

OUR TWO CENTS



THE FIRST STATE BANK SOUTHWEST NEWSLETTER

APRIL 2021

firststatebanksw.com

April is **COMMUNITY BANKING MONTH**



Seven reasons to choose a community bank

Community banks are owned and operated by members of the community they serve. Because the ownership, employees, and members of the bank have a vested interest in the community, the banks are committed to growing the economy and are dedicated to the type of customer experience you would expect from your neighbor and friend — while still providing the same products and opportunities that can compete with larger-scale banks.

1. Making the Community a Better Place

Community bank employees are actively involved in their communities, volunteering time and money with local non-profits and causes.

The banks themselves are also very active in investing in the success of our community by making significant contributions to our local nonprofit organizations.



**FIRST STATE BANK SOUTHWEST
MATCHES EMPLOYEE NON-PROFIT
CONTRIBUTIONS EVERY YEAR.
BECAUSE WHAT'S IMPORTANT TO
OUR EMPLOYEES IS IMPORTANT
TO THE BANK.**

2. Money Stays in the Community

Community banks typically serve a small geographic area, unlike larger financial institutions. The loans

they offer to both individuals and businesses typically serve to improve the community on the whole by creating jobs, improving the look of businesses, or providing homes and vehicles for the members of the communities they serve. Larger institutionalized banks make decisions from a purely analytical point-of-view with little regard for the difference it would make for Main Street. Larger banks also take the money from deposits in their banks to invest in larger corporations that have no impact on the area surrounding the local branch.



\$213,000

Total Employee/Bank Donations in 2020

3. Relationships over Revenues

Community banks offer unparalleled service when compared to larger financial institutions for several reasons, perhaps most importantly the ability to cultivate relationships. That alone can make any customer feel like family. In larger banks, customers may never see a manager, much less a president, walking around interacting with customers. In Community banks, the chief decision-makers are actively involved in day-to-day activities.



4. Better Value

Community banks do not answer to Wall Street. The factors that drive the prices of bank services are rooted in what the community will support, not what Wall Street needs. Despite their smaller footprint, community banks historically offer higher interest rates on CDs and annual percentage rates in interest-bearing accounts. Conversely, they have lower interest rates on automobile, mortgage, and business loans. Additionally, community banks typically have lower overhead so there is no need for huge markups.

5. Fast Decisions on Products and Services

In addition to caring more about the whole person over just a credit score, community banks can provide faster decisions on lending services because the primary decision-makers are actively involved in the process. Furthermore, customers can walk into a bank and sit down with an actual person to fill out the application rather than needing to do all or portions of this paperwork online. Community banks have less of a backup than larger institutional banks and can often have one person see the entire process through from step one to completion.



**FIRST STATE BANK SOUTHWEST
CAN GET YOU A MORTGAGE
JUST AS FAST AS ANY TRENDY
INTERNET LENDER. PLUS, YOU
CAN ACTUALLY REACH US FOR
SERVICE.**

6. Higher Ethical Standards

Community banks do not have the luxury of leaning on nationwide branches inside the institution if there is a misstep in ethical conduct in any one branch. Community banks must hold themselves to a higher ethical standard than larger financial institutions because the bank's reputation and livelihood are on the

line with every decision that is made. Unethical behavior, whether actual or perceived, could ruin trust in a community bank.

7. Better Service

Community banks can offer the same products and services as larger banks but without losing anything in customer service. Larger banks have larger platforms and with larger platforms come longer wait times and representatives who only know one piece of the overall banking picture. Community banks have fewer employees, but their employees are more likely to be full-service and have the authorizations and capabilities to help with a full range of customer needs rather than having to hand customers off to several representatives to complete one transaction.

WIN A GIFT CARD!

Three things we love: Our customers, local businesses,
and Community Banking Month!

So, in celebration of all three of those things, we will be giving away four gift cards to four great local businesses this month.

Your first chance is this week! Make sure you follow [our Facebook page](#) for your opportunity to enter.



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