

Why You Should Switch to a Community Bank



Success Starts Here.



First State
Community Bank

Table of Contents

Introduction	3
What Today's Customers Expect from Their Bank	5
Benefits and Advantages of a Community Bank	7
When Is the Right Time to Think About Switching Banks?	10
Conclusion	13



Introduction

Choosing between a local community bank and a big national bank can be a daunting decision—but it doesn't have to be! If you're unsatisfied with your experience at a large national bank, you don't have to be afraid of moving your finances over to another institution. Not only is this process easier than it might seem, but you might be surprised at all the benefits you receive from working with a community bank.

But before you start drawing comparisons among the dozens of different features available across checking, savings, and other financial products, it's better to take a deep breath and consider this decision in its simplest form: What kind of relationship are you seeking with a bank?

Many consumers assume that larger banks are the better option because of the broad services they offer, along with other conveniences like large networks of branches and ATM locations. But community banks tend to have a familiarity with local residents that helps them provide better, more personal service that often surpasses what big banks can offer.

If you're unsatisfied with your experience at a large national bank, you don't have to be afraid of moving your finances over to another institution.



Community banks are much more than small, local alternatives to big banks. They're a way of using your own money to support your local community and keep those resources local.

And contrary to popular belief, switching to a community bank doesn't require a sacrifice of services or banking benefits. In this guide, we'll take a deeper look at how your financial wellness could benefit when you move your money over to a community bank.



What Today's Customers Expect from Their Bank

Customer expectations have changed for almost every kind of business they encounter. Think about when you go out to eat or visit a retail clothing website: Aren't you expecting to find the restaurant's menu online, or discount codes you can use to make your next purchase?

Banks have noticed these shifting customer demands too. As they've worked to create new services and experiences that their customers love, one trend has become clear: The banking experience that customers value most is the experience that comes with a community bank.

Recent research shows that 48 percent of customers want personalized financial advice and service that extends beyond their banking data and provides advice and product information in the context of their daily lives.¹ When they're shopping for a home and seeking a mortgage lender, for example, they want to work with an institution that understands the local home-buying market and the circumstances they are facing.

Customer expectations have changed for almost every kind of business they encounter.





Meanwhile, 43 percent of today's banking customers cite data privacy as their biggest driver of banking loyalty. When large banks use big data practices to automate product recommendations and power a number of different banking services, there's an inherent risk of data mismanagement that can push customers toward more data-safe alternatives like those offered at a community bank.

And although large banks may have more expansive networks for ATMs and retail branches, the presence of local brick-and-mortar branches remains one of the biggest factors affecting customer loyalty to a bank. Despite prevailing stereotypes, young customers maintain an interest in working with a bank that has a local branch presence: Sixty-six percent of millennials have visited a local bank branch within the past six months,² highlighting the continued value of building a relationship with the banks in your neighborhood.

All of these customer values are reflected in the community banking experience. But the full benefits of community banking go even deeper.



Benefits and Advantages of a Community Bank

Switching to a community bank doesn't mean giving up the convenience and quality of your current banking experience. In fact, many customers discover that the opposite is true: When you develop a close-knit relationship with your community bank, you're able to enjoy benefits and advantages that larger banks simply can't match.

These benefits include:



Personalized service and a friendly experience.

At a community bank, you can trust that you'll be more than an anonymous face with an account number. Local banks pride themselves on getting to know all of their customers and what they need for better financial success. This results in superior customer service and a better, more personalized experience than is available at larger banks, especially when it comes to banking product recommendations and access to valuable financial resources.



The ability to support your community by keeping your money local. Community banks often include community development and support in their mission statements, and they use their resources to offer support for local organizations and groups while also sponsoring valuable events and offering services that benefit the entire community. This is only possible when local residents choose to bank with their community bank instead of placing their money with a larger national chain.





Greater flexibility to address your banking needs. If a major employer in your community closes and puts dozens of families out of work, a large bank likely won't take extra efforts to offer support to affected families. A community bank, though, may be able to provide additional support and flexibility that can alleviate some of the burden of this loss and preserve the financial health not just of those families, but of the entire community.

- One challenge of working with national banks is that they often lack the flexibility customers sometimes need. Retail bank branches are limited in their ability to “bend the rules” based on their own good judgment, and some large banks depend on late fees and other charges to pad their profits. This only ends up putting their customers in a deeper financial hole while the bank profits off of their struggles.
- Community banks, by contrast, have much more latitude in taking the steps needed to help their customers thrive.

If a major employer in your community closes and puts dozens of families out of work, a large bank likely won't take extra efforts to offer support to affected families.





All of the same services and innovations a larger bank can offer.

As the banking industry has evolved in recent years, community banks have caught up with the technological innovations that had previously been an advantage for bigger banks. This means you get the benefit of diverse banking products and services like mobile banking, mobile check deposit, and online bill pay to enjoy all the conveniences of a modern banking experience.

The growth of mobile banking and other banking technologies has helped community banks level the playing field with bigger banks when it comes to convenience and banking services. This means community bank customers can now enjoy the best of both worlds—the latest and greatest banking solutions, along with the warmth and familiarity you expect from a local bank.



When Is the Right Time to Think About Switching Banks?

As time goes by, your banking needs change. It's always a good idea to evaluate your banking relationship periodically to make sure you've partnered with a bank that supports your current banking needs and is able to grow with you.

Here are some common situations in which it might be the perfect time to consider switching to a community bank:



You're combining bank accounts with a

spouse. It's common for couples to merge their finances and bank accounts after marriage, and this presents a perfect opportunity to consider how your banking needs have changed and whether it's time for one or both of you to make a switch to a new banking home.³ Use this major life event as an opportunity to discuss your financial outlook, including your monthly budget and savings goals, and consider how each potential bank may be able to support you in reaching those goals.



You've recently moved. Whether you've moved to a region where your current bank doesn't have a presence or you're just looking to settle down and find a community banking option that offers more personalized service, a move is a great time to change banks.





You've just purchased a house—or you're hoping to buy a home

soon. If you've already purchased a home, it's likely because you're hoping to stay for a while in your current location, which can make a community bank more appealing. If you're not currently a homeowner but hoping to become one soon, switching to a community bank can help you build a relationship ahead of asking that bank to finance a mortgage.



Your current bank doesn't offer the banking products or services you need.

If you can't get the banking products or services you want—whether it's free checking or mobile check deposits—it's time to look around at other options.

- As you evaluate new banks, pay attention to features and services that aren't necessarily on your list but that may offer value, either now or down the road. [Money management tools](#), as well as other [financial resources](#), are examples of bank features that can offer significant value to your finances and your savings goals.



You're unhappy with your current bank's customer service. If a bank doesn't provide personalized service, it's a sign they don't value you as a customer. Never settle for a bank that doesn't value your relationship and your business.

- Consider the full range of customer service experiences. How long do you have to stay on hold before talking to someone at your current bank? When you contact or visit your bank, do they recognize you? Are the bank associates focused on providing the best service possible, or are they eager to move on to the next person in line?



You feel that the fees are too high. Always consider banking fees when looking to move to a new bank. Talk to your banker about how you will use your account and ask if there are ways you can avoid fees in the future by adopting new practices or by switching your account type. Community banks want to help you move forward on your path to financial success by providing products and services that improve your overall financial health.



You need a personal or auto loan, and you aren't happy with your current bank's interest rates. If your current bank isn't helpful when it comes to providing competitive interest rates on loans, explore your options elsewhere.

Always consider banking fees when looking to move to a new bank.



You're starting a business and want to build a stronger community presence. Small businesses are the foundation of a strong community, which is why community banks take a leading role in supporting those businesses and partnering in their success.

- Working with a small business and joining your local small business association are easy, important steps that will help your business incorporate itself into the bedrock of your community.

Whether you're facing a life event that might change your banking circumstances or just interested in something new, it never hurts to explore new options that move your money away from big banks and into a trusted community bank.

Conclusion

With more than 11,000 community banks operating nationwide, local banks form the financial backbone of the United States.⁴ By partnering with a community bank, you can keep your money local and invest in a strong banking relationship committed to your personal success and the success of your entire community.⁵ No matter how much you make or what stage of life you're in, your banking relationship is an important one. Make sure you choose a partner who is invested in your success.

Success Starts Here.



First State
Community Bank

About First State Community Bank

Since 1954, First State Community Bank has been a leading financial resource to residents and businesses across the state of Missouri. First State Community Bank has built its reputation on an unyielding commitment to delivering the best possible service to customers and partners, from the Junior Savers who open an account with \$1 to those applying for multimillion-dollar commercial loans. Our mission is to help our customers achieve financial success on their terms, whether that means buying a new home, starting a business, or planning for retirement. We are here to help you reach your financial goals today and into the future.

Ready to start fresh with a better bank?

Connect with the FSCB team to find out how to make the switch.

[Get in Touch](#)

Sources:

- https://www.accenture.com/_acnmedia/accenture/next-gen-3/dandm-global-research-study/accenture-banking-global-distribution-marketing-consumer-study.pdf?ia=en
- https://www.gallup.com/analytics/237695/ways-banks-win-keep-millennial-customers.aspx?utm_source=social&utm_medium=twitter&utm_campaign=organicsocial
- <https://www.moneyunder30.com/reasons-you-might-want-to-switch-banks#targetText=Community%20banks%20and%20credit%20unions,mortgages%20and%20other%20lending%20decisions.>
- <https://www.extractable.com/insights/by-the-numbers-mega-banks-vs-community-banks/>
- <http://info.fscb.com/blog/4-reasons-to-choose-a-missouri-community-bank>

