



Financial

WELL-BEING

An eNewsletter to help improve your financial well-being | Winter 2011

contents

- 1 On the money with Alliant Credit Union
New Year's Resolutions for your home
- 2 Five steps to handling a financial windfall
Should you lend money to a friend or family member?
- 3 WOW! Alliant is ranked one of the seven best banks in the U.S.
Become more financially savvy with Alliant webcasts
FREE financial counseling available

On the money with Alliant Credit Union

Want to help your hard-earned money earn more for you? Rely on Alliant Credit Union for high savings dividends, low loan rates and more. Check out the articles in this newsletter to see how our products and services can benefit you.

If you're not an Alliant member, it's easy to join online at www.alliantcreditunion.org. As an employee of your company or member of your association, you're eligible to apply for membership* in Alliant. Note: Applicant must also meet other eligibility requirements for Alliant membership.

New Year's Resolutions for your home

Each year, about 100 million Americans make New Year's Resolutions to change their habits, reach a goal or improve their life in some way, according to CNN. One area not to overlook is improving your abode. How about giving your home sweet home some tender, loving care in the upcoming year? Consider these six resolutions.

1. Rid your home of clutter. Go through your entire home, including the garage, and clear out anything that's no longer of use. You can even earn some money for your efforts by holding the proverbial garage sale or donating the items to charity.

2. Do your spring cleaning now. When was the last time you did a real spring cleaning? One where you cleaned behind the oven and fridge, or pulled the books out of the bookcases and dusted them? Keep in mind that a good spring cleaning often takes days. How about rolling up your sleeves and clean when Jack Frost makes you feel homebound?

3. Deal with roof issues. Winter can wreak havoc on your home's roof, so assess its condition before it's too late. Replace loose or cracked shingles. Take care of damaged or clogged gutters. And if you have a chimney, get it thoroughly inspected and cleaned.

4. Go with the flow. Plumbing is very important to both homeowners and homebuyers. Is the hot water hot enough? Do the showers have the perfect

pressure? Does the toilet run longer than it should? Start paying attention to these nagging "minor" issues and get them resolved.

5. Protect yourself and your family. Check, and if need be, change the batteries in your smoke detectors and carbon monoxide detectors. It's a good practice to test your batteries every six months and change them every year. Buy fire extinguishers if you don't have any. The critical place to have one is in your kitchen, perhaps in the cabinet under your kitchen sink. Other good locations for an extinguisher: near your clothes dryer and in a workshop.

6. Embrace the 21st Century. Look around your home and determine where it may be reflecting its age – to its disadvantage. For instance, if you've got "cottage cheese" ceilings, consider getting rid of them. It's a messy project, but it will improve the look and feel of your home. And these kinds of cosmetic makeovers will increase your home's value if you plan to put it on the market.

Sources: usinspect.com, savings.com, cnn.com and Platinum Plus Content Licensing

www.alliantcreditunion.org

Five steps to handling a financial windfall

What if the winds of fortune blew a financial windfall into your life? Would you blow it like the Pennsylvania lottery winner who frittered away his \$16.2 million jackpot on items such as a plane (when he didn't even have a pilot's license) so at his life's end he had to rely entirely on his \$475 monthly disability checks to get by? Or would you be smart and use your windfall to ensure your immediate and long-term financial well-being?

Windfalls come in many forms, such as a job bonus, an inheritance, a business deal and, before the housing market tumble, a bonanza profit from selling a house. Of course, the actual dollar amount of your windfall will determine how many goals you can satisfy, but here are some general rules of thumb from financial experts:

1. Take a timeout, emotionally and financially, to consider what you really want and need. Perhaps, your first step is to park the money in an interest-bearing savings account until you get your bearings on how best to put the money to use, weighing existing debts, upcoming expenses and your future needs, including retirement. Consider putting off major spending decisions for a few weeks or even up to a year, suggests Susan Bradley, author of "Sudden Money: Managing a Financial Windfall."

2. Take care of pressing and possible emergencies – both immediate needs, such as fixing a leaking roof and establishing an emergency savings fund for yourself (if you haven't got one already). Emergency funds are cash savings you set aside to pay for your living expenses if you lose your income. It's in your best interest to have such a fund to last you for three months to a year, experts say.

3. Pay down debt. Big debts, particularly high interest and non tax-deductible ones, can really weigh you down. If this is your situation, consider spending some money to decrease these balances to eliminate the debt faster and save significant money in the long term.

4. Treat yourself – within reason. After you've addressed your priorities, celebrate by splurging a little on something you really enjoy or have always wanted.

5. Get expert help. If your windfall is significant, make sure you don't blow your opportunity for financial security. Consult with financial counselors and legal experts. A financial planner can help you prioritize your goals and help crunch the numbers for you. A certified public accountant can help you tackle the tax issues.

Sources: foxbusiness.com, USA Today, untildebtdouspart.com, wisegeek.com, the simpledollar.com and suddenmoney.com

Should you lend money to a friend or family member?

Suppose a friend or family member approached you with a plea, "I need money. Will you help?" How will you ensure you don't lose your money and your friendly relationship? Here are some rules of thumb, from the experts.

1. Assess the situation – from your perspective and the potential borrower. Ask why the person needs the money and resist the urge to show your good nature by saying "yes" right away. Wait 24 hours before you give an answer. "Consider the amount involved, how close the person is and how dire the need," says financial writer Kate Ashford. "Then weigh the risk of damaging the friendship if you say no against the risk of losing the money and damaging the friendship if you say yes."

2. Be prepared for the possibility that you won't get your money back, so lend only as much as you can afford to give away. Consider whether the borrower is fiscally trustworthy. Is the money needed for a legitimate one-time, emergency fix? Or to take care of the person's chronic money mismanagement? If the former is the case and you don't want to assume the role of being a bank, suggest Alliant Credit Union. Refer the person to our website, www.alliantcreditunion.org, where he or she can check out our low loan rates and apply for a loan. Or if the person is not a member, apply for membership, too. (About 14% of friend-and-family borrowers default vs. 1% of those who get their loans from a financial institution.¹)

3. Be businesslike if you make the loan. Get a clear agreement about repayment terms, such as how much and how often payments are to be made. Discuss what happens if payments are missed. Consider whether you want some kind of collateral or to charge interest. Then, get the agreement in writing. That reinforces the idea that the money isn't just a gift and helps ensure that your relationship will outlive the loan. (Currently, 8.7% of Americans have outstanding substantial loans they have extended to friends or family.¹)

¹ CNNMoney. Other sources: bankrate.com, CNBC.com, wikihow.com and ehow.com



WOW! Alliant is ranked one of the seven best banks in the U.S.

Did you know that Alliant members are doing business with one of the seven best “banks” in the United States?

That’s right. A September 2011 *Money* magazine article ranked Alliant Credit Union as the “best all-access credit union” because it “combines an open-door policy with competitive offerings.” The article also highlights our higher-than-banks’ savings dividend and Free High Rate Checking account dividend.

To develop its list of the seven best banks “that treat customers right,” *Money* looked closely at the account offerings at the 20 largest banks, the major regional and online banks, as well as national credit unions. The rankings were included in its article, “Get a fair shake, not a shake down.” Alliant is the only credit union that made the list.

“Only 37% of Americans are satisfied with their financial institutions,” the article stated, referring to an April 2011 study by the consulting firm ath Power. The article asks “where’s the love?” and cites the reasons for customer dissatisfaction with banks: sharply rising standard fees, new fees (such as charges for receiving paper statements and using a debit card) and the lack of “no-catch” free checking.



Become more financially savvy with Alliant webcasts

Alliant is committed to help people sharpen their ability to make informed judgments and effective decisions regarding the use and management of their money.

That’s why we’re offering a series of free online webcasts where you can learn about financial topics – and participate by visiting www.alliantcreditunion.org.

HERE’S WHAT’S UPCOMING:

- November 17 An introduction to annuities
- December 8 Managing your Health Savings Account in 2012

Webcasts are archived on Alliant’s website, www.alliantcreditunion.org, for three months.

Previous topics:

- Retirement basics (September) and Understanding credit cards (October).



FREE financial counseling available

Are you concerned about your finances during these challenging economic times? If so, you’re not alone and help is a free phone call away.

Alliant partners with GreenPath Debt Solutions, a non-profit financial counseling agency, to offer our members free access to professional financial counseling and education. These company advisers are experts in all aspects of personal finance and credit.

And, because this company doesn’t sell any financial products, you can count on its counselors for objective, unbiased information or guidance. Visit www.alliantcreditunion.org for details.

Join Alliant today

Not yet an Alliant member? Consider joining. Your company or association provides free membership in Alliant Credit Union as an employee or association member benefit.* Note: Applicant must also meet other eligibility requirements for Alliant membership. Joining is fast and easy. Join online at www.alliantcreditunion.org and enjoy higher savings dividends, lower loan rates – and more. Plus, once you join, your family members will become eligible to join.

* Alliant membership is an exclusive benefit available to employees, retirees and members of qualifying organizations and their family members; any member of the Foster to Care to Success; and individuals who live or work in qualifying communities and their family members. Applicants must also meet other eligibility requirements for membership. Please visit www.alliantcreditunion.org for details regarding Alliant membership.

