

Winter 2008

First Focus



**Bringing Up
Baby on a
Budget:**
Smart Spending
for New Parents

page 6

firstnational.com



First National Bank

First National Bank Upcoming Seminars

KIDS' BANKING • 10-11 A.M.

Kids aged 6-12 learn the joy of filling up their piggy banks and how to think smart about savings.

529 COLLEGE SAVINGS PLANS* • 10:15-10:45 A.M.

Learn why the 529 College Savings Plan, sponsored by First National Investments & Planning, is a top pick for parents.

When: **Saturday, Feb. 9 and March 8, 2008**

Where: **14010 First National Bank Pkwy.**

HOME BUYING SEMINARS

Take the stress out of home buying as our Mortgage Specialists discuss the advantages of buying vs. renting, the pre-approval process, credit scores, loan options and much more.

For more information or to enroll call **964-8401** or visit firstnational.com/seminars.

* Securities provided by PrimeVest Financial Services, Inc., an independent registered broker/dealer and registered investment adviser. Member SIPC/FINRA. Advisory services may only be offered by Investment Adviser Representatives in connection with an appropriate PrimeVest Advisory Services Agreement and disclosure brochure as provided.

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Customer First Banking

Custom Solutions for Your Individual Needs

At First National Bank, we understand people have different needs for different times in their lives. That's why we offer a variety of financial products and services to fit any lifestyle.

Whether you are buying your first home or considering an upgrade, starting a family or sending someone off to college, entering the workplace or making retirement plans — we have financial solutions just for you.

A Personal Banker can design a package of financial services to satisfy your individual needs. Here are just a few of the many products and services available to you:

- Checking
- Savings
- Certificates of Deposit
- Home Equity Loans and Lines of Credit
- Mortgage Loans
- Credit Cards
- Retirement and Investment Services
- And much more!

Call **First National Bank** today and let us help you find the right fit.



Winter 2008

4

Same Budget — Bigger, Better Home

6

Bringing up Baby on a Budget

8

Welcome to the Future of Banking

10

Shape Up! Get your family fit in 2008.

14

New Year, New Nest Egg Strategy



Contact Us

Call the numbers below for the answers you need, when you need them.

24 Hour Banking
342-BANK (2265)
800-642-0014

Bank Locations & Hours
341-HOUR (4687)



SAME BUDGET — **Bigger, Better HOME**

Do you find yourself wishing for additional space, more amenities, a more comfortable layout or perhaps a more ideal neighborhood?

Find out if you're ready to move on up with these simple guidelines.

↑ **Make Yourself at Home**

Write down a list of goals you'd like to achieve with your trade-up. Create a checklist of must-haves and wants — for instance, maybe you need a fenced-in yard for your dog and you'd like to have your kid's school within walking distance. Prioritize the items on your list and start thinking about which features offer the most value for the additional cost. Then, determine how much you are willing to pay for a home that meets most of your needs.

↑ **Put Your Budget Under the Microscope**

Evaluate your debt-to-income ratio (divide your total housing debts including mortgage payment, insurance, taxes and other related expenses by your gross monthly income) to see where you fall — a 36% or lower debt-to-income ratio is preferable.¹ Review your credit with Experian,SM Equifax[®] and TransUnion[®] to gauge if an upgrade is financially feasible. Think of positive steps you can take to put yourself in a better position for a trade-up, such as paying down high-interest debt.

↑ **Shop Around**

Look for the right loan before you start home shopping to get an idea of how much house you can afford. A First National Bank Home Mortgage Planner can recommend lending solutions, help you weigh the benefits of a fixed-rate vs. a variable-rate loan and work to pre-qualify you for your desired loan amount.

↑ **Count (All) Your Costs**

There's more to a trade-up than higher monthly payments. You should also factor in related expenses like mortgage and insurance payments, real estate taxes, maintenance and upkeep, closing costs and loan fees. If your new home might require some upgrades or your current home needs some work before it hits the market, anticipate home improvement costs.

↑ **Test Drive Your Trade-Up Budget**

Unless you're poised for a promotion soon, you'll have to rework your budget a bit in anticipation of a mortgage payment increase. By taking simple steps to scale back in some spending areas, you may be



able to afford your upgrade without feeling a substantial pinch. Design a new budget based on a higher-cost home and try living on it for a month or two.

↑ **Ask a Home Loan Expert**

If you think your family might be ready for a new and improved home, First National Bank can help you evaluate your budget, anticipate associated costs and find a lending solution that's comfortable for you. Contact a First National Bank Home Mortgage Planner today to discuss your financial situation and your trade-up options.

¹ . "What's your debt-to-income ratio?" Lisa Smith, Investopedia.com, http://www.investopedia.com/articles/07/debt_to_income.asp, posted July 18, 2007, accessed Nov. 20, 2007.



**How much can I borrow?
How much will my mortgage payments be?
Should I get a fixed- or adjustable-rate loan?**

Find answers to these and other questions with help from the First National Bank home financing calculators: Visit firstnational.com — click on *Resource Center* and then *Calculators*.

Bringing Up Baby on a Budget

“Look at those cute little toes!”

According to the U.S. Department of Agriculture, those tiny toes could cost you around \$300,000 from birth to age 17.¹ But having a baby doesn't have to nickel and dime you into debt. By laying out a smart spending and savings plan for the short- and long-term, you can prepare for all those expenses your little one will require.



do: *Start thinking about budgeting during pregnancy.* The average cost of having a baby is \$7,600.² If you haven't already, review your health insurance policy to see what is covered, what is considered an out-of-pocket expense and how much your monthly premium will increase with an additional dependent.

do: *Create a baby budget* that includes food, transportation, clothing, health care, education, daycare and so on. Examine your current budget to find areas where you can pare down in anticipation of your baby's needs — and get in the habit of spending less even before the birth.

don't: *Ignore the advantages of parent-centered tax benefits* like the child-care tax credit (available for families where both parents work) and the \$1,000 annual child tax credit. Many employers offer flexible spending arrangements (FSAs) that allow you to set aside pre-tax dollars for daycare expenses — available only to those who don't take advantage



(Continued on page 13)



First National Bank's newest branch, in the Shadow Lake Towne Center in Papillion, Nebraska, is truly state of the art. The new banking center blends our world-class personal service with innovative technology to create a truly unique banking experience.

This first-of-its-kind branch is centered around accessibility as well as comfort. Here, clients can enjoy a community banking feel in a comprehensive facility — whether you have personal, small business or commercial banking needs, the First National Bank branch in Shadow Lake promises convenience with a personal touch.

Shadow Lake Branch Redefines the Banking Experience

Progressive features at the Shadow Lake branch include:

• Learning Center

In an interactive Koi pond display, virtual stepping stones invite you to choose your experience by stepping on the corresponding stone. A virtual school of fish points you to the interactive kiosk where you can learn about buying and selling a home, review our retirement account options, open a new checking or savings account, sign up for online banking or customize a brochure.

• Business Center

Spend productive work time as you utilize the computer, phone, fax, copy machine and free wireless access. We also have teller windows dedicated solely to our business customers.

• Gourmet Coffee Bar

Enjoy a hot cup of gourmet coffee while you bank.

• Kids Area

In this fun space, children can play games, use the "Coin Wizard" and watch kid-friendly programming while parents take care of their banking needs.

• Super ATM

There's no need for envelopes — just slip your cash or checks into the deposit slot where a high-speed reader scans them and provides a printed receipt with instant photocopies of deposited checks. Plus, you can set customized preferences (like Fast Cash amount) that this ATM remembers each time you use it!

• Retina Scan Safe Deposit Box Entry

Security is paramount in protecting your personal items. Our camera-based system uses a photo of your eye, much like a fingerprint, to allow you keyless access.

The Shadow Lake branch represents the newest generation of interactive banking and reflects First National Bank's commitment to high-tech, high-touch customer service. Come meet the people of our newest Shadow Lake Branch and experience what a difference our technology makes.

**First National Bank of Omaha
Shadow Lake branch
72nd and Highway 370**

Shape Up!

Get your family fit in 2008.

The family that plays together — stays fit together!



Creating a family fitness program can teach children positive, lifelong health habits and help busy parents de-stress and stay active. Here are 10 indoor and outdoor ideas for fit-focused quality time together.

1. Park it! State parks offer miles of scenic terrain, indoor activities and winter adventures like cross-country skiing, horseback riding, snowmobiling and toboggan runs. Visit the **Nebraska Game and Parks Commission** (www.ngpc.state.ne.us/) or the **Iowa Department of Natural Resources** (www.iowadnr.com/) to find parks near you.

2. Improvise indoors. Community recreation centers such as the YMCA, YWCA and campus sports centers offer countless indoor activities, including rock climbing, swimming, gymnastics, playgrounds, basketball, golf and more. You're sure to find options to fit every family member.

3. Hit the ice. Join a game of pick-up hockey with your older children or take smaller kids to an open figure skating session. At most area rinks, special cones are available to help little ones stay balanced until they get the hang of it.

4. Catch a class. Check local community recreation centers, schools and studios to learn what classes are available for families, like mixed-age martial arts, dancing or other physical instruction.

(Continued on page 12)



Shape Up!

Get your family fit in 2008.

(Continued from page 11)

5. Saddle the snow.

Sledding can be a fun way to get your heart rate going and the uphill walks are great calorie-burners. Find a local sledding hill in your community or visit The Riverview Lodge in Nebraska's Eugene T. Mahoney State Park, where you can rent sleds on-site and cozy up afterward with a cup of hot chocolate.

6. Bowl them over.

Schedule a weekly family bowling tournament and let the winners pick the prize (such as a "skip a chore" coupon or choosing what's for dinner).

7. Back it up. All you need is a little creativity to turn your backyard into an outdoor gymnasium. Ask your kids to organize a game of tag (so fun in the snow) or, as the weather warms, consider hide and seek, badminton, volleyball or jump rope competitions.

8. Put yourself in, Coach. Coaching a child's basketball, volleyball or other indoor team can be a great bonding experience. Or volunteer to organize afternoon or weekend fitness activities for your child's class that make use of the school's facilities.



9. Get wet! Get your whole family in the pool for underwater adventures like water sports, swim races and water aerobics. Check out community centers and local schools for public swim programs and open swim times.

10. Share the shape-up. Invite friends and extended family members to join in on your activities and encourage them to bring new fitness ideas to the table.

Four More Ways to Get Fit

- Play a game of Twister
- Try skits, charades or "Simon Says" for younger children
- Build an obstacle course — indoors or out
- Try an all-ages workout video



Bringing Up Baby on a Budget



Nebraska College Savings Plan

One of the Country's Best

Kiplinger's Personal Finance rates the College Savings Plan of Nebraska as one of the elite programs in the nation (September 2007). Find out more at a First National Bank 529 College Savings Plan seminar — visit firstnational.com/seminars for dates and details or stop by your local First National Bank branch.

(Continued from page 6)

of the child care credit. For self-employed parents, 100 percent of your child's medical costs are tax-deductible.

do: Use your home's equity to finance large purchases (like vehicles or home improvement) in order to save tax dollars and free up funds for child-related expenses. The interest on debt of up to \$100,000 is tax-deductible when backed by your home's equity.³

don't: Put off saving for college tuition. The sooner you start, the more you'll be able to save and the less financial drain you'll face when your child graduates from high school. You have plenty of great choices today to make the most of any dollars you can sock away, including state-sponsored 529 college savings plans that allow education dollars to grow tax free. A First National Bank Personal Banker can put you on the right track.

do: Invest in a healthy life insurance plan and update your will to ensure your child will be taken care of. If you're already covered, talk to your employer or insurance provider for policy details and upgrade options. Experts recommend carrying a minimum coverage of \$500,000.⁴

don't: Live beyond your means. Recycle baby items among siblings and borrow from other mothers when possible to save money. Consider cutting back on unnecessary expenses or upgrading your home's energy efficiency to free up some of your budget for baby.

do: Designate a certain amount of your income each month to treat your little one with new toys, clothing, family photos and fun outings.

1. "Expenditures on Children by Families," 2006, United States Department of Agriculture – Center for Nutrition Policy and Promotion, figure extracted for families with an income greater than \$76,100 for children born in 2006.
2. "Average Cost of Having a Baby in U.S. now \$7,600," U.S. News & World Report, Health Highlights, <http://health.usnews.com/usnews/health/healthday/071017/health-highlights-oct-17-2007.htm>, posted Oct. 17, 2007, accessed Nov. 9, 2007.
3. "The Basics — Raising Your Quarter-Million Dollar Baby," MSNMoney.com, <http://moneycentral.msn.com/content/CollegeandFamily/Raisekids/P37245.asp>, accessed Nov. 9, 2007.
4. "The Basics: New parents' top 10 money mistakes," Karen Hube, MSNMoney.com, <http://articles.moneycentral.msn.com/CollegeAndFamily/RaiseKids/NewParentsTop10MoneyMistakes.aspx>, accessed Oct. 23, 2007.

New Year, NEW NEST EGG Strategy

With the start of 2008 comes an opportunity to review and revamp your savings strategy in order to ensure you are financially prepared to retire, travel and meet unexpected financial demands when the time comes. First National Investments & Planning Managing Director/National Sales Manager Dennis S. Tygart, CFP, delivers practical financial advice for getting the most from your long-term plans.



Q: When is the best time to start a nest egg?

A: It's really never too soon to start saving. Whether for retirement or an accumulation goal, systematic savings is a discipline we all need to develop. The sooner you start, the easier — and more effective — it becomes.

Q: How do I save for multiple purposes?

A: It's often hard to commit current dollars to a retirement goal that may be decades away. So, saving for multiple goals and using flexible investment strategies become very important. Clearly define your current and future issues, opportunities, wants and needs, and then select investment options that allow you to meet multiple purposes using the same dollars.

Q: What is the easiest way to grow my savings?

A: Pay yourself first. Make your basic savings strategy automatic with pre-tax contributions to your 401(k), payroll deduction into savings, mutual funds and so on. Take a

percentage of any cash flow increase — even if it's a one-time event — and commit it to your financial future. Consider incorporating tax-advantaged investments like tax-exempt bonds, tax-deferred annuities or variable life insurance, as well.

Q: How do I get the most from my 401(k) or traditional IRAs?

A: These are great retirement vehicles because the contributions are made pre-tax and the earnings grow tax-deferred, allowing you significant growth potential without current taxation. And thanks to recent contribution limit increases for qualified accounts, you can save more within a shorter time frame. Formal financial planning provides you with an objective process for quantifying goals, helps assess your ability to accomplish these goals and presents options for adjusting your plan.

Q: Should I pay off my debt before I start saving?

A: If your debt load is out of line with your income, focus a larger portion of your discretionary income on

minimizing your debt percentage. Differentiate between good and bad debt: A mortgage or new business loan can be good debt, whereas debt to purchase depreciating assets (like clothing, vacations or groceries) should be avoided if possible. For good debts with an interest rate lower than you can earn on your money, you may be better off keeping more of your money invested.

Q: How can I ensure long-term stability and maximum growth?

A: Through asset allocation and personal commitment. Asset allocation allows you to balance your investments between different asset classes to “smooth out” investment performance over time. Personal commitment, though, is the key to success.

Q: Any final advice?

A: Work to find that ideal balance between saving for tomorrow and enjoying today. If allocating for the future feels too much like a sacrifice, it's not likely that you will stick with the plan.

Learn more about the diverse nest egg options at First National Bank with personal guidance from an Investments & Planning Financial Consultant.



How big will your nest egg get?

Calculate your projected savings with the First National Bank online savings and retirement calculators at firstnational.com — click on *Resource Center* and then *Calculators*.

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