

SPRINGING TOWARD CUSTOMERS THRU SAVINGS

by [Steve Brown](#)

Today marked the first day of spring, with the vernal equinox at 7:02AM ET , according to the Old Farmer's Almanac. The word equinox is derived from Latin words meaning "equal night," as days and nights are approximately equal. This is a cheery time, as it also brings warming temperatures, chirping birds and colorful flowers. Given this happy time, we take a moment to check in on how well Americans are saving. A recent survey by the America Saves and the American Savings Education Council finds only about 50% of people say they have good savings habits. Further, data from America Saves Week shows putting in the extra effort to encourage savings can also pay off for banks. According to America Saves, about 33% of financial institutions surveyed said they had an increase in the number of accounts opened during America Saves Week last year. Bucking this trend, The First Bancshares Inc. (\$719mm, MS) reportedly opened 152 new accounts during last year's America Saves Week by waiving the service charge for one year for any account under \$100 and opened accounts with as little as \$15. This is a good way to bring children into banking and start them down the road of having good savings habits (also a good way to get their parents to switch banks and do business with you). According to the America Saves, the bank sent material to all area school administrators, put information on its Facebook page, placed a newspaper ad and featured their efforts on bank marquees and teller receipts. The bank also held a branch contest for the most accounts opened, in which 17 branches competed for first, second, and third place. This is a good example of community bank ingenuity to boost marketing, enhance its standing in the community, capture new customers and lay the groundwork to retain clients in the future. Consider the possibilities if your bank had ongoing programs with established goals for new accounts opened, new deposits, increased balances, new automatic savings sign-ups, new IRAs, CDs and other savings and investment opportunities. Funding is plentiful right now, so it is a decent time to experiment here to see what resonates with potential customers. Another area to focus on is encouraging small business customers to sign up for direct deposit. This tried and true method of capturing and locking in customers can pay dividends for your bank and you can leverage government resources to do it. Consider the Department of Labor; Consumer Federation of America and the Small Business Administration have hosted webinars aimed at helping small business owners save for retirement. Those links can be shared and then your community bank can leverage the topic to encourage savings, the value of a long term financial relationship, host coffee chats and have bank officers speak on these subjects to differentiate yourself. Promotional rates, contests between branches and free giveaways are used by big banks to drive behavioral change and attract customers. They sometimes work, but as we have said in this publication before, they can also train customers to expect these things from your bank (which can make them rate sensitive), so you have to be extremely careful in how and when they might be applied. Good service, a friendly smile and a great experience for a six- year-old child and his mom can produce bright smiles. That effect is priceless and you can be sure the parents will at least think about other services your bank offers, given such a great experience. As they say, it's never too late to make a great impression, so make it your bank's mission day in and day out.

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BANK NEWS

M&A

Enterprise Bank & Trust (\$3.3B, MO) will buy certain assets of Gorman & Gorman Home Loans for an undisclosed sum, as it seeks to expand its mortgage and wealth management businesses. Gorman is a unit of F&M Bank and Trust (\$142mm, MO) and has originated more than \$2.5B in mortgage loans since 2010.

Branch Purchase

First Financial Corp (\$2.9B, IN) will buy 7 branches and 2 drive up locations in IL (\$252mm in deposits) from Bank of America for an undisclosed sum.

Easier Credit

The ABA reports heavy competition for loans and improving credit quality has led banks to ease C&I underwriting guidelines for mid-sized and large businesses in 12 of the last 13 quarters and for small businesses in 10 of the last 11 quarters.

Competition

JPMorgan Chase has rolled out 400 next generation ATMs in the country so far, with plans to bring the total closer to 1,000 by the end of the year. The ATMs have large 21 inch touch-screens, let customers select custom denomination withdrawals in \$1 increments, print statements, view check images, pay credit card bills and reload prepaid cards. PNC already has rolled out custom denomination withdrawal and other features at about 50% of its 7,200 ATMs across the country with the rest scheduled by mid-year.

Switching Banks

Barlow Research finds 19% of middle market companies will consider changing banks this year.

No Retirement

A survey by the Employee Benefit Research Institute finds 57% of people have less than \$25k in savings and investments, when their home and pension benefits are excluded. In addition, only 50% said they could cover a \$2,000 cash need if an unexpected issue surfaced in the next month.

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