

# *Affinity Connections*

FALL 2008

Managing Your  
Money in a  
**Changing**  
Economy

 AFFINITY

Dear Affinity Member,

If you were a business owner in today's challenging economy, you'd be looking for ways to increase profitability by reducing expenses, as well as raising revenues. This issue of *Affinity Connections* is dedicated to helping you do just that.

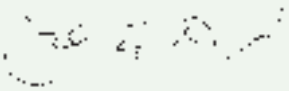
Our lead article, "Surviving a Challenging Economy," contains a number of ideas to help you reduce ongoing expenses, particularly debt, while positioning your investment portfolio to withstand today's volatile markets. We also explore strategies to pay less at the gas pumps, including taking a closer look at the way you drive and maintain your vehicle.

With gas prices at historic highs, many people are wondering if their next car should be a hybrid. We look at the advantages and disadvantages and review a variety of other important issues to consider when buying a new or used car.

Of course, soaring gas prices influence other costs like food prices and we discuss whether shopping in bulk at places like Sam's Club® and Costco® really makes more sense than patronizing your local supermarket. And we even focus on one important expense that you probably shouldn't try to eliminate, no matter how tempting—your insurance premiums. But that doesn't mean we don't offer ways to reduce them.

Finally, we provide advice on a variety of other topics, including debt management, a service that seems to be advertised everywhere these days, and the benefits of doing your holiday shopping now. As you can see, we've packed this issue with information you can use to make the best of our current economy. Take advantage of the opportunities it offers and improve your personal bottom line.

Best regards,



John T. Fenton  
President and CEO



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# Surviving a Challenging Economy



Today's economy is difficult, if not daunting, for many consumers. Rising energy and food costs are taking a bigger bite out of cash flow. Inflation is up, home prices are down and many home owners have been limited in their ability to sell their property. Investing has become increasingly challenging with volatile markets and interest rates lower than they've been in years.

We can't promise that by following the measures listed below, you'll bring prosperity to your life, but we can assure you that by adopting a prudent, common sense approach to both sides of your personal balance sheet, you'll be better positioned to withstand the pressures of today's lackluster economy and take advantage of whatever opportunities it might offer.

## **REDUCING EXPENSES**

The right side of your balance sheet represents expenses. And while paying less for goods that are increasing in price is by no means a simple task, it might be possible if you follow the strategies discussed in our article on pages 5 and 6 entitled, "More Ways to Increase Your Personal Bottom Line."

One of the most important steps you can take to reduce expenses is to decrease or eliminate debt. Before you say you couldn't possibly do such a thing without putting a sizable dent in your savings, let's take a closer look at the types of debt you might be carrying.

- **Credit cards**

Do you pay your balances every month? Or do you only submit partial payments and incur finance charges that may be as high as 21%?

What makes more sense—to eliminate these charges or to continue paying them while your assets earn 2-4% in a CD or money market fund? Use assets generating a low rate of return to pay off high interest debt. And try to limit your impulse buying, so you don't generate new debt.

- **Car loans**

Unless you're taking advantage of the 0% financing offers that car companies make from time to time, take a closer look at the rate you're paying. How does it compare to the rates offered by home equity loans or lines of credit? Generally, home equity loans charge lower rates and the interest you pay may be tax deductible. The key is to find a home equity loan that allows you to pay off your balance in the same period of time as your car loan. You don't want to finance a short-term purchase with long-term debt.

- **Mortgages**

Rates are low and refinancing your mortgage can conceivably save you hundreds of dollars a month. Points and closing costs are a consideration, so make sure you factor them in when calculating your overall payments. Also, don't step backward by taking out a 30-year mortgage when you only have a few years left to pay on your current loan.

**Other debt-related strategies**

- You may want to think about making extra principal payments on your



mortgage. Again, taking money out of a 2-4% interest bearing account to pay for a 6-8% mortgage makes a lot of sense. And you'll reduce your overall interest payments by thousands of dollars over the term of your mortgage.

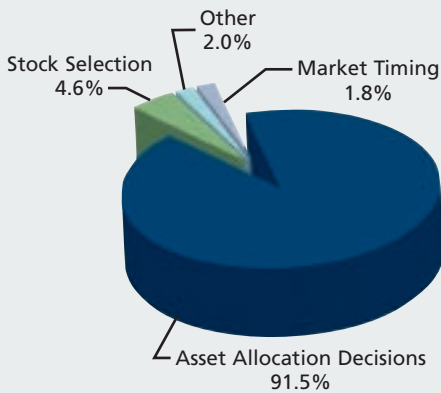
- When you're contemplating which accounts you should tap to pay off debt, eliminate your IRA or 401(k) from consideration. Assets withdrawn from these accounts are subject to income tax at your tax rate, plus a 10% penalty if you're under age 59½. Besides, these accounts are earmarked for your retirement. And with many retirements lasting 20-30 years or longer, you're going to need all the assets you can accumulate.
- Resist the temptation to ignore your bills or postpone payments until you can better afford them. You'll only incur finance charges and suffer a blow to your credit rating. Most credit card companies and other creditors will work with you to establish a payment schedule that you can manage.

**INCREASING ASSETS**

Like a business, you have two ways to achieve profitability—reduce expenses and increase revenue. For individuals, revenue comes primarily from your job and your investments. As for your job, now is the time to buckle down and make yourself indispensable—the unemployment rate may not be up appreciably over the past several years, but clearly, we're living in an uncertain environment. As for your investments, it's tempting to alter your strategy. After all, today's volatile markets can mean potential losses or possible opportunities for gains, depending on your point of view.

In times like these, however, staying the course is often the smartest strategy. That's because the individual investments you select for your portfolio don't contribute nearly as much to your overall return as the way in which you allocate your assets across the three major asset classes—stocks, bonds and cash.

The chart below illustrates the results of a well known financial study that was conducted in 1986 and updated five years later. The study concludes that 91.5% of a portfolio's return is attributable to asset allocation, while only 4.6% is attributable to stock selection.



Source: Brinson, Singer & Beebower

The right allocation for one person, however, may be totally wrong for another. Your allocation should be a reflection of your objectives, time horizon, need for liquidity, risk tolerance and other factors. To develop it, you should consult with your financial advisor or use the free analytical tools available at websites such as [www.mint.com](http://www.mint.com) or [www.kiplinger.com](http://www.kiplinger.com).

Once you arrive at an appropriate allocation, you should diversify your holdings within each asset class. For example, stocks or mutual funds that invest in stocks may be diversified by market capitalization, geographic location and investment style. Bonds, CDs and other fixed income investments should vary by maturity. In fact, many astute

fixed income investors ladder their portfolios with securities that mature several months (or years) apart in order to protect themselves against unpredictable interest rate fluctuations.

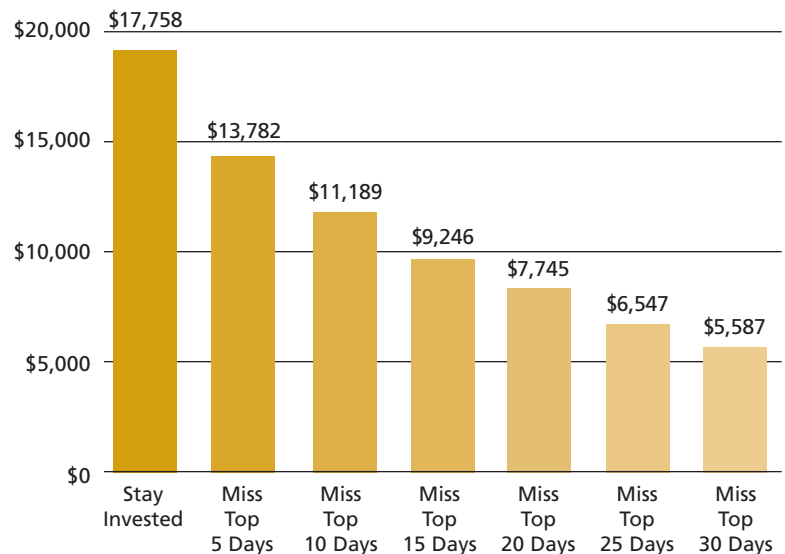
### THE KEY TO ANY ECONOMY . . .

. . . is to adopt a consistent approach to both debt and investment management. The best approach enables you to take advantage of potential opportunities and avoid unnecessary risk. The current economy is challenging, but by reducing debt, controlling expenses and diversifying your investments, you'll not only survive it, but position yourself for the upturn when it finally does occur.

## The high cost of stock market jitters

Before today's market uncertainties compel you to abandon your equity investments in favor of safer alternatives, consider the chart on the right. It shows how a \$10,000 investment would have been affected by missing the market's top-performing days over the 10-year period from December 31, 1997 to December 31, 2007. For example, an individual who remained invested for the entire time period would have accumulated \$17,758, while an investor who missed just 15 of the top-performing days during that period would have accumulated only \$9,246.

Source: Standard & Poor's. Stocks are represented by Standard & Poor's Composite Index of 500 Stocks, an unmanaged index that is generally considered representative of the U.S. stock market. Past performance is no guarantee of future results.



## What Can You Do to Increase Your Bottom Line?

Affinity's Financial Advisors can help you review strategies to improve your investment return. Call **800-325-0808** or visit [www.affinityfcu.org](http://www.affinityfcu.org).

# More Ways to **Increase** Your Personal Bottom Line



## by **Decreasing** Day-to-Day Expenses

Notice something about today's gas prices other than the fact that they're skyrocketing?

They're beginning to change people's behavior.

Maybe you simply don't drive as much as you did before or at least think twice before you turn the ignition. Maybe you find yourself buying \$20-\$30 worth of gas because you somehow feel it's less upsetting than spending \$60-\$70 to fill the tank. Or perhaps you're starting to

wonder if your next car should be a hybrid or at least something other than an SUV.

There are ways to reduce not only your gas costs but the costs of the goods that have risen because of increased gas prices.

Let's start with your behavior at the pump:

- **Do you really need premium?**

What does your owner's manual say? Some automobile manufacturers require high octane gas for certain models, while others only recommend it.

If high octane gas is required for your car, bite the bullet and pay the extra money. Failure to do so may damage your engine. However, if high octane gas is only recommended, you have a decision to make.

Fifteen to twenty years ago, fueling a high performance car with regular gas caused engine knock and vibration. Today, however, computerized sensors typically adjust your engine's timing for the type of fuel you use. The result? No knocks, but possibly a slight reduction in performance and fuel economy. If this

is unacceptable to you, buy the gas recommended by your car manufacturer. If not, fill 'er up with regular.

One more thing—there are absolutely no benefits to be derived from using high octane gas in a car that doesn't require it. You might as well be burning the additional money you spend.

- **Can you buy no-name gas?**

Gas is a fungible commodity. That means it doesn't differ regardless of where you purchase it. However, major oil companies often add a detergent to their gas that may have a positive impact on engine deposits. If you're planning to keep your car for a long time, you may want to take advantage of these benefits and limit no-name gas purchases to every second or third fill-up.

- **What about once you leave the gas station? What else can you do?**

The way you drive and maintain your car can have a major impact on how much gas it uses. For example:

- Keeping your engine tuned can increase gas mileage by an average of 4%.
- Replacing clogged air filters can increase gas mileage by up to 10%.
- Removing 100 lbs. of the junk you've allowed to accumulate in your trunk can increase gas mileage by 2%.
- Keeping your tires properly inflated and aligned can increase gas mileage by up to 3%.
- Obeying posted speed limits can really save you money. Driving at 55 mph can actually increase fuel economy by 21% versus driving at 70 mph.

There—we just increased your fuel economy by 40%. And that's not even counting no-brainers like avoiding unnecessary idling while you're waiting for someone.

### **BEYOND GAS SAVINGS**

The high cost of fuel has impacted the cost of manufacturing and delivering goods. These higher costs have been passed on to you. What can you do about them?

Many people have begun relying on stores like Costco and Sam's Club that sell bulk items, reducing the number of trips to the local grocery store. Is the savings worth the effort?

Maybe.

Buying vegetable oil in mammoth containers and 10 packs of aluminum foil may add up to hundreds of dollars in savings a year. But depending on the goods involved, you may actually do better at your local supermarket or office supply store.

The key is looking at per unit cost—how much do the goods cost per ounce, pound or other basic measure. Surprisingly, bulk is not always going to be the best, although often it can be.

In addition, you should think about whether you will actually use such large quantities of what might be perishable goods before their expiration date.

And, of course, there's the question of storage. Do you have enough room to keep bulk items where you can access them conveniently?

Finally, once you bring bulk items home, use them to generate even more cost savings. Drop the tall skim latte habit in favor of brewing your own coffee at home and bringing it with you. Dip into your stash of 500 paper bags to brown bag your lunch. Freeze chicken or beef in dinner-size packets. The possibilities are endless!

Source: [www.edmunds.com](http://www.edmunds.com)



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Increase your earnings with Affinity Green Rewards Checking.  
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Visit [www.affinity.fcu.org/greenrewards](http://www.affinity.fcu.org/greenrewards) or call 800-325-0808 today.



Come on  
down!

Today's economy offers  
**great opportunities**  
for car buyers

The combination of rising gas prices and a sagging economy has slowed car sales to a point that dealers are offering a wide variety of rebates, financing arrangements and other incentives. Should you take advantage of them?

If you've been thinking about shopping for a car, now is a great time. It's helpful, however, to make certain you've considered the following issues before you begin:

#### **2009 OR 2008?**

It depends. Dealers traditionally offer whatever current year models are left on their lot at a substantial discount. You should realize, however, that the minute you drive out of the lot, your car will be worth considerably less than a 2009 model, particularly if the 2009 model has changed substantially. If you plan to drive your car "until the wheels fall off," you may not be concerned about future trade-in or resale value. But, if you typically buy a car every 3-5 years, you might think about negotiating a great deal on a 2009 model to ensure a better trade-in value.

#### **NEW OR USED?**

Tough call. The benefits of each are obvious—new car panache vs. used car practicality. Clearly, a used car costs less than a new one, but it may also be poised for major unwarranted repairs, depending on its age and condition. If you go the used car route, make certain you check its title through a service like CARFAX ([www.carfax.com](http://www.carfax.com)) to determine whether the car has ever been:

- Seriously damaged in an accident or natural disaster
- Repossessed
- Returned as a lemon

Checking the title can also inform you whether the car's odometer has ever been rolled back.



## LEASE OR LOAN?

There's no right or wrong answer. People generally lease because monthly payments are lower and they enjoy driving a new car every 3-5 years. Lower monthly payments, however, do not mean that leasing is less expensive than borrowing. With leasing, you're making payments continually over the term of the lease. Moreover, you may be subject to various fees every time you enter a new lease. With borrowing, of course, your payments ultimately end at some point and you own the car outright. The value of your car, however, will be substantially lower than it was when you purchased it.

So how should you proceed? Perhaps the following considerations will help you decide:

- **How many miles a year do you drive?**

Leases usually limit you to 12,000 or 15,000 miles per year. By driving more miles than your allotted amount, you'll be subject to stiff mileage penalties at the end of your lease.

- **How hard are you on your car?**

Just because you don't actually own your car doesn't mean you don't have to take care of it. Excessive wear and tear, mismatched tires and assorted dings will end up costing you more money than repairs and replacements as they are needed.

- **How long do you plan to keep your car?**

The longer you typically keep a car, the more it makes sense to purchase it. If you keep your cars for only 3-5 years, you might consider leasing as an alternative.

- **How much do you wish to avoid an initial cash outlay?**

Leasing generally requires a lower outlay of cash initially than financing. You can finance 100% of the cost of your vehicle, but monthly payments will be much higher than those available through leasing. You should realize, however, that leasing often requires up-front fees, as well as possible down payments, if you wish to reduce your monthly payments.

## CAR LOAN OR HOME EQUITY LOAN?

We touch upon this in our article entitled, "Surviving a Challenging Economy," on page 2. Home equity loans offer lower interest rates than car loans. What's more, the interest you do pay may be tax deductible. Home equity loans, however, are typically only available with 5 year or longer terms. In an apples-to-apples scenario—5 year car loan vs. 5 year home equity loan—the home equity loan is the superior alternative. But if you wish to pay off your car in 2-3 years, you may find that a home equity loan will cost you more in interest payments over its duration . . . that is, of course, unless you make additional principal payments to your home equity loan that will enable you to pay it off in a shorter period of time.

## HYBRID OR NOT?

Today's gas prices have even confirmed SUV drivers wondering if they should reorder their priorities. After all, don't hybrids get 45-55 miles per gallon?

Except, the mileage you get from your hybrid depends on how you drive it. If you drive primarily on highways, you may not get many more miles to a gallon than

you would with a non-hybrid equivalent. If you have a lead foot when the light turns green, ditto. If you live in a congested area where you do a lot of stop-and-go driving, however, you may find a hybrid to be a thrifter alternative at the gas pump. Furthermore, hybrids run up to 80% cleaner than conventional gas engines and have substantially lower emissions.

Rising gas prices have caused a significant spike in hybrid prices. A hybrid Honda Civic, for example, costs 33% more than its non-hybrid counterpart. A hybrid Camry costs 36% more than a conventional Camry. And with demand exceeding supply, the difference may widen. You have to decide whether the gas savings you achieve is worth the price differential. And you have to be honest about your driving habits—will they help you achieve the gas savings possible through a hybrid or will they negate the potential benefits?

## LOYALTY PAYS

Especially in a difficult sales environment, automobile manufacturers and dealers offer loyalty incentives to current customers. In other words, if you already own a GM car, you may stand to receive cash back when you buy another one. If you already lease a Ford, you might receive a lower interest rate on a new lease. Or you might receive other benefits like a reduction in excess mileage charges or waiver of fees or security deposits.

While incentive programs are often well publicized, they are sometimes only available to customers who ask about them. So don't be shy. You have nothing to lose except sticker price.

In the Market for a  
New or Used Car?

Affinity can help you find your dream car and choose the right financing plan. Visit [www.affinityfcu.org](http://www.affinityfcu.org) or call 800-325-0808 today!

# Debt Management:

# What you should know before you call the 800 number



You know you might need debt management counseling when you begin to identify with the people in the TV commercials:

- You're being harassed by phone calls from creditors and collection agencies.
- You can barely pay your credit card minimums.
- You're constantly late with your invoice payments.
- You haven't been able to work out a reasonable payment plan with creditors.

Maybe you should do what the commercial says and call the toll-free number to free yourself of debt and take steps to restore your peace of mind.

Or maybe you shouldn't.

Debt management counseling has become a \$7 billion industry in the U.S. with bankruptcies high and consumer debt at record levels. Not all debt counselors are alike. And some can leave you in even worse financial shape than you were when you made the initial call.

Here's what you should know before you pick up the phone:

- **Counseling is key . . .**  
Reputable debt counselors should offer such services as personalized budget counseling and courses in savings and debt management. Counselors should be trained and certified in consumer credit, budgeting and money management. And

they should be willing to meet with you on an individual basis.

- **. . . and so is accreditation**

A Department of Justice ruling that anyone planning to file for bankruptcy must first complete a pre-filing counseling session has given birth to a proliferation of debt management companies. Make sure the companies you're considering meet the standards of third party sources like the United States Trustee Program ([www.usdoj.gov/ust](http://www.usdoj.gov/ust)) or the National Foundation for Credit Counseling, a 50-year old organization with strict accreditation guidelines ([www.debtadvice.com](http://www.debtadvice.com)).

- **Debt management programs may be a viable solution, but . . .**

. . . they shouldn't be the first and only option offered by the company you're considering. With a debt management plan, the counseling company negotiates with your creditors to reduce fees, finance charges and interest rates while scheduling a repayment plan. You deposit money with the counseling company every month and the counseling company pays your creditors.

If you do participate in a debt management plan make certain you determine:

- **How long the plan will be in effect**

Many plans take 48 months or more to complete and require you to avoid using or applying for credit. Be wary of open-ended plans. Your counselor should at least be able to give you an estimate of your plan's duration.

- **How much the plan will cost**

Debt management plans typically require a set-up fee and a monthly payment, both of which may range from \$10 to unconscionable amounts. The counseling company may also receive payments from your creditors. Make sure you shop around as fees vary greatly. And, if you are asked for substantial up-front fees, find another counselor.

- **If your creditors are really being paid**

Check your creditors' monthly statements to make certain your counseling company is fulfilling its promises. Also check to determine whether payments are being made on time. Late payments, of course, can adversely affect your credit rating.

You should realize that participation in a debt management plan can impact your credit rating, even if your plan pays your creditors on a timely basis. In addition, some creditors may not want to do additional business with you after you've completed your plan, but others will. In fact, many believe that debt counseling is a positive sign that a customer is getting his or her debts under control. And it is certainly a less onerous alternative than declaring bankruptcy.

The counseling companies advertising on TV and radio aren't your only options. According to the Federal Trade Commission, many universities, military bases, credit unions, housing authorities and branches of the U.S. Cooperative Extension Service operate non-profit debt management programs. For more information, visit [www.ftc.gov](http://www.ftc.gov).

**Do You Need  
Debt Management  
Counseling?**

Look to Affinity's free Budget and Credit Score Enhancement Service (BASES) for the answer. Learn more at [www.affinityfcu.org](http://www.affinityfcu.org) or call 800-325-0808.

# Why wait until December to do your holiday shopping?



**In the past, towns began to decorate their main streets for the holidays right after Thanksgiving. Today, Halloween seems to be the starting point. But for savvy shoppers, would you believe Labor Day?**

It's not too early to begin making your shopping list, checking it twice and logging onto the Internet to start shopping. Today's difficult economy is especially rough on retailers, many of whom have already begun marking down merchandise. To take advantage of this environment, here are a few ideas to consider:

- **Collect promotional codes for immediate discounts**

How many times have you purchased something online and been asked to provide a promotional code that you didn't have at checkout? The fact that you were asked indicates that a code is available, but where can you find it?

Next time you're asked, open up another window and:

- **Check Google**

Enter the phrase used by the merchant—promotional code or coupon, for example—and the name of the merchant. Chances are, you'll find codes that can save you meaningful dollars on the purchase you were about to make.

- **Check other websites**

You might also be able to find coupons or promotional codes on sites such as [www.CouponCabin.com](http://www.CouponCabin.com), [www.FatWallet.com](http://www.FatWallet.com) and [www.Keycode.com](http://www.Keycode.com). These sites contain numerous promotional codes, discount coupons and cash-back offers from a variety of retailers.

- **Compare prices without visiting different websites**

Are you really getting the lowest price possible? Instead of shopping at the websites of individual retailers, why not visit consolidated shopping sites like [www.shopping.msn.com](http://www.shopping.msn.com) or [www.shopping.yahoo.com](http://www.shopping.yahoo.com)? You can view side-by-side comparisons that will

enable you to purchase merchandise from the retailer offering the lowest price.

## **PAYING FOR YOUR PURCHASES**

Whether you shop online or in person, consider paying by credit card. Under the Fair Billing Credit Act, purchases made by credit card offer an added level of protection. Specifically:

- You are limited to \$50 liability for disputed or fraudulent charges, with many credit card providers waiving this maximum.
- You have the right to withhold payment while charges are being investigated.
- You have the right to deny payment, if merchandise shipped to you is defective.
- Many credit cards offer additional buyer protection benefits such as extended warranties and refunds in the event that purchases are damaged or stolen within a specified period of time.

So just because the holidays are a few months away, that's no reason to delay checking off your shopping list. Your early action can result in substantial savings.

**Shop Now,  
Save Now.**

With an Affinity Club Account you can save for those holiday purchases all year long. To find out about our savings accounts call **800-325-0808** or visit **[www.affinityfcu.org](http://www.affinityfcu.org)**.

# Is Your Insurance Expendable?

Admit it—those insurance premiums can be an expense that's hard to justify in a difficult economy. And maybe you've even wondered if you should drop your coverage and pick it up again when the economy turns around.

Insurance is probably the last expense you should give up in a difficult or, for that matter, a thriving economy. However, there might be ways to reduce your premiums:

## LIFE INSURANCE

Life insurance premiums are based primarily on age and health. If you drop your policy today with the intention of purchasing another one at some point in the future, you may find that your premiums will be higher, simply because you're older. Moreover, you may not be as healthy when you're ready to resume your coverage. Also, depending on the nature of your condition, you will pay considerably higher premiums or perhaps be deemed "uninsurable." This means that the insurance company will not assume the risk of covering you.

If you have whole, universal or variable life insurance that earns cash value, you may be able to skip a premium or pay

a lower premium now and then, depending on how much cash is in the policy. Or you may consider replacing your policy with low cost term insurance that offers protection only without cash value accumulation.

## AUTO INSURANCE

Clearly, you have no choice but to retain your auto insurance unless you plan to trade in your car for a skateboard. However, you might be able to reduce your premiums by:

- **Raising deductibles on collision and comprehensive**

According to the Ohio Insurance Institute, raising deductibles from \$200 to \$500 can reduce collision and comprehensive premiums by 15-30%. Raising it to \$1000 can reduce premiums by considerably more.<sup>1</sup> And you'll still be protected in the event of a major loss. Your insurance company can advise you on the specific savings you may realize.

- **Eliminating collision and comprehensive coverage**

Experts suggest that if the cost of your collision and comprehensive insurance for your vehicle is more than 10% of its current value, you'll pay more to insure it than the amount of money you'll receive in the event of an accident.<sup>2</sup>

Check your vehicle's value with an auto dealer or through a third party source like Kelley Blue Book ([www.kbb.com](http://www.kbb.com)).

## DISABILITY INSURANCE

Disability insurance can be expensive, especially if you have to purchase it on your own because you're not eligible for group coverage through your employer. Dropping coverage, however, can be catastrophic if you suddenly become disabled and find you need benefits.

If you're concerned about how you're going to afford your disability policy, consider:

- Lowering the monthly benefit you would receive if you became disabled.
- Increasing the waiting period before benefits begin.
- Checking your policy to make certain you're not paying for optional coverages that would be "nice to have" but aren't really mandatory.

Remember—you purchased your various insurance policies to protect yourself and your loved ones from the unexpected. By dropping coverages, you run the very real risk of placing your family in far greater jeopardy than they face in a difficult economic environment.

**Endnotes:**

1 Ohio Insurance Facts, 11/2007

2 Smart Money, "How much auto insurance do you need?"

Can Your Insurance be Improved?

Paying too much? Not protected adequately? Affinity Insurance Specialists can help you find out for sure. Visit [www.affinityfcu.org](http://www.affinityfcu.org) or call 800-325-0808.

# How Long Should You Store Your **Financial Records?**



Tax returns, bank and brokerage statements, credit card receipts—Americans are inundated by paper that keeps arriving month after month and, sooner or later, overwhelms even the most diligent record keepers.

If your file drawers are already stuffed with documents and you're wondering where you're going to file new ones, here are a few tips on how long you should keep various financial records before shredding them:

Documents	How long should you keep them?
<b>Tax Returns</b>	Seven years, to be safe. The IRS has three years to audit your return and six years if it thinks you under-reported your gross income by 25% or more.
<b>Retirement Plan/Savings Accounts</b>	Keep your quarterly statements until you receive your annual summary, at which point you may shred them. Keep annual summaries until you retire or close the account.
<b>Brokerage Statements and Trade Confirmations</b>	Keep them at least until you sell the securities. However, you will need records of prices for which you bought and sold securities to determine whether you have capital gains or losses at tax time. As a result, you may want to keep this information for as long as you keep your tax returns, in case you are audited by the IRS at some point in the future.
<b>Bank and Credit Union Records</b>	Discard cancelled checks that have no long-term importance, but keep those that represent major, long-term purchases.
<b>Credit Card Receipts and Statements</b>	Keep your original receipts until you receive your statement. For tax-related expenses, keep your statements for the same seven year period you keep your tax returns.
<b>Pay Stubs</b>	When you receive your W-2 form for taxes, make sure the information matches that which is on your pay stubs. At that point, you can shred the stubs.
<b>Bills</b>	Once you receive a cancelled check, you can generally discard invoices or bills. However, you should keep invoices for major purchases, so you have a record of their value in the event of loss or damage.
<b>IRA Contributions</b>	Permanently. When you take money out of your IRA at retirement, you'll need to prove whether you've already paid tax on contributions you've made.

Don't forget—the same rules apply if you receive your financial statements and other records online instead of through the mail.

## Want More Detailed Information?

Visit [www.bankrate.com](http://www.bankrate.com) to see a comprehensive list of how long you should keep various records.

## Announcing Affinity's EasyFLEX Home Equity Line of Credit

Imagine a home equity line of credit so flexible it gives you exactly what you need, when you need it. Like most lines of credit, you get immediate access to cash for any purpose. But with EasyFLEX, you can also take out up to three fixed-rate loans at any one time. The only requirement is that you stay within your approved EasyFLEX limit.

Visit [www.affinityfcu.org/easyflex](http://www.affinityfcu.org/easyflex), call 800-325-0808, or visit any Affinity branch.



## Congratulations to the 2008 Affinity Scholarship Recipients

Jessica DePrima - Basking Ridge, NJ,  
Monmouth University

Keiona Eady - Cross, SC,  
Clemson University

Thabo D'Anjou - Scotch Plains, NJ,  
Howard University

Crystal Himes - Piscataway, NJ,  
Cornell University

Andy Yuan-Jay Lee - Basking Ridge, NJ,  
George Washington University

Brian D. Thorne - Lebanon, NJ,  
Kenyon College



## Coming Soon—New Affinity Branch in Flemington, NJ

Our newest branch will be located at 275 Route 202 South/ 31 South in Flemington, NJ just south of the Flemington Circle. The new 4,100 square foot facility will feature full branch services, as well as many extras including coffee, safe deposit boxes, a children's activity area, an Internet café and a small meeting room available for members and community organizations to use.

Hours of operation will be 8:30 am to 6:00 pm on Monday, Tuesday, Wednesday and Friday; 8:30 am to 7:00 pm on Thursday, and 9:00 am to 1:00 pm on Saturday.

*Mark your calendar for these upcoming business events:*

- Business Networking Event - Wednesday, October 15th at 6:30 pm. Make new contacts and learn how Affinity can help your business grow.
- Franchise Ownership Workshop - Tuesday, November 11th from 6:30 pm - 8:30 pm. Learn the common myths and misconceptions about franchises, franchise opportunities, legal obligations of owners and financing options.

Stay tuned for information about our Grand Opening celebration, which will feature special offers and giveaways. For more information on the Affinity Flemington Branch, visit [www.affinityfcu.org/flemington](http://www.affinityfcu.org/flemington) or call 800-325-0808, ext. 3550.

## Community News

### Taking Political Action – Affinity continues to build support in order to protect credit unions.

Affinity's primary focus has always been the financial health and well-being of our members. This includes protecting your interests in the political arena.

Affinity's Political Action Committee (PAC) and Regulatory and Political Issues Committee work together to educate legislators about the benefits of credit unions. We meet with legislators to explain what credit unions are, how they differ from banks, and how that difference benefits families across America. As a result, many legislators have pledged their support for regulatory relief, including the retention of the credit union tax exempt status. Affinity supports these Congressmen and we urge you to consider how their support plays a large role in the continuing strength of your rights as a credit union member.

Is your Congressman supporting credit unions? Here are a few of the New Jersey legislators that do support credit unions:

- Congressman Rob Andrews (D-District 1)
- Congressman Frank LoBiondo (R-District 2)
- Congressman Scott Garrett (R-District 5)
- Congressman Frank Pallone (D-District 6)
- Congressman Michael Ferguson (R-District 7)
- Congressman Bill Pascrell (D-District 8)
- Congressman Steve Rothman (D-District 9)
- Congressman Donald Payne (D-District 10)
- Congressman Rodney Frelinghuysen (R-District 11)
- Congressman Rush Holt (D-District 12)
- Congressman Albio Sires (D-District 13)

## Thank You for Choosing Affinity

Since the last edition of *Affinity Connections*, the following companies have joined the Affinity Federal Credit Union family as Select Employee Groups (SEGs). We'd like to thank you for choosing Affinity. If you know of a business that wishes to take advantage of offering the benefit of Affinity membership to their associates, please have them call 800-325-0808. We'll be happy to talk to them about the Affinity Federal Credit Union difference.

AG Transport, LLC  
Alchemy United  
America Healthcare Inc.  
Anderson Ward  
Plantscapes, Inc.  
Andrews Plumbing &  
Heating Company  
Applied Retail  
Technologies LTD  
April's Creations  
Atlantic Rheumatology  
and Osteoporosis  
Associates, P.A.  
AUMTECH, Inc.  
Awl Facility Management  
Bernards Sports Chiropractic  
& Physical Rehabilitation  
Bfade Services, LLC  
Books To Books, LLC  
Borough of Glen Gardner  
Borough of New Providence  
Bridgewater Veterinary  
Hospital  
Bristol Management  
Consultants, LLC  
C. Blue Group, LLC  
Car Toyz of NYC, LLC  
Cardinal Technology  
Solutions, LLC  
Casa Colombo  
Civic Association  
CCW Car Service, LLC  
Center for Advanced  
Training & Studies  
Choice Cuts Barbershop  
Citizen Scales Inc.  
Compass Maritime Services, LLC  
Convenient Power Equipment  
DeSantis Construction, Inc.  
DJ Sweets Entertainment  
Document Solutions  
DT General Contracting, LLC  
Dumiec Holdings of  
New Jersey, Inc.  
Edgerton Realty Corp  
Elements of Beauty  
Equitable Metropolitan  
Realty, LLC

Faithful Hands Power  
Washing, LLC  
Fito's Transport, Inc.  
Franklin Communication  
Strategies, LLC  
G Lyfe Entertainment, LLC  
Gamma 88 Inc.  
Garden of Beadin, LLC  
GEO Services, LLC  
Glen Gardner Fire Company  
Gloriata Clinical Services, LLC  
Gostyla Limited Liability  
Company  
Grass Roots Lawncare &  
Garden Svc.  
Guidolicious  
Hair Affair At The Carter  
Henry & James Pavenski  
Modern Home Const. Co.  
Holiday Creations  
Holly Consulting  
Home Décor Designs, LLC  
Hope House  
Horizon Landscape Company  
Hunterdon Central Jr. Devils  
Youth Football Club  
HYJ Partners/DBA Municater  
Indigo Restaurant, Bar Catering  
IQE RF, LLC  
ITV Ventures Products  
J.J.L.L., Inc.  
Joseph's Landscaping, Inc.  
Kenneth B. Beckman  
Dental Clinic  
Keystone Plastics Inc.  
KGH Enterprises, LLC  
Knobbery.Com., LLC  
Knowlton Construction, LLC  
Law and Mediation of  
Michelle Leonard  
Link High Tech.  
Manik Media, Inc.  
Mayer Catering  
McDonald's Rockaway  
Media Logic, Inc.  
Millionaire Holdco, LLC  
Milon Builders, LLC

Mom's Against Predators  
Niros Colonial Corner  
Autobody, Inc.  
Office Solutions, Inc.  
Pawtastic Pet Sitting, LLC  
PBR Group, LLC  
Perfect Storm Apparel, LLC  
Perfection Detailing  
Photografism  
Plaza Lanes Inc.  
PRUDENTMD  
R&N Transport, LLC  
Revelation Kids, LLC  
Riverview Lawns, LLC  
RMKANE Consulting, LLC  
Sam Ash & Company  
Sandello's Plumbing & Heating  
SeaGate International, LLC  
Sincere Legends  
Sneha Software Solutions  
SPG Tennis  
Stinky Pete's Grooming  
Salon, LLC  
STL Systems, LLC  
Storage Assets, LLC DBA  
Lackland Self Storage  
Taamba Hardware Company  
Tents, Chairs & Party  
Wares, Inc. T/A Adams  
Rental & Sales  
The Historical Society of  
the Somerset Hills  
The Trademark Company, LLC  
Tony R. Construction, Inc.  
Total Health Physical  
Medicine &  
Rehabilitation Center  
Totowa Pediatric Group  
Township Of Mt. Olive  
Tradition Home  
Remodeling  
Unclejesses Travel/  
World Ventures  
Vision Systems Group, Inc.  
Whitlock Packaging  
Corporation  
World Gym  
Z Mark, LLC

# FOR YOUR CONVENIENCE

Here is a listing of Affinity Public Access Branches and their hours:

## Mountain View Branch

### Mountain View

Corporate Center  
73 Mountain View Blvd.  
Basking Ridge, NJ 07920

Lobby  
Monday-Wednesday, Friday,  
8:30-4:00  
Thursday, 8:30-6:00  
Saturday, 9:00-1:00

Drive Up  
Monday-Friday, 8:30-6:00  
Saturday, 9:00-1:00

## Bedminster Branch

1520 Route 206 North  
Bedminster, NJ 07921

Lobby  
Monday-Wednesday, Friday,  
8:30-4:00  
Thursday, 8:30-6:00  
Saturday, 9:00-1:00

Drive Up  
Monday-Friday, 8:30-6:00  
Saturday, 9:00-1:00

## Cedar Knolls Branch

Morris County Mall  
235 Ridgedale Ave.  
Cedar Knolls, NJ 07927

Monday-Friday, 8:30-6:00  
Saturday, 9:00-1:00

Denville Branch  
Saint Clare's Hospital  
25 Pocono Road  
Denville, NJ 07834

Monday-Wednesday, Friday,  
8:30-4:00  
Thursday, 8:30-6:00  
Saturday, 9:00-1:00

Dover Branch  
Saint Clare's Hospital  
400 W. Blackwell Street  
Dover, NJ 07801

Monday-Wednesday, Friday,  
8:30-4:00  
Thursday, 8:30-4:30

Hillsborough Branch  
Hillsborough Promenade  
315 Route 206 North  
Hillsborough, NJ 08844

Monday-Wednesday, Friday,  
8:30-6:00  
Thursday, 8:30-7:00  
Saturday, 9:00-1:00

## Middletown Branch

Country Square  
Shopping Center  
1860 Route 35 South  
Middletown, NJ 07748

Monday-Friday, 8:30-6:00  
Saturday, 9:00-1:00

Morristown Branch  
Country Mile Village  
1098 Mt. Kemble Ave.  
Morristown, NJ 07960

Lobby  
Monday-Thursday,  
8:30-4:00  
Friday, 8:30-5:00  
Saturday, 9:00-1:00

Drive Up  
Monday-Friday, 8:30-6:00  
Saturday, 9:00-1:00

New Providence Branch  
A & P Shopping Center  
598 Central Ave.  
New Providence, NJ 07974

Monday-Friday, 8:30-6:00  
Saturday, 9:00-1:00

Paramus Branch  
AT&T Wireless  
15 East Midland Ave.  
Paramus, NJ 07652

Monday-Wednesday, Friday,  
8:30-4:00  
Thursday, 8:30-5:30

Piscataway Branch  
Next to IHOP  
1342 Centennial Ave.  
Piscataway, NJ 08854

Lobby  
Monday-Wednesday, Friday,  
8:30-6:00  
Thursday, 8:30-7:00  
Saturday, 9:00-1:00

Drive Up  
Monday-Wednesday, Friday,  
8:00-6:00

Thursday, 8:00-7:00  
Saturday, 9:00-1:00

Not near one of these branches? You can also access your accounts via 50,000 surcharge-free ATMs, 1,700 shared branches, or through Internet Home Banking. For information, visit [www.affinityfcu.org/locator](http://www.affinityfcu.org/locator).

CONTACT US ONLINE OR BY CALLING OUR MEMBER SERVICE CENTER:

[www.affinityfcu.org](http://www.affinityfcu.org) | 800-325-0808



73 Mountain View Blvd.  
Basking Ridge, NJ 07920

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Warminster, PA



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