

affinity

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connections

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PLUS!
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DATE IDEAS**



Affinity
Federal Credit Union

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New Year, New Finances



Dear Fellow Affinity Member,

If the past couple of years have taught us anything, it's that we need to be prepared for financial ups and downs. As the economy continues its bumpy recovery and we embark on a new year, I encourage you to take steps to plan for the future – no matter what it holds. Review your finances to see if and where you have faltered, and what helped you succeed.

If you haven't already, try to start an emergency fund. If you have a savings cushion, work on growing it.

High unemployment rates highlight the need for substantial reserves to help soften the blow of economic volatility. In fact, most experts recommend saving six to nine months' worth of living expenses in a liquid savings account. That may seem like an overwhelming objective, but putting away money each pay period with direct deposit or automatic transfer into savings can help you reach your goal over time.

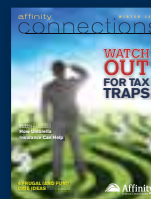
Of course, spending is another habit that Americans have changed. More of us recognize that patience is a virtue, especially when it comes to buying high-ticket items. By cutting back on certain extravagances (dining out, new clothes, deluxe cable) and putting that money aside, you can pay cash for items that you might otherwise have charged. Avoiding the high rates of some credit cards can save you hundreds in interest.

NEED A LITTLE GUIDANCE?

Focusing on short-term goals – your resolutions for 2012, for example – can improve your financial picture. Be sure to mix in some long-term goals as well. Can you afford to boost the contribution rate on your retirement accounts? Are you on track to reach your college savings goals for your child? Reviewing your situation with a financial advisor can help make sure your money is working for you. See our story on page 10 for more on the importance of financial planning. Implementing a strong financial plan can help you avoid past mistakes and discover new tools and resources to help you get ahead.

Sincerely,

John T. Fenton
President & CEO
Affinity Federal Credit Union



Your favorite magazine, *Affinity Connections*, is available online. Current and past issues are just a click away for you to reference great tips, knowledge and advice, and to enjoy time and time again. Just visit: affinityfcu.org/connections.



LATE-BREAKING NEWS

AFFINITY SCHOLARSHIP PROGRAM APPLICATIONS AVAILABLE SOON

Applications for the 2012 Affinity Scholarship Program will be available in mid-February. Offered through the Affinity Foundation, the program is open to graduating high school seniors who are U.S. citizens or U.S. resident aliens and are members of Affinity in good standing. Applicants must use the scholarship to attend an accredited two-year or four-year college or university. Visit affinityfcu.org/foundation for more information.

AFFINITY CONNECTIONS MAGAZINE IS GOING GREEN IN 2012!

Many of our members already receive our monthly emailed newsletters – the *Affinity Member Bulletin* and the *Affinity Business Bulletin* (for our members who own businesses) – which include educational content on financial topics, including many of the articles we also feature in *Affinity Connections* magazine.

In the spirit of going green, reducing paper and improving efficiency, we plan to completely transition our *Affinity Connections* magazine to email/online in 2012. That means you'll still be able to receive the same useful articles and updates, but you'll receive them electronically instead of by mail. It also means we can provide that content to you more quickly, because electronic newsletters take much less time to develop and distribute than a magazine that needs to be printed and mailed.

But you do need to take action! If you are not already receiving our emailed *Affinity Member Bulletin* or *Affinity Business Bulletin*, you can get on our mailing list by calling our Member Service Center at 800.325.0808 and providing us with your email address.



We look forward to continuing to provide you with insightful and educational financial content via email/online in the coming year.



FOUNDATION NEWS

MORRIS COUNTY ORGANIZATION FOR HISPANIC AFFAIRS ADVANCING BICULTURAL EXCHANGE IN THE COMMUNITY

The Morris County Organization for Hispanic Affairs (MCOHA) devised an ambitious plan to mark its 35th anniversary. In addition to its annual recognition gala, MCOHA – which provides low-income home energy and weatherization assistance programs, community outreach, education and transportation services – hosted an education forum on May 14 at the County College of Morris and a community street festival on August 27 in Dover, NJ. The events focused on empowering minorities in America, and the Affinity Foundation was proud to participate in each one.

"MCOHA is an exceptional organization, and we're pleased to have them as a core community partner," says Beth Degnan, Executive Director, Affinity Federal Credit Union Foundation. "The programs and services MCHOA brings to Morris County citizens are very relevant, well-administered and well-received by those that they serve. We were incredibly honored to receive special recognition at this year's annual gala on October 22 for our commitment to the organization over the years."

EARNING TRUST

The relationship with MCOHA began about eight years ago. Affinity hoped to serve the emerging Hispanic marketplace, and recognized that it needed to become educated about and acclimated in the

Former MCOHA board chairman Alberto Olarte with Beth Degnan, Executive Director, Affinity Federal Credit Union Foundation, at the annual gala.



culture in order to earn the trust of the community. "Before we could serve the community, we needed to be welcomed – not the other way around," Beth says.

The organization fit well into the Affinity Foundation model of partnering through volunteerism. "We call it walking the dollars," Beth explains. "We don't just come in and pose for a photo opportunity. We work together." To that end, Affinity participates in MCOHA events such as the street festival, where it hosted a refreshment table, and the education forum, in which Beth spoke about financial literacy. Affinity also supports MCOHA's home energy assistance program by taking care of the clerical work of compiling the application packages.

To learn more about the Affinity Foundation and its other core community partners, visit affinityfcu.org/foundation. If you would like to contribute to the Affinity Foundation, make your check payable to Affinity Federal Credit Union, Attn: Affinity Foundation, P.O. Box 621, Basking Ridge, NJ 07920. You can even earmark the funds specifically for MCOHA, and we'll direct 100% of the funds to the organization.

WATCH OUT FOR THESE TAX TRAPS

No matter which side of the tax debate you fall on, you probably don't want to pay more than your fair share. You can help avoid handing over too much of your hard-earned money to Uncle Sam by watching out for these tax traps:

Leaving FSA money on the table. If you contribute to an employer-provided flexible spending account (FSA) for medical expenses or child care, be sure to use up your funds by the deadline. An FSA provides a great way to spend pretax money on eligible expenses, but if you don't use it, you lose it. Generally, you have until the end of the plan year to spend the money, although employers have the option of allowing a two-and-a-half month grace period. For example, if you're on a calendar-year plan with a grace period, you may have until mid-March 2012 to deplete your 2011 FSA.

TIP Consider purchasing new eyeglasses, contact lenses or eligible medical equipment such as a blood pressure monitor if you need to use up FSA money and don't have more pressing medical issues. Note that, as of January 1, 2011, you can no longer use an FSA to purchase over-the-counter drugs, with the exception of certain diabetic supplies, without a prescription. Your plan should provide a list of eligible expenses.

Missing out on the gift tax exclusion. In 2011, you can give up to \$13,000 (\$26,000 if your spouse joins you in the gift) to as many people as you like without triggering a gift tax.* But if you don't use up the current year's exclusion, it's gone. You can't carry it over to the next year. Gifting each year can help reduce the size of your estate

FAST TAX FACTS

- The average refund for the 2010 tax season was \$3,003.
- In 1913, the highest tax bracket was 7%. Fifty years later, in 1963, the highest tax bracket was 91%.
- In 2011, the highest individual income tax bracket is 35%.
- In 1986, the first year it was available, the IRS processed 25,000 electronic returns. In 2010, it processed more than 100 million electronic returns out of a total of 142 million returns.

Source: Internal Revenue Service, irs.gov.



GET YOUR REFUND IN A FLASH

You can get your tax refund faster by taking advantage of electronic filing and electronic deposit into your Affinity account. According to the IRS, e-filers who use direct deposit may receive their refunds in as few as 10 days.*

To have your refund directly deposited into your Affinity account, simply enter your account number and the Affinity routing number – **221283512** – on your income tax return.

For speedy tax preparation the do-it-yourself way, Affinity offers TurboTax® Online within Online Banking. Affinity members receive a 15% discount off the standard TurboTax® pricing for federal returns (visit affinityfcu.org/tax.)

* Source: Internal Revenue Service, irs.gov.

IT'S NOT TOO LATE FOR A 2011 IRA

You have until tax-filing day (April 17, 2012) to open and contribute to an IRA for 2011. You can also contribute to an IRA for 2012 starting on January 1, 2012.

For information on Affinity IRAs, call **888.734.1300**, visit affinityfcu.org/ira or stop by an Affinity branch.

Securities and investment advisory services offered by Affinity Investment Services, LLC, 73 Mountain View Boulevard, Basking Ridge, NJ 07920, member FINRA/SIPC. Investments offered by Affinity Investment Services are not deposits or obligations of Affinity Federal Credit Union. They are NOT NCUA INSURED and NOT GUARANTEED by Affinity Federal Credit Union or any governmental agency and are subject to INVESTMENT RISK, including LOSS OF PRINCIPAL. Investments may lose value. Affinity Investment Services, LLC, is a wholly owned subsidiary of Affinity Federal Credit Union.

and potential estate taxes. With the current threshold at \$5 million, most of us don't need to worry about estate taxes. But the current law is in effect only through 2012, and we can't predict what will happen after that.**

the requirements to take an American Opportunity Credit of up to \$2,500. You can't take both.

You may assume that the deduction is worth more, but in general, the credit will result in the lower tax bill.

TIP If you pay higher education or medical expenses on behalf of someone directly to the institution, your gift is not limited by the annual exclusion amount.

Failing to save for retirement. If you make pretax contributions to an employer-sponsored retirement plan at work, you'll reduce your current tax bill and enjoy tax-deferred savings for retirement. If you put money into a traditional IRA, your contribution may be tax-deductible and your earnings grow tax-deferred. Because your account is not reduced by taxes each year, your money compounds faster than it would in a taxable account earning the same rate of return. For example, suppose you save \$2,000 a year for 30 years, it earns an average annual return of 6% and you are in the 25% tax bracket. In a tax-deferred account, you could accumulate \$167,603 compared with \$127,505 in the taxable account.***

Note that a Roth account does not allow pretax or tax-deductible contributions and won't lower your current tax bill. But there are other tax advantages with a Roth, so talk to a tax advisor about which type of account is better in your situation.

TIP If you are a low- to moderate-income taxpayer and you contribute to an employer-sponsored retirement plan or an IRA, you may be eligible for a tax credit for up to \$1,000.

Choosing a tax deduction over a tax credit. In general, tax credits are more valuable than tax deductions. Deductions reduce the amount of income subject to taxation, but credits reduce the amount of tax owed. This is a critical difference. For example, suppose you are eligible to take a tax deduction for payment of qualified college tuition and fees, a maximum of \$4,000. But you also meet

TIP If you are eligible for a deduction and credit that can't be taken simultaneously, calculate your tax bill both ways to compare which is more valuable to you. A tax advisor can help you with this.

Forgetting to adjust your basis. If you've sold appreciated investments such as stocks, you will need to pay taxes on the difference between your basis (cost) and the sale price. However, you can adjust your basis by adding costs such as commissions and transfer fees to the purchase price. This reduces the amount of your gain, thus lowering the tax bite.

TIP You must choose an IRS-approved method for identifying the basis of the shares you sell. With specific identification, you identify shares by their purchase date and price paid. This method may give you the most flexibility in controlling taxes, but consult your financial and tax advisors before selling shares.

MAKE TAX TIME LESS TAXING

Figuring out your best tax moves can be a challenge. If you need trusted, personal tax services, consider the Affinity CPA Partners.† For a referral to an Affinity CPA Partner, call **800.325.0808** or visit us online at affinityfcu.org/tax.

* This is the amount for 2011. The gift tax exclusion is indexed to inflation.

** The estate tax exemption for 2011 and 2012 is \$5 million (\$10 million for married couples). Under the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, this rate expires at the end of 2012 unless new legislation renewing it is enacted.

*** Rate of return is hypothetical and is not meant to represent the return of a specific investment. Taxes will be due upon withdrawal at retirement at ordinary income tax rates. Premature withdrawals may be subject to a 10% tax penalty.

† Tax preparers are independent contractors, experienced in income tax preparation. Tax services are not provided by nor supervised by Affinity Federal Credit Union or Affinity Investment Services, LLC.

Bust the Midwinter Blues

As Claudia prepares to ring in the New Year and hammer out resolutions for 2012, the air is celebratory and her outlook is optimistic. She will get fit. She will improve her eating habits. She will curb her spending.

Fast forward a few weeks, and the mood changes. She has yet to visit the gym. Fresh veggies languish in the fridge as junk food disappears from the pantry. Holiday bills have clogged her mailbox. Her outlook has taken a turn for the worse.

Claudia is not alone. In fact, the third Monday in January is known to many as “Blue Monday” as holiday bills are due, the days are short and all the joyful holiday revelry has evaporated (along with the commitment to New Year’s resolutions, for many). But with a little preparation and know-how, you may be able to avoid those midwinter blues. Diane Boyer, Budget and Credit Team Leader, Affinity Federal Credit Union, offers solutions to a few of the more common post-holiday financial frustrations.

PROBLEM

You charged up your high-interest credit cards when purchasing gifts, and now you’re drowning in holiday debt.

Resolve to: Consolidate your debt into a lower-interest loan. You’ll pay less in interest and enjoy the convenience of just one monthly debt payment. “For those who own a home and have built up equity, using a home equity loan or line of credit to refinance the debt may offer a significantly lower interest rate and allow you to deduct the interest paid from your taxes,” Diane explains. “But you’re also using your home as collateral, which means if you can’t make the payments, your home is at risk.” Other options for consolidating debt may be to transfer the balance to a lower-rate credit card or use a personal loan or line of credit.



RESOLVE TO GET FINANCIALLY FIT

Affinity can help you manage your debt and get financially prepared for the next holiday season and beyond. We make it easy to consolidate your high-interest debt to a low-rate Affinity Visa® credit card, and we don’t charge a balance transfer fee. Our Debt Consolidation Loan can also help you consolidate monthly payments so you don’t waste time and money managing multiple debts with multiple rates. To discuss your credit card or debt consolidation loan options, call **800.325.0808**.

If you need help improving your overall financial picture in the coming year, contact us about our BALANCE™ and B.A.S.E.S. programs. BALANCE™ Financial Fitness Program is a free, over the phone, financial education service that can help you assess your finances and suggest steps to improve your situation. Call **888.456.2227** or visit www.balancepro.net. B.A.S.E.S. (Budget and Score Enhancement Service) connects you with a certified financial Coach who can meet you in-person at any branch location. Call **800.325.0808** or visit affinityfcu.org/financialwellness to make an appointment.

PROBLEM

You didn’t see these financial problems coming.

Resolve to: Keep better track of your spending with online tools. Sites like Mint.com offer a simple way to track your spending, and even compare it to that of others who use the software. Just enter user names and passwords for your credit cards, and Mint pulls your transaction data into one centralized location and sorts it into spending categories. “The resulting picture can give you a valuable snapshot of your spending habits and highlight areas that need work,” Diane says. “Most financial institutions also offer robust online banking tools that allow you to review transactions and account balances anytime on your home computer or mobile device.” Like Mint.com, Affinity offers an online account overview tool – FinanceWorksSM within Online Banking.

PROBLEM

You’re afraid you will be in the same financial boat next year.

Resolve to: Save ahead of time and give the credit cards a rest next holiday season. “Consider opening a savings account reserved solely for holiday spending,” Diane suggests. “Use direct deposit or automatic fund transfer to deposit a set amount into the account every month. Then leave it undisturbed to earn interest until you’re ready to start next year’s holiday shopping. Getting your debt under control may just help provide the inspiration you need to accomplish your other resolutions, as well!”

* Affinity Federal Credit Union does not offer tax advice. See your tax advisor with questions about your situation.

Websites not belonging to this organization are provided for information only. No endorsement is implied.

Edison Branch

Outreach Programs Foster Community Spirit

Fifteen years ago, Valerie Latham began working at Affinity Federal Credit Union as a part-time teller. "I'd been a stay-at-home mom for 11 years and when my youngest was in first grade I started working at Affinity," Valerie recalls. "Affinity gave me the opportunity and training to move up. So, as my daughter got older and I could work full-time, I moved into a management role," Valerie explains. Now a Member Experience Officer at the new Edison Branch, Valerie relishes using her role to bring to the Edison community the same opportunities for learning and growth that Affinity has given her.

OUTREACH PROVIDES COMMUNITY EDUCATION

Since the Edison Branch opened in May, Valerie and her staff have been active in the Edison community, building new business relationships and finding ways for Affinity to take part in community life. "Part of my role is reaching out to our new community, growing our membership here and looking for ways to get involved," Valerie explains. One area of keen interest to Valerie is developing business relationships with nonprofits in the area. "Working with nonprofits is where my passion lies," Valerie admits.

"A group that we've been working with through the Affinity Foundation is WorkFirst," Valerie says. WorkFirst is a state-mandated program for recipients of public assistance. "We provide financial literacy classes for participants," Valerie explains. With classes on predatory lending, budget and credit score enhancement, and improving interview skills, Affinity is able to provide the financial education that may help those on public assistance move toward financial independence. "Our classes are absolutely helpful," Valerie says. "We get really positive feedback from participants and coordinators, who tell us they love it when we come in to teach and ask when we're coming back again."

Another nonprofit with which the Edison Branch works closely through the Affinity Foundation is the Alliance for Disabled in Action. "Their name says it all," Valerie explains. "They provide support for the disabled within the community. And we do educational sessions, or 'lunch and learns,' for their staff and their members." For Valerie and the staff of the Edison Branch, Affinity's outreach programs are part of what it means to belong. "Our work is about being involved in the community where we're located."



From left to right: Nicole Stovall, Branch Operations Supervisor; Valerie Latham, Member Experience Officer; and Nikki Costa, Relationship Manager, at the Affinity Federal Credit Union Edison Branch.

EDISON BRANCH

Mon–Wed, Fri, 8:30-6:00

Thu, 8:30-7:00

Sat, 9:00-1:00

2190 Route 27, Edison, NJ 08817

800.325.0808, ext. 3571

Did You Know?

WE ARE HERE, THERE AND EVERYWHERE!



CU SERVICE CENTERS
The Member-Friendly Financial Network

If you're not close to one of our Affinity Branches and need to perform a transaction, there's no need to panic! We belong to a shared branching network of more than 4,100 credit union locations. With shared branching, credit unions from all over the country share facilities to give members thousands of convenient locations to perform transactions just as if they were in their home credit union. At a shared branch, you can conduct a range of transactions, such as:

- Deposits
- Withdrawals
- Loan Payments
- Transfer money between accounts
- Obtain a cashier's check
- And more!

BE PREPARED

Before you go on your next trip, log on to affinityfcu.org/locator to find the shared branching location nearest your destination. You can leave town with the assurance that you'll have access to a branch almost everywhere. You'll just need two things to access your account: your Affinity member number and a valid U.S./state government-issued picture ID.

For more information about shared branching, call **800.325.0808** or stop by the closest branch.



When It Rains, It Pours

How Umbrella Insurance Can Help

Fender bender on the road? Hail damage to your home? There's peace of mind knowing you're covered financially for these kinds of setbacks with the appropriate homeowners and auto insurance coverage. However, homeowners and auto insurance may not be enough when major accidents or disasters happen, and that's when umbrella insurance can close the gap.

Umbrella insurance provides additional coverage for the unfortunate and unthinkable – yet all too common – scenarios in life. “If you're involved in an auto accident where others are seriously injured or killed, or you host a party at your home where someone gets hurt, for example, you could be liable for amounts that exceed your insurance coverage,” explains Michael Harvey, Vice President & Program Manager, Member Alliance Insurance. “Without additional coverage, the results could be financially disastrous.”

RAINY DAY PROTECTION

Umbrella insurance, sometimes called personal liability insurance, is designed to cover catastrophic situations where a legal award could exceed the limits of your auto or homeowners insurance. It is generally sold in increments of \$1 million worth of coverage and goes into effect only once the primary insurance limit is reached.

For example, suppose someone is injured on your property and successfully sues you for \$500,000. If your homeowners policy limit is \$300,000, you'd be personally responsible for the remaining \$200,000, plus the deductible amount on your primary insurance. However, if you also have a \$1 million umbrella policy, you would be completely covered except for the deductible amount.

To qualify for umbrella insurance coverage, you must have primary insurance (homeowners and/or

auto) that meets a certain level of liability coverage as determined by the insurer.

DO YOU NEED UMBRELLA INSURANCE?

A better question may be: How much do you have to lose? Your personal assets, including savings, investments and property – even future wages – could be at risk in a personal liability lawsuit. “You don't need to be wealthy to benefit from umbrella insurance, but the more assets you have, the more at risk you are for a lawsuit,” Michael says. “Even if you don't have significant assets, it's possible a judge could garnish your future wages to cover an award that exceeds your primary insurance coverage.”

Regardless of your net worth, there are certain risks that may warrant the need for additional coverage such as umbrella insurance. For example, if you:

- Own a pet or pets that may bite or otherwise injure someone.
- Own ATVs, snowmobiles or other recreational vehicles.
- Have recreational equipment (such as a swimming pool or trampoline) on your property.
- Are in certain professions or high-profile positions, such as physician, attorney or politician.

Depending on the policy, umbrella insurance may also cover being sued for libel, slander, defamation of character, wrongful eviction or invasion of privacy.

ASSESS YOUR COVERAGE

Be sure to review your current homeowners and automobile insurance coverage with your insurance agent to see if you have adequate primary coverage, and ask about adding umbrella insurance. Premiums are generally very affordable, usually costing just a few hundred dollars a year for \$1 million of coverage, with additional \$1 million increments costing even less. It's a small price to pay for additional peace of mind.

MOST COMMON CAUSES OF HOMEOWNERS INSURANCE LOSSES

Cause	Average Loss
1. Wind and hail	\$6,881
2. Water damage and freezing	\$6,347
3. Other property damage	\$4,083
4. Theft	\$2,805
5. Fire, lightning and debris removal	\$27,691
6. Bodily injury and property damage (liability)	\$18,050



Source: Insurance Information Institute, iii.org/media/facts/statsbyissue/homeowners. Figures are a weighted average from 2005-2009, for homeowners multiple peril policies excluding tenants and condominium owners policies.

Distracted Driving

ARE YOU HEADED FOR A CRASH?

Driver distractions or inattentive driving are involved in one out of four motor vehicle crashes, according to the National Highway Traffic Safety Administration (NHTSA). That adds up to more than 1.5 million accidents annually and 4,300 collisions every day. And many of those crashes are severe. In 2008, nearly 6,000 people died in accidents involving a distracted driver.* Although distracted drivers can be any age, the highest proportion of fatalities involves younger, less experienced drivers under 20 years old.**

Texting, Talking, Grooming

Distractions usually fall in one of three categories. For example:

Visual – Taking your eyes off the road to view an offer in a store you pass.

Manual – Removing hands from the steering wheel to grab a cell phone and text.

Cognitive – Letting your mind wander as you think about an irritation at work.

Any distraction can risk a driver's safety. However, texting leads the pack since it is the fastest growing trend – as well as the most dangerous because it involves all three types of distraction.

Practice Safe Driving

There are many things you can't control when driving – road conditions, the weather and other drivers – but your attentiveness is under your control. The Insurance Information Institute encourages attentive driving by following these tips:

- Never call or text when driving. Pull off the road to a safe location.
- Let your phone's voice mail pick up your calls and listen to them after you've stopped.
- Avoid eating or drinking while driving. Hot or cold spills will distract you.
- Groom yourself before leaving home.
- Make sure you and your passengers use seatbelts at all times.

You can help keep yourself, your passengers and other drivers around you safer by concentrating on your driving at all times.

* Source: National Highway Traffic Safety Administration.

** Source: U.S. Department of Transportation, distraction.gov.



READY TO CHECK YOUR COVERAGE?

An Affinity Insurance Specialist can help you review your current homeowners and auto insurance to ensure you have adequate coverage. He or she will also be happy to review your financial situation and liability risks to see if umbrella insurance may be appropriate for you.

Call us at **800.325.0808**.

Or visit online at affinityfcu.org/insurance.

LESSONS FROM TV

LIFE WAS SIMPLE ON 1980s TV SHOWS. IN AN HOUR'S TIME, ANY MESSY SITUATION COULD BE RESOLVED BY THE A-TEAM OR MACGYVER OR MICHAEL KNIGHT AND KITT WITH JUST A PLAN AND THE GUMPTION TO CARRY IT OUT. IF YOUR FINANCES ARE IN A STATE OF CONFUSION OR TROUBLE, TAKE A LESSON FROM TV'S HEROES – MAKE A PLAN AND ACT ON IT.

“**D**eveloping a financial plan is the best way to create financial stability for yourself and to achieve your financial goals,” says Renée Vanek, President, Affinity Investment Services.

YOU'LL LOVE IT WHEN A PLAN COMES TOGETHER

“Often, people have a general sense of how much money they make and a hunch that they should spend less or save more,” says Renée. “But until they take the time to look at actual numbers and identify their goals, most financial decisions are reactionary and dreams are put off until ‘someday’ in the future.” With a financial plan, you can:

- **Find direction.** A dreamy future paradise becomes a target toward which you are actively taking aim, whether it's a long-term goal like retirement or a short-term plan for a family vacation.
- **See the big picture.** Individual financial decisions, even small ones, have meaning when you can see how they affect your overall financial well-being and ability to achieve your goals.
- **Build financial security.** A turbulent economy may affect your bottom line, but a sound financial plan means you're prepared for the unexpected.



MACGYVER YOUR MONEY SITUATION

“When it comes down to me against a situation, I don't like the situation to win.” – Angus MacGyver

Duct tape and a Swiss Army knife may not do much for your financial plan, but a MacGyver-like attitude toward your finances will. “The big picture can seem so intimidating that people don't know how to begin making a financial plan,” says Renée. Start like MacGyver would: right now and using what you have. “A financial plan really helps you marshal your resources and gives you a means of achieving your goals.” Make your financial plan easier to tackle by breaking the process into achievable steps.

- 1 Determine where you stand.** “Crunch the numbers and find out exactly what your income is, what your debts are and the state of any other accounts or policies you have,” Renée suggests.
- 2 Quantify your goals.** “Knowing the concrete dollar amount required to meet your goals grounds your dreams in reality and allows you to see where the finish line is,” Renée explains.
- 3 Make a plan.** Once you see where you are and where you want to be, solutions for paying debts or saving for goals become apparent.
- 4 Implement the plan.** “This is a really important step,” Renée stresses. “Usually people are eager to get started and after a few months, the plan becomes habit and people can see they are chipping away at problems or moving toward their dreams.”
- 5 Reevaluate the plan periodically.** “Situations change and a new job, an inheritance or the birth of a child can alter where you want to go and how you'll get there,” Renée says.

How a Financial Plan Can Take You from **Dreaming to Doing**

IN THE DRIVER'S SEAT

Michael Knight may have been a crime fighter, but it was a virtually indestructible, artificially intelligent supercar named KITT that made him Knight Rider. Much like KITT, a financial planner can be the vehicle that takes your plan from solid to superlative. You still set the agenda, but a financial advisor can bring his or her experience to bear on your financial situation, offering guidance, saving you time and helping you pull together your assets, liabilities, investments, retirement plan, tax plan, estate plan and insurance so you're taking full advantage of each to move toward your goals. And while busyness and life events may sidetrack you, a financial advisor will keep his or her scanners peeled to ensure that you're on the right course and help you adjust your plan as life changes. Whether you enlist the support of a financial advisor or decide to go it alone, a financial plan is the first step to being the hero in your own financial success story.

For a complimentary portfolio review, consider contacting an Affinity Investment Services Financial Advisor. For more information about our licensed Financial Advisors, visit affinityfcu.org/aisadvisor or call 888.734.1300.

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TIPS FOR HIRING A FINANCIAL ADVISOR

Finding a good financial advisor can be challenging. To find a reputable financial advisor who's right for your needs:

- Ask friends for references.
- Know how the advisor is paid for his or her services and determine what you are most comfortable with.
- Think twice about hiring friends and family. The business relationship could affect your personal relationship.
- Interview at least three advisors to find the one who is most compatible with your style.
- Once you've narrowed down your choices, ask for references and call existing clients to see if they are satisfied with the financial advisor's work.

Should You Take Your Business to the Cloud?

Cloud computing is one of the fastest growing areas of information technology, with a projected annual growth rate that's five times greater than the projected growth rate for traditional IT products.* The buzz about the cloud is indisputable, but does hitching your business to cloud computing make solid business sense?

Cloud computing allows businesses to access software applications and store data through a service delivered via the Internet. Cloud computing replaces on-site hardware and software with a virtual network accessible from any network device, be it desktop, laptop or smartphone.

ON CLOUD NINE?

Cloud technology automates what used to be a physical process, which may create savings and flexibility for businesses. Cloud computing may allow businesses to:

- **Save money** by eliminating the need to invest in hardware, software, servers and networks, or fund their maintenance and administration.
- **Save time.** Changing or upgrading software can be done quickly through the cloud.
- **Adapt.** Easy accessibility and the ability to scale cloud usage up or down depending on need allow businesses to make IT adjustments without a big financial investment.

OR UNDER A CLOUD?

Skeptics of cloud technology point to the dangers of depending on a third party for crucial business services. Lack of control over your own network and data could raise legal and compliance issues, as well. Furthermore, cloud computing is not above the potential problems regular on-site systems face. Glitches or human error may disrupt services, resulting in lost data or lost access to necessary applications and bringing business to a screeching halt.

THE BEST OF BOTH WORLDS

Baby steps into the cloud may be an ideal way to find the silver lining without much initial risk. Consider buying space on the cloud to back up on-site data centers and, in the process, secure a failsafe if either system goes down. Or use software as a service. Email or office applications that typically reside on a computer or laptop can be accessed through the cloud with any network device. Easing into the cloud may allow your business to enjoy the flexibility of cloud technology without having to leave solid ground.

* Source: International Data Corporation, idc.com.

IS IT RIGHT FOR YOU?

There is no easy answer. To determine whether it's right for you requires substantial research to clarify your business needs and understand the capabilities of cloud computing models and providers.

Cloud computing may be a good option if ...

- ☑ Points of integration are well defined
- ☑ Lower level of security is sufficient
- ☑ Web is the desired platform
- ☑ Cost is an issue

Think twice if ...

- ☹ Points of integration are not well defined
- ☹ Higher level of security is required
- ☹ The application requires a native interface



TOP BUSINESS TIPS FOR 2012

With an economy that continues to keep business owners on tenterhooks, many companies are opting for high-impact, low-cost methods for boosting business. Cloud technology offers one possibility. Following are a few more ideas:

- **Cut the ties that bind.** Investing in mobile devices such as smartphones may help raise productivity by freeing employees from the confines of the office and increasing their accessibility to data, email and clients.
- **Address rising health benefit costs.** Group health care plan costs are projected to increase 5.4% in 2012.* Switching to a high-deductible health plan can save you money. When paired with a health savings account, a tax-preferred account used to save money for medical expenses, your employees may be able to save money on health care costs, too.
- **Bolster employee morale.** A recent survey found that 32% of U.S. workers were considering leaving their current job and another 21%, although willing to remain, viewed their employers unfavorably.** Keeping tabs on employee morale and identifying any areas of concern can keep your employees – one of your most valuable assets – productive and engaged.

* Source: Mercer, "Latest survey finds health benefit cost growth for 2012 likely to be the lowest in 15 years," September 21, 2011, mercer.com.

** Source: Mercer, "One in two U.S. employees looking to leave or checked out on the job, says What's Working research," June 20, 2011, mercer.com.

In each issue of *Affinity Connections*, we feature a few of our business/select employee group members. Please take a few moments to read the information below and see if any of the products and services can benefit you. We'd like to thank the organizations that kindly provided information for inclusion in this issue.

ACUPUNCTURE AND NATURAL HEALING CENTER



Who They Are

The Acupuncture and Natural Healing Center is a wellness center that helps relieve or eliminate acute or chronic pain without side effects. Led by Carole Bishop, CA, MS, acupuncturist, the Center helps empower patients to balance the mind, body and spirit as a way to achieve optimal health. Her extensive background includes treating neurological and muscular disorders, gastrointestinal and gynecological disorders, anxiety, addiction and autoimmune disorders. Each treatment is customized for each

individual and addresses the root problem. With a goal of delivering quality care and outstanding customer service, The Healing Center has achieved remarkable results with acupuncture treatments.



Reach Out

Acupuncture & Natural Healing Center
47 Raritan Ave., Suite 140
Highland Park, NJ 08904
732.463.0984

acupuncture-naturalhealing.com

CAMPBELL'S CONSTRUCTION, LLC



Who They Are

Campbell's Construction, LLC, is a friendly and professional family business that focuses on helping homeowners with wet, flooded, moldy or moist basements. Their team can make your basement permanently dry and healthy while avoiding devastating and costly methods such as French drains and waterproofing. They also build custom wood and vinyl decks, install paver patios and driveways, and do select landscaping. Read about their methods at their website to learn how they are truly one-of-a-kind. Please call for a free in-home demonstration and become a believer.



Reach Out

Campbell's Construction, LLC
411 Hillside Ave.
Piscataway, NJ 08854
732.623.9790

campbellsconstruction.net

SENIOR HOME CARE SERVICES



Who They Are

Senior Home Care Services is a home health care agency that provides caregivers to seniors throughout Northern and Central New Jersey. Services include assistance with bathing, grooming, dressing, ambulation, meal preparation, driving and Alzheimer's and dementia care. Owner George Koenig founded Senior Home Care Services more than 10 years ago after struggling to care for his own aging parents while living in a different state. Senior Home Care Services' mission is to provide

the highest quality of care possible to its clients and help seniors maintain independence. As a family-owned and operated agency, Senior Home Care Services' offers affordable rates and dependable, quality care.



Reach Out

Senior Home Care Services
152 Speedwell Ave.
Morristown, NJ 07960
973.538.4357

seniorhomecareservices.com

WASHINGTON VALLEY CELLARS

Who They Are

Washington Valley Cellars specializes in the design and construction of custom wine cellars and wine storage areas. Every cellar is a unique design and is custom-built to reflect the space, storage needs and aesthetic tastes of the collector. Established in 1992, the full-service company provides expert advice on design styles, materials and options for wine cellars both locally and across the nation. From proper framing, insulation and vapor barriers, lighting and temperature control, to design elements, Washington Valley Cellars delivers everything necessary to protect and showcase wine collections.



Reach Out

Washington Valley Cellars
2032 Washington Valley Road
Martinsville, NJ 08836
732.469.5558

washingtonvalleycellars.com

MORRISTOWN SALVATION ARMY, INC.



Who They Are

For more than 125 years, the Morristown Salvation Army has assisted residents of Morris County with a range of social services, including family counseling, daycare for low-income families, holiday programs, summer camps for children, after-school programs and emergency assistance. With a focus on those who are homeless, abused or disadvantaged, the Morristown Salvation Army aids residents with rent, mortgage or medical payments; helps families celebrate the holidays by providing Thanksgiving dinner as well as toys and clothing for Christmas;

and supports veterans at Lions Veteran Hospital. The Salvation Army receives some funding from private donors and foundations, but most of the funds used to provide these services are raised by bell ringers during the holidays. For more information, contact Yesmy Molina at **973.539.2700, ext. 13**, or by email at yesmy.molina@use.salvationarmy.org.



Reach Out

Morristown Salvation Army, Inc.
95 Spring Street
Morristown, NJ 07960
973.539.2700

use.salvationarmy.org

Thank You

FOR CHOOSING AFFINITY

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Building Blocks Lacrosse NJ, LLC
Electronic Education & Exploration LLC
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Engineering and Land Surveyors

T&M Associates

Faith Based

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If you know of a business or organization that would like to learn about Affinity's business services and membership benefits, please ask the office contact to call **800.325.0808**.

We'll be happy to talk about the Affinity Federal Credit Union difference.



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To learn more about our free Affinity Visa® Debit Access card, visit affinityfcu.org/debit or call **800.325.0808**.

6

Frugal (and Fun!) Date Ideas

Want to take dating beyond dinner and a movie, but don't want to go overboard and spend a lot? It can be done with some creative thinking and planning! Whether you're just getting to know someone or want to surprise your partner with something different, these date ideas may spark a smile.

1. Be tourists in your own city. Drive around your city or take public transportation, and don't forget your cameras! Visit your favorite spots or explore new ones. You'll have a lot to talk about and make great memories.

2. Go outside for seasonal activities. If you both enjoy the outdoors, be kids again and go sledding or ice skating. Then warm up with hot chocolate or coffee.

3. Have a tropical night. Rather not think about winter? Bring the tropics indoors with calypso or surf music, fish tacos, drinks with umbrellas and Hawaiian clothing. Consider watching a movie that's set in a tropical location.

4. Be amused at a museum. Many museums have free or discounted days or evenings. Plan a date during one of these times. Enjoy art and artifacts, as well as people watching.

5. Make some furry friends. If you both love animals, consider visiting an animal shelter to spend time with dogs, cats or other animals that would enjoy some attention. Bring some pet toys or food to donate (check to see if the shelter has a list of needed items).

6. Propose a friendly challenge. Play a board game or video game, go bowling or predict who will win the Super Bowl or the Academy Awards. Let the winner choose your next date activity or a movie to see.

As the saying goes, "Money doesn't buy happiness." So don't be afraid to let your creative side show. Keeping your significant other's interests in mind and enjoying great conversation can go a long way toward being a cool date rather than a cheap one.



73 Mountain View Blvd.
Basking Ridge, NJ 07920

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Mountain View Corporate Center
73 Mountain View Blvd.
Basking Ridge, NJ 07920
800.325.0808, ext. 7208

Lobby and Drive-Up
Mon–Wed, Fri, 8:30–6:00
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1520 Route 206 North
Bedminster, NJ 07921
800.325.0808, ext. 7237

Lobby and Drive-Up
Mon–Wed, Fri, 8:30–6:00
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Cedar Knolls Branch

Morris County Mall
235 Ridgedale Ave.
Cedar Knolls, NJ 07927
800.325.0808, ext. 7232

Mon–Wed, Fri, 8:30–6:00
Thu, 8:30–7:00
Sat, 9:00–1:00

Denville Branch

Saint Clare's Hospital
25 Pocono Road
Denville, NJ 07834
973.625.6699

Mon–Wed, Fri, 8:30–4:00
Thu, 8:30–6:00
Sat, 9:00–1:00

Dover Branch

Saint Clare's Hospital
400 W. Blackwell Street
Dover, NJ 07801
973.537.3850

Mon–Wed, Fri, 8:30–4:00
Thu, 8:30–6:00

Edison Branch

2190 Route 27
Edison, NJ 08817
800.325.0808, ext. 3571

Lobby and Drive-Up
Mon–Wed, Fri, 8:30–6:00
Thu, 8:30–7:00
Sat, 9:00–1:00

Flemington Branch

275 Route 202 South/31 South
Flemington, NJ 08822
800.325.0808, ext. 3550

Lobby and Drive-Up
Mon–Wed, Fri, 8:30–6:00
Thu, 8:30–7:00
Sat, 9:00–1:00

Hillsborough Branch

Hillsborough Promenade
315 Route 206 North, Suite 501
Hillsborough, NJ 08844
800.325.0808, ext. 7390

Mon–Wed, Fri, 8:30–6:00
Thu, 8:30–7:00
Sat, 9:00–1:00

Middletown Branch

Country Square Shopping Center
1860 Route 35 South
Middletown, NJ 07748
800.325.0808, ext. 3561

Mon–Wed, Fri, 8:30–6:00
Thu, 8:30–7:00
Sat, 9:00–1:00

Morristown Branch

Country Mile Village
1098 Mt. Kemble Ave.
Morristown, NJ 07960
800.325.0808, ext. 3770

Lobby and Drive-Up
Mon–Wed, Fri, 8:30–6:00
Thu, 8:30–7:00
Sat, 9:00–1:00

New Providence Branch

598 Central Ave.
New Providence, NJ 07974
800.325.0808, ext. 3982

Mon–Wed, Fri, 8:30–6:00
Thu, 8:30–7:00
Sat, 9:00–1:00

Paramus Branch

AT&T Wireless
15 East Midland Ave.
Paramus, NJ 07652
800.325.0808, ext. 7264

Mon–Wed, Fri, 8:30–4:00
Thu, 8:30–5:30

Piscataway Branch

Next to IHOP
1342 Centennial Ave.
Piscataway, NJ 08854
800.325.0808, ext. 7259
or **ext. 7258**

Lobby
Mon–Wed, Fri, 8:30–6:00
Thu, 8:30–7:00
Sat, 9:00–1:00

Drive-Up
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