



Midwest Carpenters Expands Branch Presence While Saving Costs

Because of its many conveniences, shared branching has become a core part of Midwest Carpenters' business strategy to continue growing while keeping expenses in check.

Many times, credit unions want to expand but cannot afford to because of the expense of building and maintaining branches along with hiring additional employees to fill those branches. If they cannot physically expand to accommodate their growing membership, how do credit unions continue growing - or simply retain their current members? It's a quandary for sure, but there is an answer - shared branching.

One such credit union experienced a similar issue, as it expanded its membership from a local chapter to statewide to multi-state. Midwest Carpenters & Millwrights Federal Credit Union (\$100 million; 21,650 members, Hobart, IN) started with 27 members just over 60 years ago, originally chartered as the Local #599 Federal Credit Union.

As word spread about the credit union serving the local union in those early years, more and more members joined. In 1971 the credit union changed its name to Indiana Carpenters Federal Credit Union, expanding its field of membership

to carpenters residing throughout the state of Indiana – not just the local union. In 1997, Midwest Carpenters had just under \$25 million in assets with nine employees working in its original Hobart, IN, headquarters.

In 2006, the credit union once again changed its name – this time to Midwest Carpenters & Millwrights Federal Credit Union, now

So how does a credit union serve its growing membership across multiple states with only 23 employees? Building and maintaining branches across multiple states is an expensive endeavor so that task was out of the question. Midwest Carpenters then discovered joining a shared branch network could provide the infrastructure it needed to accommodate its growth without



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including members from the Indiana Kentucky Ohio Regional Council of Carpenters & Millwrights, all pensioners and annuitants of the council, plus all council employees. Today, Midwest Carpenters serves more than 21,650 members residing in 15 states with just a mere 23 employees working in the same Hobart headquarters.

the costly expense of building and maintaining its own branches and adding scores of employees to its payroll. The credit union subsequently joined Credit Union Centers' network of more than 5,000 shared branches nationwide.

Here's how it works: The credit union's shared branching network

consists of other credit unions nationwide that “share” their participating branches with each other. Members of Midwest Carpenters can use any network branch for free to access and manage their accounts as if it were their credit union’s regular branch. Shared branching ensured Midwest Carpenters growth without the added cost of constructing buildings and hiring employees.

“Once we get our members account opened, as we control new accounts and services through our Hobart office,” explains Bill Lowry, CEO Midwest Carpenters & Millwrights Federal Credit Union, “the service centers nationwide can then take care of our members’ weekly needs. It works well.”

Benefits

Since it has joined Credit Union Center’s shared branching network, Midwest Carpenters has tripled its loans and membership with only minor changes in its employee count and expenses. The credit union’s shared facilities handle all the member’s transactions, lending needs, and other member services without

Midwest Carpenters worrying about massive overhead expenses.

“There’s no doubt that shared branching has benefited our credit union, as we have many members who travel or live wherever the work is,” Lowry says. “Therefore, those craftsmen, retirees, children of members that move away or go away for college have the ability to maintain their account and experience convenient service with us.”

Members can conduct many financial transactions and obtain services at branch locations or other credit unions belonging to the network. Some of those transactions include:

- Cash/Check deposits
- Cash/Check withdrawals
- Loan payments
- Transfer between accounts
- Statement printouts
- Purchase money orders
- Purchase travelers checks
- Purchase official checks

By using shared branching, a member’s membership and

accounts remain at their credit union. But they can access their accounts and conduct business with their credit union through any of the nearby network locations.

“Today’s economic concerns are completely different from 15 years ago,” Lowry says. “In the old days we [credit union industry] were focused on expanding our membership base, member service participation, and maintaining our ‘not for profit status’ as a result of relentless banker attacks. Today, we still have similar concerns, and once again Credit Union Centers allows us to provide face-to-face convenient member services, allowing my members to walk into over 5,000 credit union buildings just by having their account with us. We’re very pleased with how well shared branching has worked for us – and especially our members.”

Because of its many conveniences and cost-effectiveness, shared branching has become a core part of Midwest Carpenters business strategy to continue growing but keeping expenses in check.

About Credit Union Centers

Credit Union Centers is based in Indianapolis and is credit union owned. Locally, it represents the national CO-OP Shared Branching, which includes more than 1,800 credit unions and provides shared branching services at more than 5,000 locations in all 50 states and six countries.

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