



SEPTEMBER • 2007

# The Power of Teen...Spending

Spending in the United States during 2006 by 12-19 year olds rose to a record of \$179 billion. In fact, their spending has grown steadily over the past decades, often outpacing inflation.

According to Teenage Research Unlimited (TRU), the typical American teen spends on the average up to \$104 a week, primarily from their allowances, parents' generosity and small jobs.

## What Teens Buy and Who They Influence

Research shows that siblings and parents are directly or indirectly influenced by the teens in their household. Many moms will ask their daughters for their fashion opinions and dads will consult with their sons about car choices, it all adds up to a lot of spending. Key purchases they make and the family purchases they influence include clothing/apparel, movies/DVDs, groceries,

video games and systems. The most important factor of influence is parental/adult spending and saving habits.

## How to Reach Them

No amount of technology will ever replace the influence a caring parent will have on a child. By talking about money management and the rewards of earning money as opposed to expecting constant gifting will make your child a better citizen and financially responsible. Always lead by example. Take you children to the credit union at an early age and make them open savings accounts so that they can watch their money grow.

When teens were surveyed and asked where they gained their financial knowledge, 58.3% responded at home, 19.5% at school, and 17.6% said from experience. It is never too early or too late to impart your financial wisdom upon your children or the young people with whom you interact.

**See You There!**  
Please plan on attending.

*71st Annual Meeting and Member Appreciation Night*  
*Thursday, October 11, 2007*  
*5:00 - 7:30 pm*  
*at*  
*Augusta Curtis Cultural Center*  
*\$10.00 members*  
*\$15.00 non-members*  
*Hors d'oeuvres • Buffet Dinner*  
*Open Bar • Door Prizes*

## 3.99% Fast Lane for Debt Reduction!

Are you carrying a balance on your credit card(s) that just seems to never go away? Today is the day! We are offering 3.99% on Cash Advances and Balance Transfers from your high cost existing credit cards. If you do not already have a credit union VISA card come in and discuss our special offer with Renee or call her at: 203.237.6424, Ext. 35.

SAVINGS RATES		
PRODUCT	RATE	YIELD
<b>Regular Savings:</b>	1.25%	1.26%
<b>Money Market:</b>		
Balance 2,500 to 9,999.99	2.00%	2.02%
Balance 10,000 to 24,999.99	2.50%	2.53%
Balance 25,000 and over	4.25%	4.33%
<b>IRA Accumulator:</b>	3.00%	3.04%
<b>Certificates of Deposits / IRA Certificates of Deposit</b>		
6 Months	4.65%	4.75%
12 Months	5.00%	5.12%
18 Months	4.50%	4.60%
24 Months	4.50%	4.60%
30 Months	4.50%	4.60%
36 Months	4.75%	4.86%
48 Months	4.75%	4.86%
60 Months	5.00%	5.12%

As of October 2007  
\*All rates subject to change without notice

**Check out our Savings & Loan Rates!**

LOAN RATES		
LOAN RATES	TERM	RATE As Low As*
<b>Personal Loans:</b>	2 Years	8.99%
	5 Years	10.99%
<b>Car Loans:</b>	3 Years	5.85%
	4-5 Years	5.99%
	72 Months	6.99%
<b>First Mortgages:</b>	15 Years	6.25%
	30 Years	6.375%
<b>Second Mortgages:</b>	5 Years	5.99%
	10 Years	6.50%
	15 Years	6.95%
<b>Home Equity Line of Credit:</b>	10 Year Draw	6.50%
<i>Special until 1/1/08</i>		
<b>Recreational Vehicle (Boat, ATV etc.):</b>		6.99%

As of June 2007  
\*Rates may vary based upon your credit history.  
\*All rates subject to change without notice.

## The Real Cost of Credit

Loan rates and terms from finance companies, retail stores, and financial institutions can vary greatly. Shop around for credit.

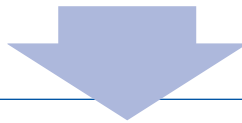
- **Annual percentage rate (APR):** This is the standardized interest rate you must pay the lender each year for the use of borrowed money.
- **Finance charge:** This is the total dollar amount the loan will cost you.
- **Loan maturity:** A longer repayment period lowers your monthly payments, but increases the total amount of interest you pay.
- **Grace period:** This is the length of time you have before interest gets charged.

### Strategies for Borrowing Wisely

- Understand all the terms of the loan before you sign. Ask questions!
- Don't go into debt for items you really don't need. Don't let your bills for credit exceed 10-20% of your monthly take home pay.
- Limit yourself to one credit card.
- Pay off card balances in full each month.
- Combine your use of credit with a savings plan. After you pay off your loan, redirect that same monthly payment to your savings Account.
- Control your debt. Having a high credit score is very important .

### Credit Cards Can Add 1/3 to the Cost

If you buy \$500 worth of merchandise and make the minimum monthly payment of \$15, it will take you nearly four years to pay it back with interest an addition of one-third to the cost:



Charge	\$500
Interest (APR) at 18%	\$180
Total cost	\$680 (136%)

## Staying Healthy At School

Our children heading to school, signals the beginning of an often times grueling schedule which includes long stretches of times spent sitting in a stuffy, poorly ventilated classroom. This coupled with skipping lunch and filling up on junk food, creates the perfect combination for contracting colds and flu. Just by taking the time to make a few changes in routines and procedures can make a big difference.

- Be strict about bed times and wind down times. With less TV and computer use, your children will develop a homework routine.
- Make sure your children understand the importance of keeping hydrated. Dehydration will reduce the effectiveness of their bodies' and brains' ability to function. Have the kids bring a water bottle to school and refill it often.
- To stay healthy, it is very important to tell children to wash their hands often and keep hands away from their mouths and noses.
- Kids need plenty of exercise to circulate the germ fighting fluids of the immune and lymphatic systems. This will help children build up a resistance to cold germs. Over-scheduling is stressful for everyone. Maybe go on a bike ride with the entire family and then, everyone benefits.
- Ask your doctor about vitamin supplements. Nothing replaces good nutrition, however, we may all need something extra.
- It is important to help kids reduce stress. Take an active interest in their relationships, school work and their hopes and fears. Talk to their teachers and stay connected. Knowing your child's personality in school will help you direct your children to surroundings where they can thrive, and feel healthy.

## Big Benefits in Investing Early in Life

Investing small amounts each month may not seem like a lot, but if you start socking it away early, let's say when you are in your 20's, it will translate into big dollars down the road. A key reason: Your earnings have time to compound over the years!

For example: Let's say you invest \$2,000 a year starting at age 25 in a tax deferred account that earns a 10% average annual return. At age 65, you'll have accumulated a total of \$885,000. But, if you had waited to begin saving until 35, your nest egg would total only about \$329,000. That \$20,000 you didn't save between 24 and 35 ends up costing you \$556,000!

### Take the Time..

The fall is a very special, if not magical time in New England. The changing of the foliage, the smell of approaching winter, hunting season for some and a great time to relax and take a vacation, even if the resort is your own backyard. Life is really the voyage not the destination, live, live and enjoy your life. Personally, I am looking forward to the cooler weather; taking out my tweeds from storage; having friends over for dinner parties and the smells of apple pie and pork roasts.

Whatever brings joy into your life, do it now with gratitude. Wishing you happy times from all your friends at your home town credit union.

### Gardening Tip

If you enjoy the first signs of spring with a garden full of beautiful blooms, then now is the time to start planning. Remember to buy quality bulbs that are fresh. Large bulbs yield large flowers. Plant them at least 6" deep and fertilize with bone meal, a product that you can get at any gardening store.

Think Green. Yes, do your part to save our earth. Please think more than twice before you put herbicides and pesticides on your lawn. There are more earth friendly alternatives that don't affect both the environment and the bird life.