



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.

Use 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. Simply complete a form authorizing [name credit union] to receive a portion of every paycheck and deposit it directly into your savings account.

• 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, you might not have the time cushion to afford to be too aggressive.

• 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).

EMERGENCY SAVINGS ACCOUNT CAN SAVE YOU

Financial experts say you need to set up an emergency fund in case you lose your job or get an unexpected large bill.

The key is to start. Here's how:

1. Choose a goal. Saving for a new car or a new roof keeps you at it.
2. Pay off credit cards and other debt.
3. Start small. Slowly save as much as one paycheck at first, then add to it as your paycheck grows.

The folks at your credit union have experience helping people build savings, so ask them for help.

Sign-Up Today!

Town and Country Annual Meeting

Don't forget to mark your calendars and plan to attend our 2012 Annual Meeting.

- When:** Tuesday, January 31, 2012
- Time:** Social Hour, 6:00 p.m., Dinner, 6:30 p.m.
- Place:** St Boniface Parish Center
403 Duren Street, Westphalia
- Cost:** \$3.00 for Members \$3.00 for Non-members

Sign up at the credit union office beginning January 1st. Take pride in your ownership of this organization and plan to attend this year's Annual Meeting.



Board of Directors Nominations Open

TCCU will soon elect three members to serve three-year terms on our Board of Directors.

If you are interested in running for election, please send a letter of interest to TCCU by January 23, 2012 to receive an application. Upon receipt, we will mail an application to you. The Board of Directors election will take place January 31, 2012.

Mail your letter to: Town and Country Credit Union
Attn: Nominating Committee PO Box 310, Harlan, IA 51537

NEW YEAR? NEW CAR? NEW OPPORTUNITIES

Maybe you put off buying a car last year because the economy was so uncertain. That was a smart move for many households. But maybe this is the year to go ahead and get that new car.



We can help. Talk to a loan officer about all your smart alternatives for putting a new car in the driveway.

HOME EQUITY MAKES IT HAPPEN

If you've been dreaming of fixing up your house or buying a new car, you can make it reality with a home equity loan or home equity line of credit. By using the equity in your home, you can:

- Buy an automobile
- Start your own business
- Pay for medical expenses, emergencies, or big-ticket items

And remember, home equity loans and lines of credit usually are tax deductible. Ask a tax adviser if you qualify.

- Pay for a college education
- Repair or make improvements to your house

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HOW TO EARN AN 800+ CREDIT SCORE

Some people go a lifetime striving to hit a hole-in-one in golf or bowl a 300-game. It might surprise you that some folks are reaching for an 850 credit score. It can be done—try some of these suggestions to improve your score:

- Know how your FICO score is calculated. FICO, the Minneapolis-based company that created the credit score model, considers five elements when calculating a score:

1. Payment history
2. Amount owed
3. New credit
4. Amount of available credit
5. Types of credit used

Check your score on a regular basis to see how you stack up in each of these categories.

- Check your credit report. Everyone is entitled to a free annual credit report from each of the three main credit bureaus. Request them online from an-

nualcreditreport.com, and report any errors directly to the report provider.

- Keep balances low. Charge less and avoid maxing out your available credit.
- Pay on time. Making timely payments is the No. 1 way to improve a credit score. Payment history accounts for 35% of the FICO score.

You may not be aiming for an 850 score, but following these guidelines can certainly give your current score a nice boost.

TIME FOR A TEEN SHARE DRAFT ACCOUNT?

"Hey, Mom and Dad, can you lend me a few bucks?" If you're the parent of a spendthrift teenager, you've probably heard that refrain more than once. Maybe it's time to introduce some basic money management. Help your teen open a share draft/checking account is a great first step.

Learning to manage a checking account paves the way for other good financial habits, such as handling credit cards and loan repayments.

As a parent, you must be both teacher and supervisor when your



teenager opens that first checking account. We can help. Stop in and see us today for help getting your teen started off on the right foot.

Vacation Clubs (No, Not Club Med)

Your first step toward an affordable vacation is to save for it. When you plan a trip, consider using a vacation club account.



You set up a vacation club account specifically to save for a vacation. That way the money is slightly less accessible and you're less inclined to dip into it for other expenses. You can set aside a specific amount from each paycheck to ensure that you have enough money when your vacation rolls around.

CREDITS AND DEDUCTIONS SAVE YOU TAX DOLLARS

It's easy to miss credits and deductions you might qualify for. We'll look at some of these below. But first, a clarification: A tax credit and a tax deduction are not the same. A credit is almost always better because it reduces your tax liability dollar for dollar. A deduction only reduces the amount you pay taxes on.

Thus, a \$100 tax credit entitles you to knock \$100 right off your tax bill. With a \$100 tax deduction, you subtract \$100 from your taxable income. If you're in the 28% tax bracket, a \$100 tax deduction results in \$28 in tax savings.

There are tax credits available for energy efficiency, covering hybrid vehicles, heating and cooling systems, metal roofs, insulation, windows and doors, solar energy systems, and fuel cells.

Most energy credits are modest. For instance, the maximum credit for qualifying energy-efficient windows is \$200. The total credit per tax year for all home energy improvements combined (not including solar systems and fuel cells) is \$500.

Some Ford hybrid vehicles still are eligible for the tax credit if bought before March 31, 2010 and the credit caps at \$850.

As for credits that have been around for a while, here are some that tax specialists say taxpayers often overlook.

- * Retirement savings credit. Most people know about the deduction for IRA (individual retirement account) contribu-

tions. But lower-income taxpayers also can take a credit for putting money in an IRA or qualified savings plan.

- * Higher education credits. The American Opportunity Credit is available for those who pay qualified education expenses and who do not claim a lifetime learning credit. It can be used for only the first four years of postsecondary education. The Lifetime Learning Credit is available every year you, a spouse, or a dependent pays tuition or other qualified expenses.

- * Adoption credit. Adoptive parents may be able to take a credit for qualified expenses of up to \$13,170 per qualifying child for the 2010 tax year and is extended to 2011. For a special needs child, you may qualify for the full amount of the credit even if you paid no adoption-related expenses.

- * Medical and dental deductions. Health-care expenses must be more than 7.5% of your adjusted gross income to qualify for a deduction. Most taxpayers' health expenses fall short of that. But sometimes they overlook expenses that qualify: crutches, contact lenses, eyeglasses, hearing aids, equipment for disabled people, travel to get to medical care, uninsured medical and dental expenses, health insurance premiums, and more. Plus, if you plan your expenditures, such as prepaying for dental care, you may be able to reach the 7.5% mark in one tax year to qualify for the deduction.



Member Services

Share Savings and Share Draft Checking Accounts
Free Check Imaging
Holiday Club Accounts
Certificates of Deposit
Kirby Kids Club
Teen Club
Vehicle Loans
Home Equity Loans

Mortgage Loans
Personal Loans
Business Loans
Lines of Credit
Visa Gift Card
9.9% APR MasterCard
Debit Cards
Direct Deposit
Photocopy Services
Phone Transfers
Payroll Services
On-Line Services
Free Internet Banking

Free Notary
Drive-up Services
Wire Services
Fax Services
Night Depositories
Credit Life and Disability Insurance
Gap Insurance
Draft Images
Auto Insurance
Home Owners Insurance
Term Life Insurance

Accident Insurance
Whole Life Insurance
Variable Annuities
Fixed Annuities
Loan-term Care Insurance
Variable Universal Life Insurance
Mutual Funds
Folio Investing (50 Stocks)
529 College Savings Plan

Holiday Hours:
Jan. 2 - Closed

Jan. 16 - Closed
Feb 20 - Closed