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## Devon Bank Puts Community First Amidst Uncertainty



By Jaycie Weathers, Student Reporter

*This article is part of Baumhart's series, Business Meets the Moment, which is highlighting how socially responsible businesses are responding with purpose to COVID-19.*

Caring for employees' overall wellbeing is at the core of many family businesses and Devon Bank is no different. Headquartered in the vibrant Rogers Park neighborhood and predominantly family-owned for three generations by the Loundy family, Devon Bank has been a cornerstone of the community since 1945. Now, with the COVID-19 pandemic stay-at-home order issued statewide, many people in the service industry and beyond find themselves without jobs. David Loundy, Chairman and CEO of Devon Bank, is stepping up to support his employees by offering 0% interest loans of \$5,000 to employees whose spouses have suddenly lost their jobs due to the current economic pause.

Loundy sees this offer as an easy way to lighten the burden of his employees during this difficult time, and believes the decision will also improve business. "This will hopefully not be an open-ended recession like 2008. There is a specific cause. If we can address that cause, hopefully we will have a quick recovery. One of the first questions we asked was 'How can we carry people through?'" Loundy said. His commitment to easing financial burdens carries over to the community and aligns with how the business has always run: focused on the changing needs of its diverse clientele.

The bank has a rich history of supporting nonprofit organizations through donations, staff time, use of its facilities, and working with schools, service groups, religious institutions, and other organizations in the community. In addition to the employee 0% interest loan offer, Loundy wanted to provide ways for customers to get through this time without the bank incurring rating penalties for providing financial accommodation to customers in need. His proposal was approved up the chain of command through regulatory agencies and, as a result, banks nationwide are able to provide their services without fear of a rating penalty. "Our business' health is driven by the health of our customers and our communities. If we take care of them, they take care of us" Loundy said.

Loyola has taken notice of the bank's integral services and in 2018, Devon Bank was recognized by the Loyola Family Business Center as the Illinois Family Business of the Year Award. "Devon Bank, once again puts into practice the values present in the strongest family businesses. It's easy to talk about a values driven culture, but a company's true colors emerge when times get tough. Devon continues to lead the way by supporting their workforce during this crisis in creative and meaningful ways. This is yet another example of values driving decisions that result in long-term, sustainable economic value, and commitment to the vitality of our economy and communities" Anne Smart, Director of Loyola Family Business Center, said about Devon Bank's actions.

Devon Bank's example offers lessons in leadership all businesses can harness during this period of pandemic response:

- 1. Treat Employees with Dignity and Respect:** David Loundy views his employees as invaluable assets that contribute to the company's success. By recognizing the new stressors added to many employees' lives' including loss of child care, worry of loved ones' health, and unemployed spouses, Devon Bank understood the benefits to providing assistance and acted the way it knew how: offering 0% interest loans. Removing the financial pressure employees may have felt allows them to perform their jobs better and fosters a culture of company loyalty. This is a win-win-win for employees, the community, and Devon Bank.
- 2. Cultivate Community:** Devon Bank has always been responsive to community needs from working to get newly immigrated families settled to putting together an Islamic financing program. Like any business, Devon Bank relies on its customers as much as customers rely on the bank's financial services. So, in this uncertain time for many businesses and families, working to hold each other up is crucial. Loundy's steps to make sure his bank's rating would not be penalized for reducing the burden of making payments, in turn, gave a green light for the bank to continue meeting the needs of customers at this time. "Ever since I was a little kid I was taught that if you take care of your community, your community will take care of you" he wrote in an email to employees on Tuesday, March 24th.
- 3. Authentic Action is a Winning Game Plan:** Given Devon Bank's longstanding commitment to providing the services its diverse clientele demands, people are at the core of every decision. Loundy made it clear that his actions were not for publicity, but rather to accommodate his employees and community members by using his business's strengths. Every business has access to specific resources and those resources should be redirected to meet the moment, uphold morale, and carry people through this difficult time which Loundy believes will lead to faster societal recovery. Rather than using this crisis as a marketing opportunity with little action backing it up, businesses should follow Devon Bank's lead to focus on *real* impact which will authentically enhance employee and customer loyalty as a secondary benefit.

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Executive Vice President, ITW

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**William Towns,**  
Executive Director, Benefit Chicago

"This initiative, I think, will be seen globally as an example for other institutions around the world to mimic and follow, and will, I think, have a tremendous impact," says William Towns.

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