

BEFORE MICHELANGELO WAS A VIRUS

by [Steve Brown](#)

Every year, Beloit College in Wisconsin puts together something they call the "Mindset List." The list was originally designed to remind teachers to change cultural references when speaking to new classes of college students, as the materials they may be using might not make sense to the incoming class. For bankers, this list can be useful when you have just hired someone

out of school or are wondering exactly how many people will be using mobile banking or other new technologies. Here are some of the items we found most interesting from this year's list that are applicable to the banking industry.

Few know how to write in cursive, since they have been texting all of their lives so this is a dying art. While not surprising, bankers should not be surprised to get a blank stare when you ask someone in this group to hand write a note to a customer.

Email is considered too slow and they never use physical "snail" mail anymore. This group is all about texting their friends in shorthand and getting quick answers. If you want them to use the postage machine in the branch to mail something, get a good seat and enjoy the show. They just don't see the value of using email, either, so you will need to show them how great attachments can be and how much other stuff you can get done as you wait for that 8MB file to open.

Starbucks, the "Caramel macchiato" and "venti half-caf vanilla latte" have always been street corner lingo, so you will have to show them how to use the coffee maker in the break room. Simply shouting in a louder voice at the gizmo won't magically produce anything fancier than a regular cup of Joe (oh yea, they also don't know who Joe is).

They have never had a wristwatch since they get the time from their cell phone. Pointing to your wrist for the time could be interpreted as simply tapping out Morse code, so don't be surprised if you don't get a response when trying to get the time.

They see Clint Eastwood as a director and not as Dirty Harry. This alone is reason enough to send them back to school in our opinion, but what are you going to do? Since times change, we will have to change with them.

If you drive into the office listening to the classics on the radio and make the mistake of bringing up Beethoven, don't be surprised if they start talking about a dog. As for their classic oldies, you might want to try Nirvana believe it or not.

To remain "cool" in front of this group, you also can never mention the way TV used to be or the 3 major networks. That dominance died years ago and they have grown up with so many cable channels, they are unlikely to be able to even name all 3.

Growing up, this group has always seen colorful lapel ribbons used to represent some sort of cause. If you are pushing something in the branch and ask them their opinion as to how best to let people know, don't be surprised if this option surfaces.

This group never had much to do with Michelangelo until he became a famous computer virus. If you visit Italy this summer and come back ready and willing to talk about this painter, poet, sculptor, architect and engineer, don't be surprised if you get a strange look and a quiet question afterward about how if he died all those years ago he could also leave behind a computer virus.

BANK NEWS

M&A

Jacksonville Bancorp Inc. (\$451mm, FL) will buy Atlantic BancGroup Inc. (\$274mm, FL) for 67 cents in cash and 0.2 share of Jacksonville stock for each of their shares. Jacksonville also closed a \$35mm stock offering.

Bank Capital

A report from S&P indicates the credit rating agency "does not foresee many approvals for capital distributions in the near term because we believe the Fed will rigorously review large banks' capital plans. In addition, we believe that several large banks may still not have enough capital to deal with potential risks, especially given how fragile the economic recovery has been".

Bad News

The WSJ is reporting that the number of companies with at least one employee fell by 2% in the year ended period Mar 31. This does not bode well for new start ups or future job creation.

Insurance

State Attorney's General looking into the foreclosure mess are reportedly scrutinizing practices related to so-called force-placed insurance. Nothing definitive yet, but bankers should be aware.

Interesting

PIMCO is reportedly seeking to raise \$1B or more for a new fund that would buy troubled loans from banks. We will keep our eye on this one and let you know.

Apartments

Projections find the children of baby boomers (now in their early 20s) seeking to live on their own will push the number of renters up 13% by 2015.

Mortgages

According to the MBA, 3Q seasonally adjusted delinquency rates for SFR 1-4 loans fell 72bp from the 2Q and 51bp from 3Q09 to 9.12%. Foreclosure rates dropped 18bp and 8bp, respectively, to 4.39%. However, foreclosure starts rose 23bp in the 2Q to 1.34%.

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