

contents

- 1 Developing a college savings plan
- 2 Saving for school with a Coverdell ESA
 - Alliant Convenience Card becomes more convenient
 - Use the power of the flower and enjoy a 15% member-only discount



Developing a college savings plan

“One of the best things parents and kids can do is to discuss the cost of college and who will pay for it long before it’s time to apply for college,” says Karin Maloney Stifler, a Certified Financial Planner from Ohio.

One reason: the average college graduate earns twice as much as someone who lacks a college degree, according to the College Board.

SO, WHAT’S THE BEST WAY TO SAVE? Developing a college fund game plan is a personal process that every family must strategize for themselves and a financial planner can help you choose the best options, based on your particular situation. But, as the Financial Planning Association (FPA) proposes, there are some general guidelines “for getting started early and sticking with a savings program.” Here are the FPA suggestions:

WHEN YOUR CHILD IS YOUNG...

- Determine potential total cost of college
- Decide on a percentage of the total cost to set as a savings target
- Calculate how much to save monthly
- Continue to save enough for retirement
- Review savings options, such as a Coverdell Education Savings Account (ESA) and 529 Plan (*See Coverdell story on back page*)
- Consider investing in stocks or high yield investments that offer higher returns because of a corresponding higher risk
- Weigh benefits/drawbacks of saving in a child’s name
- Begin a realistic savings program

WHEN YOUR CHILD IS IN MIDDLE SCHOOL...

- Start or continue saving
- Diversify your investments to insure some safety against market downturn
- Don’t sacrifice saving for retirement

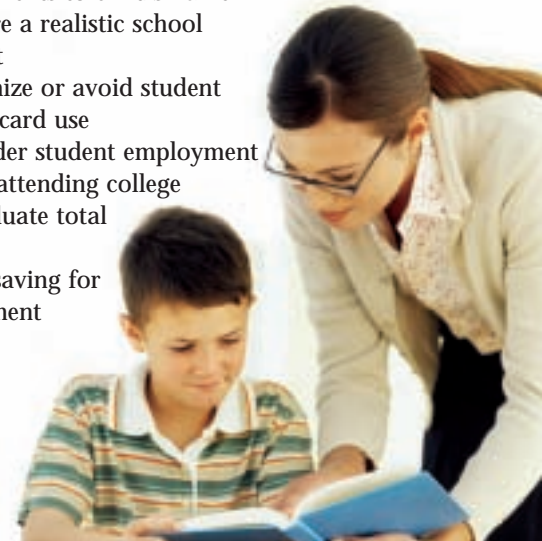
WHEN YOUR CHILD IS IN HIGH SCHOOL...

- Evaluate whether college is right for your child
- Invest more conservatively to safeguard the money you’ll be needing
- Understand how financial aid works
- Increase savings by cutting expenses, taking on extra jobs, etc.
- Have your child start saving for college
- Have your child take advanced placement classes in high school for college credit
- Review financial aid deadlines
- Apply for financial aid

- Apply for private grants and scholarships
- Weigh alternative borrowing sources, such as home equity loans or HELOCs
- Ask employers for education assistance
- Ask grandparents for help
- Weigh financial aid offers
- Choose a school
- Weigh quality and cost of college choices
- Apply for schools
- Discuss with child what you realistically can afford
- Investigate scholarship opportunities

WHEN YOUR CHILD ENTERS COLLEGE...

- Make use of education tax breaks
- Savings should be conservative and relatively liquid
- Consider available tax benefits of transferring investments to child’s name
- Prepare a realistic school budget
- Minimize or avoid student credit card use
- Consider student employment while attending college
- Reevaluate total costs
- Keep saving for retirement



DIVIDEND

november dividend

DECLARED OCTOBER 19, 2006

November 2006 Savings and IRA Dividend provides a Compounded Annual Percentage Yield (APY) of 4.85% to members who have maintained an average daily balance of \$100 or more. Savings Dividend payable to Shareholders on record as of November 30, 2006.

monthly checking dividend

DECLARED OCTOBER 19, 2006

The October 2006 Checking Dividend provides a Compounded Annual Percentage Yield (APY) of .25%. Checking Dividend is payable to checking accountholders on record as of November 30, 2006, who have maintained an average daily balance of \$1,000 or more.



Use the power of the flower and enjoy a 15% member-only discount. Life's everyday celebrations are easy to celebrate, thanks to 1-800-FLOWERS.COM®. That's where you can find a wide assortment of flowers (plus plants, gourmet snacks and treats, gift baskets, cuddly plush pals and more) and purchase a great gift for any occasion!

Send the freshest flowers and thoughtful gifts this fall to show your friends, family and colleagues you care!

Be sure to enjoy your Alliant members-only discount by using the code ALLIANT when you order online at www.1800flowers.com or by phone at 1-800-356-9377.



Saving for school with a Coverdell ESA

It's never too early to start saving for your child's or grandchild's future education. Giving yourself a head start enables your money more time to grow. And, by making tax-favored choices, your savings are in a better position to continue to grow dramatically regardless of market peaks and valleys. With a Coverdell Education Savings Account (ESA), your contributions grow tax-deferred. You can distribute these funds income tax-free when you use them for qualified education expenses for K-12 through college. Qualified expenses include tuition, fees, books, supplies, computers, transportation and, in some cases, room and board.

The Coverdell ESA contribution limit is \$2,000 per year. Your designated beneficiary must be under 18 years old. If you designate so in the agreement, once the beneficiary reaches age 18, he or she can take control of the account. A full withdrawal must be made by age 30 (however, the funds can be transferred, tax-free, to a younger sibling). Here are some Coverdell ESA considerations:

- You must meet income limits of \$95,000 for single individuals (or \$190,000 for married persons filing jointly) in order to make a full contribution
- Contributions can be made through payroll deductions
- Funds can be rolled over from one Coverdell ESA to another
- You can contribute to a Coverdell ESA and a 529 Plan in the same year



To find out more about a Coverdell ESA (or to open one), call an Alliant IRA Representative at 800-328-1935, ext. 2291.

Consult your financial advisor about potential tax savings and for advise.



Alliant's Convenience Card becomes more convenient

Alliant's Convenience Card provides secure access to an Alliant savings account at participating ATM networks worldwide.¹ Now improvements make this card even more convenient:

- **NEW!** The cash withdrawal limit has increased to \$500 per day²
- **NEW!** The ATM deposit limit has been increased to \$10,000 at all Alliant-owned ATMs and at other ATMs (unless the limit on that particular ATM is lower)²
- Members can activate a new Convenience Card at any ATM or by calling Alliant's Self Service Telephone (SST) system at 800-482-5328
- Members can change their PIN instantly at Alliant-owned ATMs or by calling 888-462-1235 (and the PIN will become active within 24 hours)
- As before, members can use their card for unlimited free transactions at Alliant-owned ATMs³, for surcharge free transactions at CO-OP Network and Alliance One ATMs, and for up to eight free transactions at non-Alliant owned ATMs^{4,5}

1 Refer to back of the Alliant Convenience Card for list of networks. 2 Members in good standing and without a ChexSystems record. Members with a ChexSystems record are subject to a \$200 daily withdrawal limit and do not have deposit capability. 3 Transactions include savings balance inquiries, deposits and withdrawals only. 4 Not including access fees charged by other ATM owners. 5 Alliant charges a nominal transaction fee of \$1.00 after eight (8) transactions in a month that are performed at non-Alliant owned ATMs, including CO-OP Network and Alliance One ATMs. Visit our web site to locate a CO-OP Network ATM, Alliance One or VISA® ATM near you.

office closings

Thanksgiving

– Thursday, November 23

Day After Thanksgiving

– Friday, November 24

Christmas

– Monday, December 25

For your convenience, SkyBranch®, SST and ATMs will be available.

dial direct: Alliant is there when you need us

Self Service Telephone (SST)

773-462-2100, 800-482-5328
24/7 account access

Alliant TeleCenter

800-328-1935
Mon–Fri, 7am–9pm CT
Sat, 9am–2pm CT
TDD/TTY 773-462-2300

VISA® ATM/Check Card

Lost/Stolen: 800-328-1935
After Hours: 866-861-5411

VISA® Credit Cards

Account info: 800-328-1935, x2302
Mon–Fri, 7am–5pm CT
After Hours: 866-444-8529
Lost/Stolen: 866-839-3485

VISA® Gift Card

Purchase: 800-328-1935
Support Center: 866-466-2362

Mortgage Hotline

800-365-7003
Mon–Th, 7:30am–7pm CT
Fri, 7:30am–5pm CT

Auto/Home Insurance

888-380-9287
Mon–Fri, 6am–10pm CT
Sat, 6am–8pm CT

BALANCE Financial Fitness

888-456-2227
Mon–Th, 5am–8pm PT
Fri, 5am–5pm PT
Sat, 8am–5pm PT

Alliant Headquarters

11545 W. Touhy Avenue
Chicago, IL 60666

Deposits/Payments

P.O. Box 2387
Des Plaines, IL 60017-2387

All Other Correspondence

P.O. Box 66945
Chicago, IL 60666-0945

For Alliant Service Center locations, SkyBranch®, and product and service information, visit our web site:

www.alliantcreditunion.org



11545 W. Touhy Avenue Chicago, IL 60666
www.alliantcreditunion.org

