

The community outreach tool that might be creating future bankers

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Banks and trade groups are using scholarship programs to market to high schoolers and college students.

Largely viewed as a form of community outreach, such programs are taking on expanded roles in the industry by, among other things, promoting banking as a viable career option and serving as a channel for bringing in new business.

The strategy makes sense, though there are challenges when it comes to engaging high school students, said Randy Dennis, president of DD&F Consulting Group.

“Anything we do as a banking industry to engage the next generation about the idea of being a commercial banker and the idea of working for financial institution is good,” Dennis said. “The problem is, bankers ... just don’t do a very good job of promoting these sorts of things and getting widespread involvement and interest.”

That isn't stopping bankers from giving it the old college try.

The Massachusetts Banking Association offers an annual scholarship program for the children of member bank employees that awards \$2,000 scholarships to four incoming college freshman. The application asks students provide recommendations for the banking industry on topics such as using of social media and attracting younger customers.

“Some essays have been so good that we have collected some of the results and sent them to human resource officers or CEOs to rethink how we as an industry approach certain issues in the eyes of young people going to college,” said Daniel Forte, the association's president and CEO.

The program is "beneficial to students who get a little money and hopefully we make banking a more attractive job down the road,” Forte said. “If we can get some local students to long-term consider a career at a local bank, it’s a win-win for the industry,”

The American Bankers Association is looking to form a program for graduate students, said Jim Edrington, the trade group's chief member engagement officer. Edrington, who declined to discuss any other specifics, said scholarship programs serve as an indirect recruiting tool for banks to reach younger people.

A number of banks also offer scholarships.

HarborOne Bank in Brockton, Mass., recently pledged \$1 million over the next decade for its scholarship program. The \$2.5 billion-asset bank expanded the program two years ago to offer 20 scholarships at \$5,000 each, doubling the number of scholarships and increasing the amount five-fold.

To be eligible, students must be high school seniors with a minimum GPA of 3.0. They also must have a family member with an active bank account prior to the scholarship's March 15 deadline. While such a program could steer people to HarborOne, the bank insists that it is intended as community outreach.

"The stories you hear about what [the applicants] have done and what their families have gone through — it's just incredible," said James Blake, HarborOne's CEO. "We remind them when they graduate to come back and fill out an application for work."

Hastings City Bank in Michigan also offers a scholarship program designed to inspire future bankers. For the first time this year, the \$326 million-asset bank will award \$4,000 to a high school senior planning to study a finance-related subject.

The bank views the program "as a continuation of our commitment to assisting students in pursuit of post-secondary education," said Nancy Goodin, Hastings' marketing director.

Hastings is also partnering with a community foundation and the local school district to open an education savings account for every kindergarten student in the county.

Berkshire Hills Bancorp in Pittsfield, Mass., expands its program when it enters new markets, said Lori Gazzillo, the company's foundation director. The effort, formed in 2009, now provides 35 scholarships to students going to school or living in the bank's footprint. Students must have a minimum GPA of 3.0, a history of volunteerism and a total family income under \$100,000.

"We think it's very important to support students as they enter higher education," Gazzillo said. "To relieve debt and help them get off on a good foot is our goal, as well as supporting those families in need. It's a great program."