

MONEY AND INFORMATION

by [Steve Brown](#)

A survey of millionaires in our country by Money found out that 95% said they reached this pinnacle through hard work, smart investing (83%), being frugal (81%), taking risk (67%) and plain old right-time-right-place luck (41%). Obviously, multiple answers were permitted, but the results are certainly interesting. If you found that interesting, consider the following information we culled from various sources that you also might want to know.

Social Media (General): Research by Entrepreneur finds 75% of small franchises say they leverage Facebook, Foursquare and Twitter to increase brand awareness and 24% are using social networking as a way to capture new customers. In addition, 69% of consumers say they would be more likely to patronize a local business if it offered information on a social networking sight. Banks should be exploring these channels as customer communication and marketing tools. Community banks may want to consider telling small business customers of the adoption rates and how other businesses are using these channels, in order to help them boost business opportunities, capture more customers and improve cashflows. On the jobs and education fronts, research by Money finds 21% of colleges use social networking sights to research applicants and 45% of employers use them to research candidates.

Social Media (Banks): Research by Aite Group indicates that by the end of 2012, 67% of banks will use social media to increase customer retention. Aite also indicates 30% of banks have no dedicated budget for social media initiatives, but 90% expect to have one by the same period.

Mobile (General): As of late 2010, 82% of American adults owned a cell phone or smartphone. Research by Harris Interactive finds 81% of people that look for information on their mobile device want information immediately and 40% say they are swayed by other user opinions found online. Finally, a survey by KRC Research found 24% of small business owners make purchases using mobile phones.

Mobile (Banks): In the US, some 10mm already use their cell phones for financial self-service functions. Of note, Bank of America indicates it is enrolling 150,000 new mobile customers per month. Meanwhile, a Fiserv survey found 15% of consumers have made payments using their mobile phone. Finally, research from TowerGroup projects users of mobile banking in the US will jump to 53mm in the next 2Ys.

Lending (Banks): A small business survey by Greenwich Associates found 59% of owners applied for a loan within the past year. In even better news, the survey found demand had grown with each passing quarter. In the 1Q of 2011, 29% of those surveyed had applied for a loan, more than 3x higher than the 4Q of 2010. Finally, 57% of the small businesses that applied for a loan from a bank got one.

As we close off for today, we return to the original survey of millionaires because they are always a popular customer segment for banks. That survey also found that 90% of all millionaires were college graduates, but only 5% held law degrees and only 3% went to medical school. Looking at where

millionaires live by state, the highest percentage of millionaires per total household are in AK, CA, CT, DC, HI, MA, MD, NH, NJ and VA.

BANK NEWS

Preemption

The OCC sent a letter to Congress clarifying that its 2004 pre-emption rule is still valid for national banks under the Dodd-Frank Act. However, the OCC did explain that Dodd-Frank drops preemption for subsidiaries, agents and affiliates of national banks. Further, the OCC clarified that Dodd-Frank would not be applied retroactively.

Signage

Wells Fargo said it will replace the last remaining 868 branch and more than 1,500 ATM Wachovia signs by October.

Pre-paid Cards

The WSJ has a story critical of pre-paid benefit debit cards being handed out by some states due to some of the fees attached to these accounts.

Manilla.com

The Hearst Corp. launched the beta version of its bill pay site which aggregates bills, sends alerts and offers rewards to users all free. The site has an advertising model which may prove that a service that most banks consider a cost can generate profit on a standalone basis.

Statements

TD Bank announced that it will charge \$1 per statement and becomes the latest in a long line of banks that will charge for a paper statement.

Still Brutal

The NAR reported home prices fell in more than 75% of metropolitan areas surveyed, as foreclosures weighed on real estate values. Meanwhile, a report by Lender Processing Services finds there were 2.2mm homes in foreclosure in March, up 1.4% from Feb.

Credit Cards

A survey by the National Foundation for Credit Counseling found 67% of people pay for purchases with cash or debit cards but 40% are carrying credit card balances.

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