



OUR NEIGHBOR CONNECTION NEWSLETTER

Is it Time to Buy or Should You Wait?



*Jason Winter
President*

The question we're hearing most from our customers is, "should I buy now, or wait until 2024"?

In an attempt to answer that question, it's important to understand how we got to where we are today, and that is a long and winding road. Reduced household spending during pandemic lockdowns combined with trillions of dollars in pandemic stimulus, followed by shortages in labor and inventory, and finally all the pent-up demand unleashed on the economy, it was a perfect storm.

Prices for pretty much everything: groceries, gas, vehicles, homes, etc., have all skyrocketed since the pandemic.

In an effort to combat inflation, the Federal Reserve raised their benchmark borrowing cost, the fed funds rate, from 0.25% to 5.50% over the last 18 months. The rate is now at its highest level since early 2001. Increasing the cost to borrow money is the primary method the Federal Reserve uses to reduce spending and in turn to tame inflation. As Fed Chairman Jerome Powell stated in his August 2022 speech, "without price stability, the economy does not work for anyone."

When interest rates increase, an uptick in unemployment is expected. At the pace the rate increases were happening in 2022, I felt certain that at some point in the near future I was going to see at least 1 out of every 10 of my friends unemployed, and the economy would be falling into another deep recession. Thankfully the Federal Reserve slowed the pace of rate increases last December and my fear has not come to fruition.

Unfortunately, we're not out of the woods yet, as there are a number of outside factors that could come into play and drag down the economy. The student loan payment hiatus that lasted over three years just ended and borrowers begin making payments again on October 1st, credit card debt is at an all-time high, and household "excess savings" from the pandemic stimulus packages has run dry.

However, if the economy manages to keep chugging along and inflation (which is now in the 3's) continues to creep down slowly, there is a chance of a soft landing. Should that occur, it's unlikely the Federal Reserve will start dropping rates in the near term, as they would not want to risk inflation jumping right back up. There's a good chance we see higher interest rates through much 2024. Any interest rate decreases we would see in 2024 and likely into 2025 would be moderate.

If the Federal Reserve does manage a soft landing, I don't see home prices in our area falling any time soon. The number of homes for sale would need to increase dramatically, and for that to happen, interest rates would need to cool substantially.

The auto market is a different story. It was widely predicted a few months ago we would be seeing large new car inventories that needed to be moved by year-end and we would finally see some significant decreases in prices of both new and used vehicles. However, as of this writing the United Auto Workers are on strike, and if an agreement doesn't happen soon, we'll see shortages in new vehicles, and therefore even higher prices.

While there's no clear answer to the buy now or wait question, hopefully the background provided helps you with your individual situation.



Person to person. Neighbor to neighbor. Yesterday, today and tomorrow.
www.CitizensStateBankNYA.com

Medicare Plans Available



Matt Brakefield
Investment Representative

As fall begins, I have some exciting news. We here at Citizens Asset Strategies are now offering Medicare insurance plans to all community members age 65 and older. I have always enjoyed working with seniors and believe we can be a great help in sorting through Medicare plan options.

There are numerous insurance companies whose plans we have access to. We can help those who

are happy with their current plan and just want to renew as well as those who are looking for a new plan.

Our job as I see it is to get to know you and your specific healthcare needs and challenges. We will then match you up with several great options. Allowing you to pick the plan that works best while seeing plan comparisons side by side. With our systematic approach you'll be sure your plan will cover all the bases when it comes to including your providers, prescriptions drugs, specialists and the other features you like such as; fitness plans, dental, vision and other benefits. In addition, you will have access to phone and online support throughout the plan year should you need help.

Open enrollment is October 15th – December 7th and we will begin taking requests for phone and or online meetings with our agents for those dates on Monday, September 25th. Call Beverly or I at 952-467-3276 to schedule an appointment as soon as possible. Times are limited due to the enrollment period.



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In the news



Citizens celebrated Dairy Day in June

Citizens State Bank had its annual Dairy Day celebration June 23 with free sundaes with all the toppings, farm animals and games. In addition, the bank had milk, cookies and treats throughout the month. Winner of the drawings were: Linda Harms, Pat Kroells, Sharon Beneke, and Julie Schmidt.

Stiftungsfest



Bank staff enjoyed another great Stiftungsfest celebration in town August 25-27. Citizens State Bank is a proud supporter of the celebration.



Fun at the County Fair

The Carver County Fair is another great event each year. Once again, Citizens State Bank was a strong supporter of the event.



Tips to Avoid Phishing Scams

Recently, Google announced a change to its inactive account policies. Starting in December 2023, accounts that have been inactive for two or more years will start to get deleted.

In the coming months, we expect to see phishing scams based on Google's new policies. You may receive emails claiming that your Google account will be deleted unless you take immediate action. These emails will likely ask you for your Google login credentials. If your login credentials fall into the wrong hands, these cybercriminals could steal your personal information or impersonate you to scam others.

Follow the tips below to protect yourself:

- If you receive an email claiming that your account will be deleted, consider whether or not you use the account in question and verify the legitimacy of the email.
- Think before you click. Cyberattacks are designed to catch you off guard and trigger you to click impulsively.
- Be cautious before logging in to accounts through an email link. Instead, navigate to the organization's official website to log in.

Employee Spotlight



Shirley Jaeger
Teller/Bookkeeper

Name: Shirley Jaeger

Position at Bank: Teller/Bookkeeper

Years in Banking: Almost 4 years plus 13 years at Watertown.

Favorite Board Game to Play:

Trivial Pursuit. Not much on board games, but a good game of Sheephead is always FUN.

Favorite TV Shows: Jeopardy, Twins games, Chicago Med, Fire, Dateline

Memorable vacation you've taken:

Still love Duluth, the harbor is so relaxing.

Favorite childhood memory: 4th of July picnics with all the cousins.

Favorite Book: Not a specific book, but read a lot of Danielle Steele books.

Something that most people don't know about you: Would love living in Duluth, but would be a long commute to work.

Family (where you live): Still live in New Germany. My son lives at home and have a daughter and 2 grandchildren out in Oshkosh.



Citizens knows agriculture

Fall is the time of year for harvest and recognition of all the hard work that our local farmers put in. While appreciating the crop year, we also look to the future and start planning for next year's production. With the corn and soybean prices of 2022 at \$14+ per bushel and \$7+ per bushel respectively, it wasn't too difficult for a grain farmer to see a positive cash flow from the 2022 crop. While we are thankful for seeing reduced chemical and fertilizer costs for 2024, many farmers are likely going to find it more difficult to get a cash flow to pencil out when looking at 2023 crop yields and current commodity prices. We can help you with that. Our lenders know agriculture and have the experience to help you create a financial plan to navigate the ups and downs in your farming operation.

The weather, along with commodity and input prices will continue to be unpredictable. Partnering with the right bank will help set up your operation for success for years to come. Citizens' local decision-making allows the flexibility to work with the ever-changing situations of our farmers in a continuously evolving economy. See Jason, Dan, Bruce or Tony today.

Citizens will be our bank for life!

My wife Haley and I were referred to Citizens from a client and friend of mine that has been working with the bank for years. From my first conversation with Jason, I knew that Citizens was the banking partnership I was looking for. Jason and his team have worked side by side with my wife and I through the construction of our house and have made the financial part of this project stress free. We have never worked with a bank team that makes us feel like family and not just another person they are making money off of until we worked with Citizens. Jason and his team are always there to answer questions and have made the stress of building a house so much less. We will never work with another bank or team and will be clients of Citizens for life.

Jake and Haley Taylor



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EMPLOYMENT OPPORTUNITY

Citizens State Bank is looking for a person with strong interpersonal skills dedicated to providing great customer service.

Responsibilities may include: customer relations, accounts payable and general bookkeeping, consumer lending, deposit and retirement accounts, account maintenance, and other general banking tasks.

If you are interested in a career in banking, Citizens offers a friendly, professional work environment. This is a full-time opportunity with a strong benefits package and competitive pay.

Email resume to: Employment@csbnya.com

Citizens State Bank Norwood Young America is an Equal Opportunity Employer.



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