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OTS 00-29 - Community Bank/Thrift Has Role In Future But Strategic Planning A Must: Seidman Says

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Community Bank/Thrift Has Role in Future But Strategic Planning A Must Seidman Says

WASHINGTON, D.C., March 7, 2000 - To the question: Is there a place for the community thrift in the financial services market of the future? Director Ellen Seidman of the Office of Thrift Supervision (OTS) answered unequivocally Tuesday, "Yes."

Addressing the Government Affairs Conference of America's Community Bankers in Washington, Ms. Seidman assured, "Even in the era of the global economy, consolidation, intense competition for customers and deposits, changing community demographics and emerging technology, there is a place for the thrift institution."

Thrifts' tradition of community and consumer orientation and dedication to residential housing finance and a charter that allows choices are characteristics that will help thrift institutions compete in the financial services market, Ms. Seidman said.

She acknowledged that financial modernization legislation - the Gramm-Leach-Bliley Act - will increase already intense market competition, and that the financial services market is changing. Yet, she said, "where there is change, there are new opportunities for the community and consumer-minded thrift. Two of your strongest attributes are your knowledge of the community you serve and the high-quality service you provide," she told the assembled thrift executives.

As an example of opportunity, Ms. Seidman said a whole new customer base is emerging in communities across the nation - the immigrant and native-born American communities that are just coming into the mainstream for financial services. There also are great opportunities for thrift institutions to serve the aging population. The baby boomers are going to be around for 20, 30, and even 50 years, and they "will trigger increased demands for wealth accumulation, for retirement services and for health care facilities. All these consumer and community needs will require financial services that thrifts can effectively provide."

In looking for new opportunities, however, thrifts should not abandon their current customer base, but rather strengthen and expand it by finding out what products and services customers want.

What ties everything together is strategic planning, Ms. Seidman said. "The need for an engaged, committed board and visionary management team has never been greater for community thrifts and banks, especially post-Gramm-Leach-Bliley. Effective strategic planning is absolutely critical to the future success and survival of your institutions. Too many times we see the strategic planning process as a one- or two-hour meeting to set goals for the year. In today's financial services environment, that just doesn't cut it," she said.

Remarks (<http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2000-29a.pdf>) before the Government Affairs Conference of America's Community Bankers, March 7, 2000

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The Office of Thrift Supervision (OTS), an office of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents visit the OTS web page at www.ots.treas.gov.