell anyone your PIN or share account information. Be aware of your surroundings and cover your hands when using an ATM or your debit card.
3. Shred your bills and statements.
4. If you don't recognize the sender, never open emails, pop-up windows, attachments, or select links.
5. Be suspicious of requests to send money from people you don't know or return money mistakenly sent to you.
6. Don't sign any agreements or contracts to purchase anything without taking time to think it over. If it is a limited time offer and you're being pressured for an immediate response, it's probably a sign that it's best not to buy.
7. Make sure you ask for proof of identity and check the references of all services providers who do work on your home — especially if unsolicited.
8. Unless you made contact or know the organization, do not provide personal, credit card, banking, or account information to anyone, whether over the phone, online, or at your front door.

## Getting ready for school? Tips for managing your finances

When it comes to getting ready for postsecondary school, some things come easier than others. Deciding which courses to take, and receiving your much-anticipated acceptance letter? Those are big decisions and take hard work. Getting financing to help you pay for school? Thankfully, with our StudentFLEX™ Line of Credit, this process is easy. You can borrow up to \$10,000 per year, up to a maximum of \$40,000. Plus, StudentFLEX doesn't require a cosigner or previous credit history.

Once you have your financing in place, it's important to set your budget. Here are a few tips for managing your finances as a student:

### CREATE AN INITIAL BUDGET

Budgeting is all about understanding the best way to balance your expenses and revenue. Although you may have built a budget before, or have an idea of what expenses you had before school, it's important to re-evaluate your plan every time your financial circumstances change. Start by setting up an initial budget, and carefully track your spending for the next few months to see if your plan is realistic.

### WAIT UNTIL GRADUATION FOR REPAYMENT

While in school, you have big expenses like transportation, textbooks, and laptops to pay for — likely while working

minimal hours. With that in mind, it's okay if you aren't able to repay what you borrow right away. When you build your budget, your focus should be on covering interest and life insurance costs for your line of credit. Once you graduate, one of our lending specialists will help you create a plan to repay the balance.

“ **It's important to re-evaluate your plan every time your financial circumstances change.** ”

### CONSIDER APPLYING FOR A CREDIT CARD

In order to build your credit, consider applying for our SCU Collabria Cash Back Mastercard® and use your line of credit to pay the balance every month—just like you would with a chequing account. When used responsibly, this credit card is a great option for you to build credit while earning cash back on your purchases.

Interested in applying for a StudentFLEX line of credit? Fill out a contact form at [scu.mb.ca/student](https://scu.mb.ca/student) or visit any branch and talk with a lending specialist.

**Used responsibly, a business credit card can be a valuable tool to help you manage your business.**

## Four ways a credit card can help your business

In the early stages of building your business, you might reach a point where you consider if a business credit card is a good choice. Used responsibly, a business credit card can be a valuable tool to help you continue to grow your business. Here's why:

### BETTER MANAGE YOUR CASH FLOW

It's a reality of small business ownership that you might need supplies, or your bills might come due before your customers have paid. Credit cards allow you to put payments on a predictable schedule, and help manage the time between invoicing a client and receiving their payment.

Using a credit card as your primary source of payment can help you manage the monthly ebbs and flows of business, but it's never a long-term solution. The key to success is to set and stay within your budget, and never extend yourself beyond what your business can manage.

### EASILY SEPARATE YOUR BUSINESS AND PERSONAL EXPENSES

It's much easier to track your business expenses if they are clearly separated from your personal expenses. And, it's much easier to produce a list of expenses if all you have to do is print your credit card statements.

### EARN REWARDS FOR SPENDING ON ITEMS YOU WOULD BUY ANYWAY

If your business has regular monthly expenses, or if you're making capital purchases, why not earn rewards for those things you have to buy anyway? Using your card for purchases like gas, travel, phone, internet, or office supplies can provide you with extra perks. To earn more rewards, consider our Collabria Visa Infinite Business\* Card, which gives you rewards points for every dollar spent.

### ENJOY OTHER PERKS AND BENEFITS

Credit cards offer another layer of protection such as price or purchase protection, extended warranties, or benefits for travellers such as auto rental insurance, trip cancellation insurance, and more.

Interested in a business credit card? With both Visa\* and Mastercard® products available, we're sure to have a credit card designed to meet your business needs. Talk to us to learn more and apply today at [scu.mb.ca/businesscreditcards](https://scu.mb.ca/businesscreditcards).

\*The Collabria Mastercard is issued by Collabria Financial Services Inc. pursuant to a license from Mastercard International Incorporated. Mastercard is a registered trademark and the circles design is a trademark of Mastercard International Incorporated.

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## It only takes a few minutes to refer a friend

Tell your friends and family why you love SCU, and you'll be entered to **win 1 of 6 \$500 savings accounts** for every member you refer.

Refer a friend online at [scu.mb.ca/referral](https://scu.mb.ca/referral).



# Custom mortgages designed for you

## EXPLORE THE POSSIBILITIES

Every homeowner is unique. We believe mortgages should be too. Whether you want to build, buy, or renovate your home, it all starts with a custom mortgage from SCU—tailored to fit your needs and lifestyle. With flexible financing, competitive rates, and our 30-year mortgage, exploring the possibilities has never been easier.

Call **1.800.728.6440** to speak with a lending specialist today.

[scu.mb.ca/mynextmortgage](https://scu.mb.ca/mynextmortgage)



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## Four important questions to ask before renovating your home

“There are many reasons why you might decide to renovate,” says Nicole Giesbrecht, Assistant Consumer Lending Manager at SCU’s Linden Ridge branch. Whether you want to increase your home’s curb appeal, carry out general maintenance, or give your home a personal touch, it takes planning to execute it successfully. Big or small, Giesbrecht says all home renovations start by asking yourself these important questions:

### HOW MUCH WILL MY RENOVATION COST?

The best place to begin is by estimating your expenses. Giesbrecht recommends adding up all the expenses so you know how much you’ll need to confidently proceed with the renovation. Talking to at least two contractors and collecting multiple estimates will help you understand the scope and budget of your project. The more information you collect, the better your estimated costs will be. For more information on budgeting for your renovation, you can download our guidebook at [scu.mb.ca/renovations](https://scu.mb.ca/renovations).

### WILL THIS RENOVATION BRING VALUE?

“Of course, some renovations add more resale value than others,” says Giesbrecht. “But this also depends on how you go about the renovation.” Take a kitchen, for example. Modernizing the appearance, using quality materials, and improving the functionality of the space is a great way to raise the value of your home. In contrast, adding custom, industrial-grade appliances may suit your personal needs, but won’t appeal to everyone. A good point of reference for determining how much your home will be worth is to collect your contractor quotes and have an appraiser approve the upon-completion value of your home.

Another important factor to consider is whether or not you’re putting money into the right home. Are you renovating because you plan to stay in your home long-term, or to add resale value? Giesbrecht says there’s also a limit for how much resale value you can add to your home, depending on factors like the size of the home, your neighbourhood, and overall market trends.

### HOW SHOULD I FINANCE MY RENOVATION?

“The answer to this question is really customized based on your needs,” Giesbrecht says. Your financing choice will depend on your home equity, the size of the project, and

how you want to access your funds. For instance, maybe you want the ability to access your money as you need it. A line of credit may work best for you, as you can get approved once, reuse the funds in the future, and only pay interest on the funds you use. Or, if you’re planning to pay for your project over a number of years, a loan might be the better choice.

Another option Giesbrecht often recommends to members is our renovation mortgage, a specialty product that allows you to spread out the cost of your renovation over the duration of your mortgage. It’s a unique product that helps you borrow at a lower rate, and leverage your home’s current value or the value of your home upon renovation completion.

“Talk to us early in the process so we can help you make a plan that accommodates those unexpected expenses.”

### WHAT ARE EXTRA EXPENSES THAT MIGHT COME UP?

With any renovation, you should always plan for the unexpected. Many members are surprised by expenses like unknown permits, upgrades made while renovating, or other unbudgeted repairs that need to be done at the same time.

That’s where a contingency fund comes in. It helps you cover the costs when appliances are more expensive than you realized, your budget-friendly countertops don’t work for your newly-renovated kitchen, or you fall in love with flooring that costs double what you planned. “We get it — costs creep up,” says Giesbrecht. “Talk to us early in the process so we can help you make a plan that accommodates those unexpected expenses.”

Want to learn more about financing your renovation? Watch our renovation video for more helpful information, and contact a lending specialist at [scu.mb.ca/renovations](https://scu.mb.ca/renovations).

# AGM highlights

This year's virtual Annual General Meeting was held on March 16, 2021. At our first-ever virtual AGM, many members joined us to hear reports on the 2020 year. While we couldn't share our usual festivities, attending members were entered to win one of 12 cash prizes.

Reg Penner, Board Chair, was thrilled to announce SCU's 2021 member bonus — \$10 million in cash! The member bonus was deposited directly to all qualifying accounts on March 17. It was divided equally among deposit and loan account holders. Eligible products included Consumer, Commercial, Agriculture, Charity, and Community accounts,

with the only exceptions being RESP, AgriInvest, lawyer and realtor trust accounts, unauthorized overdrafts, and temporary overdrafts. The bonus was calculated on interest earned, and paid, on qualifying products in 2020 and equated to an additional 4.92% on deposit interest already earned and 2.64% on loan interest already paid.

Members re-elected Maria Reimer, Bruce Penner, and Doris Martens for another term on the board. The Board of Directors has named Maria Reimer as Board Chair, Bruce Penner as 1st Vice-Chair, and Reg Penner as 2nd Vice-Chair.



**Maria Reimer**  
Board Chair



**Bruce Penner**  
1st Vice-Chair



**Reg Penner**  
2nd Vice-Chair



**Doris Martens**  
Director



**Henry Van de Velde**  
Director



**Robert Penner**  
Director



**Chris Goertzen**  
Director



**Jeremy Hildebrand**  
Director



**Dr. Jayson Barkman**  
Director

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