
Sprouting Up Resources For Small Business

by [Steve Brown](#)

Growing up, we distinctly remember hating the taste of Brussels sprouts and we're not alone. In a 2008 survey by Heinz, Brussels sprouts won the dreaded distinction as Americans' most-hated vegetable. Lately, though the veggie that looks like a miniature cabbage is back in vogue. Brussels sprouts are an excellent source of vitamin A and contain more vitamin C than an orange. They also have vitamin K, beta carotene, folic acid, iron, magnesium, fiber & selenium, which may reduce the risk of certain cancers. If you can leave bad childhood memories behind, you might find Brussels sprouts a surprising treat for your taste buds given how many chefs are now experimenting with them and serving them up in new and amazing ways.

As a general rule of thumb, banks are somewhat hesitant to try new things. But here's some food for thought: Stop thinking about generating fee income for a moment and focus on how you can help your small business customers solve a real problem they may not even know they have.

Research shows entrepreneurs are notoriously bad about saving money and nowhere is this more evident than in their lack of retirement preparedness. A recent TD Ameritrade survey found that 40% of self-employed people are not regularly saving for retirement and 28% do not save at all. The deficiency is even more pronounced among younger entrepreneurs--29% of Gen X and 32% of Gen Y say they are not socking away money for retirement.

Some business owners may feel they don't earn enough money to prepare for retirement, and that's their rationale for not saving. But lack of preparedness isn't limited to those with limited funds--there are many successful entrepreneurs who do have the wherewithal to save money for retirement but aren't doing so. Often, they are so focused on the day-to-day challenges of owning and running a business that setting aside money for the far-off future gets pushed to the back burner.

While you may tend to take a dollars-and-cents approach, there's inherent value in being a facilitator of free advice to entrepreneurs. For instance, you might host a targeted event for young business owners and bring in an accountant, an attorney and retirement planning specialists as guest speakers. For slightly older entrepreneurs, you might consider hosting monthly lunch-and-learn sessions on a variety of retirement planning topics. Make sure events are convenient, and the topics juicy enough to get a good turnout.

If you position your community bank as looking out for business owners' best interests and reinforcing that theme time and again, they will hold you in high esteem and be greatly appreciative. Bringing in outside experts can help you make friends in the legal and broader financial community, build referral sources and help leverage everyone's relationships to fill the room. If your bank also has a wealth management division or a trust department, you can also take the opportunity to promote your services.

For those too scarred by their vegetable memories of childhood, we won't be offended if you decide not to give Brussels sprouts another chance. For those who want to try, however, the internet offers some fine new recipes for the adventurous, so you won't need to recreate what Mom made. But when

it comes to being a resource for your small business customers, the benefits to banks are too many to pass up. Don't be afraid to indulge.

BANK NEWS

M&A

Town Square Bank (430mm, KY) will acquire the Commonwealth Bank, FSB (\$20mm, KY) for an undisclosed sum of money.

M&A

The Citizens Banking Co. (\$1.2B, OH) will acquire The Citizens National Bank of Southwestern Ohio (\$105mm, OH) for about \$17.2mm in cash or about 1.5x tangible book.

M&A

Cape Bank (\$1.1B, NJ) will acquire Colonial Bank, FSB (\$550mm, NJ) for about \$55mm in cash (50%) and stock (50%) or roughly 0.88x tangible book.

Branch Sale

First National Bank (\$782mm, TX) will sell two branches to AIMBank (\$501mm, TX) for an undisclosed sum. The branches have about \$180mm in deposits.

Mobile Only

Customers Bank (\$5.6B, PA) said it will soon launch a mobile, tablet and online-only banking platform called BankMobile, as it adjusts to changing customer behaviors and seeks to expand its business. BankMobile is a division of Customers Bank, offering traditional banking through a mobile-only platform.

Rate Hike Timing

CNBC reports that the Wall Street consensus for the first FOMC rate hike "appears to be shifting to the midyear mark."

Disclosure Fraud

Wilmington Trust Co (DE), which was acquired by M&T Bank (\$92B, NY) has agreed to pay \$18.5mm to settle SEC charges related to improper accounting and disclosure of past due loans. Wilmington reportedly failed to report a substantial amount of loans 90 days or more past due in the height of the economic crisis (about \$30mm reported vs. \$330mm+ actual).

New Service

Community Bank (\$3.5B, CA) announced a new private banking division called CH Cook & Co. Private Client Advisors will focus on developing banking relationships with high net worth customers.

300% Calculation

The Fed indicates that the regulatory definition of CRE for concentration calculations excludes owner-occupied non-farm non-residential loans.

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