



GEORGIAN COURT UNIVERSITY

THE MERCY UNIVERSITY OF NEW JERSEY

**John R. Garbarino, Chairman of OceanFirst Foundation &
Chairman and Former CEO of OceanFirst Bank
Undergraduate Commencement Address
May 20, 2016**

Thank you Dean Warner, President Marbach, Georgian Court University Trustees, Provost Behre, deans, esteemed faculty, fellow honoree Sister Maria Cordis, parents and family members, and, of course, most importantly, the Georgian Court University Class of 2016. I am humbled by the honorary degree you have bestowed on me today and honored to be asked to share some thoughts in this Commencement address to the 105th graduating class of Georgian Court.

When you walk across this stage and receive your diploma in just a few minutes, you will undoubtedly mark an important milestone. Congratulations on embarking on the next phase of your adult life, which I know holds great promise for all of you. You will carry forward your undergraduate degree from a respected Catholic university where you received a wonderful education grounded in the Mercy core values of respect, integrity, justice, compassion, and service. I recognize the full import of such a parochial education, having benefitted from the wisdom of both the Sisters of Charity and Jesuits right on through my high school years. These Mercy core values will undoubtedly provide you with an outstanding foundation from which to build both your life and career as you go forward.

When first approached about participating in today's Commencement, I gave considerable thought to what I could possibly share with this graduating class that might serve you well in the years ahead. I drew on the many Commencement speeches I experienced firsthand as a graduate myself, parent, and member of the Board of Trustees for Monmouth University for 10 years. These

addresses all generally had a central theme of encouragement and advice. I also reviewed several additional addresses delivered by entertainers, celebrities, and public figures of some note, forever preserved on YouTube. Those from entertainers were indeed entertaining and most were instructive, but there was one in particular that stood out above the others and provided both an inspirational and sobering message to the University of Texas Class of 2014. The address was from Admiral William McRaven, a distinguished university alumnus and ninth commander of the U.S. Special Operations Command. He joked that although he remembered much from his own commencement 37 years earlier, he really had no idea who the commencement speaker was, nor any clue as to what he or she may have said that day. The admiral concluded that if he could not make his address to the Class of 2014 memorable, he would at least make it short. I'll pledge the same to you here this afternoon.

A Navy SEAL for 36 years, McRaven's address reviewed his own experiences with the legendary and tortuous six-month SEAL basic training and recounted the 10 life lessons he learned to help deal with challenge from what he described as a "lifetime of challenges" crammed into those six months. While I am not nearly as well equipped as this Navy SEAL to discuss these 10 lessons, I do recommend you check out McRaven's speech online. I think you'll find his address riveting, instructive, and certainly memorable.

Today, I will call upon my own experiences and observations as a local banker to stress the importance of overcoming life's challenges and succeeding in making a difference in other people's lives. I have found the need to respond to challenge is fundamentally true whether we speak of the challenges you face as individuals in the next phase of your life, or those similarly faced by banks and other companies as they adapt and retool their products and services to remain relevant to this new generation of consumers that most of you represent. I will also spend a few minutes explaining how the local bank I led met our own challenge to create opportunity from a significant transaction in our history to make an ongoing difference in the lives of many others around the country.

While President Marbach speaks with great pride about the diversity of this class and informs me that this class encompasses several different generations, it is primarily comprised of members of the current Millennial Generation. When looked at over time, it becomes clear to me that every generation, rightly or wrongly, becomes characterized by society as having certain traits, and is

then evaluated on the perceived ability of the members of the generation to use, or in some cases overcome, these traits to address the particular challenges facing them.

As Baby Boomers, my generation was unfortunately painted by many as unambitious flower children, hippies, acid-dropping, pot-smoking, draft dodgers who were adamantly anti-establishment and were thought sure to face significant problems in transforming themselves into responsible members of society.

Generation X was next, also known as the Boomerang Generation, the so-called neglected latchkey kids, purported victims of the need for both parents to work to support the family, and who suffered from the lack of a traditional family life in their development. Similar to the boomers, Gen X'ers entered their adult life harboring a mistrust of the establishment and institutions.

And now, of course, we come to the dominant generation of your class, the millennials. Known as "digital natives," you have been labeled as being overly self-confident; rewriting the rules; being consumed by technology; and favoring a questionable, team-oriented approach to working, dating, and socializing. Interestingly, like previous generations, you also question the relevance of institutions.

Despite the dire predictions of society, however, just as the Boomers and Gen X'ers succeeded in debunking many of the often unfair characterizations placed on them, so too will this generation need to respond and find a way to utilize your particular traits and talents to make the world a better place for future generations.

As millennials, think of the amazing power you have by virtue of your sheer numbers and the challenge this presents for companies today to respond to you. Recently, to assist its member banks to better understand this, the American Bankers Association commissioned a study to frame the issue, look at some of the formidable financial challenges facing you, and help banks to assist millennials to secure a financially sound future.

The study confirmed that millennials are by far the largest generation, 83.5 million strong, and within six years, you will comprise 44 percent of the workforce. As many of you probably know all too well, over 40 percent admit to being chronically stressed about money, and 75 percent of graduates are burdened by student loan debt, averaging \$29,000 as they complete their

undergraduate education and enter the workforce. The study also disclosed, however, that millennials are working hard to retire debt, build their finances, and are willing to delay life events such as marriage and home ownership to do so. A recent Gallup survey further disclosed that 66 percent of those aged 18 to 29 said they enjoyed saving more than spending. While this certainly makes you attractive prospects as bank customers, many also affirmed a dislike of banks, with 71 percent of those questioned saying they would rather go to the dentist than listen to what banks are saying! Millennials are reportedly three times more likely to open an account via phone than in person, and 67 percent want and need digital budgeting tools.

Along with the many other types of companies seeking your business, banks are reacting to these challenges by developing alternative delivery channels featuring mobile banking and remote deposit capture, and providing payment solutions, budgeting tools, and wealth management services tailored to your generation. Banks will need to continue to offer well-designed products and services to complement your generation's unique lifestyles and ease your worries as you prepare to tackle some of life's biggest financial decisions.

Having looked at some of the challenges facing the Class of 2016, as well as the banks looking to attract your business, let me conclude with the personal challenge story I promised about the local bank I had the pleasure to lead as CEO for 31 years. OceanFirst Bank, now headquartered in Toms River, was founded in Point Pleasant in 1902 and successfully faced many significant challenges in its first 94 years of operations. In 1996, our growth prospects here at the Jersey Shore had us contemplating a change in the form of our ownership to a public company, which would raise additional capital in a public stock offering. As part of this transformational event, we gave considerable thought to a unique and innovative way we might create an important tool to differentiate us from our competitors and help us better serve our local Jersey Shore communities as a publicly owned company. As a good corporate citizen, we understood our responsibility to also support the community organizations that address the other needs of residents above and beyond those met by our financial products and services. We searched for a way to commit financial resources to the community, well above the capability of others in our market, creating a perceived competitive advantage for OceanFirst Bank. This was the genesis of what was to become OceanFirst Foundation, the first private foundation ever established in conjunction with a bank public offering.

Please understand that banking is a very heavily regulated industry, and bureaucratic regulators do not take kindly to such revolutionary new ideas as we presented them with our innovative plans for OceanFirst Foundation. Despite being repeatedly told that this was just not possible, we persevered in successfully bringing about a change in their regulations, and the foundation, in fact, became a reality. Originally endowed with \$13 million of our newly issued bank common stock, we presented our market with the simple premise: that the foundation was endowed to deliver financial support to the local nonprofit community, and as community support of the bank would serve to grow the value of the foundation endowment, this would enable an increased level of financial support to be returned by the foundation back into the community year after year. As an example, as you heard in my introduction, In the past 20 years, OceanFirst Foundation has contributed over \$27 million to our local community organizations and retains a balance in excess of \$22 million in bank stock serving as a continuing resource to provide grants for the betterment of future generations of shore residents. Our college scholarship program alone in the last five years has contributed \$1 million to our four local shore-based centers of higher learning. I am proud to note that 20 freshmen members of the Georgian Court Class of 2016 were recipients of a foundation scholarship to help begin their college education, and over 100 current Georgian Court University students have benefited from the program.

Perhaps more importantly, a trend was begun with the foundation we fought for and established. As a result of our actions back in 1996 to persevere and effect a change in the regulations, the creation of a private foundation in conjunction with an initial public offering of bank stock has become a typical occurrence. Since OceanFirst Foundation was created, at least 70 additional banks around the country have followed the blueprint we drafted, and many millions of additional dollars have been committed to help millions of people.

So in closing, I urge the Class of 2016 to face the myriad of challenges that confront you and resolve to make a difference in the lives of future generations. Just as banks will meet the challenge of remaining relevant to the particular needs of your generation, and just as OceanFirst Bank changed the rules to form OceanFirst Foundation for the betterment of the residents of our local communities, you, too, need to make a difference in people's lives. Harkening back to our friend Admiral McRaven's six months of Navy SEAL basic training, "a lifetime of challenges" now awaits you. Go forward and meet these challenges to provide a better world for all future generations.

Good luck, and Godspeed!