National Bankers Association

2025 MDI Bank Leader Priorities

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2025
MDI Bank Leader Priorities

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2025 MDI Bank Leader Priorities

Last year, the National Bankers Association (NBA) **published a member survey of priorities** which explored key trends in the minority depository institutions (MDI) sector and provided insight into challenges and opportunities for our members. In our new 2025 survey, we ask our members about economic conditions, growth strategies, technology, talent, and more. In addition to sharing our findings in this report, we also share quotes from our members to provide additional context and insight.

Some of the key findings from the survey:

At the start of 2025, **89%** of NBA member banks are confident in current economic conditions, and **78%** of member banks aspire to grow into the next asset band. **Our members are emphasizing managed growth and sustainability** over speed.

Our members are prioritizing **investment in customer facing technology (89%), expanding branch networks (37%)**, and **training and development for staff (37%)**.

The main pain points for our members include **deposits/liquidity (63%)**, **technology (58%)**, and **talent (37%)**.

Investing in technology remains a core focus, though the main barriers continue to be cost (76%), difficulty integrating with existing systems (58%), and lack of technical expertise (53%.) Our member banks are still in the early stages of determining **how best to leverage AI but see potential use cases in customer service (44%), marketing (25%), and workforce training (19%).**

To address departmental silos and skill/knowledge gaps, NBA banks are developing new ways of creating "whole bankers," including by **launching Management Development Programs that combine leadership skills with technical knowledge.**

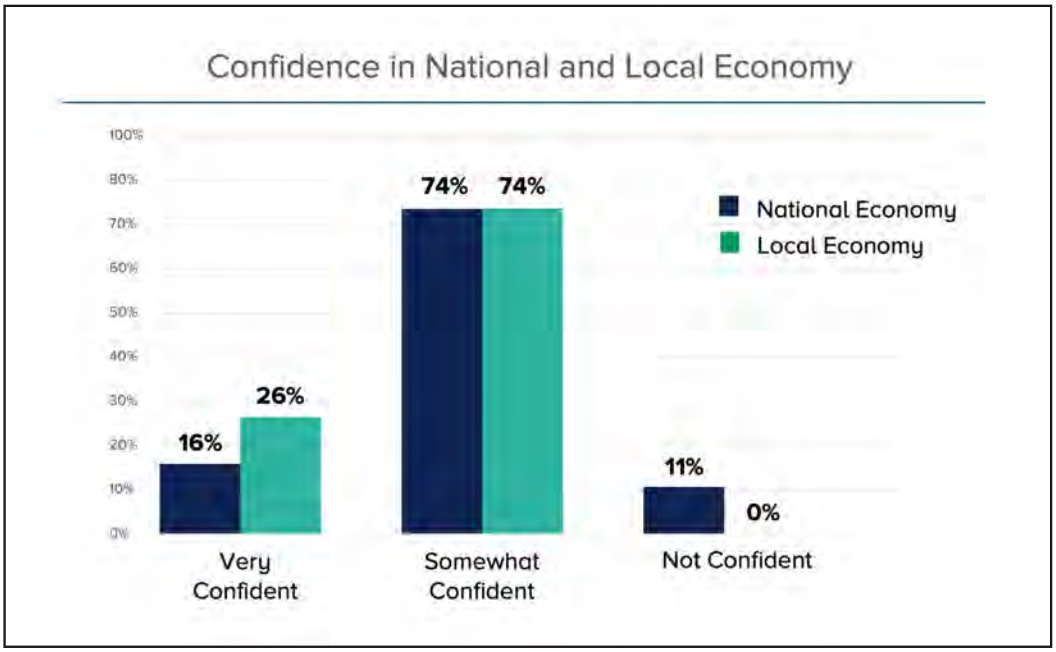
NBA member banks are **driving social impact through their lending**, but also through **community engagement, partnerships, and services offered to local community members.**

This report is divided into five parts, corresponding to the five sections of the survey. **Part 1** captures sentiments around **economic conditions**; **Part 2** explores topics around **growth prospects as well as key barriers**; **Part 3** focuses on **talent as a key hurdle**; **Part 4** explores the role of **technology**; and finally, **Part 5** documents trends around **how MDIs are deepening their social impact**.

Economic Conditions

We first asked our members to provide a confidence level for the overall economy and for their local economy. As shown in **Figure 1** below, **most surveyed members are either very confident (16%) or somewhat confident (74%) in the overall economy and their local economy**, while a smaller share (10%) are not confident at all.

FIGURE 1: Confidence in National and Local Economy



As we noted in our **State of MDI report last year**, much of the optimism in the sector derives from strong balance sheets and continued demand for loans in local markets. Continued decreases in inflation and corresponding Federal Reserve rate cuts have also created a better macro environment for the banking sector.

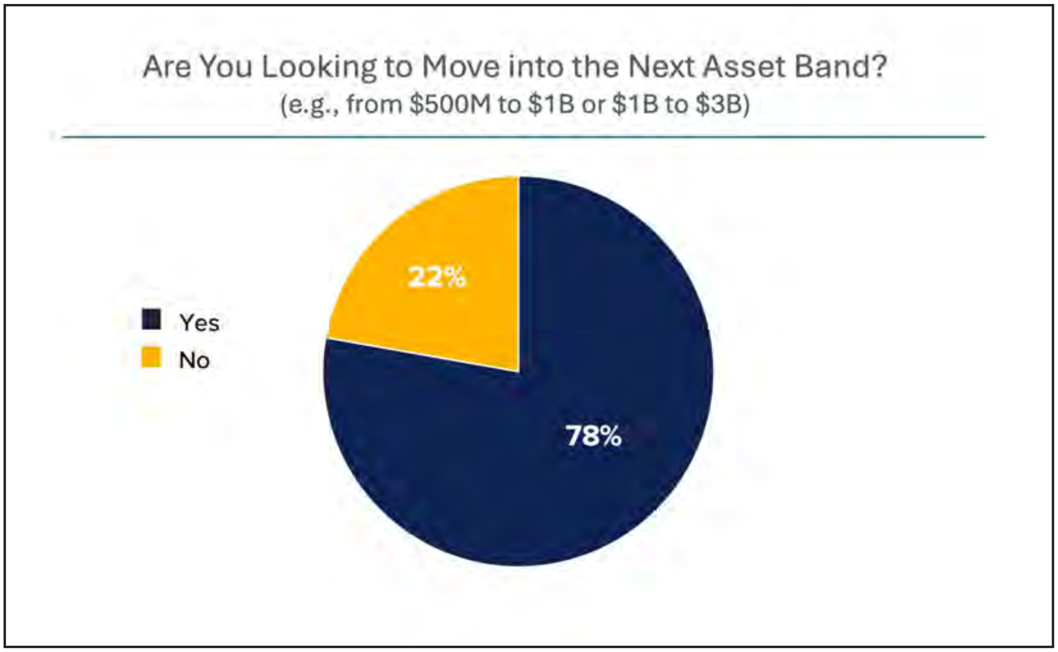
A couple of our banks raised concerns over some of the proposals tied to the new presidential administration, particularly around mass deportations and tariffs which could both prove inflationary. On the other hand, our banks noted that there is strong potential for continued bipartisan support for the community banking sector, including in both the new administration and new Congress.

Much of the optimism in the sector derives from strong balance sheets and continued demand for loans in local markets.

Growth: Opportunities, Strategies, Barriers

Todd McDonald, president of Liberty Bank and Trust based in Louisiana and NBA board chair wants to help MDIs grow into the next asset band as a key priority for 2025. And as shown in **Figure 2** below, **the majority (78%) of members are seeking to grow into the next asset size band**.

FIGURE 2: Growing into the Next Asset Size Band



During discussion of this topic, our banks emphasized the importance of growing strategically, prioritizing steady and sustainable growth over aggressive. Robert James II (Carver Financial Corporation, Savannah, Georgia), stated, “You don’t want to grow quickly. You want to grow smartly. So we’re growing organically to match the capital that we have at the holding company level.” Similarly, Cynthia Day (Citizens Trust Bank, Atlanta, Georgia) shared that the bank is proceeding in a disciplined fashion, noting that “we’ve been spending a lot of time working on infrastructure, product lineup, technology, all of those things, so that as we grow, we’re growing on top of a foundation that we can scale effectively, efficiently and profitably.”

In support of creating sustainable growth, some banks highlighted expanding their reach within their local or neighboring footprint. For example, Rey Garcia (Texas National Bank, Mercedes, Texas) noted that their bank is set to “open one [new] branch, and we’ll probably start construction on another one. Here in our local market, the branch networks still seem to be very popular, and that helps us a lot with our community.”

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Growth: Opportunities, Strategies, Barriers

Similarly, Jordan Miller (Adelphi Bank, Columbus, Ohio) shared that "We've got Cleveland to the north, Cincinnati to the south, Dayton to the west, Toledo Northwest and Akron Northeast, and a lot of Black entrepreneurs are interested in developing banking relationships in those markets. So, we're looking at creating loan production offices in at least one or two of those markets to start."

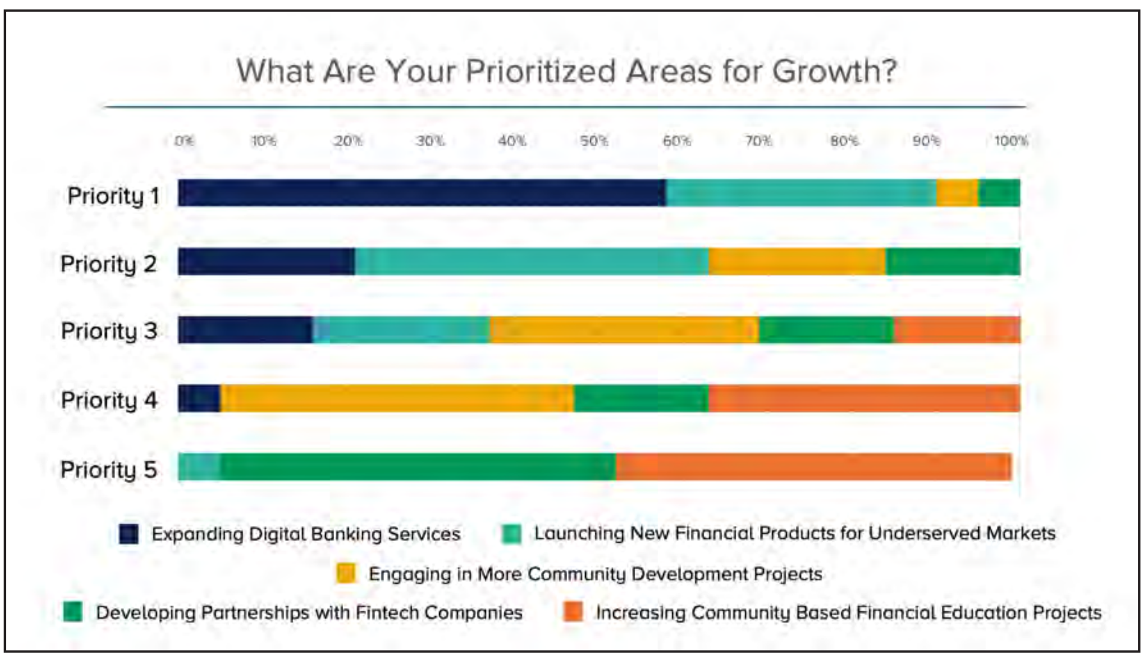
On the other hand, some banks plan to expand into new geographies and markets. For example, Carlos Naudon (Ponce Bank, Bronx, New York) shared that Ponce aspires to be a national bank and to access Hispanic borrowers in markets outside of just New York City. He also stressed that as a publicly traded bank, growth strategy is shaped in part by what will happen to the stock price, a theme that other publicly traded banks mentioned as well. Additionally, a few of the banks mentioned their openness to bank acquisitions as another pathway to growth. In some cases, this strategy would be a way to deepen coverage in existing local markets, while for others it could be an opportunity to expand into new markets and new states.

Another key area supporting bank growth is expanding the suite of banking services and products offered to customers. **Figure 3** below identifies key areas (from highest priority as #1 to lowest priority as #5) that our banks are prioritizing for growth.

The top three priority areas for our banks are expanding:

Digital banking services	Launching new financial products	Engaging in community development

FIGURE 3: Prioritized Areas for Growth



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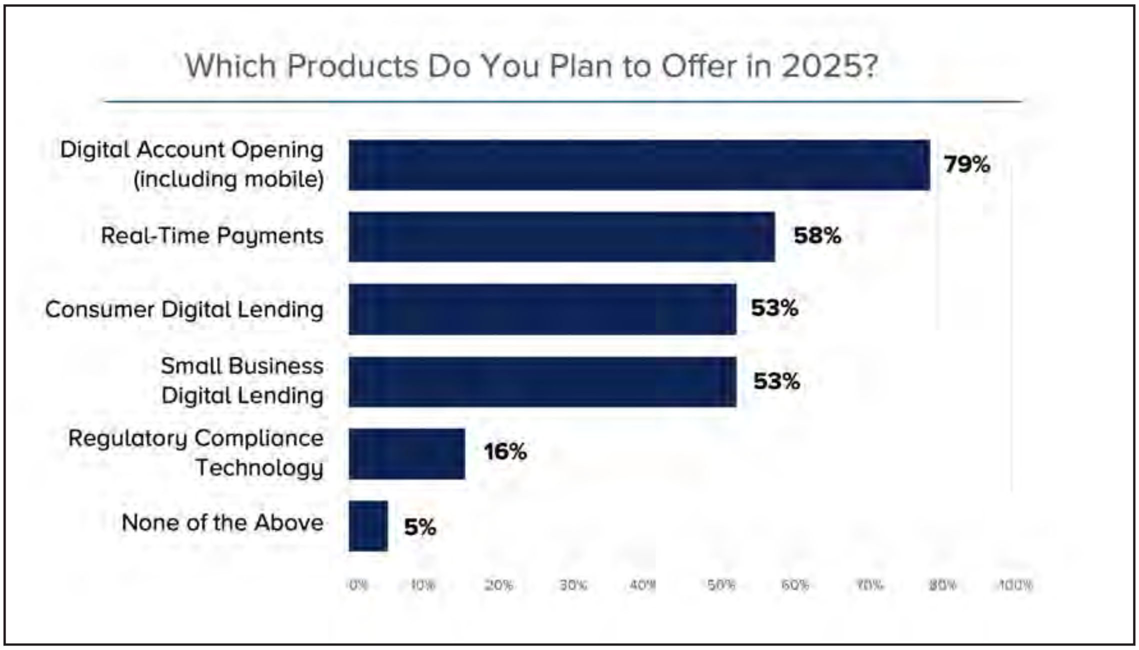
Growth: Opportunities, Strategies, Barriers

A key emphasis for banks throughout the survey and discussion centers on increasing value for their customers. This focus is about social impact but also ensuring that the MDI sector remains competitive. Along similar lines, we also asked our banks to identify bank products that they are planning to offer in 2025: **the top three products identified include digital account opening (79%), real time payments (58%), and consumer digital loans (53%)**.

FIGURE 4: Bank Products in 2025



Real-time payments were a significant theme in 2024 and remains one in 2025. This service is increasingly demanded by consumers but can introduce new risks to banks who must find a way to mitigate against fraud, ensuring that any third-party integrations are both safe and seamless. As noted in the 2024 member survey, there are similar considerations around online lending and other related aspects of digital banking.

Top Three Products Banks Are Planning to Offer

79%
Digital Account Opening

58%
Real Time Payments

53%
Consumer Digital Loans

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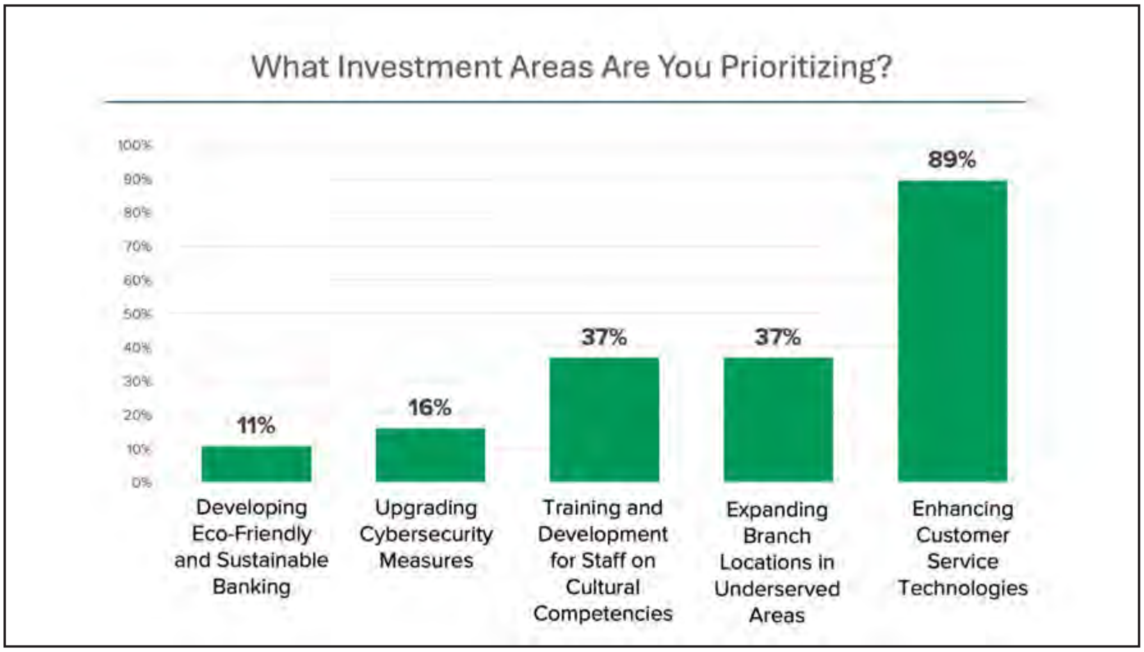
Growth: Opportunities, Strategies, Barriers

We also asked our banks to identify what the top two areas they are prioritizing for investment. In keeping with the theme of digital banking, the **main investment focus areas for our banks are enhancing customer service technologies (89%), followed by expanding branch locations (37%), and training staff on cultural competencies (37%).**

FIGURE 5: Investment Areas



While increasing customer-facing technology certainly matters, our banks continue to emphasize the importance of high-touch in-person banking. As just one example of how high-touch is made operational, Bonita Lefft (Optus Bank, Columbia, South Carolina) shared that at their bank, “we recently adopted standards for all of our employees, whether they are internal or external, and [these standards] will have quantitative goals that we track around delivery of customer service.”

Main Investment Focus Areas

89%
Customer Service Technologies

37%
Expanding Branch Locations

37%
Training Staff on Cultural Competencies

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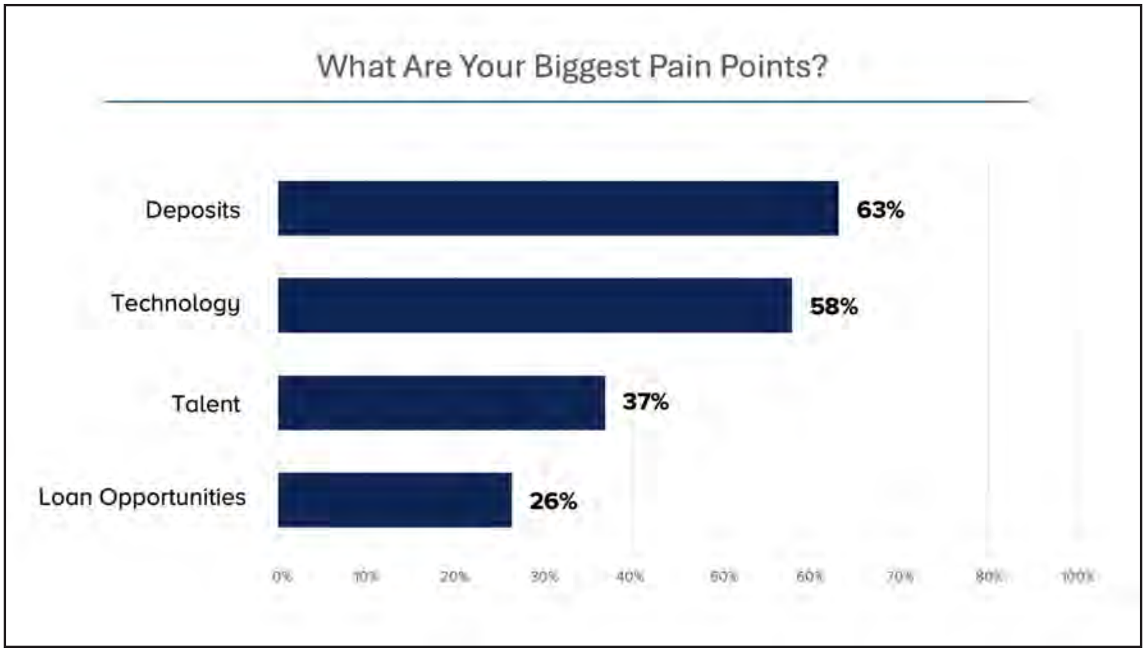
Growth: Opportunities, Strategies, Barriers

Next, to gain an understanding of barriers to growth, we asked our members to identify their top two pain points and challenges. **Our banks identified deposits (63%), technology (58%), and talent (37%) as their key pain points.** (Note: we further address technology and talent in subsequent sections of this report.)

FIGURE 6: Biggest Pain Points



Regarding deposits, Sydney King (Commonwealth National Bank, Mobile, Alabama) shared that: “We’ve seen a lot of the bigger banks down here providing these aggressive interest rates on their deposits, which makes it really difficult to compete. We elected not to chase those dollars and let a lot of those dollars walk away. But we feel that that competition is going to go away as rates are starting to come down.” In addition, Doyle Mitchell (Industrial Bank, Washington, DC) added that some of the pledged corporate deposits have not materialized. Nevertheless, initiatives like the **Economic Opportunity Coalition** are helping to drive more deposits into the sector.

While a smaller number of banks listed loan opportunities as their biggest pain point, this topic came up during discussion of climate finance. Several banks highlighted that creating a sufficient pipeline for climate projects is a key consideration for them as they try to leverage Greenhouse Gas Reduction Fund dollars.

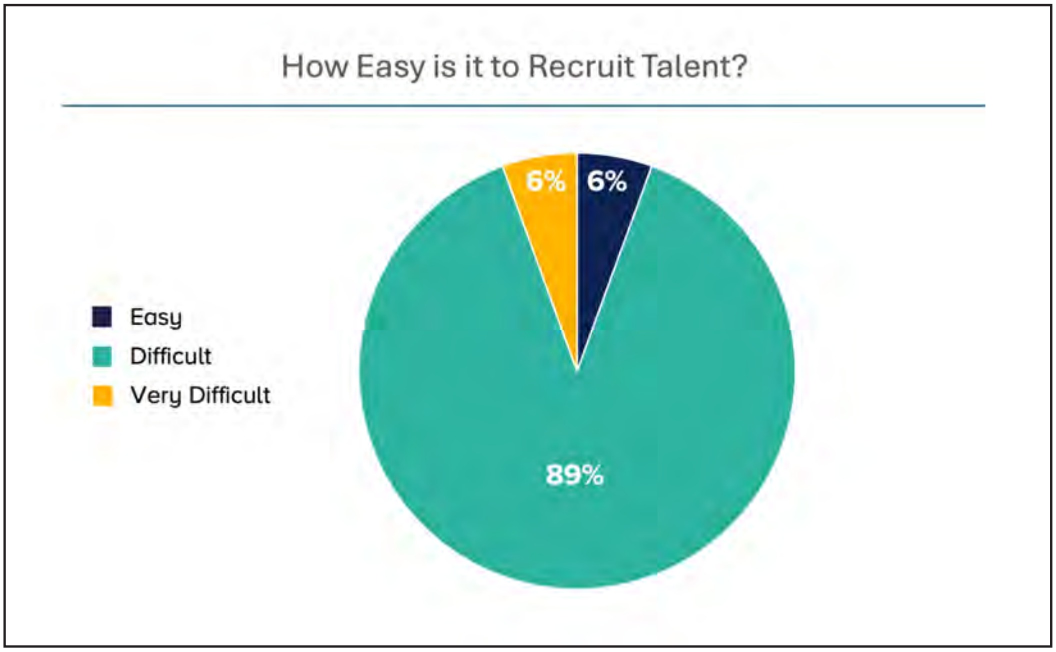
Top 2 Pain Points

Deposits | **Technology**

Talent

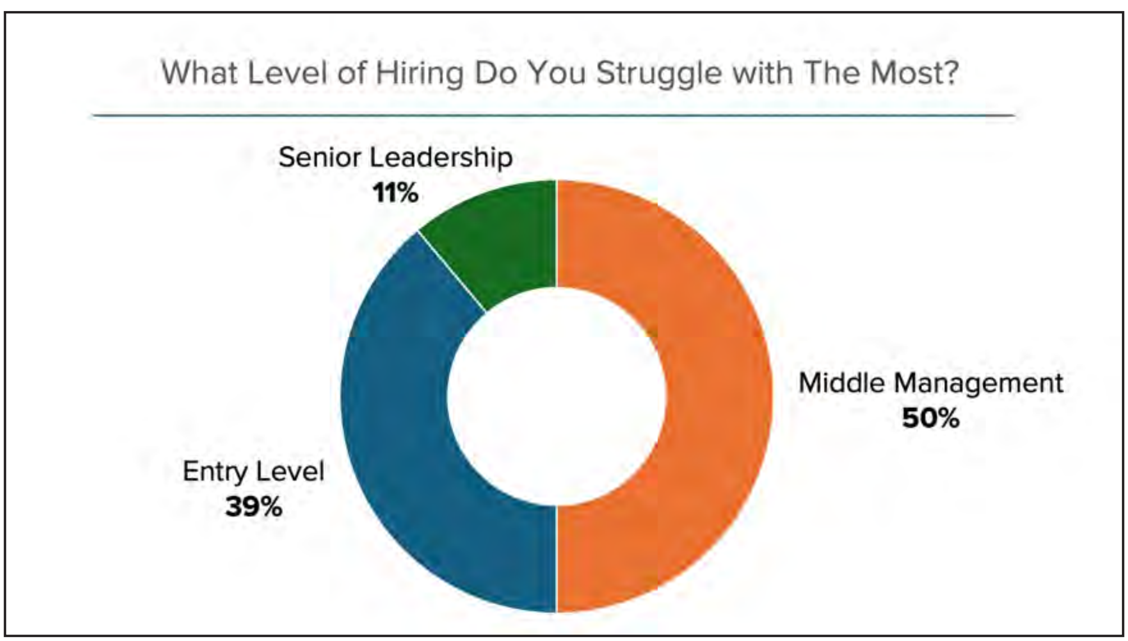
We regularly hear from our members that talent recruitment is a substantial issue for the sector. And indeed, when we asked our banks about this topic, **94% said recruitment was very difficult or difficult, and 6% said it was easy.**

FIGURE 7: Talent Recruitment



Our banks further identified that **entry level and middle management jobs are the hardest to fil**l, as shown in **Figure 8** below.

FIGURE 8: Hiring Level



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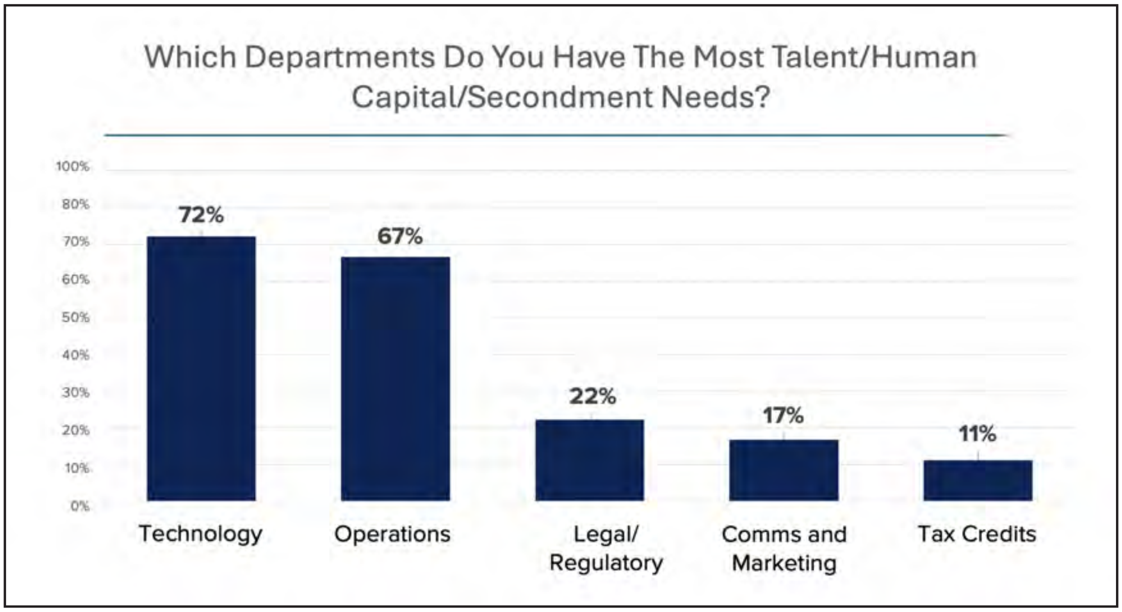
Talent

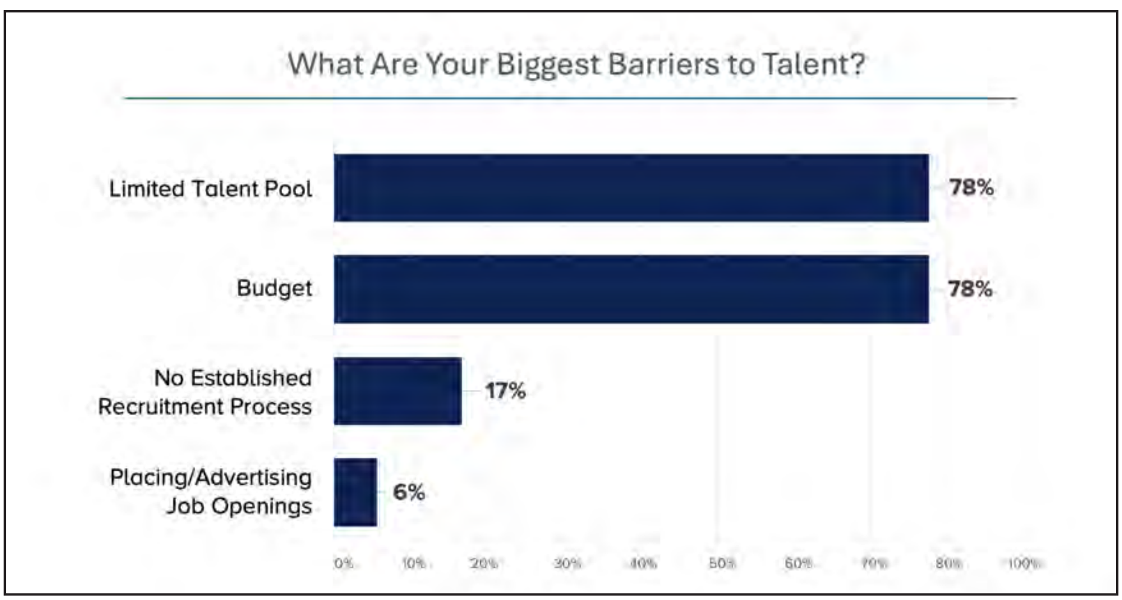
We also asked our banks to identify the top two areas within the bank that they have the most need for talent or human capital. As shown in **Figure 9, the two largest areas of talent need by far are technology (72%) and operations (67%)**.

FIGURE 9: Bank Departments



Finally, in digging into talent recruitment, we asked our banks to identify the two largest barriers to recruitment. **Our banks listed a limited talent pool and budget as their key barriers.**

FIGURE 10: Talent Barriers



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Talent

During our discussion, a few banks noted that the upward pressure on worker wages in the last few years has made it more costly to hire. They also mentioned that there is often a mismatch between wages sought and the knowledge/experience level of candidates.

Our banks also discussed the problem of silos and the challenge of recruiting or forming what Cynthia Day at Citizens Trust Bank calls “whole bankers.” Cynthia explained that bank employees often have domain-specific knowledge and skills, for example around marketing or IT, but aren’t able to see how all the different parts of the bank fit together. As Cynthia explains: “it makes your institution stronger and better when you have whole bankers versus siloed people.”

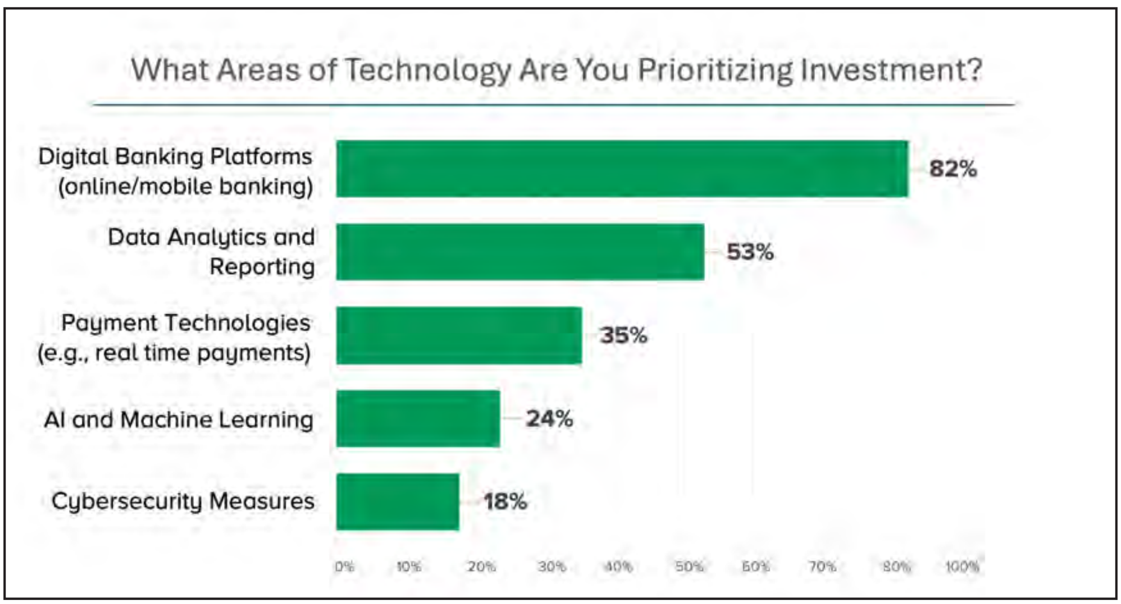
To address the challenge around silos, some banks are investing in employee training that helps connect the missing dots. For example, Rey Garcia shared that at Texas National Bank, they’ve created a new Management Development Program that focuses on leadership skills and technical knowledge. This program provides education around “some of the things that I think every banker should know,” including around “the bank Performance Report, earnings and capital, capital markets, credit and underwriting compliance.” The program is designed to hopefully improve collaboration across bank departments but also to help cultivate the next generation of leaders at the bank.

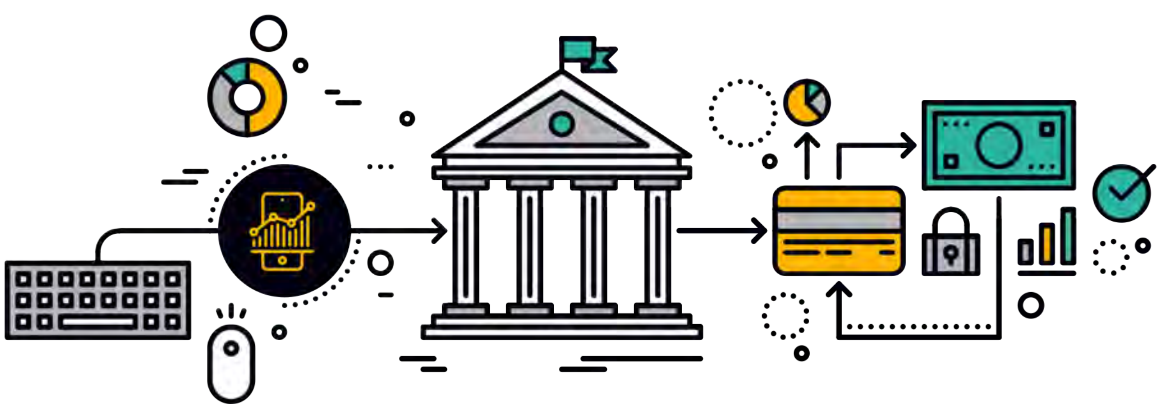
Technology

In our **2023 report on digitalization**, we highlighted how adopting new technologies can improve banking functions, heighten comparative advantage in competition, and deepen the ability of mission-driven lenders to serve their communities. In this section of the survey, we explore how are members are incorporating technology into their overall bank strategy.

We first asked our members what two areas of technology they are prioritizing. Consistent with previous findings, **investing in digital banking is the #1 priority for our members**. But data analytics and reporting is increasingly top of mind for our banks too, especially as they seek to attract new investments and partnerships with impact-driven organizations and investors.

FIGURE 11: Prioritized Technology Areas





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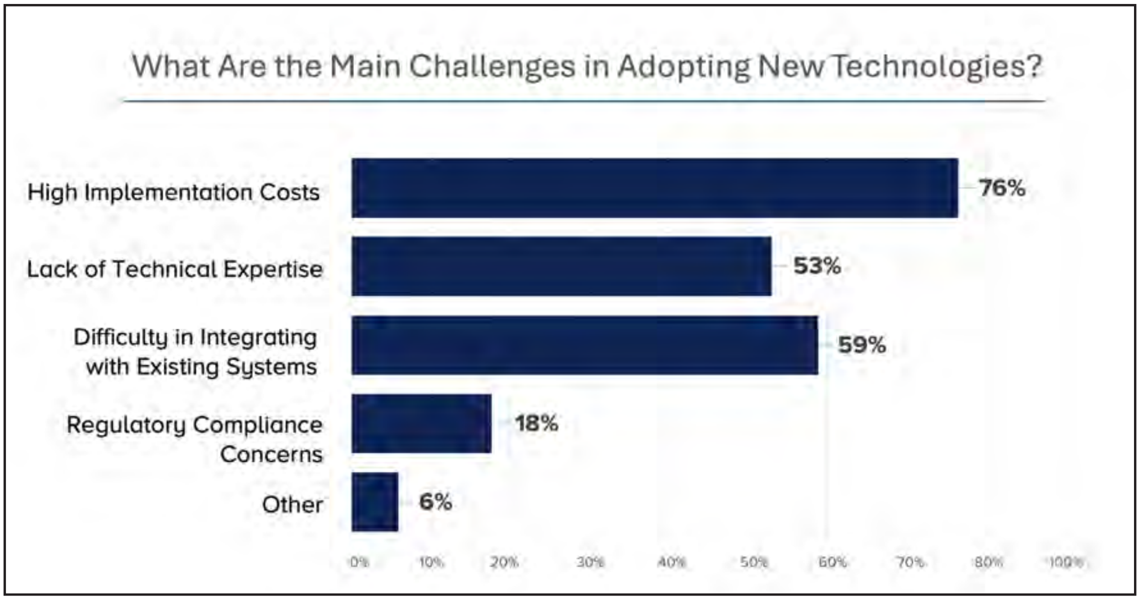
Technology

Our previous report on digitalization highlighted several barriers to technology adoption including cost and expertise. We asked our members what their current top two challenges are and unsurprisingly, **cost and technical expertise remain the top two barriers to tech adoption.**

FIGURE 12: Tech Challenges



The last couple of years have seen huge developments in the world of artificial intelligence, including the release of several popular large language models such as ChatGPT. Our members have shared that they are interested in leveraging AI, though a lot of uncertainty remains about how to integrate this new technology in a safe and sound manner.

MDI CONNECT TECH

The National Banker Association's **MDI ConnectTech** program is currently working with a cohort of 16 banks to conduct assessments and implement technologies that can help our member banks grow. Over the course of this year, we will focus on leveraging fintech partnerships to meet the growing digital needs of the communities our banks serve.

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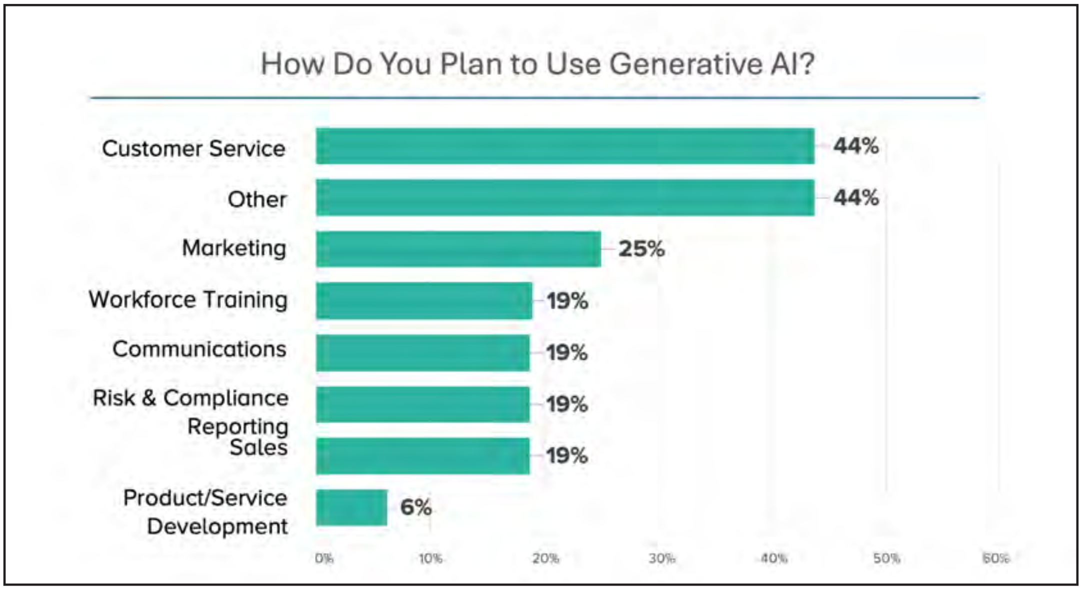
Technology

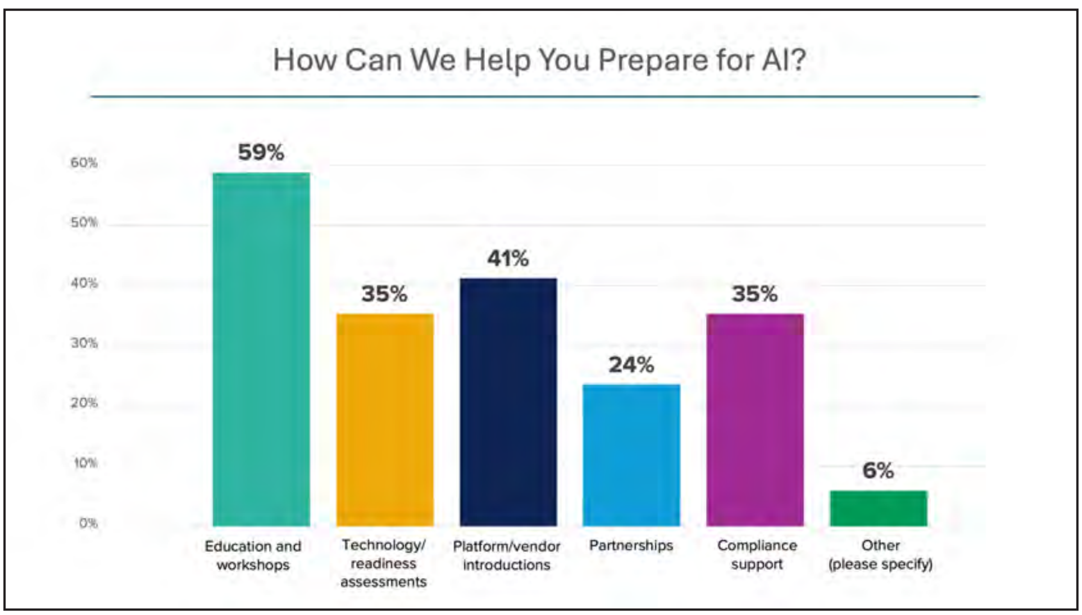
In this survey, we asked our members about the top two ways they plan to use this technology. As shown in **Figure 13**, a large percentage of members (44%) listed Other, suggesting that our members are still thinking through how best to incorporate AI into their banking strategy. Aside from Other, the main use cases are customer service (also 44%), marketing (25%), and workforce training (19%).

FIGURE 13: AI Uses



Given the uncertainty around AI usage, we also asked our members to identify the top two ways that we can help them prepare for AI. As shown in **Figure 14**, our banks are very interested in education and workshops around this topic.

FIGURE 14: Preparing for AI

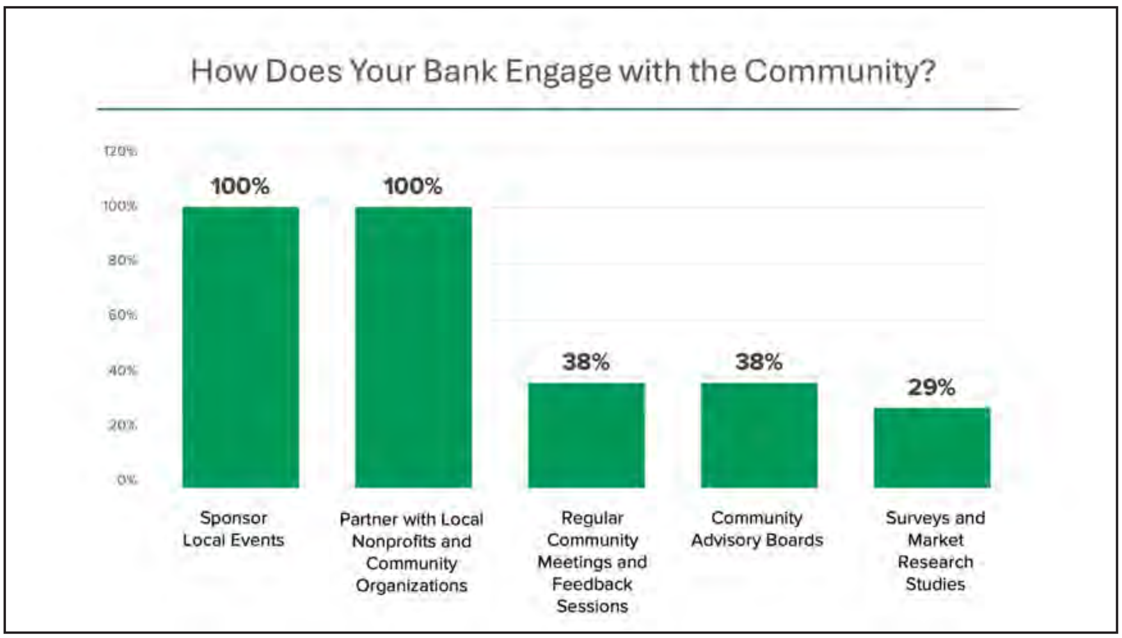


Impact

As we noted in our **2024 State of MDI report**, our members are creating social impact directly through banking activities including solar loans, ITIN lending for immigrant borrowers, credit and debit card issuances, increased mortgage lending, and the development of affordable multifamily housing.

In the final two questions of the 2025 survey, we asked our banks to tell us how they are engaging with the community and to identify what impact driven products and services they offer. As shown in **Figure 15** below, **all our banks actively sponsor local events and partner with local nonprofits and community organizations, but a much smaller share have community advisory boards or conduct surveys of community members.**

FIGURE 15: Community Engagement



Our member banks drive social impact in their communities just in choosing where to locate and conduct their bread-and-butter banking activities. But many of our banks also offer high-impact products and services that are uniquely tailored to meet the needs of their communities. **Figure 16** showcases the share of our banks that offer several of these high-impact products and services.

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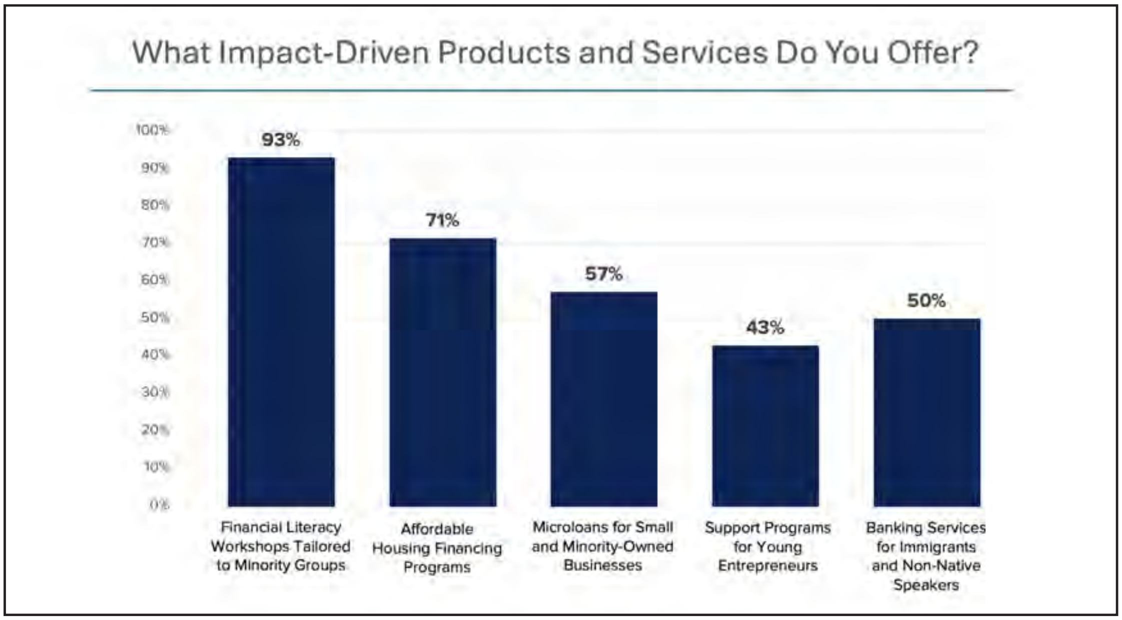
Impact

FIGURE 16: Impact-Driven Products and Services



In addition to the social impact of MDIs as banks, our discussion also highlighted the social impact of MDIs as employers. Robert James II noted that: "we recently participated in a study that actually focused on the impact of Carver [State Bank] as an employer, and what it showed is that we outperform almost every national employer in terms of the number of people of color and the salaries that we pay to people of color. It was actually really interesting data to see, because we [MDIs] don't tend to think about our impact in terms what we do as a as an employer, and how it differentiates us from other employers."

Throughout the year, we will continue to spotlight the social impact of our banks and the sector itself through public-facing research, case studies, and blogs. We will also continue to share ways that you can partner with the sector to deepen that social impact nationwide.

Conclusion

Our 2025 Member Survey highlights the dynamic energy in the MDI sector. Our members are optimistic about the future, focused on sustainable growth, and eager to deepen their social impact in the communities they serve. While the challenges of liquidity, technology, and talent remain top of mind, our members are leveraging their peer networks and their relationships with advocates and partners to find new solutions and opportunities.

The National Bankers Association is the only association solely devoted to supporting MDIs. If you would like to become a member or strategic partner, click here.