

# Kennebec Savings Bank

Building Maine's workforce, communities and more



PHOTO COURTESY OF KENNEBEC SAVINGS BANK

Some of the students who worked as KSB interns during 2017 are shown here at the Tappan-Viles Mansion, a 202-year-old Augusta house that is now the bank's headquarters.

**S**TOP BY A KENNEBEC SAVINGS BANK BRANCH this summer — there are four in Kennebec County — and you might be helping a Maine student earn a college degree.

You might also be nurturing a new generation of young business people who are urgently needed in the state.

One thing's sure. For the students who participate in Kennebec Saving Bank's annual internship program, your deposit, withdrawal or loan payment is more than a routine transaction.

"During my internship, I learned many of the skills I still use today — especially 'soft' skills that are essential throughout business, such as communicating effectively with customers," says Craig Garofalo, who served as a KSB intern for three summers in the early 2000s. A Hallowell native who was then attending Babson College in Massachusetts, Garofalo returned to Maine each May and worked as an Augusta branch teller and in the bank's mailroom.

Today, he's KSB's executive vice president and chief operating officer.

Garofalo's success story isn't unusual at KSB. In fact, nearly a dozen of the bank's 135 current employees — including also the bank's controller and its assistant treasurer — began their careers as KSB interns. Each summer, the bank hires about 10% of its staff as interns, most from nearby Maine communities. Over 100 students have participated in the internship program since its creation in 1996.

The program began when the bank found itself short-handed during popular summer vacation weeks, according to President and Chief Executive Officer Andrew Silsby, who had joined as a loan officer three years earlier.

"We wanted the bank employees to be able to take full advantage of their vacation time," he says, "and what better time is there to vacation in Maine?"

(Fun fact: For decades, federal regulators have encouraged banks to *require* two-week employee vacations as an internal guard against fraud and embezzlement.)

But the interns quickly became much more than a staffing fix. "The students bring a unique kind of energy to our team," says Silsby. "They also bring a fresh perspective that allows us to look at our business and the needs of our customers with a different lens. For a community bank like ours, that understanding is crucial."

## "The best investment"

The interns' contributions extend far beyond the teller counter. Depending on the interests and abilities of the students, and the needs of the bank, interns can find themselves working in unexpected roles.

Zachary Nichols, KSB's digital services manager, began interning as a teller in 2011, after his freshman year at the University of Maine. But he also spent his summers as a customer-service representative and in the KSB mailroom. He then received a special assignment — to coordinate the digital scanning and indexing of 175,000 important financial documents. Supervising three other interns, Nichols and his team completed the project accurately and on time, Silsby recalls, saving "what would have been a lot of expensive outsourcing costs."

Nichols relished the chance to sample different functions at the bank.

"I learned more as an intern by working in different departments than I could have if I had stuck to one area. I owe it to KSB for letting me explore," he says. "What I learned along the way is important to who I am today. Especially skills like the ability to embrace change, and to communicate the value of change to others."

Makenzie Carlow, a Thomas College junior interning in KSB's Waterville branch, is developing other skills. "Through my internship, I've learned to ask for help when faced with something new, but also to be confident in what I do know," she says. "KSB has helped build my faith in myself and my abilities."

In addition to gaining skills like these, KSB interns receive regular pay and may be eligible for class credits back at their college, depending on its policies. Two of the 11 students in the 2018 internship program are receiving credit.

It costs KSB around \$4,000 to employ an intern, and Silsby calls that amount "the best investment you could possibly make." Besides adding summer help, the internship program acts as a feeder system that identifies and cultivates new talent for consideration as permanent hires.



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Such programs aren't unusual in the financial services industry. "But for us, bringing on college interns each summer is a very intentional process," Silsby says. "It's a real focus for our team, directed toward specific goals."

### Building the future of finance

Recruitment is a high priority for the bank, whose workforce has doubled in size since Garofalo was an intern. Today, KSB is the 10th-largest Maine-based bank, with assets of over \$1 billion. In addition to its main office in Augusta, KSB operates branches in Farmingdale, Waterville and Winthrop, and last year expanded outside of Kennebec County for the first time. KSB's new Freeport location, at 181 Lower Main St., is a loan office for residential and commercial borrowers and also offers electronic banking services.

The growing demand for new talent has come as large, national banks have scaled back their Maine operations — reducing the pool of bankers from which to recruit, and the training available to them. So KSB, like many community banks, has developed its own management training program, and tools such as the internship program have become increasingly important. The bank even operates a standing Millennial Advisory Committee, which Garofalo leads and which provides internal feedback on issues relevant to younger workers.

Still, the challenge of finding employees — the right employees — is formidable.

In a recent national survey by the American Bankers Association, 58% of community bank CEOs characterized hiring as "difficult" or "very difficult." And it ranked as a top concern, alongside regulatory compliance, keeping CEOs up at night.

For Maine banks, the challenge is compounded by the state's demographics. The average age of Maine's residents is older and closer to retirement than that of any state in the country. But college students are moving away instead of becoming the next generation of workers. In fact, Maine ranks No. 8 among the 50 states in the percentage of students (59%) who depart after graduation, according to a 2017 study.

Faced with numbers like these, Silsby believes banks like his have a responsibility to "show students a path to success."

"We need to keep developing our own young people. That means helping them see why this is a great industry, a great state, and how bank employees have followed their own interests to pursue diverse opportunities, time and time again."

Building the next generation of Maine bankers is especially important because community banks function as "mini economic drivers" for the towns and cities around them, according to Silsby. KSB also contributes to these communities in other ways.

### 148 years later, still a local bank

Since KSB's founding in 1870 as a mutual bank, community service has been a central part of its mission, he says. The bank contributes 10% of its annual income to local nonprofit organizations and philanthropic activities. In 2018, it expects to donate more than \$800,000. Each year, the funding supports hundreds of local groups and needs, from food banks to animal shelters to the arts and economic development.

KSB employees also give their own time to assist neighbors in need. In 2017, bank staff provided more than 9,000 volunteer hours to community activities. (That's roughly equivalent to a week and a half of work time for each employee, Silsby points out.) At the MaineGeneral Health Walk for Hope, which raises funds to assist breast cancer survivors, the KSB team numbered more than 100 and raised \$13,500 for the cause.

In addition to helping others, this community-mindedness may also be helping KSB address the staffing needs its internship program was originally designed to solve.

"Working as a seasonal teller, I experienced the connection between KSB and the community first-hand. I hadn't had much work history, but I knew there was something special about this," says Nichols.

Garofalo, the COO, explains the connection this way: "Kennebec Savings Bank exists for the benefit of the community. That's something I could sense even at age 18, something that was important to me, and I'm sure our interns feel that today." ●

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## Kennebec Savings Bank

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Financial Services

Andrew Silsby,  
President & CEO

Founded: 1870

Maine employees: 135

[www.kennebecsavings.bank](http://www.kennebecsavings.bank)

Left: Andrew Silsby is Kennebec Savings Bank's president and chief executive officer.

Below: Craig Garofalo, Kennebec Savings Bank executive vice president and chief operating officer, began his career as a KSB intern.