

KEYSTONE

Extra

September 14, 2012

Volume 43 Issue 19

In This Issue:

Page 2

IRA Workshops:
Basic & Advanced

Page 3

Maximize Your Credit Union's
Performance

Healthcare Reform:
What's the Impact to
Your Credit Union?

TruMark Financial
Credit Union Recognized for
Making an Impact on Youth

Page 4

Credit Unions in the News

Events Calendar

A Crystal Ball Look at Credit Unions in 2032

Planning a Strategy for a Successful Future

It's time to polish the crystal ball and get ready for budget and strategic planning season. What will the credit union movement look like in 20 years?

Crystal balls are the first thing people think about when talking about planning for the future, but while it's fun to do some gazing, strategic development needs to incorporate preparations for uncertainty. Strategy is all about the future and builds on knowledge of the past and present to develop a strong plan for the future.

A review of growth trends in credit unions, prepared by TheFinancialBrand.com, notes credit unions of 2032 could look "remarkably different" than today, with half of today's credit unions disappearing. The Financial Brand examined asset, member, and branch trends in the credit union industry for the years 2007 through 2012. The study revealed a series of massive shifts with serious strategic implications for credit unions of all sizes.

Since 2007, the total number of credit unions has dropped 14 percent. In 2007, there were 8,332 credit unions. Today, there are only 7,165, a decline of 1,167 credit unions. The average loss of 233 credit unions per year equates to a little less than one per day.

Among the trends it noted in its credit union outlook from the past five years:

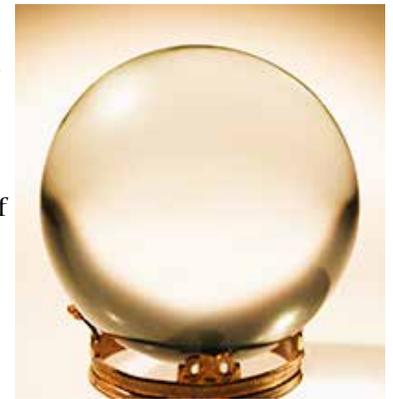
- **Asset growth.** Credit union assets have increased to more than \$1 trillion today from nearly \$761 billion in 2007. Today, 194 credit unions having more than \$1 billion in assets, up 57 percent from 123 in 2007. The top 100 asset credit

unions have 38 percent of all assets in the movement as of 2012.

- **Number of credit unions.** Credit unions'

numbers have dropped 14 percent since 2007. Then, 8,332 credit unions existed, with 85 percent of those having less than \$100 million in assets. In 2012, there are 7,165 credit unions, with 79.6 percent having assets totaling less than \$100 million. The industry is losing about 20 credit unions per month, the site said.

- **Branches.** In 2012, for the first time ever, the number of branches declined, with 27 fewer than last year, said the study. In 2007, credit union branches totaled 20,694, compared with 21,406 in 2012. Last year, credit unions had 21,433 branches. Although branch growth is generally flat, the top 100 asset credit unions added 552 of the 712 new branches reported in the past five years.
- **Membership.** Membership in credit unions rose to 93.7 million in 2012 from 88.5 million in 2007, or 5.87 percent over five years. The top 100 asset credit unions in 2012 added 1.3 million new members,



Education & Professional Development

IRA Workshops: Basic & Advanced

October 23 & 24 — Four Points Sheraton Pittsburgh North, Mars

October 25 & 26 — Eden Resort & Suites, Lancaster

Is your staff confident they're providing excellent member service within the confines of stringent regulations? The Association's IRA Training program puts you in the driver's seat. Whether it's getting new staff on board with the basics of IRAs or you need a more advanced training, the IRA Essentials & Beyond Essentials Training Sessions are the answer.

The workshop includes two days of training, or you can decide to take just one day.

IRA Essentials (Day One)

IRA Essentials is a full-day workshop that gives attendees a solid foundation of IRA knowledge. Learners will leave this session able to work with IRA owners and process basic IRA transactions with confidence. Topics that will be covered include:

- Introduction to IRAs
- Establishing an IRA
- Funding
- IRA Distributions
- Portability
- Reporting

IRA Essentials is designed for credit union staff who need to learn the basics of traditional and Roth IRAs, or want an updated, general refresher on IRA rules.

IRA Beyond Essentials (Day Two)

Beyond Essentials is a full-day advanced workshop that builds on the learner's basic IRA knowledge to help them address some of the more complex IRA issues.

Learners participate in real-world credit union activities which allows them to apply their learning immediately back on the job. Participants need to bring a handheld calculator. Topics that will be covered include:

- IRA Benefits
- IRA Tax Reporting and Withholding
- IRA Transactions
- Required Minimum Distributions
- Processing an IRA Death Claim

IRA Beyond Essentials is for credit union staff who are an IRA administrator or member service representative who has a working knowledge of basic IRA operations and wish to expand your expertise and provide enhanced member service.

A successful IRA program begins with qualified, knowledgeable staff. Invest in your staff, in your credit union, and in your membership.

With training programs scheduled in Pittsburgh and Lancaster, and the option of attending just the IRA Essentials, Beyond Essentials or both, you can tailor the training for your needs. You will leave confident and ready to provide the professional service your members are expecting.

Visit [PCUA's website](#) to register or get more information.



Credit Unions in 20 Years

continued from page 1

or 84.4 percent of all new members in the entire credit union industry. The membership gains at the top 100 are offset for the most part by collective membership losses realized by the rest, said *FinancialBrand.com*.

- **Small credit unions.** Credit unions with less than \$100 million in assets have lost \$5 billion in assets and nearly six million members the past five years. Today, 80 percent of all credit unions are in this asset category, down from 85 percent five years ago.

If you stretch current trends out 20 years from now, the credit union movement will look remarkably different than it does today.

Twenty years from now, there will be 1,218 credit unions with \$1 billion in assets or more — that's 31.3 percent of all credit unions vs. 2.7 percent today. Only 319 (8.2 percent) of credit unions will have less than \$100 million in two decades.

The credit union movement's overall assets should more than double, hitting \$2.2 trillion if credit unions sustain a 4 percent annual growth over the next 20 years. And if membership gains average 1.5 percent per year, credit unions will hit 126.2 million members by 2032, an increase of 32.5 million new members.

Asset growth will come much easier than member growth. Membership growth has always been — and will almost certainly continue to be — the biggest challenge credit unions face.

For more information on services to help your credit union's strategic planning process, please contact your [Association Account Executive](#).

Products & Services

Maximize Your Credit Union's Performance

The last two years have seen some of the most significant changes in the financial services industry. With the new emerging regulatory environment and an uncertain economic environment, the survival of many credit unions is threatened.

Raddon Financial Group, a business partner of the Pennsylvania Credit Union Association, offers solutions that help credit unions maximize performance in today's environment that is characterized by thinner margins and lower levels of non-interest income.

Raddon offers a line of [mail](#), [email](#), [Web and phone surveys](#) to help credit unions improve sales, service quality, and overall performance. Raddon's *Member Relationship Survey* identifies current wallet share and discovers why high potential households may be defecting and not providing a complete relationship. Raddon identifies tactics to improve member loyalty, potential, engagement, and service quality to foster growth.

Additionally, Raddon evaluates new and emerging research issues affecting credit unions and members, including:

- Are members ready to adopt a new technology? Learn how members feel about emerging technologies like remote deposit capture, mobile banking, person-to-person payments, online banking, and e-statements.
- How should credit unions use social media to interact with members? Understand which member segments use social media sites and develop a social networking strategy.
- How should new checking programs be structured to replace free checking? Analyze how much value consumers place on various checking components and what they would sacrifice to maintain free checking.
- How engaged or connected are your employees to your organization? With Raddon's new *Employee Opinion Survey* you can now tie employee and member engagement to organizational performance.

If you are looking for a partner with proven solutions for profitable growth, consider Raddon Financial Group and their team of Strategic Advisors as your competitive advantage. Contact your Association Account Executive at cusolutions@pcua.org or visit www.raddon.com to learn more.

Healthcare Reform: What's the Impact to Your Credit Union?

Do you know how, or even if, Healthcare Reform will impact your credit union? The Pennsylvania Credit Union Association is holding two sessions to help credit unions better understand future impacts of healthcare reform.

Join experts from Highmark and CUNA Mutual to discuss the next phases of Healthcare Reform:

- Subsidies and tax credits
- Healthcare Exchanges
- Employer requirements
- Review of future requirements and deadlines

Two FREE sessions will be available. Each session will be held from 9:30 a.m. to 12:30 p.m. and will include lunch. (Registration begins at 9:00 a.m.)

Wednesday, October 10

Hilton Garden Inn, 2000 Garden View Lane
Cranberry Township 16066

Friday, October 12

The Conference Center at Central Pennsylvania
College, 600 Valley Road
Summerdale, PA 17093

Regardless of your credit union size and your insurance carrier, you won't want to miss this session. [Click here](#) to register for one of the sessions.

If you have any questions, please email Liz Shaeffer at liz.shaeffer@pcua.org or call her at 800-932-0661, ext. 5251.

TruMark Financial Credit Union Recognized for Making An Impact on Youth

The Bucks County Youth Council recognized TruMark Financial Credit Union for its student branch at William Tennent High School in Warminster, and for promoting financial literacy in schools. TruMark



Financial was one of eight Bucks County businesses recognized for youth activities and partnerships.

From left: Mark Connelly, Bucks County Youth Council Chairman; Dennis Jones, Bucks County Workforce Investment Board Chair; Randi Marmer, AVP, TruMark Financial; and Bucks County Commissioner Diane Ellis-Marseglia.



Dennis Flickinger, President/CEO, First Capital FCU, accepts the LEED Gold certificate from David Sheridan, LEED Specialist with the U.S. Green Building Council. The building, which opened in August 2009, is the first retail facility in York to receive Gold status.



Bellco FCU, Wyomissing, provided free shredding to more than 300 members and their families last month. Refreshments and children's activities were also provided during the event.



Bill Lavage (left), President/CEO, Service 1st FCU, presents a check for \$10,000 to Andy Schmid and Ann Blugis, of the Ronald McDonald House of Danville. The funds represent proceeds from the credit union's 19th Annual Charity Golf Tournament. Donations were also made to the Janet Weis Children's Hospital and the Danville Child Development Center.



North East Welch FCU held a Community Day to celebrate its community charter expansion. More than 100 people attended the event and enjoyed hot dogs, games, and prizes donated by local businesses.

Horizon FCU sponsored the fireworks display for the 42nd Annual Regatta in Lock Haven and employees staffed refreshment stands for the Lock Haven Area Jaycees. Front row: Kate Huling and CEO Traci Donahue. Standing, from left: LeAnna Harter; Hana Miller; Val Johnston, Amanda Johnson; Sandy Schrack; Matt Smith; Judy Harris. Back row: Dave Shawley; Richard Donahue. Not Pictured: Barbara Peters; Glenn Keen.



Keystone Extra is published bi-weekly online by the Pennsylvania Credit Union Association
4309 North Front Street, Harrisburg, PA 17110-1618
800-932-0661 • www.pcua.org

President/CEO: Jim McCormack
Managing Editor: Diane Powell, Director, Communications
Editor: Janet Johnson, Communications Specialist

News stories and photographs are welcome. Submit information for publication to janet.johnson@pcua.org.



Events Calendar

September

26-27
Payment Systems
Conference, Pittsburgh

October

5
Attorneys Conference,
Harrisburg

10-11
Social Centric Conference,
Harrisburg

18
International
Credit Union Day

18-20
Volunteer Development
Conference, Skytop
(Poconos)

23-24
IRA Workshop, Mars

25-26
IRA Workshop, Lancaster

Visit www.pcua.org
or contact the
Association's Education
Department for details
on education programs
and webinars.