

# of interest

GLEN LAKE / COUNTRY VILLAGE

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## Survive and thrive in 2010.

After the challenges of the last few years, we're happy to welcome a New Year as well as a new decade. And to help 2010 shape up into a better year than the last few, we're arming ourselves with some strategies for bettering our financial futures, from how we structure our long-term investments to simple everyday choices about how we spend our pocket money.

You don't need rose-colored glasses to implement these common-sense actions. All you need is an ability to look at the present and future realistically, with hope and gratitude for what you have and for what's possible. So count your blessings—and good luck!

*Focus on your quality of life, not the quantity of your possessions.*



### Tend to the basics.

Remember to make that budget. To help, download a budget worksheet from our Investment Center website at [www.fmiconline.com](http://www.fmiconline.com). Then check your credit report periodically—it's free and it'll improve as you get on track.

### Plan ahead.

Unexpected expenses do pop up, and sometimes they're big. Be sure your insurance coverage is current and get started on an emergency fund to handle the unanticipated. Aim for an amount that equals living expenses for at least three months. Begin with a goal of having \$1,000, then go from there.

*Continued...*

## FROM THE CHAIRMAN OF THE BOARD AND THE PRESIDENT



Tom Rogers



Del Smith

For many of us, making resolutions is part of the tradition of welcoming the New Year. What better resolution to add to the list than wiping the slate clean of bad financial habits and replacing them with good ones? If you can do that—or at least get started—you'll have a much clearer view of your financial path and a good chance of reaching your goals.

To help, we've put together some suggestions for overcoming financial challenges and making a fresh start in 2010. They come with our best wishes for a prosperous and happy New Year, filled with the pleasure of discovering and reaching your goals. And remember, we at First Minnetonka City Bank are on your side and ready to help.



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## Survive and thrive. *(Continued)*

### **Count on standing on your own.**

Financially successful people pay themselves first. Take advantage of compounding interest and save as much as possible in tax-advantaged accounts. This year you can contribute up to \$5,000 to an IRA; if you're age 50 or older, you can contribute up to \$6,000.

### **Put a crunch on credit—pay cash.**

Handing over a stack of twenties brings home the spending message much more clearly than plunking down a credit card. If you're in debt, take an extra-hard look at what you're spending your money on before you part with it. Do you need it, or merely want it? Save debt for big things like a home and car and then only buy what you can afford.

### **Let the kids in on it.**

Don't bring them in on the worry, just some of the age-appropriate purchasing and budgeting decisions. You may have some natural-born bargain hunters under your roof!

### **Expect more market ups and downs.**

If there's a lesson to be learned from the recent past, it's about understanding risk. Determine where you are most vulnerable and establish a plan of response that will carry you through, whether the economy is up or down.

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## The refinancing option.



*If you'd like to determine the potential impact of a mortgage refinance, explore the calculators at [www.bankrate.com](http://www.bankrate.com).*

Refinancing your mortgage may be a very good financial strategy, says mortgage banker Paul Tesarek. "As mortgage rates have decreased, you may well be paying more than you need to," he says. "Even half-a-point higher can make a significant difference in your monthly payment."

In addition to seeking a lower interest rate, consider a shorter-term loan, says Tesarek. The monthly payments might be slightly more, but you could save substantially on interest payments by paying off the loan five, ten or 15 years early. Since interest rates do fluctuate, Tesarek suggests calling him at 952.935.5995 at your earliest convenience to give yourself the most refinancing options.

New year,  
new approach:  
Let us help.



If last year's economy took a bite out of your investments, you're not alone, says CERTIFIED FINANCIAL PLANNER™ Tam Hubert, of First Minnetonka Investment Center. "Many people are rethinking strategies and trying to rebuild—and they don't have room for mistakes."

Fortunately, Tam notes, you don't have to rethink your investment approach by yourself. "We at First Minnetonka Investment Center are here to help, whether you're young and starting out or older and approaching retirement," she says. From daily expenses and budgeting, to long-term planning for education and retirement, Tam can help tailor an investment strategy to your particular needs and goals.

Above all, she advises, don't lose confidence but do stay focused. "With so many new tax laws and market fluctuations, wary investors could easily become paralyzed into inaction," says Tam. "A better approach is to get the help you need to rebuild and move toward your financial goals."

*For all life's moments, bank among friends.*