

GET SMART ABOUT CREDIT DAY WITH FINANCIAL ADVISOR GALEN BARGERSTOCK

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6MCT AT 9
GALEN BARGERSTOCK
FINANCIAL ADVISOR

ANCHOR LAURA HUTCHINSON: Hi everyone, welcome back. 20-minutes after 9. Did you know today is 'Get Smart About Your Credit Day?' I love a money holiday [laughs]. Here to help you better understand your credit score and deal with credit card debt, we have financial advisor here, Galen Bargerstock of Government & Civil Employee Services. I want to thank you so much for being here.

GALEN BARGERSTOCK, GOVERNMENT & CIVIL EMPLOYEE SERVICES: Thanks for having me.

ANCHOR HUTCHINSON: I know you had to make a really long trip through the storm to get here, so thank you for being here.

BARGERSTOCK: Yep, through the rain [laughs]. No worries.

ANCHOR HUTCHINSON: It's an important holiday, today, that we're celebrating because credit scores are so important. Good day today to jump start your credit score, right?

BARGERSTOCK: Yeah, credit is the most important thing that you have as a person. It's your purchasing power. I like to think of credit like your character – your personal character.

ANCHOR HUTCHINSON: Okay.

BARGERSTOCK: Your character is how people relate to you. People that know of you, know you, how they relate to you as a person. Same with credit. That's how businesses are going to know about you. And if you're worthy enough to have the credit – what amounts of credit, if you're paying on time, etc. It pretty much relates to everything about character.

ANCHOR HUTCHINSON: Yeah, you know, and forgetting honestly that this segment was coming up today, I checked mine yesterday just because it was a day that I was going to check it. It's important to check-in on that. It's like your own personal report card. It's scary to press the button and look, but you really do need to look. How often should we be checking our credit?

BARGERSTOCK: Not too much because it's just really a worry for your mind, but I would say at least twice a year, check to see what your credit score is.

ANCHOR HUTCHINSON: Sure.

BARGERSTOCK: If you're buying things, maybe a little bit

more frequently to try to get more purchasing power.

ANCHOR HUTCHINSON: Yeah, okay, so how can we jumpstart? What are some tips to improve that number?

BARGERSTOCK: Well, my biggest tip is the most important of all and everybody know it already –

ANCHOR HUTCHINSON: Pay on time?

BARGERSTOCK: Pay on time [laughs]. Yeah, that's how banks know that you are trustworthy and you're paying your obligations. If you don't pay on time, they're sending reports to let other business know that you could be a risk.

ANCHOR HUTCHINSON: And also, seek a partner? What does that mean?

BARGERSTOCK: Seek a partner, that comes back to character. So, seek a partner is a little bit different. If you ask a friend or a family member – spouse is probably the most common used one – to go on their account as an authorized user, you will actually boost your credit because you're using their good credit to tell the creditors that you have good credit as well.

ANCHOR HUTCHINSON: Oh, okay and of course you want to continue with credit that you have had opened for many years.

BARGERSTOCK: Existing credit. The older the credit, the better the reporting history is for you. One thing that I would recommend is to utilize the credit ratio. So, these older, established cards that you have - call-in and only call-in if you plan on not spending more money - but call-in and ask for an increase in credit.

ANCHOR HUTCHINSON: Sure.

BARGERSTOCK: That will add to your purchase power because now you have more credit available and your debt ratio is actually lower.

ANCHOR HUTCHINSON: Which looks really good when you're looking at it. They really consider that – what your debt-to-credit ratio is.

BARGERSTOCK: That's the big one, but you really can't spend that money. Just increase the amount available.

ANCHOR HUTCHINSON: Right [laughs]. Increase it, don't use it.

BARGERSTOCK: Right.

Galen Bargerstock, president of Government & Civil Employee Services, LLC (GCES), is concentrated on navigating federal and state employees through financial and retirement planning. Galen holds a Pennsylvania Life, Health and Annuity License, as well as Series 6 and 63 licenses.

To contact Galen, call 800-985-3272 or visit gces.us.

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ANCHOR HUTCHINSON: You should be concerned about taking on new credit, right? So, why is that?

BARGERSTOCK: New credit –

ANCHOR HUTCHINSON: People are going to have to do that.

BARGERSTOCK: People are going to have to do it and it's important to utilize, maybe, the credit from department stores to get good deals, things like that. But the more credit accounts that you open, the newer ones are going to hurt you because it's putting credit hits on your score and making you look undesirable. So, it's better to increase on the current cards you already have than to open up new.

ANCHOR HUTCHINSON: What about when you're financing a project or something like that? A lot of people will buy furniture or something like that and they'll do that zero percent APR for a year and that's enticing to get stuff like big purchase items.

BARGERSTOCK: I would say that it is important to utilize any kind of zero percent credit or even a low interest introductory rate.

ANCHOR HUTCHINSON: Okay and again, how long should you be looking over your credit? You know, just sort of where do you go from here? Once you have a handle as to where your credit score is?

BARGERSTOCK: Well the biggest thing is, the magic number would be 30 percent.

ANCHOR HUTCHINSON: Okay.

BARGERSTOCK: So, try to keep all of your credit cards around or below 30 percent and that's going to make you look a little more desirable if you do need to purchase more credit – because that's financing houses, cars, you know, it really is important.

ANCHOR HUTCHINSON: Okay and of course your credit score helps you save money on a whole number of things, too. It helps you get a home, a car. Really, you need a good score.

BARGERSTOCK: Correct, yup, true.

ANCHOR HUTCHINSON: Alright, Galen, thank you so much for being here. Great advice. I really appreciate your time.

BARGERSTOCK: Thanks for having me.

