

Credit Union



News-N-Review

IN THIS ISSUE

The Magic of Saving	2
Talking to Your Kids about the Economy	2
Car Buyers Worst Mistakes	3
Auto Dealer Extras Cost Less at the Credit Union	3
Take Advantage of Member Rewards	3
Invest in America – A Huge Success!	3
Credit Unions: Changing Lives Worldwide	4
Let Us Be Your IRA Safe Place	4
Attribute IRA Contributions to Correct Year	4
Credit Unions Host Shred Day	4

Editorial Staff:

Stacy Montgomery

LOBBY HOURS

9:00 a.m. – 4:00 p.m. M-Th

9:00 a.m. – 5:00 p.m. F

DRIVE-UP HOURS

7:15 a.m. – 5:00 p.m. daily



A Message from the Board of Directors

The Kansas Blue Cross Blue Shield Credit Union weathered the economic storm in 2008 and is well-positioned for more challenges in 2009. Members are encouraged to save money, but also should know that their credit union has money to loan when needed. Here are some steps you can take to improve your financial fitness and manage your money:

- **Take control of your investments.** The worst investment move is to panic and pull all your money from investments. Regularly review and organize your portfolio, and talk to a financial professional about rebalancing.
- **Bulk up your emergency fund.** Having a back-up fund may prevent you from having to tap or max out credit cards if your refrigerator dies or your car needs major repairs.
- **Improve your credit score.** Having a clean credit history is more important than ever. Obtain your free credit reports from annualcreditreport.com, review them, and dispute any errors. Work to improve your score by paying all bills on time, maintaining a healthy

mix of credit and using less than 25 percent of your credit limit.

- **Stay on top of your accounts.** To avoid overdraft fees, account closures or other unexpected events, regularly monitor your credit card and other account balances.
- **Make a budget—and stick to it.** Bottom line: expenses should not exceed income.
- **Get organized.** Consolidate accounts, organize financial documents and consider online banking, which can simplify your finances and reduce the likelihood you'll miss a payment.
- **Pay down debt.** Attack your high interest credit cards first by paying more than the minimum balance each month. Once your debt is under control, make it a goal to pay off the balance each month to avoid accumulating interest.
- **Use direct deposit.** By having all or some of your payroll check directly transferred to your credit union account, you'll be less tempted to spend what you could be saving.

Contributed by:

Cathy Holmes, Board President

Mary Beth Chambers, Board Vice President

ANNUAL MEETING

**Join Us for Your Annual Meeting
Tuesday, April 14, 2009
5:00 pm in the Blue's Café**

The entire credit union benefits when members participate. That's why we invite every member to attend our--your--annual meeting. All members are equal owners of the credit union.

Our annual meeting is an occasion for management and elected officials to report to you, the owners. And, it's an opportunity for you to learn about the credit union's financial position, products and services, current business issues, and goals. You'll meet face-to-face with the people who run your credit union.

Without your input, leaders can only guess what you and other owners want from your credit union.

ATTENTION ALL GRADUATING HIGH SCHOOL SENIORS!



The Kansas Blue Cross Blue Shield Credit Union is again offering a \$1,000 scholarship to a graduating high school senior who will be attending college in the Fall. Applicants must be a son, daughter or grandchild of a **Kansas Blue Cross Blue Shield Credit Union** member. This is a one time only award and its intended use is for tuition, books, fees, room and board.

Applicants must demonstrate leadership and responsibility through school and community activities, show financial need, be recommended by a teacher/counselor, and have a mid-term grade point average of 3.0 or higher.

Applications and supporting documents must be received no later than April 30, 2009. Go to the News & Info page at www.ksbcbscu.org to download an application.



The Magic of Saving

Hocus-pocus--my money grew! Well, maybe it's not that easy to save, but by teaching kids from a young age, it can be. As they grow to tweens and teens, they'll have one of the most difficult aspects of saving under their belt--being consistent.

Here are just a few examples to help teach kids of different ages about the magic of saving:

- ❖ Have young children--preschool age--sort different types of money into piles by color and size.
- ❖ Play grocery store or credit union/bank. Help them use a pretend cash register.
- ❖ At the grocery store, let kids of all ages help you shop. Teach them how to comparison shop--for example, show them that for every \$4.99 box of cereal, there may be similar brands on sale for half as much.
- ❖ As kids get older, share sales receipts and bills that you receive for items or services you've purchased for them.
- ❖ If you decide to pay your kids an allowance, don't just establish one as parents. Sit down with them and discuss allowance amounts and what they should use their allowance for. The amount is your call, but allow them input. One idea is to have children set aside part of their allowance for spending, part for saving, and part for sharing. Clarify what you'll pay for and what they should be responsible for. For example, when you're at the movies, maybe you agree to pay for a small drink and popcorn, but the Milk Duds are on them.
- ❖ Show children what compounding interest means. Explain that as kids save, they're constantly earning dividends on their savings--on top of that, they're earning dividends on their dividends.
- ❖ As kids reach high-school age, clarify what you will pay for and what your children are responsible for. For example, your kids may want the newest style of tennis shoes that come with a really high price tag. Establish what you'd pay for athletic shoes--say, \$50. If they still want the more expensive pair, have them make up the difference. Often, once the responsibility of paying for items is on kids, the latest, greatest fashions aren't so important.

Join us this year as we celebrate National Credit Union Youth Week from April 19-25. Our theme for 2009 is "The Magic of Saving." We have a lot more ideas to help you raise financially savvy kids.

Get your kids started right financially and see how many bunnies--we mean monies--they can pull out of their hats.

Every member under 18 making a deposit during Youth Week will be entered into a drawing for CASH prizes! One lucky winner will receive \$100, second place winner gets \$50. Now that's some pretty good magic!

Talking to Your Kids about the Economy

It's a good idea to find out what your children have heard and are thinking about the economy, and to reassure them if necessary. You may see warning signs that they're concerned. "They may act withdrawn, or different from normal," says Francie Alexander, chief academic officer at Scholastic Inc., New York.

"You can say, 'It looks to me like you're worried; let's talk about it,'" she continues. "Start by listening or asking questions, and then share information appropriate to their ages and stages."

It's important to be factual, and to speak at their maturity levels—which aren't always the same as their age levels, adds Rick Kahler, CFP, president of Kahler Financial Group in Rapid City, S.D. "Obviously you'll tell a teenager more than a four year old, but that's why you start by asking questions, so you can build on what they already know."

They need to know the situation and that you have a plan. You might say, "Mommy's company ran out of money and she's looking for a new job," says Alexander.

"You don't need to say much more to younger children, but they're comforted when they know what's going on, what might change in their lives—such as not going to the movies for a while—and that you're working on it," she says.

Children who are a little older and more mature may ask further questions. Answer them directly, but without complicated theoretical discussions that could cloud the issue.

Teenagers will generally appreciate more details. "I might tell them there'd been company-wide lay-offs, that jobless numbers were going up in the community, and that I was concerned," Kahler says.

Teaching children how to use money is an important skill in today's world. "If you haven't done that, take this crisis as an opportunity," advises Alexander. Kansas Blue Cross Blue Shield Credit Union has free resources and programs that can make it easy. You can also contact Accel Members Financial Counseling for assistance at 1-877-33-ACCEL.

THE MAGIC OF SAVING
The Magic of Saving Challenge
Kids, are you successful savers?
Save regularly, and—abracadabra—you'll reach your goals. Make saving at the credit union a habit this April to bring a little magic to your money.
Make a deposit to your account (or open a new one) during the month of April to participate in the National Youth Saving Challenge™. Ten young savers will be selected nationwide to each win \$100. (Must be under age 18 to participate.)

Need a new ride?
We can help.



THE CREDIT UNION HAS \$2 MILLION+ TO LOAN NOW. CALL US!

Car Buyers' Worst Mistakes

How much money do you think educated car buyers can save over uneducated buyers when buying the same car? Would \$5,000 get your attention?

While you may not save as much as \$5,000, you'll save a bunch if you avoid these classic car-buying errors.

1. Showing enthusiasm. If you act excited, the sellers know they have a unique product you want. The price goes up instantly. Keep that enthusiasm in check until you've driven home. Sneer a little if you like the car.
2. Buying in a hurry. If you buy on your first visit to a dealership, you don't have time to compare. Take your time. Be willing to walk away. The price at most dealerships falls quickly if you move slowly.
3. Giving deposits before the dealer approves your offer on a vehicle. Feel free to give a deposit, if you really want a vehicle. But don't give it until the boss has said "yes." Some dealerships use deposits to keep you there while they try to convince you to pay more. And you can't leave if they have your deposit--money, a credit card, a driver's license, or your kids.
4. Being switched to leasing without doing your homework. Because dealerships make a much larger profit if they lease rather than sell, even the best dealership is going to try to "switch" you. They'll try to convince you leasing is cheaper than buying. In most instances, it isn't. If you want to lease, fine. Just don't do it on the spur of the moment.
5. Trading in your old car without knowing its value in advance. A dealership has the right to give you the least you will take for your old car. But you have a right to get the most your car is worth. To know that value, simply clean it up, and try to sell it to several used car departments. The highest amount you're offered for it is your car's real value right now. Don't accept less than that in trade.
6. Financing automatically at the dealership. Dealerships may be the cheapest place to finance. To find out, simply bring a copy of the filled-out dealer contract to your credit union and compare contracts. If the dealership won't give you a copy, they're probably telling you they're not really the cheapest.

Big mistakes, big bucks out the window. We like to help you preserve your money--that's what credit unions are all about. Avoid these mistakes, and put that money to work rather than throwing it away.

Auto Dealer Extras Cost Less at the Credit Union

Pay attention to what auto dealerships are charging for GAP (guaranteed asset protection) insurance and mechanical repair coverage (extended warranty). GAP insurance covers the difference between what a consumer owes a lender and what an auto insurer will pay if a car is totaled or stolen shortly after it's purchased. Mechanical repair coverage extends the dealer warranty, protecting you from the cost of unexpected repairs down the road and sustaining the resale value. Kansas Blue Cross Blue Shield Credit Union offers these products, often at a substantially lower cost.

Take Advantage of Member Rewards on Your Next Loan at the Credit Union

A recently implemented loan program at the Kansas Blue Cross Blue Shield Credit Union was designed to reward loyal members for their patronage. You can earn a discount of up to .25% on your loan rate just by using other services offered by the Credit Union. So, if you have an active Visa credit card, direct deposit of your loan payment, a previous consumer loan within the last 5 years, e-statements, an active checking account, or total funds on deposit greater than \$5,000, you just earned yourself a reward!! One more reason to finance your next car or truck (or motorcycle, boat, camper, ATV, personal watercraft, etc.) at your Kansas Blue Cross Blue Shield Credit Union.

Invest in America – A Huge Success!

Both our members' bottom line and our country's economy have been boosted thanks to Invest in America's discounts. More than 20,000 cars have been sold through the Credit Union Member Discount from GM and Chrysler's Credit Union Member Cash program.

Your opportunity for saving on your next car has gotten even better! Chrysler and GM both have additional promotions going on right now that you can add to the above discounts. Chrysler's Employee Pricing and GM's President's Sale can help you save thousands more on your purchase.

And don't forget, when you finance your new vehicle with Kansas



Blue Cross Blue Shield Credit Union, you'll save even more with our low loan rates!

Talk to a member representative to learn more about Invest in America or to get approved for an auto loan. You can also go to www.lovemycreditunion.org for more details on these great discount programs.

Included in the recently passed economic stimulus package is another good reason to shop for that new car now. If you buy a new car before the end of 2009, you'll get a deduction for sales taxes, even if you don't itemize on your tax return.

Credit Unions: Changing Lives Worldwide

As a member of Kansas Blue Cross Blue Shield Credit Union, you know firsthand how credit unions benefit us here in the U.S., but did you know that credit unions help people all around the globe? The World Council of Credit Unions (WOCCU), Madison, Wis., reports more than 46,000 credit unions in 97 countries serve 172 million people.

WOCCU is a global trade association and development agency helping credit unions and other financial cooperatives provide people with high-quality, affordable financial services.

Worldwide, credit unions give members life-changing opportunities for such ventures as starting small businesses, building family homes, and educating their children. In some countries, members encounter their first taste of democratic decision-making through their member-owned credit unions.

In Bolivia, 70% of people live below the poverty line, with extreme poverty focused in rural areas. Credit unions have expanded into these areas—where no other financial institutions exist—enabling residents to borrow small amounts of money at low interest rates. Such a microloan might help a farmer buy seeds for planting. A credit union savings account would help him or her save the resulting income.

In many parts of the world, people survive on less than a dollar a day and lenders often charge interest of 100% or more. From Antigua to Zimbabwe, by offering "a hand up, not a handout," credit unions give hardworking families a chance to take their first steps out of poverty.

You don't have to make a trip around the world to get the help you need. Visit Kansas Blue Cross Blue Shield Credit Union today and you'll see the true spirit of people helping people.



Attribute IRA Contributions to Correct Year

If you want to attribute IRA (individual retirement account) contributions to the past year for tax purposes, you must give written attribution instructions to the Kansas Blue Cross Blue Shield Credit Union. To do this, complete a contribution direction form for each contribution by April 15. Doing so after the fact will be too late.

Credit Unions Host Shred Day

Several Topeka credit unions will sponsor a "Shred Day" on Saturday, April 18th from 10:00 am – 12:00 noon at 1080 SW Wanamaker. The event is hosted by the Credit Union Service Center and Credit Union Mortgage Services, as well as Educational Credit Union, Kansas Super Chief Credit Union, Credit Unions United, Credit Union 1 of Kansas, and Kansas Blue Cross Blue Shield Credit Union. The event is co-sponsored by Pro Shred, an on-site document disposal company with service to the Topeka area.

Shred Day is promoted as an opportunity for members to securely rid themselves of outdated financial and personal records that could increase the risk of identity theft. The Pro Shred truck includes an on-board large capacity document shredder, allowing participants to watch their documents be destroyed entirely and immediately, thereby increasing peace of mind regarding the disposal. The content is then transferred to a recycler, where 100% of the shredded paper is recycled to reduce the environmental impact.

Greg Winkler, President/CEO of the Credit Union Service Center indicated that all involved believe the project to be a very worthwhile service. "With the ever-increasing risks and costs of identity theft, we believe this continues to be a great community service opportunity for credit unions to assist their members and the general public as well. This event is scheduled immediately following the IRS tax return deadline, a great time for consumers to do some house-cleaning of outdated personal financial documents."

Let Us
Be Your

IRA

Safe
Place

Experts recommend that you diversify your individual retirement account (IRA) investments. Let a credit union IRA certificate be the "safe place" in your IRA portfolio. That's because a credit union IRA certificate is an insured investment.

And, we offer all types of IRAs from traditional to Roth IRAs to Education IRAs. If you're not sure which type is best for you, we can help you sort through the facts.

Contact us today. You'll find our rates competitive and our staff friendly and helpful. Then, you can rest assured knowing your IRA is safe.

According to a Better Business Bureau survey, an estimated 9 million Americans are the victims of some level of identity theft each year, with the total cost to consumers and businesses projected at \$55 billion. Most data compromises (90%) take place through traditional channels and not via the Internet. Lost or stolen wallets, checkbooks or credit cards continue to be the primary source of personal information theft. Almost half (47%) of all identity theft is perpetrated by friends, neighbors, in-home employees, family members or relatives.¹

¹ *Identity Fraud Survey Report, BBB and Javelin Strategy & Research, 2006*