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MAGAZINE

FALL 2020

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#### **POSTAL INFORMATION**

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# Digital Features

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## Strategic planning in a pandemic

As many credit unions continue to hold their regular board meetings virtually, they're also preparing to hold annual strategic planning sessions in a similar fashion.

Nymeo Federal Credit Union in Frederick, Md., will conduct strategic planning sessions at each board meeting—which are already held virtually—until September, when the board will convene for a virtual strategic planning session, says Victoria Johnston, president/CEO of the

\$293.6 million asset credit union.

“The only real change for Nymeo in strategic planning is that the meetings are virtual,” Johnston says. “We dedicate a large portion of our board meeting agenda each month to strategic planning.”

Whether strategic planning sessions are held virtually or in person, the end goal is the same: to create a plan that builds financial, member, and experiential value for the credit union.



Victoria Johnston

## CUNA News Podcast: Recent episodes

- ▶ **Uniting against racism.** Renée Sattiewhite discusses an African American Credit Union Coalition initiative to advance diversity, equity, and inclusion.
- ▶ **The “secret sauce.”** Element Federal Credit Union’s Linda Bodie shares a simple, powerful service philosophy for the LGBTQ+ community.
- ▶ **Focus on the “human” in human resources (HR).** Two award-winning HR leaders say focusing on your people is especially important during challenging times.

Listen and subscribe at [news.cuna.org/podcasts](http://news.cuna.org/podcasts)



## Don't miss new '10-Minute Mentorship' videos

The workplace might be socially distanced right now, but mentorship remains vital for young professionals and others looking to set goals or make career moves.



Antonio Neves, nationally recognized speaker, author, coach, and 2020 Governmental Affairs Conference emcee, interviews five credit union leaders about career development topics in the new video series, sponsored by CUNA Mutual Group.

## Lifting up communities

As a summer marked by uncertainty slipped by, credit unions continued to provide resources and monetary support to their communities.

Redwood Credit Union, Santa Rosa, Calif., hosted a free, 60-minute webcast, “Self-Care and Stress Management: Tools and Best Practices for Coping with COVID-19 and Beyond.”

Royal Credit Union, Eau Claire, Wis., donated \$20,000 plus an additional \$10,000 matching contribution to a recovery fund that supports local businesses, many owned by people of color, which experienced damage

during recent unrest in St. Paul, Minn.

GTE Financial Credit Union, Tampa, Fla., presented its employees with \$25 gift cards to make charitable donations or support local restaurants or small businesses as part of the industry-wide initiative #CreditUnionsCareChallenge.



Royal supports local businesses like this one in St. Paul, Minn.

Class of 2020 Credit Union

# ROCK STARS

Read about your Class of 2020 Credit Union Rock Stars, sponsored by Fiserv, in an upcoming special issue!

Each year, *Credit Union Magazine* embarks on a journey to find Credit Union Rock Stars within our industry. The result is a special issue that features professionals and volunteers in credit union organizations nationwide. They are devoted to driving the movement forward through their consistent commitment to excellence and embodiment of credit union values.

Meet our Rock Stars at [news.cuna.org/rockstar](https://news.cuna.org/rockstar)

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## A response for these times

Racial injustice, COVID-19 call for urgent action.

Two intersecting crises—racial injustice and coronavirus (COVID-19)—are magnifying the socioeconomic inequities historically underserved groups are experiencing today, says Samira Salem, CUNA's vice president for diversity, equity, and inclusion (DEI).

This makes credit unions' work to advance DEI more urgent, Salem maintains. "Advancing DEI, credit unions can stay true to our cooperative values and remain competitive and relevant."

Dan Stoltz, president/CEO of SPIRE Credit Union in Falcon Heights, Minn., also believes credit unions are uniquely poised to make an impact on both issues.

The murder of George Floyd took place in Stoltz's "backyard." Although tensions remain high and peaceful protests continue, he believes credit unions have to be a

part of the solution. He's committed to "listen, learn, and act."

This includes asking staff questions about the inclusivity of workplace culture and listening closely to members, Stoltz tells the CUNA News Podcast.

Dealing with both COVID-19 and racial injustice means we have to be an active voice in the community, he says.

Also on the CUNA News Podcast, Renée Sattiewhite, president/CEO of the African American Credit Union Coalition (AACUC), shares how the credit union movement and individuals can respond.

But as Sattiewhite points out, "credit unions already have what it takes to make the difference. We have what it takes to go beyond where we think we can go. We are about service to people."

She promotes hiring more people

of color to serve members, and providing more training opportunities so people of color can advance into leadership roles.

In June, the AACUC launched Commitment to Change: Credit Unions Unite Against Racism. The initiative's key elements will move the credit union movement into a future where DEI can thrive. Visit [aacuc.org](http://aacuc.org) to get involved.

Read more from Salem in "The Case for Diversity, Equity, and Inclusion" (p. 34), and listen to Stoltz and Sattiewhite at [news.cuna.org/podcasts](http://news.cuna.org/podcasts).



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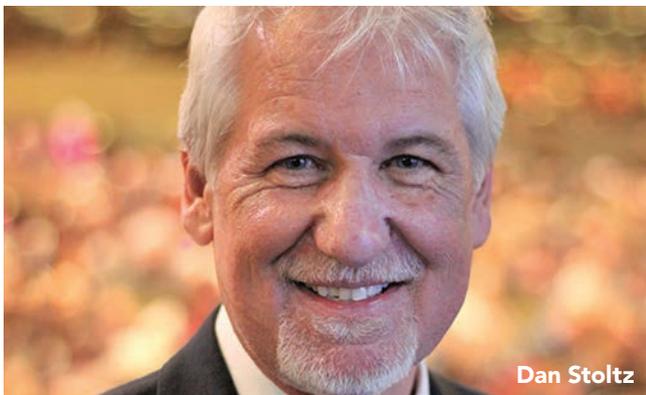
# Ideas & Inspiration

## Personal board keeps SPIRE's Stoltz intentional, focused

All great leaders lead with intention. For Dan Stoltz, president/CEO of \$1.2 billion asset SPIRE Credit Union, that was enough reason to enlist his own personal board of directors.

Stoltz worked with SPIRE's board to lead the Falcon Heights, Minn., organization to an all-time high net income of \$9 million in 2019. He works with his personal board of directors to achieve success with "a work-life balance," he says.

"One of the biggest tragedies in life is not to live intentionally," Stoltz says. "The worst thing someone could say at the end of their life is, 'Wow, what happened?' Life deals itself to you rather than you deal



with life. The personal board helps me stay more intentional and more focused."

Stoltz cites three specific benefits:

**1. Provides focus on success.** "We all want to be successful," Stoltz says.

**2. Provides guidance.** This seems obvious, but it can't be overlooked. "Nobody wants to take the wrong risks," he says.

**3. Expands your vision.** "All good organizations do this," Stoltz says. "I feel more confident if I have my own vision in life."

Stoltz's board members come from different walks of life. One is a retired blue-collar worker with "tons of wisdom," Stoltz says, and another is a CEO in the for-profit world.

"I want different perspectives," he says. "And I want honesty and integrity."

Stoltz's mantra is "to work hard, play hard, and give back harder."

"Leaders love to work, but I also love to spend time and have fun with my family, and make the most of that," Stoltz says. "Then I want to give back to others.

This board of directors helps me find balance in all that."



Hear more from Dan Stoltz at [news.cuna.org/podcasts](https://news.cuna.org/podcasts)

## Successful brands foster 'emotional connection'

The key to successful branding is "being relatable, approachable, and inclusive," says Marella Nardotti, the CUNA Marketing and Business Development Council's 2020 Marketing Professional of the Year.

"Some of the world's most recognized brands are successful because they dig deep into people's emotions and they find what make people tick—they anticipate customers' needs," says Nardotti, vice president of marketing at \$502 million asset NextMark Credit Union, Fairfax, Va. "Renowned brands create an emotional connection with consumers. That's what drives them to brand loyalty."

She offers this branding advice:

➤ **Invest** in research and analysis, and understand who you are serving. Why do your members choose you as their primary financial institution, and what do your nonmembers think of you?

➤ **Communicate** early and often. Be transparent, and get everyone involved and excited for the change.

➤ **Be authentic.** Stay true to your values. Your members chose you for a reason, so leverage what you do well and do it even better.

➤ **Honor** your roots. Most credit unions started with a single select employee group and expanded to a larger footprint.

➤ **Know** your members and the community you serve. Dig deep and truly understand their behaviors.

➤ **Don't** try to be everything to everyone.



## 6 steps to build an inclusive culture

Diversity, equity, and inclusion (DEI) efforts don't end once you recruit and hire a diverse workforce. You must also take steps to make sure your workplace culture is inclusive of all who work there. It's a critical step to ensuring the credit union's ability to retain a diverse workforce, says Jill Nowacki, president/CEO of Humanidei.

"With DEI, we've been so concerned that it will make people uncomfortable," says Nowacki, who spoke at CUNA's Diversity, Equity, and Inclusion eSchool. "But if we don't hold leaders accountable for making these changes, we will never move forward."

Nowacki offers six suggestions for building a culture that is inclusive of all employees:



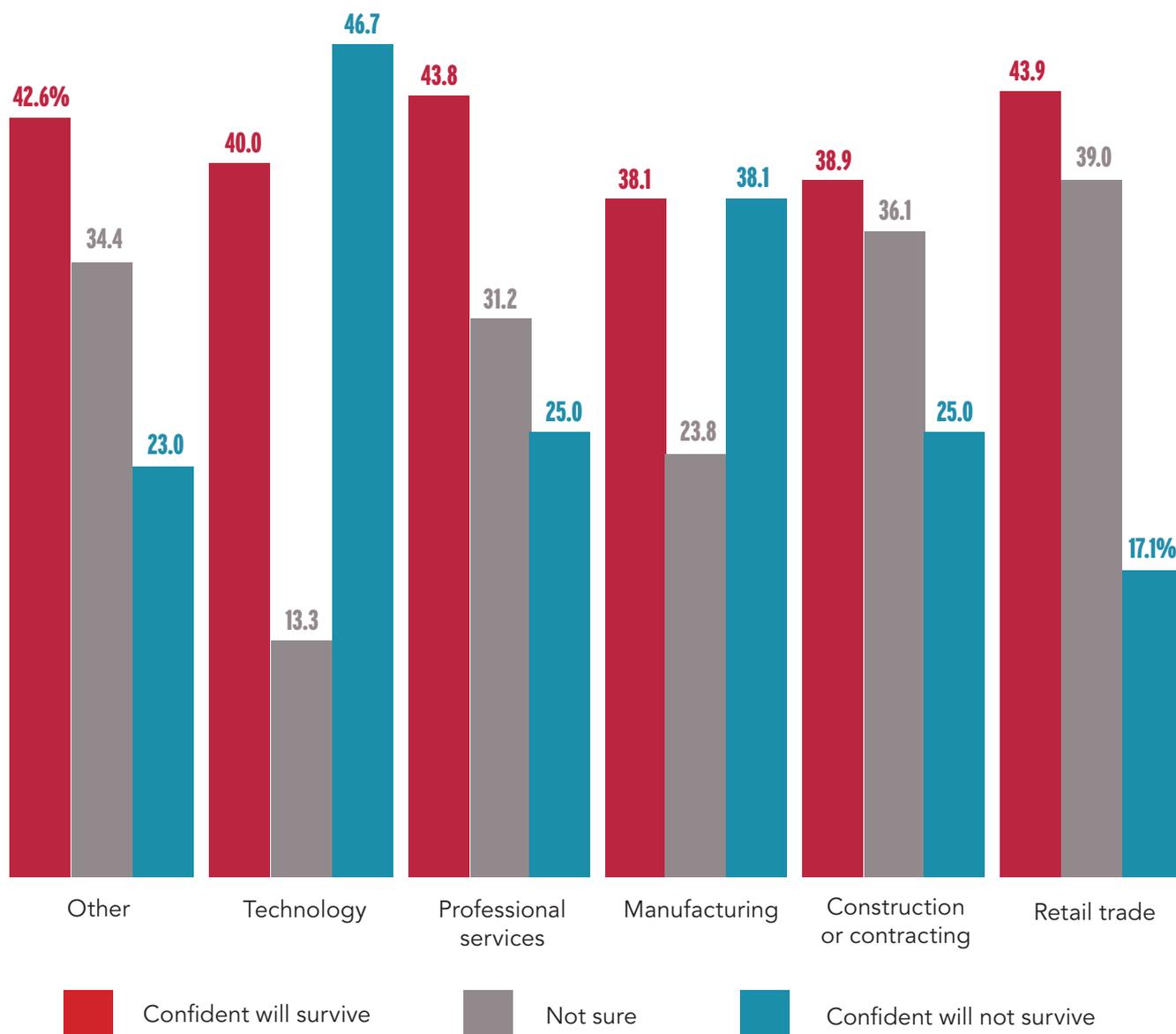
- 1. Examine meeting structure.** Look at how you run meetings. Is it a setting that favors extroverts who have no problems speaking up? Provide opportunities for introverts who may not be comfortable sharing ideas and feedback in large group settings.
- 2. Ask about the experience of others.** Recognize that people have differences in what they experience in the workplace. Ask them for their perspective and use that information to make changes going forward.
- 3. Audit your policies.** Review policies to ensure they apply to all employees equally. For example, dress code policies are often written in a way that favors white culture in terms of hairstyles, clothing, or head coverings.
- 4. Examine your benefits.** Make sure benefits are inclusive of all types of lifestyles, such as domestic partnerships or same-sex couples. Offer the same benefits to people of all sexual orientations.
- 5. Celebrate thoughtfully.** There are always reasons to celebrate—an upcoming wedding, a new baby, or new home. When planning celebrations, be inclusive. For example, acknowledge both parents during a baby shower.
- 6. Measure your metrics.** People are an organization's most important asset, and leaders know diversity serves a critical business need. Determine goals and how to best allocate and invest in resources. "What gets measured gets done," Nowacki says.

# Ideas & Inspiration

## Economic engines wind down

Small and mid-sized businesses (SMBs) are often referred to as the engine of economic development. Many of those businesses report the coronavirus (COVID-19) pandemic is grinding that sentiment to a halt.

Nearly 60% of SMBs in the U.S. believe they are at risk of closing before the pandemic and its economic effects end (“Standing with business members,” pg. 28). Those that feel they are less likely to survive include companies in the technology (46.7%) and manufacturing (39.1%) industries.



Source: PYMNTS.com

## Alternatives assists formerly incarcerated with ReEntry Loan

Earlier this year Alternatives Federal Credit Union (AFCU), Ithaca, N.Y., launched its ReEntry Loan Fund, to provide assistance to previously incarcerated individuals to help them reintegrate back into society.

The idea for the program was suggested by AFCU Business Lending Department Assistant Dante Acquavella, who attended a breakout session on incarceration and repression during a summit at The Root Social Justice Center in Battleboro, Vt., last year. Acquavella learned that individuals leave incarceration with no more than a bus ticket and \$50 cash.

“Our mission at Alternatives is to serve underserved communities,” Acquavella says. “There is perhaps no other community that is more underserved than the formerly incarcerated.”

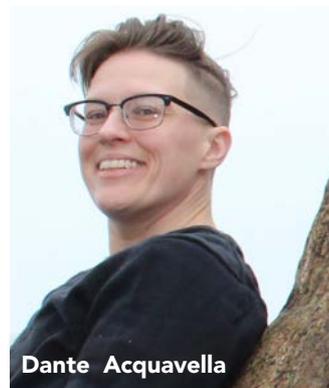
The \$118 million asset credit union developed the program with several community organizations that serve formerly incarcerated community members.

Borrowers don’t have to meet traditional underwriting guidelines. AFCU has invested \$10,000 to

underwrite the loans, and the Park Foundation, a local nonprofit, contributed another \$25,000.

Personal loans granted through the ReEntry Loan Fund are up to \$500 and can be used to pay for clothing for job interviews, costs associated with vehicle ownership, Department of Motor Vehicles and court fines, utility and phone bills, rental security deposit assistance, and other necessities.

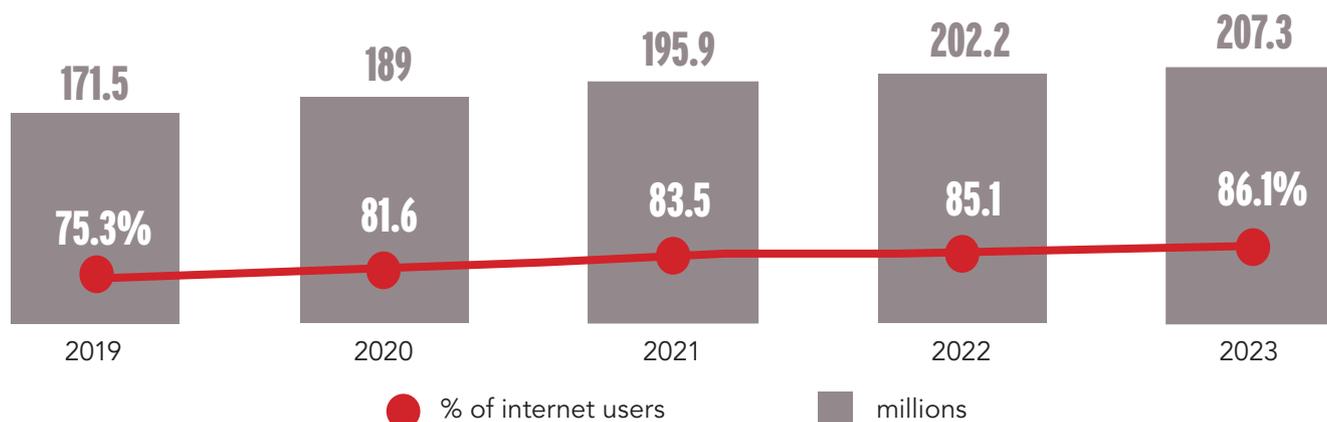
“We don’t have any illusion that \$500 is going to significantly change anyone’s life,” Acquavella says. “But for the people in this program, this helps to wipe the slate clean and is a step toward giving them a fresh start.”



## Tapping into their accounts

The coronavirus (COVID-19) pandemic increased the number of internet users who accessed their accounts digitally, according to eMarketer. Originally projected at 72%, the estimate of monthly digital access was reset to 81.6%. Analytics-based personalization will provide helpful guides to digital adoption and innovation. Notifications via smartphone apps, account-related alerts, spending patterns, and promotional offers will incent digital use, eMarketer says.

**U.S. digital banking users and penetration**  
2019-2023



Source: eMarketer

# Ideas & Inspiration

## DEI efforts 'never end'

Embarking on a diversity, equity, and inclusion (DEI) journey isn't simple. It will take time and there will be challenges along the way.

But adopting this mindset and establishing a diverse, inclusive work environment requires creating a space where employees feel safe and valued, and as a result feel as though they can do their best work, says Sheila Milton, director of cultural competency and inclusion at \$3.3 billion asset UW Credit Union in Madison, Wis.

There is no checklist of tasks you need to complete to achieve DEI, Milton says. Instead, each journey is specific to the individual credit union, its culture, and employees.

She cautions this process can't be completed quickly. Rather it will take time and require evaluation and modification throughout the process.

Instead of a project, DEI becomes the way of doing business, she says ("The case for diversity, equity, and inclusion, p. 34).

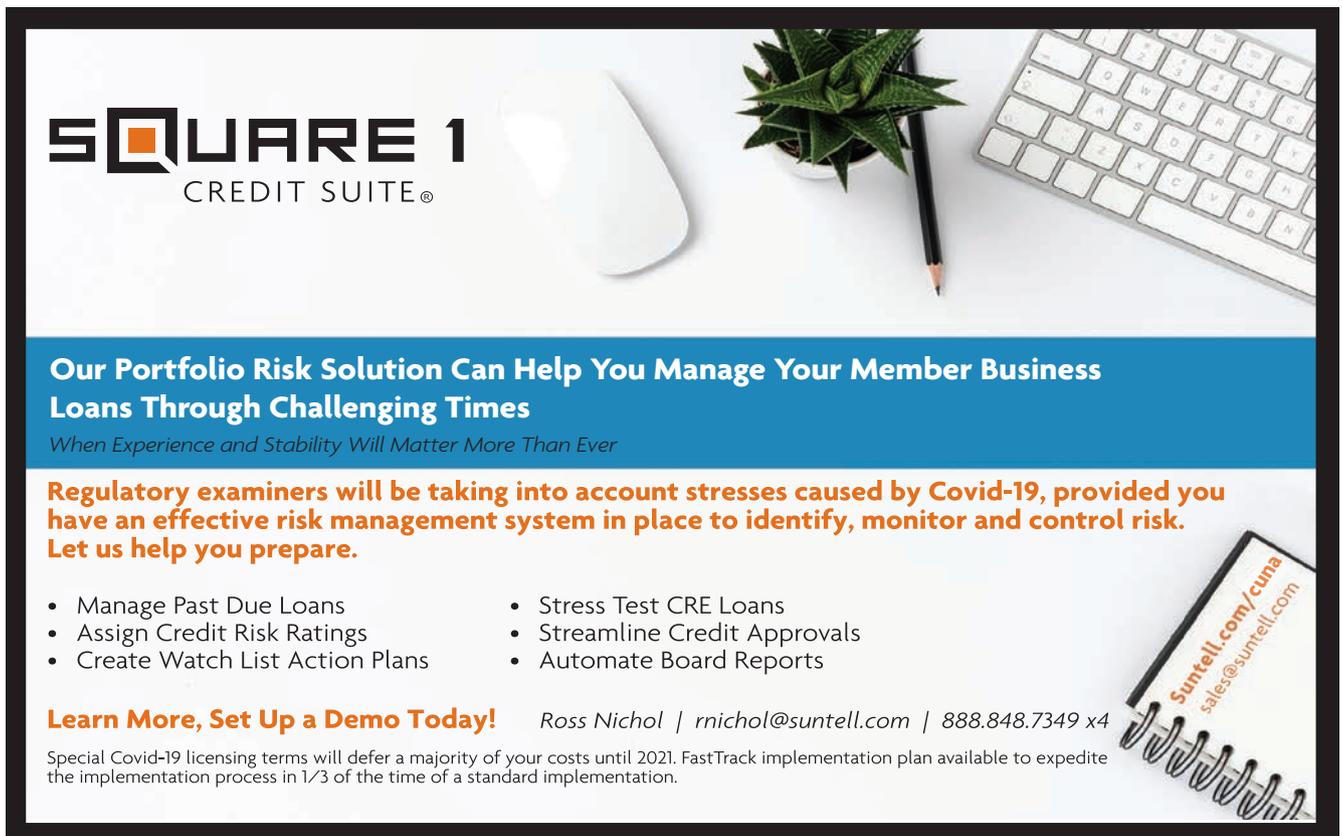
"It's an ongoing journey," Milton says. "We've done a lot to set ourselves up for the future. But as you go from year to year, it becomes even more challenging. DEI never ends."



Sheila Milton



Hear more from Sheila Milton at [news.cuna.org/podcasts](https://news.cuna.org/podcasts)



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## Growth in our movement

We can grow within ourselves to gain new perspectives and wisdom.

Prior to 2020, we spent the last decade or so talking a lot about growth.

It wasn't that long ago that we were basking in record economic growth, record high stock prices, and soaring metrics across many more indices.

The world changed in an instant earlier this year, but that doesn't mean growth shouldn't still be top of mind for credit unions.

Growth means many different things. We can use it to describe memberships, assets held, and other straightforward metrics.

But it can also mean new avenues of member support and overall maturation in our movement.

Just like people, we can grow taller and develop in a physical sense. But we can also grow within ourselves to gain new perspectives and wisdom.

Both of these ideas of growth are important, especially when we consider how our movement can move forward out of the darkness of the coronavirus (COVID-19) crisis, social unrest, and political divisiveness that have dominated this challenging year.

### A garden analogy

Where can we grow and how will we do it?

If you'll bear with an often-used analogy, let's consider the credit union movement as a garden.

We have plots set up for our hard metrics like memberships, asset size, and financial stability.

These are critical pillars of our garden, and without keen nurturing the rest of the garden will fail.

They are the durable plants that will sustain a cold winter and bloom again if we give them the time and care they need.

But there's more to our garden than just these sections. We also have our impact on members: the credit union difference.

Instances where credit unions set up emergency loans, forbearance, and other COVID-19 relief flourish in this section of the garden.

It includes our efforts every day, crisis or not, to help members reach their financial goals. These are the beautiful orchids that make our garden stand out from the rest.

Like any garden, we must be vigilant and proactive to keep weeds and pests at bay. We

can't let anything erode our mission, and that means stepping up to meet the image of "people helping people" that we've committed to.

This is where diversity, equity, and inclusion (DEI) ensures that our garden—our movement—can truly thrive.

It includes weeding out old habits that stunt our DEI progress as well as planting new seeds to make our ecosystem more diverse and inclusive.

The garden analogy may be overplayed, but the point is simple: Growth comes in many forms and it requires diligent care and commitment.

We are all holding the watering cans, sunlight, and soil that will make our garden successful. It's just a matter of working together for our shared mission.

This year has been incredibly challenging. It feels like we were hit by an earthquake, a tsunami, and then blanketed by a blizzard.

There have been many moments where growth wasn't in the conversation—we just needed to sustain.

But what I've realized this year is that our response to the many challenges of 2020 has been nothing but growth. We've stepped up our member support in ways I wouldn't have even imagined in 2019.

We've pushed forward on DEI and stood up across our movement against social injustice—most importantly—in a commitment to action over just words.

We still have time left in 2020 to experience new challenges, but I know now better than ever before that we rise up each and every time a new bar is set.

In this sense, we grow.

And I know we'll continue to grow in every sense of the word as we move through the rest of this year and into 2021.

“  
GROWTH  
COMES  
IN MANY  
FORMS, AND  
IT REQUIRES  
DILIGENT  
CARE AND  
COMMITMENT.  
”



**JIM NUSSLE**

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CUNA

**MAP** 

**MEMBER ACTIVATION PROGRAM**

## HOW CAN THIS HELP YOUR CREDIT UNION?

### More Engagement

Advocacy communications make members feel more connected to your credit union.

### More Business

82% of members are more inclined to do business with your credit union after receiving advocacy communications.

### More Satisfaction

Self-described credit union "members" view credit unions 89% more favorably than banks.

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- 2. You deliver** the content to members.
- 3. Members** find ways they can fight for your credit union's future.

*"Advocacy is part of our Culture...We take our responsibility to keep our law makers informed of who we are and what we do very seriously. MAP has made it possible for us to take our message directly to our members and enlist their help in telling our story."*

Angela McCathran - President/CEO, People's Trust FCU

*"We felt strongly that advocacy is a huge cause for all credit unions no matter what their size. MAP made it easy for a small credit union like ours to educate and activate our members."*

Amy Brodersen – CEO, Family Focus FCU

[cuna.org/map](https://cuna.org/map)

## Our silver lining

The nation is changing, and credit unions are standing as beacons for their members.

When we rang in the New Year, most of us had never heard of the coronavirus (COVID-19) and the economy was strong. But the world changed seemingly overnight.

COVID-19 dealt a serious blow to the economy, sparing no household. Two months into the pandemic, the tragic death of George Floyd sparked a national movement that has more deeply exposed systemic racism and is driving demand for change.

I believe credit unions can be a part of that change.

Last year, the CUNA Board voted to create a shared cooperative principle: diversity, equity, and inclusion. The broader cooperative community is considering taking similar action.

The dual crises of 2020 create the moment for the credit union movement to intentionally apply this cooperative principle.

The nation is changing, and credit unions are standing as beacons for their members. In city after city, credit unions are leaning in and listening to their communities, their members, and their employees.

They're taking strong positions in support of inclusion. They're standing in defense of their communities' physical, emotional, and financial well-being.

This response is natural for credit unions because of what I call SVI: structure, value, and impact.

Simply put, credit unions' not-for-profit structure puts their

emphasis on creating financial value for their members, and as community-based financial institutions, it's in their DNA to create lasting impact.

Credit unions were created in times of crisis and are built to address them. While services such as Paycheck Protection Program loans, loan modifications, financial education, and other community support are true to their roots, credit unions are evolving to meet members where they are.

In a physically distanced society, credit unions are proving they can still provide a social connection. They're helping their members and communities to get well.

For example, two Missouri credit unions are using a grant from the Heart-

land Credit Union Foundation to upgrade technology so they can provide online financial literacy classes and one-on-one financial coaching.

For senior citizens, the isolation this year has been especially hard. So a Michigan credit union's team reached out to older members using the technology they're most comfortable with—the phone. Credit union employees called more than 3,600 members just to ask how they were doing.

Successful advocacy by credit unions in many states is allowing

them to use remote notarization to process financial transactions for their members.

In Oregon, the legislature created a grant program for historically disadvantaged small businesses left behind by the CARES Act. Community Development Financial Institution-designated credit unions stepped up to give nearly \$2 million in forgivable loans to those businesses.

I'm hearing countless examples of increased charitable contributions from credit unions, such as \$2 billion asset CoVantage Credit Union in Antigo, Wis., which donated \$100,000 to local COVID-19 relief efforts.

As we continue to serve during the difficult challenges of this year, the next phase for the credit union movement is to help consumers get fit: to build their assets and better prepare them for unexpected emergencies and brighter financial futures.

We don't know for sure what the future will look like, but we know the credit union movement will be an essential part of it. As our local, regional, and national landscape begins to heal, credit unions are leading the way by helping consumers and communities to grow forward.

Thank you for leaning in—and be proud of the fact credit unions are built to serve the needs of everyone and every community.

“  
CREDIT UNIONS'  
NOT-FOR-PROFIT  
STRUCTURE  
PUTS THEIR  
EMPHASIS  
ON CREATING  
FINANCIAL  
VALUE FOR  
THEIR MEMBERS.  
”



**TROY STANG**  
CUNA Board Chair  
President/CEO  
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# CUNA CREATING MEMBER LOYALTY™

*“CUNA Creating Member Loyalty™ skills are critical to the success of communication because it starts with focusing on member needs and helping find solutions by listening and asking high impact questions. If we continue to keep member interests at the heart of our interactions and maintain personal responsibility to assist them, we can continue to meet and exceed their perceived and unperceived needs.”*

-Mark Stetzer, training manager, First Florida CU

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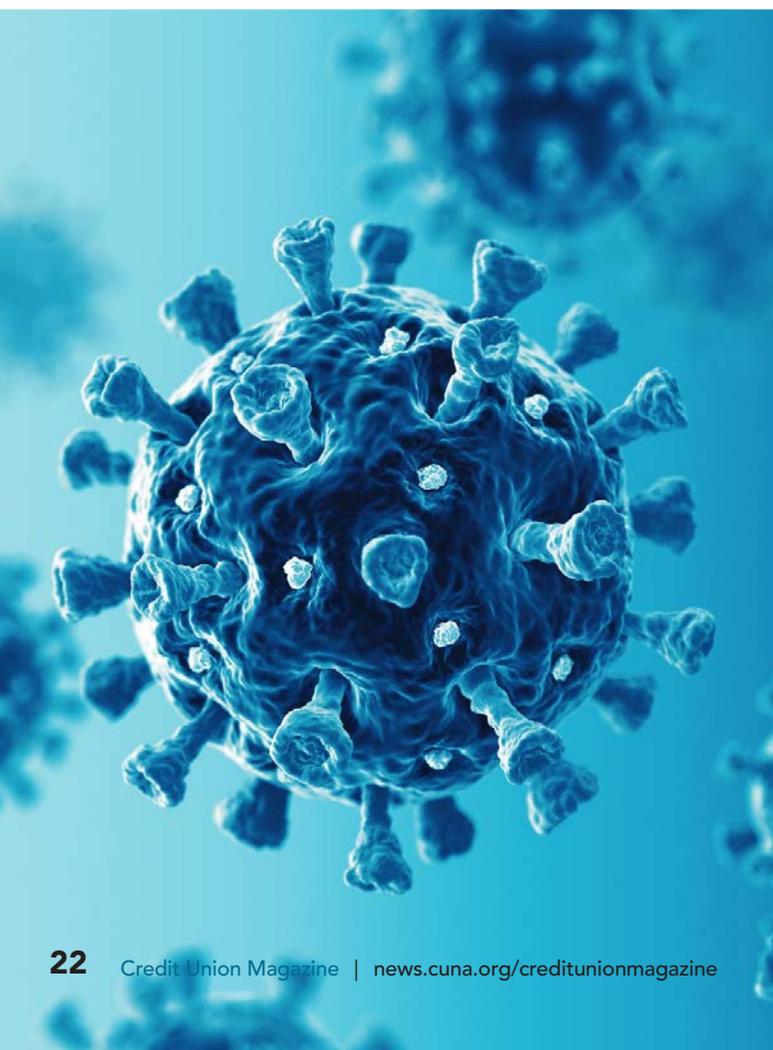
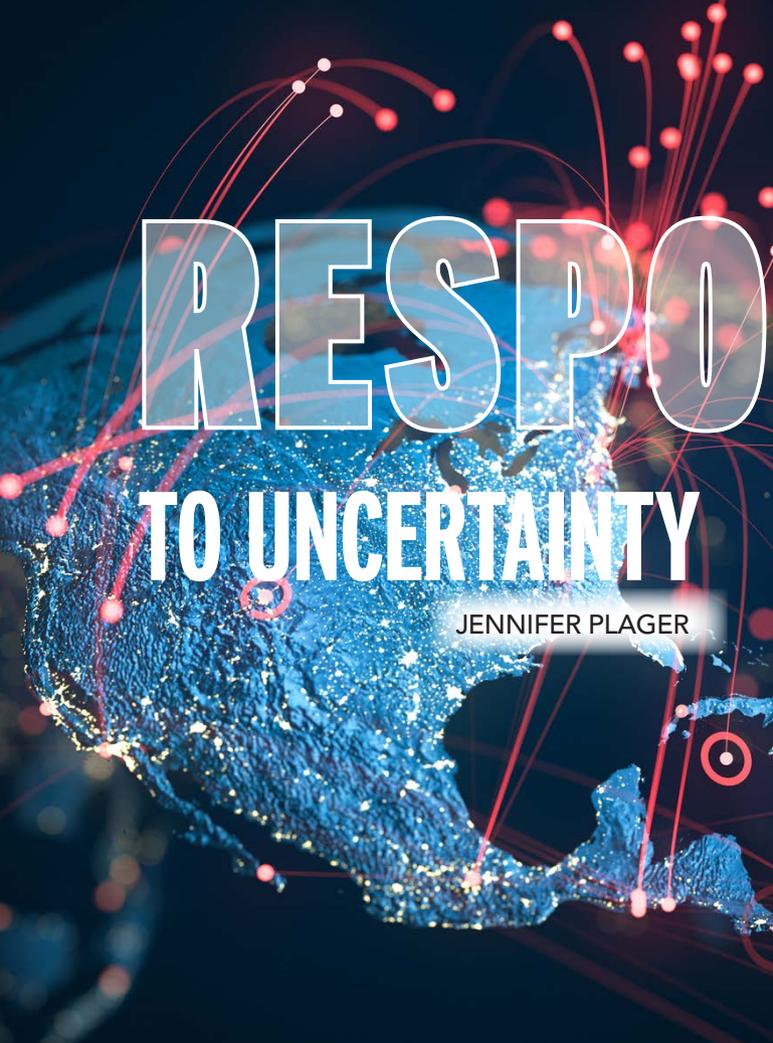
Through our framework, your credit union will initiate a transformation to grow your member relationships and engagement.

[cuna.org/cml-20](https://cuna.org/cml-20)

# RESPONDING

## TO UNCERTAINTY

JENNIFER PLAGER



## Boards act as a strategic sounding board for CEOs during crisis management efforts.

**Cyberattacks, financial crises, hurricanes, and health pandemics. While they look substantially different, each is a crisis. When one happens, credit unions must be ready to respond appropriately.**

Russell Country Federal Credit Union in Great Falls, Mont., has entered crisis management mode multiple times over the years in response to Y2K, the 2008 financial crisis, and cyberattacks.

But the coronavirus (COVID-19) pandemic has proven to be the most challenging crisis the \$76 million asset credit union has faced so far.

“None of the previous events threatened human life and the economy like COVID-19. While an ‘easier’ crisis such as Y2K has a theoretical end date, there is no known end date for COVID-19,” says Bryan Fox, a board member at the credit union since 1981. “This all makes COVID-19 a game changer.”

The multidimensional crisis means credit unions and boards must gather information and make decisions that address the health response piece—how to continue serving members while ensuring their safety and that of staff.

They also need to make business and financial decisions that will allow the credit union to continue providing products and services to meet stressed members’ financial needs, such as new loan products, loan deferrals, or waived fees.

“In any crisis, individuals must come together in a synchronized and integrated fashion to achieve common objectives and goals,” Fox says. “The COVID-19 pandemic has tested our board’s agility and flexibility. It forced us to quickly cast out old paradigms, think outside the box, and adopt creative solutions while keeping everyone informed.”

Identifying solutions and effective decision-making are the critical tasks boards must carry out during any crisis.

Boards are an integral resource when leadership shifts into crisis management mode.

### Before the crisis

It’s often difficult to know exactly how a crisis will hit and what impact it will have. But that doesn’t mean

boards can’t take steps to prepare before a crisis occurs.

Tony Ferris, CEO of Rochdale Paragon Group, encourages credit union leadership and boards to engage in “proactive preparation.” This includes predefining the objectives surrounding a crisis, such as gaining a general idea of how to continue to serve members, protect staff, and assist in the community.

“Have those dialogues about what you will and won’t do under certain situations,” Ferris says.

He notes it’s beneficial to involve the board in tabletop exercises, which can be used to determine the board’s role and expectations during a crisis.

Ferris says these types of exercises allow the credit union to be more organized when a crisis strikes and enable the board and leadership to respond more quickly and effectively.

“The time to respond to a crisis is long before one exists,” says Ted Henifin, board member at \$3.1 billion asset Langley Federal Credit Union in Newport News, Va. “Policy development, trust building, and defining roles and responsibilities are hard work, but it must be done outside of a crisis.”

### During a crisis

When the credit union enters crisis management mode, take steps to allow the board and management to make decisions that will mitigate the impact of the crisis while enabling the credit union to continue

#### Focus

- **The board’s primary** role during crisis management efforts is to gather information to make quick, efficient decisions.
- **While crises hold many unknowns**, “proactive preparation” will ensure better decision-making during the event.
- **Board focus:** Gather information, act as a sounding board, and ask questions to ensure leadership makes the right decisions.

operating under the outside pressures that create the crisis. This could be a hack, a natural disaster, or a global health pandemic.

“It requires future-forward thinking,” Ferris says. “It involves making decisions in real time with an understanding of how those decisions impact the long-term objectives of the organization, such as implications on market perception, member and loan growth opportunities—even implications as an employer of choice.”

“It’s a dynamic process requiring a thorough understanding of decision trade-offs and the identification of potential strategic risks, which may be problematic as the credit union resumes normal operations,” he continues. “It’s not about perfect decisions, but informed decisions to limit the potential unforeseen consequences as much as possible.”

The first step for the board and leadership: define the scope of the problem. This definition may change multiple times throughout the crisis, says Tim Harrington, president of TEAM Resources.

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“Think **outside the box** and adopt creative solutions while keeping **everyone informed.**”

BRYAN FOX

During crisis management, the board’s primary responsibility is gathering information to make decisions. They’ll often need more frequent updates and more detailed information than they would receive in a regular, non-crisis climate, says Kevin Smith, consultant with TEAM Resources.

When COVID-19 struck, updated information was vital for the Wichita (Kan.) Federal Credit Union board, which received daily updates about what was going on and the changes that were being implemented, says John Davis, a board member at the \$132 million asset credit union.

“Anytime there is a substantive change, we’ve had an additional meeting, held virtually,” Davis says.

The board must understand the credit union’s objectives and the critical risks posed by current and future events before it can assess the impact of the situation

and make thoughtful decisions for the short and long term, Ferris says.

“A key board role is the challenging of core management assumptions, which creates diversity of thought and a common understanding,” he says. “This is vital during times of crisis. However, this needs to be conducted in a solutions-based manner and remain at the governance and strategic level.”

“Ultimately the board should seek to drive to better decisions and not be a hindrance to agile decisioning,” Ferris adds.

The Langley Federal board works under a policy governance model, Henifin says, so it operates in the same manner regardless of whether a crisis is occurring.

“Every day there are crises of various magnitudes, and the board should focus on ensuring the systems are in place to address whatever crisis comes up,” Henifin says. “Systems, however, are only as good as the people working within them, and the board’s top priority is ensuring the CEO is the best person to lead the organization.”

The board is also responsible for acting as a sounding board for the CEO, who will be busy “jumping from fire to fire to fire,” Smith says.

The board must be willing to listen to what the CEO says and provide an environment to discuss ideas, concerns, and challenging decisions.

At Langley Federal, Henifin says the board has delegated authority to the CEO to work within established policies and make decisions that will move the credit union toward agreed-upon strategic goals. This allows the CEO to make critical operational decisions without having to convene the board.

“In today’s world, decisions need to be made quickly to survive a pandemic or to ensure long-term relevance and viability,” Henifin says.

Once leadership makes a decision, everyone agrees the board must speak with one voice.

“Everyone on the board has to support it,” Davis says. “If you disagree with an action and you’re the only one, the action is the majority and you must go along with it. Don’t have a tantrum because you didn’t get your way.”

While a crisis may be chaotic, Smith says it’s important to take time to compile notes about what steps the credit union took, why it made those decisions, and what the results were.

There may be a tendency to put off recording these notes or to rely on memory. But Smith urges board members—and leadership—to write information down while it’s still fresh in their minds and review it

later when a similar situation arises.

“We’re going through some weird stuff right now and everybody wants to have it all behind us,” Smith says. “But we’re going to learn a lot. Take notes about what went well and what didn’t go well and learn from it. We can make credit unions much stronger if we remember.”

### What to avoid

Stay level-headed and focus on steps the credit union must take to operate effectively and continue serving members.

During a crisis, boards should avoid engaging in certain actions and mindsets, including:

›**Getting into the weeds.** With the increased amount, frequency, and detail of information, board members may start to focus on operational decisions rather than the high-level policy decisions they’re tasked with making.

“When you get more information, you get more heavily involved, and there’s a temptation to get right down in the weeds and start making decisions,” Smith says. “The board should be careful and resist that temptation.”

›**Making assumptions.** Avoid confusion, ambivalence, and making assumptions about the credit union’s readiness.

All of these elements could negatively impact how members perceive the credit union during a crisis, which could have a long-lasting impact once the crisis has passed.

“The board should never assume the credit union is adequately prepared,” Fox says. “Lost member confidence is almost impossible to regain, so be decisive and keep them informed.”

›**Seeking perfection.** Crisis situations call for fluidity in decision-making, Ferris says. As circumstances change and leadership receives feedback, plans can—and should—be revised.

Given the uncertainty of a crisis, it’s unlikely the first solution will be perfect. The board must realize and accept that mistakes will occur.

“Stay focused on overall objectives, but avoid paralysis by analysis,” Ferris says. “Create a combined trust for open and honest communication, and avoid the notion that decisions have to be perfect.”

›**Having false confidence.** Even during a noncrisis environment, boards receive a lot of information. The amount of information increases substantially in a crisis.

Make sure the board understands the information, how it connects to the credit union’s strategy, and

what implications it has on the credit union.

“False confidence can be created through thick reports,” Ferris says. “Large amounts of data don’t necessarily result in a true understanding of the key aspects involved in a particular situation or decision. The board should require that key assumptions, themes, and potential failure points are explicitly drawn out for transparency and deliberation.”

---

“Seek to drive to **better decisions** and not be a hindrance to **agile decisioning.**”

TONY FERRIS

›**Entering panic mode.** Panicked decisions are made with the part of the brain that controls the limbic system and not the neocortex, where logic and reasoning functions occur.

“Staying calm will allow a board member to make clearer decisions,” Harrington says. “Avoid panic, avoid ‘awfulizing’ things, and avoid thinking this is the end of the world.”

Instead, the board “should strive to provide a calming presence, a balanced perspective, and strategic direction,” Fox says.

›**Waiting for normal.** With a crisis like COVID-19, boards need to avoid the temptation to think the credit union will “return to normal” and resume pre-pandemic operations, Smith says.

“There is no back to normal,” he says. “This could be an opportunity or it could scare the heck out of some organizations and boards. Be open-minded.”

### Resources

- ›CUNA board and committee resources: [cuna.org/board](http://cuna.org/board)
- ›Rochdale Paragon Group: [rochdaleparagongroup.com](http://rochdaleparagongroup.com)
- ›TEAM Resources: [forteamresources.com](http://forteamresources.com)



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# STANDING WITH



Faith Community United Credit Union's small size is an advantage in business lending, says CEO Jacqueline Moore.

# BUSINESS MEMBERS

RON JOOSS

## Personal relationships, tailored programs create financing opportunities that allow members to prosper in the face of economic challenges.

**Ken Getz likes to tell a story about “underground haircuts” to illustrate how some small businesses made a go of it during the initial months of coronavirus (COVID-19) restrictions.**

Like most stores, a local barber shop closed during the first two months of the pandemic lockdown. After a chance meeting with the barber, a regular customer, in need of a trim, rounded up a few similarly shaggy friends. They pooled their money and set up a group haircut appointment with the barber in the backyard of one of their homes.

“This is the way small businesses work,” says Getz, vice president of commercial lending at \$3 billion asset SAFE Credit Union in Folsom, Calif. “If there’s a will, there’s always a way. If they have a product or service consumers value, they find each other and create value.”

SAFE, a Small Business Administration (SBA) lender, helped many of its business members navigate the Coronavirus Aid, Relief, and Economic Security (CARES) Act during the first days of COVID-19 restrictions. The credit union also helped business members secure Paycheck Protection Program (PPP) loans, an initiative many credit unions embraced.

“Credit unions distinguished themselves by helping some of the smallest businesses,” Getz says, noting SAFE’s average PPP loan size was about half the industry average of \$113,000 (down from an average of \$206,000 in the first round of funding). Credit unions made nearly 200,000 PPP loans with an average size of \$49,487 (“PPP by the numbers,” p. 30).

While PPP traffic was “nonstop,” Getz says he talks regularly with business members as the financial effects of the pandemic take hold, regardless of whether these effects appear on the balance sheet.

“Every business is unique,” he says. “It isn’t one size fits all. It’s a relationship-based approach.”

Getz says the current economic environment offers different opportunities and challenges than the previous recession in 2008. “The last downturn was about availability of capital and this one isn’t,” he says. “With the capital that’s available you can sustain businesses a little longer. But the day of reckoning will come and we’ll see the full impact,” most likely in the fourth quarter.

Still, some businesses are seeking loans beyond

“

Credit unions distinguished themselves by helping some of the smallest businesses.”



KEN GETZ

PPP to take advantage of low interest rates, Getz says. “That’s one reason I enjoy being a business banker. These people are entrepreneurs. The word ‘pivot’ is ingrained in these business owners to advance their businesses any way they can.”

### Loan opportunities

Commercial loan officers at \$2.5 billion asset OneAZ Credit Union in Phoenix are finding loan opportunities despite the pandemic and economic woes, says Mark Taber, executive vice president/chief lending officer.

Projects in the works include an equipment loan

### Focus

- › **Paycheck Protection Program** loans provided a bright spot for both members and credit unions.
- › **COVID-19** will have long-term implications for the economy and credit union balance sheets.
- › **Board focus:** Despite current economic challenges, credit unions will have opportunities to grow in the future.

for a medical facility that is adding new ultrasound machines, an \$18.5 million real estate development of pre-leased mixed-use buildings, a line of credit for a multimillion-dollar owner-occupied manufacturing facility, and a storage facility expansion.

Like Getz, Taber says the economy is affecting businesses differently. “In Arizona, there’s a lot of tourism,” he says. “Hotels were built to hold conferences and business meetings, and they’re suffering. But if you’re in the remote services or the plexiglass manufacturing business, there will be a boon for people willing to look for opportunities.”

Mike Smith, vice president/senior business services officer at CU Business Group, a credit union service organization that supports credit union business lending efforts, says loan decisions “typically are a qualified ‘yes.’”

Credit unions “more than likely are lending to existing members as opposed to reaching out and adding new members to their portfolio,” Smith says.

“‘Cautious’ is the word I would use right now,” he says, adding that credit unions are looking more closely at these companies’ management teams and using lower loan-to-value ratios on commercial loans. “Overall, they’re taking a more conservative approach.”

### Agricultural lending

Heartland Credit Union in Madison, Wis., concentrates many of its resources on agricultural lending. Current-

ly, the dairy market is struggling due to the overproduction of milk, and many meatpacking plants have shut down due to COVID-19.

“Consumers are paying more for products, but farmers aren’t seeing it on their end,” says Dianne Jentz, vice president of consumer lending at the \$325 million asset credit union. “It’s not supply and demand at its finest.”

Many farmers even faced the difficult prospect of dumping their milk earlier this spring. But a partnership to distribute dairy products to local food pantries assisted consumers in need and gave some relief to farmers, she says.

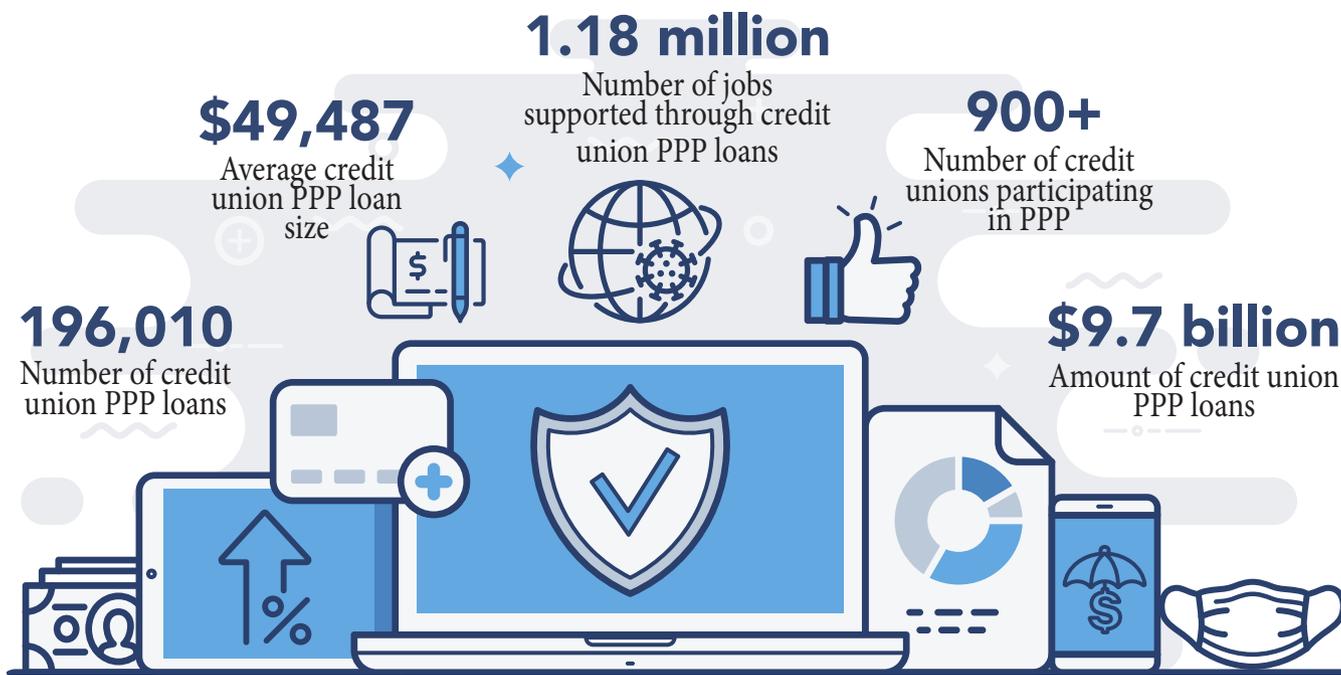
Heartland’s lending staff work with farmers on risk management strategies and on securing relief via government initiatives, including SBA’s Economic Injury Disaster Loan Emergency Advance and “We’re All In” small business grants from the Wisconsin Economic Development Corp.

“Farmers are entrepreneurs too,” Jentz says. “They’re looking for new ways to run their businesses and with greater efficiencies.”

That said, there are fewer farmers now than in decades past, she says. “When I started at Heartland 21 years ago, our file cabinets were filled with information about dairy operations. Now we have only a fraction of the dairy operations we had 20 years ago.”

Jentz believes it will take a while for farmers to pull out of the current downturn. “Look how fast the econ-

## PPP by the numbers



Source: Small Business Administration and CUNA. Data through June 30, 2020.

## 'EVERYONE PROSPERS'

Like many credit unions, Faith Community United Credit Union in Cleveland met a great market demand processing Small Business Administration (SBA) Paycheck Protection Program (PPP) loans during the first months of the coronavirus (COVID-19) pandemic.

While the heavy demand posed many challenges for the \$14 million asset credit union, CEO Jacqueline Moore says Faith Community United's small size worked to its advantage. "A lot of businesses went to the big banks and could not get through the portal. Everything we sent was processed and approved."

"Sometimes you see a big cruise ship that moves with grace and elegance, but what you really need to get to the other side of the island is a little speed boat," she continues. "We were that speed boat."

Faith Community United serves a primarily low-income, African American membership, and a "redeveloping" business community, Moore says. Many of its business loans are through the SBA 7(a) program, the agency's primary program for assisting small businesses.

She says Faith Community United became an SBA lender because small businesses were having difficulty obtaining financing. The credit union hired an independent SBA consultant to assist with its efforts.

Faith Community United also directs members to agencies such as the Urban League, Cleveland Neighborhood Progress, and Consumer Credit Counseling. These groups help members create business plans, repair their credit, and find grants and other funding.

"It takes a village," she says. "If people spend their earned

dollars within the community, it circles back. The credit union will grow with new accounts and new deposits. The community receives needed jobs and services. Everyone prospers."

### Serving entrepreneurs

Tallahassee, Fla., is a college town, serving as home to Florida A&M and Florida State universities. Entrepreneurship comes with that territory, says Sheilah Montgomery, president/CEO of \$22 million asset Florida A&M University Federal Credit Union in Tallahassee.

"African American entrepreneurs also tend to have service-oriented businesses," she says. "We help them with food trucks, food and catering, barber shops and beauty salons, repair shops, and child care centers just to name a few. This is the gig economy."

Many young African American entrepreneurs fear rejection because of past experiences with other financial institutions, Montgomery says. "They were financing their businesses out of their own pockets. So when we say access to capital, the first thought in a Black entrepreneur's head is 'I have nowhere to go.'"

The credit union made assisting African American entrepreneurs a priority and develops personal relationships with business owners, she says. "That helps us eliminate any gaps in understanding how the member runs their business."

Most of the businesses have fewer than three employees "because they haven't been able to leverage the growth they need to expand their businesses," Montgomery says. "We're here to help them do that."

Michael "Doc" Dougherty, chief lending officer at \$1.8 billion asset Together Credit

Union in St. Louis, says the credit union's lending team focuses on business owners' individual needs.

"Many of our business members, especially our minority-owned and woman-owned business members, had trouble receiving loans from larger financial institutions," Dougherty says. "They chose Together Credit Union because we review every business owner's financial situation on a case-by-case basis to determine the right loan, the right rates, and the right terms. We don't offer a one-size-fits-all lending process."

The credit union has a large business loan portfolio consisting of several minority-owned businesses and area churches. "When you help a church, it is like helping a small community of people," says Lisa Morgan, assistant vice president/commercial loan officer. "They are looking for a financial partner who wants them to succeed."

One of Faith Community United's largest business loans was to a church. "We started with the church, and because we have that community relationship, we were willing to take that risk," says Moore. "They paid off the loan in half the time we expected. This all goes back to the credit union philosophy of 'people helping people.'"



Michael Dougherty

“

Many young African American entrepreneurs fear rejection because of past experiences with other financial institutions.”



SHEILAH MONTGOMERY

omy dropped from March to May,” she says. “When farmers go through a rough year, they rarely can recover from those losses in one year.”

One successful farm-focused strategy is community-supported agriculture (CSA), Jentz says. CSA is a production and marketing model whereby consumers buy shares of a farm’s harvest in advance.

Consumers become CSA members by paying for produce at the beginning of the growing season, either in one lump sum or in installments.

“That’s been a nice market for us,” Jentz says. “COVID-19 seems to have helped it grow, and it’s been a growing portfolio for us.”

### Economic outlook

The two-year outlook for small business lending appears challenging, says Mike Schenk, CUNA chief economist and deputy chief advocacy officer.

The U.S. has nearly eight million businesses, Schenk says, referencing data from Moody’s Analytics.

“Three-quarters of those businesses have less than 10 employees, and half of those have five or fewer employees. Moody’s estimates one million of those small businesses may never come back from this.”

The PPP has helped immensely, so small indepen-



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dent businesses may have capital now. But most operate on thin margins and have insufficient liquidity to navigate a significant longer-term disruption, he says.

The mid-year unemployment rate of 11.1% will likely inch up further, Schenk says. CUNA economists predict the U.S. unemployment rate will remain elevated, finishing 2020 at 10% and a stubbornly high 8% at year-end 2021.

Don't expect employment prospects to bounce back quickly, he says. "The current environment isn't a good indicator of what will happen in 2021. The challenges will become more obvious next year and, from a business lending perspective, issues with commercial real estate will likely become more obvious as corporate America re-evaluates its need for office space."

While this has bigger implications for commercial banks than for credit unions, these developments, if they play out as expected, will be reflected in credit union financials. CUNA economists forecast an average return on assets of 0.40% in 2020 and 0.10% in 2021.

Getz acknowledges programs such as the CARES Act and PPP helped businesses during the first three months of the pandemic, but "we're going to see more impact in the fourth quarter."

But he also notes credit unions will stand behind

their business members. "Every small business has an owner who also is a consumer, and credit unions' consumer focus benefits them as well. Most credit unions, including ours, have skip-a-pay programs and mortgage deferments that keep business owners financially stable personally while sustaining their business."

And despite COVID-19's unique challenges, credit unions have been down this financial road before, Taber says. "The one similarity between the energy crisis in the '70s, the recession in the '80s, the dot-com bust in the '90s, and the downturn in '08 was that we figured out a way to make it through. We'll have some write-offs and some businesses will fail, but credit unions will have opportunities to grow in the future."

## Resources

- ›CUNA business lending resources: [cuna.org/learn](http://cuna.org/learn)
- ›CUNA Lending Council: [cunacouncils.org](http://cunacouncils.org)
- ›CU Business Group: [cubg.org](http://cubg.org)

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# The Case for Diversity, Equity, and Inclusion

SAMIRA SALEM



Our success depends on the prosperity of members  
and the communities we serve.



**Embracing diversity, equity, and inclusion (DEI) is the right thing to do and brings undeniable value to credit unions.**

DEI work is happening within the context of an increasing awareness of social and economic disparities faced by Black, brown, and Indigenous people; the LGBTQ+ community; women; and other traditionally underserved groups. There's also structural racism; a history of racial injustice and violence against Black, brown, and Indigenous people; and significant demographic changes in the U.S.

DEI, while vital, is just one part of the work needed to bring about transformational and structural change in our nation. It's in this environment that the credit union movement has committed to advance DEI.

The CUNA Board added DEI as a shared cooperative principle for America's credit unions, recognizing that it deserves separate recognition and a distinct commitment on the part of the credit union movement to advance this priority.

At its most simplistic level, think of DEI as a three-legged stool that includes the values case, the business case, and the policy/regulatory case.

**The values case**

As cooperatives, credit unions are uniquely positioned

within the financial services industry because we have a values case for DEI anchored in our cooperative principles and values of people helping people and serving all communities, including those traditionally underserved.

Plus, our structure—member-owned, democratically controlled, and not-for-profit—ensures credit unions' success depends on the success of their members and communities.

**Financial inclusion**

In 2018, U.S. median household income reached an all-time high of \$63,179, according to the U.S. Census Bureau. But not all groups did equally well.

The median household income was \$70,642 for white households, \$51,450 for Hispanic/Latinx households, \$41,361 for Black households, and \$87,194 for Asian households. The sizable disparity in median income for Black and Hispanic/Latinx households compared to white households has persisted since the late 1960s, the Census Bureau reports.

These same groups also face significant wealth disparities. For example, the typical net worth of a white family (\$171,000) is 10 times greater than that of a typical Black family (\$17,150), according to the Federal Reserve. Similarly, women and LGBTQ+ people experience significant income and wealth disparities,

and these disparities increase the likelihood of financial exclusion.

Credit unions were established to provide opportunities for financial inclusion to those excluded from the traditional financial system. Remaining true to our values in the context of a changing marketplace characterized by inequities in income, wealth, and access to quality financial services means being intentional about deepening DEI in our organizations.

This way, we can uncover barriers to financial inclusion and create more equitable financial services that help all members prosper.

### The business case

There's an undeniable business case for DEI with two related parts:

**1. Market access.** Advancing DEI promises access to a growing market for credit unions. Within the next two decades, the U.S. Census Bureau projects people of color will become the majority in the U.S.

We know that people of color often are underserved, face additional barriers, and may have different preferences and needs for financial services.

A DEI approach to market expansion

calls on credit unions to understand the changing marketplace and create more equitable financial products and services by using a DEI lens to consider who benefits from and who bears the cost of earnings and growth strategies.

A DEI approach also means credit unions need to become more diverse, more equitable, and more inclusive at all levels of the organization to show members they are valued and that they will receive equitable service.

In turn, this helps build the trusting relationships and loyalty needed to better understand and meet the needs of these groups to achieve their financial goals.

The bottom line: Advancing DEI promises access to a growing market for credit unions. But to do it right we need to understand and be responsive to these groups.

**2. Business performance.** This focuses on how DEI in the workplace is good for business. There is abundant evidence DEI is good for organizations and their employees.

CUNA research finds credit unions that expand their Hispanic/Latinx outreach with tailored products and services and increased

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**ADVANCING  
DEI PROMISES  
ACCESS TO  
A GROWING  
MARKET FOR  
CREDIT UNIONS.**

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staff diversity perform better than those without such efforts. Specifically, credit unions that joined Coopera's Hispanic Outreach Program had higher growth in membership (33%), loans (44%), and assets (31%) as well as greater earnings (0.32%) and lower delinquencies and charge-offs.

CUNA conducted similar research on credit unions with the Juntos Avanzamos designation—a classification indicating a commitment to serving and empowering Hispanic and immigrant consumers—and the results were similar.

## CUNA JOINS DEI COLLECTIVE

CUNA is a founding organization of the Credit Union Diversity, Equity, and Inclusion (DEI) Collective, a group devoted to furthering DEI, a shared cooperative principle. The collective launched June 19, or Juneteenth, the day commemorating the end of slavery in the U.S.

The collective's mission statement reads in part, "The CU DEI Collective stands in solidarity with the African American and Black community, and pledges to fight alongside against systemic oppression and racism. Our mission is to bring forth social, economic, political, and legal justice for combating centuries of violent oppression and systemic racism everywhere.

"We call on all members of the Credit Union Movement to apply our cooperative principles to create real, meaningful, transformative, and sustained change. We want to be a catalyst for this change.

"Together, we are stronger. Together, we can create a better world where all members of our communities can take part in our democracy, live free of fear from violence, and enjoy physical and financial well-being."

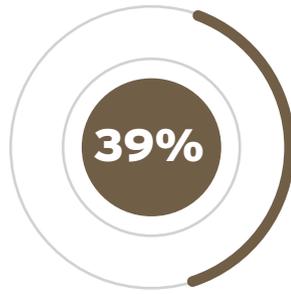
Learn more at [cudeicollective.org](http://cudeicollective.org).



# Inclusion and employment



People who say inclusion is important when selecting an employer



People who'd leave their current organization for a more inclusive one



People who'd prefer inclusive behaviors and inconsistent inclusion programs to high-quality inclusion programs with less-inclusive behaviors



People who've left an organization for a more-inclusive company, including 30% of millennials

Source: "Unleashing the Power of Inclusion," Deloitte

According to a study by Deloitte, 69% of executives rate DEI as an important issue and 78% of executives report it increases competitive advantage. At the same time, 85% of CEOs whose organizations have a diversity and inclusion strategy say it has enhanced their organization's performance.

Mounting evidence shows organizations with diverse leaders perform better. A McKinsey study finds companies in the top 25% for gender diversity on their executive teams were 21% more likely to have above-average profits.

Further, companies with more culturally and ethnically diverse executive teams were 33% more likely to see above-average profits.

The McKinsey study also finds there are costs associated with opting out. Companies in the bottom quartile for gender and ethnic/cultural diversity were 29% less likely to see above-average profits.

Another body of research finds that more gender diversity on boards is associated with 20% higher risk-adjusted returns and higher board effectiveness, including fewer regulatory enforcement actions and less fraud.

An important caveat the researchers point to is that simply adding one woman to a board is not sufficient. The positive effect emerges when organizations add a woman to boards that already enjoy some level of diversity.

Other studies find that diverse and inclusive teams are 20% more innovative and better able to detect "blind spots," and are 30% more effective at avoiding risks. As individuals' sense of inclusion increases, this translates into an increase in team performance (17%), decision-making quality (20%), and collaboration (29%).

At the same time, diversity and inclusion can be a double-edged sword, generating creativity but possibly creating friction and discomfort because people must consider different perspectives, and the team cannot easily fall back on groupthink.

Diverse and inclusive organizations are more successful at attracting and retaining top talent. According to a survey by Deloitte, 80% of respondents say inclusion is an important factor when choosing an employer, and 39% say they would leave their current employer

for a more inclusive employer.

In addition, the Institute for Public Relations finds that 47% of millennials say a diverse and inclusive workplace is an important factor in their job search.

Moreover, research finds that inclusive work environments are associated with enhanced job performance and work engagement. Perhaps this is because inclusion makes employees feel like they belong, are valued, their voices are heard, they are safe, and they can fully contribute to the organization.

Research examining the relationship between staff diversity and customer satisfaction finds that customer satisfaction is higher when the level of staff diversity reflects that of their customer base.

This translates into a healthier bottom line. The study suggests a more representative staff signals to customers the company doesn't discriminate in hiring, and that customers would receive equitable service.

Perhaps customers who see employees like themselves will be more inclined to view the organization as acting in their best interest and/or in a position to better

## 4 WAYS TO SERVE VULNERABLE POPULATIONS

The coronavirus (COVID-19) pandemic has hit Black, brown, Indigenous, and low-income people the hardest from both health and financial perspectives.

Samira Salem, CUNA vice president for diversity, equity, and inclusion (DEI), offers four ways to use a DEI lens to serve society's most vulnerable populations:

**1. Know the pain points.** Take stock of particular challenges vulnerable populations face to ensure you're responsive to their needs.

Black, brown, and Indigenous people, for instance, are unbanked or underbanked at a higher rate than white people in part because they tend to distrust financial institutions. Make sure they know their money is safe at the credit union and that credit unions are their financial partners, committed to providing the financial assistance they need.

**2. Ask the right questions.** When making changes to your organization, products, and services, ask who benefits. How are you supporting the most vulnerable? Who might be harmed? What unintentional consequences should you consider?

Consider insights your frontline staff may have regarding member needs. They will have a finger on the pulse of a dynamic environment.

**3. Use a DEI lens in your communications.** If you have members who are non-English speakers, translate your communications into relevant languages and make them accessible via multiple channels (i.e., website, email, and branch flyers). Also, consider staffing your branches and phone lines with bilingual staff so non-English-speaking members can receive equitable service.

**4. Consider unequal access to technology.** Some members may not have smartphones, tablets, or computers. This poses a barrier to their access to online banking and information about their credit union's services. Drive-thru windows, ATMs, phone service, and branch flyers can address this challenge.

understand their experiences.

### Policy and compliance case

Policy makers and regulators have made it clear they care about DEI.

In 2019, the House Financial Services Committee established the first-ever Subcommittee on Diversity and Inclusion. Its mission is to examine and resolve "the systemic economic exclusion of women, people of color, persons with disabilities, LGBTQ+ individuals, veterans, and other members of our society who have to fight for a seat at the table."

In its inaugural year, the subcommittee held several hearings on DEI in the financial services sector.

The House Financial Services Committee hosted 18 hearings on financial discrimination and on diversity and inclusion initiatives, representing nearly 20% of all hearings to date.

In addition, the House Financial Services Committee solicited diversity data from all bank holding companies with more than \$50

billion in assets since 2015.

NCUA's Office of Minority Women and Inclusion (OMWI), established by the Dodd-Frank Act, is charged with assessing DEI practices at credit unions. OMWI is a prime example of how credit union regulators are focused on DEI.

The agency has encouraged credit unions to complete their voluntary diversity self-assessments to help them gauge "their existing diversity and inclusion practices and identify opportunities for implementing diversity best practices."

In addition, NCUA has taken several actions over the last year that signal the importance the regulator places on advancing DEI among credit unions.

This includes holding its first annual DEI Summit, attended by more than 150 credit union representatives, and joining the Credit Union DEI Collective, a nascent network of organizations committed to advancing DEI ("CUNA joins DEI Collective," p. 36).

NCUA also launched a Culture,

Diversity, and Inclusion Council, and NCUA Chairman Rodney Hood has called upon regulators to make financial inclusion a major priority in the financial services industry.

By advancing DEI, credit unions can stay true to our cooperative values and remain competitive and relevant. DEI work is also the right thing to do.

This is especially important in the current context characterized by two intersecting crises (racial injustice and COVID-19) which are magnifying the socioeconomic inequities historically underserved groups experience—making this work all the more urgent.



### SAMIRA SALEM

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# Tools to navigate the changing economic landscape

CUNA's trusted economists are here to help you manage credit union operations by exploring the latest U.S. economic trends, forecasts and customized peer-to-peer comparisons. With your CUNA membership, you have **complimentary access to over 30 resources** to help you make strategic decisions for your credit union and members.

## Get monthly updates on:

- The economy and its impact on credit unions
- Credit union operating and financial results
- Economic and credit union forecasts

## Customize credit union-specific reports that calculate:

- Peer financial comparisons
- Your credit union's impact on the local economy
- Capital ratio implications of asset growth and earnings scenarios

Access this library of resources to help you navigate the changing environment.

**Credit unions collectively provided \$13.6 billion in member financial benefits in 2019**

# RAISING AWARENESS 2.0

BILL MERRICK



# Retooled ‘Open Your Eyes’ campaign gains consumers’ attention (and an award).

**During the 2020 CUNA Governmental Affairs Conference in February, Christopher Lorence urged attendees to “stand up, step up, and get fired up” about boosting awareness of credit unions, and to shift their mindset to one of growth and potential.**

The Open Your Eyes to a Credit Union® digital campaign had just launched in 21 states (it’s now in 24) and engaged nearly 34 million people (now nearly 100 million), says Lorence, executive director of Credit Union Awareness LLC.

When the coronavirus (COVID-19) hit the U.S., the campaign paused to retool and adjust its messaging. It was time well spent.

“We used the pause to finalize the conversion to a new media partner while evaluating every message to ensure they aligned with our target audiences, our consumer consideration strategy, and the rapidly changing consumer mindset due to the pandemic,” Lorence says. “The Open Your Eyes campaign is quite unique. In the first 15 months of deployment we gathered a tremendous amount of data that we unpacked and looked at closely to help us restart in the new, COVID-dominated, economically challenged market.”

Lorence explains how Open Your Eyes can serve as a resource during the pandemic and details what’s next for the campaign.

**Credit Union Magazine:** How did the Credit Union Awareness team prepare for the campaign’s restart?

**Chris Lorence:** We knew we wouldn’t be able to pick up where we left off. We had to take into consideration the impact of COVID-19 on consumers and the overall impact on credit unions. Our approach was to “crawl, walk, run” to full restart. This approach opened the door to in-market A/B testing for ads and messaging to ensure we had the right tone, creative, and message to engage consumers.

In addition, we conducted two focus groups with millennials to check in on their financial well-being and mindset to help validate that the campaign restart timing was appropriate. The focus groups revealed that many of the same myths about credit unions persisted, but millennials were ready to receive information that was not coronavirus-related.

One thing stood out loud and clear: Consumers were not quite ready for the edgy, “fantastic future faster” theme from the pre-COVID campaign. The campaign did, however, need to stay focused on credit union differentiators and how consumers could gain access. The broader theme of Open Your Eyes is still

relevant.

We were crazy busy researching, evaluating, strategizing, and meeting with our digital media agency to prepare for the restart. All the while our entire team went fully remote due to the COVID crisis. Our mighty team of eight is now spread over three time zones.

**Q:** Has the campaign’s primary objective changed?

**A:** Increasing consumer consideration for credit unions remains at the core of the Open Your Eyes to a Credit Union campaign. The opportunity presented in today’s consumer market allows credit unions to be seen clearly as much different than other financial providers in market.

Our people-helping-people philosophy and people-over-profits mission are incredible differentiators, which is no doubt why we’ve had such a positive restart response from consumers.

**Q:** What insights did you gain from the consumer focus groups?

**A:** The consumer focus groups were limited in scope, but they allowed the campaign to get a better understanding of where consumers’ minds were during the COVID-19 crisis. One group was with millennials who had children and the other with millennials without children. None of the participants were credit union members.

Our takeaways were that credit union membership and the ability to join were still unclear to many. Nonmembers perceived that credit unions had limited accessibility and scale compared to big banks and may not provide the same level of technology that large national banks do.

One major takeaway was that millennial consumers were not unhappy with their current financial relationships. As found in previous research, once consumers

## Focus

- **Credit Union Awareness** retooled its Open Your Eyes to a Credit Union® digital marketing campaign when the coronavirus hit.
- **Increasing** consumer consideration for credit unions remains at the core of the campaign.
- **Board focus:** Credit unions’ people-helping-people philosophy and people-over-profits mission are incredible differentiators.

learned more about credit unions during the focus group, they wanted to do more research and find more details about how to join.

**Q:** How does Open Your Eyes help credit unions during these unprecedented times?

**A:** Credit unions have an incredible opportunity to elevate their individual brands and focus on demonstrating the credit union difference locally during these unprecedented times. Because credit unions focus on their members and communities instead of profits, they have a clear edge in differentiating themselves in the marketplace.

The national Open Your Eyes digital campaign cuts through the clutter by targeting consumers who have expressed a potential financial need and providing them with opportunities to learn about credit unions. When credit unions partner with the campaign and use the campaign materials locally, they help connect the dots for consumers who take the next steps to include credit unions in their financial services search.

**Q:** What's next for elevating the credit union brand with consumers?

**A:** We're excited about the continued expansion of the campaign nationwide as more leagues and credit unions sign on. We started 2020 with 21 states launched and will end the year with 24. In July, *yourmoneyfurther.com* had more than 2 million unique visits from consumers responding to the digital campaign.

Credit unions and industry providers continue to join the campaign, connecting their brands to this national initiative to raise awareness of credit unions. In first quarter 2021, we have commitments to launch

six more states through the power of almost 1,500 credit union and service provider contributors.

In June, Credit Union Awareness and the digital campaign reached the halfway point in its three-year foundation period, reaching just over \$50 million in commitments and contributions. With more than 2 million people visiting *yourmoneyfurther.com* due to the targeted Open Your Eyes digital campaign in the last 18 months, we are now working on ways to connect consumers more efficiently to credit unions.

We are exploring ways to elevate our ability to educate consumers who are researching credit unions. We are expanding our marketing assets and making them easier for credit unions to customize and use. We are also connecting with service providers who can elevate credit unions of all asset sizes and memberships to be more available digitally and easier to access for consumers.

**Q:** What misconceptions exist about Open Your Eyes to a Credit Union?

**A:** One is that the campaign must be launched in a state in order to use the materials and connect to the effort. Any contributor in any state gets access to all of the digital marketing assets, the messaging guide, and the enhanced listing on the credit union locator. This includes access to services or value enhancements, like the private Facebook group, available only to contributors.

Another myth is that the Open Your Eyes campaign works like a direct response marketing effort, driving individual consumers to a specific credit union. In reality, it's a partnership between the digital marketing outreach and the local connection to the campaign at contributing credit unions. The digital marketing campaign over time triggers awareness and, ultimate-

## Credit Union Awareness: objectives



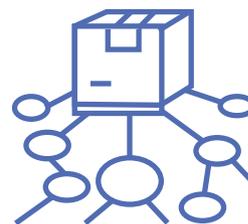
Increase consumer consideration of credit unions



Decrease consumer beliefs in credit union myths



Increase opportunities for credit unions to grow membership and industry market share



Connect, align, elevate, and enhance what credit unions are already doing in marketing and branding

# INTERNATIONAL RECOGNITION

Open Your Eyes to a Credit Union® was named winner of a Platinum Hermes Creative Award, an international competition that recognizes outstanding work while promoting the philanthropic nature of marketing and communications professionals.

Administered by the Association of Marketing and Communication Professionals, the Hermes Creative Awards evaluate the creative industry's top publications, branding collateral, websites, videos, and advertising, marketing, and communication programs.

"The Hermes Creative Awards is a highly recognized international competition that evaluates the best of the creative industry's marketing and communications programs, and we're proud that Open Your Eyes to a Credit Union earned the highest level of award," says Teresa Freeborn, president/CEO of Xceed Financial Credit Union, El Segundo, Calif., and Credit Union Awareness LLC chair. "Not only does our outstanding Credit Union Awareness team deserve recognition, but all credit unions, leagues, and system partners that have contributed to this groundbreaking campaign deserve thanks as well."



ly, consideration by consumers who are in the market for financial services. Contributing credit unions who customize the materials for local use elevate their own brand to connect with consumers locally.

Many credit unions seeking a return on investment have easily measured the impact of their participation based on their application of the campaign locally and tied to their own growth goals and objectives.

**Q:** How will you know if you're achieving desired results?

**A:** We measure the effectiveness and impact of Open Your Eyes in a variety of ways. To start, we measure aided/unaided "consideration" on an annual basis both nationally and in many individual markets nationwide.

Because consumer consideration is a long-view objective, we expect increases in unaided consideration will be incremental over a number of years. By increasing the number of states and credit unions engaged in the campaign and by delivering a consistent brand and message over an extended period of time, Open Your Eyes will deliver the intended results.

The national unaided baseline measurement established by research in 2018 was 13%. This means when asked in a nationwide survey, consumers mentioned credit unions first as their preferred provider for financial services. A 1% increase nationwide is equivalent to two million people.

The goal is for unaided consideration increase to 18% by the end of 2021. This increase requires more credit union participation.

The campaign also implemented both brand lift studies through social media platforms and will implement regional brand health research on a quarterly basis starting in fourth quarter 2020.

**Q:** How did you adjust the messaging?

**A:** We continue to focus on the credit union difference: people helping people, people over profits, financial inclusion, and financial well-being for members. We are elevating our mission to serve diverse populations and a wide range of economic backgrounds and needs. Our imagery is unique without being offensive. Our messages are direct and connected to the audiences we are targeting.

**Q:** How do you address the pandemic?

**A:** We provided COVID crisis creative assets to credit union contributors—highlighting that credit unions were open for business, secure/insured, and available to help during the crisis.

**Q:** How does Open Your Eyes demonstrate inclusivity?

**A:** Our ads show a wide range of ethnicities and family dynamics. Additionally, the campaign allows for a lot of flexibility at the local credit union level.

Credit unions can customize creative assets to highlight their members and employees. We are working diligently on a Spanish version of the campaign that includes variations in regional dialects to fully connect credit unions with the Hispanic consumer market in the U.S.

## Resources

- › Credit Union Awareness: [cuna.org/awareness](http://cuna.org/awareness)
- › Your Money Further: [yourmoneyfurther.com](http://yourmoneyfurther.com)

# PPP IN A NUTSHELL

PATRICIA O'CONNELL



## Popular program provides direct economic assistance to small businesses.

**On March 27, 2020, President Donald Trump signed into law the Coronavirus Aid, Relief and Economic Security (CARES) Act, a \$2 trillion economic relief package to address public health and the economic impacts of coronavirus (COVID-19).**

The CARES Act, which is the third emergency relief aid package from Congress during the pandemic, provides fast and direct economic assistance for American workers, families, and small businesses, and preserves jobs for American industries.

### What is the PPP?

The CARES Act amends Section 7(a) of the Small Business Act to add a temporary product to authorize existing Small Business Administration (SBA)-certified lenders, federally insured credit unions, and others who are participating in the Paycheck Protection Program (PPP) to offer loans that provide small business-

es with funds to continue to pay employees, mortgage interest, rent, and utilities.

The PPP authorized up to \$349 billion and is implemented by the SBA with support from the U.S. Treasury Department. PPP loans are available to small

### Focus

- › **SBA's Paycheck Protection Program (PPP)** offers loans to allow small businesses to pay staff salaries and other expenses.
- › **Despite a rocky start**, the PPP proved so popular that its initial \$349 billion was exhausted just two weeks after launch.
- › **Board focus:** Further assistance to small businesses may be forthcoming.

businesses, certain nonprofit organizations, veterans' organizations, or tribal business concerns with fewer than 500 employees or the North American Industry Classification System size standard for that industry (whichever is greater).

PPP loans offer small business borrowers several attractive features, including a 1% annualized interest rate, five-year maturity (up from two years due to a legislative amendment), and a deferral period on principal and interest until the date the PPP lender receives the applicable forgiven amount from the SBA. The key benefit, though, is that PPP loans can be fully forgivable if businesses use the proceeds for permitted purposes.

### SBA guidance

The SBA issued its first interim final rule April 2 to provide guidance to small businesses about their eligibility for PPP loans, loan terms and maximum loan amounts, required steps and forms, and other factors to consider to determine whether the PPP loan would be the right decision. This included notice about the last day to apply for and receive a loan.

This interim final rule also explained how lenders can make PPP loans, required forms for the lender to provide, and the lender's obligations. The aim was to allow for immediate implementation of PPP to get the loan proceeds to eligible small businesses so they could keep their employees on the payroll.

On April 3, the PPP began accepting loan applications. Lenders had minimal guidance beyond the application forms to authorize the lender to make PPP loans, the borrower application form with certifications as required by the CARES Act, and the lender's application PPP loan guaranty form.

In general, the SBA told lenders they could rely on borrower certifications and documentation, and fund the loans without SBA authorization. The mantra to lenders was to get an eligible borrower's application into the SBA system to obtain the SBA loan number, which confirmed the funds had been set aside for that borrower.

The agency advised borrowers and lenders that additional guidance would be forthcoming. Authorized lenders were basically taking a leap of faith that the SBA would address their outstanding questions and concerns in time.

Despite what many would agree was a rocky start,

the PPP proved so popular that the program's initial \$349 billion was exhausted on April 16, just two weeks after launch.

Through April 16, the agency guaranteed 1,661,367 PPP loans, 1.2 million of which (74%) were for \$150,000 or less. Only 4% of issued loans were for \$1 million or more, comprising 44.5% of all PPP funds.

The maximum loan amount was \$10 million, and the overall average loan size was \$206,000.

### Additional PPP relief

On April 24, the president signed into law the Paycheck Protection Program and Health Care Enhancement Act (PPP Act) to afford further COVID-19 relief. The PPP Act represents the fourth major emergency relief package to address COVID-19.

This act provided \$484 billion in additional funding to replenish key programs under the CARES Act, including the PPP and small business disaster loans and grants. It also provided funding for hospitals and health-care providers, and expanded testing for COVID-19.

The PPP Act provided an additional \$310 billion in PPP loans to help small businesses keep their employees on the payroll. This included \$30 billion in guaranteed loans to credit unions, community lenders, and banks with less than \$10 billion in assets, and \$30 billion in guaranteed loans to lenders with \$10 billion to \$50 billion in assets.

This set aside \$60 billion to ensure more PPP funds went to "mom and pop" shops, minority-owned businesses, and underserved communities rather than large corporations.

Because the PPP Act replenished funds for the PPP, the SBA resumed accepting PPP loan applications and disbursing PPP funds on April 27. Within five days, PPP loan approvals reached an additional \$175.7 billion before slowing considerably.

Through May 30, the SBA guaranteed 4,475,599 PPP loans for \$510.2 billion, including cancellations and funding. The overall average loan size was \$114,000.

This meant that more than \$140 billion remained unspent a month later. This slowdown may have been due in part to uncertainty as to how funds could be spent to be forgiven, concerns about unclear repayment terms, and duplicate applications submitted to multiple lenders during the initial mad dash for funds.

The slowdown in borrowing resulted in additional legislative changes to loosen PPP rules. On June 5, the

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**THE MANTRA  
TO LENDERS  
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APPLICATION  
INTO THE SBA  
SYSTEM.**  
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president signed into law the Paycheck Protection Program Flexibility Act (PPP Flexibility Act) to provide small businesses with greater flexibility and more time to use their PPP funds.

### Loan forgiveness

The PPP Flexibility Act extended the period borrowers can apply for loan forgiveness from the original eight weeks to 24 weeks after the date of disbursement to the PPP borrower, but not later than Dec. 31, 2020. These changes increase the likelihood that a large percentage of loans will be forgiven.

The act also expanded the covered period a borrower must spend PPP loan proceeds to be eligible for forgiveness from eight weeks to the earlier of 24 weeks after loan origination or Dec. 31, 2020. This allows PPP borrowers a longer period to spend PPP loan proceeds and have them count toward forgivable costs.

The maturity for forgiveness of any portion of a remaining balance on a PPP loan disbursed on or after the date of enactment of the PPP Flexibility Act was extended from a two-year maturity date to a minimum of five years. For existing PPP loans, borrowers and lenders can mutually agree to a loan maturity date that is longer than the two years stated in the SBA regulations.

The PPP Flexibility Act reduced the amount a PPP borrower must spend on payroll costs to 60% from 75%, thereby allowing 40% of the PPP loan proceeds to be spent on non-payroll costs including covered mortgage interest, rent, or utilities. This means PPP borrowers can use more PPP funds on permitted expenses other than payroll costs.

The CARES Act requires certain reductions in a borrower's loan forgiveness amount for reductions in full-time equivalent (FTE) employees or in employee salary and wages during the covered period. The CARES Act included a safe harbor if the PPP borrower restored employment or salary and wages prior to June 30. The PPP Flexibility Act extended this safe harbor date from June 30 to Dec. 31, 2020. If the FTE employees or the salary and wages are restored to Feb. 15 levels any time before Dec. 31, 2020, no reduction in forgiveness will be required.

### Safe harbor

In addition, the PPP Flexibility Act added a new safe harbor to provide that a PPP borrower will not have a reduction in forgiveness amount due to a cutback in FTE employee count if the PPP borrower can document in good faith an inability to:

➤ **Rehire** the same or similar employees who were in

place as of Feb. 15.

➤ **Hire** similarly qualified employees for unfilled positions on or before Dec. 31, 2020.

➤ **Return** to the same level of business activity before Feb. 15 due to COVID-related social distancing, sanitation, and other safety requirements or guidance from certain government agencies.

This basically means that if on Dec. 31, 2020, shops, restaurants, and gyms (for example) cannot fully open due to government restrictions, any loss in FTE employees resulting from such restrictions should not be considered in calculating a required reduction in the loan forgiveness amount.

Finally, the PPP Flexibility Act extended the deferral period on principal and interest payments from six months after the loan funding date to the time that SBA remits the forgiveness amount to the lender.

On June 30, the last day to apply for a PPP loan, the SBA had approved more than 4.8 million PPP loans for \$520.6 billion, and had issued 22 interim final rules to provide borrowers and lenders with needed guidance.

This included more than 700 credit unions of less than \$1 billion in assets that made more than 60,000 loans totaling almost \$3 billion. Just a few hours before the application window was scheduled to close, the Senate passed by unanimous consent an extension of the PPP to Aug. 8. On July 1, the House passed the bill, which means all that is needed now is the president's signature for the extension to take effect.

On July 4, the president signed legislation to extend the deadline for eligible businesses to apply for loans under the PPP to Aug. 8, 2020.

Congress continues to work on a fifth coronavirus relief package that will likely include additional PPP funding and other PPP-related provisions.

**PATRICIA O'CONNELL** is CUNA's senior federal compliance counsel. Contact CUNA's compliance team at [cucomply@cuna.coop](mailto:cucomply@cuna.coop).

### Resources

➤ CUNA:

1. Compliance resources: [cuna.org/compliance](https://cuna.org/compliance)
2. Compliance training and certifications: [cuna.org/learn](https://cuna.org/learn)

➤ Small Business Administration: [sba.gov](https://sba.gov)

# Credit Union Compliance Management System™

Keep pace with regulatory change and increase oversight with Credit Union Compliance Management System (CU CMS). It's a web-based, centralized solution for tracking regulatory changes and requirements, organizing compliance evidence and managing compliance processes.

CU CMS, with technology from industry-leader Quantivate, addresses key compliance management needs through features developed hand-in-hand with credit unions.



## Improve accountability

with built-in reporting tools to demonstrate proof of compliance.



## Stay informed

with real-time compliance status tracking and optional alerts for regulatory changes.



## Automate tasks

with workflows that eliminate repetitive manual processes and minimize the burden of compliance management.



## Cost analysis

increases visibility into compliance costs by mapping regulatory changes to impacted business areas or processes, policies, controls and more.

## Scalable to serve your needs.

Credit Union Compliance Management System is a membership benefit for credit unions that are members of CUNA or their League.

- Any credit union nationwide can also invest in Credit Union Compliance Management System **PLUS™** (CU CMS+), a for-fee solution with enhanced tools for total compliance management.
- Quantivate modules can integrate with CU CMS or CU CMS+ for a complete GRC suite.

Go to [cuna.org/cucms-cumag](https://cuna.org/cucms-cumag)

## Do what's right, not easy

It is our opportunity—and our responsibility—to do the right thing.

I have learned three universal truths during the coronavirus (COVID-19) pandemic:

1. **Nobody**, and I mean nobody, can measure six feet.
2. **Like** water, food, and oxygen, a sufficient supply of toilet paper is essential for life.
3. **If** there was ever a time to do what's right versus what's easy, it is now.

To put it mildly and in a manner consistent with *Credit Union Magazine's* efforts to be family friendly, when the “outhouse hit the windmill” it was time for financial institutions to step up. To help those around us who need it. To be part of a solution and not just another victim.

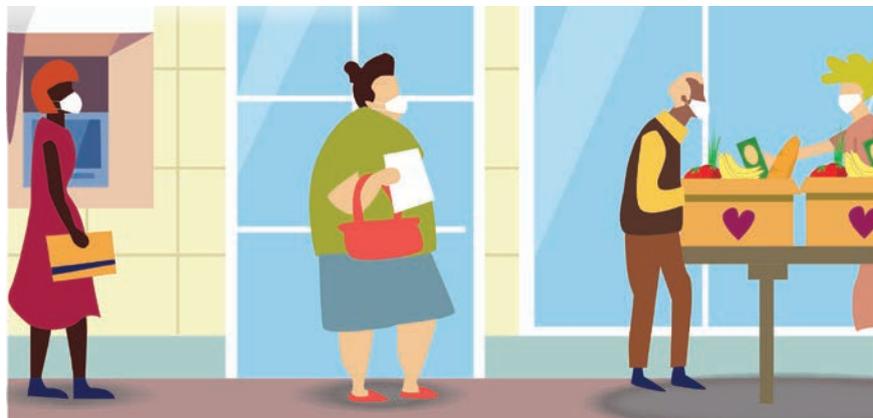
But that was not the case everywhere. In fact, the Consumer Financial Protection Bureau received a record number of complaints about financial institutions and other lenders.

The situation was exceptionally difficult for those without perfect credit scores and no other options. Even with legislation mandating forbearance and discretion, many people, even when they regain employment, will be subject to balloon payments and other penalties.

This is where doing the right thing comes into play. We can demonstrate “people helping people” in practical and important ways:

► **Brag** about your low- or no-fee checking account. The average monthly cost for a checking account at a major bank is \$9.60, according to *smartasset.com*. That does not sound like much, but for a family running at maybe 70% of their pre-COVID income, it's a lot.

► **Use** referrals. Who are the best people to tell others how great you are? How about all those folks who took advantage of the skip-a-



pay, emergency loans, and other offerings we jumped on? Most people do not believe or respond to traditional advertising, and even are starting to doubt so-called “reviews” online.

► **Rewrite** the debt. Consolidation loans were the rage after the Great Recession, and we can look for them again. Given that rates will stay low, extended terms and delayed (or increasing) payment schedules may help members and demonstrate your flexibility.

► **Focus** on used cars. The percentage of people who can now afford a new \$50K SUV? Roughly the same as your share account rates.

► **Maintain** the houses and cars. While consumers certainly will delay purchases, they may need funds to extend the life of what they have.

My grandmother joked her ancient, propane-powered freezer came with two compartments, regular ice and dry. In truth, it had been rebuilt numerous times until it was a franken-freezer with a funny smell.

► **Talk** up your skips. Many of us offer annual skip-a-pay features but few of us lead with that fact. Rather than burying that tidbit on your website, what if you included a coupon to use one with every new loan (with the appropriate fine print)?

► **Reward** cardholders. Find local merchants willing to give discounts to your card members. Loyalty can work both ways.

► **Give** members a way to donate to their cause of choice if they're so blessed. Our card program earns points members can give to thousands of charities, many in our own community.

People who suddenly face a threat to their natural system choose one of two responses: fight or flight. In this case, “flight” means hunkering down, taking the road most traveled, and hiding in our shell until the yelling stops.

Taking “fight” means doing the right thing and helping both members and nonmembers. It is something people will remember—as did the hordes of people who joined us after the 2008 recession. It is our opportunity—and our responsibility—to do the right thing.

And as a bonus, offer a free case of toilet paper for every new membership.



### JAMES COLLINS

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## with Gloria Escobar

Greylock Federal Credit Union, Pittsfield, Mass.

As a longtime advocate for Latino and immigrant communities, Gloria Escobar is a perfect fit for the newly created position of financial wellness Latinx outreach coach at \$1.4 billion asset Greylock Federal Credit Union in Pittsfield, Mass.

**Credit Union Magazine:** Why is it important for Greylock to strengthen its relationships within the Latinx community?

**Gloria Escobar:** Greylock is a community credit union. We're focused on the needs and drives of people to succeed. We're living and working with the principles of inclusion, diversity, equity, and accessibility. Everyone is welcome at Greylock no matter their skin color, the language they speak, or their immigration status.

**Q:** How has your professional and volunteer experience prepared you for this new role?

**A:** We are embracing the Latinx community in different ways, not only with their financial issues.

I represent Greylock with a local organization, Berkshires Advocacy and Support for the Immigrant Community, which provides connections to health care, education, immigration and citizenship support, and more. This keeps me up to date with opportunities.

I'm also on the board of Community Health Programs and Berkshire Immigrant Center. These are important collaborations.

I've been taking English classes since I came to the U.S. 20 years ago. I encourage my members to do the same.

**Q:** What areas of focus will you prioritize?

**A:** Education is the most import-

ant issue for immigrants. We have classes on how to open accounts, build credit, and pay off debt. Everything is available in Spanish.

We receive many questions about online banking. In many Latin American countries, people use cash for everything, rarely using banking services. It's difficult for many people to use online banking technology, so we created a class *en español* to teach members how to use the service.

Trust is also important. We don't wait for potential members to come here. We go into the community and provide education. Banking can be scary for immigrants. We build trust before they come to our offices.

**Q:** How do you create that trust?

**A:** I talk about my experience. I came from Colombia without speaking English or any knowledge of banking. I tell people that's OK, and that Greylock is a great place to build a future.

**Q:** What products do you provide for the immigrant community?

**A:** We provide loans that help immigrants build credit by allowing them to make affordable payments.

At Greylock, members can apply for an Individual Taxpayer Identification Number (ITIN) at no charge. We save people a lot of money—an attendee at one of my classes told me he paid \$700 to apply for the number elsewhere.

We help people apply for loans using the ITIN. I'm also an ITIN accepting agent.

**Q:** What skills do you need for this role?

**A:** I talk to people with my heart.



People can feel that I'm honest and sincere, and they refer others to me as someone they can trust.

**Q:** How important is Greylock's Juntos Avanzamos (Together We Advance) designation?

**A:** It's huge. People think of Greylock as the Latinos' credit union. Juntos Avanzamos also provides me with education I can share with the community. At the annual conference, I learn so much. I come back full of ideas for new projects and new goals.

**Q:** What advice do you have for reaching out to Latinx and immigrant communities?

**A:** It's no secret that the Hispanic population is growing. Get to know your community and people's needs. Partner with other organizations so you can support each other's efforts. Have bilingual employees because immigrants are always looking for somebody who speaks the same language. Finally, develop products and services that will benefit and empower immigrants.

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**September 17**

### **MASTER CLASS: Designing Your Financial Wellness Ecosystem**

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CPE Credit Eligible



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## OCTOBER



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**October 14**

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