Summer is often when the city of Houston shines — warm weather, outdoor patios and backyard baseball games. Everyone is excited for a new season to begin. At Community Resource Credit Union, we are looking to welcome in a new quarter with smart investment decisions and keeping our members at the center of all we do.

On this page, Investment Insights looks at Houston’s recent job and population growth, as well as the outlook for regional production.

On page two, we analyze Social Security and when to begin taking the retirement benefits. Taking them too early or too late could have detrimental effects.

Lastly, we look ahead at retirement for our members and lay out clear action steps to take now, before retirement is right around the corner. We are always making sure our members are informed and prepared for life decisions.

From the CFS^ advisors at CRCU, we look forward to speaking with you! Make an appointment with an advisor by calling 281-422-3611, clicking www.crcu.org or visiting our branches on Decker Drive or Garth Road.

Cordially,

Robert Head, CFP®
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In 2013, the Houston metro area added 137,692 residents.* That works out to one new resident every 3.8 minutes — about the length of an average country music song. This growth represents the largest population increase of any U.S. metro area last year. And the growth trend is forecasted to continue, with the Houston metro area possibly reaching more than 7 million residents by 2020, according to the Texas State Data Center.

OIL AND GAS FUEL OUR ECONOMY
The energy sector has been driving Houston’s economy, which in turn drives job and population growth, as well as home, auto and retail sales. The number of jobs grew 2.8% from February 2013 to February 2014. The strongest employment growth occurred in oil and gas extraction, which increased 6.5% over the previous year. These strong local industries are partially to credit for Houston’s unemployment rate in February being at 5.7%, compared to a national average of 7.0%.*

Employment in the construction sector was also strong, with a 5.1% increase. The growth in construction jobs was powered largely by the ongoing boom in office development and numerous chemical plant expansions. In addition, City of Houston building permits grew 19.1% for the 12 months ending in February compared to...
COMING OUT AHEAD OF THE GAME WITH SOCIAL SECURITY

Planning your retirement can be a complex issue. In addition to the basic when and where, there are many financial decisions to be made, including when to begin taking Social Security retirement benefits. You can choose to take benefits as early as age 62, but they’ll be permanently reduced. You can take full benefits at your full retirement age (65 to 67, depending on when you were born). Or you can delay taking benefits beyond your full retirement age and receive a credit for the time you delay, up to age 70.

Those are the basic options, but there are other variations, and depending on your specific situation, they could result in higher (or lower) lifetime benefits. Discuss these possibilities with your financial advisor before taking action.

CLAIM, INVEST, REPAY, RECLAIM
You may be able to file for benefits and collect them for a number of years, then reclaim them when you’re older. You’ll have to pay back the benefits you’ve received in the interim, but — here’s the key — without interest. That means if you’ve invested the benefits rather than spent them, you get to keep the interest. Then you can re-apply for benefits at a future date and receive the higher level of benefits due to someone at that age.

CLAIM NOW, CLAIM AGAIN LATER
There are actually three distinct types of Social Security retirement benefits:

1. a basic retirement worker benefit based on your work record,
2. a spousal benefit based on a spouse’s work record once the worker has claimed his/her own benefit and
3. a survivor benefit provided to a surviving spouse after a worker’s death.

If you’re married and your spouse is collecting benefits on his/her own record, you can claim a spousal benefit at your full retirement age and then switch to your own worker benefit at a later date. This allows you to build up delayed retirement credits for your own record, which will result in a higher worker benefit later.

CLAIM AND SUSPEND
When you reach full retirement age, you can claim your Social Security benefit in order to allow your spouse to claim a spousal benefit, then suspend payment of your benefit. This allows the value of your own future benefit to increase with the credit for delayed payments.

DON’T RELY SOLELY ON SOCIAL SECURITY
One of these strategies could potentially increase the total benefits you (and your spouse) receive over a lifetime. But depending on the strategy you choose and when you die, it could also lower them.

No matter how you claim them, Social Security benefits by themselves will not be adequate to fund a comfortable retirement. Your best bet for financial security when you retire is to invest regularly in a tax-advantaged account, such as an individual retirement account or employer-sponsored retirement plan. A CFS^ professional at Community Resource Credit Union can help you get started and stay on track. Call for a no-obligation appointment today at 281-422-3611.

^ See page 4 for disclosure.

Investment products:
• Not federally insured.
• Not a deposit of this financial institution.
• May lose value.

You’re Invited – Attend our Seminar
UNDERSTANDING SOCIAL SECURITY – A LOOK AT THE BIGGER PICTURE

Atascocita Branch
6903 Atascocita Road
Atascocita, TX 77346
Wednesday, June 11
5:30 – 6:30 p.m.

Decker Branch
2900 Decker Drive
Baytown, TX 77520
Thursday, June 12
5:30 – 6:30 p.m.

RSVP to 281-422-3611 or 281-462-2728
Complimentary refreshments provided.

INVESTMENT INSIGHTS
Do you know anyone retirement age—or nearing it—who is still grinding out the nine-to-five? Does he or she seem a little cranky lately? Retirement security is a huge source of stress for baby boomers. Only 44% believe they could afford to retire and live comfortably for five years, according to a recent Watson Wyatt survey.* And only 18% said they could last 15 years. As a result, many boomers are staying on the job longer than they ever dreamed—or wanted.

**CRANK UP YOUR PLANNING FROM THE START**

You're just starting out and retirement is not even a glimmer in your eye. But that's exactly what many boomers thought back in the day, too. More than a quarter of boomers thought “hardly at all” about retirement, according to the National Bureau of Economic Research.** And many of the boomers who did save, didn't save enough. The median value of retirement accounts for those between the ages of 55 and 64 is just $100,000.*** For a 65-year-old with an average life expectancy of 19 years, that's not much to live on.†

Get cranking today on building a firm financial footing so that you don't have to be cranky when you should be enjoying your retirement.

**Manage your debt.** College costs have soar beyond what part-time and summer jobs can cover. The average graduate owes thousands of dollars before he or she even steps off campus. And easy access to high-interest credit cards exacerbates the problem for some. Research repayment possibilities and develop a manageable plan so that a mountain of debt doesn't come between you and your goals.

**Build strong assets.** Typical boomers hold about half of their wealth in housing equity.** Buying a home can be a smart move—and beats leasing—but depending too much on housing equity can make you vulnerable if another mortgage crisis hits in 30 years.

**Participate in your employer-sponsored retirement plan.** You will benefit from tax advantages. For example, your contributions are automatically deducted before taxes, lowering your current tax bill. You can't spend the money in your plan now, but that's a good thing because it compounds over time.

**Create your own safety net.** Social Security used to provide a base retirement income you could depend on. But the future of Social Security is uncertain, so a good rule of thumb may be to plan on needing at least 75% of your preretirement income to maintain your standard of living in retirement. However, health conditions and other factors may require more.

**ACT NOW TO PREVENT MISTAKES LATER**

Boomers may not be the best role models when it comes to retirement planning. But there is a lot to learn from their mistakes. And an experienced investment professional can help prevent needless mistakes of your own. Call 281-422-3611 to speak with an investment professional.

† Source: Centers for Disease Control and Prevention, www.cdc.gov.
the previous 12-month period. The value of permits for residential buildings grew at a faster pace than commercial buildings, increasing 31.9% and 12.2%, respectively.*

With all the new residents, Houston’s housing market is booming. At the end of February, the number of homes sold in a 12-month period had increased 17.7% year-over-year. Total home sales volume topped $21.6 billion for the 12-month period, a 31.2% increase over the previous year and the highest 12-month sales volume on record.*

THE OUTLOOK IS GOOD
In short, the good news is that Houston’s economy is strong and growing. The better news is that it appears this course will continue. The Houston Purchasing Managers Index (PMI) is a leading indicator for regional production, with a possible range from zero to 100. Readings above 50 indicate likely growth in production over the next three to four months. In February, the PMI registered 58.7, up from 57.1 in January. February marked the 54th consecutive month — 4 ½ years — the PMI has held at or above 50.*

YOUR COMMUNITY RESOURCE
Just as Houston’s leaders have planned for prosperity, the CFS^ professionals at CRCU can help you map out a strategy to put you on the path toward your goals and building your portfolio. Contact CFS Financial Advisor Robert Head for an appointment at 281-422-3611, ext. 1135, or select “Investments” at www.crcu.org.

^ Non-deposit investment products and services are offered through CUSO Financial Services, L.P. (“CFS”), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through CFS are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal. Investment Representatives are registered through CFS. Community Resources Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union members.