



Digital Nomads - How To Rein Them In

by [Steve Brown](#) Topics: [business customers](#), [millennials](#), [digital banking](#)

Summary: There are 4.8mm Americans who consider themselves digital nomads. What are they and could there be opportunities here for community bankers?

If you were wondering where the larger banks are spending money when it comes to setting technology priorities, consider research by Ovum. It finds the most important areas for digital technology are: creating digital capability (28%), modernizing legacy systems (23%), managing security, identity and privacy (18%), building a modern workplace (15%) and adopting cloud services (10%). Now you know.

No matter where you are spending money on technology, we bet more of it today is going towards mobility. People want the freedom to travel and move around and they don't want work to interfere with that. To support this and cement relationships to the bank, consider an increasingly popular approach known as digital nomadism.

From laptops, mobile phones and Skype, to co-working office spaces that can be rented by the day, it is easier than ever for people to work remotely. Add to that low cost airfares available through various websites and the availability of inexpensive accommodations through Airbnb and working remotely can now be done from pretty much anywhere in the world.

As a result, a growing number of people are taking digital nomadism mainstream by working from literally anywhere they can think of that they want to visit. In fact, according to MBO Partners, there are now 4.8mm Americans who consider themselves to be digital nomads. Another 27% that have traditional jobs say they are considering becoming digital nomads within the next 2-3Ys and another 11% intend to do so.

Although millennials and younger workers are definitely driving this trend, they are not the only ones embracing it. In fact, 54% of digital nomads are older than 38Ys old. Of those embracing the lifestyle, 69% are male, 31% are female and 54% are full-time employees. As more retired baby boomers find themselves getting stir crazy and looking to go back to work, there are predictions that many will also embrace the digital nomad lifestyle.

All of this creates new opportunities for community banks. This is true both when it comes to your own employees, as well as how you should be courting this group as customers with services and offerings. Since the digital nomad lifestyle lends itself particularly well to roles such as IT services, one way that community banks can attract candidates for such roles is to allow employees to work remotely from varied locations at least part of the year.

On the flip side of the equation, community banks could be well served in promoting the ease of accessibility of your mobile and online banking services offered and any other services people working remote might find attractive. These services could range from the ability to easily exchange currencies, to the ability to easily contact and engage with customer service representatives online or by phone. Even added guidance and informational services can be a good way to reach this customer group - like ways to budget while traveling or how to stay safe and prevent fraud while working abroad.

However you want to appeal to this group, it needs to work for the employee, customer and your bank. That said, knowing this is going on just might give you some ideas to get started.

ECONOMY & RATES

Rates As Of: 02/27/2019 02:12PM (PST)

| Treasury | Yields | MTD Chg | YTD Chg |
|-----------|-----------|----------|---------|
| 3M | 2.44 | 0.05 | 0.08 |
| 6M | 2.51 | 0.05 | 0.03 |
| 1Y | 2.53 | -0.01 | -0.06 |
| 2Y | 2.50 | 0.04 | 0.01 |
| 5Y | 2.48 | 0.04 | -0.03 |
| 10Y | 2.68 | 0.05 | -0.00 |
| 30Y | 3.06 | 0.07 | 0.05 |
| FF Market | FF Target | Fed Disc | |
| 2.40 | 2.50 | 3.00 | |
| SOFR | Prime | Unemp | |
| 2.38 | 5.50 | 4.00 | |

[More Market Rates](#)

BANK NEWS

Customer Moves

CCG Catalyst finds that when bank customers switch they move: bank to bank (69%); bank to credit union (13%); credit union to bank (4%); credit union to credit union (4%); bank to other (3%); other to bank (3%).

Safer Than Before

[Fed President Minneapolis Kashkari said](#) large US banks are definitely safer than before the 2008 crisis. He also noted that the Fed doesn't need to rely on rate hikes, as it has been able to try out non-traditional tools like quantitative easing.

Office Space

[A recent report by JLL](#) finds that by 2030 more than 30% of all office space in the US will be flex space. This includes co-working, incubator and other short-term space options. JLL says this is not a fleeting trend and is woven into the fabric of the future of work.

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