

# West Winds

THE PREMIER NEWSLETTER FOR NAVIGATORS CLUB MEMBERS SPRING 2009



## Investing during a recession

Yes, it's still doable. By making smart decisions, you can invest productively even in an economic downturn.

### Don't run and hide

During a recession, the natural tendency is to reduce investing. Of course, pulling money out of the economy makes for a longer recession. We've been painfully reminded that what goes up must come down. But when it comes to the economy, let's remember it will eventually go back up again.

### Adjust your investment size

Think smaller. If you think you have a new opportunity, invest just one-third or one-quarter of what you typically would. Use the rest of your investment funds to buy old favorites, which remain viable but cheaper to acquire during a recession.

### Work with an expert

Managing your money by yourself is okay when times are good; when they're not, it's a good idea to talk with certified financial planners or investment consultants. They're trained to find opportunities and undervalued stocks that may increase in value after the recession.

### Reduce risk with insured savings

Putting your money in federally insured investments is a guaranteed way to prevent losses. Invest based on when you think you'll need your money. A regular savings account gives you instant and unlimited access to your money, but pays lower dividends. On the other hand, money market accounts pay higher dividends but limit monthly withdrawals to six or less.

Invest for the long term with a certificate of deposit, which typically offers the highest yields. Of course, there's a penalty if you withdraw funds before the certificate matures.

### Set stop loss points

And stick to them. Yes, stocks will generally rebound, but you need to decide before investing how much you're willing to lose. For example, experts suggest you set stop loss points at around 5% or 10% below your buying price for short term investments and around 15% for long term holdings.

### High-interest checking

Some financial institutions have checking accounts that, with unlimited access, pay higher dividends than regular savings without the typical restrictions of a money market account.

PLCU recently introduced its high-yield Ultra Rewards program; see the reverse for details.

Your accounts are federally insured up to \$250,000. And remember, PLCU is here for you — and has been since 1948.



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# Explaining the recession to teens

Your teenage children or grandchildren know the country is in a recession. But do they know how it could affect them? Take time to discuss not only how and why your family may need to cut back, but also ways to get through these tough economic times.

## Shop smarter

The days of buying the latest fashions from the trendiest stores are past. But it's still possible to find great clothes at reasonable prices. Thrift store shopping is gaining popularity. And look for sales and coupons. You may be able to find coupons or special discounts online.

## Availability of part-time jobs

Encourage them if they have trouble finding work. Employers are cutting back, and there is a lot of competition for the jobs that are available. Encourage them to start looking for a summer job now and to be flexible in targeting potential employers.

## Changing college plans

Ask your teen to consider a state university instead of a private school, and one closer to home to reduce their housing and living expenses. They can save money by attending a community college and then transfer to a university. Just be sure their classes are transferrable. Also, point them to fastweb.com or scholarships.com to find grants and scholarships.

## Coping with job loss

Maintain your daily routines as much as possible; dramatic changes could send the wrong signal. As a parent, explain your job loss was due to economic factors you had no control of. Ask older teens to help by paying for their own gas or sharing household costs such as internet service. And while you should be honest about your financial situation, don't lean on them for support. They need an adult, not a peer, to ensure them that things will be back to normal eventually.

# Ultra Rewards for checking



Your money not only earns more, it's completely accessible! Add Ultra Rewards to your PLCU checking account and get:

- **Higher dividends up to 3.56% APY**
- **ATM fee rebates up to \$10 a month**
- **No monthly service charges**

All you need is recurring direct deposit, e-statements and at least 12 debit card transactions a month. Making a dozen transactions is easy! Just use your PLCU debit card for gas, groceries, daily coffee and lunch.

Ultra Rewards is available only on PLCU checking accounts. Requires the following for the eligible checking account: recurring direct deposit, minimum of 12 debit card transactions per month, and e-Statements. 3.56% Annual Percentage Yield applies on balances up to \$25,000; 0.25% APY applies on balances above \$25,000 each statement cycle when minimum requirements are met. All dividend rates are subject to change at any time. Not available to members with AccessBuilder Checking or Electronic Transfer Accounts. ATM refunds up to \$10 per cycle if minimum requirements are met. Otherwise, account reverts to appropriate Lighthouse Relationship Program level with no ATM refunds or higher dividend for that statement period; monthly service fees may apply. Minimum checking opening balance: \$25.00. No minimum balance required. Member may opt out of Ultra Rewards checking program at any time. Only one Ultra Rewards checking benefit is allowed per member.



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