

MAY  
2004

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Submit articles and comments to:  
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800-262-6285  
Ext. 456

## Check 21 – Take a Breath (For Now)



by  
**Bill Walby,**  
CEO, CenCorp

There has been a flood of information about Check 21, some of it conflicting, in the trade press and from vendors hyping imaging equipment/software in recent months. It's time to take a step back from the fray and separate what you need to do before Check 21 becomes effective in October 2004 and the other things to consider with the Check 21 changes.

### Need To Do Before October 2004

In reality, there is little that most credit unions need to do before October 2004. The main reason for this is that the vast majority of credit unions already truncate share drafts and outsource their share draft processing to third-party vendors. The third-party vendors are responsible for ensuring compliance with the Check 21 provisions. Because the third-party vendors are already image enabled, the operational changes to comply with the new provisions are relatively minor.

Credit unions themselves will need to be focusing their attention in two primary areas between now and October 2004. These are (1) informing members about substitute checks (a paper reproduction of an original check that serves as the legal equivalent of the check) and (2) educating staff on the handling of substitute checks.

So what should you be doing today? The first thing that you should be doing is waiting for the Federal Reserve Bank (FRB) to complete the process of amending Regulation CC to incorporate

the requirements of Check 21. The FRB is required by the Check 21 Act to issue the related regulations 90 days in advance of Check 21 becoming effective. This would mean the regulations will be out by the end of July 2004.

In the proposed regulations that the FRB put out for public comment previously, model Check 21 disclosures and notices were provided.

The final regulations (including the model disclosures and notices) will be very helpful to credit unions as they look to inform their members and educate staff. Anything done today would be premature, as the proposed regulations are subject to change. If you wait for the final regulations, you will ensure that you are covering all the aspects that you need to. You will still have ample time to make the necessary changes before the October 2004 effective date.

### Other Things To Consider

The Check 21 Act gives financial institutions some new electronic image exchange options. It is important to note that these options are not mandatory for financial institutions. There are numerous image capture devices available for use at financial institutions today. Some credit unions are already using this equipment to capture and archive images of items deposited by members. Image capture is the first step towards electronic presentment.

The next step in following image capture is to electronically present items to the financial institution that they are drawn on for collection. The electronic exchange of images between financial institutions is currently in its infancy. There are several test electronic image exchange projects taking place nationally, mostly with larger financial institutions. The details of how these electronic exchanges will actually work

are still being developed. You should be skeptical of any vendor claim that their product is capable of electronic image exchange before it can be demonstrated to work in practice.

CenCorp expects that the electronic exchange of images will become commonplace in the future. CenCorp has been evaluating electronic image exchange options since last year with the intent of offering credit unions a “turnkey” electronic image exchange service. In summary, credit unions would be able to replace the current process of encoding and transporting paper items with the electronic capture and presentment of images. CenCorp wants to structure this program so that a credit union can use their existing image capture equipment or equipment provided by CenCorp. You will hear more about this project in the months ahead.

Watch for additional information in CenCorp's NewsLink or visit our Check 21 Resource page at [cencorpcu.com](http://cencorpcu.com). If you are considering the purchase or replacement of image equipment in the near-term, call Brenda Washington at 888-236-2677, Ext. 3025 for equipment information regarding CenCorp's planned image exchange service with your Check 21 questions or e-mail us at [check21@cencorpcu.com](mailto:check21@cencorpcu.com).

With the final regulations in hand, CenCorp will be ready to help. CenCorp plans to offer Check 21 education (probably a Webinar) in August 2004 that will assist you with Check 21. We will create an implementation checklist that highlights the significant aspects of the regulation and the things you need to do by the end of October 2004. This should minimize your time commitment.

*William A. Walby is Chief Executive Officer at CenCorp. He joined CenCorp in 1990 and has held various positions ranging from controller to chief operating officer. Prior to coming to CenCorp, Walby was employed by Central Holding Company (a savings and loan holding company) in the position of chief financial officer from 1987-1990. He received his B.B.A. in Accounting from the University of Detroit-Mercy in 1983.*

## Generating Income Important for SAS CUs

*John Vardallas will be speaking at the SAS Credit Union Conference on Thursday, May 20, at the Detroit Marriott Renaissance Center during the MCUL 2004 Annual Convention & Exposition.*

Credit unions play an important role in the Credit Union System in providing services to their members.



by **John Vardallas**

I love small credit unions. My first credit union experience was with a \$1 million university credit union that granted me my first car loan 33 years ago. I never forgot that experience. It made me a credit union believer and member for life.

Small credit unions really need to find their niche and brand and live it every day. One example would be a credit union that focuses on being the best auto lender in its field of membership.

The advantage small credit unions have is their size – being small enables them to really know their members and their member's needs. They should go over the top with personal member service.

Boards and management need to focus on “Loan Growth” for income generation.

They need to open their horizons and look outside the box for new opportunities.

Fees should not be a dirty word. Fees are needed to generate income to offset expenses. An example of a new fee to consider would be Check Cashing Fees for members who fall below a certain balance and non-member payroll and government checks.

Another area small credit unions need to consider for future success is the effective use of technology to give them operational efficiency to offer services such as Home Credit Unioning (notice I do not use the word “banking”), audio response and shared service center access for maintaining member relationships.

Outsourcing, forming partnerships and alliances to achieve operational economies of scale are also

## Policy Sharing

CUNA has a policy share page at [www.cuna.org](http://www.cuna.org). To get there, click on Compliance (on the left side of the screen), scroll down to Cobweb (in the center of the page). Once there, you can sign-up for access to CUNA's e-mail listserv for discussion of compliance issues. Under the Cobweb listing is “Share files” where there is a file library.

Topics include ACH, Asset Liability Management, ATM/Debit, Bank Secrecy Act, Collections, Internet/Network, Lending, Miscellaneous, Operations, Patriot Act, Personnel, Privacy, and Savings.

important points to consider for future viability for small credit unions.

Being bigger does not necessarily mean being better. The key for small credit unions is to work smarter, more creatively and finding that niche or ultra niche and max out on serving members.

*John Vardallas is an international credit union business consultant and founder/CEO of TheAmericanBoomer, a Madison Wisconsin-based speaking/consulting business. He can be reached at Jvardallas@aol.com*

## To Pay or Not To Pay? Opinions Vary on Courtesy Pay

by **Thomas Alter,**

*USA FCU Executive Vice President*

Is courtesy pay the ultimate "win-win" for credit unions and their members? Or is it a service that shows the credit union industry is losing its values?

Courtesy pay, also known by many other names, provides members with a predetermined cushion against NSF checks. Rather than returning checks, credit unions pay checks up to a limit and charge a fee for covering the overdraft.

Those who oppose courtesy pay argue:

- Courtesy pay encourages poor financial habits. Allowing members to write checks with insufficient funds encourages, not only poor financial habits, but also a criminal offense. With overdraft limits extending in some cases to thousands of dollars, members may have difficulty covering the overdraft later.
- Courtesy pay is just another form of payday lending. If you analyze the fee for covering the overdraft based on the amount and time length of the overdraft, you mathematically arrive at a usurious annual percentage rate.

- Courtesy pay takes advantage of members to gain fee income over other forms of overdraft protection, like lines of credit and automatic transfers, which are more economical for members. Credit unions may even eliminate these other services in favor of the more lucrative courtesy pay program. Additionally, some programs encourage usage of the service by adding the amount of the overdraft to the account's available balance, leading to member confusion about their account's actual balance.

These concerns prevent some credit unions from introducing this service. However, those who offer courtesy pay provide countering points in favor of this service:

- Courtesy pay is a valuable service that saves members money. Credit unions offering this service report that it is extremely popular with their members. The credit union is saving the member the embarrassment of a returned check and fees assessed by the payee, often cutting the total member cost of the overdraft in half. Additionally, fees are usually far less than those charges by payday lenders.
- Courtesy pay is true to credit union values because all members who manage accounts responsibly are eligible to participate. Covering an overdraft is a service that many financial institutions have performed for years. However, the decision to pay an overdraft was usually subjective, based on the relationship the check writer had with the person making the payment decision. In most courtesy pay programs, all members who keep their accounts in good standing will benefit from this service.
- Courtesy pay programs complement other overdraft protection programs.

Not everyone has access to other overdraft protection programs. Perhaps the member's credit experience has made him/her ineligible or reluctant to apply for a line of credit. If they have a line of credit, they may max out the credit limit, causing overdraft items to be returned. Funds may also run short in other accounts that are set up for overdraft transfer programs. Courtesy pay provides another level of protection for members.

A variety of different features can be designed into a courtesy pay program to alleviate the concerns some have about courtesy pay. For

## What's New in Compliance

The topic for the MCUL Compliance and Regulatory Issues FAQs Vol. 5, Issue 4, is Servicemembers Civil Relief Act (SCRA).

This and other FAQs are available online at [www.mcul.org](http://www.mcul.org) under Regulatory Compliance.

Also available online is the 2004 Compliance Calendar, CMS Releases, Regulatory Alerts,

others, the idea of this service may always be objectionable.

Who's right? That's a point to be debated in each credit union.

*The article was published in the CUNA COO Council Solutions e-newsletter and is reprinted with permission from CUNA Councils and Tom Alter.*

## HR Audits Ensure Employment Compliance



by **Jessica Strasser**  
MCUL HR  
Manager

Let's face it. The term "audit" instills fear in the hearts of most professionals. Yet, many would agree it is a necessary evil of risk management. Though audits are typically thought of in terms of finance, there are numerous risks associated with non-compliance in human resources related areas.

The U.S. Equal Employment Opportunity Commission (EEOC) released some frightening facts in a five-year litigation report:

- 1,963 lawsuits were filed by the EEOC in the past five years.
- 570 cases were filed on behalf of a class and another 1,212 were filed on behalf of individuals.
- The EEOC obtained \$409.7 million in monetary benefits through litigation, with an average monetary benefit of \$263,945.

Given these startling statistics, one is left to wonder why HR Audits are not more commonplace. Employing an outside expert to review your HR policies and procedures makes business sense. The obvious benefit of engaging in an HR Audit is ensuring your credit union is in compliance with employment related laws and regulations. A compliance audit is risk-based, with a focus on legally required aspects of HR, such as Family Medical Leave Act, at-will employment, Americans With Disabilities, and so forth.

Quite often, the person responsible for HR in the credit union wears many other hats and is pulled in many different directions. In fact, many credit unions may not have an HR person, but several employees handling different facets of HR. This situation can lead to a disconnect between policy and actual processes, when no one expert is responsible for the HR function. An audit can be an excellent solution in such situations.

Other benefits to engaging in a Human Resources Audit are that a second pair of eyes, unfamiliar with the everyday workings of the credit union, may discover any disconnects that could be overlooked by those who are closer to the situation. Additionally, an expert who has experienced knowledge of practices other credit unions are engaging in at their organizations can offer professional suggestions and solutions.

The CUCare Group provides a relatively new HR Audit Service that is done in conjunction with the law firm Bowen, Radabaugh, Milton and Brown, P.C.

A designated HR professional conducts an audit that involves reviewing the credit union's policies, procedures, forms, personnel files and handbooks to determine areas of improvement or concern that need to be addressed.

The HR professional then works with an attorney to have the credit union certify that it is in compliance, or determine what changes may need to be made to ensure compliance.

*For more information on the HR Audit Program offered by The CUCare Group, contact HR Business Consultant Mike Bindus at 800.262.6285, Ext. 583 or by e-mail at mab@mcul.org.*

## Permission-based E-mail Can Attract New Members



by  
**Neil Berman**

For years, credit unions have used e-mail to keep in touch with current members, and the trend keeps growing. According to Callahan & Associates' recent survey of credit unions, 45 percent are now conducting e-mail campaigns compared to only 26 percent last year. Moreover, credit unions are now finding e-mail an effective tool for attracting new members. It is the future of e-marketing, and it works extremely well for credit unions, where building relationships is the cornerstone of the service offering.

Acquisition e-marketing allows credit unions to reach out to target audience groups on a regular basis and offer services and products based on demographics, such as spending and saving patterns. Recently, Deloitte Consulting found that financial institutions lose approximately 13 percent of their customers each year. By using a combination of frequent communications and

highly personalized offers, credit unions can build membership and stay ahead in an increasingly competitive industry.

Credit unions utilizing acquisition e-marketing find that it provides benefits that no other medium can offer. For example, the cost to send one e-mail message is far less than traditional direct mail pieces — pennies vs. dollars per recipient. Unlike print ads, e-mail directly reaches the target. Plus, these direct contacts can be tracked, quantified and qualified, in terms of who opened the message and even who clicked on a particular link within the e-mail.

E-mail is also very timely: Credit unions can determine exactly what day and time prospects will receive messages. Additionally, e-mail provides credit unions with another luxury — the ability to alter promotions on the fly in response to member feedback or quantifiable campaign results. Your investment in e-mail marketing is quantifiable — ROI reports are more detailed, immediate and accurate than any other type of marketing.

But these benefits are all from the credit union's perspective. What do current or potential members think? Research shows that consumers who are treated with respect and receive permission-based marketing pieces actually appreciate the

customized and valuable offers they receive. eMarketer ([www.emarketer.com](http://www.emarketer.com)) recently found that well-executed, permission-based e-mail campaigns can have a positive impact on consumers' attitudes toward organizations.

So how can credit unions differentiate their communications from the irritating mass of e-messages that get delivered to e-mail inboxes every day?

The answer is ensuring that messages are anticipated, personal, valuable and relevant. Here are several steps credit unions can take to ensure their e-mail marketing pieces are opened and effective.

#### **Build Effective Lists:**

**Only use opt-in e-mail lists.** Permission-based e-mail marketing works because of one key word: permission. If you give prospective members the option to receive your marketing, they will be receptive to the information you are sending. A good rule to follow is only using double opt-in lists. This means each contact signed up to receive offers and responded to an e-mail verifying permission before being placed on the list.

**Build a robust, organic e-mail marketing list.** Adding a simple "forward to a friend" feature to your current membership e-mails can greatly expand your audience base. By offering incentives to new contacts who provide their e-mail addresses, your list can grow to include your members' friends, families and colleagues who may be in the market for your financial services.

**Work with a reputable list broker.** Before signing on with a business partner for list rental, check to see if the company follows strict guidelines for who can be contacted and that it adheres to an opt-in policy. This way you will be assured the contacts on your lists are those who will welcome the services and offers you provide.

**Carefully segment your lists.** Make sure you are delivering appropriate information or offers to the audience qualified to receive it. Segment by such characteristics as spending and saving trends

## **Lending Council Scholarships**

The CUNA Lending Council offers scholarships each year to eligible credit union staff. A scholarship committee, led by Joe Brancucci, Boeing Employees' Credit Union, selects the recipients based on asset size, skills need, and financial need.

To be considered as a potential scholarship recipient, applicants must meet the following requirements:

1. Credit unions up to \$50M in assets are eligible
2. One scholarship per credit union per year
3. Credit union must demonstrate a financial need
4. Full-time employees and volunteers from troubled credit unions are eligible.

Visit online at [http://training.cuna.org/lend\\_scholarship.html](http://training.cuna.org/lend_scholarship.html).

For more information visit the CUNA Lending Council Scholarship page or contact Joe Brancucci at [jbrancucci@becu.org](mailto:jbrancucci@becu.org).

## **Gazette Available by E-mail**

The quarterly *Gazette* is now available via e-mail to all affiliated CUs, regardless of asset size. To subscribe to this free service, visit online at [www.mcucul.org](http://www.mcucul.org), under Small Credit Union Resources, then *Gazette*. Back issues of the *Gazette* are also available online as well as an index of articles from previous issues.

and earning potential. Additionally, while some members seek offers and services to meet personal financial goals, others have business and commercial needs. Segmenting your lists and sending targeted campaigns will give you prime cross-selling opportunities.

### **Create Messages That Sell:**

#### **Offer something valuable in each e-mail.**

Create a marketing piece that presents customized incentives, offers and promotions that are geared specifically to your target audience, and make sure these incentives are truly valuable. Many members who remove their names from e-mail lists do so because they think the marketing offers them nothing of value.

**Keep your e-mail marketing brief and compelling.** Develop an e-mail piece that includes compelling visuals, as well as messages that are easy to understand and act upon. E-mail offers should be easy to read, interesting and succinct. Don't make your audience work too hard to understand the offer and how to receive it.

**Decide how frequently you want to send your messages.** As with any form of advertising, it takes continuous exposure over time to make a real impact. The typical rule of thumb is a minimum of three exposures to the same offer or brand. However, it is important to strike a balance between sending messages often enough to make an impact and sending them too frequently. In a *Quris* 2002 study about e-mail marketing, 68 percent of those

polled said they were turned off by messages that came too often.

### **Track Responses and Take Action:**

**Make sure your promotions are easy to execute and provide your audience with a call to action.** After they read your information, members and prospects should be encouraged to do something, i.e. to click for more information, apply for a loan rate or call to sign up for a new service. Your e-mail marketing efforts will not succeed if you do not compel your audience to act.

**Give your members a way to unsubscribe... easily.** If your members want to unsubscribe, let them, and be sure to include a valid e-mail address for any complaints. If you don't, you will just create animosity.

**Track responses after your first e-mail marketing piece is sent.** Use e-mail delivery and tracking software to analyze patterns in open rates, click-through rates and sales conversion rates. If you notice certain segments of your lists have higher response rates, take a closer look to understand why. Use this information to improve follow-up marketing efforts. Do you need to modify the message, the offer, the timing or the frequency? Fortunately, with e-mail, it is easy to do all these things.

**Follow up with your members and prospects based on the results of your e-mail campaigns.** Your e-mail marketing efforts don't end once you hit the "send" button. In fact, e-marketing is just one part of your overall marketing strategy. Based on responses, you may want to follow up an e-mail marketing campaign with a telemarketing effort or direct mail campaign. Remember, marketing is a game of mindshare; this means the financial institution with the most personalized offers and highest frequency of direct contact wins.

By following these guidelines and respecting your members — and prospective members — e-mail marketing can become an invaluable business tool that strengthens member loyalty and increases your credit union's overall success.

*Neil Berman is an e-marketing expert and the founder of Neighborhood Email, Inc., a full-service e-mail marketing company. Berman can be reached at 317-915-9400 Ext. 204 or nberman@n-email.com.*

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## **PAC Goals Available Online**

Credit unions can go to the MCUL Web site at [www.mcul.org](http://www.mcul.org) under Governmental Affairs and then MCULLAF/MCULAF to check exactly how much their credit union and chapter has raised for the Michigan credit union federal and state political action committees (PACs).

"There is increasing interest in viewing this information on the Web, now that a separate goal of \$150,000 has been set for both the state and federal PACs, so it will be updated at least every week," said MCUL Grassroots and Political Action Manager Todd Stabenow. The combined goal for MCULLAF/MCULAF is \$300,000.

Credit unions with questions regarding political action efforts may contact Stabenow at 517.482.1062, Ext. 16, or [tds@mcul.org](mailto:tds@mcul.org).

## Images & Ink Sweetens the Pot



by **Terry Krieg**, CU-corp Images & Ink Vice President

Images & Ink is offering an additional \$50 or \$100 incentive to credit unions that purchase brochures, newsletters, statement inserts, member/employee surveys, operational forms, money handling supplies and equipment using all or part of the newly approved MCUL SAS credit union initiative funds.

We realize that small asset size credit unions do not always have the funds necessary to commit to the marketing they need... be it putting together a newsletter or negotiating radio spots.

The MCUL created the initiative as a result of its strong 2003 financial performance. An account for each credit union with \$20 million and below in assets received a deposit of \$535 into an account.

Monies from the account can also be used for MCUL training events, educational Web casts and Internet sessions, CD ROM training, STAR/MERIT/VAP Modules, MCUL Forum Conferences, Web site development, Internet Service Provider fees, CUcorp Operations Manual, CUcorp Disaster Recover Manual Forms and printed material, CUcorp Marketing assistance, the SAS conferences, CUNA Management School and conferences, and any other MCUL/CUcorp/CUNA product or service.

For more information, credit unions can contact their account executive or Lisa Faust at 800-435-2824 Ext. 523 for more information, or visit online at [www.imagesandink.com](http://www.imagesandink.com).

## Telling "Why Before What"



by **Debra J. Schmidt**, author of "The Loyalty Builder"

There are times when we must say "no" to a customer because of a policy that needs to be enforced. There are times when we can only provide a service after the customer takes necessary steps such as completing paperwork or sending information to our company.

Never fear! You can build loyalty even when you can't honor a customer's service request just by

using the simple technique of telling "why" before "what."

This technique is valuable when you are:

- Providing information
- Requesting information
- Asking your customer to do something
- Telling your customer you can't do what they have requested

These are the times that customers often get angry or defensive when we can't do what they have requested or we ask them to take action. Your customers will often respond with:

- "Why do you need that information?"
- "Why do I have to send that in?"
- "Why can't you do what I've requested?"
- "If you can't take care of this, let me talk to someone who can!"

Here are the benefits of telling "Why before What":

### Saves Time

Explaining why you need information, for example, can make you more efficient because your customer will more readily provide information if they understand why it's needed.

*"Because we use Social Security numbers to protect the privacy of our customers, I need the last four digits of your number in order to access your account information."*

### Builds Rapport

Trust is built by helping your customers understand the reasoning behind policies and procedures that might otherwise not be evident. This creates their buy-in and cooperation. It can also speed up the service process.

*"Due to federal regulations, I am unable to make the changes you have requested, but here are some other options that are available to you."*

### Helps Your Customers

When your customers know and understand why something has to be done a certain way, it will help them the next time they have a similar situation.

"We ask for your insurance card at every visit because it helps us keep your insurance information up-to-date. This reduces confusion when we submit your medical claims and saves you time and money."

Debra J. Schmidt, a.k.a. *The Loyalty Leader*, leads business to greater customer, employee and brand loyalty. To subscribe to her free e-mail newsletter, visit [www.TheLoyaltyLeader.com](http://www.TheLoyaltyLeader.com).

## Emotions are Key in Lost Art of Goal Achievement



by  
**Barton Goldsmith,**  
Ph.D.

After consulting for over 300 companies and doing presentations for a couple of thousand more, I have found that they all have one thing in common. Businesses all over the world have had to face the fact that goal setting is a lot easier than goal achieving.

I have seen dozens of impressively bound and documented strategic plans collecting dust after the goals set at the expensive off-site meeting were unrealized. There are any number of excuses that prevented success; fires that had to be put out, the economy, or my dog ate my homework. Being a seasoned strategic planner, I have the right to say, "I hate it when that happens."

The reason most goals don't reach fruition is that the people who created them did it to please someone else, say their CEO. Instead, your team needs to be set free to put into motion ideas that they feel strongly about and that will be beneficial to the company and its team members.

When people have their emotions attached to a goal, it is achieved. If you think this is too simple, you're right. The problem in business today is that we forget the power of having real buy in versus agreeing to what the top dogs think they want. Team members will always give into the ideas of those who hold the power of the paycheck because everyone thinks about their survival first.

So here is a plan to get you team to not just set goals, but achieve big, fat, hairy ones. First let's reconsider the idea of SMART goals (specific, measurable, achievable, realistic, timely). This acronym has done more damage to business motivation than Dilbert.

The real truth is that if team members have their hearts in it, they will get to the finish line. I know the mere mention of hearts will make the "tough guys"

cringe, but I've been doing this long enough to know that creating emotional buy-in works. The problem is that some leaders work long and hard to avoid "feelings" in the workplace. Today's managers and leaders need to learn to use emotions to their advantage instead of being scared of them.

The first step in harnessing this untapped resource is to believe in it. If that's a problem for you, just look at how you got to where you are in your life. Would you be here if you didn't have your heart in it? Now, how do you create that same drive, buy-in, commitment and power in your team? Well, as Obi-Wan said to Luke Skywalker, "Trust your feelings."

Use your gift of intuition (and I don't know one successful leader that doesn't have it) to guide you in asking your people what it is about the direction of your company that's important to them. Once you have an alignment and you give them the power to create their vision, then all you have to do is to get out of their way. This final step can be harder for some than for others.

Empower your team members by really supporting them in reaching the goals that they believe are best for the company. It will not only help you reach beyond your nicely packaged strategic plan; it will boost your profits to a level that only those who use this hidden force have been able to enjoy.

*Dr. Barton Goldsmith has spoken worldwide to groups of 10 to 5,000. He may be contacted through his Web site at [www.bartongoldsmith.com](http://www.bartongoldsmith.com). Dr. Goldsmith's column "Emotion Fitness" is nationally syndicated. In addition, he is featured in Mark Victor Hansen's new book "The Miracle of Tithing."*

## Avoiding Common Traps of Writing a Press Release

Writing a press release can be somewhat like composing a resume in that the audience has certain expectations regarding the format, content, and delivery of the information of each.

If a job applicant sends out a resume filled with spelling errors, misplaced punctuation, and wide gaps between dates of employment, he is not likely to get a call for an interview.

Likewise, if a company distributes a press release replete with spelling errors, incorrect punctuation, and a missing headline, that press release isn't likely to be "picked up" by any of the publications to which it was sent.

Unfortunately, many people take more care with their resumes than with their press releases. No matter how seasoned the writer, it is easy to fall into a number of common press release writing traps.

The most common trap that people fall into when they first start writing press releases is writing something with no real news value.

Always look at the press release from a journalist's point of view. They need relevant news stories. What they don't need is blatant commercialism.

Press releases that use descriptions like "out-of-this-world," "one-of-a-kind," "terrific," "amazing," etc., sound more like a sales pitch than an informative news release.

The best way to avoid this trap is by approaching it like a journalist. Ask yourself what's new at your company, what importance that has on your consumer or market demographic, and the need for this information to be brought to the public's attention.

Being able to step away from your company, or product, and write a press release objectively about it will increase your chances of having journalists follow up with your story. It will also help them look forward to future press releases you send out, as long as you avoid the other traps.

Once you're able to "step back" from your company, or product, and look at it objectively, you don't want to make the mistake of writing an unprofessional press release.

Again, look at it from the journalist's point of view; they are professional writers, and they expect professional press releases.

There are five basic sections you want to have covered in any press release you send out.

The first is your contact information. It is always best to provide as many means of contact as possible. The second is the headline. This should be a catchy, although relevant, title that helps grab the reader's attention. The third is the lead paragraph. This is where you cover the "who,"

## Have a Topic to Share?

Credit union professionals who would like to submit an article for the *Gazette* that would be of interest to small asset size credit unions \$20 million and below, can contact Carol Marsh, *Gazette* editor, at [csd@mcu.org](mailto:csd@mcu.org).

"what," "when," "where," and "why" of your story. Most editors cut press releases from the bottom up to fill in empty space; therefore, it is essential to have this information in the lead paragraph. The fourth section is the supporting text paragraph. This is where you provide evidence to support the lead-in paragraph. The fifth section is the company summary paragraph.

Using this "upside down" pyramid structure will help the journalists who read a number of press releases a day get the pertinent information they need without having to read the entire release.

Now that you're looking at things objectively and you know the basic design structure you need to have in your press release, just remember that shorter is better. If your release is over 400 words, you have too many adjectives and quotes that sound like "outstanding," and from an editor's point of view, scream of self-serving. Stick to the basic facts.

The average person loses interest after 400 words, so keep it short, sweet, and to the point. Take your time with it, and have a few people read over it to make sure you stayed objective and avoided writing irrelevant information.

*"Information provided by Press-Release-Writing.com" at [www.Press-Release-Writing.com](http://www.Press-Release-Writing.com).*

## CU Economic Update Online

The Michigan CU Economic Update for April 2004 is now available online.

Economic growth should average a respectable 4 percent this year, reports MCUL Consulting Director and Michigan CU Economic Update Editor Brian Paul. Interest rates will rise in expectation of an improved economy and renewed inflation.

However, the prime rate, bond rates and mortgage rates will remain low by historical standards.

Unemployment will fall slowly throughout the year as corporate revenues and profits continue to improve.

Consumer spending will remain firm. Auto sales will be stable due to the continuation of cash incentives and below-market rates.

For more economic information, statistics and graphs, read the entire report online at [www.mcul.org](http://www.mcul.org).

## 2004 Michigan Credit Union League Education Calendar

### June

8	Risk Management & Fraud Prevention	Metro Detroit
9-10	MCUL Hike the Hill	Washington, D.C.
15	CUcorp Credit Card Marketing	Grand Rapids
15	Risk Management & Fraud Prevention	Munising
16	Trainers' Network	Traverse City
16	Bankruptcy Issues and Legislative Update	Co-op League Webcast
20-23	CUES Annual Convention	Paradise Island, Bahamas
22	Risk Management & Fraud Prevention	Saginaw
23	Risk Management & Fraud Prevention	Grand Rapids

### July

6	Forum HR & Benefits	Northville Twp.
15-17	CUcorp Card Services User Meeting User Meeting	Mt. Pleasant
18-30	CUNA Management School	Madison, Wis.
22	Check Clearing for the 21 <sup>st</sup> Century	Webcast/Audio/Live
28	3 <sup>rd</sup> Annual CURE Golf Outing	East Lansing

### August

12	Forum Finance & Economics	Northville Twp.
13	Forum Technology	Northville Twp.
17	Small Asset Sized CU Roundtable Meeting	Northville Twp.
18	Youth Summit	Northville Twp.
23-27	Operations School	Northville Twp.
25	Asset Liability Management (ALM)	Co-op League Webcast

### September

14	Sales/Service Beginning & Advanced	Saginaw
16	CUcorp Credit Card Marketing	Northville Twp.
16	Sales/Service Beginning & Advanced	Grand Rapids
17	Forum Legislation	Frankenmuth
17-19	Chapter Leaders Retreat	Bavarian Inn, Frankenmuth
17-19	Fall 1 Volunteer Conference	Bavarian Inn, Frankenmuth
21	Forum Marketing	Northville Twp.
22	Large Asset Size CU CEO Roundtable	Gaylord
22	Sales/Service Beginning & Advanced	Northville Twp.
23	Sales/Service Beginning & Advanced	Warren
23-24	Leadership Summit	Gaylord
28	CUcorp Credit Card Marketing	Sault Ste. Marie
28	Sales/Service Beginning & Advanced	Sault Ste. Marie
28	CUcorp Credit Card Marketing	Traverse City
30	Trainers' Network	Lansing

*For details, visit [www.mcul.org](http://www.mcul.org).*

*MCUL – 800.262.6285, Ext. 235 or 407*

*CUcorp – IRA & Marketing Training 800.262.6285, Ext. 534*

*CUNA – 800.356.9655 CMG – [cunamutal.com](http://cunamutal.com)*

*CUES – [cues.org](http://cues.org)*

*NOTE: Program dates may be modified as necessary.*

Michigan Credit Union Foundation  
Annual Fundraiser



The Michigan Credit Union Foundation (MCUF) is a non-profit organization dedicated to progressive professional development of credit union staff and volunteers, disaster relief and international credit union development. The Foundation relies upon the commitment and funding support of MCUL-affiliated credit unions, chapters and partnering organizations. We ask that you continue to support the Foundation by committing to donate three pennies for each member of your credit union. Your contribution will help make it possible for staff and volunteers of smaller credit unions to gain the knowledge they need to succeed.

The MCUF 2004 Power for just Pennies goal is \$200,000. Your contribution can be designated to support one or more of the funds that make up the MCUF — the General Fund, the Ebaugh-Lesnieski Memorial Fund, the Vanderveen Memorial Fund and/or the Woodman-Wilde Fund. Donations can be made monthly, quarterly, biannually or yearly. Also:

- Donations of \$1,000 or more are awarded special "Pacesetter" award recognition at the MCUL Annual Convention & Exposition.
- Pacesetter donations may be given in combination between the MCUF and the National CU Foundation (NCUF) and total a \$1,000 or more.
- Donation goals and updates are printed periodically in issues of *Michigan Monitor*.
- For additional information, visit online at [www.foundation.mcul.org](http://www.foundation.mcul.org).

— **Include a copy of this form with your donation** —

Michigan Credit Union Foundation Donation Form

Credit Union Name: \_\_\_\_\_

City: \_\_\_\_\_ Zip: \_\_\_\_\_ Chapter: \_\_\_\_\_

We would like our contribution used in the following way(s):

**General Fund** . . . . . \$ \_\_\_\_\_

Provides educational scholarships for staff and officials of small credit unions.

**Ebaugh-Lesnieski Memorial Fund** . . . . . \$ \_\_\_\_\_

Provides scholarship for first-, second- or third-year CUNA Management School.

**Vanderveen Memorial Fund** . . . . . \$ \_\_\_\_\_

Provides scholarship for first-year CUNA Management School.

**Woodman-Wilde Memorial Fund** . . . . . \$ \_\_\_\_\_

Provides \$5,000 college scholarship to recipient named by the Credit Union Community Volunteer recipient.

Mail your contribution and this form to the Michigan Credit Union Foundation, Attn: Finance and Administration, P.O. Box 8054, Plymouth, MI 48170-8054. Telephone: 800-262-6285, Ext. 339.

***Thank you for your continuing support!***

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