

Notice of 84th Annual Shareholders Meeting

The 84th Annual Shareholders Meeting of Beacon Credit Union will be held on Monday, March 16th, 2015 in the Honeywell Center's Ford Theater located on West Market Street in Wabash.

The doors will open for registration at 6:00 p.m. Those in attendance will receive a door prize and be registered for a cash prize drawing to be held at the end of the business meeting. This is an event for the entire family to attend. For those children who do not want to attend the business meeting, roller-skating will be available in the Honeywell Center's Roller Skating Rink. For those children who are too young to skate, a childcare room will be available as well. Both will be staffed by Beacon Credit Union personnel and will be free to all Credit Union members.



Beacon Credit Union member-owners and employees gather in the Ford Theater at the start of the Annual Shareholders Meeting.

The business meeting will start at 7:00 p.m. in the Ford Theater. Reports from the Nominating Committee, Board of Directors, Supervisory Committee, Credit Committee, Management, and the overall financial condition of Beacon Credit Union will be presented at that time. Eight, \$500 Scholarships will also be awarded as part of the Beacon CU annual Scholarship Program. The meeting will conclude with the annual Service Award recognizing Beacon Staff members.

Following the meeting, those in attendance are encouraged to stay for the free pie and ice cream social in the Ford Theater lobby. Don't miss out on this opportunity to socialize with fellow Beacon CU members, directors, volunteers, and staff members.

Please join us and participate in the democratic process of your financial cooperative by attending the 84th Annual Shareholders Meeting on March 16th, 2015 at 7:00 p.m.



January 2015

The Compass

RATE WATCH



SAVINGS RATES..... APY

6 Month Certificate (\$2,500 min.)	0.30%
1 Year Certificate (\$2,500 min.)	0.40%
18 Month Certificate (\$2,500 min.)	0.60%
2 Year Certificate (\$2,500 min.)	0.80%
3 Year Certificate (\$2,500 min.)	1.20%
4 Year Certificate (\$2,500 min.)	1.61%
5 Year Certificate (\$2,500 min.)	1.81%
IRA Account (18 Month Cert.)	0.60%
IRA Account (36 Month Cert.)	1.20%
IRA Account (60 Month Cert.)	1.81%
30 Month Certificate Special	2.01%

LOAN RATES..... APR

Primary Res. 15 yr. fixed (20% down)	4.000%
Primary Resident 10 yr. fixed (20% down)	3.900%
Primary Resident 3 yr. ARM (30 yr. amort./20% down)	3.500%
Farm Operation (1 year max.)	3.500%
Farm Real Estate 15 yr. fixed (35% down)	4.250%

For a complete rates listing, visit www.beaconcu.org.
 APY is Annual Percentage Yield
 APR is Annual Percentage Rate
 ARM is Adjustable Rate Mortgage
 Rates effective January 16th, 2015
 Rates Subject to Change



Getting Your Household Cash Flow Back Under Control

A better budgeting process may be the biggest step toward that goal.

Presented by Michael D. Farner & Tiffany J. Hauptert

Where does your money go? If you find yourself asking that question from time to time, it may relate to cash flow within your household. Having a cash flow management system may be instrumental in restoring some financial control.

It is harder for a middle-class household to maintain financial control these days. If you find yourself too often living on margin (i.e., charging everything) and too infrequently with adequate cash in hand, you aren't the only household feeling that way. Some major economic trends really have made it more challenging for households with mid-five-figure incomes.



Michael D. Farner

By many economic standards, today's middle class has it harder than the middle class of generations past. Some telling statistics point to this...

- In 81% of U.S. counties, the median income is lower today than it was in 1999. Even though we are in a recovery, much of the job growth in the past few years has occurred within the service and retail sectors. (The average full-time U.S. retail worker earns less than \$25,000 annually.)
- Between 1989 and 2014, the American economy grew by 83% (adjusting for inflation) with no real wage growth for middle-class households.
- In the early 1960s, General Motors was America's largest employer. Its average full-time worker at that time earned the (inflation-adjusted) equivalent of \$50 an hour, plus benefits. Wal-Mart now has America's largest workforce; it pays its average sales associate less than \$10 per hour, sometimes without benefits.^{1,2}



Tiffany J. Hauptert

Essentially, the middle class must manage to do more with less – less inflation-adjusted income, that is. The need for budgeting is as essential as ever.

Much has been written about the growing “wealth gap” in the U.S., and that gap is very real. Less covered, but just as real, is an Achilles-heel financial habit injuring middle-class stability: a growing reliance on expensive money. As Money-Zine.com noted not long ago, U.S. consumer debt amounted to 7.3% of average household income in 1980 but 13.4% of average household income in 2013.³

So how can you make life more affordable? Budgeting is an important step. It promotes reliance on cash instead of plastic. It defines expenses, underlining where your money goes (and where it shouldn't be going). It clears up what is hazy about your finances. It demonstrates that you can be in command of your money, rather than letting your money command you.

Budget for that vacation. Save up for it by spending much less on the “optionals”: coffee, cable, eating out, memberships, movies, outfits.

Buy the right kind of car & do your cash flow a favor. Many middle-class families yearn to buy a new car (a depreciating asset) or lease a new car (because they want to be seen driving a better car than they can actually afford). The better option is to buy a lightly used car and drive it for several years, maybe even a decade. Un-glamorous? Maybe, but it should leave you less indebted. It may be a factor that can help you to ...

Plant to set some cash aside for an emergency fund. According to a recent Bankrates survey, about a quarter of U.S. households lack one. Imagine how much better you would feel knowing you have the equivalent of a few months of salary in reserve in case of a crisis. Again, you can budget to build it – a little at a time, if necessary. The key is to recognize that a crisis will come someday; none of us are fully shielded from the whims of fate.³

(continued on back page)

Nominating Committee Report

The by-laws of the Credit Union require that members receive notice of the candidates nominated for office by the Nominating Committee for the election to be held at the Annual Meeting scheduled for March 16th, 2015. The meeting will be held at the Honeywell Center, Wabash, Indiana at 7:00 p.m.

The Nominating Committee has nominated three candidates for two Board of Directors positions and one Supervisory Committee position. All terms will expire in the year 2018. Included is biographical data for each candidate nominated.



Board of Director (3 year term)

Dr. Lindsay Culver

Dr. Lindsay Culver is an optometrist at Midwest Eye Consultants. She works in both the Wabash and Marion locations and also examines residents of several local nursing home facilities. Dr. Culver received both her Bachelor of Science in Kinesiology and Doctorate of Optometry from Indiana University. She is a life-long resident of Wabash County, graduating from Northfield High School. Dr. Culver enjoys being active in the community. She has served on several local boards such as Kiwanis, Wabash County Chamber of Commerce and Wabash Valley Dance Theater. She also guest lectures at Indiana Wesleyan and has served on a fund-raising committee for Ivy Tech Community College. Dr. Culver enjoys spending time with her husband and two daughters.



Board of Director (3 year term)

Herb Horrom

Herb Horrom and his wife Beth reside in DeKalb County and are the proud grandparents to three beautiful grandchildren. Herb is a graduate of Indiana Business College with a degree in Business Administration and Finance. Joining Brown & Brown Insurance Agency in 1979, he is now serving as President and Co-owner. A former Trustee of the Auburn Cord Duesenberg Automobile Museum, Herb currently serves on their finance committee. He was recently appointed to serve on the City of Auburn Planning Commission and the Dekalb County Visitors Bureau. Herb was appointed to the Board of Directors of Beacon Credit Union in April, 2011.



Supervisory Committee (3 year term)

Fred (Vince) Harrell

Vince Harrell and his wife Sondra reside in Wabash, Indiana. They are the proud parents of two daughters, Amy and Julie. Vince is retired from the Purdue Cooperative Extension Service where he served as an Extension Educator for twenty-four years. Prior to relocating to Wabash County, he was the Area Farm Management Specialist for Iowa State University. He earned a B.S. in Agricultural Economics from Purdue University and a M.S. in Agricultural Economics from North Carolina State University. Vince is an active member of the First United Methodist Church and serves on several committees. Vince is also the past president of the Wabash Kiwanis Club and a member of Farm Bureau Incorporated.

The election may not be conducted by ballot, and nominations will not be accepted from the floor at the Annual Meeting, unless one of the candidates withdraws his name from consideration. Any member of Beacon Credit Union who wishes to be a candidate shall submit an official Board of Director/Supervisory Committee application, agree to a background check, a statement of qualifications and biographical data along with a petition signed by 2% of the Credit Union membership or 500 members, whichever is less, to the secretary of the Credit Union prior to March 8, 2015.

Beware of Student Debt Forgiveness Scams

In early December 2014, the Consumer Financial Protection Bureau took action against two student loan debt relief scams that they say were exploiting student loan borrowers by making false promises about their debt relief services and charging illegal up-front fees.

The two companies were College Education Services, a student loan debt relief company, and Student Loan Processing.US. These companies operate by promising vulnerable, usually distressed, borrowers a savings of thousands on their student loan debt – typically by claiming to have special expertise or a select relationship with the Department of Education. But really, they simply charge you hundreds of dollars in fees in exchange for enrolling you in a repayment plan that’s available for free for all borrowers with student loans. Worse, in other cases they fail to deliver on their promises entirely – leaving you with more debt and less time to avoid default.

The CFPB wants all student borrowers to know that you don’t have to pay someone to help with your student loan. Not only is completely free debt assistance available through your student loan servicer, in many cases, taking payment for debt relief services is illegal.

Read the additional warning signs below to help you identify predatory student debt relief companies and protect yourself from scams.

If you’ve been the victim of a student loan debt relief scam, or if you are having problems getting straight answers from your student loan servicer, you can call the CFPB at (855) 411-2372 or submit a complaint online at consumerfinance.gov.

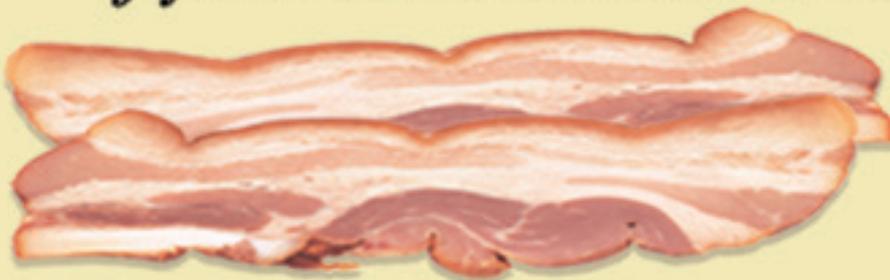
Don't be a victim!

- High pressure contracts to pay expensive up-front fees: Remember, free assistance is available through your student loan servicer and in many cases, taking payment for debt relief services is against the law.
- Promising instantaneous loan forgiveness or debt cancellation: Debt relief companies can’t make “special deals” with federal student loan programs. Why? Quite simply, such deals just don’t exist – payment levels for income driven payment plans are set by federal law. The end.
- Asking you to sign a “third party authorization” or “power of attorney:” These are agreements giving the company legal permission to talk to your student loan servicer and make decisions on your behalf. Just say NO.
- Requests for your Federal Student Aid PIN: Your Federal Student Aid PIN is a unique ID issued by the US Department of Education – and is the equivalent of your signature on any documents related to your student loan. Trustworthy, reputable companies will work with you to come up with a plan and will never use your PIN to access your loan information.

“Not only is completely free debt assistance available through your student loan servicer, in many cases, taking payment for debt relief services is illegal.”



*Helping you make the most
of your bacon...since 1931*



**Beacon members pay
61% lower fees than
the national average!**

*Data based on a 2013 study by Radden Financial Group comparing total member rate greeback per household to the national average.

6 Super-Easy Money Saving Tips for College Students

Ah, college. The freedom... the parties... the all-nighters studying with friends. The undergraduate experience is an epic four-year journey filled with new experiences, academic challenges, and personal growth. And while you may find yourself long on time, friends, parties, and fun...unfortunately, you may find yourself short on cash. Here are some tips to help you maximize your personal finances this semester.

1. Don't pay for music! Use a free service like Spotify or Pandora instead. This is a total no-brainer folks.
2. Buy used books. This can save you tons. See also: sell back your books at the end of the semester. Some additional options to save yourself even more cash? Do some online research about text book rental companies... This may not be an option for every class... but it will save you enough money that it's worth investing the time to research.
3. Be resourceful! Use DIY websites or Pinterest to get great ideas on college-chic décor that will make the most of your small living space and look cool too ... but the best part is: you'll save your money so you can spend it on necessities.
4. Use Shared Branching. Think you need to open an account at a national bank to get access to your money both at home and at school? Think again. You can save yourself time, energy, and fees by using shared branching! There are literally THOUSANDS of credit unions that participate in the shared branching network...which gives you access to your Beacon accounts just like being at your local Beacon branch. The best part? Shared branching is completely free! Check out our website for more info!
5. Don't rack up credit card debt. Not all debt is bad. In fact, utilizing a credit card during college and establishing a history of regular payments, can be a fantastic way to establish good credit and start building your credit score. But the average college student graduates with \$2,500 credit card debt, and that's just crazy! Think about it: that \$300 weekend road trip you just paid for with your card could take you a year and a half to pay off and cost almost \$50 in interest! (assuming an 18% interest rate, no late payments, and minimum monthly payments of \$20). The bottom line: **DON'T PUT MORE ON YOUR CARD THAN YOU CAN PAY OFF AT THE END OF THE MONTH.** Trust us on this one.
6. Pay the interest on your student loans. By choosing to make the low monthly interest payments on your student loans while you are in school instead of deferring the interest and payments until after graduation, you could literally save thousands of dollars in interest. Do your research and decide if it's a viable option for you – your thirty-year-old self will thank you.



For more awesome financial tips, fun blogs, budgeting tools, and more, check out our new website just for YOU - my.beaconcu.org!

How to Contact Beacon Credit Union

- Angola**
(260) 665-9455
- Auburn (both locations)**
(260) 925-0800
- Garrett**
(260) 357-0400
- Grissom Aeroplex**
(765) 689-9181
- Huntington**
(260) 359-9680
- Logansport (216 Mall Road)**
(574) 722-2161
- Logansport (1405 W. Market)**
(574) 722-6395
- Marion**
(765) 664-9537
- New Haven**
(260) 493-0725
- North Manchester**
(260) 982-7551
- Peru (N. Broadway)**
(765) 472-3472
- Peru (W. Main)**
(765) 472-1214
- Peru (Old Key)**
(765) 472-1022
- Plymouth**
(574) 936-2150
- Rochester (504 Main Street)**
(574) 223-1504
- Rochester (430 Rouch Pl. Dr.)**
(574) 223-4871
- Wabash (all branches)**
(260) 563-7443
- Warsaw**
(574) 268-1276

Department Extensions

- Collections.....ext. 2044
- Beacon Inv. Services.....ext. 6415
- Beacon Trust Services.....ext. 2013
- Contact Center....."0" or "3"

Email: beaconcu@beaconcu.org
Do not include confidential information such as account numbers in email correspondence.
Send all mail inquiries to:
Beacon Credit Union
PO Box 627
Wabash, IN 46992



Each account insured up to \$250,000 by American Share Insurance. By members' choice, this institution is not federally insured. Equal Opportunity Lender.

(cont.) Getting Household Cash Flow Back Under Control

Don't risk living without medical & dental coverage. You probably have both, but some middle-class households don't. According to the Department of Health & Human Services, 108 million Americans lack dental insurance. Workers for even the largest firms may find premiums, out-of-pocket costs and coinsurance excessive. This isn't something you can go without. If your employer gives you the option of buying your own insurance, it could be a cheaper solution. At any rate, some serious household financial changes may need to occur so that you are adequately insured.³

Budgeting for the future is also important. A recent Gallup poll found that about 20% of Americans have no retirement savings. You have to wonder: how many of these people might have accumulated a nest egg over the years by steadily directing just \$50 or \$100 a month into a retirement plan? Budgeting just a little at a time toward that very important priority could promote profound growth of retirement savings thanks to investment yields and tax deferral.

Equity investing has helped many middle-class Americans attain wealth. Increasingly, it looks like the long-term difference between being consigned to the middle class and escaping it. Doing it knowledgeably is vital.

Turning to the financial professional you know and trust for input may help you to develop a better budgeting process – and beyond the present, the saving and investing you do today and tomorrow may help you to one day become the (multi-)millionaire next door.

Mike & Tiffany may be reached at 800-762-3136 ext. 6415.

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- Citations.
1 - washingtonpost.com/sf/business/2014/12/12/why-americas-middle-class-is-lost/ [12/12/14]
2 - tinyurl.com/knr3e78 [11/27/12]
3 - wallstreetheat.com/personal-finance/7-things-the-middle-class-cant-afford-anymore.html/?a=viewall [12/15/14]

