

# THE KEY



JANUARY 2011

**THE  
*resolution*  
EDITION**



**Farmers  
STATE BANK**

MEMBER FDIC

Building Your Success

UNLOCKING YOUR  
FINANCIAL OPPORTUNITIES

## IN THIS ISSUE:

**SIMPLIFY YOUR FINANCES,  
DIVERSIFY IN 2011 &  
BUILDING A NEST-EGG**

## CD RATES:

**9-13 Mo. - 1.12%<sup>APY\*</sup>**

**16-18 Mo. - 1.52%<sup>APY\*</sup>**

**25-30 Mo. - 1.80%<sup>APY\*</sup>**

**60-67 Mo. - 2.50%<sup>APY\*</sup>**

## IRA CD RATE:

**36 Mo. - 2.00%<sup>APY\*</sup>**

\*APY=Annual Percentage Yield. IRA=Individual Retirement Account. Qualified funds only. Substantial penalty for early withdrawal, \$1,000 minimum opening deposit for 16-18 month, 25-30 month, 36 month IRA and 60-67 month terms. \$2,000 minimum opening deposit for 9-13 month. 9-13 month CD interest rate 1.11%, 16-18 month CD interest rate 1.51%, 25-30 month CD interest rate 1.79%, 36 month IRA CD interest rate 1.99%, 60-67 month CD interest rate 2.48%. Interest compounds every 3 months for CDs with a term less than one year and every 6 months for CDs with a term of one year or greater. Effective 1/1/2011. Rates subject to change daily.

## NEW YEAR, NEW BUDGET

A budget is generally thought of as a rigid plan on how you can spend your money. While this is true, you may want to think of it as a “household spending analysis,” which sounds less tedious, and implies that it can be used to build a solid financial foundation and help you feel more in control of your finances.

Generally speaking, a spending analysis will enable you to understand where your money comes from and where it goes. With that understanding, you will be in a better position to make informed financial decisions, to monitor your spending, and to potentially identify ways to spend less on some items so you have more to spend on more important things or to save.

Going through the effort to prepare a completely accurate analysis can

be difficult and time consuming. The more specific you can get the better, but do not let the thought of preparing an analysis keep you from trying.

Things like rent, taxes, and insurance are probably pretty well set. Other expenses, like food, entertainment, and gifts, are more flexible. Just by thinking about these items, you may be able to find ways to spend less and save more. If nothing else, you can make judgments about which expenses are most important to you.

Finally, it makes sense to go through this exercise on a regular basis. By analyzing your expenses, you will be able to see how your spending patterns are changing, and you will feel more in control of your financial future.

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# SIMPLIFY YOUR FINANCES

If time is a precious commodity for you, here are eight ideas to save time and reduce the stress and anxiety of managing your financial affairs.

1. Enroll for direct deposit. It eliminates trips to the bank and keeps your money working longer.
2. Sign up for overdraft protection. By linking your checking account to a line of credit you avoid the cost, hassle, and embarrassment of a bounced check.
3. Establish an automatic savings plan. Regular automatic transfers to a savings account will add up.
4. Use electronic Bill Pay. Eliminate the dreaded task of writing checks.
5. Consolidate your financial relationships. Dealing with one institution makes everything easier.
6. Consider personal finance software. Many programs make handling your finances easier and quicker.
7. Build a safety cushion. Be ready for unexpected expenses or save some extra funds for a special vacation.
8. Review your investments. Make sure your asset allocation matches your time horizon and risk tolerance.



## TOP 10 RESOLUTIONS

- Drink Less Alcohol
- Get an Education
- Get a Better Job
- Lose Weight
- Manage Debt
- Manage Stress
- Quit Smoking
- Save Money
- Take a Trip
- Help Others

[www.USA.gov](http://www.USA.gov)

## DIVERSIFY IN 2011

Not every stock purchased goes up in value. Even with tremendous amounts of research, investment professionals are not always right. There are too many unknowns and too many changes taking place for anyone to be 100 percent sure that any investment will work out as planned. That is just one reason why diversifying your stock portfolio is wise.

Spreading ownership over different stocks in different industries reduces the risk that the particular stock you choose in a good industry turns out to be the wrong one. It also reduces the risk that you invested in the wrong industry.

Another way to reduce your risk is to make your investments over a period of time. That way, you assure yourself that you are not investing all your money at the top of a stock market cycle. You may miss some appreciation if the market continually goes up, but that seldom happens. Remember, no one can predict short-term movements in the stock market with any degree of accuracy.

Diversifying the stocks you buy and when you buy them will reduce, but certainly not eliminate, the risk of making bad investment choices. Practicing diversification will also enable you to develop discipline in your investing strategy. For more information contact a financial professional at FSB Warner Financial, 1-800-747-9999.



## BUILDING A NEST-EGG

Often it seems that saving money is almost impossible. Yet having a financial cushion is one of the most important things you can do to feel financially secure. Here are some ideas that may help:

1. Contribute to your retirement plan at work. Many companies offer employees the opportunity to defer income into a 401(k) plan and will also help with a matching contribution of some level.
2. Sign up for an automatic FSB savings plan. Transfer a set amount into a special account from your checking account each month, you will come to view that amount as a regular “expense.” Over time, it will add up; and that account will probably pay a higher interest rate than your checking account. You can also have an amount automatically deducted from your paycheck and deposited into a savings account.
3. Skip a year’s vacation. As much as you may look forward to a lovely trip, consider staying home, visiting relatives, or going someplace less expensive.
4. Reduce high interest rate debt. If you are paying interest on credit cards or some other loan that has a high interest rate, find a way to pay it off. Interest rates in the teens make it hard to get ahead of the minimum monthly payment required. You might also consider finding another credit card with a lower interest rate. For more information talk with an FSB loan specialist today!



Saving money is usually a case of self-discipline. It may be hard, but having a savings cushion can provide financial peace of mind and a source of funds if you need them.



## BILL PAYING MADE SIMPLE

FSB Bill Pay offers you the convenience of paying your bills when and how you want to. It can help you manage your finances while allowing you to pay virtually anyone, anytime from anywhere. Paying your bills online is quick, easy, secure, free, and guaranteed. You can access Bill Pay using your I-Banking account.

With Bill Pay you have a variety of payment options: you can pay your doctor, a friend, or regular bills. You can also quickly schedule one time, weekly, monthly, quarterly, and yearly payments. When using this service, you can easily track past and future payments.

Some experts recommend online bill payment as a way to protect yourself against identity theft; less paper means less chance for your information to get into the wrong hands. Also, regularly checking your online accounts is a great way to prevent unauthorized transactions.



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Dunkerton  
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Gilbertville  
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Downtown Waterloo  
*OPEN IN 2011!*

# FIND YOUR KEYS

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 G T P C L M C E I D S P A N  
 L I R N L S B U D G E T I L  
 P I O O D A N I F N I R U T  
 I N T I I O T E D D P S I N  
 E V E R V E V I S T E S N E  
 K E C N E I N E V N O C Y M  
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 F M O R I N E D V O R V X P  
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 F N E N Y S E C N A N I F O  
 L T L I O I A D E I Y G F T  
 N S I P E Y O I P U I N P N

## KEY WORDS

- BILLS
- BUDGET
- CONVENIENCE
- DEPOSIT
- DIVERSIFY
- EXPENSE
- FINANCE
- INVESTMENTS
- MONEY
- OVERDRAFT
- PAYMENT
- PROTECTION
- RISK
- SAVING
- SIMPLIFY
- SPENDING

# Golden Horizons

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### Jumer's Casino Trip - Waterloo

We will be going to Jumer's Casino & Hotel in Rock Island, Illinois. Our departure from Waterloo is scheduled for 8:00 AM on January 25th from Central Christian Church at 3475 Kimball Avenue near our branch. We should arrive back in Waterloo at 5:00 PM that same day.



### Jumer's Casino Trip - Jesup

We will be going to Jumer's Casino & Hotel in Rock Island, Illinois. Our departure from our Jesup branch is scheduled for 8:30 AM on January 25th. We should arrive back in Jesup at 4:30 PM that same day.

The cost will be \$25.00 per person which includes transportation, gratuities and a buffet dinner. You may call any of our local branches to make reservations.

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