

SLEEPING AT THE BANK CAN HELP

by [Steve Brown](#)

Studies show the average person in the U.S. gets 6.9 hours of sleep each night, about 14% less than their body actually needs (about 8 hours is ideal). We know this only too well, since our average probably runs about 25% below ideal. In fact, about 50% of all people in the country regularly operate on less than the ideal amount of sleep. Most banks probably don't see a lack of employee sleep as any big deal, since it often shows up in the form of employees working longer hours and in theory being more productive. The question bankers need to ask themselves is whether or not longer hours improve productivity and if there is any negative impact on the bank if sleep is missed.

To begin, we all know that tired people can be cranky, crabby, sluggish and slow. But we rarely consider (since we are often tired ourselves) that tired people can also negatively impact company morale, be poor decision-makers and have a hard time remembering things. We don't know about you, but employees that continually forget to do things are not those usually considered to be the best ones in the organization. Sleep is so important that the National Commission on Sleep Disorders estimates sleep deprivation costs \$150B a year in increased stress and lower workplace productivity.

Beyond the cost, bankers should also know that people who do not get enough sleep have been known to do morally reprehensible things. Scientists say that is probably because the prefrontal cortex of the brain is needed to reason things out and it is very sensitive to the loss of sleep. Believe it or not, people that have not had much sleep have indicated in testing that they see no problem throwing old people out of lifeboats or stealing money from their company. Amazing as this sounds, bankers should understand the risks and educate employees accordingly.

Losing sleep also increases healthcare costs. Studies show sleepy people tend to weigh about 2.5 pounds more than those who get enough sleep. Scientists attribute this to the production of 2 hormones that control appetite, which drop off when people don't get enough sleep. Even scarier, studies show people who fail to get enough sleep or sleep at odd hours have a higher incidence of major illnesses, including cancer, heart disease, diabetes and obesity. Given the high cost of healthcare to every single community bank, it makes sense to encourage employees to get enough sleep.

A lack of sleep also impacts business development officers (BDOs). Studies find employees in sales functions can be particularly ineffective since a lack of sleep can impair speech and basic communication. Sleepy people not only find it harder to find the right words to say what they are thinking, but they also tend to speak in a monotone. We all know that customers dislike a monotone sales delivery, so making sure BDOs get enough sleep can boost results and profits for the bank.

Finally, management can do its part by being more careful when meetings are scheduled. Studies show people tend to get tired in the middle of the afternoon and again late at night. Community bankers should know that the very worst time to schedule a meeting is in the late afternoon, usually right after lunch and again from 2pm to about 4pm.

If you know of a coworker who seems tired or just not themselves, perhaps some of these expert tips will help. Get 20 minutes of sun each morning (your body needs vitamin D), do not check emails

before going to bed (your brain needs to shut down), do not watch the news before going to bed (ditto), cut out caffeine late in the afternoon (duh) and get exercise.

Since we put this publication together each morning beginning at 4:30am, we leave you now so that we can crawl under the desk and squeeze in a bit more sleep before everyone comes in and starts asking questions - Zzzzzzzzzzzzzzz

BANK NEWS

Massive Failure

Most Wall Street firms have decided they will allow auctions of "auction rate securities" to fail. A report just released indicates 80% to 90% of such actions failed yesterday across the system, for an estimated \$25B. This \$300B market supports bonds sold by cities, hospitals and student loan agencies, and are often purchased by banks and corporate cash managers. The bonds have rates that reset every 7, 28 or 35 days via a auction, but can shift to 30Y instruments if the auctions fail to attract enough investors.

Massive Loss

Swiss banking giant UBS reported a 4Q loss of \$11.3B, as the company wrote down auction rate securities, monoline insurance exposure, subprime mortgages, commercial real estate and leveraged loans.

Stimulus

The President signed the fiscal stimulus bill that gives single tax filers \$600 and couples \$1,200 (+\$300 per child). This will put more cash in 130mm people's pockets from May to August. In addition, conforming residential loan limits were temporarily raised for FNMA and FHLMC up to \$729,750 in some areas and tax breaks were provided for certain business investments.

Financials

The latest data finds the financial services industry accounts for 8% of GDP and 5% of all jobs in the country.

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