

Thrift Tip: Saving is Thrifty

Philadelphia Profile in Thrift: [Beneficial Bank](#)

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—Gerard P. Cuddy, CEO

Thrift Tip of the Day: Buy a tax time savings bond with your tax refund.

Fast Facts

- Founded in 1853 by Bishop John Neumann, now a canonized saint, as a place for working-class immigrants to save their money
- Oldest and largest bank headquartered in Philadelphia
- Online banking account holders get free access to [FinanceWorks](#)
- Person Beneficial Most Admires: Benjamin Franklin

The New Thrift Saves Why Saving is Thrifty

It was Benjamin Franklin, the “Apostle of Thrift,” who first said “A penny saved is a penny earned.” As Franklin understood, saving is the thrifty way to gain economic freedom and to avoid the servitude of debt.

Learn More about Beneficial Bank An interview with Mr. Gerard Cuddy, CEO, and Ms. Joanne Ryder, Senior Vice President, Brand & Strategy

Beneficial started as a Savings Fund for Philadelphia's working class immigrants. What is the mission of the bank today?

GC: “I think it's unchanged. The bank's vision is a Latin phrase, 'Vacere Comptus Verus' which means, 'Do what's right.' Our mission is to educate our customers to do the right thing financially. We present ourselves as an education company before we think of ourselves as a bank.”

Tell me more about the two branches that you call “campuses” in Cherry Hill.

GC: “If you were to walk into one of these it looks like a cross between a nice community library and an Apple store. And the first thing you meet, we think is kind of iconic—it's a blackboard. Not a whiteboard or video monitor or a plasma, but an old-fashioned blackboard that has something thought-provoking, typically oriented towards planning and savings.”

JR: “There's a Financial Learning Library and there are resource centers. The library is divided by life stages, so there are both books and iPads. There's a Little Learner's Corner, and there's a section called the Knowledge Bar, so you can actually just sit down and have a cup of coffee or hot chocolate

and learn about financial planning using free Wi-Fi. You can meet with employees who will help you develop a financial plan, and we also give out planning guides to customers, both adults and children. We also offer [free workshops](#).”

Will there be more campuses?

GC: “Ultimately the goal is to make every branch a campus. It's almost like a philosophy or a theology—we're trying to get everyone in the same mindset.”

What are your thoughts about saving?

GC: “We say this everywhere we go—the very first step in making a financial plan is to have savings at the core. Forget the rate environment, forget what the stock market's doing—it really is just about a core fundamental discipline around savings to safeguard yourself, to make dreams possible.”

What would you say to young people about saving?

GC: “When we talk to high school juniors and seniors, we talk to them about targeted savings. So we hold up a pair of Nike shoes and we hold up an iPod and we talk to them about the credit card contrast. The Nikes are \$99 on the credit card. That means you paid \$192 for them if you just make the minimum payment. But if you save for that . . . first of all you've earned it, so you hold it more dear, and there is a sense of accomplishment. You've actually got something tangible that you will find over the course of your life you value more.”

How do you encourage young people to save?

GC: “The last thing that I'm holding on to right now from a rate standpoint is our campus savings account and student savers account. It's a great rate—it's 2 percent. And it's intentional. It aligns with our mission. We really do believe in teaching children to save at a young age and encouraging them to save.”

How do you encourage adults to save?

JR: “A lot of our products are designed according to the life stages. So it's student saver, then campus saver, and then you can migrate into a our start earning account. This account helps you save by automatically transferring \$25 into savings a month. And we have tiers so that once you reach certain savings goals, you get a greater amount of interest. Again, it's to reward people in their saving and to create that saving behavior.”

We saw that Beneficial won the 2010 Corporate Champion Award for its long standing commitment to Philadelphia. How is Beneficial involved in the community?

GC: “Big banks tend to give a lot of money, which is great, but we tend to give a lot of hours. We're disproportionately involved, just because of the history of the bank.”

JR: “ We have a group of employees called the Blue-Gooders. Actually yesterday, Gerry was out with a group of our Blue-Gooders feeding lunch to the homeless. We're also working with Back on my Feet, which is a non-profit organization for homeless men. And once a month in our boardroom we

actually conduct financial literacy classes. It's actually part of their curriculum. We teach them about budgeting and also about balancing their checkbooks.”

How often do the Blue-Gooders volunteer?

JR: “The Blue-Gooders have logged financial literacy 650 hours by teaching classes in Philadelphia schools. We also participate in National Teach Children to Save Day in the spring and in National Credit Day in the fall. We read Three Cups, a book about savings, charity, and spending, to elementary school students.”

Information courtesy of www.newthrift.org