

## CAFFEINATED BANKING

by [Steve Brown](#)

Every morning we come in and quietly drink that first cup of coffee to get things going. As we sipped this morning, we began to wonder how much caffeine that cup of coffee had in it, compared to other drink options that might be out there. While not entirely scientific, we were shocked to find research that indicated the drink with the most caffeine (per milligram) was something called FIXX Extreme Ultra at 2,352 milligrams per ounce. Our puny cup of coffee paled in comparison, coming in at only 22.50. That is right; we would have to drink 204 cups of coffee to get the same caffeine kick as just one cup of FIXX! Comparing some of the other common caffeinated drinks in milligram per ounce (because we know you want to know): Jolt (100), Monster (80), Rockstar (80), 5-Hour Energy (69), espresso (51), Red Bull (39), tea (8), Mountain Dew (5), Diet Coke (4), Sunkist Orange Soda (3), Pepsi (3), chocolate milk (1) and hot cocoa (1). We give you this information so you can share it with customers you may be trying to strike up a conversation with today.

Once you have opened with the caffeine discussion, we suggest moving smartly along to products or services that generate income to the bank. Customer interests can be wide ranging, so we focus our energies on the small business customer in this publication.

Small business clients need help more than ever. In fact, advice is welcomed now more than ever, so many banks have found it helpful to have a program that frequently asks customers how they can help right now. A recent survey finds 58% of small businesses now seek financial advice, double the number from 2Ys ago. To maximize your opportunity in this area, get an expert and have them offer to answer financial questions - the #1 request of small businesses surveyed.

The next thing to know about small businesses is that they tend to build their financial habits around the habits of the business owner. This melding of consumer and business behavior is important to understand, if the bank is to maximize product and service positioning. Of the top bank accounts used by small business customers, research by Javelin finds most will have a business bank account (100%); personal checking account (78%); home mortgage (57%); retirement account (54%); stocks/mutual funds (52%); money market account (45%); home equity line (32%) and a CD (31%). Just knowing this and doing a "fit/gap" analysis with your existing small business clients can help uncover where the next easy sale might be lurking.

When it comes to marketing, banks are doing different things to try and capture small business clients. Wells Fargo is heavily marketing lines of credit, business rewards, payroll, insurance, retirement, cash management integration into QuickBooks and international services to try and capture customers. Meanwhile, Bank of America has an emphasis on basic services as well as merchant card processing and a focus on healthcare practices right now. While specialized pitches change on the major bank web sites from time to time, we found it interesting how closely their product and service offerings came to the survey we just talked about. To wake your clients up to your offerings, focus on what they want, offer a solution to fit and give them someone to talk to that will help them through the entire process. Managing relationships is what community banks do best, so matching someone up with a missing product or service that you have on the list should be relatively easy. If you aren't yet awake, perhaps you will find it interesting that despite its name, decaffeinated coffee has 0.75 milligrams of caffeine per ounce.

# BANK NEWS

## **FDIC Insurance Update**

Both the House and Senate FINReg Committees reached an agreement to permanently increase deposit insurance to \$250k, make it retroactive to 1/1/08 (so some past failed bank customers would get coverage). They also eliminated the hard 1.5% cap on the DIF Fund and left it to the FDIC to keep any overage or pay it out in the future. The Committees did not reach an agreement on making the transaction account coverage permanent, although it is highly likely to be extended.

## **Credit Cards**

The Fed issued a final rule related to the Card Act that prohibits card issuers from charging more than \$25 in late payment or other payment violation fees, unless the consumer has repeatedly broken their contract or the issuer can show that the customer has resulted in higher costs. In addition, any fee must be less than or equal to the actual charge (\$15 fee would be the maximum on a \$15 minimum late payment). Multiple fees for a single violation and inactivity fees are also prohibited. These rules go into effect Aug. 22nd.

## **Charter Update**

The House and Senate agreed to keep the thrift charter, but could not reach an agreement on the establishment of a national mutual charter.

*Copyright 2021 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.*