

Employing More Of Today's Youth

by [Steve Brown](#)

A Nationwide Building Society study out of the UK a few months back found that laboring beyond the traditional retirement age can be beneficial to the workplace. In fact, 90% of respondents said older workers could be excellent mentors and role models for those in their 20s and 30s. At the same time, hiring younger employees is essential to a company's future. Consider that by 2025 Millennials (those born between 1979 and 1999) will represent roughly 75% of the U.S. workforce, according to a recent Forbes article, so youthful infusion into the banking industry is a must for all community banks.

Given this expectation, we find it troubling that so many millions of young Americans remain unemployed at a significantly higher rate than the overall population. Consider the unemployment rate for 20 to-24-year-olds was 11.1% in May, or nearly double the overall 6.3% unemployment rate, according to the U.S. Bureau of Labor Statistics.

In an attempt to solve this ongoing problem, The Small Business Majority, an advocacy group for small businesses, recently launched an initiative to encourage their constituents to make hiring young workers a bigger priority. Community banks themselves operate as small businesses, and since most of your customers are small businesses, you know well what a challenge it can be to attract and keep youthful talent. As a suggestion, we highlight some of The Small Business Majority's ideas.

First, businesses should commit to increasing their absolute number of youthful hires, as well as expand part-time intern or apprenticeship placements for younger workers. That makes sense as a starting point and it is an area where community banks can also jump in.

Next, businesses are encouraged to adopt or expand a high-quality mentoring program for local youth. Many community banks we know have first-rate mentoring programs, but more can be done so take a close look at how you operate and see if any tweaks can be made to identify opportunities.

Finally, to expand the mentoring opportunity it is suggested that small businesses partner with nonprofit training providers to create new employee mentoring, job-shadowing and recruiting programs. Here again, community banks can play a role for both themselves and customers. Consider offering your branches as a meeting place for small business owners and nonprofit training providers to come together. This could potentially uncover quality candidates and new customers.

Certainly there are many community banks that do a great job of on-boarding young workers. Many banks recruit on college campuses and at local job fairs and that can deliver success. However, for others who may not be as proactive, consider the opportunity that awaits you if you do. One good way to get started is to explore the use of social media and web-based tools to find viable candidates, accept applications and even conduct first-round interviews. Doing a targeted online campaign can be just as effective with younger workers, if not more, than hiring a recruiter, so that is another option.

We recently wrote about how some banks across the country are opening branches within local high schools to teach students about money management skills and develop their interest in banking. It's worth mentioning again what an important recruiting tool this can be. When you train high school students the ins and outs of banking, you have the opportunity to instill in them a lifetime love of the industry, as you hopefully capture their parent's accounts (both personal and business) along the way.

When targeting younger workers, it helps to know what they're looking for in a potential employer. The top factors according to the 2014 Millennial Impact Report are: what the company does sells or produces, the company's work culture, its involvement with causes, the office environment, the company's diversity and its HR awards.

Knowing these things won't automatically guarantee you a fresh crop of youthful applicants, but stepping up efforts makes good business sense.

ECONOMY & RATES

Yesterday

Yields saw an 8bp plunge as a result of the slight rise in the unemployment rate.

Today

With no major economic data scheduled, Treasuries are currently unchanged this morning.

Rates As Of: 08/04/2014 08:51AM (PDT)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.02	0.00	0.00
6M	0.04	0.00	0.00
1Y	0.10	0.00	0.00
2Y	0.46	0.00	0.00
5Y	1.64	0.00	0.00
10Y	2.47	0.00	0.00
30Y	3.27	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

Mostly Happy

A BAI survey finds small business owners work with 1 to 2 banks for an average of 15Ys and that 75% say they are satisfied with their primary bank. About 33% say they would switch to another bank for more innovative products or services.

Mobile or Branch

A BAI survey finds 25% of small business owners say they are comfortable doing banking on a mobile device, yet 60% to 70% still conduct banking activities in the branch. Further, only 20% prefer online banking to in-person.

Service Rating

A BAI survey of small business owners with annual revenue of \$1mm to \$5mm finds the following ratings (out of 5 points) for services received: bank provides a single point of contact (3.5), gives advice (3.0), helps with administrative efforts (3.0), helps business to be more efficient (2.9), helps them manage cash flow (2.7), helps them manage their balance sheet (2.5) and provides customized support based on their industry (2.5). Now you know generally what to work on in order to differentiate your bank from others.

Later Retirement

A 2013 Towers Watson survey of retirement plan participants working full time finds 25% plan to retire after 70Ys old (vs. 10% in 2011) and 50% are waiting until after age 65 (vs. 34% in 2011).

Foreclosure Drop

RealtyTrac reports foreclosure filings in June fell to the lowest level since July 2006. States that bucked the trend and saw higher activity included: NJ (+54% YOY), MD (+18%), MA (+4%) and CT (+4%).

Small Biz

The NFIB reports small business optimism fell slightly in June following 3 months of gains.

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