

## MULTIPLE DATA LIGHTNING STRIKES

by [Steve Brown](#)

Lightning can be interesting when you know the facts. For instance: a lightning bolt generates temperatures 5x hotter than those found at the sun's surface; talking on the telephone is the leading cause of lightning injuries inside the home; people can be struck by lightning even when the storm is 10 miles away. Given that there are about 25mm lightning strikes each year in the world, the odds of getting hit in your lifetime is 1 in 3,000.

As you ponder that, we take the easy way out this morning as we do some cleanup of data we have collected over the past 6 months from a variety of sources. Like so many lightning strikes, here are the best of the bunch for your reading pleasure.

- \* About 88% of people now use online banking to pay bills and transfer funds and 33% check their balances daily - are you marketing to the group that checks daily?
- \* Credit card statements accounted for 55% of all bills sent by mail last year - that is the most of any group and is followed by utilities, insurance and telephone companies.
- \* About 67% of people have experienced problems accessing web sites on their mobile phones over the past year and more than 50% of those say they will not return to the web site as a result - have you tested your own bank web site lately?
- \* Roughly half of those who pay bills online say they are not likely to switch banks - do you have a program in place to train new customers on your online application to increase loyalty?
- \* Business customers save an average of \$176.55 per employee each year by doing direct deposit - do you have a marketing program to support this?
- \* Small business clients say they will open an account at a new bank most often due to good customer service (77%), attractive rates (76%), online banking capabilities (62%) and reasonable loan terms (47%) - are your customer facing teams trained to cross-sell?
- \* To get more out of your strategic planning sessions, try using a format of a) spending only 1 hour recapping whether prior year goals were achieved; b) have a theme you are following (such as how to improve branch profitability or boost employee morale); c) spend time brainstorm solutions; d) stay on topic and eliminate tangents; e) have a place for ideas that are important, but not germane to the goals of the discussion; f) make progress by forcing constructive opposition to bubble to the surface; g) identify next action steps or information required to make a decision; h) assign responsibility to execute on each specific project - do you already do this?
- \* Recession or no, from 1977 through 2009, about 600k new businesses start each year in a fairly consistent pattern - do you have an out reach program marketing to these potential customers?
- \* Companies that actively seek out employee input see a 19% average annual increase in net income, while those companies that do not can expect to see an average 33% decrease in annual income on a year over year basis - do you have programs in place to regularly capture employee input?

\* High performing companies are 150% more likely to take action to deal with low performing employees than average companies. 87% of employees say working with a low performer decreases their own productivity - are you holding everyone accountable to improve corporate performance?

These are but a few of the lightning strikes of ideas various studies have shown that can have an immediate impact on the banking industry. Even small changes can lead to a loud crescendo of electrified results.

## **BANK NEWS**

### **SOTU**

The President's State of the Union speech had a larger than average dose of thought for bankers. He discussed a \$30B TARP program for community banks to increase small business lending, tax credits to help businesses, 401k savings plans, TBTF tax, large bank restrictions and the generic regulatory reform. Noticeably absent was mention of the creation of the Consumer Financial Protection Agency.

### **FOMC**

The Fed left its Target and Discount Rate unchanged and once again stated that low rates will likely continue for "an extended period." Different from last meeting, there was 1 dissenting vote (Hoenig). In addition, the FOMC highlighted its commitment to end the MBS purchase program by the end of Mar and said it will look to end other emergency liquidity programs when they are no longer needed.

### **Small Businesses**

A survey by American City Business Journals finds 40% of small business owners say the economy has turned around, compared to only 28% as of last Aug.

### **Small Business**

Data provided by the Treasury indicates from Apr. to Oct., the largest banks reduced their lending on an aggregate basis to small businesses by 4.3%, or about \$11B.

### **Clawback**

Some the nation's largest banks are tightening clawback provisions as the grumble over compensation grows louder. Provisions range from pulling back stock awards for undue risk taking to clawbacks when an employee is fired.

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