

## **In This Issue:**

- ▣ **Watch Out for These Red Flags to Stay Safe While Shopping Online**  
Warning signs you should watch out for when shopping online
  - ▣ **Welcome!**
  - ▣ **Why Small Businesses Need Their Bank**  
Local banks offer important services to small businesses
  - ▣ **When Is the Best Time to Buy a New Vehicle?**  
The right timing can help you save big
  - ▣ **Small Ways to Save That Add Up**  
These little things could mean big savings for your business
  - ▣ **The Basics of Creating Your First Budget**  
Take the time and make a basic budget to keep your finances afloat
  - ▣ **Chalk Walk**
  - ▣ **Walk'n Roll**
  - ▣ **United Way Week**
  - ▣ **Galveston County Food Bank**
  - ▣ **Jimmy Rasmussen re-elected to Board of Directors**
-

## Watch Out for These Red Flags to Stay Safe While Shopping Online

### Warning signs you should watch out for when shopping online

It is hard to overstate the popularity of online shopping. There is almost no category of product that can't be purchased online. From wedding dresses, to pets and potato chips, consumers are heading online to purchase things that only a few years ago would have been considered strange to buy online. With so many online stores to choose from, it can be hard to tell which are legitimate and which could leave you vulnerable to scam or identity theft.

One of the easiest ways to tell if a website is secure is by looking for a Trust Seal.

"Typically, these seals are associated with secure sockets layer, or SSL for short," states John Rampton, a *Forbes* contributor. "This simply means that your site has been verified and that there is a secure transmission for customers to safely enter their credit card information."



When you are shopping online, you may have run into one of the seals and not even realized it. If you searched for a store through Google, for example, you probably have seen the small logo with a checkmark that states "Google Trusted Stores," which is the search engine's own Trust Seal. There are also several other companies that examine stores and give out trust seals.

"While trust seals are an important feature for [an] e-commerce website, which seals are the most reliable?" asks Rampton. "In a survey conducted by the research group the Baymard Institute, the most trusted badge was Norton, with 36 percent of the votes. This was followed by McAfee (23 percent), TRUSTe (13.2 percent) and BBB Accredited (13.2 percent)."

The other ways that you can determine an online store's trustworthiness are much less clear-cut than Trust Seals. Online reviews, for example, are one of the most important ways that consumers make decisions about a business's reputation. If an online store has many positive reviews, you will likely feel safer giving it your credit card information. It is entirely possible for a good online store to not have

many reviews, however, and positive reviews can be faked, so it is not a foolproof method.

It is also important to not ignore your gut feeling when shopping online. If you find a product for significantly less than every other store selling it, then that is a definite red flag. Another tactic to keep an eye out for is if a store claims to have the product you are looking for during an initial search, but then tries to redirect you to other similar products because they do not actually have what you need.

Furthermore, if a website doesn't seem professionally designed, is extremely outdated, or very difficult to navigate, you may want to find another.

“Would you seriously give your credit card information to [a] website that looks like it belongs in 1995?” asks Rampton. “Common sense would say absolutely not.”

You should also look for contact information that would allow you to speak with an employee if you have questions or problems with your order. If there is no way to contact customer service, that is a big red flag.

Once you decide to make a purchase, there are further things to keep in mind.

“Don't send your credit card details via email, post them on social media (even in a private message), or enter them on an unsecured website,” states Lexy Savvides from Cnet.com. “Don't give away more information than you need. Retailers generally don't need to know details like your date of birth or social security number, so why disclose it if you don't have to?”

If you keep this information in mind and always choose the path of caution, you should be able to shop online without incident.

## Welcome!

I am pleased to present to you our newest project, the HomeTown Bank E-newsletter. With our 50th Anniversary on the horizon in June 2016, we have plotted a course for the future which includes comprehensive strategic planning and various marketing initiatives, including a redesign of our website.

Our staff consistently strives to improve our online and mobile banking products and services, for your convenience. These modern-day services are constantly growing, and I'd like to be the first to introduce you to the newest way we plan to keep our customers informed by communicating bank updates, including staff anniversaries, new personnel, and even highlights from our most recent community involvement. We'll also throw in some educational information and even special interest, lifestyle pieces, just to keep things interesting.

At HomeTown Bank, we give top priority to connecting with our customers through a relationship based on personal service. Welcome to our newest way to connect! Enjoy!

Jimmy Rasmussen  
President & CEO



## Why Small Businesses Need Their Bank

### Local banks offer important services to small businesses

There are many necessary ingredients that are part of the recipe for creating a profitable business. A good location, motivated employees and great service are some of the more obvious ingredients, but when you look closely at a thriving small business, it becomes obvious that its bank plays a huge role in its success. Forming a relationship with a bank in your community can help your small business grow and stay successful in a variety of ways.

“Part of a community bank’s mission is to help the neighborhood thrive,” states Christine Lagorio-Chafkin from Inc.com. “In the post-credit crisis economy, there’s a lot of movement toward small banks – especially in the small business world.”

This is because small, community-based banks have typically proved more likely to lend to small businesses than larger banks. This means that whether you’re looking to grow your business or fund a new start-up, you don’t have to stray too far outside your neighborhood to find funding.

“Small banks regularly finance businesses that big banks have turned away,” states Stacy Mitchell for the Huffington Post. “Although small and mid-sized banks (\$10 billion or less in assets) control only 22 percent of all bank assets, they account for 54 percent of small business lending. Big banks, meanwhile, allocate relatively little of their resources to small businesses.”

Small financial institutions say yes to more small businesses because they typically use a more robust way to determine whether or not to approve a loan than the simple credit scoring method favored by most large banks.

While a credit scoring method uses a computer formula to analyze hard facts about the business, your local financial institution is better able to look at the whole picture.

“Because big banks are run from afar, it’s impossible, or at least very expensive, for them to obtain the kind of qualitative information about risk that local bankers pick up naturally by being part of the community and interacting with borrowers,” states Mitchell.

Online-only financial institutions are in the same position as large banks, making them less likely to make lending decisions based on all relevant information about your small business. This is because they aren’t a part of your community and are therefore forced to rely on clear-cut data to make loan decisions without the ability to truly understand what your small business needs to succeed.

When you work with a local financial institution, you have the opportunity to make your case directly to someone who is part of your community. Not only can this fact help you find a loan more easily, the



process may also be faster because the person you speak with will not have to pass the decision-making process along a large chain of higher-ups.

“Relationship managers at community-based [institutions] often have more discretion than those at a unit of a big institution and they may consider small-business lending to be their bread and butter,” states the *Wall Street Journal*.

“The most important thing you have with your [financial institution] is not money: it's the relationship you have,” states business consultant Rich Sloan for Bankrate.com.

If you have any questions and want to see how we can help your business, please don't hesitate to give us a call.

---

**HomeTown Bank • 409-763-1271 • [www.htbna.com](http://www.htbna.com)**

---

## When Is the Best Time to Buy a New Vehicle?

### The right timing can help you save big

Buying a new vehicle is probably the second biggest purchase you'll make in your lifetime, so doing your homework makes sense for many reasons, not the least of which is it could help you save thousands. And while there are many things to consider, when you buy is commonly overlooked — but it could make all the difference in getting a great deal.

Steve Harrison, executive director of the USAA Auto Circle, lists three things to help tip the scales in your favor, including:

1. **Shopping early in the week** - Dealerships usually do the majority of their business during the weekend, so coming in on a Monday or Tuesday could net you not only individual attention, but the salesperson also may be more prone to make a deal due to low sales volume.



2. **Shopping at the end of the month (or quarter)** - Most dealership personnel are judged on their sales performances, so a sale during a slow month or quarter could mean the difference between them keeping their job or not.

There are also times where the dealership as a whole can get extra money from the manufacturer if they hit certain sales goals, so they may even be willing to lose money on a specific sale to hit those goals.

3. **Making your offer later in the day** - Everyone looks forward to the end of the day, especially someone who works long hours. If a salesperson hasn't made a sale all day, he or she may be willing to push a quick sale through to help build some momentum and turn the day around before heading home.

"Some 'experts' will tell you that you can get a better deal on your vehicle in the dead of winter when sales are slow. The truth is that you can get a great deal any month of the year if you know what you are doing," said Michael Royce, a former car salesman and consumer advocate.

You also want to use online tools, like Edmunds.com, that provide independent research before you decide on your vehicle. And as usual, stop by to see what financing options we can help with so you can shop with the peace of mind that you can afford what you're purchasing.

## Small Ways to Save That Add Up

### These little things could mean big savings for your business

What business doesn't wish it could have just a little more money? Running a company is no inexpensive task, and cutting costs is essential to ensuring that you're gaining profits. That's why it's important to put saving money on the top of your priority list.

And there's good news: saving is easier than you might think. In fact, there are lots of small, easy ways to sock a few — or more — extra bucks away each month, many that don't even take much effort on your part.

Check out these small ways to save that add up quickly:

Most businesses require materials such as paper, ink and postage, and many don't even realize how much small things like this can add up. If you get rid of it all, over time, you'll see your savings grow steadily.

"Businesses should shift toward paperless payments for many reasons," says Mitch Rose, vice president of BillTrust. "Businesses should not be reliant on the [United States Postal Service] for receiving payments. There is already too much going on with the USPS from rising rates, closing of postal locations, lost mail, delays due to disasters or vandalism, etc. Just as important, the cost to a business to apply a paper check payment is significant. There are struggles with keying it in, getting the payment deposited in a timely manner and applying the payment to a specific invoice."

**Negotiate for better rates** - "One thing we have done is gone to any service providers or partners and tried to negotiate flat fees or just bring down the prices," says Tim Santoni, president and CEO of Santoni Worldwide Investigations and Backgrounds.

You might be surprised by how often providers will want to keep your business and will arrange for a better price post-negotiation. If they aren't willing to lower their expenses, it might be beneficial to switch to other providers. Make sure you're partnered with service providers that you know want to help you grow and aren't simply taking orders and delivering.



"The more strategic partners and providers you have, the easier it will be to grow," says Jackie Nagel, owner of small business strategy firm Synnovatia.

**Don't overspend on taxes** - Sometimes, if businesses are new to a location, they're subject to a higher tax rate. In order to avoid spending too much on taxes, take action.

"Go to city hall to determine what your neighbors are paying, and use this to negotiate a better rate," suggests Pete Collins of PricewaterhouseCoopers LLP in New York City. "Expanding businesses can often negotiate with community authorities who want them to stay in town rather than move and take jobs elsewhere."

**Go green** - Did you know that the average business consumes 3.6 tons of paper per year? Or that companies use 2,400,000 barrels of water a year (of which more than 20 percent isn't necessary)? It's obvious that adapting to a greener workplace will not only help you eliminate waste, and that's great. But eliminating waste also saves your business money. Simply replacing standard light bulbs with alternatives can decrease lighting energy cost by 75 percent.

"More and more businesses are recognizing the benefits of reducing their waste," says Carrie Hamblen, executive director of the Las Cruces Green Chamber of Commerce. "Not only can businesses save money by reducing their overhead, [but] recycling [is] good for business and benefits us all." It's a win-win.

**Save the money you're saving** - It may sound obvious, but one of the biggest mistakes people make when trying to save money is spending the money they've just saved — which totally defeats the purpose of saving.

"What's important is that you save it — you don't fritter it away on something else," says Fred Brock, author of "Live Well on Less Than You Think." He also recommends, if you'd like, to "put it into a mutual fund, or whatever your investment vehicle is. Over time, you'll be able to save an incredible amount of money."

To rein in your business budget, a few simple cost-cutting tips can make all the difference. Take these easy ways to save into account to save some money.

## The Basics of Creating Your First Budget

### Take the time and make a basic budget to keep your finances afloat

Are you preparing to graduate? Congratulations on taking the big step of moving out into the real world. The autonomy is a great feeling, but it comes with its share of responsibilities, such as handling your own finances. Creating a basic budget will help you keep track of your income, expenditures and savings. All it takes is a pen, paper and about 30 minutes.

Here are the steps you should follow, and each should take less than 10 minutes:

**Discern your overall income** - Do you have a full-time job where you obtain a set income each pay period? How about a part-time job (or two) at which your hours are unsteady? The latter is the more complicated aspect of step one, so you first need to add up how much you make after taxes from every income source you have — use the minimum amount you will bring home as a basis if you work varying hours each week. It is better to under budget than to go over budget.



**List your fixed expenses** - Next, you need to list all the expenses you have each month that never vary.

“Your budget will need to reflect the fixed costs of living for your new lifestyle, including rent or housing payments, utilities, car payments, credit card payments and other expenses you don’t expect to change each month,” says Sabah Karimi, columnist for U.S. News & World Report Money.

**Identify new expenses** - This includes student loan payments, health insurance and the like — things you aren’t used to paying on your own. These are likely fixed expenses but may not be, which leads you to the next step.

**Think of all your variable expenses** - Any expense that changes from month to month should be listed here. That could be those bills that come regularly yet aren’t always the same amount (i.e., utility payments, gasoline, grocery tab), or expenses for other travel, entertainment, etc.

“You decide how much of your monthly income goes toward these purchases, and you can adjust the amount at any time. Prioritizing what’s most important to you after your fixed and new expenses, and your savings are taken care of, is one of the crucial aspects of putting together a budget,” Karimi says. “Create categories and play around with different numbers to figure out what you are comfortable with and what you can truly afford.”

**Decide how much you want to save each month** - There should always be a line in your budget for savings. It doesn’t have to be much, but putting aside a percentage of your pay each month will give you a nice nest egg for the future or in case of emergencies.

With any luck, your expenses will be less than your total income. If not, some of your variable expenses need to be reconsidered to make your budget work. Many people opt to put this hard copy

of the budget into a spreadsheet or other budgeting tool, but it's not always necessary. As long as you stick to your plan and update it as needed, your finances should be in good shape.

---

**HomeTown Bank • 409-763-1271 • [www.htbna.com](http://www.htbna.com)**

## Chalk Walk

HomeTown Bank of Friendswood was so excited to sponsor Marissa Devivar again this year in the 2nd Annual "Chalk Walk" in at Captain's Corner Shopping Center. Marissa is 12 years old and won her age group! Congratulations to the very talented Marissa!

---

HomeTown Bank • 409-763-1271 • [www.htbna.com](http://www.htbna.com)

---

## Walk'n Roll

The HomeTown Team had a blast as “Gold” sponsors and race participants at the 2nd annual Walk 'n Roll in October, presented by Harbourview Care Center at South Shore! All proceeds benefitted The Rose Houston.

---

HomeTown Bank • 409-763-1271 • [www.htbna.com](http://www.htbna.com)

---

## United Way Week

HomeTown Bank raised over \$30,000 in their annual employee campaign week for United Way! The week-long schedule of fun events at all seven branches included bake sales (pictured), costume contests, and even a "Paper, Rock, Scissors" tournament, naming Scott Kusnerik the bank-wide champion!

## Galveston County Food Bank

HomeTown Bank staff members Kyle McFatridge, Jacqueline McMahon, Racheal Espinosa, and Markus Galvan volunteered at the Galveston County Food Bank during the holidays along with members of the Westward Street Church of Christ.

---

HomeTown Bank • 409-763-1271 • [www.htbna.com](http://www.htbna.com)

---

## Jimmy Rasmussen re-elected to Board of Directors

President Jimmy Rasmussen has been re-elected to the Federal Reserve Bank of Dallas Board of Directors by its member banks, and will serve a three-year term. Congratulations, Jimmy!

