



The Credit Union That Is Different . . . On Purpose!

# CU NOTES

Your Shares Are Federally Insured To At Least \$250,000

March 31, 2019

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

## DIVIDENDS FOR FIRST QUARTER OF 2019 ANNOUNCED

The Federal Open Market Committee (FOMC, but commonly referred to as the FED) continues its struggles to select the correct path in affecting the U.S. economy. For a period, a rather fast series of increases in interest rates appeared to be on our immediate horizon. Then came some hesitation. Even some recent speculation about a reversal in direction has been rumored. If the FED is not certain of a direction, members of Knoxville Teachers Federal Credit Union will not expect its elected Board of Directors to be assertive in making great changes in the dividend on shares (savings on deposit).

After observing the general landscape on yields on savings, your Board has elected to make only one adjustment to the dividend from the previous quarter. However, that one change is one that will benefit all credit union share holders. The first tier which affects all deposits is being increased.

The three tier system of payment of dividends will remain with the incremental levels being the same as the last three quarters. That system means that the savers with large deposits would earn three different dividends at each of the three levels.

The dividend for the first quarter of 2019 remains unchanged except for the first tier of all deposits up to the first \$5,000. That dividend is increased to **0.25% APY**. The second tier from \$5,000 to \$25,000 at **0.60% APY**. All shares in excess of \$25,000 and the entire deposit in IRA and retirement accounts were paid a dividend of **1%**. By increasing the first tier of the first \$5,000, all shareholders had an increase for the quarter that just ended. The deposits in the 457(b) accounts will continue to receive the dividend paid over the past several quarters.

Members are reminded that these dividends are for the period of January 1 to March 31, 2019.

### YOUR PURPOSE IN LIFE

“If you dress well and look good in your clothes, you don’t really need a purpose in life.” That is a quote of Knoxville’s legendary haberdasher and social commentator, Matthew McClellan, proprietor of M. S. McClellan and Company

You may have other purposes in life even though members of Knoxville Teachers Federal Credit Union dress well and are always a part of the “beautiful people.” Whatever you have determined is your purpose in life, you can rely on your credit union to help you with those purposes and goals.

Our purpose in life is to assist members to manage and eliminate debt and to accumulate savings. One measure of our success is that members of Knoxville Teachers Federal Credit Union are in the top 1% in the US when ranked by the amount of savings per member. (And number one in Tennessee!) We think that is pretty good for teachers in a state not in the top ranks for teacher compensation when compared to some pretty high dollar employment groups here and nationwide.

Don’t just stand there looking good in your clothes! Tell other school employees about YOUR credit union.

Whenever you find yourself on the side of the majority it is time to pause and reflect.  
— Mark Twain

	2nd Quarter 2018	3rd Quarter 2018	4th Quarter 2018	1st Quarter 2019	Yearly Average APY
Credit Union Premium Shares	0.80%	0.90%	1.0%	<b>1.0%</b>	0.93%
Credit Union IRA	0.80%	0.90%	1.0%	<b>1.0%</b>	0.93%
Bank 6 Month CD*	0.21%	0.26%	0.30%	<b>0.38%</b>	0.29%
Bank 1 Year CD*	0.37%	0.44%	0.50%	<b>0.68%</b>	0.50%

*(Rates are as of first of each quarter.)  
The APY rate printed on your statement is the composite of your share deposit yields as described above.  
\*Published by [www.fdic.gov](http://www.fdic.gov)*

### HOW TO USE THIS CHART

This chart is included to provide a continued comparison of yields earned on savings at your credit union with the national average of CDs as monitored by FDIC. While some longer term CDs will have a higher yield, most savers are reluctant to commit to periods longer than six months or a year. This short chart does not provide more than a basic snapshot of yields for the time of the quarter that just ended. The chart is an attempt to let members view the results of the decision to place savings at Knoxville Teachers Federal Credit Union on January 1, 2019, compared to placing savings in a bank CD.

## KNOXVILLE TEACHERS FEDERAL CREDIT UNION

**East/Downtown**  
711 N. Hall of Fame Drive  
Knoxville, TN 37917  
(865) 582-2700

**South Office**  
7359 Chapman Highway  
Knoxville, TN 37920  
(865) 582-2704

**Farragut Office**  
147 West End Avenue  
Knoxville, TN 37934  
(865) 582-2701

**Halls Office**  
3722 Cunningham Rd  
Knoxville, TN 37918  
(865) 582-2706

**North Office**  
108 Hillcrest Drive  
Knoxville, TN 37918  
(865) 582-2702

**Bearden Office**  
410 Montbrook Ln.  
Knoxville, TN 37919  
(865) 582-2707

**Powell Office**  
7315-C Clinton Hwy  
Powell, TN 37849  
(865) 582-2703

**Carter Office**  
8537 Asheville Hwy.  
Knoxville, TN 37924  
(865) 582-2708

**Clinton Office**  
125 Leinart St  
Clinton, TN 37716  
(865) 582-2705

**Anderson Co. Courthouse**  
100 N. Main St, Room 123  
Clinton, TN 37716  
(865) 582-2709  
*(10 - 4:30, Mon - Fri)*

**Oak Ridge Office**  
304 New York Ave  
Oak Ridge, TN 37831  
(865) 582-2710

All locations are open 9-5 weekdays,  
except May 27 (Memorial Day)

**Virtual Branch - <https://ktfcu.org>**  
24-Hour Telephone Teller - (865) 582-2800

## WHAT'S IN YOUR WALLET?

No, this is not a paid advertisement for Capital One Bank. That menacing question often heard on TV did ring true during the recent government shut down and the curious sight of folks on a federal payroll being provided for by food banks. The answer to the question about the contents of those wallets is easy — nothing.

All of this then brings us to consider the commonly held wisdom of just a few years ago. “Always have six months living expenses in savings in case something happens to your job.” It has not been too many years but we must admit it could have been seven months. But, let’s not quibble. The idea holds up and seems even more important on further reflection.

Let us offer a suggestion to members of Knoxville Teachers Federal Credit Union. Begin now to accumulate at least six or seven months of expenses in your savings to make you feel more secure about any possible emergency. A good way to do this is to call 582-2700 with a request to increase your monthly payroll deduction or direct deposit to your credit union savings.

A recent change in dividends paid on your credit union savings makes saving more rewarding. The yield on savings at your credit union now is about the average paid on certificates of deposit or more. The big difference is that your “rainy day” savings can be accessed on any day of your choosing — even during a government shut down — and not at the end of a period of a year normally required by a certificate of deposit.

## A WORD ABOUT YOUR BUSINESS

As an owner of record of Knoxville Teachers Federal Credit Union, you are entitled to information of your business. Your deposits in savings, IRAs and other money that you trust to Knoxville Teachers Federal Credit Union (including money in your checking account) are classified as “shares” in the credit union. Since this credit union is federally insured, we are examined regularly by federal examiners and auditors. Your Supervisory Committee contracts with Pugh and Company, CPAs to conduct regular audits to assure that we meet all regulation as well as Generally Accepted Accounting Principles (commonly called GAAP).

You will be glad to know that these audits and examinations routinely show your credit union to meet regulation, law and standards. The growth in capital reserves shows that your credit union is operating at a profitable level and in a growth pattern in all of the other significant areas.

The data below show the standing of the credit union as of December 31, 2018. More detailed information is available upon request at the credit union office located at 711 N. Hall of Fame.

We welcome questions about the operation of the credit union and urge members to make inquiries both specific and general.

## NEW PHONE DEVICE?

If you have recently upgraded your cell phone, you may have experienced some frustration in getting all the new features under your control. Sometimes it is easy but other times frustration goes on for days. One older member speculated that it would be easier to change wives than to change phones. His theory was that a new wife would want to help make things work and would make suggestions or even concessions. Electronic devices require the user to make all the concessions and gives no clear suggestions.

Knoxville Teachers Federal Credit Union is constantly upgrading services and especially services that include electronic features. We don’t want members to struggle alone in the process of staying up to date. When you want to try out one of the many ways to save time and to make financial transactions with ease, give it a try but don’t struggle. Just form your question and call in and say, “I need to talk to someone who can help me with a problem.” Give the nature of your problem and you will be transferred to a staff person who wants to help eliminate your frustration. Yes, you can get help in finding your credit union on your new phone.

So, when you upgrade your electronic devices or just get a different phone, don’t fight the battle alone. There are staff members at your credit union who are adept at assisting you in customizing your phone to have more complete control of your credit union accounts. Being in the 21st Century is frustrating enough. Don’t do it alone.

December 31, 2018

<u>ASSETS</u>		<u>LIABILITIES</u>	
Loans	\$112,264,436	Member Shares	\$179,376,066
Securities (net)	81,811,029	Capital Reserves	23,726,860
Share Ins. Deposits	1,756,131	Other Liabilities	24,396
Equipment & Fixed Assets (net)	444,305		
Other Assets	6,851,421		
<b>Total</b>	<b>\$203,127,322</b>	<b>Total</b>	<b>\$203,127,322</b>

## TEACHERS ARE SURVIVORS

Teachers are a tough bunch. No data can be cited to determine if it is a DNA issue or if it cultural. But the facts are clear. Teachers have successfully survived each past crisis. Y2K, government shut downs, tattoo craze (both of them), mini skirts, inflation, recessions, evaluations, assessments, snow days, elections won and lost, flu seasons all come and go. All of these things have faded in our collective memory (except for mini skirts, of course) and we prepare for the next crisis.

Meanwhile, one constant remains. Teachers know to save. They conserve supplies, they know how to multitask to save time and they save their money. Teachers are well above the average in saving money. Members of Knoxville Teachers Federal Credit Union have the highest savings per member of any credit union in Tennessee and are in the top fifty credit unions in the nation when ranked by the amount of dollars saved per member.

It is a good partnership. Teachers and their teachers' credit union. Are you taking full advantage of easy and profitable saving at your teachers' credit union? Maybe this is a good time to call in to begin a monthly payroll deduction to savings. If you are already saving each month, maybe it is time to increase the amount you save monthly. A phone call can do it. We offer 865-582-2700 as a good number to use to add to your long term financial health.

## EVEN FANG LIKES OUR UP TO DATE SERVICES

Knoxville Teachers Federal Credit Union constantly works to provide to members all of the conveniences of the 21st Century. Members are often surprised that some newly advertised banking service is also available at their credit union. In fact, most are not aware that those services are often available at Knoxville Teachers Federal Credit Union before they are offered by the larger financial institutions.

Even Fang, our proofreader's seeing eye dog, is pleased to be able to use most of those services. Of course, Fang is above average. He has been offered many more enticing opportunities but has elected to remain a part of the Knoxville Teachers Federal Credit Union family. Are you benefiting from your membership as much as Fang?

## AI WILL SAVE US

Most Americans watch with dismay those events occurring in the District of Columbia. As time moves on, more and more concern develops by the tax payers. We all benefit from the genius of our founders. As Benjamin Franklin responded when asked what kind of government had been adopted, "A republic, if you can keep it."

We seem to be holding on and hoping for a miracle. Perhaps a miracle is on the way. So, we say, thank goodness for artificial intelligence - also known as AI.

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We've been needing a bit of intelligence and we will welcome it in any form - even artificial .

Knoxville Teachers Federal Credit Union employes employ both real and artificial intelligence to serve members. If you need help to benefit from the many electronic and data based services, feel free to call or come in for some old fashioned intelligent help.