

Beacon Launches New Commercial Accounts

Beacon Credit Union is excited to announce our new suite of business account products, specifically designed for our commercial accounts. Now, businesses of all sizes can have affordable access to a fully customizable suite of Online Commercial Deposit Account services like Business Internet Banking, Business Bill Pay and ACH (Payroll) Origination.

Commercial Checking Accounts: We understand that every business has its own unique banking needs, so we created three different commercial checking account options diverse enough to meet the needs of any size commercial business. Even better - with our monthly earnings credit, business accounts can earn enough to offset any activity costs - resulting in no monthly charges for the account.

Small Business Checking: Ideal for small businesses (churches, non-profits, LLC's) with very little deposit activity

Business Checking: Recommended for businesses with regular deposits of more than 100 items/checks

Commercial Checking: Perfect for larger businesses/churches that regularly deposit a large number of checks

Commercial Online Banking: In conjunction with our commercial checking accounts, we wanted to offer our business account members an Online Banking product that provides the flexibility and convenience to do more. With our new Commercial Online Banking you can:

- **Manage your accounts in real time**, providing you with up-to-the-minute accuracy for optimal cash flow management.
- **Send and receive funds to 3rd party financial institutions**; moving funds between your accounts has never been easier.
- **Online bill payment** makes paying your bills fast, convenient and secure.
- **Initiate wire transfers** to help you make fast electronic payments to recipients with eligible bank accounts.
- **Manage your own payroll transactions**; make Direct Deposit payments to an unlimited number of employees on a one time or repeating basis.
- Access to a full suite of information reporting: vendor reports, merchant reports, cash flow reports, user activity reports and more.



For more information about our enhanced commercial deposit account services, call us at 1-800-762-3136, stop into your local branch, or visit our website at www.beaconcu.org.



June 2014

The Compass

RATE WATCH



SAVINGS RATES APY

6 Month Certificate (\$2,500 min.)	0.25%
1 Year Certificate (\$2,500 min.)	0.30%
18 Month Certificate (\$2,500 min.)	0.50%
2 Year Certificate (\$2,500 min.)	0.70%
3 Year Certificate (\$2,500 min.)	1.00%
4 Year Certificate (\$2,500 min.)	1.40%
5 Year Certificate (\$2,500 min.)	1.61%
IRA Account (18 Month Cert.)	0.50%
IRA Account (36 Month Cert.)	1.00%
IRA Account (60 Month Cert.)	1.61%
15 Month Certificate Special	0.60%
34 Month Certificate Special	1.10%

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 June 9th, 2014

Rates Subject to Change

Do Your Investments Match Your Risk Tolerance?

When was the last time you looked at the content of your portfolio?

Presented by Michael D. Farner & Tiffany J. Haupert

When turbulence hits Wall Street, are you stressed out?



Michael D. Farner

If you have taken on too much risk in your portfolio – which can happen through intention or inattention – stock market volatility may make you anxious. So from time to time, it is a good idea to review how your assets are invested. Your asset allocation

should correspond to your tolerance for risk, and if it doesn't, it should be adjusted.

A balanced portfolio may help you come out of stock market dips in better shape. Stocks and stock funds aren't the only investment classes you can choose from, and you won't be alone if you decide to examine other investment options.

Treasuries, bonds and bond funds become attractive to investors when Wall Street turns especially volatile. Certain forms of alternative investments gain attention as well, particularly those with low or no correlation to the equities markets. Bonds tend to maintain their strength

when stocks perform poorly. Some cautious investors maintain a cash position in all stock market climates, even raging bull markets.

Downside risk can particularly sting investors who have devoted too much of their portfolios to momentum/expensive stocks. A stock with a price-earnings ratio above 20 may be particularly susceptible to downside risk.¹

Underdiversification risk can also prove to be an Achilles heel. Some portfolios contain just a few stocks – in the classic example, someone has invested too heavily in company stock and a few perceived “winners.” If a large chunk of the portfolio's assets are devoted to five or six stocks, the portfolio's value may be impacted if shares of even one of those companies plummet. This is why it is wise to own a variety of stocks across different sectors. The same principle applies to stock funds. If the S&P 500 corrects (that is, drops 10% or more in a short interval), the possibility grows that an aggressive growth mutual fund may dive.¹

Are you retired, or retiring?

If you are, this is all the more reason to review and possibly even revise your portfolio. Frequently, people approach or enter retirement with portfolios that haven't been reviewed in years. The asset allocation that seemed wise ten years ago may be foolhardy today.

Many people in their fifties and sixties do need to accumulate more

money for retirement; you may be one of them. That sentiment should not lead you to accept extreme risk in your portfolio. You'll likely want consistent income and growth in the absence of a salary, however, and therein lies the appeal of a balanced investment approach designed to manage risk while encouraging an adequate return.

Why not take a look into your portfolio?

Ask a financial advisor to assist you. You may find that you have a mix of investments that matches your risk tolerance. Or, your portfolio may need minor or major adjustments. The right balance may help you insulate your assets to a greater degree when stock market turbulence occurs.

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

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

Citations.

1 - fc.standardandpoors.com/sites/client/wfs2/wfs/article.

Nine Steps to Financial Success for New Grads



The financial decisions you make immediately after college graduation will have a big impact on your future. Here are nine steps to take to make sure you're headed in the right direction.

- 1. Match cash income and outflow.** List all debts and expected expenses and then make a budget. Get into the habit of saving money regularly; using direct deposit and payroll deduction at Beacon can put savings on autopilot.
- 2. Start paying off student loans.** Figure out how much you owe and how much you can afford to pay each month. The College Board recommends payments not exceed 10% to 15% of gross monthly income. Pay loans on time and if you know you're going to be late on a payment, contact your lender immediately—before the due date.
- 3. Manage credit card debt.** Pay off outstanding debt and make subsequent payments on time. Don't charge more than you can pay off monthly. That way, you can build a good track record to qualify for the best mortgage rates by the time you're ready to make a down payment on a house or condo.
- 4. Develop a spending plan.** Track all expenses. Set up automatic transfers from checking to savings at Beacon Credit Union.
- 5. Decide where to live.** Housing likely will be your biggest expense so make sure you can afford the monthly payments. Consider finding a roommate.
- 6. Decide if a different car is feasible.** Make sure you can afford the payments as well as the high-priced car insurance as a single in your 20s.
- 7. Start saving for retirement.** Invest in your company's 401(k) retirement plan as soon as possible. The employer's matching contribution is like getting free money. Also consider setting up a Roth individual retirement account at Beacon.
- 8. Don't stop educating yourself.** Subscribe to local or national newspapers and magazines and stay informed.
- 9. Set goals.** Make a list of goals you want to reach within the first six months after graduating. Measure achievements along the way, and change goals as your career advances.

And remember, the Beacon Credit Union is ready to provide the services and support you need as you get started and move through life. Stop by or visit my.beaconcu.org.

You Don't Need to be Ultra-Wealthy to Benefit from a Well Planned Estate

You don't need millions of dollars to take advantage of Beacon Trust Services

Recently I was thinking of an old article or advertisement (as I recall) that discussed how the ultra-wealthy (defined as families with at least \$500 million) plan their estates.

While I am not aware of any members that have a net worth of over \$500 million, I recollect being struck by the same proposed “cutting edge” solutions presented in the article that are currently available to our members.

One of the great virtues of our country (in general) and our credit union (in particular) is the democratization of goods and services. By that, I mean, how cutting edge technology or knowledge or services, once the province of only the wealthy or elites, now works quickly into the hands of the rest of us. The magic of making this happen is the ability to make goods and services affordable. Our Credit Union, by its own Mission Statement, is committed to this goal.

The point of the article, was that the ultra-affluent approach to estate planning is to keep three principals in mind:

- 1. Family security.**
- 2. Multi-generational tax minimization.**
- 3. Creditor protection for heirs.**

Family security indeed rests upon placing professional management of assets in the hands of qualified and proficient experts while vesting control with the trust creator or his or her family members. Sometimes however, there may not be a family member qualified or available.

Tax minimization and creditor protection are also respectively included in the inner workings of a well-planned estate. Having a qualified attorney as part of one's estate planning team is important.

All of these techniques and tools are available to every one of our members. One need not have hundreds of millions of dollars to take advantage of these opportunities. By setting up a revocable living trust during their lifetime, members can incorporate tax planning and future creditor protection for family members. A member can also protect himself or herself in the event of mental or physical incapacitation so that their financial well-being continues by naming Members Trust Company as trustee.

By having a qualified and dependable trustee in place, the burden of portfolio management, accountability, safekeeping, and bill paying can be taken off the shoulders of the asset owner while not giving up control.

Members Trust Company through Beacon Trust Services can provide all of these benefits at a price fit for folks that may not live in a mansion. It is here where we can make a difference in our members' lives while keeping the cost down to levels previously reserved for the very wealthy.



David Van Camp
Trust Officer
Beacon Trust Services
(800) 762-3136, ext. 2013
dvancamp@beaconcu.org



When is it time to get rid of your old car?

Is that car you're driving driving you nuts? In the past a typical pattern was to sell or trade a car after three years or so when it had less than 50,000 miles on the odometer and still carried strong resale value. But that has changed—people are hanging onto their vehicles for longer periods of time. If blue smoke from the tailpipe or a slipping transmission seem to be signaling repairs ahead that could cost as much as the car is worth, don't wait. Sell it or trade it as soon as you can.

What will it take to replace it?

Before you get rid of the car in your garage, decide what you would need to put in its place. To replace the family's second car having limited use—that you only drive to the commuter train station, say, or to do local errands—you can look for a relatively inexpensive replacement. Remember to factor in not only car-loan payments but also insurance and gasoline costs. A new car with better gas mileage could cut gas bills, but the cost to insure that new car likely will go up.

How do you stand with your car loan?

Find out the payoff number on your car loan. Then go to the used car section on kbb.com and find out what your car is worth if you trade or sell it. If you're "upside down"—you still owe more on the loan than the car is worth—consider driving it a while longer.

How much warranty coverage do you have left?

If you're considering keeping the car you have, a big worry is the possibility of having to pay for major repairs involving the engine or transmission. If the "power train warranty" that would cover such costs has expired, that's an argument on the side of changing cars.

How do you decide whether to trade it or sell it?

If you have made the call that the old car has to go, you then have another decision: Do you trade it in or sell it yourself? Trading it in—especially if you're buying a new car—is by far the easiest way to go. But selling it yourself could net as much as 15% to 20% more money.

In addition to the hassles of placing ads and taking phone calls if you sell the car yourself, you may have security concerns about having strangers come to your house to look at the car. Try advertising somewhere that is not for the general public. If you have access to a company or school newsletter, put the ad in there. Also, don't show the car at home. Get any would-be buyer to meet you in a public place—say a shopping center parking lot—and look at the car there.



And remember that a Beacon Credit Union Member Service Specialist can help you size up your car loan options and help you get into a new set of wheels. Stop by or call us today at 1-800-762-3136. You can also visit us online at 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

Four Important Money Mistakes Every Couple Should Avoid

Money can wreck a relationship. In fact, how they spend, save, and account for money is one of the leading sources of friction between couples. In virtually every study, money ranks as the first or second most argued-about topic for twosomes of all types.

Try to avoid these four common mistakes:



- **Extremism.** Work on changing your ways if you're on either end of the spectrum from shopaholic to cheapskate. It's a lot easier to have a meeting of the minds when both partners practice moderation.
- **Secrecy.** Don't hide your spending from your partner. Once you lose your partner's trust, it'll be an uphill battle to win it back.
- **Assigning blame.** If both partners stay involved, one can't blame the other for the household's money troubles.
- **Using money as a weapon.** Spending to get back at your partner won't solve your relationship issues, it will just make you unhappy and broke.

Ultimately, experts note that peaceful coexistence is possible if couples agree on three things: to live within their means, to take care of the future, and to still be willing to have fun with their money.

Budgets are
BORING!!

(my.beaconcu.org)



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