YOUNGSTOWN STATE UNIVERSITY

ORAL HISTORY PROGRAM

Metropolitan Savings & Loan Company

Employee Experience

O. H. 584

EDWARD J. BRANT

Interviewed

by

Evelyn Jones

on

December 6, 1982

EDWARD J. BRANT

Edward Brant was born on February 10, 1949, the son of Andrew and Grace Brant, in Sewickley, Pennsylvania. Mr. Brant attended high school in Sewickley and then came to Youngstown to attend college. He finished college in 1972 and began working at the Metropolitan Savings & Loan shortly thereafter. Mr. Brant is the president of the Youngstown chapter of The Institute of Financial Education, and is involved in the Lions Club, and the Youngstown Rehabilitation Corporation.

YOUNGSTOWN STATE UNIVERSITY

ORAL HISTORY PROGRAM

Metropolitan Savings & Loan Company

INTERVIEWEE: EDWARD J. BRANT

INTERVIEWER: Evelyn Jones

SUBJECT: Savings & loan changes, customer services

DATE: December 6, 1982

J: This is an interview with Edward J. Brant for the Youngstown State University Oral History Project on the Metropolitan Savings & Loan, by Evelyn Jones, on December 6, 1982.

Would you tell me something about where and when you grew up?

B: I was born in Sewickley, Pennsylvania--that's near Pittsburgh--on February 10, 1949 on a farm. I went to North Allegheny High School. We didn't move throughout the entire time that I grew up. In fact, my dad's house was right next to the family homestead, and they moved there in 1905, so they weren't a very mobile family.

J: How did you get to Youngstown? Tell me about your college years.

B: I got here because I had a real interest in electronics and radio. I was a ham radio operator and I had in mind that I wanted to be an electrical engineer. My guidance counselor back in the 1960's--the big push then was for anything scientific--pushed me into electrical engineering since I was interested in radio. Y.S.U. was recommended to me as a good engineering school, which I'm sure it still is today. I was recommended to Y.S.U. through some friends of mine who also came up here. In 1967 the Vietnamese War was going on and there was a very high enrollment. That was the first year that Y.S.U. was a state university. Naturally the courses were very tough because there was pressure to flunk students out to get them into the war effort. The calculus classes were front loaded. They were five-hour courses the first quarter and then four hours and then three hours. These were quarter courses. It was a very heavy load. Being that it wasn't spread out evenly like it had been prior years I really found that the math was more than what I could take. I found that engineering was a little different than what I perceived it to be. I had an interest in business, so I went into industrial management. I felt that I could still get into that same line of business.

J: Then you graduated from Youngstown State?

B: Yes, on June 17, 1972, and I started here on the 19th. I had the job in March. I had the choice of starting in April, but chose to finish up my college and make a clean break of it. I started two days after I graduated from Y.S.U.

J: What was your first job at the Metropolitan?

B: My first job was going out with the appraiser; that was the traditional starting point for a man in the savings & loan business, was to go on the road with an appraiser, just like it was traditional for a woman coming into the company to start as a teller, no matter what jobs they went into. That is generally the way it used to be until five or six years ago. I went on the road with the appraiser for a couple of weeks. A loan officer left the company at that point and they had the need for a loan officer at that time. My next step was as loan officer about three weeks later.

J: How big was the company then?

B: We were forty-two million dollars when I started. We're one hundred and ninety million now, total assets.

J: What was it like to work for the company?

B: It was a smaller company. I knew just about everybody in the company. There were 35 employees including the janitors and all the offices. Maybe I didn't know all the janitors, but I knew all the tellers and all the branch managers, everybody in the main office. You could go in there one day and know everybody in the main office. It was such a small company in relationship to what it is now. You didn't see a lot of turnover. The tellers would stay four or five years in a row. Right now it is the same. There is less turnover, although for the number of employees it seems like we have newer people. There was a point in between times where the turnover was more rapid. Back then people stayed on the job log enough to get to know who they were, and you even got to know some of their family members. This was not just the main office; this was the branch offices as well.

J: What was your next step after the loan officer? Did you switch around a little bit?

B: Yes, I did. Because I didn't go through a formalized training program, when the loans got really slow at the end of 1973 or 1974 when we had a credit crunch, I went back to the teller window and worked as a teller for about a month and a half at the Boardman office. That gave me the background so that whenever I went to a branch office I would understand what the teller's job was. It didn't really qualify me to do the job, but at least I knew what their job involved and what some of their problems would be.

J: You were on-line and then you were on computers?

B: We were on computers on just the savings, but not on the loans. We were the first company in town to be on computer with savings. We were probably one of the last companies to go on with the loans with the exception of First Federal; they didn't go on computer until about three years ago.

J: What events stand out as major to you now in your career of more significance than others?

B: I think the first major change that took place was when I became a branch manager in 1975. Up to that point I was primarily loan oriented. As far as human relation, human relations were really among office workers, not as a manger-employee type relationship. That would probably be the most dramatic step that I made up to that point, where you went into a human relations theory where the manager-employee relationship was there.

J: Looking back over the ten years with the company, are there any changes that you would have made if you could make them now?

B: All our variable rate and mortgages would be tied to the total savings cost rather than the passbook savings cost, faced with the fact that those loans are not really going up in rate in relationship to the savings rate; because we tied them to the passbook rate thinking that that was going to be the savings rate. With that being the case we've taken on excessive costs of funds without getting back the return that we expected on our variable rate mortgages. We realized that those were written about a half percent below market, and up to now about all we've really been able to get back was the half percent when we raised from 5¼% to 6% on the vast majority of them. Just now we are really at a break-even stage on those loans because we cut them back to save money for the first few years. They're really not paying for it now.

I tend to look at things from a lending standpoint, but other than that maybe we would have offered certificates of deposit a little sooner than what we did. We had some pretty tight times in 1979 when money market CD's were at such high levels that the passbook no longer looked attractive. That became a real case of disintermediation for us. There were a certain number of months before and after we became offering money market certificates where the saving flows were dramatically going out at first and then dramatically coming back in because of customer's loyalty. We found that the same people that took the money out and opened money market CD's in other banks tended to bring it back to us. I was very surprised to see the kind of loyalty we had among our customers. We lost a little bit in savings and then we gained savings and then some whenever we offered money market certificates. We basically gained back the last year or two of savings that we would have realized had we had the certificates. If it had been my way of thinking, I would have rather seen us have a little more growth in 1978, 1979 rather than getting all the money in 1980 and getting it right back out in loans at that time. Although, it didn't hurt us, because we got our mortgages out at 11% rates, which doesn't look too bad today, but they did look bad six months ago.

J: What do you think about the rapid growth of the Metropolitan in the past since you've been with the company, but even before that?

B: It has been something hard for those people. The longer you're here the harder it is. For the newcomer it's no problem other than maybe certain departments not really being set up properly for the current size of the company. The problem from a human standpoint would be those people that haven't adjusted to the current size of the company and are still thinking of the operation in a smaller view. I try to look at it as where we're at today. We try to run the company as a company of this size rather than trying to look to the good, old days and run things the way we used to be able to do. It's hard if you've been with the company like I have for ten years. There are a lot of little things that we used to like to do for people and you find it very hard to stop doing these things. We had the time to do it when we were much smaller; you were on a more profitable base, which is an important thing. We could afford to give away some services because we were making so much more on the other side. Being that everything is tighter now it's harder to give a lot of these favors and what have you away that you could in the past. We set up our departments so that we can still service the public in the correct manner. I think the public understands this.

Within the business itself there are things like knowing everything that is going on in the company at all times. It used to be that I would know what was going on in loans, savings, all departments. Now we have our staff meetings where you're updated on generalities and don't get involved when something new starts. Like the new branch, when the input, when the brainstorming is out there, that's where I'm in it. Now when it comes down to the details I'm no longer in that process. I think it's a good setup the way it is. I don't think we could operate the way we did before. You wouldn't be efficient.

J: What kind of future do you envision for the savings & loan industry, but especially for the Metropolitan Bank?

B: I believe looking at the future at this point, I would still like to see us go towards the consumer financial service center concept where we still basically service the consumer. We don't basically go after the larger commercial business, maybe small businesses though. I would like to see us stay in the consumer and offer some limited commercial lending for small businesses that are already existing customers.

J: Is there anything else you would like to add?

B: One other significant thing that has happened to the company is the checking accounts, the deregulation of the depositary institution, the monetary control act. That is good in that we do have checking accounts and offer car loans, student loans. We offer a good, basic backbone of a good consumer service, whereas before we were too limited and we only offered home loans. The customer still had the limb of another financial institution take care of their everyday needs. I think that has been a major change to us. I think this is the major change in our business looking at it in the last couple of years and looking at it in the future. I believe that's going to be the biggest change in both the change to a small level of consumer lending and a level of checking accounts.

J: Thank you.

END OF INTERVIEW