Not Small, Just Different

The phrase "small credit union" is misunderstood.

JAMES COLLINS

I HAVE OFFICIALLY BANNED the phrase "small credit union" from my vocabulary.

Gone. Done.

I find that term to be overused, misunderstood, and—at times—depressing. Just like the phrase "congressional action."

But I digress.

That does lead to the question of "why." Why am I banning this phrase from the Collins Dictionary?

To answer that, let us first define "small credit union" (I can still use the phrase, but only if I put quotes around it).

According to NCUA in 2013, a "small credit union" is one with less than $50 million in assets. According to NCUA in 2015, a "small credit union" is one with less than $100 million in assets.

And according to my youngest daughter in 2018, it is "one you've never heard of."

I think my daughter is probably right. While credit unions measure one another like an angler showing off the latest catch to their friends—"Why, this credit union has only a 0.80% return on assets (ROA) and its net worth is more than 12%. You are losers!"—the public generally doesn't care about your asset size, your ROA, or even how long you've been around ("Horse and Buggy Whip CU since 1840!").

Rather, both current and potential members appraise a potential financial institution with three major questions:

1. Does it have the capabilities, delivery channels, and products so I can do what I need?

2. Is it reliable? Can it be trusted? Or will it be as erratic as my 1986 Yugo?

3. Finally—will I be happy?

That last one is the kicker. It is why "small credit unions" aren't small. They're big.

We should note that nobody ever said, "I'm joining ABC Credit Union because of its sweet assets and fetching ROAs." (This is as close to R-rated credit union writing as you can get.)

Rather, people choose institutions because they can meet their needs, do so regularly, and give them a sense of belonging. Many credit unions struggle with their product lines and reliability because they lack the resources of people, money, and time. But oddly, they're often the credit unions that excel at making people happy.

And happiness is the thing.

A recent "CNN Business" report on a large national bank which has been publicly flogged illustrates the point clearly. If ranked on assets, profitability, branches, and the like, it clearly would be superior to all but its largest competitors.

However, the article states that 30% of their current customers may leave primarily because they don't feel the bank shares their values. Never mind the billions of dollars of infrastructure and marketing they've spent trying to dig themselves out of the hole.

The other day I had the privilege of meeting a couple who had been members of a local, "small" credit union for more than 30 years. They were our members, too, but just for some specific things their regular credit union didn't offer.

After jokingly asking them why they just didn't move everything to us, they spoke poetically about how their credit union had been there through thick and thin, through heartache and laughter, and now through three generations of their family.

After this impromptu meeting, I remembered something from when I was young which perfectly summed up what "small" credit unions mean to so many people:

"Sometimes," said Pooh, *"the smallest things take up the most room in your heart."*—A.A. Milne, "Winnie the Pooh."

There are no more "small credit unions." They are just different ones.

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