

## Choices amid the babble

With all the palaver and outright rubbish emanating from Washington, the media, and the web about banking these days, there is a crying need, and golden opportunity, to be a voice of reason and honesty in your own sphere. Not voice only, but also a choice of reason and honesty.

By Bill Streater, Editor-in-Chief

Several months ago we said we felt certain there was a large core of people in banking who still believe in the traditional concepts of good judgment and ethics in business. An example of this point we recently found comes from a mid-sized bank in southern Indiana, in the form of an open letter to customers. Written by the bank's CEO, Larry Myers, the letter is a regular feature on the website of First Savings Bank, FSB, Clarksville, Ind. ([www.fsbbank.net](http://www.fsbbank.net)).

In his March letter, Myers wrote about the stark reality the country faces because of out-of-control government spending. After laying out the numbers and the inevitable comeuppance we all will face, Myers offered this advice:

"If you have debts and can pay them down, do so. Get rid of your credit card balances and consolidate debt where reasonable; Eventually we will all have to pay more in taxes;"

He went on to say, "If you own investments, being conservative is good. Along with taxes going up, so will interest rates;. Finally, live within your means. Borrowing for a home or other major capital expenditure is not bad, but don't borrow to buy a new flat-screen television or the latest fashions. Pay cash for those things you want or need that depreciate in value and borrow on those things that hold or increase in value."

(The full letter is on [ababj.com](http://ababj.com)—"Live within your means.")

Financial wizards no doubt will laugh at such "homespun" advice. Maybe even some Main Street folks may not agree. We happen to think Larry Myers gave the best piece of financial advice we've read in a long time. Obviously banks are in the business of supplying credit, but he wasn't saying don't borrow, just borrow wisely. And, yes, it's true that if everyone followed this advice, it would slow the economic recovery. But we would emerge in time in a far stronger position than if we simply revert to the same bad habits that recently caught up with us.

The thing we really like about this letter is that it puts into practice the notion that banks are in business not only to handle transactions, but to assist people. Bankers like Larry Myers at all size institutions understand that there are choices as to how you conduct business. And they have made the choice to try to help people make sound decisions and avoid mistakes (recognizing that not everyone wants the help), rather than play off or feed their ignorance or foolhardiness.

You can make money either way. The choice is clear. â–