

Do you have what it takes?

Credit union members, age 17 to 25, are eligible to get involved in the Credit Union Youth Ambassador Contest. This is a chance to meet new people, make new friends, learn about credit unions, start building a career with your credit union, and have a chance to win up to \$1,000 cash!

To enter, contestants must prepare a two-minute speech on what membership in a credit union means to them. Competition begins at the local credit union level, before moving on to the county and, finally, state level. Here's your chance to win big bucks, get involved and meet new people. Deadline for entry into the contest is October 26, 2011. For details and to enter, call the credit union at 800-886-3382, ext. 257.

A better way to stay healthy

Keystone United Methodist Federal Credit Union is offering a very special VISA rate that will help keep your finances healthy. For a limited time, members can get a rate of 7.99% APR* for the life of the balance on all new balance transfers and purchases. It's better than an apple a day!

If you're paying a high interest rate on another credit card, it's time to transfer that balance to a Keystone UMFCU VISA card. Simply fill out the balance transfer form on the enclosed insert to start saving.

*Annual Percentage Rate. Promotion is for a limited time and may end without notice. Approval based on credit history and current ability to pay.



Christmas Club Notice

Christmas Club checks were transferred to Share Draft (checking) accounts during the first week of October. If you have a checking account with us, these funds are now available for use. If you don't have a Share Draft account, check your mailbox for your Christmas Club check. Want cash for Christmas next year? Sign up for a Christmas Club account. Call 800-886-3382, ext. 257 for more information.

For current rates, check our website at www.keystoneumfcu.org



Serving all United Methodists in the Western Pennsylvania Conference

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Third Quarter 2011

For members and friends of KUMFCU



From the CEO/Treasurer:

Mustard Seeds and Rubber Tree Plants

Just what made that little, old ant think he could move that rubber tree plant? High hopes is what did it. He had high hopes.

When times are tough, or when we're faced with a seemingly insurmountable challenge, it's awfully



Patti Columbe,
CEO/Treasurer

difficult to have high hopes. For many, this applies to their current financial situation.

Though the current state of the economy gives us little to cheer about, that doesn't mean we have to give up hope. All we need is a little faith — faith as small as a mustard seed.

Yes, times are tough for all of us right now. Jobs are scarce; Wall Street is unstable; the cost of

filling our gas tank is high; and the Consumer Price Index has risen. But this is not the first time we've experienced these problems. History has proven time and again that things will eventually turn around.


I don't have the answers to this country's economic woes, but I do know that we will survive. As a nation, we are strong, innovative and resilient, and nothing can keep us down.

As a credit union, we are doing all that we can to help our members during these tough times. Whether you need a safe and secure place to save money, or a loan to help with life's necessities, we're here for you if you need us.

This is my message of hope and faith. Let's plant our mustard seed of faith together and watch as it grows into a strong and thriving plant.

Online tools make money management a breeze

If you haven't tried MoneyDesktop yet, there's no better time than now to give it a try. MoneyDesktop is personal financial management software that you can use for free as a member of the credit union. It includes a set of online tools that offer a way to organize all of your finances in one place. With MoneyDesktop, you can track expenses,

 create a budget, manage debt, and get reports on the state of your finances. The "GuideMe" App is like a financial GPS or personal financial coach that will guide you through a step-by-step process to achieve your goals.

To watch a short video about MoneyDesktop, visit our website at www.keystoneumfcu.org. You can also access the application directly from the online banking log in panel on our website.

Take the credit union with you when you travel

You're never all that far from home if you take your Keystone UMFCU credit/debit/ATM card with you when you travel. Credit cards are easier to use and offer more consumer protection than cash and travelers' checks. With increases in the frequency of travelers' check forgery, some merchants are no longer accepting them as payment; and carrying large amounts of cash is never a good idea.

Your Keystone UMFCU card(s) gives you access to cash 24 hours a day, seven days per week. Plus, by using your card, you avoid the fees levied at foreign currency exchange offices and receive a better rate of exchange.

Be sure to let us know in advance of your departure when you will be traveling outside of the U.S. For your protection, our card processor flags foreign transactions and may even put a freeze on your account for suspected fraudulent activity. By letting us know your travel plans, we can ensure that your card will not be rejected while you are away.

Should you put your retirement on hold?

One indicator our economy is still hurting is that more and more people are postponing retirement. According to the Department of Labor, those over 55 and still working have increased steadily since the recession began — 28.9 million at last count — and some surveys show more than a third of employees expect to work past age 70 or never retire.



Would-be retirees have faced a perfect storm of negative situations:

- ♦ Having to tap retirement savings early to cover bills or tide them through unemployment.
- ♦ Plunging home values diminished or erased the equity many had hoped to draw on in retirement.

Fees, fees, everywhere a fee

If you find a penny on the street or in a parking lot, do you stop to pick it up? The value of a penny may be minimal, but we still believe in the old adage that a penny saved is a penny earned. That's why we try hard to avoid fees altogether or keep them to an absolute minimum.

You may have noticed that many other financial institutions are starting to add fees to accounts that were previously free. This is happening more and

- ♦ Unable to afford — or qualify for — health insurance they'll need until Medicare kicks in.
- ♦ And many boomer parents have put their own savings on hold while helping their kids struggle through the recession.

If you're hoping to retire in the next few years, consider how much will you need. Financial planners often suggest people may need 70% or more of pre-retirement income to maintain their current lifestyle, but it's difficult to generalize. For example, some people downsize housing or retire to less expensive areas and thus need less. Others can expect increased medical, utility and other bills to outpace earnings on their savings.

Start estimating your retirement needs by using online calculators:

- ♦ The Retirement Estimator at www.ssa.gov/estimator automatically enters your earnings information to estimate your projected Social Security benefits under different scenarios, such as age at retirement, future earnings projections, etc.
- ♦ Check whether your 401(k) plan administrator's website has a calculator to estimate how much you will accumulate under various contribution and investment scenarios. If not, try the retirement calculator on our website at www.keystoneumfcu.org.

more with checking accounts. At Keystone UMFCU, our checking accounts are, and always have been, free to members.

Keystone UMFCU also does not charge a fee when you use an ATM machine. Any fees that occur with ATM usage are levied by the financial institution that owns the machine, not by the credit union. You can avoid these fees altogether by using ATM machines with the CU\$ symbol or CO-OP symbol on them. For a complete listing of machines within the CU\$ network, visit our website.



- ♦ AARP also offers a retirement calculator to help determine your current financial status and what you will need to save to meet your retirement needs.

After you've explored various retirement scenarios, consider consulting with a financial planner to help work out an investment and savings game plan.

To make ends meet, many people begin drawing reduced benefits from Social Security before reaching full retirement (65 for those born before 1938 and gradually increasing to 67 thereafter). This can have several financial consequences:

- ♦ Your monthly benefit will be reduced by up to 30%. (Conversely, if you postpone benefits until after reaching full retirement age, your benefit increases by 7-8% per year, up to age 70.)
- ♦ Although many states don't tax Social Security benefits, they are counted as taxable income by the federal government. So, depending on your overall income, you could owe federal tax on a portion of your benefit. IRS Publication 915 at www.irs.gov has full details.
- ♦ If you begin drawing Social Security while still working, your benefit could be significantly reduced depending on your income. Read "How Work Affects Your Benefits" at www.ssa.gov for details. (Rest assured, however... those reductions aren't truly lost since your benefit will be recalculated upward at full retirement age.)

Once you've settled on what you think will be a sufficient retirement budget, try living on it for a few months before retiring to make sure it actually works.

By Jason Alderman. Reprinted with permission.

