

## Credit Unions Aim to Capture Local Clout

BANKING: Lenders Seek Influence in Sacramento

By SARAH DE CRESCENZO Originally published April 6, 2017

### Credit Union Economic Impact 2016 - San Diego County

Jobs: 4,484

**Jobs supported by credit union jobs and spending:** 12,567

**Spending:** \$971,671,000

**Total activity supported by credit union spending:** \$1.95 billion

*Source: ECONorthwest, data from surveys of California Credit Union League credit unions*

San Diego — California Coast Credit Union CEO Todd Lane knows two significant selling points for many credit unions are their small-town feel and personable approach to banking.

But in a region like San Diego, where four of its 18 locally-headquartered credit unions have more assets than its biggest locally-headquartered community bank, credit unions will struggle to reach their full potential if their impact on the community remains under the radar.

They're playing in the big leagues: Total assets at the area's largest, San Diego County Credit Union, hit \$7.9 billion at the close of 2016. Mission Federal Credit Union, Cal Coast and North Island Credit Union also have billions in assets while Silvergate Bank, San Diego's largest community bank, is just this year nearing the \$1 billion mark.

San Diego is a unique region, Cal Coast's chief executive said recently, moments before rushing into a meeting with former mayor of San Diego Jerry Sanders, who now heads the San Diego Regional Chamber of Commerce.

#### Owned By the Community

"They are important businesses because they are community institutions; they are owned by the community," he said. "We need to let everybody know about it."

Lane got a bit of an assist the day prior when he and other representatives from local credit unions were in Sacramento talking with politicians and their staffs about the legislation they support and the legislation they would like to see changed or stopped in its tracks.

The California Credit Union League, an advocacy group, had recently released the results of the first report it had commissioned on the impact of credit unions in their communities.

Rick Stanton, CCUL's vice president of media relations and data analysis, said the advocacy organization was familiar with the direct impacts credit unions make in their communities, such as the number of people they employ and acreage they lease.

Credit unions in San Diego — both those headquartered here and those with a local presence — spent more than \$971 million in 2016. The financial institutions employed 4,484 people.

“But that’s all I know at an aggregate level,” said Stanton, who collects and analyzes that data for CCUL.

What the organization wanted to know — and what they wanted to be able to provide their members — was their broader impact. What else was being affected by their presence? What would be affected were they to find less success or exit the market entirely.

Lane said Cal Coast participated in the study to bolster their efforts to demonstrate the economic impact of his and other such institutions to lawmakers.

Doing so makes a difference with how seriously lawmakers take input from the industry on pending legislation, he said.

### **Getting Some Credit**

“The bankers certainly go in and tell their story,” he said. “We want to share the credit union story — it’s a good story.”

CCUL commissioned ECONorthwest, which has offices in Oregon, Idaho and the state of Washington, to survey the organization’s members and use that data to conduct an independent analysis of their economic impact: by credit union, by county and by congressional district.

Stanton said ECONorthwest took the direct data and using software models once used by the federal government to analyze nonprofit organizations to estimate indirect impacts, too.

For San Diego, the organization estimated credit unions’ spending of \$971 million in 2016 translated into \$1.95 billion (that’s with a b) in total activity supported by credit union spending.

“When the credit union is spending money in the community, they’re buying goods and services from other organizations,” Stanton said. “Those organizations have to hire people and buy goods and services to stay in business.”

The software is similar to what the city of Las Vegas used to predict the impact of a new National Football League stadium, he said.

ECONorthwest’s analysis revealed 12,567 jobs countywide are connected to San Diego credit union jobs and spending, compared to 4,484 direct credit union jobs in the county.

Stanton said their decision to commission the report was spurred by a similar study conduct for CCUL’s counterpart in Washington and Oregon.

### **Political Role**

“One of our primary missions is to be a political advocacy group representing credit unions at the state level in Sacramento and in D.C.,” he said. “If you can go to these elected officials and tangibly show them what your impact is, how many people you employ, how many jobs are relevant because of what you do, then they have a better idea of what your industry represents.”

It was the first time the CCUL had commissioned such a study. Stanton said they plan to do it again in the future, and expect to have more participation the second go-around based on the notes shared from the organization that represents Oregon and Washington credit unions.

Lane, for his part, said he encourages all credit unions to participate and use such information in their lobbying efforts: “We don’t need to be this ‘best kept secret’.”