



# Notes of Interest



## The Drought is (Maybe) Over

By Mike Bock, CEO

It finally happened in December, ending a seven-year drought. After the rapid decline in interest rates during 2008, it was not until the Federal Reserve's December meeting that they made their first increase in short-term interest rates. Many people anticipated this happening so there was little impact to financial markets. It was also announced, at that same meeting, that there could be more increases to follow in 2016.

Then came January and, with it, reports about a slowing economy in China, crude oil prices continuing to drop and other negative economic trends that pushed almost all financial markets in a negative direction. The Federal Reserve, following its January meeting, announced that they recognize markets are still uncertain and, therefore, will continue to monitor economic events before making more rate changes.

### What do these economic uncertainties mean for you?

For savers and investors, you may have to wait a little longer before you see improvement in your interest rates and related earnings. But for those of you thinking about a new home, a home remodeling project or some business expansion, interest rates for borrowing continue to be favorable. So, if you are considering a purchase or expansion where you will need financing, you may want to think about this earlier in the year rather than later.

Stop in or call any of our loan officers to learn more about loan options that could help make your personal or business dream a reality. ▶



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## Just for Our Business Owners

Here are some ways to simplify your operation and/or help your employees enjoy a better quality of life.

- **Making the payroll process more convenient for you and your employees**

*This may be the time to consider direct deposit of your employees' paychecks. By submitting an ACH file to Dairy State Bank, employee paychecks can be deposited to their bank account, no matter where they bank.*

- **Helping employees plan and prepare for increasing health insurance and medical costs**

*Now is a good time to consider helping your staff learn about and establish a health savings account (HSA) to help with medical expenses. Your commitment can be as little or great as you wish.*

- **Converting your line of credit to an automatic transfer system to maximize money management**

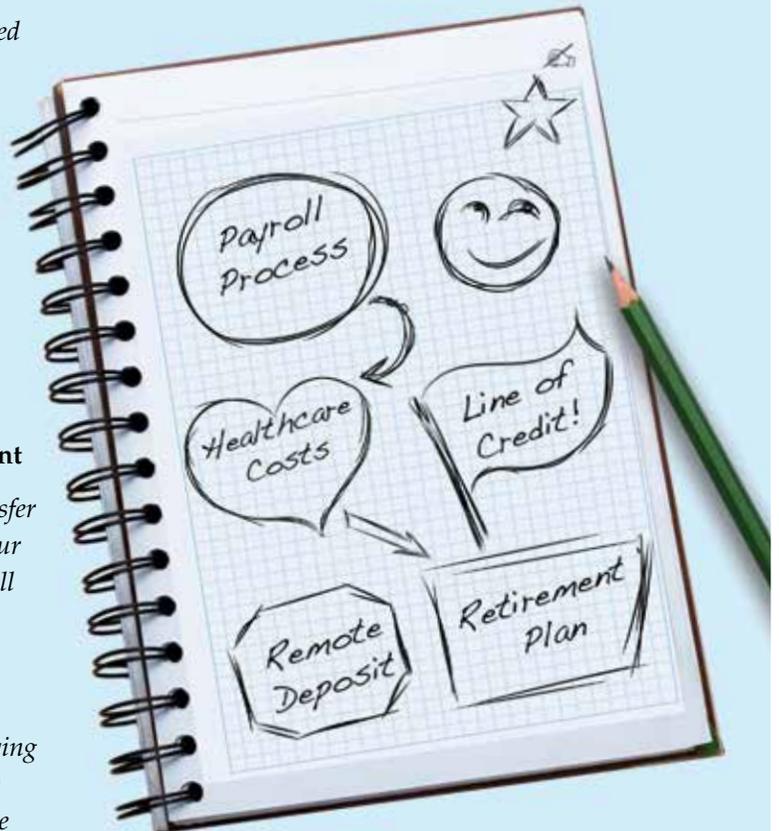
*Your line of credit can be set up to automatically transfer funds to and from your checking account. Contact your loan officer for details. With a little paperwork you will be set for simpler day-to-day activities.*

- **Reducing the number of trips to the bank**

*If your deposits consist mainly of checks, consider trying remote deposit. For a reasonable cost, you can process deposits at your place of business, saving time and the expense of going to the bank.*

- **Establishing a retirement plan to help your employees prepare for their golden years**

*This could be as simple as a Simplified Employee Pension Plan (SEP) or more in-depth like a 401(k) plan. There are many options that we can help you with.*



## Congratulations, Bob Johnson, Retired Director

It is with great pleasure that we congratulate Bob Johnson on his retirement from our board of directors. Our board is a fairly invisible group doing the things they need to do behind the scenes. Bob joined the board in 1972 and had a great run helping the bank grow and expand over his 43 years of service. Thank you, Bob, for your dedicated service to Dairy State Bank. ➤

## Hello, Bloomer, Our Soon-to-be 12th Location

We are excited to announce we are opening a new office in Bloomer, Wisconsin. We received regulatory approval to begin the process of updating a current bank facility at 1311 14<sup>th</sup> Avenue, Bloomer. This is a short distance off of Main Street. After the building update and the addition of some new faces to service the location, we are shooting for an opening sometime in April. Visit our website, at [www.dairystatebank.com](http://www.dairystatebank.com), for additional details as they become available. ➤

# Lofty Goals, Limited Means: Finding Ways to Boost Your Investments

If you're ready to start investing or ramp up your current investment initiatives but there just doesn't seem to be enough money left over at the end of the month, don't give up. The following strategies could help you manage your money better and free up resources for your investment goals.

- **Start budgeting**

While most of us know what a budget is, how many of us actually use one? A budget can help you chart your cash flow by recording all of your sources of income and your fixed and variable monthly expenses. Once you determine where your money is going using a budget, you can prioritize your needs and potentially identify expenses that could be eliminated.

- **Cut down on credit card expenses**

Avoid using credit cards whenever possible, but if you can't, at least work to pay off your debt. Consider transferring your balances to a card with a lower interest rate, and try to pay at least twice the minimum monthly payment.

- **Watch transportation costs**

Do you really need a brand new car right now? You could save thousands by purchasing one that's just a year or two old and yet still has a warranty. If you purchase a car — new or used — carefully consider whether to finance or lease it. The decision could dramatically affect your monthly expenses.



- **Put your extra cash to work**

Did this year's tax refund, raise, or bonus burn a hole in your pocket? The next one doesn't have to. Make plans now to invest it.

- **Cut down on "luxury" spending**

If you only go snow boarding or skiing twice a year, it might make more sense to rent equipment instead of buying the latest model and watching it collect dust the rest of the year. Renting movies instead of paying \$8 or more to see the latest release and bringing lunch to work are other ways you can watch your bottom line without cramping your own style.

It may be difficult at first, but once you start you'll see that a little bit of discipline can make a big difference when it comes to finding the money to pursue your financial objectives.

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## New, Chip-enabled Debit Card for Enhanced Security

Dairy State Bank will begin offering EMV debit cards with chip technology this spring. The embedded computer chip provides more security and wider international acceptance.

A microchip embedded in the card adds a new layer of protection against fraud for purchases made at the point of sale. Information programmed into the chip is personalized for your account and each transaction generates a unique code, adding an extra safeguard against unauthorized use and counterfeiting.

These cards are already in wide use around the world and are now becoming the standard in the U.S.

### When will the change happen?

Even though chip cards have started being issued in the U.S. and some merchants have already installed chip-enabled card terminals for payment, the entire conversion process is expected to take a few years to complete.

That's why chip cards will continue to have a magnetic stripe on the back. That way, if a merchant's terminal or an ATM is not yet chip-enabled, your transaction can still be processed as it is today, using the magnetic stripe.

### When will I get my chip card?

Your card will be replaced with a new chip card when your current card expires. Once your new card arrives, be sure to activate it for use and then destroy your old card.

There is no need to request a new card. You'll automatically receive your new chip card in the mail before your current card's expiration date. There is no extra charge for the new chip card.

If you are planning to travel internationally or have an immediate need for a chip card, please contact us.

### What if a merchant isn't using a chip-enabled terminal yet?

Your payment will process as it currently does, by swiping your card. Chip cards will continue to have the magnetic stripe on the back.

### How will the new EMV cards work for online or phone purchases?

Chip cards will not change the way payments are made online or by telephone. Provide your card information as you have done in the past.

For more information or to view a quick video about chip cards, visit the Online Education Center on our website, at [www.dairystatebank.com](http://www.dairystatebank.com).

