

A quarterly newsletter brought to you by First State Bank



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eNews

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Featured in this newsletter



Scam Alert!



Put your Tax Refund to Work



Tips for New College Grads

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Fraud Alert!

Account takeover fraud involves a criminal taking control of a corporation's or a consumer's financial accounts

How It Works

Cyber criminals can use various pieces of personal data to initiate an account takeover, including email address, full name or birthdate. It doesn't have to be sensitive information like a bank account number or Social Security Number. They can obtain this information through phishing schemes, malware, social media and other practices. Any business or consumer could be a target

How Consumers Can Protect Themselves

There are several steps consumers can take to protect themselves from attack. Consider the following precautions:

- **Avoid using the same password on multiple accounts.** By using the same password, if one account is compromised, it potentially makes it easier for a cybercriminal to gain access to additional accounts that use the same login information
- **Change passwords often.** Stay one step ahead of cybercriminals by updating passwords periodically. Be sure to use complex passwords (passwords using upper and lowercase letters, numbers and special characters)
- **Limit outsider access to social media accounts.** Cybercriminals mine social media for personal information they can use to exploit your accounts. Change the settings on your accounts so only people to whom you grant access can see your social media activity
- **Keep an eye on your financial accounts.** Watch your banking and credit card statements for suspicious activity. Use online banking when possible to monitor transactions more frequently. If you see a transaction you don't recognize, contact the bank or other financial institution immediately

Put your Tax Refund to Work

The calendar has switched over to a new year, which means – among other things – tax season is here. In 2018, more than 79

TAX TIME



million taxpayers received refunds at an average amount of \$2,864. While it may be tempting to spend it all, there are many ways to put that kind of financial windfall to work for you. While tax refunds are exciting, it's important to examine exactly how that influx of cash can improve your life beyond giving you the means to buy something fun.

The following are five ways to use your tax refund that can help you – or your loved ones – in the long-term.

1. **Give your savings a boost.** It's important to have an emergency cushion in your savings to help cover unexpected expenses as they arise throughout the year. Putting your tax refund in an emergency fund could give you some breathing room.
2. **Eliminate credit card debt.** If you are carrying large balances on credit cards, you may want to use your tax refund to help pay down that debt. Doing so will give you more monthly income that isn't going toward paying off debt.
3. **Make an extra payment on other debt.** If you don't have a large balance on your credit card, consider making an extra payment on some other debt – mortgage, car, student loan, etc. The sooner those bills are paid, the sooner you will be able to keep more of what you earn.
4. **Add it to your retirement savings.** You're not likely to regret having more money saved when you retire. Consider using your tax refund to give your retirement fund a boost.
5. **Put it in a college education fund for your children.** College is expensive and costs continue to rise. Putting money into a 529 plan or other college savings fund will make things easier when your children start pursuing their degrees.



Tips for New College Grads

More than 70 percent of college graduates began their career owing more than \$37,000 in student loans in 2017. Considering the additional living expenses they'll soon face, new college graduates would be wise to focus on their financial future right now.

The habits new graduates develop right now will have a big effect on their financial future. Living expenses add up quickly once you're out on your own, and many young adults who didn't plan ahead are delaying major milestones like getting married or buying a home because of their financial situation – or worse they go farther in debt to attain them. The good news is that you can take action now to work toward a positive financial future if you think strategically about money right out of the gate.

Here are six smart financial decisions college graduates should consider to position themselves for financial success as they embark on their next phase of life.

1. **Live within your means.** Supporting yourself can be expensive, and you can quickly find yourself struggling financially if you don't take time to create a budget. Calculate the amount of money you're taking home after taxes, then figure out how much money you need to pay your current obligations while contributing to your savings. Be sure to factor in recurring expenses such as student loans, monthly rent, utilities, groceries, transportation expenses and car loans.
2. **Pay bills on time.** Missed payments can hurt your credit history for up to seven years and can affect your ability to get loans, the interest rates you pay and your ability to get a job or rent an apartment. Pay your existing obligations first before spending money on "wants." Consider setting up automatic payments for regular expenses like student loans, car payments and phone bills. Take advantage of any reminders or notification features. You can also contact creditors and lenders to request a different monthly due date from the one provided in the loan contract (e.g., switching from the first of the month to the 15th).
3. **Avoid racking up too much debt.** Understand the responsibilities and benefits of credit. Shop around for a card that best suits your needs, and spend only what you can afford to pay back. Credit is a great tool, but only if you use it responsibly.
4. **Plan for retirement.** It may seem odd since you're just beginning your career, but now is the best time to start planning for your retirement. Contribute to retirement accounts like a Roth IRA or your employer's 401(k), especially if there is a company match. Invest enough to qualify for your company's full match – it's free money that adds up to a significant chunk of change over the years. Automatic retirement contributions quickly become part of your financial lifestyle without having to plan for them.
5. **Prepare for emergencies.** Hardships can happen in a split second. Start an emergency fund and do your best to set aside the equivalent of three to six months' worth of living expenses. Start saving immediately, no matter how small the amount. Make saving a part of your lifestyle.

with automatic payroll deductions or automatic transfers from checking to savings. Put your tax refund toward saving instead of an impulse buy

6. **Get free help from your bank.** Many banks offer personalized financial checkups to help you identify and meet your financial goals. You can also take advantage of their free digital banking tools that let you check balances, pay bills, deposit checks, monitor transaction history and track your budget



Meet your Banker!

This month we get to meet Chris Corcoran, our Senior Vice President.

Chris grew up in Fairbank, Iowa and enjoyed working on a variety of farm operations in high school and during his years at Iowa State University. He received his degree in Ag Business with an emphasis in Ag Finance from ISU. He has been working in Ag banking for the past 19 years.

Chris enjoys many aspects of Ag finance, especially getting to know his customers and learn about individual farm operations in order to strategize and customize a proper framework to help each of his customers succeed.

Chris and his wife, Dr. Jessica Corcoran of Walsworth Family Dentistry in Waverly, take care of a busy operation, as well. They have three children, ages 10, 8, and 6. Chris is famously known by his kids as being able to "kick the ball really high." Chris and Jessica enjoy keeping up with their kids' activities, and the family enjoys a lot of time together in the great outdoors boating, hunting, and fishing. Chris works with Ag and Commercial customers as well as Bank Operations.

Stop by our Sumner office and get to know Chris!

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