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The pros and cons of penny pinching

Living within one's means has always made common sense. But, today's ongoing recession has prompted many, either by necessity or choice, to become more frugal—to make due with less and live well below their means.

Can economizing go too far? Consider the difference between being frugal and being cheap. Frugal, according to the Random House

Unabridged Dictionary, means "economical in use or expenditure; prudently saving or sparing; not wasteful." Cheap, on the other hand, is defined as "costing very little" and being "stingy and miserly."



Frugal people are the proverbial smart shoppers. They do their research to get the best plans for their cell phones, they keep their eyes open for sales on what they

intend to buy and they consider the price versus the value of their purchases. Cheap people are more like Amy Dacyczyn, author of "The Complete Tightwad Gazette." She recommends converting old credit cards into guitar picks and margarine-tub lids into holders for playing cards. Then, there are extreme coupon clippers, such as J'aime Kirlew who, with the help of three friends, spent 10 hours sorting through coupons to pay \$103 for a \$1,900 grocery bill.

Saving money is a good thing, right? But is there a difference between being a frugal penny pincher and a cheap one. Consider this perspective from the man who writes the "fivecentnickel" blog. "Buying your toothbrush on sale is frugal," he says. "But buying it used at a yard sale? Cheap."



Sources: beingfrugal.net, bankrate.com, eliminatethemuda.com, fivecentnickel.com and yahoo.com

DIVIDEND

June Dividend

DECLARED May 19, 2011

The **June 2011 Savings and IRA Dividend**, declared 05/19/2011, provides a Compounded Annual Percentage Yield of

1.15% APY

Dividends are paid on the last day of the month to accountholders who have maintained an average daily balance of \$100 or more. Savings dividend is subject to change monthly.

The **June 2011 High Rate Checking Dividend**, declared 05/19/2011, provides a Compounded Annual Percentage Yield of

1.10% APY

Checking dividends are paid on the last day of each month to accountholders who meet the requirements of the account. Checking dividend is subject to change monthly.

The "Are you frugal or cheap?" quiz

When it comes to saving and spending, are you frugal, cheap or neither? Take this quiz to help assess your money-handling style.

1. How often do you eat out (not counting lunches at work)?

1. All the time
2. 2-3 times a week
3. 2-3 times a month
4. Never

2. When you eat out, do you

1. Order whatever I crave
2. Order an entree for each person and take leftovers to go
3. Share meals to save some money
4. Eat out? Not me!

3. What do you drive?

1. The latest and greatest a two-year lease can buy
2. I buy a new car every few years
3. I always buy used cars
4. I don't own a car

4. What kind of TV do you have?

1. 1080 HDTV, of course!
2. A flat screen TV, but not the latest and greatest
3. I have one I bought 10 years ago
4. I don't own a TV

5. What cable/satellite package do you have?

1. Premium channels galore
2. Just the basic channels
3. Whatever I can get with my antenna
4. I don't have a TV

6. What do you do with your old clothes?

1. I don't have old clothes
2. I donate them when they get old
3. I turn them into rags
4. I still wear them

7. When you buy something, do you

1. Buy what I want, whenever I want
2. Occasionally splurge on what I want
3. Buy only what I need, clip coupons, use discount cards, etc.
4. Avoid making purchases whenever I can

8. When you receive gifts, do you

1. Take them back and trade up
2. Keep all my gifts
3. Sometimes return or re-gift them
4. Sell them on eBay for cash

9. When you buy clothes, do you

1. Always shop brand names
2. Usually buy when they are on sale
3. Shop at Goodwill and thrift stores
4. Ask friends and family for hand me downs

10. Regarding your lunches, do you

1. Always go out to the local restaurants
2. Mostly eat low cost take out lunches
3. Occasionally pack my own lunch
4. Always pack my own lunch

So are you frugal, cheap or neither?

For each question, give yourself: 1 point for any #1 answer, 2 points for #2, 3 points for #3, and 4 points for #4. Add up the points and rate yourself:

- 35+** = Let's face it, you're cheap.
- 25-34** = You're frugal in a good way!
- 16-24** = You're not frugal, but reasonable with your spending habits.
- 10-15** = You've got a lot of opportunities to save.

An RV buyer's secret weapon – Alliant financing

Ever hear the call of the wild and feel the urge to get away from it all? To hit the open road and drive to beautiful surroundings where you could hike, bike or simply kick back and enjoy the wonders of nature?

Vince Rosa felt an urge for that kind of R and R big time. So, he did something about it – he bought a 35-foot diesel RV with a low rate Alliant loan.



Vince Rosa

Vince, 45, owns a broccoli distributorship and loves the great outdoors. He lives in Lathrop, CA, a few hours away from the Sierras, Yosemite and Lake Tahoe – plus innumerable scenic spots closer to home.

“Sure gas prices are on the rise,” Vince says, “and an RV is not for day-to-day driving. But, it enables my wife and my two boys, age 8 and 11, to go to beautiful places, to do what we love – fish – and to bond as a family in our very own home away from home.”

Vince had never heard of Alliant when he was attracted to an immaculate 2000 Monarch Dynasty with three flat screen TVs, only 45,000 miles on it and a surprising low price tag.

The dealer, however, was well aware of Alliant. When he showed Vince our rates compared to those of competitors, Vince liked what he saw.

“Alliant was a stroke of luck,” says Vince. “Plus, Julie, the Alliant woman who helped me with the loan over the phone and fax was terrific. She made the paperwork and whole loan process simple, quick and pleasant.”

A few weeks later, Vince got a letter from Julie (Julie Pedone, Lending and Product Specialist at Alliant’s Los Angeles Service Center), asking if he’d consider refinancing his two Mercedes-Benzes with Alliant. He hadn’t realized how much the financing rates had dropped since he bought those cars years ago.

“When Julie quoted me Alliant’s rate, I said, ‘stop right there, I’m interested.’” Vince went a step further and bought himself a new car, as well – a BMW coupe. “Plus, Julie offered me extended service contracts for my vehicles that provide a whole lot of protection while adding just a small amount to my loan payments.”

In short, low rate Alliant loans helped Vince become a happy camper. “The savings have been huge,” he says.



In the market for an auto, RV, boat, motorcycle, airplane or other vehicle? You're in luck.

Alliant's website, www.alliantvehicles.com, can help you make a smart purchase. Use the site to:

- Research the makes and models you're interested in
- Calculate and compare costs and loan payment scenarios
- Apply online for a below-market rate Alliant loan

For personal assistance, call 800-328-1935, press 5 to be connected to an Alliant loan consultant.

office closings

Alliant main offices and Service Centers will be closed in observance of:

Independence Day
– Monday, July 4, 2011

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