

## MY TURN

### *Lee Bank applauds Sen. Hinds for regional economic development strategies*

By Chuck Leach

Lee Bank applauds state Sen. Adam G. Hinds on his recent column, "The income inequality problem Massachusetts ignores", originally published in The Boston Globe on May 17.

In his commentary, Sen. Hinds, who represents 52 communities in western Massachusetts, calls for "a statewide rural renewal plan, similar to the federal farm bill passed at the end of 2018."

He emphasizes the growing income and opportunity inequality plaguing rural communities in our region, including Berkshire County, and calls for new legislation to address this troubling issue that is now too significant to ignore.

However, Lee Bank firmly believes efforts to revitalize and strengthen our rural communities should and must be a combined public-private effort where one plus one will hopefully equal three.

According to studies by Professors Charles M. Tolbert and F. Carson Mencken of Baylor University, "a thriving small business sector leads to stronger communities with higher levels of income, less income inequality, less poverty, better public health, lower crime and less out-migration of residents to other areas."

As an independent, community bank, Lee Bank can and will do everything to support Sen. Hinds' laudable efforts, along with continuing to support small business and correspondingly high-value job growth in our own backyard.

Community financial institutions, like Lee Bank, hold just 13 percent of total banking industry assets but provide 42 percent of the industry's small business loans.

Since the financial crisis, according to the Brookings Institution, "job growth (72 percent) has occurred almost exclusively in American cities with populations topping one million...cities with populations between 50,000 and 250,000 make up less than six percent of American employment growth since 2010."

Local banks, as purveyors of capital and truly financial advisors to small businesses, are clearly an invaluable

variable in the equation that if solved can help to turn these disconcerting trends around.

Finally, community banks employ more than 750,000 people throughout the country in stable yet stimulating work environments. While Lee Bank employs just 75, we like to think we "punch above our weight class" in terms of the amount of positive economic impact we can and do have with our human resources strategy.

First, we have a cutting-edge health care plan which touts, among other employee-friendly features, a more than 80 percent Health Savings Account ("HSA") annual contribution.

Second, we make principal payments on employee student loan debt to the tune of \$100/month per indebted student (or parent) and put \$100 per child, per month into every employee's college savings plan.

If an employee decides to pursue a college or graduate degree, we pay for it (bear in mind that over 90 percent of post-financial crisis employment opportunities were exclusively for candidates with a bachelor's degree or higher).

The list goes on, but suffice to say all of these initiatives are specifically designed to strengthen our employee's financial standing, stability and confidence which in turn will strengthen our local economy (and in turn augment Sen. Hinds' initiatives, which include much-needed investments in transportation, broadband and education in small rural communities).

We hope Lee Bank's model will impel others across the commonwealth to support and promote small and local businesses which in turn strengthens our rural economies.

We also hope the Lee Bank example showcases how doing business with your local community bank is an investment in your local economy.

The alternatives stand in stark contrast: doing business with one of the national juggernauts who impersonally deploy capital in shareholder-friendly high-growth urban markets.

*Chuck Leach is president and CEO of Lee Bank, based in Lee.*