



Written by [Raven Clabough](#) on November 7, 2011

## National Bank Transfer Day (Nov 5): How Effective Was It?

Critics of the banking system in the United States declared Saturday, November 5, National Bank Transfer Day — a grassroots movement that encouraged bank customers to switch to credit unions. The notion behind the event was to teach banks a critical lesson. The effort reportedly has had some positive impact on the credit unions; however, overall it proved to have the opposite effect on banks from what the protesters intended.



The Bank Transfer Day Facebook page [explains](#):

If we shift our funds from the for-profit banking institutions in favor of not-for-profit credit unions before this date, we will send a clear message that conscious consumers won't support companies with unethical business practices.

The Facebook page attracted over 80,000 RSVPs.

Many have noted that there are fundamental similarities between those who suggested and planned National Bank Transfer Day and those who planned the Occupy Wall Street movement, though there is no touted link between the two movements. However, there has been significant overlap between the two groups, as many of the Occupy Wall Street protesters attended Bank Transfer Day and advertised the event.

The event was organized by Kristin Christian, who said prior to November 5, "I started this because I felt like many of you do. I was tired — tired of the fee increases, tired of not being able to access my money when I need to, tired of them using what little money I have to oppress my brothers & sisters. So I stood up. I've been shocked at how many people have stood up alongside me. With each person who RSVPs to this event, my heart swells. Me closing my account all on my lonesome wouldn't have made a difference to these fat cats. But each of YOU standing up with me... they can't drown out the noise we'll make."

The movement was reportedly successful in forcing Bank of America to withdraw its proposal to start charging a \$5 debit card fee.

The Bank Transfer Day was similar to the "Move Your Money" campaign launched by Arianna Huffington of the *Huffington Post*, which also encouraged bank customers to withdraw funds from the "too big to fail" institutions and deposit them instead to smaller banks and credit unions.

As [noted](#) by *New Mexico Business Weekly*, approximately 80 percent of credit unions in the United States saw an increase in accounts in October, "with 21 of 50 states and the District of Columbia having membership increases of 10,000 or more in the past month." ABC News reported that one million Americans moved their accounts from big banks as a result of Bank Transfer Day.

A number of local media outlets wrote of large outcomes over the weekend. NBC Action News, for



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example, [reported](#) that tens of thousands of people in Kansas City, Missouri “took their frustrations to the banks Saturday by taking their business elsewhere.” In Denver, 1,000 protesters marched peacefully through downtown Denver to celebrate Bank Transfer Day and urge people to move their money.

In Sacramento, however, protesters encountered [opposition](#) from big banks. ABC News 10 reports,

Bank Transfer Day in [Sacramento] began with a dramatic exchange at the Wells Fargo Capitol Mall Location. The Occupy Sacramento protesters marched up to the front doors as two Wells Fargo customers claimed the bank wasn't allowing them to close their accounts.

"I'm trying to withdraw my money, but I'm not being allowed in," said one protester. "They won't let me shut down my bank account," said another. Eventually both customers were permitted to enter the bank and close their accounts.

Wells Fargo spokeswoman Julie Campbell said the branch was closed that morning because of a preplanned power maintenance problem, and the doors to the bank were reopened at 12:30, but people were permitted to enter only on an individual basis. Wells Fargo claimed this was because of a particularly disruptive man who presented a safety concern for the bank staff.

Overall, however, the day seemed to be relatively uneventful with little drama.

Still, despite the touted successes of Bank Transfer Day, according to columnist Morgan Housel, this increase in credit union accounts will actually prove to be beneficial to the banks. She [explains](#):

The irony of that is since the financial crisis, and especially over the last three months as there has been a panic about Europe ... banks have been inundated with cash deposits. They've been seeing a higher inflow of deposits than they can turn into loans.

That's putting pressure on their margins because banks have to pay [Federal Deposit Insurance Corp.] premiums and overhead costs. And that's really accentuated by smaller accounts because in the past banks could earn money [from customers with lower balances] from overdraft fees and debit interchange fees and a lot of that has been scaled down through recent regulations...

People are going to be moving to credit unions, and that's good for them because they're going to have lower fees, they're going to have better service, they're going to have the feeling that they are investing in their community. And then the banks are going to be better off because they are getting rid of their least-profitable or not profitable clients. It helps them stem this tsunami of cash that's been flowing in that they don't know what to do with.

Additionally, the big banks [indicated](#) that any loss of revenue from the transfers will have to be made up somehow, which may in fact trigger increased fees in the future for bank customers.



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