

# Credit and Cents

## Making More Cents Quarterly Newsletter



### Prepare for the 2024 Economy: Quick steps to get started!

Happy New Year!

2023 has been labeled as the year of resilience, with inflation dropping to 3.14% and unemployment below 4%. The Federal Reserve is expected to hold interest rates steady at least until the middle of 2024. Experts predict that we should see 2-3 interest rate decreases from the Fed in Q2 and Q3, lowering the Prime Rate to around 7.75% (from the current 8.5%). Here's a concise guide for a strong start in 2024:

1. Lock in High Yields: Take advantage of current high yields with a fixed-term CD, offering around 5%. Consider a [1-year CD](#) for stability, but be aware of potential penalties for early withdrawals.
2. Explore No-Penalty CDs: For flexibility, opt for [no-penalty CDs](#). Although interest rates may be slightly lower than traditional CDs, you can access funds without facing early withdrawal fees.
3. High Yield Savings: Despite expected rate cuts, [High Yield Savings](#) accounts remain lucrative. Track your income and expenses to identify savings opportunities, setting up recurring transfers for added convenience.
4. Tackle High-Interest Debt: The average [credit card](#) rate is at an all-time high, nearly 21%. Focus on aggressively paying down high-interest debts in the new year. Allocate extra funds to tackle debts with the highest interest rates first, saving money on interest payments.
5. Build a Budget: Track your spending, cut back where possible, and allocate funds wisely. Creating a budget helps streamline your financial goals and sets the stage for a more secure future.
6. Emergency Fund: Establish an emergency fund for unexpected expenses. This financial cushion provides peace of mind and ensures you're prepared for any curveballs life may throw your way.

By incorporating these steps into your financial plan, you will be able to overcome any speed bumps in the economy and be on the path to a secure and prosperous 2024.

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## Test Your Financial Savvy: Dive into our short Quiz Challenge!

1. Experts recommend that you should keep your credit card usage to under \_\_\_\_ of your credit limit.  
A. 10% B. 50% C. 30% D. 25%
2. What does APR stand for?

A. Annual Payment Rate B. Annual Percentage Rate C. Average Payment Return D. Annual Profit Ratio

3. What is the golden rule of personal finance?

A. Spend more than you earn B. Save and invest consistently C. Rely solely on credit D. Ignore financial goals

4. What does a credit score measure?

A. Income level B. Ability to save C. Creditworthiness D. Number of credit cards

5. Question: What does the term “compound interest” refer to?

A. Simple interest applied monthly B. Interest earned on the initial principal and the accumulated interest C. Interest on loans only D. Interest calculated annually

Answers are available on the Credit and Cents site. Please click [here](#).

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