

Saving Practices Made Easy

It's easy to postpone starting to save for a later day, but a solid plan is key to success. By following some basic guidelines, you're more likely to achieve financial security.

Pay yourself first.

Set up automated transfers to get in the habit of saving. Money will be transferred from your account without you seeing it, which makes you less likely to miss it.



Save 10% of your paycheck.

The general rule of thumb is to save about 10% of each paycheck. If that seems too high, try 5% and work your way up to saving 10% of your earnings. Add 1% every year you get a raise until you reach 10%.

Know yourself.

Examine your goals to determine which savings plan will work best for you. For example, don't invest all your money in an aggressive stock or mutual fund if you're conservative with your money. If you're saving for retirement, select a plan that will fit your financial needs down the road.

Realize that age matters.

Always take into consideration how much time you have to save for your goal. If you are a recent college graduate, you have several decades to ride out the highs and lows of the market and can take advantage of more high-risk investments. If you're only a few years from retirement, less risky investments are a better option.

See the benefit of compound interest.

The simplest way you can invest your money is to leave it alone and let it "compound" over time. You earn interest not only on what you save, but also on the dividends generated. The earlier and more you save, the more your money will grow.

Use dollar-cost averaging.

This is the process of routinely investing a set amount of money over time, rather than all in one lump sum. It's a convenient savings method, particularly for beginning investors. For example, each month transfer \$25 or \$50 from your share draft account directly into an investment vehicle such as a traditional or Roth IRA. You reduce your overall risk from market fluctuations because your money buys more shares when the price of a share is down, and your money buys fewer shares when the price of a share is up. Bottom line: You've reduced your investment risk.

Use the Rule of 72.

To figure out how long it will take for your investment to double with compound interest, use this rule: Divide 72 by the interest rate you expect to receive on an investment. For example, if your investment earns 4% interest, your money will double in 18 years (72 divided by 4 is 18).

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September 2019

The Compass

RATE WATCH



SAVINGS RATES..... APY

6 Month Certificate (\$1,000 min.)1.71%
1 Year Certificate (\$1,000 min.)	.....2.02%
18 Month Certificate (\$1,000 min.)	.....2.12%
2 Year Certificate (\$1,000 min.)	.....2.12%
3 Year Certificate (\$1,000 min.)	.....2.12%
4 Year Certificate (\$1,000 min.)	.....2.22%
5 Year Certificate (\$1,000 min.)	.....2.32%
IRA Account (18 Month Cert.)	.....2.12%
IRA Account (36 Month Cert.)	.....2.12%
IRA Account (60 Month Cert.)	.....2.32%

LOAN RATES..... APR

Primary Resident 10 yr. fixed	..... 3.314%
Primary Resident 15 yr. fixed	.....3.545%
Primary Resident 3 yr. ARM (30 yr. amort.)	..... 3.274%
Beacon Platinum Home Equity LOC	.....5.750%
Resident 2nd Mortgage 10 yr. Fixed	.....5.801%

For a complete rates listing, visit beaconcu.org.
APY is Annual Percentage Yield
APR is Annual Percentage Rate
Penalty for early withdrawal on Share Certificates.
ARM is Adjustable Rate Mortgage
Rates effective September 17, 2019
Rates Subject to Change



Diversification, Patience, and Consistency

Three important factors when it comes to your financial life.

Provided by Tiffany J. Hauptert



Tiffany J. Hauptert

Regardless of how the markets may perform, consider making the following part of your investment philosophy:

Diversification. The saying “don’t put all your eggs in one basket” has real value when it comes to investing. In a bear or bull market, certain asset classes may perform better than others. If your assets are mostly held in one kind of investment (say, mostly in mutual funds or mostly in CDs or money market accounts), you could be hit hard by stock market losses, or alternately, lose out on potential gains that other kinds of investments may be experiencing. There is an opportunity cost as well as risk.¹

Asset allocation strategies are used in portfolio management. A financial professional can ask you about your goals, tolerance for risk, and assign percentages of your assets to different classes of investments. This diversification is designed to suit your preferred investment style and your objectives.

Patience. Impatient investors obsess on the day-to-day doings of the stock market. Have you ever heard of “stock picking” or “market timing”? How about “day trading”? These are all attempts to exploit short-term fluctuations in value. These investing methods might seem fun and exciting if you like to micromanage, but they could add stress and anxiety to your life, and they may be a poor alternative to a long-range investment strategy built around your life goals.

Consistency. Most people invest a little at a time, within their budget, and with regularity. They invest \$50 or \$100 or more per month in their 401(k) and similar investments through payroll deduction or automatic withdrawal. They are investing on “autopilot” to help themselves build wealth for retirement and for long-range goals. Investing regularly (and earlier in life) helps you to take advantage of the power of compounding as well.

If you don’t have a long-range investment strategy, talk to a qualified financial professional today.

Tiffany may be reached at (800) 762-3136, ext. 6415 or visit www.beaconcu.org.

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Citations.

1 - forbes.com/sites/brettsteenbarger/2019/05/27/why-diversification-works-in-life-and-markets [5/27/19]

FR 06242019-LA-2934

Beacon Trust Services Celebrates Ten Years

Provided by David Van Camp

Trust Officer of Beacon Trust Services



David Van Camp

This year Beacon Trust Services celebrates ten years of providing our Beacon Credit Union membership with full trust and investment management services. In 2009, Beacon Trust Services partnered with Members Trust Company. Since 1987, Members Trust Company has shared their values to act in the best interests of our clients. Regulated by the Comptroller of the Currency they operate as a national wealth management firm under the fiduciary standard.

Through our Beacon Trust Services office located in Wabash, Indiana, we serve our members in each of our twenty locations throughout Indiana. Services include trust administration and professional investment management of all types of trusts. These trusts include revocable living trusts, irrevocable trusts, charitable trusts, trustee IRA's and special needs trusts. In addition, we assist our members through investment management relationships where a member serves as their own trustee but could use assistance in managing an investment portfolio for themselves or a family trust. Finally, we work daily with our members in guiding them in estate planning, so that loved ones are cared for through proper estate planning by working with our member's attorney or other estate planning professional in seeking the best solutions.

In our rapidly changing times, we feel it is also important to keep our membership informed of changes in the estate planning area that includes legislative changes, new investment ideas, tax law, and planning techniques that can save families money and problems in their financial lives.

To that end, we share below a few of the many publications or education material that we provide free for the asking. These resources can be accessed by email, US Mail, or Online. Examples include:

Investment and Trust Newsletter - This Members Trust Company publication comes out quarterly and provides a host of planning and investment ideas.

Beacon Trust Services Estate Planning Report - Issues of this report come out every other month and is more focused on recent court and legislative actions.

Memberstrust.com - This site provides a great detail of background on Members Trust Company as well as all kinds of resources when considering estate planning and investment matters. It can be accessed as noted here or through Beaconcu.org. Click Beacon Trust Services and follow the link.

To receive publications or resources please email dvancamp@beaconcu.org with your name, address, or email address. There is no cost nor will you be contacted unless you wish to speak with David Van Camp, Trust Officer. We hope you enjoy and find this information helpful.

David may be reached at (800) 762-3136, ext. 2013 or dvancamp@beaconcu.org.

Trust and Investment Services by MEMBERS Trust Company, a federal thrift regulated by the Office of the Comptroller of the Currency. Non-deposit products offered through MEMBERS Trust Company. Not NCUA/NCUSIF/FDIC insured, May Lose Value, No Financial Institution Guarantee, Not a deposit of any financial institution.

How to Contact Beacon Credit Union

Auburn (both locations)

(260) 925-0800

Crawfordsville Ag

(765) 364-1023

Garrett

(260) 357-0400

Huntington

(260) 359-9680

Logansport (Mall Rd.)

(574) 722-2161

Logansport (W. Market St.)

(574) 722-6395

Marion (N. Baldwin Ave.)

(765) 664-9537

Marion Ag (S. Branson St.)

(765) 662-1990

New Haven

(260) 493-0725

North Manchester

(260) 982-7551

Peru (N. Broadway)

(765) 472-3472

Peru (W. Main St.)

(765) 472-1214

Peru Ag (Old Key Dr.)

(765) 472-1022

Plymouth

(574) 936-2150

Richmond Ag

(765) 935-2222

Rochester (Main St.)

(574) 223-1504

Rochester (Rouch Pl. Dr.)

(574) 223-4871

Rushville (152 E. US Highway 52)

(765) 932-1801

Rushville Ag (210 E. US Highway 52)

(765) 932-2750

Seymour

(812) 522-9527

Wabash (all branches)

(260) 563-7443

Warsaw

(574) 268-1276

Washington Ag

(812) 257-8801

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

Beacon Credit Union Awards \$35,000 in Foundation Grants

The Beacon Credit Union Foundation has presented five charitable organizations within our communities with grants. These organizations show a focus on improving the lives of our members, friends, and neighbors in the communities that we serve. The five organizations that have received grants are:



Blessings in a Backpack (Plymouth)

Emmaus Mission Center, Inc. (Logansport)

Hoosiers Feeding the Hungry (Garrett)

Schneck Medical Center (Seymour)

White's Residential & Family Services (Wabash)

Grant funding meetings occur in January and July. The deadline to submit applications for consideration in January 2020 is November 30, 2019. Organizations not receiving a grant may re-apply for the next grant cycle. Organizations chosen for a grant may apply again after one full calendar year following the receipt of their grant. Congratulations to all recipients.

An advertisement for "Top Deals" from Beacon Credit Union. It features a photograph of a smiling woman on the left. To the right, the text "Top Deals" is in red. Below it are the logos for Sprint and Intuit TurboTax. At the bottom, it says "Get more from your credit union membership at LoveMyCreditUnion.org".

Beacon Credit Union is not affiliated with the businesses listed above and is not endorsing their products as a preferred provider. The benefit is derived from the Love My Credit Union program. Beacon Credit Union does not attest to the accuracy or quality of products or services provided by Sprint, Turbo Tax, or other retailers associated with the Love My Credit Union Program.



AMERICAN SHARE INSURANCE

Each account insured up to \$250,000.

By members' choice, this institution is not federally insured.