

Financial Sense

winter 2012

making sense of your financial matters



Are You Coupon Crazy?

Everyone loves getting a good deal. Now bargain shopping is easier than ever with group deal sites like Groupon® and LivingSocial, and other coupon sites offering databases of coupons and even tutorials on extreme couponing. But make sure your zeal for finding a deal doesn't have you spending more than you save.

Frugal or Frenzied?

If you're spending money on products or services you normally wouldn't buy or can't use, you're losing money no matter how deep the discount. Following are some tips for making sure the bargain you're hunting isn't circling back to bite you.



Just keep in mind that when you buy a bargain, you've still spent money.

- **Beware of BOGO.** Buy one get one free deals seem like a steal, but if you end up with more than you need or can use, you've helped the store move product without helping yourself.
- **Look into location.** If you purchase a voucher for a shop across town or have to go to three stores to use all the coupons you've clipped, your gas usage will likely undercut your savings.
- **Focus on the fine print.** Coupons purchased through group deal sites may offer half off or better on various products and services, but restrictions often dictate when they can be redeemed or tie the savings to other purchases. Make sure you know what you're getting and that it fits with your schedule before you pay for the deal.
- **Mistrust the mob mentality.** The excitement of getting in on a good deal can cloud your reasoning. Take a deep breath and think about whether you really need the product or service offered before you spend to save.
- **Eye the expiration date.** A coupon purchased but not used before it expires is money wasted.
- **Be conscientious about your credit.** Buying your bargains with a credit card won't be much of a deal if you fail to pay off the balance and allow the interest to add up.

Coupons and group deals can be a savvy way to save money. Just keep in mind that when you buy a bargain, you've still spent money. You only win if you've spent less for what you needed to buy anyway.



Card Safety When You're on the Go

Debit and credit cards are easy to use, but don't make them easy for thieves to steal! When you're out and about, use these tips to guard your card from fraud.

Don't display it face up. Flip your card over when you hand it to a cashier or pay a restaurant tab at the table. You never know when prying eyes or a cell phone camera could capture the number.

Cover the ATM keypad. When using your card to get cash, shield the keypad so others can't see you enter your PIN.

Use caution at the drive-through. You may lose sight of your card at a drive-through window, allowing time for someone to get your card number. Consider using cash or purchase gift cards at places you frequently visit to use as payment instead.

StonehamBank Debit cards help protect you in the event of unauthorized purchases, thanks to Visa's® zero liability policy for lost and stolen cards. In addition, consider signing up for Card Alerts. With Card Alerts, you can setup customized email and/or SMS text message alerts for your card activity to help you track your spending and keep your card secure. For more information, visit www.stonehambank.com.



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Retirement Worries

You Can Manage Debt and Still Retire

Prior to 2008, retirement was an eagerly anticipated milestone for many people. The state of the economy, however, changed that. Although retirement is still possible for many, there are caveats:

- Be realistic about your retirement needs.
- Spend less than your income.
- Take control of how much and when you spend.
- Retain an emergency fund.

Balance Your Retirement Budget

Whether you are currently retired or hoping to retire within the next few years, you may be facing a scaled-back retirement lifestyle. Living within your means is the current catch phrase. To do that you need to take a realistic look at the fact that you may still have debt in retirement. Sure, you diligently set aside money for your retirement nest egg, but it may not go as far as you once planned. So, rethink the possibilities.

Start by creating a budget that accommodates less income than you anticipated. The old concept of spending less than you earn has become new again. With a little creative financial planning your retirement aspirations can be attained. These are some ways to control how much you spend.

Reduce high-interest debt. The first debt to pay down is, of course, credit cards. Pay all your bills on time and try to never charge more than 30% of a credit limit. Make sure what you are buying is something you need, not just something you want.

Downsize. Think about moving to a smaller home with less maintenance. Smaller homes can help you save on mortgage, taxes and insurance, in addition to upkeep. Moving out of the suburbs into a city can change your transportation needs. Because shopping and entertainment are condensed, public transportation can be more reliable and inexpensive by comparison. If you have two cars, could you sell one? Trade a luxury car for a smaller more economical vehicle. You'll save a lot on insurance and gas.

Assess your communications needs.

Do you have a landline, cell phone, premier cable TV and Internet? Eliminate the landline and choose a cell phone package with fewer minutes. Do you really need premium cable or would fewer channels fit your viewing style? Could you get by with a slower Internet speed?

Consider a part-time job. Every little bit helps and a part-time job can help you stay active and engaged. Also, volunteer at museums, theaters and other entertainment venues. Often, volunteers are offered free tickets for cultural events and other amenities. The cost of fun just went down.

Retain an Emergency Fund

Having an emergency fund of six months' worth of bill payments was a good idea when you were employed full time. It's still a good idea. Setting money aside for unexpected or infrequent expenses (new water heater or roof) will eliminate the need for incurring expensive debt.



Spending wisely can help control the amount of debt you acquire and pay down the debt you already have.

Remember, debt is the result of choosing to buy something you can't pay for immediately. Spending wisely can help control the amount of debt you acquire and pay down the debt you already have.

If you need help managing your finances, call our Infinex Financial Consultant, Jim Smyly at 781-481-5832, or visit www.stonehambank.com to learn more about your options.



Jim Smyly,
Financial Consultant



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