



Te Uniana Whakanama Pirihimana

BLUENOTES

—

Issue 84
March 2021

It was early March last year when New Zealand started to ramp up its response to Covid and by the end of the month we were all in a full lockdown. Whew, what a year it has been and what change we have seen.

In that time, we have all had to adapt, change and learn a new vocabulary. We all now know the difference between the 4 alert levels, are used to wearing masks on public transport and keep in touch with friends, family or work through Zoom or something like it. We live with the expectation that alert levels can change at any time and that as a country we need to be ready to respond regionally or nationally as required.

Many of our members have been at the very front line over the last year putting themselves in harms way to protect us all and ensure things have gone as smoothly as possible. To all our front-line members I say on behalf of PCU and all its

UPDATE FROM OUR CEO



Whew, what a year it has been and what change we have seen.

members a big thank you. We really appreciate your sacrifice during this tumultuous year.

In return we at your Credit Union promise to have your back when you need us.

If the last year has taught us anything it is that change is constant, and we must be always ready to move with the times.

Your Credit Union strives to continually improve as you will have seen with the upgrades to our digital offering over the last 12 months. We knew from your feedback that there were some obvious sticking points around our website, online forms and identity verification processes which we have improved.

Whilst we have made some progress, we know there is much more we can do to make your life easier. That is why we are

keen to hear from you about what you like and what you don't like about what we do. We'll be in touch with a quick survey or two (nothing too time intensive I promise!) and keen for volunteers to do some more in-depth research (we promise to make it worth your while!) Keep an eye out for those emails.

In the meantime don't forget to think about us and how we'll strive to be 30% cheaper, 30% quicker to a decision and 30% easier to deal with when you are looking to borrow some money.

Our team love to be there for you and you know that we've got your back.

If you have any comments or feedback then please drop me a line as I'd love to hear from you, you can contact me direct on **04 471 4850** or joe.bishop@policecu.org.nz.

Ngā mihi,

Joe Bishop
Chief Executive

WHY ARE RATES SO LOW?

After the emergence of Covid last year, the Reserve Bank dropped the Official Cash Rate (OCR) down to 0.25%, which meant saving and borrowing rates plummeted.

Whether you're saving or borrowing, you'll have experienced the impact of the record low OCR we currently have in New Zealand.

If you're focused on saving or investing, you'll have seen the interest returns on your money continue to drop over the past year. This is particularly challenging for people who have been living off the returns they receive on their savings. It has also created frustration for those who are saving for a house deposit outside of their KiwiSaver.

On the other hand, if you have a mortgage or have gotten on to the property ladder recently, the reduction of the fixed and floating rates on home loans will be a welcome relief as your mortgage repayments will be lower, and for now you'll be able to pay off your home loan faster thanks to the lower rate of interest.

Thinking about your own financial decisions in the past year, have you made changes with how you've managed your money in this environment? Perhaps the low returns on your savings meant you decided to spend rather than prioritise saving, or the low home loan rates encouraged you to buy a house earlier than planned?

If so, this is exactly what the Reserve Bank wants you to do. The Reserve Bank use the OCR to influence the New Zealand economy. If the economy is doing well, they can increase the OCR to calm economic growth and encourage the prices for goods and services to drop. But when the economy isn't going well – such as what we saw when Covid hit - the Reserve Bank cuts the OCR because the theory is that by reducing the rates lower and lower, it motivates people to do a bit more with their money as they aren't receiving high interest returns on their savings. It's a way to hopefully stimulate economic activity and to encourage businesses and people to borrow and spend big.

Has it worked? Well, the economy is doing better than initially predicted. Even though it's not directly related to the OCR, the limit on international travel due to Covid means more domestic tourism – we're spending money here rather than overseas. The low rates combined with the increased time at home due to lockdowns has seen people borrowing and spending on home renovations, and it has also encouraged people to borrow for bigger purchases they may have been putting off, such as a car, campervan, or just about anything for the fun for it.

The low rates have helped the economy to recover somewhat better than expected. But they will be around for quite a while yet, so it's helpful to consider this when making any financial decisions for the year ahead.

Stay safe out there!

Talk soon . . .

Money Penny

**From childhood
to retirement, we've
got your financial
back.**

Find out more at
POLICECU.ORG.NZ



**POLICE
CREDIT
UNION**

SIGN UP TO OUR FINANCIAL WEBINARS

Get ahead with our free webinars for you and your family to improve your financial wellbeing.

Together with NZ Police and the Commission for Financial Capability, we are again offering free Money Bite webinars.

You and your family can attend as many or as few as you like, depending on your financial situation and interest.



The webinars are delivered by Sorted at Work and most are one hour long. The sessions are simple, fast paced and engaging. They are designed to motivate conversation and action towards financial wellbeing. The content is reflective and allows you to look at your situation and have an opportunity to consider your money matters in a supportive environment.

To register for a webinar just head to our website <https://www.policecu.org.nz/financial-courses/money-bites-webinar/>.

Webinar	Content	Date	Time
Money Mind	Consider some of the underlying reasons behind your financial decision making.	Thursday 8 April	11.00am – 12.00pm
		Thursday 3 June	2.00pm – 3.00pm
Spending	Understand the importance of identifying priorities to make a spending plan stick.	Thursday 15 April	2.00pm – 3.00pm
		Thursday 10 June	10.00am – 11.00am
Retirement	Build empathy for your future self. Be motivated to start planning for retirement today.	Wednesday 21 April	10.00am – 11.00am
		Thursday 17 June	3.00pm – 4.00pm
Debt	Use Sorted debt tools and understand the true cost of debt.	Thursday 29 April	3.00pm – 4.00pm
		Thursday 24 June	11.00am – 12.00pm
Protect	Review options for protecting your people, your money and your stuff.	Wednesday 5 May	11.00am – 12.00pm
		Wednesday 30 June	2.00pm – 3.00pm
Save and Invest	Get to know your investor type and start thinking about the best investment strategies to suit your situation.	Wednesday 12 May	2.00pm – 3.00pm
		Wednesday 7 July	10.00am – 11.00am
Frauds and Scams	How to recognise the warning signs and protect yourself and your family.	Thursday 20 May	10.00am – 11.00am
		Tuesday 13 July	3.00pm – 4.00pm
Women's	Investigate the unique needs and cultural influences that women may experience when dealing with money.	Tuesday 25 May	3.00pm – 5.00pm
		Thursday 22 July	2.00pm – 4.00pm

RAINBOW TICK

Last year we started working towards becoming a rainbow friendly organisation for both our team and our members.

We're proud to be close to completing our accreditation.

Rainbow Tick is about accepting and valuing people in the workplace, embracing the diversity of sexual and gender identities.

The Rainbow Tick accreditation will show that we are a safe, welcoming and inclusive place for people of diverse gender identity and sexual orientation, and that we demonstrate support and encouragement of the rainbow community.

INTEREST RATES ON SAVINGS ACCOUNTS

As at 1 March 2021

Term Deposits

3 months	4 months	5 months	6 months	7 months	8 months	9 months	12 months	18 months	24 months
0.45% p.a.	0.55% p.a.	0.65% p.a.	0.95% p.a.	0.95% p.a.	0.95% p.a.	0.95% p.a.	0.90% p.a.	0.90% p.a.	0.90% p.a.

Interest can be paid out monthly, quarterly or six monthly.

Interest on Term Deposits 12 months or longer can be compounded quarterly, six monthly or annually

On maturity, Term Deposits can be reinvested, paid into your Credit Union account or paid out to an external bank account

Savings

Balance	Bonus Saver	Future Saver	Achiever Saver	Christmas Club
\$1+	0.40% p.a.* Includes bonus interest of 0.25% p.a.	0.40% p.a. Includes bonus interest of 0.25% p.a.	0.15% p.a.	0.15% p.a.



Te Uniana Whakanama Pirihiimana
POLICE HELPING POLICE

Copies of our current Terms and Conditions and Product Disclosure Statement are available from the Police and Families Credit Union. These can be viewed at policecu.org.nz, or by calling 0800 429 000.

Police Credit Union is not a registered bank