March Fine Points

**Serving one master**

It’s a dog-eat-dog world. Every organization needs to keep evolving to stay relevant and on top of its game, particularly in the financial sector.

So I wasn’t entirely surprised to read that one of the trade associations representing large financial institutions has reorganized its membership structure. The Financial Services Roundtable (FSR) has whittled itself down to represent only commercial banks with more than $25 billion in assets and major payments companies, such as Visa and Mastercard. That cuts the organization’s membership nearly in half—to roughly 40 institutions—and eliminates insurers, asset managers and other nonbank financial providers.

Now, let’s not shed any tears for those who are now on the outside looking in. These are some of the nation’s largest financial services companies. And as I know all too well, they have plenty of other powerful organizations to represent their interests in Washington. They’ll be just fine, believe me.

In fact, I completely understand the FSR board’s decision. We at ICBA are lucky to serve only one constituency: community banks. Unlike other major financial trade groups, we can truly speak with one voice. While our membership is nationwide, our voice is not diffuse but concentrated on the issues affecting community banks and *only* community banks.

It’s an ancient truth: No one can serve two masters. ICBA is fortunate that our voice is not diluted by the various competing segments of the financial services industry. Rather, we are driven by our unique mission: to create and promote an environment where community banks flourish.

In today’s diverse financial sector, the “one-size-fits-all” model of representing dual interests simply does not work. ICBA has recognized that fact since our founding in 1930, when 28 community bankers literally passed a hat to resist two large, power-hungry financial institutions intent on a stated mission to vacuum up every local bank in the Ninth Federal Reserve District.

Our community bank founders stood up for the community banking industry’s relationship banking principles and our nation’s ideals of independence and community. Those ideals have served us well over the years, and they still bind us together today. While the community banking industry continues to evolve, our mission and our commitment to community banking remain steadfast.

ICBA advocates for policies that distinguish community-focused commercial banks from the large, systemically complex financial firms that have grown increasingly powerful nationally and globally. Community banks organize under the umbrella of ICBA and our state and regional partners to preserve our independence, maximize our collective strength and restore free-market principles to our banking system.

While the financial services industry’s largest entities work to realign their Washington lobbying infrastructure, we can’t forget the role we serve as independent institutions. Our very presence as competitors to the forces of consolidation and concentration is an essential part of maintaining our American traditions of independence, self-reliance and entrepreneurship. And by upholding our dedication to these timeless values at the national and state levels, we community bankers can ensure our independent voice will never be silenced.