

Lessons in crafting a story

Personal power, the important role of data in storytelling, and community impact among topics addressed at CUNA GAC.

Telling stories is a critical part of advocacy efforts, and speakers at the 2022 CUNA Governmental Affairs Conference provided lessons on the role personal power, data, and community impact have in telling your stories.

The power of personal presence

Every business professional faces difficult situations they approach with dread, execute with anxiety, or leave with a sense of regret.

These situations often carry high stakes. Our performance during them affects our future, and we are judged socially by their outcomes.

Social psychologist Amy Cuddy offered advice on how leaders can bring a better presence to these situations.

"What stops us from being present is that we lack power," Cuddy says.

The power she refers to is personal power rather than social power. Social power is generally considered the ability to control the behavior and actions of other people, according to Cuddy.

Personal power is the ability to control one's own state and behaviors.

"It is the ability to access your internal resources and your own knowledge skills and personality," Cuddy says. "It is infinite. It has nothing to do with the personal power someone else has."

"In fact, if you feel personally powerful it will engage

others around you to feel personally powerful," she continues.

Feeling powerful activates what Cuddy calls the "approach system," which sees opportunities rather than threats, allies instead of enemies, and a secure environment where a defensive posture once felt appropriate.

"We're in the PEOPLE BUSINESS so our metrics must first focus on the HUMAN IMPACT rather than the FINANCIAL IMPACT."

Tony BUDET

Be partisan for credit unions

CUNA President/CEO Jim Nussle thanked credit unions for serving as "financial first responders" during the pandemic.

"You have members who run to you in moments of financial challenge, hardship, frustration, and maybe terror—certainly circumstances that are beyond their control—and they ask for help. And you run toward them," Nussle says. "The mission of credit unions is to run toward that danger to help them deal with that predicament."

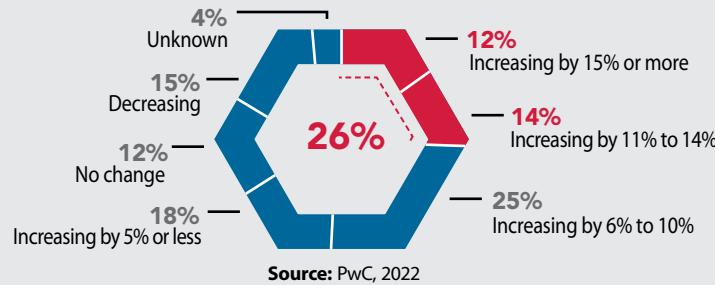
He pointed to some impressive statistics from the pandemic, including how 90% of credit unions waived fees, 95% offered skip payment on loans, 2 million jobs were saved by credit union business loans, and the \$18.5 billion in consumer benefits credit unions brought to the marketplace in 2021 alone.

QUICK TAKE for your next board meeting

Cybersecurity spending increases

Organizations continue to increase spending on cybersecurity. Sixty-nine percent of organizations predict a rise in such spending in 2022 compared to 55% in 2021. More than a quarter of technology and security executives expect cybersecurity spending to grow more than 10%, according to PwC's "2022 Global Digital Trust Insights."

Cybersecurity budgets



"Those big numbers are based off of millions of interactions and engagements with the members you serve during the toughest times in their lives," he says.

Credit unions must continue to advocate for themselves, Nussle says, even in these hyper-partisan times that lead many to stay away from "being political," as one attendee told him.

"I don't want you to be political. You're not here to talk politics," he says. "I want you to talk credit unions. If you're going to be partisan, be partisan for credit unions. That's the most important thing we can do."

Data key to measuring influence

Policymakers are increasingly interested in data to support our stories, says CUNA Chief Economist and Deputy Chief Advocacy Officer Mike Schenk.

"We hear more and more often that they want to see impact data related to outcomes in our field of membership, including members you're not currently serving," Schenk says.

This requires moving beyond simple NCUA Call Report data, he adds, as CUNA looks to further quantify the positive differences credit unions make in members' lives.

This includes procuring a dataset with more than 28 billion records dating back to 2005.

"We're going to use that data to measure and report on differences in outcomes within credit union membership, and then in the banking sector," Schenk says, adding that current data sources show—

through measurement of more than 15 financial well-being metrics—that "the data makes it clear: Credit union members have way better outcomes than bank customers."

CUNA's research shows credit unions generated \$35 billion in savings for members and nonmembers due to their presence in the marketplace, he says.

Social impact is in our DNA

Incoming CUNA Board Chair Tony Budet thinks of himself as a community leader who happens to lead a credit union.

"I learned that our city has many challenges, and we at UFCU asked ourselves, what can a not-for-profit financial cooperative do to address those challenges?" says Budet, president/CEO at University Federal Credit Union (UFCU) in Austin, Texas.

This means supporting education, filling middle-skills jobs, and boosting housing affordability.

He encourages credit unions to focus on the impact they have on people, not on balance sheets.

"Did you book 100 mortgage loans? Or did you put 100 families in homes through which they are better positioned to build financial wealth?" he asks. "Did you book 500 car loans? Or did you put 500 members in cars they need to get to work and save them thousands over the life of those loans?"

"This is not semantics," he adds. "Our language, our stories, and our metrics matter.

"We're in the people business, so our metrics must first focus on the human impact rather than the financial impact."

4 top management challenges

CUNA Councils leaders identify pressing issues facing credit unions today.

Cybersecurity threats, staffing challenges, fintech partnerships, and falling fee income are among the top challenges facing credit union leaders, according to a panel of CUNA Councils Executive Committee members who addressed the 2022 CUNA Governmental Affairs Conference.

Four of the top issues the group identified:

1. The war for talent

This will be a long-term issue affecting all areas and levels of the credit union. Other organizations are paying more and are recruiting employees away.

Employees who perform security functions are especially difficult to find, and they take a long time to train.

Remote work can provide an opportunity to find talented employees from new geographic areas. Creating career paths, fostering a sense of belonging, and reinforcing credit unions' mission can alleviate this issue.

"Our advantage is our mission," says one panelist.

2. Fintech partnerships

Record-low mortgage rates led to lower returns and cannibalization of other loans due to refinancings.

One way to boost margins is to provide alternative products, many of which are in the fintech space.

While fintech partnerships can allow credit unions to improve the member experience, don't just add products to create more offerings.

Consider your strategy, why you want to offer a new product, and how you'll go about doing so.

3. Cybersecurity threats

The war in Ukraine has increased the threat of cyberattacks exponentially. This is an issue that affects credit unions of all sizes.

The best defense may be partnerships and collaboration.

4. Fee income

While many large banks have stopped charging overdraft and other fees, they're making up for that lost income in other ways.

Educating members about banks' actions and focusing on members' financial well-being will attract and retain new members.



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Breaking down barriers

Use Great Resignation as an opportunity to grow and diversify your financial advisory team.

For the last several months, workers have been quitting their jobs at or near record levels. According to the January 2022 Job Openings and Labor Turnover Summary (JOLTS) release from the Bureau of Labor Statistics, the quit rate increased to 3% in November 2021.

Much of this trend can be attributed to what is known as the Great Resignation.

What's concerning is the number of people age 55 and older who are retiring early. The JOLTS report shows more than 3 million workers over age 55 permanently retired in October 2021. This is particularly concerning for the financial services industry, where the average financial advisor is 55 years old.

To alleviate some of that pressure, CUNA Mutual Brokerage Services Inc. (CBSI) continues to emphasize teaming. Advisor teaming pairs a more experienced or lead financial advisor (LFA) with a less experienced or associate financial advisor (AFA).

By teaming and eliminating barriers to entry for advisors, we will open the field up to a new demographic that better reflects our diverse nation.

Rob Comfort

The teaming approach

In a teaming scenario, AFAs and LFAs are paired for a year. The AFA will learn the business, take care of licensing requirements, see firsthand what tools and tactics successful advisors use, and participate in a mentoring program taught in combination with the Center for Advisor Excellence and Cannon Financial. They'll get all of this while earning a salary.

More experienced, successful advisors have larger books of business. In many cases, they have so many existing clients they simply can't take on anymore.

Overextended advisors lead to underserved credit union members.

Teaming frees up time for the LFA, allowing them to focus on growing their book of business and serving their existing clients. Teaming allows for this by assigning some administrative tasks an LFA may handle to the AFA.

As the AFA gains experience, they can transition from a purely support role to working directly with clients, further freeing up the LFA to focus on attracting new clients.

Adding diversity

Advisors for the most part are not very diverse.

By teaming and eliminating barriers to entry for advisors, we will open the field up to a new demographic that better reflects our diverse nation.

In 2021, CBSI deployed an aggressive multicultural advisor growth strategy. CBSI welcomed 18 students from historically Black colleges and universities and Hispanic-serving institutions as part of its new multicultural financial services internship program.

The interns see what day-to-day life is like for financial advisors.

The multicultural advisor growth strategy and its programs align directly with CBSI's ongoing efforts to mentor and recruit advisors through its Women of Distinction and Advisor Teaming apprenticeship programs aimed at giving an inclusive leg up in the profession.

Teaming, the multicultural advisor growth strategy, the Women of Distinction program, and other initiatives give less experienced, high potential, and more diverse candidates a chance, and represent an important industry evolution.

ROB COMFORT is president of CUNA Brokerage Services Inc.

Resources



► **CUNA Credit Union Board of Directors Conference, Honolulu, May 1-4:**
cuna.org/events



► **CUNA board and committee solutions:**
cuna.org/board



► **CUNA Board of Directors Community:**
community.cuna.org



► **CUNA News:**
news.cuna.org

Be intentional in board recruitment

Tom Lebенs discusses how SESLOC Federal approaches filling board vacancies.

Tom Lebенs grew up knowing the importance of credit unions because his parents were members.

While in college, he was instrumental in bringing a SESLOC Federal Credit Union branch to the student union at California Polytechnic State University.

Years later, he joined the SESLOC Federal board.

"I've gotten to sit on both sides of the table, decades apart, both as a student and a consumer of the services provided by the credit union for many years and now as a board member," says Lebенs, board vice chair at the \$1.1 billion asset credit union in San Luis Obispo, Calif. "It gives me a perspective as to the impact the credit union can have on people as they're stepping into their financial lives."

That background made Lebенs an ideal candidate for the SESLOC Federal board.

Lebенs spoke with the CUNA News Podcast during the 2022 CUNA Governmental Affairs Conference about his service on the SESLOC Federal board and how the credit union attracts and retains board members.

SESLOC Federal first looks for individuals who are passionate about advancing the credit union's mission: serving those who don't have access to

financial tools.

The board and credit union leadership often identify people who are involved in other community efforts, such as the Chamber of Commerce, associations, networks, or service clubs.

SESLOC Federal prioritizes financial education and financial wellness, Lebенs says. It seeks out those who want to serve the community and individuals who can benefit from the products and services the credit union offers.

Once they identify a prospective candidate, they provide an orientation and see if they're interested in joining the board.

"We're intentional about inviting people to become volunteers at the credit union," Lebенs says. "When we identify someone we think might be willing to make that commitment and who might add diversity to our board that we don't have—either geographic, financial, race, or gender—it's important to us."

Lebенs is a patent attorney—"an engineer who went to law school"—who has an interest in science and technology.

His background has been beneficial for the SESLOC Federal board. He says it's given him a deeper understanding of technology and awareness of legal issues and "how they might merge with the technology issues as well as cybersecurity."

"It gives me a perspective as to the impact the credit union can have on people as they're stepping into their financial lives."

Tom Lebенs

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EDITORIAL STAFF

MICHELLE WILLITS // publisher, mwillits@cuna.coop

BILL MERRICK // deputy editor, bmerrick@cuna.coop

JENNIFER PLAGER // managing editor, jplager@cuna.coop

DESIGN AND PRODUCTION STAFF

CARRIE DOYLE // graphic designer, cdoyle@cuna.coop



CONTACT INFORMATION

EDITORIAL // 608-231-4290

SUBSCRIPTIONS // 800-356-9655, or cuna.org/directors