

Gobble Gobble

by [Steve Brown](#)

Tomorrow is Thanksgiving. Families and friends will be gathering to consume family recipes, to repeat the same jokes as the past 40Ys and generally eat themselves into a stupor. That occurs because the traditional Thanksgiving meal usually includes turkey and the tryptophan that naturally occurs in turkey tends to make us doze. That and the fact that we tend to consume a month's worth of calories in one sitting!

Turkeys also have an interesting place in the lore of the United States. Wild turkeys are a bird native to North America and are found in the forests and woodlands of much of the country. Although they are heavy (adult males weigh up to 24lbs) wild turkeys are agile fliers, often zooming along beneath the canopies of the woodlands they inhabit for distances up to a quarter mile. Turkeys are omnivorous and highly adaptable, eating nuts and berries, bugs, small reptiles and snakes. Populations can live densely in small areas because of their ability to survive on a variety of foods.

Most of us have also heard that Benjamin Franklin actually wanted the national bird to be the turkey rather than the bald eagle, but this account seems not to be entirely correct. Franklin never publicly voiced opposition to the bald eagle, but he did write a letter to his sister that is likely the source of this story. The letter concerned an image of the eagle that appeared on a seal of the Society of the Cincinnati, a group formed by French and American officers after the Revolutionary War. There had been complaints that the bald eagle on the seal looked more like a turkey than an eagle. Franklin countered that the turkey was a far more respectable bird than the bald eagle and although "...a little vain and silly, a Bird of Courage". There was a 6Y period when members of Congress had a bitter dispute over what bird should be on the national emblem, so it is also good to see some things never really change! As we all know, the bald eagle won out in the end and Franklin wasn't impressed.

Franklin's letter contended that he was not displeased that the bird on the seal looked more like a turkey. He wrote "For my part, I wish the Bald Eagle had not been chosen the Representative of our Country. He is a bird of bad moral character. He does not get his living honestly." Franklin goes on to describe eagles stealing the hard-won fish of ospreys. "Like those among Men who live by sharpening and robbing, he is generally poor and often very lousy." It seems Franklin was expressing his dislike of the bald eagle, rather than a preference for the turkey as a national symbol.

This description of the eagle brings to mind the big banks working to steal away the hard-won customers of community banks through various tactics. We recommend when you come back to work after Thanksgiving, you go about your job like a turkey and be the honest, dependable kind that Ben Franklin admired. Use your natural flying agility to zoom under the radar of big banks' marketing efforts, as you use your adaptability to discover business opportunities in your market. Be a bird of courage when obstacles come into your path. Above all, take a moment to give thanks to those close to you, personal and business. We at PCBB are thankful for you, our customers and friends. Happy Thanksgiving!

ECONOMY & RATES

Yesterday

Investors worked to digest the large amount of housing indicators that were released, which on average came in slightly lower than predicted. As a result, yields slipped 2bps.

Today

Currently yields are flat as market participants eagerly await jobless claims and durable goods later this morning.

Rates As Of: 11/27/2013 07:07AM (PST)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.07	0.00	0.00
6M	0.10	0.00	0.00
1Y	0.12	0.00	0.00
2Y	0.29	0.00	0.00
5Y	1.36	0.00	0.00
10Y	2.74	0.00	0.00
30Y	3.81	0.00	0.00
FF Market	FF Target	Fed Disc	
0.00	0.25	0.00	
Prime	Unemployment	Oil	
3.25	0.00	\$0	

[More Market Rates](#)

BANK NEWS

Branches

A study by FMSI finds branch transaction volumes have declined 45.3% since 1992 and the average cost per transaction has jumped from \$0.48 to \$1.08 over that time. FMSI reports transactions per teller hour have declined to 15 this year.

Leverage

Bloomberg reports Thomas Hoenig of the FDIC suggests he is open to allowing banks to exclude cash from total assets when calculating the new leverage rule (good news for banks).

Mobile

Javelin Strategy & Research reports 25% of mobile phone users do mobile banking. Further, research by Pew finds those who say mobile is their preferred banking method has jumped to 8% this year. Finally, the ABA reports about 53% of all commercial banks offer some form of mobile banking.

Interest Rates

Fed Chair Bernanke in a recent speech made clear the Fed was committed to keeping short term rates low for an extended period and reiterated the current 6.50% unemployment rate and 2.50% inflation rate are thresholds and not triggers. He said even after the unemployment rate declines below 6.50%, as long as inflation is below 2.50% the Fed would be patient before increasing the Fed funds rate.

Obamacare Update

A Towers Watson survey of Fortune 1000 companies finds 60% are seeing a "moderate" or "significant" influence on benefits decisions for 2014 and 2015 related to the so-called "Cadillac" tax. This is a 40% tax starting in 2018 on the amount the total cost of health plans exceed an annual limit of \$10,200 for an individual and \$27,500 for a family. In response, companies have begun to take action such as requiring employees to

cover deductibles, adding spouse surcharges and capping benefits.

Small Biz

Square has announced it will end monthly flat fee pricing of \$275 and switch all small business users to a per swipe charge of 2.75% (or 3.50% plus 15 cents for manually entered transactions).

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