NCPCU Courier Newsletter
July/August 2010

Study Sheds Light on Postal Credit Union Opportunities

A recent study conducted by Callahan & Associates looked at key financial ratios of the average postal credit union (PCU) compared to the average U.S. credit union. The study revealed that PCUs outperformed their non-postal counterparts in some areas, but ranked slightly lower in others.

Perhaps the most encouraging data from the study, PCUs on the whole are better positioned than the average credit union to handle loan losses. They have achieved a higher level of auto loan penetration than their peers and maintain a net worth ratio that is above the national average.

Interestingly, delinquency and charge-off rates of PCUs are higher than the average credit union, but still remain significantly lower than FDIC-insured financial institutions. Annualized operating expenses as a percentage of average assets are higher for PCUs than the typical credit union.

Regulations, Competition and The Year of the Consumer

Averages and ratios only tell part of the story. Callahan & Associates explains that 2010 is the year in which credit unions will reach a tipping point. They suggest a number of strategies to capitalize on the opportunities that exist in the current financial services market. Here are just some they recommend in the coming year:

- Plan for changing regulations and their impact on fee income
- Seize competitive opportunities while credit union approval ratings remain higher than big banks.
- Direct efforts toward local markets
- Focus on lending as a key component for success
- Cultivate innovation through collaboration, creating more "system" options

To see the full Callahan study go online to www.ncpcu.org.

First Class Program Planned for Las Vegas Conference

Always a popular destination for NCPCU's Annual Conference, Las Vegas is set to host the 2011 meeting scheduled for May 1 through 3. Located on the famous Las Vegas Strip, Harrah's Hotel features exciting entertainment, seven restaurants, championship golf, more than 87,000 square feet of casino and access to world class shopping. Harrah's is offering NCPCU attendees a conference rate of $119 per night.

Be sure to mark your calendar and make plans to join other postal credit union leaders in Las Vegas next May. More conference details coming soon at www.ncpcu.org.

Postscripts~

Lessons Learned from Las Vegas-Based Zappos.com
Carla Day's blog headline reads "What Can Credit Unions Learn From Zappos?" The credit union insider recently visited the headquarters of the online shoe company that grossed over $1 billion in sales in 2009. Zappos.com's loyalty business model and relationship marketing strategy have become legendary almost overnight, prompting CEO Tony Hsieh to write a best-selling book Delivering Happiness: A Path to Profits, Passion and Purpose. To read Carla's blog and find out what credit unions might learn from Zappos' extraordinarily successful sales culture, go to CU Chat Up.

Reminder: Card Orders Due September 30
The next bulk plastic card order will be placed on September 30. The estimated ship date for this order is October 20, 2010 or earlier. Interested in placing an order? Please e-mail your request to ncpcu@ncpcu.org or call NCPCU at 1-858-792-3883.

Tell Us Your Story!
Is your credit union celebrating a milestone anniversary in the coming year? Has your CEO or other senior staff been recognized for a notable achievement? Has your credit union recently launched a successful program that you'd like to share with the postal credit union community? E-mail your story (and photos) to celeste@ncpcu.org.