

SUMMER INTERNSHIPS

by [Steve Brown](#)

Hiring a summer intern can be a fun and productive but it is not without pitfalls. A proper summer intern program takes work and dedication.

At a baseline level, summer interns have little to no experience, but that doesn't mean they aren't valuable. Interns can increase productivity by working on low priority projects that you just cannot get around to but need to complete. They bring an energy that can strengthen the organization as well as a new perspective. After all, they are interested in working for you to learn about the industry, so they are usually passionate and full of excitement for the job. This can bring with it a fresh set of eyes to problems and provide new solutions that current staffing may not have thought about. That can be good for the bank, as it challenges everyone.

Interns are in essence taking the job out for a test drive to see whether it is really something they want to do. That is why they enjoy doing projects, because the learning they receive delivers a meaningful work experience. Those who aren't quite sure about internships often cite the lack of experience and additional load it takes to manage neophytes. While mentoring is a big piece of the internship process, it also gives the bank an opportunity to test drive the intern to see if they are worth hiring down the road. Sure, the process comes with additional work that should not be underestimated, but it can also be quite rewarding and relatively inexpensive in the grand scheme of things.

To get the most out of your internship program, there are some practical matters that must be attended to and general guidelines that should be followed. First, you must set and adhere to basic rules if the program is to be successful. There should be clearly defined start and end dates to avoid miscommunication or misunderstandings. Time should be taken up front to pull together a group of interesting projects before the intern ever steps into the bank. Managers involved with interns should understand more guidance will be needed and it will take longer to explain things, so preparation and patience are critical. Expectations and goals will need to be clearly spelled out and communicated. It sounds odd, but the work day should be described in detail including hours, dress, rules on texting friends and surfing the internet, how to treat coworkers, etc. Believe it or not, many interns have had no formal instruction and if you don't tell the intern what you expect, results may not reach expectations. Next, make sure you don't make promises about any future jobs. Even if the company is hiring, it is too early in the process to indicate a job may be waiting at the end of the internship. A supervisor should be appointed to directly manage the intern and a mentor should be appointed to provide advice and act as a neutral sounding board. Interns should be challenged and networking should be encouraged. Finally, at the end of the process, an exit interview should be performed and a written recommendation is expected as part of the package.

Here are a few other tips garnered from years of experience and provided by top performing companies that you might also want to consider as part of your internship program. For the intern - teach them to know when to talk and when to listen; encourage them not to be afraid to introduce themselves; make sure they are professional; have them carry a notebook with them at all times to take detailed notes; tell them to be prepared to work and add value wherever they can; encourage them to have a positive attitude and ask lots of questions; support interns that take initiative to

understand what they are working on and how it impacts the business; tell them to get feedback when a job is completed and be open to it even if negative; persuade interns not to pretend to know something they don't know; teach them to use other employee's time wisely.

Much goes into operating a good internship program, but they can also be very rewarding for both the bank and the intern. As with many things in the banking industry, preparation is also a major key to success.

BANK NEWS

TAG

The FDIC will decide next Tue whether to extend the Transaction Account Guarantee past the Jun deadline.

Customer Acquisition?

A Deloitte study shows that 66% of bank customers switch or plan on switching after their bank fails, despite their institution being assumed by another bank through an FDIC assisted transaction. This number seems high, so we are anxious to get our hands on the survey to be released later today.

Consumers

Lending fell \$11.5B or 5.6% over Feb to \$2.45T with revolvers declining at an annual place of 13.1%. This contrasts with a 2.1% growth in Jan. According to an ABA report, consumer defaults dropped in the 4Q to an avg 3.19% in 8 tracked categories. Credit card delinquencies fell to 4.39%, a 38bp drop from the 3Q and 13bp below the 5Y avg of 4.52%. HELOCs experienced its first decline in 6 consecutive quarters

Securities

The SEC voted unanimously on a proposal requiring firms that bundle mortgage-backed securities to retain at least 5% on their books.

Tax Burden

It is estimated that about 47% of people will pay no federal income taxes at all for 2009

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