

CU In School—A Partnership for Financial Education between Marshall Community Credit Union and area grade schools.



CU In School News

What's a Recession?

You've probably heard the news—the economy isn't doing so well. Companies are laying off workers, banks aren't lending money, home prices are falling. What's going on? It's a recession—and it's not the first time. The economy goes through a cycle of booms and busts pretty regularly. Let's take a minute and get some background on why things went sour—and even why recessions aren't all bad.

When times are good, people have money to spend. They buy things, which creates more jobs, and more spending, and so on. But when people lose confidence, they spend less, so companies have to cut back;

they create fewer jobs, and people feel even worse about the future—reinforcing the downward spiral.

Nearly everyone suffers in a recession, but some companies definitely do better than others. Companies like Proctor & Gamble and McDonald's that sell food do okay—you have to eat! Wal-Mart has reported good earnings compared to its competitors because it focuses so strongly on low prices.

Surprisingly, the toy industry is also recession-resistant. Looks like parents will always want to make their kids happy, even if the parents themselves are not. Another kind of store that thrives when money is tight?

Secondhand stores like the Salvation Army and Goodwill, where bargain-hungry shoppers look for deals on everything from books to clothes to appliances.

Recessions are painful, no doubt about that. But they can have good effects, too. Housing prices are dropping to more affordable levels—painful for people who overspent on housing, but leading to more affordable housing in the future. There's less competition for good employees, so it's easier to start new companies or expand strong ones. Plus, for every downturn in history, there's been an upswing waiting at the end!

Dates to Remember at Marshall Academy

- 3/2 *Budget presentation* 11th & 12th grade
- 3/9 *Credit presentation* 11th & 12th grade
- 3/16 *Interest Rates presentation* 11th & 12th grade
- 3/17 *St. Patrick's Day!*
- 3/23 *Investing presentation* 11th & 12th grade

Three Things to Help Your Finances ...

Here are three things you can do to get into better financial shape this year:

1. **BUDGET**—Live within your means by creating and sticking to a budget. Need help? A great tool online is <http://www.mint.com>.
2. **SAVE**—Everyone should know how to 'pay yourself first.' Set-up an auto-deduction into a separate savings account of 10% or more of each check.
3. **CREDIT**—Get a handle on that credit card debt. Here's a non-profit org that can help; <http://www.clearpointcreditcounselingsolutions.org/>.

Interested in becoming a Student Volunteer?

If you are interested in becoming a CU In School Student Volunteer and are in grades 2nd—6th, pick up an application under the bulletin board outside the library. Simply fill out the application, have your parent/guardian and teacher sign it and return it to the office. We will be hiring new volunteers in April of 2010.



Marshall Community Credit Union

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