

Pundits embody divide

Did President Obama barely squeak into office with little more than half of the popular vote by attacking Mitt Romney's character instead of running on his record?

Or did the president earn a mandate with a generous margin of electoral votes, winning all but two swing states by reaching out to the future of America: Hispanics, women, and gays?

That was the debate Tuesday morning between political strategists Haley Barbour, a Republican, and Democrat Terry McAuliffe. Both pundits are former chairmen of their parties' national committees.

Barbour refuted the idea that President Obama earned even the smallest mandate with his victory. "He got 51% of the vote by making his opponent appear unacceptable. He didn't run on his record because he *couldn't* run on his record. It was personal—Romney was the quintessential plutocrat married to a known equestrian."

McAuliffe countered, citing the president's huge electoral advantage at the end of Election Day. "If Obama is as awful as you say, why did he win with 100 more electoral votes than Romney? All but two swing states went to Obama, and the Democrats netted two more seats in the Senate and eight in the House. I'd say that's a good night."

It wasn't all discord Tuesday morning: Both Barbour and McAuliffe called sequestration—a series of potential automatic government spending cuts—a "disgrace."

"It's time to break down the ideological barriers and stop the rhetoric," McAuliffe said. "We need to force legislators to get in the same room and work things out. It's no longer a Democrat or Republican issue."

"Sequestration is a mark of shame,"

A united front

The importance of advocacy is something that new CUNA Chairman Pat Wesenberg has learned over many years.

In her General Session address, Wesenberg said that early in her career, "I wasn't too focused on political advocacy. I didn't think it was an important aspect of the job."

But in time that changed, said Wesenberg, president/CEO of Central City Credit Union in Marshfield, Wis.

She learned the value of connecting with her legislators regularly—not just in Washington, but back at home.

"I don't look at political involvement as a chore, and I know you wouldn't be here at the GAC if you didn't feel the same way," she said.



"Recent experience has shown that as a credit union movement, however, we'll have to get politically engaged on an even larger scale if we're going to advance our legislative goals," she said.

That was a major takeaway from the member business lending fight during the last Congress. "In this divided Congress," she said, "getting anything passed is difficult, especially when the banks are fighting you every step of the way."

"But policymakers can't just hear the bankers' side of the story, or else the

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Barbour added, blaming the Democrat-led Senate for not passing a budget in three years. "Twice last year, the Republican House passed measures to end sequestration. This is a fundamental difference between Democrats and Republicans." ■



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bankers will end up defining us. We've got to unite, work together, and tell our own story," she said. "When we do, we get results."

The opportunities for credit unions have never been greater, Wesenberg said.

And politically, the stronger and more united our front is, the more likely the banks will be to find common ground on legislation rather than work against us, she added. ■



"Pat, I now turn over the gavel to you, and the honor, the responsibility, and the obligations of serving as chairman of the Credit Union National Association," outgoing CUNA Chairman Mike Mercer said to Wesenberg as she now begins her term.



America is on the verge of a renaissance, Speaker of the House John Boehner told credit unions during yesterday's special General Session.

"We're moving quickly toward energy independence," he said. "The innovation and technology in the past several decades have allowed American oil and gas producers to go into old oil fields and find gas still locked in the ground."

This will give American manufacturers a competitive edge internationally, he said. But first three things must happen:

- 1. Fix** our tax code. "I hope we're on the verge of moving a tax reform bill that will lower rates for all and clean out some of the loopholes."
- 2. Do** something about the \$16 tril-

lion debt. Americans have to grapple with this issue. With millions of baby boomers retiring each year and the current state of entitlement programs, the "whipsaw" effect on our budget is tremendous.

3. Ensure more American children receive a decent education.

These efforts will ensure economic growth for generations and allow the energy renaissance to continue.

"A lot of people believe the American dream is in peril. But it doesn't have to be that way," Boehner said. "Leaders in this town can put their political differences aside and find common ground to address the needs of our country.

"It's going to take all of us." ■



Summarizing the four turbulent years that have passed since he addressed the GAC at the height of the recession, Michael Fryzel, NCUA Board member and former chairman, told attendees that the CU system not only survived but has become the nation's premier financial services industry. He credits the fortitude of its leaders and a shared vision. "We have weathered a great storm. We are stronger for it. And the future is bright," he said. To read Fryzel's entire speech, visit <http://ow.ly/i4utE>.

LEGISLATORS

Rep. Spencer Bachus, R-Ala.



“First, I’ll start with some good news,” said Bachus, chairman emeritus of the House Financial Services Committee. “We’ve made great progress in the past year-and-a-half on spending cuts.

“The March 1 ‘sequestration’ [or automatic spending cut] deadline is looming, however. No one thought we’d be here. But Congress and the White House usually act in crisis.

“I believe we’ll see more bipartisan efforts, and we might revisit the Dodd-Frank Act, taking apart what doesn’t apply to credit unions.” ■

Rep. Denny Heck, D-Wash.



“All I ever really needed to know I learned while working at the teller window at Columbia Credit Union,” said Heck, who once served as marketing director at the Vancouver, Wash.-based credit union. “Every day I wanted to get up and go to work and help people live the American dream. That’s what credit unions are all about.

“I know credit unions weren’t to blame for the shenanigans that drove our economy south. And you can count on me to make that clear to all the rest of the members of the House Financial Services Committee.” ■

Rep. Jeb Hensarling, R-Texas



“We’re not suffering from a lack of capital, but a lack of confidence,” said Hensarling. “In my role as chairman of the House Financial Services Committee, my job is to promote economic growth. To do that, we need to reduce the weight of the red-tape burden on community financial institutions.

“The Dodd-Frank Act created 400 new regulations that fit into two categories: those that create uncertainty and those that create harm. And I won’t rest until I see the repeal of the Durbin Amendment.” ■

Rep. Steny Hoyer, D-Md.



“We meet today on the threshold of what could be a dangerous period for our economy and our markets as the result of irrational and arbitrary budget cuts, known as the ‘sequester,’” said Hoyer.

“We need you to add your voices to the chorus of American businesses and families who are urging Congress to act.

“I hope you will deliver that message loudly and clearly to members of the House and Senate this week when you see us.” ■

Rep. Blaine Luetkemeyer, R-Mo.



“Passing bills takes a lot of work, even on the simplest issues,” said Luetkemeyer, who serves on the House Financial Services Committee.

“But we live in a partisan environment in D.C. That’s why we need to work on pushing through smaller issues first. We have to find common ground here.

“I know you feel you’ve been inundated with rules and regulations. We still have opportunities to make a difference in your lives and your members’ lives. It’s why we’re here.” ■

Rep. Kevin McCarthy, R-Calif.



McCarthy didn’t take the traditional path to become a legislator. The only Republican from a family of Democrats, McCarthy refurbished and sold cars to pay for junior college, eventually quitting school—after winning \$5,000 in the California lottery—to open a deli with help from a credit union business loan. He applied for—but didn’t get—an internship with a California congressman. “Now I have his seat,” said McCarthy, House majority whip. He believes both parties must work together to solve the nation’s financial problems. ■

Rep. Gregory Meeks, D-N.Y.



“As a ranking member of the House Financial Institutions Subcommittee, I will fight to ensure that credit unions remain a cornerstone of Main Street America,” Meeks said in his first GAC appearance.

“One way to do this is to boost member business lending, which I have once again co-sponsored in a bipartisan way with [Rep.] Ed Royce in this Congress.

“It is time to remove the handcuffs and allow you to continue to serve as the backbone of your local communities.” ■

LEGISLATORS

Rep. Debbie Wasserman Schultz, D-Fla.



“Credit unions have been doing a tremendous job of lending to small businesses and creating new jobs nationally and in my home state of Florida,” said Wasserman Schultz. “Nationally, you created 157,000 new jobs in January alone and 7,000 in Florida.”

“The 120 regulatory changes that took place between 2008 and 2012 have created unsustainable complexity. But we can change that through grassroots activities, and credit unions know how to mobilize at the grassroots level better than anyone.” ■

Rep. Ed Royce, R-Calif.



“We want to redefine [the member business lending] bill a little bit to get that critical momentum, that critical mass, that we need to get this signed into law,” said Royce. “We need to get it into an issue where it is simply about small business and creating access to capital.”

“Now is not the time to maintain artificial caps on safe and sound lending. Businesses are asking for it. The economy and the job market are in dire need of it. You have the expertise to provide it and so we have got to get this done.” ■

Create a connection in Congress

Conducting business with a personal touch is an ethos that has served credit unions well. Taking the same approach during GAC Hill visits can make a big impact on legislators. Here are seven strategies to help make them a success:

1 Be prepared.

Focus on no more than two issues. Do your homework on all sides of the argument, as well as the legislator’s record. Bring concise, engaging hand-outs.

2 Strategize as a group.

Decide a plan of attack and the desired outcomes. Appoint a manager to keep your meeting on topic, and a secretary to take notes.

3 Arrive cool, calm, and in control.

Show up early to acclimate to the surroundings. Introduce yourself to your representative and aides with

enthusiasm, intent on forming a personal connection.

4 Put on your game face.

Be professional and objective. Do not rant and rave. Let the facts speak for themselves.

5 Make specific requests.

Form your “money” question in yes-or-no fashion to elicit a clear response. Clarify the next steps, and set a timetable for action.

6 Be greedy.

Ask a supportive legislator to rally other members within a committee or state delegation—and to write an op-ed for a newspaper.

7 Keep the ball rolling.

Publicize your visit on social media and in your publications. Send a thank-you note. Keep tabs on the issue and follow through on your pledge to follow up. ■



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Slow growth, but uncertainty still prevails

Economists expect continued slow improvement in U.S. economic performance and credit union operations in 2013.

In a Tuesday breakout session, CUNA economists Mike Schenk and Steve Rick, joined by NCUA Chief Economist John Worth, scrutinized that forecast and examined current economic trends.

The biggest drag on the U.S. economy is likely to be the combination of uncertainty surrounding government finance and the threat of austerity.

Despite these risks, CUNA economists expect economic growth to rise modestly to 2.5%. Consumer prices should hold steady, with increases in the consumer price index remaining below the Fed's newly articulated inflation threshold of 2.5%.

The unemployment rate should finish the year not much lower than 7.5%, well above the Fed's 6.5% target. Discouraged workers re-entering the market will keep the rate high.

Short-term market interest rates will

stay near zero all year, and longer-term interest rates will rise, but only slowly.

The recent fiscal cliff agreement will have a net positive effect. The permanent extension of tax cuts for 99% of Americans will reduce tax uncertainty, boost household and business confidence, and spur additional consumption and investment spending.

The increase in the payroll tax rate to 6.2% from 4.2% will tend to counteract these positive effects, but the increase and subsequent drop in disposable income likely will lead to a lower savings rate rather than a decline in spending, CUNA economists say.

"We expect slightly faster loan growth in 2013, with increases in the 4.5% to 5.5% range," said Schenk. "Savings growth rates will recede modestly toward

the rates anticipated in loan balances, causing loan-to-savings ratios to firm up."

Credit union asset quality will continue to improve. Loan loss provisions will remain low, helping to boost earnings. Declines in gains on sales may offset this as mortgage refinancing activity wanes. Corporate stabilization expenses will be essentially unchanged. On balance, this suggests credit union net income will be about 80 basis points of assets. ■



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Leagues, Credit Union House gives credit unions a permanent presence and increased visibility on Capitol Hill.

Last year, more than 2,600 visitors arrived at Credit Union House. They

included political figures, business leaders, government officials, and credit union people from across the U.S. Credit Union House-hosted events raise the national presence of the credit union movement, emphasizing credit unions' mission and creating partnership opportunities for leagues, credit unions, and CUNA with our nation's leaders.

This year, Credit Union House will once again recognize a distinguished group of individuals who demonstrate outstanding leadership, a strong commitment to credit union values, and a vision for continued success. The Credit Union House Hall of Leaders has grown to honor 70 leaders from 30 states, and the newest inductees will be honored during the GAC ("The 2013 Hall of Leaders Inductees").

Visit Credit Union House during its annual Open House on Thursday, Feb. 28 from 9 a.m.-5 p.m. Stop by to rest in between Hill meetings, take a tour, and honor the newest inductees to the Hall of Leaders.

Credit Union House is located at 403 C St., NE, just a few blocks from the U.S. Capitol building. ■

The 2013 Hall of Leaders inductees

The Credit Union House congratulates the 2013 Hall of Leaders inductees. Their dedication has made a significant impact on the credit union movement at the local, state, and national levels:

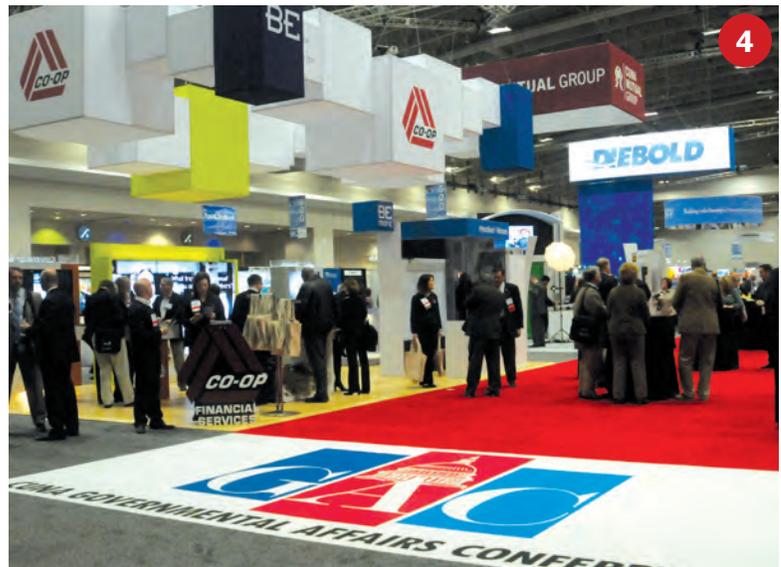
- * John Annaloro (Wash.)
- * Frank Berrish (N.Y.)
- * Marshall Boutwell (Ga.)
- * Ken Bradshaw (Neb.)
- * Susan J. Brayman (Colo.)
- * Loretta Burd (Ind.)
- * Mary Ann Clancy (Mass.)
- * Gary R. Clark (Mont.)
- * Ron Collier (Ind.)
- * Michael Connerly (N.Y.)
- * Donald Edwards (Ill.)
- * Clarence Hall (Miss.)
- * Gail Krall (Minn.)
- * James "Jimmy" G. Lankford (Ala.)

- * Robin Lentz (Calif.)
- * John McKenzie (Ind.)
- * Robert D. Ramirez (Ariz.)
- * Randy Smith (Texas)
- * Marsha S. Tynsky (Wyo.)
- * Bill Winter (Minn.)
- * Al Vukasin (Mont.)
- * Michael A. Williams (Colo.)

The Hall of Leaders provides recognition at the Capitol Hill facility for a distinguished group of individuals whose leadership serves as a model for credit union leaders throughout the U.S.

Their names remind all Credit Union House visitors—including prominent members of Congress—of the individuals dedicated to the founding mission, values, and philosophy of the credit union movement.

Scenes from the 2013 GAC



1 At left: MWCUA President/CEO Scott Earl and his wife, Bonnie; CUNA COO John Franklin and his wife, Hazel; and Pat Sowick, CUNA SVP league and state affairs and her husband, Chris, at World Council of CUs' Worldwide Foundation for CUs Supporters Reception on Sunday.

2 CUNA President/CEO Bill Cheney honors league representatives for Children's Miracle Network hospital projects, creating playgrounds in National Convention host cities. From left: Cheney; Steve

Fowler, president, South Carolina CU League; John Radebaugh, president, North Carolina CU League; and Patrick La Pine, president, League of Southeastern CUs.

3 The Concert: A Tribute to ABBA rocked the house as original and new band members performed several top hits in true ABBA-esque fashion: "Dancing Queen," "S.O.S.," and "Take a Chance on Me." CUNA Councils presented the event.

4 Thousands of attendees toured the largest exhibit hall in the financial services industry

at this year's GAC. Attendees had their choice of more than 300 booths and more than 200 companies.

5 "In my 10 years of serving as your GAC emcee, this is the best lineup of speakers I've ever seen," said Paul Berry as he welcomed GAC attendees Monday morning.

6 John Mason, board vice chairman, Ambridge Area FCU, and his wife, Ellen, team up with a Canadian Mountie in anticipation of the World Council's 2013 World CU Conference in Ottawa, July 14-17.

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Cheney receives NLCUP award

CUNA President/CEO Bill Cheney received the Leadership & Vision Award Tuesday from the Network for Latino Credit Union Professionals (NLCUP).

Hispanics are essential to the future growth of the nation's credit unions, said Cheney, who spoke at NLCUP's annual networking reception. He noted that the importance of ethnic diversity has been apparent during his entire career in the credit union movement, beginning in his hometown of San Antonio and continuing

during his days as a credit union CEO and then CEO of the California and Nevada Credit Union Leagues.

"Last fall's presidential election was a clear indication of how strong a presence Hispanics now have," said Cheney. "And you can see the future by simply looking at the diversity of school children across America."

Joining Cheney as an award recipient was Iowa League COO Murray Williams who received NLCUP's Leadership & Support Award. ■



Cheney accepts the Leadership & Vision Award from members of the NLCUP board.

See you in New York City for the 2013 ACUC

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Keynote speakers include:

■ **Lt. Col. Robert Darling (Ret.)**. During the attack of Sept. 11, 2001, Darling supported the president, vice president, and national security adviser in the underground President's Emergency Operations Center (PEOC) and witnessed unprecedented events and decision making.

■ **Malcolm Gladwell**. Gladwell is a staff writer at *The New Yorker* and author of four *New York Times* bestsellers, including "Blink: The Power of Thinking Without Thinking" and "Outliers: The Story of Success." His writing often deals with applications of research and new ideas in the social sciences, making frequent use of academic work in the areas of sociology, psychology, and social psychology.

■ **Lyn Heward**. Heward is the current director of creation for Montreal's Cirque du Soleil and the

former president and chief operating officer of the creative content division. She's the author of the critically acclaimed book, "The Spark: Igniting the Creative Fire that Lives Within Us All." Her renowned keynote of the same title takes the audience behind the scenes of Cirque du Soleil to explore the nature and origins of creativity.

CUNA and CUNA Mutual Group will team up to bring Discovery Sessions to this year's conference. These sessions provide credit union leaders practical information to solve problems, capture opportunities, and address current market challenges.

The Hilton New York hosts ACUC, just steps away from the city's premier attractions. Conveniently situated in Midtown Manhattan, you'll enjoy one of New York's most sophisticated hotels.

You'll be within walking distance of Times Square, Radio City Music Hall, Fifth Avenue shopping, the Broadway Theatre district, Central Park, The Museum of Modern Art, and many more iconic New York landmarks.

For more information and to register, visit acuc.cuna.org. ■



What's the best part of the GAC?



Michael Tobler

President/league director, Albany Firemen's FCU
Albany, N.Y.

I think the best part is just bringing everybody together and getting the point of view of what's happening, not only with credit unions your size, but also what's going on nationally. CUNA always brings in top speakers—they're on the forefront of everything that's going on, and it's nice to get the feedback on what's current. The biggest thing is you walk away feeling that there's a lot you can change.



Joe Quihuis

Director of finance, Bashas Associates FCU
Tempe, Ariz.

I'm really looking forward to the speakers—especially Tom Brokaw and Bill Cheney. I'd also like to get regulation insight; that's really hot right now. I always get something out of these conferences from networking—getting some fresh ideas to energize our staff on selling products to members. I'm also really looking forward to the Capitol visit because I'm a first timer to D.C.



Marsha Coarsey

Director, Community First CU
Jacksonville, Fla.

I really enjoy hearing the politicians give their viewpoints on what's happening in Washington—how it will affect the economy and specifically how it will affect credit unions across the nation. I've enjoyed hearing Debbie Wasserman Schultz; she's very energetic and interesting. And I always enjoy going to CUNA's breakout session on the economy—Bill Hampel and that group.



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