

Much done, much to do

If you were accused of something you didn't do, would you stand mute, or refute the allegation? The answer should be obvious. "Truth will out" doesn't mean one shouldn't do everything possible to assist the process.

So it is with banks' reputation. The lead item in Bank Notes (p. 16) reports that the 11-month-old effort to rebuild that reputation, led by ABA Chairman Steve Wilson, has made progress. Many banks have downloaded the ABA Toolbox, "Telling Your Story," but more needs to be done.

Judging by previous financial crises, anger toward banks eventually cools. It doesn't completely go away, however, and is easily rekindled. With continuing economic uncertainty and difficulties in the housing market, negative banking headlines keep fanning a smoldering public resentment. The industry simply cannot afford to let time take care of this.

Though many bankers have responded, many others have yet to do so. Several factors may be holding them back. Here are four, with related responses.

First is the assumption that people understand how banks contribute to many community-building projects. They don't. You have to tell them.

Second, many bankers feel that they weren't the ones who did the things people are angry about. They're right, but they have to put that aside. All banks have been tarred.

Third, bankers may believe that their institution is well regarded, even if people harbor ill will toward banking generally. Two points relate to this: 1. Be sure you're right, (The customer survey supplied in the Toolbox can help you find out.), and 2. Even if you are right, the ill will felt toward "banks" leads to crippling new laws and regulations, as recent events have shown.

Fourth, bankers are reserved by nature. That's a generalization, of course, but many bankers hesitate to "toot their own horn";

Curt Steger, co-CEO of \$20 million-assets Commonwealth Bank, Mt. Sterling, Ky., wrote us on this subject a few weeks ago. His note addressed the four points very well. One of his thoughts appears as a quote on page 19. Here are the rest:

"As community banks we must first come to the collective realization that what we pursue and what we permit defines us. We must not stand idly by and permit others to define our role without our voices being raised and seriously considered. We know our communities best and their needs and we must tell our stories over and over again without becoming tired of doing so. We must bring to the conversations a willingness to talk about our strengths and admit our weaknesses. We must provide evidence of enduring worth to those we serve."

Implicit in Steger's comment, we feel, is to first be sure your own house is in order, and also to not ignore or apologize for the practices of others in the industry that are harmful to all banks. The latter must be handled within industry channels, but it is part of "not standing idly by."

Speaking up about the industry's many pluses, and its occasional lapses, is part of being a good banking citizen.

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