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# How Pacific Northwest Ironworkers Restored Its Net Worth And Built Member Value

**The small Oregon-Washington credit union uses internal efficiencies and external outreach to hit new heights.**

By Marc Rapport

318 Views

Terri Robinson had only been at the helm of her small, member-owned cooperative for approximately six months when it came to a crossroads in 2009.

A perfect storm of the recession, out-of-work members, losses to the corporate credit union collapse, and money it owed to the NCUA corporate stabilization funds had Pacific Northwest Ironworkers Federal Credit Union ($22.1M, Portland OR) on the brink.

“We were afraid the credit union might not survive if we didn’t start moving in the right direction,” Robinson says.

With net worth less than 7%, Robinson and her board began by going into the NCUA’s net worth restoration program and accessing secondary capital sources that would allow the credit union to begin lending.

Since then, assets at the credit union that serves members of six union locals from five locations around Washington and Oregon have tripled, and member engagement has soared. Today, the $22 million cooperative stands tall among its peers as one of the top-performing small credit unions in the country.

Here, Robinson sheds light on how the credit union came back from the brink.

### CU QUICK FACTS

**PACIFIC NORTHWEST IRONWORKERS FEDERAL CREDIT UNION**
*Data as of 06.30.16*

- HQ: Portland, OR
- ASSETS: $22.1M
- MEMBERS: 5,470
- BRANCHES: 5
- 12-MO SHARE GROWTH: 11.02%
- 12-MO LOAN GROWTH: 7.78%
- ROA: 2.10%

**What made the credit union decide to go into the NCUA net worth restoration program?**

**Teri Robinson:**Our members — union ironworkers and their families — were going to predatory lenders. The NCUA wanted me to close branches. These branches are our lifeline. I asked the NCUA to give me a chance. The board and staff were on board to help our members and see the credit union thrive.

*Teri Robinson, CEO, Pacific Northwest*

During this restoration, I called vendors and asked them if they wanted me to be around. If so, [they needed to] help me and reduce costs for right now. When we are successful again, we can renegotiate.

**Where are you now with the net worth program, and what role did secondary capital play in that process?**

**TR:** We moved out of the Net Worth Restoration Plan in June 2013. I’ve got the notice in a

plaque on my desk as a reminder of where we've come from.

*Ironworkers FCU*

We got out with the help of secondary capital from the National Federation of Community Development Credit Unions in June 2012. Those funds allowed the credit union to focus on loan growth and stabilize our net worth. That let us begin requesting that members bring their shares and loans to the credit union.

**Net Worth Ratio**
FOR U.S. CREDIT UNIONS | DATA AS OF 06.30.16
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| Quarter | Pacific Northwest Ironworkers | Credit Unions $20M-$50M | All U.S. Credit Unions |
|---|---|---|---|
| Jun-2012 | 6.61% | 11.80% | 10.16% |
| Jun-2013 | 7.99% | 11.83% | 10.50% |
| Jun-2014 | 7.75% | 11.94% | 10.77% |
| Jun-2015 | 9.21% | 12.11% | 10.92% |
| Jun-2016 | 9.98% | 12.06% | 10.85% |

Source: Peer-to-Peer Analytics by Callahan & Associates.

*Pacific NW Ironworkers has made great progress in improving its net worth ratio.*

**Pacific Northwest Ironworkers FCU ranks in the top 25% nationally in Return of the Member. You have more than 60% penetration among your potential membership, and your second quarter share growth was in the top 10% of all credit unions. How'd you do that?**

**TR:** We advertise to our members constantly. We're always asking them for their business. We only do direct lending, and when a member calls about a loan, we look at the credit report and show them how we can beat their rates.

If they're paying someone else, I want the loan here. We look at the ACH withdrawals for payments going elsewhere, call the member, and ask them to bring the loan to us. They belong to us for a reason, so we try to find out what that is.

I constantly wake up in the middle of the night thinking of new ways to reach our members. We're involved in union meetings, picnics, parties, apprenticeship classes. I want us to be seen as a partner and as a benefit to the local unions' membership.

If you have 6,000 members but only 1,500 are borrowing, then you aren't doing your job. The number of members doesn't matter. It's your loans.

We also implemented mobile banking in June 2013 that allows members to deposit their paychecks remotely. The number of new checking accounts and new loan growth then went hand in hand.

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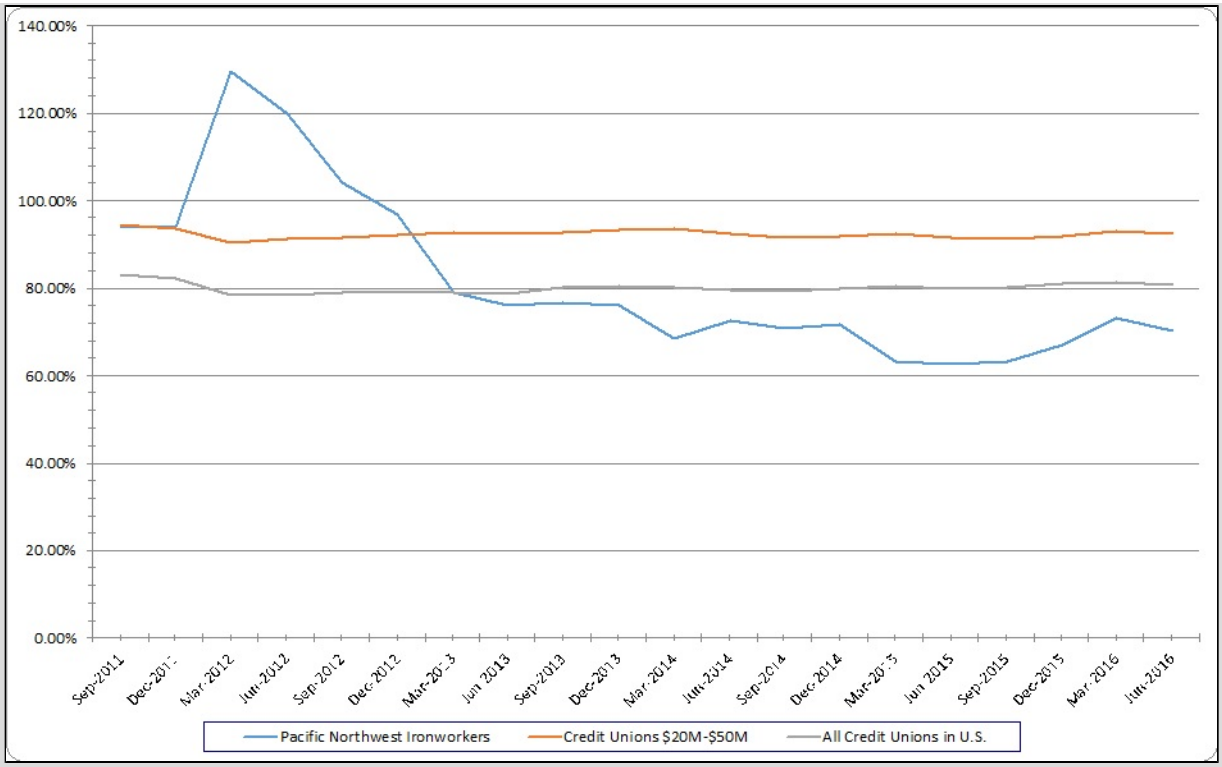
**Efficiency Ratio**




Pacific NW Ironworkers FCU uses only 70.24 cents to generate $1 of income, placing it among the top 10% of all credit unions in the country.

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**Pacific NW Ironworkers' efficiency metrics are particularly outstanding [see slide show]. How'd you accomplish that?**

**TR:** We use online banking and the process efficiencies that are built into our core processing system. We use email blasts to get members to call. Our core system creates efficiencies in our process.

Most importantly, we have longtime staff who know our members and work efficiently. We all want the credit union to survive and be here for more ironworkers.

## How Do You Compare?

Check out Pacific NW Ironworkers' performance profile on Search & Analyze. Then build your own peer group and browse performance reports for more insightful comparisons.

CALLAHAN Analytics

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**There's a lot of talk about the viability of small credit unions. What do you think is the secret to staying relevant?**

**TR:**You have to constantly ask your members for their business. It's not realistic to assume they know what you have and will ask you for it. You have to go get it!

I wake up in the middle of the night thinking of new ways to reach our members. We're involved in union meetings, picnics, parties, and apprenticeship classes. I want us to be seen as a partner and as a benefit to the local unions' membership.

Marketing is a huge part of our secret sauce. We use technology such as mobile banking, Facebook, and email blasting.

I also have a supportive board and staff who believe in the vision. It's hard to slow down and not take advantage of all the

opportunities we have, even without becoming community chartered. We have a closed field of membership but we see huge opportunities.

I hope you follow up with us in six years. Just think of how many more members and potential members we'll be helping then.

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