



banknotes

by:  **First Merchants**
Helping you prosper



NEW LOCATION
Northland Banking Center

Also Inside:

Insights from Mike Stewart
Job Openings



MEET ROBIN
Banking Center Manager



Grow with the future in mind

By Mike Stewart

leader will at some point need to lean on others for advice and planning.

EARLY-STAGE BUSINESS PLANNING

While needs vary by industry, location, and other individual situations, there are similar considerations at each stage of business maturity. Every new business bootstraps and eventually needs to finance growth, find ways to drive efficiency, protect itself from risk, and plan for future leadership or ownership transitions.

What is bootstrapping? Simply put, it is building a business primarily without external investment. The business then typically shifts to become more profit funded, and eventually needs loans or investors to expand the resources needed to continue growing.

It is crucial at different growth stages not only to be guided by a business plan, but to seek the counsel of others. As your business grows, you're creating value. The value you bring to customers, in turn creates wealth through jobs and owner equity. When should you begin diversifying or taking money off the table? How can you protect your wealth and manage risk? No one can answer all these questions, but a prepared business owner knows where to go for support along the way. This is the time to expand your network and begin building a team of advisors.

LONG-TERM PLANNING

Successful entrepreneurs are not just masters of their craft—they also tend to be optimistic people who always find ways to make things happen. No one wants to dwell on what will happen to their business when they retire or become unable to keep leading. I've had many discussions with clients on this topic, and leaders want to ensure the long-term success of their business and that their people are taken care of. The best way to do that is to plan early and revisit the plan.

Throughout my career, I've seen many inspiring stories of people building their dreams. As a banker, nothing is as gratifying as being part of that, advising along the way. It's like pro sports. I love baseball

and enjoy watching any athlete at the top of their game. The most successful athlete is the one who is coachable, works hard, and has the benefit of valuable advice, especially for life after sports. If you don't learn to hit a curveball, you're going to strike out a lot. If you're not ready for the curveballs that life throws, it will catch up to you. Unfortunately, there are also many stories of regret. An injury that puts you out for a season. A mismanaged balance sheet that sets your business back several years. More regrettably, some circumstances can be career-ending. Is it time for an early retirement (planned or unplanned)? Are you starting over without any cash reserves?

Succession planning has many benefits. A great place to work is one where employees develop and leaders grow. This helps ensure long-term success. The planning involved in ownership transition provides more surety of financial viability, at least in that it avoids "fire sale" scenarios or unforeseen financial burdens. A few of the most common scenarios you may consider include transition of generational ownership, transition to a management group, an Employee Stock Ownership Program (ESOP), sale to another firm, and possibly sale to a private equity firm.

A thoughtful approach can create a win-win. When the business has set a clear plan for long-term success, it will encourage potential buyers to think about how they can build on that rather than moving in another direction. This entails both leadership and ownership succession.

ENGAGING ADVISORS

Getting started can seem daunting—begin discussions with a trusted advisor. A bigger business will have more complexity and need a bigger team of advisors. What are implications of things like gifting shares or dividend recaps? Do you need an estate plan? It depends on your situation, legal entity type, ownership structure, location (state), and more. Lean on your banker and other subject-matter experts they can offer when needed. Above all, remember that all business owners go through this and you are not alone. We can help determine when to bring accountants, attorneys, and other industry advisors in to help guide your planning.

I'm thankful I've had the opportunity to help many clients over the years. I'm also fortunate to be leading a team that will continue helping clients like you grow and succeed with straight talk and sound advice. Together, we are committed to help ensure your family prosperity and wellness for years to come.

NEW LOCATION

Coming this May!



PARTNERS IN CHANGE

We take a decidedly different approach to serving our customers and communities here at First Merchants Bank. Our vision is to enhance the financial wellness of the diverse communities we serve. This responsibility is our passion, and it permeates who we are. Several years ago, we began to intentionally assess needs and develop solutions more effectively, because we believe that lasting impact starts locally.

We engage local and civic leaders in learning the specific needs of their community, and we then collaborate with them and non-profits to find the best path forward. This led to the inception of successful programs like Next Horizon Mortgage and the identification of locations for new banking centers across our major markets (beginning in Indianapolis and arriving next in Detroit) that serve Low- and Moderate-Income populations and communities of color.

Here in Columbus, you told us that Northland and surrounding communities—your neighbors, friends and family—would benefit greatly from our commitment to Corporate Social Responsibility (CSR). Our five pillars of CSR—Employee Empowerment, Community Investments and Charitable Giving, Financial Wellness, Community Home Lending, and Diversity, Equity, and Inclusion—come to life locally, as our employees engage and partner to effect impactful change. The ribbon cutting will be May 13th!

Over the past several months, First Merchants team members have partnered in needs-focused conversations to help ensure that this will be a true community bank for Northland – and all of Columbus. These valuable discussions included the National Community Reinvestment Coalition alongside community leaders at local organizations like the Central Ohio African American Chamber of Commerce, Community of Caring Development Corporation, Godman Guild Association, My Project USA, NeighborWorks Collaborative of Ohio, and others. These strong, trusted local relationships will create the foundation for lasting change and a focus on people.

Our listen-first approach is key to ensuring that our decisions are in alignment with the needs of people and organizations we serve. We look forward to engaging in more dialogue, with individuals, business and leaders over the coming months and years. We're here to listen, to learn, to support you and to help you prosper.

FROM JENNIFER GRIFFITH:

Your confidence in our commitments makes the difference! We can make a huge impact if we do it together. I am very excited to share this edition of BankNotes with you. The First Merchants team has been hard at work, across the Midwest, expanding our capabilities. From new banking centers coming online, to bankers volunteering locally, to executive insights from our corporation's President, Mike Stewart on planning for long-term business success. I hope you enjoy it, and I look forward to speaking with you soon!

FIRST MERCHANTS BANK HOSTS ANNUAL RECYCLING EVENT

First Merchants Bank hosted their Annual Recycle Event. Over 200 cars came through the event, and Document Destruction reported that 10,400 lbs. of paper were shredded. The Salvation Army truck and Big Brothers/Big Sisters truck were full of donations and Rentek, a licensed and bonded quality electronics recycler, reported that: "With the amount of materials collected, we will be able to teach over 102 hours of job skills to the men and women in our training programs."

Rentek focuses on job force development training for individuals with barriers to employment, including those with Down syndrome, Autism and other developmental disabilities.

NMLS: # 514065



Employee Spotlight Tarika Lewis

Tarika Lewis is a Community Home Lending Officer at First Merchants Bank. She has assisted in making the dream of homeownership a reality for so many since 2005. She consults and meets regularly with industry professionals, realtors, community leaders, and community non-profit organizations to build partnerships and help create

mortgage solutions for communities with financial and economic challenges. She has created and led financial literacy programs, while advocating for financial awareness and financial freedom.

As a native of Columbus, Tarika lives and works in Central Ohio and prides herself on knowing the needs of the communities she serves. As a community advocate, she specializes in working with first-time home buyers with down payment and closing cost initiative programs, to help provide hope to those in need throughout the home buying process. Her twenty years in the financial industry provides her the opportunity to assist all home buyers with an extensive variety of mortgage products and programs.

FIRST MERCHANTS BANK WELCOMES CRISTO REY COLUMBUS HIGH SCHOOL TEAM

For the 2021-2022 school year, The Cristo Rey Columbus High School students will be working as Junior Commercial Administrators under the leadership of Commercial Administrator Manager, Jacqueline Walls.

A note from Ms. Somers Martin, PWSP Director of Sales, Cristo Rey Columbus High School:

On behalf of Cristo Rey Columbus High School and our Professional Work Study Program, we want to thank First Merchants Bank. You are a valued partner and we couldn't do what we do without YOU! Your participation in our program and mentorship of our students means the world to all of us! We are looking forward to an amazing year and trust that you are as well. Our students are excited about joining your organization and we look forward to all that this year will bring to you, to us and to our students.

MY PROJECT USA

The Ohio Region had a Community Day with My Project USA. Our team helped assemble office desks, organized offices, conference room furniture and décor.

My project USA is a national initiative to protect and empower youth and families. They are headquartered in the Hilltop area of Columbus, OH. They uplift underprivileged, crime-ridden neighborhoods. They strengthen abused, neglected, and underserved communities and get the very best out of them through social services and civic engagement.

WORKING TOGETHER

CREATING SOLUTIONS FOR COMMUNITIES & BUSINESSES



ANNUAL RECYCLING EVENT

Pictured above from left: Mike Curran, Jonathan Shim, Gary McNutt, Josh Riley, Jody Shonk, Jacqueline Walls, Cristo Rey Columbus High School student, Jeriah Shaffer Holmes, Big Brothers/Big Sisters Director, Rick Perkins, Martin Brady Front Row from left: Scott McAnaul and Bob Main



CRISTO REY COLUMBUS HIGH SCHOOL TEAM

Pictured from Left: Essence Woods, Jeriah Shaffer Holmes, Dominic Herderick and Makeda Gemechu



MY PROJECT USA

Pictured from left: My Project USA Founder and Director, Zerqa Abid, Peter Kakoules, Dwain Davis, Jon Meister and Gary McNutt

THE
LONG
VIEW

2022

2022
BUSINESS
VISION

As we put 2021 behind us and look ahead in 2022, we are excited to share the new **First Merchants Private Wealth** annual perspective.



**First Merchants
Private Wealth Advisors**
Helping you prosper

JOIN US NOW TO HEAR MORE ABOUT PERSPECTIVE ON
BUSINESS SUCCESSION PLANNING.

ACCESS THE LIVE EVENT IN THE PRIVATE WEALTH SECTION OF
OUR WEBSITE – PRIVATE WEALTH PERSPECTIVES



Keep up to date with our *Weekly Investment Perspectives*.
Each week our team provides an economic overview to keep you up
to date on *what's happening in the economy*, markets and more.

SEARCH FOR “WEEKLY INVESTMENT PERSPECTIVE”
ON OUR WEBSITE [FIRSTMERCHANTS.COM](https://www.firstmerchants.com)

EMPLOYEES VOLUNTEER AT THE DRIVEN FOUNDATION

On Friday, August 20th First Merchants Bank volunteered at The Driven Foundation for their annual Back to School event. Each year The Driven Foundation provides students with backpacks and supplies as they prepare to go back to school. The Driven Foundation's mission is to provide families with basic human needs to combat poverty and build hope.

NMLS: #1857051



Employee Spotlight Dante Dela Rosa

Dante is the Senior Customer Relationship representative for the Northland Branch. Originally from Guam, now living in Columbus Ohio, Dante brings with him over a decade of experience in sales, customer experience, and human service. Or as he calls it "The people business". Starting with First Merchants in August of 2020,

he is a strong advocate for his customers, and brings an honest and dynamic approach to assisting customers and uncovering their immediate and potential needs.

Always the go-giver, Dante cannot keep still outside of work. He holds a black belt in Taekwondo. He is a coach and instructor at J Tiger Martial Arts in Dublin. He runs a coffee roasting business with his best friend. And a Wedding and portrait photography business with his wife Megan. In his free time Dante spends it drinking coffee, reading comic books with his wife.

FIRST MERCHANTS PARTICIPATES IN THE COMMUNITY CUP

14 First Merchants Bank employees participated in The Community Cup on Friday, July 30 at Fortress Obetz. The Community Cup, presented by The Columbus Foundation, is designed to bring the community together. Whether participants show up to claim the Cup or they simply want to build camaraderie among their co-workers, this experience is special. This was the 3rd year that First Merchants Bank participated in The Community Cup. Events include: Tug of War, Lacrosse, Dodgeball, Obstacle Course, Golf Chipping, Basketball Shooting Competition, Soccer and more. Our team took turns competing in the different events.

HOSTS RED CROSS BLOOD DRIVE

First Merchants Bank hosted a blood drive on Thursday, July 29. The collection goal from the Red Cross for the blood drive was 22 units.

20 units were collected- helping 60 patients needing blood. Our Ohio Region Blood Drive was organized by Jennifer Griffith, Ohio Region President, in honor of her family.

WORK HERE!

WORKING HERE IS MORE THAN A JOB

CURRENT JOB OPENINGS

Commercial Administrator – Multiple positions!

We're looking for YOU to join First Merchants Bank providing administrative support to our Commercial team!

Relationship Manager III – Metro Market

First Merchants Bank is seeking a skilled Relationship Manager to join our team!

Client Relationship Representatives – Multiple positions!

CUSTOMER SERVICE is what we are looking for from our Client Relationship Representatives! Our CRRs are responsible for providing high quality customer service , completing bank transactions, opening accounts, processing loan applications, recommending products and meeting the needs of our customers.

FOR MORE INFORMATION VISIT [FIRSTMERCHANTS.COM/ABOUT/CAREERS](https://firstmerchants.com/about/careers)





THE DRIVEN FOUNDATION

Pictured from left: Natalie Karas, Tom Westfall, Ashley Monst and Manali Patel



THE COMMUNITY CUP

Nick Sansone, Scott McAnaul, Carly Jones, Chris Stevens, Martin Brady, Lisa Higginbotham, Joanna McWilliams, Matt Schaeufele, Sean McDonald, Savannah Norris, Ashley Monst, Matthew Devadan, Dwain Davis and Sean Murnane



RED CROSS BLOOD DRIVE

Pictured from left: Scott McAnaul, Jacqueline Walls, Carly Jones, Jennifer Griffith and Ashley Monst



**BALL STATE
UNIVERSITY**

**Center for Business and
Economic Research**

**Our Economy in a
Post-COVID World**
**By Dr. Michael J.
Hicks**

With the end of 2021 behind us, and it is tempting to view the COVID pandemic in the rearview mirror. Though the immediate health effects are now waning, and the immediate shock seems to be behind us, the natural inclination to forget COVID is a bit premature. It is helpful to review the magnitude of what just transpired before thinking deeply about next year.

The 2020 shock to employment concentrated more job losses in just a few weeks than did the Great Depression from the peak of 1929 to the trough of 1933. It took a full two years for the Great Depression to yield the same unemployment rate we got with just two months of the Pandemic. While that seems like a distant memory, shocks of this magnitude are rarely transient. As of today, there are a full five million fewer adults in the labor force than we would expect without the pandemic, and more than 200,000 of them died in the pandemic. This broad economic shock continues to affect workers, particularly women, whose return to the labor force has been hampered by childcare duties. Through all of last school year, a substantial share of children were either out of school or faced intermittent closures, quarantine or hybrid schedules. I live in a small town where schools remained open almost all of last year, but know of no family whose work life was not interrupted by COVID restrictions on their children. The challenge was far worse in more urban areas.

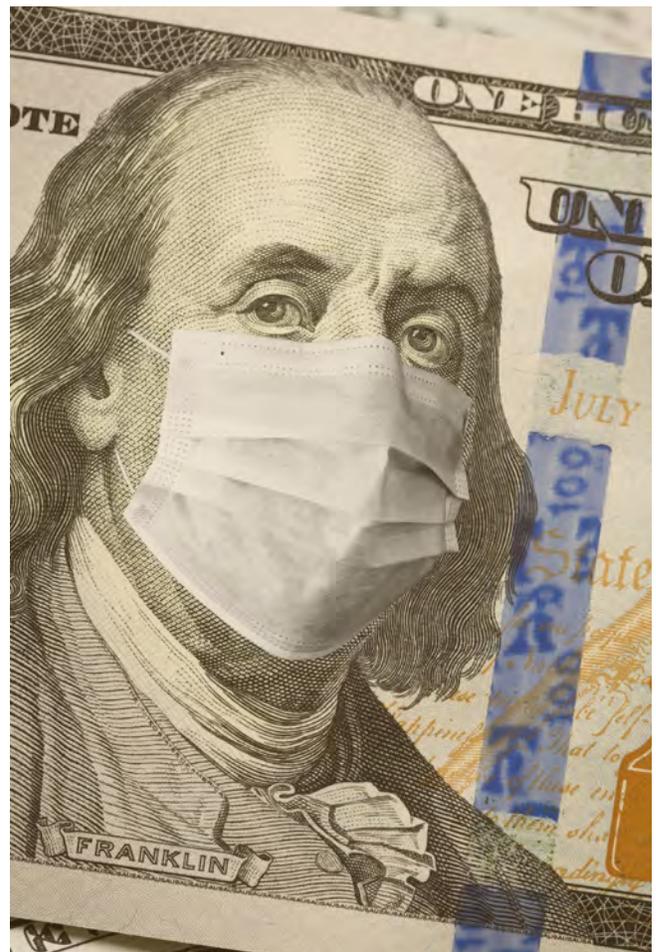
This big negative economic shock was met by large fiscal and monetary stimulus. Interest rates on many items hover near zero when adjusted for inflation, and home mortgages dipped into negative territory for many months last spring. Household savings rates spiked, allowing families to accumulate unusually high bank balances. Last March, the household saving rate was 26.6 percent, near the all-time record for the past half century. Last month it dipped to 7.5 percent, closer to the post 1990 average rate. That unwinding of spending resulted in a huge surge in demand for a wide array of goods and services.

At the same time household spending spiked, factories and logistics firms struggled to meet demand for their goods and services.

Automobile, appliance and construction part orders cancelled in 2020 were re-started too late to meet the unexpected demand. Even if labor markets had been flush with workers, this was a perfect storm for supply chain disruptions.

By summer, labor markets were reeling, as businesses struggled to find the workers they wished to hire. Though labor markets tightened, and wages saw large spikes, particularly among the lowest wage workers. Challenges to staffing remain a prime concern of businesses. In the most recent months, a record number of workers quit their jobs. In fact, total non-farm “quits” reported to the Bureau of Labor Statistics were 25 percent higher than in any month before the pandemic. Record high demand for goods and services combined with a smaller workforce, and employees more eager to find a better job make this season a nightmare for many human resource professionals.

Peering into our economic growth models suggests some relief in 2022. Three big factors combine to give us a more settled and predictable New Year. First, the fiscal and monetary stimulus



will begin to enter a lengthy spending tail. While there is still considerable family savings available in 2022, the big burst of consumer spending seems to be occurring now. So, on the demand side, a rocky holiday season should see consumers settle into more normal savings and consumption rates. We should expect long-term changes to what they buy, but the peak of post-COVID spending hysteria may even be behind us.

Second, labor markets will stabilize in the New Year. We have seen some evidence of this in the last jobs report, as both men and women take new jobs at a brisk pace. This gender balance in employment growth marks a big turnaround from the previous months in which women lagged men in employment growth by stunning levels. There were several months last year in which a dozen or more jobs were taken by men for each job taken by a woman. The composition of occupations, and even more so the duties of child and family care, fell heavily upon women in this recession.

Third, private sector markets are beginning to adapt more effectively. Capacity utilizations in logistics are at peak, and warehousing is at capacity. New workers in both sectors lead total job growth in previous months, suggesting an increased willingness of workers and businesses to settle on wage and benefits in these sectors. Most importantly, the confluence of excess demand for goods and services has led to price spikes. These price shocks on such disparate products as used cars, hand-held calculators and mattresses serve a purpose. They cause consumers to defer purchases, while incentivizing more production.

All of this means a more stable level of inflation-adjusted GDP growth in 2022. We expect the nation and state to end 2022 with annualized growth rates hovering just above two percent. This return to normalcy will bring us back to employment levels near the pre-pandemic peak in late 2022, early 2023; however, production levels will be higher. Manufacturing may well hit quarterly GDP peaks in 2022, as will the value of goods moved on America's logistics network.

Some of this slowing to a more sustainable rate of growth offers to dampen inflation risk. The best evidence today is that the price increases we see at the gasoline pump and grocery are more than transient, but not yet strong enough to fuel inflation. It is conceivable that some prices will drop back to pre-pandemic prices, but many will stay elevated. Firms that can be successful with higher priced goods have little incentive to cut prices. But, neither are there

pressures that would continue to fuel more price increases. So, the inflationary experience looks more like a one-time shock than a way of life many of us remember from the 1970s.

So, our model suggests economic growth that is more like 2019, with employment and wage growth a bit better than the best of the post Great Recession years. We expect supply chains to mostly recover, while government stimulus and monetary policy effect on demand ebb across our economy. Taken together, this offers us a more peaceful and stable 2022.



Employee Spotlight Robin Scott

Robin Scott, Assistant Vice President, is the banking center manager of First Merchants' new Northland Banking Center, located at 1925 Morse Road, which is scheduled to open in the first quarter of 2022.

Robin brings fifteen years of banking experience to First Merchants, having served in mortgage, foreclosure and retail. Prior to her banking career, Robin was a paralegal for Special Counsel to the Ohio Attorney General.

Robin is an avid sports fan, rooting for the Cleveland Browns and Ohio State Buckeyes, and is still active in playing sports. She was a high school track coach, leading her team to three consecutive city, district and regional championships, as well as two consecutive state championships. In her spare time, Robin enjoys reading and exercise. She is the proud mother of two sets of twin boys and one daughter.

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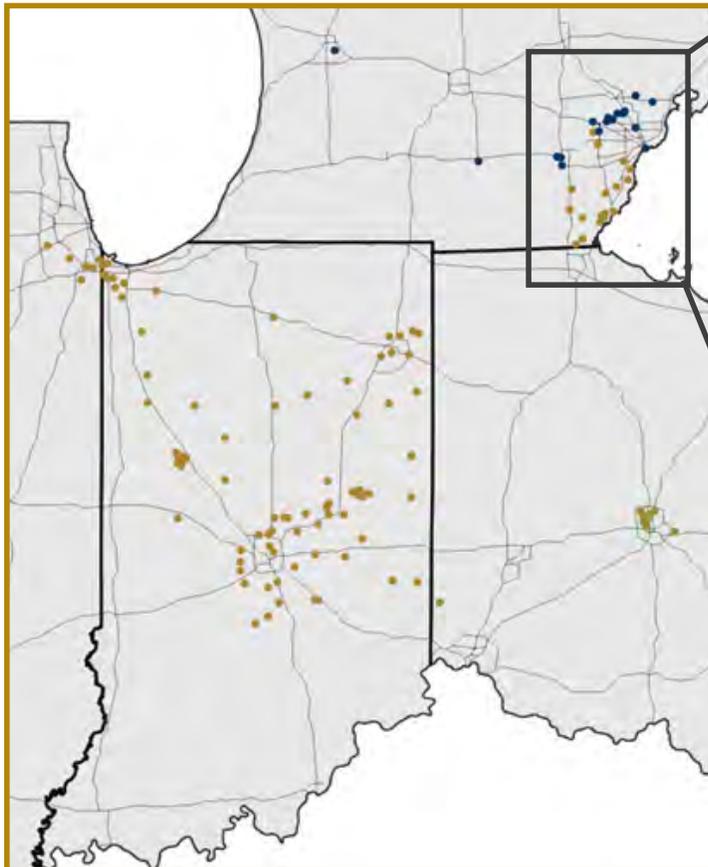


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WELCOME LEVEL ONE BANK!



- First Merchants Locations
- Level One Locations
- Close - April 1, 2022
- Target Integration - August 26, 2022



FIRST MERCHANTS BANK NAMED
 A BEST BANK 4 YEARS IN A ROW

