

IEWS & OPINION

A Toast To Those Who Aren't So Apathetic After All



By Frank J. Diekmann

Be honest: how many of you correctly handicapped the outcome of the member vote in Maine on converting to a mutual savings bank and then merging with a local bank?

How many would have bet so much as a beer that the outcome of the vote at KV Federal Credit Union would favor remaining a credit union? Even a light beer, on sale?

Frankly, I wouldn't have, and not just because I'm, let's say, frugal. It's just that the odds are so stacked in favor of the credit union seeking to convert. The credit union has the big bucks to back media efforts, controls the message, and it has the trust (that now has to be re-earned) of members that it's acting in their best interests.

Members opposed to such conversions have passion, but not a whole lot else. Little to no budget. No member contact lists. Shoestring organizations dependent on volunteers. Member apathy.

Yet, apparently, that last one is being misread by some. Beverly Beaucage, the KVFCU's CEO, was quoted in local media as being a bit surprised at the outcome of the vote, noting, "Our members have been very quiet over the years. They haven't attended annual meetings. In a sense, it's good to hear from the members."

But apathy and non-involvement are often the unintended byproduct of satisfaction. Right or wrong (OK, mostly wrong), when things are perceived to be going well folks tend to not get involved. PTOs. Neighborhood associations. Government. We've all seen the vacant cafeterias and bare folding chairs. But should a school be downgraded academically or someone mention "tax increase," and suddenly it's SRO. You can add the word "bank" to that provocative list, as in "We're looking to become one."

Members care more about their credit unions than many CEOs and senior management give

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Have you done something creative and effective to tell your credit union's story this year? What about the credit union story in general? Have you put the difference in "differentiation?" If so, heed the call for entries for this year's Frankie Awards. The Frankies recognize CUs that most effectively convey what a credit union is all about and why it should matter to members and non-members alike. Previous winners have shown budgets and asset sizes don't matter. And here's the best part—it's free and easy to enter. Just e-mail me at fdiekmann@cujournal.com with a brief explanation and any support materials of what you've done to tell your story.

them credit for, even more so in smaller towns such as Augusta, Maine. More than ever, people want to matter, they want to count for something. Call it the "Spirit of 7600." That's how many members belong to KVFCU. Add to that the image of banks as being larger, more impersonal and more profit-oriented than ever, and you soon discover that just because there's a good chance of winning a door prize if you show up at the annual meeting doesn't mean those who aren't there don't care.

There is one oddity about the member vote to re-Maine a CU. KV FCU officials were quoted in the local *Kennebec Morning Sentinel* as saying they did not ask the New York-based firm that tabulated the ballots for a vote count. Was it a landslide? A nailbiter? A hanging-chad recount? KV FCU said it didn't want to know, wanting only "direction from members" on where they want their \$53-million credit union to go. Let's hope there's a realization that that "direction" is 180 degrees from where the board and management were steering.

The newspaper quoted one member as saying of the vote, "Why so secretive? I want to see the numbers. It's irresponsible not to provide a full picture and have all those numbers."

Another set of numbers those members deserve to see is just how much their credit union spent on the attempt to convert to a mutual savings bank and then merge with Kennebec Savings Bank. After all, the whole process took more than a year from when it was announced. Consultants and lawyers were hired. Mailings were done. Advertising was bought. NCUA requires disclosure, and apparently it was provided. But the amount spent on these types of conversion attempts is seldom among that disclosed.

You can bet it cost a whole lot more than a beer. And while we're at it, let's raise one to the members of K V FCU.

Two weeks ago CUNA re-created one of the great iconic photos in credit union history, the 1934 group shot of credit union pioneers gathered in Estes Park, Colo. to form the trade association. On the same spot and in approximately the same form, a group of modern-day credit unionists posed for an updated photo as CUNA marks its 75th anniversary and credit unions their 100th.

The new photo still has all the diversity of a Norwegian men's club that only admits new members when an old one dies. There were women in the original pic, including spouses, but also such luminaries as Louise McCarren Herring and Dora Maxwell. In the 2009 version the spouses were absent, but there were a number of female CEOs on hand, although the group remains almost exclusively white.

Among the women recently in Estes Park was NCUA board member Gigi Hyland. Don't know if it was ironic or intentional, but Hyland spoke about, you guessed it, diversity, stating, "I believe CU management and board staff should be as diverse as their membership."

Let's hope some of the folks there didn't just listen but looked around, and the next time the photo is recreated, perhaps in 2034, it does indeed reflect the membership.

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