the 411 newsletter

SPRING 2013 | A 121 FINANCIAL CREDIT UNION PUBLICATION

Need More Money?

— Finding money to offset the Social Security tax hike

When the Social Security payroll tax rate was reduced for 2011 and 2012 from 6.2 percent to 4.2 percent, the intent was to put more money in your pocket to stimulate spending nationwide. Whether or not it worked out quite that way is debatable. However, the rate increased back to the former level in January 2013. Even if you were fortunate enough to have received a raise this year it's likely this tax increase wiped out some or most of it. But you don't have to let it ruin your budget. Check out the following tips from the National Foundation for Consumer Counseling to can help you stretch your paycheck.

- Adjust your withholding – if you receive a large tax refund each year you could adjust your withholding to have the extra money each month. Use the worksheet at www.IRS.gov to calculate the correct number of withholding allowances.
- Pay with cash – people who pay for purchases with cash typically save 20% compared to previous credit spending and never feel deprived.
- Ten dollars from 10 categories – look at your budget and try to carve $10 off of 10 spending categories.
- Clean out the garage or closet – sell the contents and eliminate the need for extra storage. Savings are even bigger if you have a storage unit and you can eliminate the storage costs by selling the contents.

- Save on insurance premiums – review all your policies and check around to compare rates. Ask your agent about discounts for loyalty, good driving and bundling of policies.
- Refinance your mortgage – if you haven't already. Rates are still at historically low levels. Call our Mortgage Center at 904.720.1758 for more information on our mortgages.

Keeping to a budget doesn't have to hurt. Just be smart about how and where you spend your money. Do whatever it takes to refrain from impulse purchases, and if you eat out pay a little extra for the dinner portion, split it and box half the meal for later.

Every dollar you can save will help you stay on track and avoid running out of money before you run out of month.

Find more information on the National Foundation for Consumer Counseling website: http://financialeducation.nfcc.org

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Hours of Operation

Lobbies:

Monday – Friday:
9:00 am to 5:00 pm

Saturday:
9:00 am to Noon*

Drive-Up:

Monday – Thursday:
7:30 am to 5:00 pm

Friday
7:30 am to 6:00 pm**

Saturday:
9:00 am to Noon*

*All Branches, except Downtown & Swisher.

**Downtown Drive Thru closes at 5:00 pm.

121 Financial CREDIT UNION
Banking Focused on You

Convenient Telephone Numbers

All Locations:
904.723.6300

(Toll Free)
800.342.2352

FAX (Headquarters)
904.722.6694

VISA Credit Cards:
Credit Card Customer Service:
1.866.820.3097

Credit Card Lost/Stolen:
1.800.449.7728

Credit Card Activation:
1.800.527.7728

Credit Card Fraud (24/7):
1.888.918.7313

VISA Debit Cards:
Debit Card/Lost Stolen:
1.866.209.7029

Debit Card/Check Card Fraud (24/7):
1.866.262.8981

Financial Services Target Teens

If you're approaching your twenties, you must be feeling pretty special. Your mailbox fills up with credit card offers, department stores are eager to issue you their credit cards, and credit card companies set up special booths at schools each spring to help you fulfill your dream of an awesome spring break.

What makes you so irresistible to credit card companies? Of course you're smart and good-looking, but it's your future they're really after.

They want to capture your attention, your business, and your loyalty now, so when you're older and making more money you'll still be their customer. But remember, with the privilege of credit comes responsibility. While credit cards are convenient, plastic makes some people spend more money than they can afford to pay back.   If you start using a few different cards, the combined minimum monthly payments alone may be more than you can handle. Pretty soon you might stop opening your bills, or start hiding them in a drawer hoping they'll just go away. They won't, but your good credit rating will. And a bad credit rating can hurt your ability to get an

apartment, buy a car, or even get a job. Many lenders may want you to have their credit cards, but they don't always teach you how to use them properly.

When you belong to 121 Financial you're a member, not just a customer. We're committed to helping members learn how to manage their money. Plus, you're likely to earn more money when you save at, and pay lower interest when you borrow from, your credit union. Call us for details about a credit card that will grow with you. We want a long-term relationship with you, too. But we won't take advantage of your inexperience in the process. That's the 121 Financial Credit Union difference.

Carelessness Can Cost You

— Easy Steps to Protect Your Financial Information

Many Americans are concerned about someone stealing their credit card, checks, or debit card numbers, but they may be ignoring one easy way thieves can access financial accounts: receipts.

Discarding receipts that have valuable information greatly increases the risk of credit and debit card fraud. Thieves easily can find receipts with valid account numbers in trashcans.

Some easy steps you can take to prevent thieves from stealing your financial information:

- Shred all preapproved credit offers, credit and debit card receipts, insurance forms, financial statements and other paperwork containing personal and financial information;
- Check credit union statements and other financial statements monthly for discrepancies, and order a credit report once a year to make sure no one else is using your personal information to obtain credit cards or services;
- Don't print your Social Security number on your checks and don't carry your Social Security card in your wallet; and
- Be hesitant about giving personal or financial information over the telephone--make sure you know the caller and know how the information will be used.
- Don't send your account number or social security number in email — not even in emails to the credit union. Email is not secure. Just include your name and we'll contact you for more information if necessary to answer your question.

Why It Is Wise to Diversify

— A varied portfolio is a hallmark of a savvy investor.

A message from the Financial Retirement & Investments Program ~ Presented by Randy Nakamura

You may be amused by the efforts of some of your friends and neighbors as they try to "chase the return" in the stock market. We all seem to know a day trader or two: someone constantly hunting for the next hot stock, endlessly refreshing browser windows for breaking news and tips from assorted gurus.

Is that the path to making money in stocks? Some people have made money that way, but others do not. Many people eventually tire of the stress involved, and come to regret the emotional decisions that a) invite financial losses, b) stifle the potential for long-term gains.

We all want a terrific ROI, but risk management matters just as much in investing, perhaps more. That is why diversification is so important. There are two great reasons to invest across a range of asset classes, even when some are clearly outperforming others.

#1: You have the potential to capture gains in different market climates. If you allocate your invested assets across the breadth of asset classes, you will at least have some percentage of your portfolio assigned to the market's best-performing sectors on any given trading day. If your portfolio is too heavily weighted in one asset class, or in one stock, its return is riding too heavily on its performance.

So is diversification just a synonym for playing not to lose? No. It isn't about timidity, but wisdom. While thoughtful diversification doesn't let you "put it all on black" when shares in a particular sector or asset class soar, it guards against the associated risk of doing so. This leads directly to reason number two...

#2: You are in a position to suffer less financial pain if stocks tank. If you have a lot of money in growth stocks and aggressive growth funds (and some people do), what happens to your portfolio in a correction or a bear market? You've got a bunch of losers on your hands. Tax loss harvesting can ease the pain only so much.

Diversification gives your portfolio a kind of "buffer" against market volatility and drawdowns. Without it, your exposure to risk is magnified.

What impact can diversification have on your return? Let's refer to the infamous "lost decade" for stocks, or more specifically, the performance of the S&P 500 during the 2000s. As a USA TODAY article notes, the S&P's annual return was averaging only +1.4% between January 1, 2001 and Nov. 30, 2011. Yet an investor with a diversified portfolio featuring a 40% weighting in bonds would have realized a +5.7% average annual return during that stretch.1

If a 5.7% annual gain doesn't sound that hot, consider the alternatives. As T. Rowe Price vice president Stuart Ritter noted in the USA TODAY piece, an investor who bought the hottest stocks of 2007 would have lost more than 60% on his or her investment in the 2008 market crash. Investments that were merely indexed to the S&P 500 sank 37% in the same time frame.1

Asset management styles can also influence portfolio performance. Passive asset management and active (or tactical) asset management both have their virtues. In the wake of the stock market collapse of late 2008, many investors lost faith in passive asset management, but it still has fans. Other investors see merit in a style that is more responsive to shifting conditions on Wall Street, one that fine-tunes asset allocations in light of current valuation and economic factors with an eye toward exploiting the parts of market that are really performing well. The downside to active portfolio management is the cost; it can prove more expensive for the investor than traditional portfolio management.

Believe the cliché: don't put all your eggs in one basket. Wall Street is hardly uneventful and the behavior of the market sometimes leaves even seasoned analysts scratching their heads. We can't predict how the market will perform; we can diversify to address the challenges presented by its ups and downs.

Citations.

1 - usatoday30.usatoday.com/money/perfi/retirement/story/2011-12-08/investment-diversification/51749298/1 [12/8/11]

Financial

RETIREMENT & INVESTMENT SERVICES

Locations

Headquarters:

Southside
9700 Touchton Road
(near Tinseltown)

Branch Locations:

Arlington
9730 Hutchinson Park Dr
@Kendall Town

Downtown
300 W. Adams St
@Adams St Julia St

Intracoastal West
12740-12 Atlantic Blvd
@Atlantic Blvd Girvin Rd

Mandarin
12250 San Jose Blvd
@ Marbon Rd

Northside
14023 Revell Dr
@River City Marketplace

Orange Park
6072 Youngerman Circle
@ I-295 Blanding Blvd

Westside
8101 Normandy Blvd
(West of I-295)

Mini Branch at Swisher International
(*Restricted Access)*

Coming Soon!

Visa Pre-Paid Gift Cards and Reloadable Cards

This summer, 121 Financial Credit Union will be rolling-out a new pre-paid gift card and adding two re-loadable card programs. These programs will be designed to meet your various needs whether it is a one-time graduation gift, or access to a card through four years of college. Stay tuned for more information on these new options from 121 Financial over the next few months.

UPCOMING CAR SALE

You know the drill: super selection with miniature rates! Mark your calendar now.

When: Saturday, June 8, 2013, 8 a.m. to 4 p.m.

Where: Southside Location (9700 Touchton Road)

What: Special low rates as low as 1.89% APR up to 60 Months and as low as 2.64% APR up to 72 months. Premium used vehicles from Tom Bush Autoplex (you may also shop at any dealership)

What Else: We'll have lunch and snacks to help make your car-buying experience easy! (while supplies last)

And Even More: Watch for details and how to apply for approval prior to the sale.

121 Financial CREDIT UNION

Banking Focused on You

P.O. Box 16688
Jacksonville FL 32245

NEW!

Upgraded Audio (phone) Response System

to be released
June 1, 2013

Enclosed is a quick reference sheet with new transaction codes you will need for the new system.

Private line