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- Insurance & Retirement
- Key Private Bank
- Education Resources

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**Money & Lifestyle**

**HOW AMERICANS LIVE AND SPEND THEIR MONEY**

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**All Access**

Currently, 35% of Americans use cell phones to access the Internet on a daily basis. Here’s what they do while on the go.

- **3 million** seek movie information
- **9 million** visit a social network or a blog
- **14%** used their cell phones to download and play video games
- **5.4 million** get the latest Hollywood scoop by accessing entertainment news sites

*Sources: TechCrunchies*

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**KEY’S GREEN MACHINE**

KeyBank’s Teller 21 technology eliminates the need for more than 200 million paper transactions annually. This investment in sustainability saves more than $7 million in transportation costs each year, including $1.2 million for fuel alone.

Read more about KeyBank’s green initiatives on page 9.

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**E-BANKING COMES OF AGE**

First introduced in the mid-1990s, today nearly 70 million households bank online

- Of the 88.2 million households with Internet access, four out of five use some form of online banking services
- The most popular activities are accessing balance and account history and transferring money between accounts
- 64.4 million households pay at least one bill online
- It’s estimated that people who pay their bills online save five hours a year compared with those who pay by check

*Source: Fiserv Inc.*
RIGHT ON THE MONEY
If you have children, you’ll probably have to deal with the issue of allowances sooner or later. Establish—and adhere to—these practical rules to help your kids master money management.

- Give a specific allowance and stick to it. If your child wants to earn more money, create a list of jobs he or she can perform.
- Avoid using an allowance as compensation for basic chores (such as making the bed) that should be done anyway.
- Give an allowance in smaller denominations, such as five $1 bills, and have your child put aside at least a dollar each week for savings.
- Open a savings account with your child.

Source: Institute of Consumer Financial Education

For more ways to help your child manage money, read “Valuable Lessons” on page 10.

WRAP IT UP
Not sure what to buy? A MasterCard® gift card may be just the thing!

55%
of Americans say they would most like to receive a gift card

$46
Average amount spent per gift card

3.5
Average number of gift cards received

Source: First Data Corp.

One size fits all. Give the Key Possibilities® MasterCard® gift card.

The card is issued by KeyBank pursuant to a license by MasterCard International Incorporated. MasterCard and the MasterCard Brand Mark are registered trademarks of MasterCard International Incorporated. Subject to the terms of the Key Possibilities Cardholder Agreement. KeyBank is Member FDIC.
Shift attention to your financial well-being and you can create a more secure future

Concerned about money? You’re not alone. A recent study by the American Psychological Association found that personal finances and the state of the economy are two of the top sources of stress for 80% of Americans. So what can you do about it? Taking active steps to manage your money can help defuse the anxiety and put you in control of your assets. What’s more, shifting attention to your financial well-being means creating a more secure future. The good news is, there are helpful solutions available to you that don’t cost a dime.

Solution 1: Monitor Accounts

Smart money management begins with an objective study of where your dollars have been going, followed by a strategic plan that allows you to create (and stick to) a budget. Fortunately, Key’s Online Banking makes it easier than ever to keep track of your money. Beyond its Bill Pay feature—which saves money on postage and cuts down on paper and energy consumption—Online Banking provides secure 24/7 access to your accounts. This free* online access gives Key customers the ability to transfer money between accounts, compare CD rates, apply for loans, even get answers to frequently asked banking questions. Now you can also view Loan and Line of Credit statements online, giving you more control to manage and monitor accounts. Plus, Key’s Online Banking service provides a Budget Management feature to help you keep track of where your money is going.

“Not only can banking online allow you to monitor and manage your accounts more effectively, it can also save valuable time,” says Elizabeth

*Normal account service charges still apply
Quaranta, KeyBank Center Manager at the Highbridge Plaza branch in Yonkers, New York. “It takes about five minutes to set up your Key Online Banking account. After that, you can pay bills and make transfers in seconds.”

As an additional layer of security, KeyBank sends automated e-mail alerts whenever changes are made to your account, such as when a payee or a transfer account is added, or if your password, e-mail address or home address is changed via Online Banking. You can also set up optional customized e-mail alerts, including Balance Alerts and Bill Pay Alerts, to help you manage your account. (Stay up-to-date on statements, alerts and the latest online features by signing up for the Insight eNewsletter in the Email Preference Center at key.com/emailcenter.)

Solution 2: Save Smart

For short-term savings and emergency funds, KeyBank has a variety of accounts that make saving easy—and more lucrative. For instance, the Key Silver Money Market Savings® Account and the Key Gold Money Market Savings® Account (for deposits of $30,000 or more) not only have many of the advantages of standard checking and savings accounts, including FDIC insurance and 24-hour ATM access to money, but they also give you higher interest rates for maintaining higher account balances. Plus, you’ll receive additional benefits when you maintain a KeyBank checking account. In addition, Key offers Certificates of Deposit with terms ranging from seven days to 120 months to help you achieve the optimal balance between rate and liquidity according to your savings needs. Not sure which savings vehicle is right for you? Check out the savings resource center on key.com for calculators and an overview of interest rates and terms, or talk to your KeyBank Relationship Manager.

Key Investment Services Can Help

With sound advice, you can feel confident and create a detailed plan for the future

David Cizmadia sees it happen every day. A customer walks into his office in the KeyBank branch with his brow furrowed and leaves with a smile on his face. Why? “Taking active steps to manage your money makes all the difference,” says Cizmadia. Key Investment Services’ professional advisors, such as Cizmadia, create plans tailored to meet your needs. “When you create a financial road map and figure out where you want to go and what you need to do to get there, you feel more in control,” Cizmadia says. Whether it’s for college funding or retirement, KIS Advisors can work with clients to develop specific plans to help them meet their goals. “It’s gratifying when clients begin to feel confident about their finances,” Cizmadia says, “especially when someone says ‘Thank you. I feel a lot better now.’”

Investment products are offered through Key Investment Services LLC (KIS), member FINRA/SIPC. Insurance products are offered through KeyCorp Insurance Agency USA, Inc. (KIA). KIS and KIA are affiliated with KeyBank National Association (KeyBank). Investment and insurance products made available through KIS and KIA are:

- NOT FDIC INSURED
- NOT BANK GUARANTEED
- MAY LOSE VALUE
- NOT A DEPOSIT
- NOT INSURED BY ANY FEDERAL OR STATE GOVERNMENT AGENCY

KIS, KIA and KeyBank are separate entities, and when you buy or sell securities and insurance products you are doing business with KIS and/or KIA, and not KeyBank. Key Investment Services LLC and its representatives do not provide tax advice. Individuals should consult their personal tax advisor before making any tax-related investment decisions.
Solution 3: Spend Wisely
Building a sound financial future requires spending wisely now. When you choose a credit or debit card, make sure it gives you the most user-friendly terms. The KeyBank Rewards Debit MasterCard® lets you buy everyday items such as groceries, gasoline and clothes and earn points that can be redeemed for everything from electronics to airline tickets and hotel accommodations to gift cards from popular restaurants and retailers. Jan Kovach, Vice President, Consumer Segment Management, says the card makes it easy to rack up points in a hurry. “Based on the average amount spent, most cardholders earn their first reward at around eight months,” Kovach says, noting that many rewards programs take a year before the user gets any benefit. “KeyBank wants to reward you in the way you want to be rewarded,” she adds. “We’re not telling you that you have to have a toaster. You pick the reward you want.”

Solution 4: Find Answers
When you need a little help, take advantage of the invaluable experience of your KeyBank Relationship Manager. This expert can help you determine the best ways to manage your money, providing a level of personal attention rarely found today. “We’re always happy to provide one-on-one guidance,” says Quaranta, whose branch provides a mini-tutorial session about Online Banking for every newcomer opening a checking account. It’s this type of service that prompted BusinessWeek to honor KeyBank as the top bank in their 2009 Customer Service Champ rankings, joining a prestigious group of companies that includes Apple Computer, Amazon.com, Lexus, Nordstrom and Ritz-Carlton Hotels. This award reflects the long-term commitment Key has made to upgrade branches, technology and employee training.

Whether it’s a quick answer about your account balance or in-depth information about health savings accounts, KeyBank employees go above and beyond the call of duty to provide solutions that make it easier for you to manage your money.
Homeowner Assistance

New tax credits can help you save money now and in the future

From paperless billing to lightbulbs that conserve energy, millions of Americans have embraced eco-friendly practices to help reduce their environmental impact. Now there’s a new incentive to become eco-conscious. The American Recovery and Reinvestment Act of 2009 provides federal tax credits for consumers who make certain energy-efficient home improvements in tax years 2009 and 2010. Qualifying for the credit may be easier than you think. Here, Jessica Lin, communications associate for the Alliance to Save Energy, explains how to maximize your savings.

Today’s Focus: How does the energy-efficiency home improvement tax credit work?

Jessica Lin: The tax credit can be earned by making qualifying improvements to your primary residence from January 1, 2009 to December 31, 2010. Thirty percent of the purchase price (up to $1,500) can then be claimed on your annual tax return.

TF: What are some examples of renovations that meet the tax credit’s requirements?

Lin: The most common eligible improvements are adding insulation, sealing or replacing windows and doors, along with installing highly efficient air conditioners, heat pumps, furnaces and water heaters to existing homes. Tax credits are also available through 2016 for geothermal heat pumps, fuel cells, solar panels and solar water heaters for existing homes as well as new construction.

TF: How does installing energy-efficient products benefit the environment?

Lin: Using energy-efficient products has several advantages, particularly to the environment. Many people don’t know that the average home emits almost twice as much CO2 as a typical car. By utilizing Energy Star-labeled energy-efficient products, consumers can not only save up to 30% on their related energy bills, they can also reduce harmful greenhouse gas emissions.

TF: How do you prove that you’ve made a qualifying improvement to your home?

Lin: You need to keep records of when the improvements were made and how much each repair cost, as well as documentation that the product in question is eligible. To make sure the product you’re using follows tax credit guidelines, always look for the manufacturer’s certification statement—a signed document from the manufacturer verifying the product’s eligibility. This statement can be found on the product’s packaging or by contacting the manufacturer directly.

For a complete list of qualifying home improvements, go online to energy.gov/taxcredits.

Energy-efficient products can help homeowners save on energy bills and reduce harmful greenhouse gas emissions.
Reduce, Reuse, Recycle

Key’s green initiatives are making a difference

From applying environmentally conscious design standards within our buildings to offering auto loans that encourage the purchase of more fuel-efficient cars, Key’s commitment to going green is more than a passing trend. For years, Key has led the way by embracing green practices. The following are some of the business innovations that KeyBank is embracing in order to conserve resources and promote a healthier world.

**Decreasing Footprint.** Finally, new customers of KeyBank’s eight new Colorado branches have helped to counteract the effect of carbon emissions. For every new account opened in 2009 at any of these new branches, Key donated $10 to the Colorado Carbon Fund, which invests in projects that improve efficiency or generate energy from renewable sources, offsetting the emissions of carbon dioxide from many everyday activities.

**Going Paperless.** Since Key introduced Online Banking, thousands of customers have opted to end the paper chase, significantly reducing paper consumption. Key recently added Online Statements for Loan and Line of Credit accounts as well. (To learn more, visit key.com/paperless.)

Likewise, Key’s Teller21 program—with industry-leading check scanning and eCheck reporting—has dramatically decreased paper usage. Last year Key launched the Smart Print initiative to encourage more efficient office practices companywide.

**Saving Green.** Key is also making it easier to purchase fuel-efficient vehicles with its Go Green Auto Loans. When you buy a 2007–2010 qualifying vehicle (see a detailed listing at key.com/pdf/vehicle_list.pdf) and opt to have your payment automatically deducted (through Paperless Billing) from a KeyBank checking account, you can receive 0.25% off the assigned rate of your car loan.

**KeyBank is committed to building and going green.**

These initiatives are just some of the ways KeyBank is helping the environment and making a difference in communities across the country. To find out more, go to key.com/green.

**think**

Use our online calculator to measure the greenhouse gas emissions from your energy use, driving and travel.

**act**

Take simple steps to reduce your energy consumption—you’ll lower emissions and save money on energy and fuel.

**fund**

For the emissions you can’t reduce on your own, donate to the Colorado Carbon Fund, and we’ll support projects that reduce emissions right here in our state.

PHOTOGRAPH BY PETER MCMENEMY/ALAMY/GETTY IMAGES
valuable lessons

Teaching children money skills at an early age can establish good habits for life

A generation ago, talking to your children about how much money you earned or how much you spent was considered taboo. But times have changed. In a recent study, 85% of parents with children under 18 said they talk to their kids regularly about money management. The hope is that by letting children in on the mysteries of handling money we can help them grow into financially responsible adults. And it’s never too early to start.

Very Young Children

Make money real. Age three is the perfect time to begin. “At that point, kids get the concept of medium of exchange,” says Neale Godfrey, author of the New York Times bestseller Money Doesn’t Grow on Trees. He suggests explaining what you do with money and that the way to attain money is to earn it. “I start them on an allowance at age three, and I have them doing simple chores to earn money—like carrying the dinner napkins to the table—so that they begin connecting work with pay,” Godfrey says.

Help them understand what money can do. “Have children put coins in a vending machine and get something out, or allow them to use birthday cash to buy things at the dollar store,” suggests Janet Bodnar, author of Raising Money Smart Kids and editor of Kiplinger’s Personal Finance. Talk about money as you go about your daily activities, commenting on whether things cost a little money or a lot, Bodnar says.
Use games to teach about money. Make learning about money fun for children by playing games centered around places they know, like the grocery store or the post office, where they see money changing hands. This helps them understand denominations and about how to exchange money for items, advises Brette Sember, author of The Everything Kids’ Money Book.

**Elementary & Middle School**

**Step up an allowance.** “From elementary to middle school an allowance is absolutely critical,” says Bodnar. “Kids need to learn to manage their own money, and they need to learn to make choices about what they will do with it.” She recommends providing a fixed allowance and then transferring the responsibility of paying for something—such as trips to the movies or the arcade—to your child so he comprehends the process of budgeting for something. (Note: It’s easy to set up regular account transfers with Key’s Online Banking.)

**Watch your language.** Many of us are uncomfortable discussing money, but that attitude doesn’t help our children.

*The Key4Kids savings account is a great tool to help parents teach children the importance of savings and how money can really add up over time.*

—Eric Chester, Senior Vice President of Consumer Product Management, KeyBank

Keep emotions out of your money talks and refer to spending in neutral terms. Also, model proper behavior when it comes to spending. “If you say, ‘I don’t have any money, so I’ll just use my credit card,’ you’ve just taught your child that credit cards are magic,” Godfrey says. “Make sure you follow up on that statement by explaining that a bill comes at the end of the month and that you’ll have to pay it.”

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**It’s Never Too Soon to Start**

Now children can save just like Mom and Dad with the Key4Kids™ Account

Ready to start teaching your children about money and financial responsibility? Bring them into your nearest KeyBank branch to open Key4Kids savings accounts of their very own.

For a minimum deposit of only $10, you can help your children start learning about the importance of saving money. There’s no minimum balance requirement and no monthly maintenance fee. Plus, you can transfer funds from your Key account to theirs and even set up scheduled transfers through Key’s Online Banking to make paying allowances easier. And you can monitor their Key4Kids accounts online and show them how their money is growing every month.

“Naturally, kids like immediate gratification, but by teaching them the basic principles of saving, you’re helping them understand the importance of setting—and keeping—long-term goals,” says Debbie Bailey, Key4Kids Product Manager. Already more than 150,000 children are saving at Key.

To open Key4Kids accounts for your young savers, stop by any Key branch, or go to key.com for more information.

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The Key4Kids savings account was formerly known as the Dinosaurs Children’s Savings Account.

To open a Key4Kids savings account, the custodian on the account must have another deposit or credit product with KeyBank NA.
**Have a savings goal.** Help your child build a plan for her money. Take her to the bank to open a savings account. Ideally you could even have your child separate her money into short-term savings, long-term savings—which would go into her savings account—and charitable giving. This offers your child the chance to learn the discipline of keeping some money at home, putting some in the bank and giving some to charity. “The Key4Kids savings account is a great tool to help parents teach children the importance of savings and how money can really add up over time,” says Eric Chester, Senior Vice President of Consumer Product Management for KeyBank.

**High School**

**Teach about the real world.** Help your teenager see what it takes to run a household by asking him to track a monthly bill, Godfrey says. “And if he can get the bill down, then split the savings with him.” This will familiarize him with the process of paying bills, and it will show him that there are real consequences for doing things like leaving lights on all the time.

**Open a checking account.** Key offers a free checking account for high school students ages 16 and older. “It’s perfect timing for teens who are starting their first jobs,” Kovach says. “Key’s Student Checking® is a great starter checking account. They can deposit the money they earn and use an ATM card with a parent’s approval.” Student Checking is an excellent way for parents to help teach kids how to manage a checking account, and it comes with free Online Banking and Bill Pay, so parents can view their teen’s account along with their own Key accounts. They can even set up recurring transfers for gifts or rewards—and withdrawals for things such as car insurance or cell-phone bills. Plus, Key’s Student Checking provides parents with peace of mind, knowing that they can help their children learn the responsibilities of having a checking account.

**Stop giving your child an allowance.** “You want your kid earning outside the home by age 16,” Godfrey says. Instead, consider giving her a clothing allowance four times a year so she can purchase items herself, and help her budget the money to cover the things she wants.

**College & Beyond**

**Make him responsible for his own money.** Once your child goes to college, put a set amount of money into his savings or checking account, and let him know that it’s not an arbitrary number. Insist that he get a summer job to earn money for the next semester, and make him responsible for some of his own expenses, such as books or weekly spending money. Parents can continue to view their college student’s account through Key’s Online Banking and even transfer funds at those times when a little extra help is needed from Mom and Dad.

**Offer advice on credit.** Once your child takes out a loan or applies for a credit card, make sure she checks her credit report at least twice a year. Not only will this practice help her understand the types of information lenders review, but it will also teach her the importance of building and maintaining a good credit rating. “It’s essential to teach children the long-term effects of poor credit decisions,” says Cindy Balser, Senior Vice President of Consumer Credit Products at KeyBank. “It’s one of the most important lessons they’ll learn.”
beyond the calculator

Bill Pay, Quicken and other tech tools make money management easy—and even fun
Early in their marriage, Timmy and Marta Lee were cavalier about their cash. “I don’t think we ever even balanced a checkbook,” Marta says with a laugh. “It was kind of sad. Our way of avoiding overdrafts was just to have extra cash in the checking account.”

Today, the Lees have a family, and they’ve learned that every penny counts. With two small children, the Cleveland couple now keep a much closer eye on their finances—thanks to developing technologies that make money management simpler. “We use Quicken to track our expenses, and we pay our bills online,” Marta says. “Instead of waiting until the end of the month to get the statement, Timmy checks the credit-card and bank balances every day.”

With the wide array of user-friendly tools now available, record numbers of people are managing their personal finances in ways they could not have in the past, according to Michael Staten, director of the Take Charge America Institute, a division of the University of Arizona dedicated to financial education and research. “Banking technology makes it so much easier to track where you’re spending,” he says, a fact that people find especially helpful in a turbulent economic climate. “And to the extent that people are walking around with Internet access on their phones, they can access that information from anywhere. You can take action to correct problems sooner than if you were still relying on the old pencil-and-paper budgets—which, of course, are a great deal more trouble to maintain. Being aware of where you’re spending can have a strong impact on behavior.”

**Smart Tools**

Staten advocates using money-management tools such as Quicken and Microsoft Money, and he adds that TurboTax is one of his favorites. “I gave up on the manual method a decade ago,” he says. “I’ve navigated through cross-country moves, the sale of my primary residence, earnings from consulting and so forth, and TurboTax works just fine to process all of that. It also provides a faster turnaround on refunds because you file online. People with more complicated financial situations might still benefit from professional advice, but most don’t fit into that category.”

For credit-score monitoring, Staten recommends Score Watch, which is available at myfico.com. For a fee, the service sends e-mail alerts anytime a client’s FICO score changes. The
Consumers who benefit most from money-management technology generally establish clear goals about how they want to spend their money.

credit-score updates can signal that a bill inadvertently went unpaid or can raise an identity-theft red flag; either scenario could make it nearly impossible for consumers to get the best rates on loans. “Say you get an alert that tells you your FICO dropped by 50 points,” Staten says. “You can then log on to the site and see exactly what information caused it to change. It’s another way of staying on top of your finances through a method that wasn’t available before.”

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**Real-Time Access**

Online Banking is hardly new, particularly for customers of KeyBank, which was among the pioneering financial institutions that offered computerized services in the early 1990s. As an industry leader, Key continues to add new features to its suite of online services.

In the past 15 years, such tools have made incredible advances. Today Key customers have 24/7 access to their checking, savings, credit and investment accounts, and they can also create budgets and track their spending by category.

“The tools we offer inside Online Banking are so easy to use that people don’t have to be technically savvy to enjoy real-time access to their financial information,” says Allison Landers, Senior Vice President of KeyBank’s Virtual Banking Channel. “Key has simplified money management by integrating services such as Quicken, QuickBooks and Microsoft Money.” Find out more about Key’s e-services on page B16.

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**You Are the Engine**

No matter how far technology has advanced, it’s still up to you to make it work. Regina Leeds, a professional organizer based in Los Angeles and the author of several books, including One Year to an Organized Work Life, says you have to take advantage of technology. “You are the engine that runs the software,” Leeds explains. “Do these tools help? Yes. But the caveat is you have to actively use them. For instance, I have clients who use automatic Bill Pay for everything—which is a great convenience—but I always remind them that they also need to review those statements each month to make sure the amounts are what they think is appropriate.”

Consumers who benefit most from money-management technology generally establish clear goals about how they want to spend their money. “I’m a big believer in not just doing something but understanding why you’re doing it,” Leeds says. “So let’s say I start using Quicken, and I have all these charts and I input how much I want to spend on eating out next month. I could see that budget number as restrictive and limiting, or I could consider it a way of reining in my spending and marshaling my forces for a greater goal.”

Leeds notes that people who make excuses to avoid using money-management technologies are missing out on the best chance they have for reviving their financial present—and future. “Some people say, ‘Oh, I can’t understand that, I don’t like to deal with numbers.’ The great thing about looking at your money expressed through numbers is it’s completely unemotional,” Leeds explains. “Your budget doesn’t say you’re a terrible person or a wonderful person—it just tells you where you stand. And there’s a lot of power in that.”