Step 9

Perform Analysis Regarding Matrix Measurements

Every marketer and every manager worth his or her salt knows you have to have measurements to determine whether or not you're making an impact.

It's no different when it comes to serving the Hispanic market. After all, if you don't have a system of tracking and measuring results, any data will look like a successful effort—even when it isn't.

And credit unions today have an even greater reason to track the results of your Hispanic outreach effort. While the credit union tax exemption remains strong and in place, it became clear during congressional hearings in November of 2005 that you will need to provide greater "transparency, accountability, and verifiability" as it relates to serving people of modest means.

Those words from House Ways & Means Committee Chair Bill Thomas sent a message to credit unions that measuring service to people of modest means is critical to the success and independence of credit unions. No longer will anecdotal success be acceptable in determining whether or not credit unions are fulfilling their mission.

Clearly, credit union regulators will feel increased pressure from legislators to prove that the movement is living up to its creed of "people helping people."

Indeed, many credit unions already have measurements in place to determine member loyalty using annual member surveys as one measurement of success. That's certainly a tool you could consider using to measure the success and penetration of your Hispanic outreach effort.

We also suggest conducting a matrix measurement analysis. Start by looking at how your credit union will define and measure success, then analyze how each item will be tracked.

Successful tracking may lead you to identifying which Hispanic members or member segment to target. For example, a credit union in Minnesota recently determined its most loyal members—members who met four specific and predetermined criteria—did nearly twice the loan business with the credit union than its other members. That knowledge helped the credit union factor in loyalty into its future growth initiatives.

Tracking pays dividends—politically and financially.

Here's how to begin

Look at tracking the:

1. Number of first-time new accounts/new members
2. Type of member (documented vs. undocumented)
3. Type of documented ID of member (Matricula, SS, ITIN, etc.)
4. Account balances (upon opening, three months, six months, one year)—growth
5. Credit history—looking for establishment and improvement
6. Loan-to-income ratios
7. Number of first-time new loans (type, length of loan, type of payment schedule, number of delinquencies, number of successes)
8. Average checking account balances
9. Average savings account balances
10. Average loan account balances
11. Number of new members since initiating the Hispanic program
12. Average number of products purchased by the Hispanic member from the start of the program
13. Number of referrals Hispanic member made
14. Average number of services per member
15. What brought the member to the credit union
16. Average length of stay of the new member
17. Teller time per member (phone, in person)
18. Home ownership
19. Distribution of membership by ethnicity vs. distribution of potential membership by ethnicity.

By tracking the above, here are some questions to analyze:

1. Who are our loyal members and what services are they using?
2. Who are our "not so loyal" members and what services are they using (or not using)?
3. What is the average time spent with each Hispanic member?
4. What is the average time spent with each non-Hispanic member?
5. Where is the majority of our membership from?
6. Where could we obtain additional membership?
7. When do we service most of our member base?
8. Is there an opportunity to provide additional services to our membership?
9. How do we rate the service level of our credit union?
10. How does our member base rate the service level of our credit union?
11. What is the profit/loss of each member (time spent vs. services used)?

Matrix Measurement Analysis

Instructions:
Complete the table based on the matrix membership measurements your credit union is thinking of tracking.

Item to track	Who will track?	Where will it be tracked?	When will it be tracked?	How will it be tracked? (database/manual)	For what purpose(s) will the item be tracked?

The Following Pages Are Credit Union Samples

First-time Account and Loan Statistics
Community Trust Credit Union

First-time share/savings account. For the Riverbank branch only; financial services provided to low-income Hispanic/Latino members who have not previously had a relationship with a regulated financial institution

First-time share/savings account opened in Riverbank to low-income Hispanics/Latinos	**2003**	**2004**	**YTD thru 10/05**
	243	**264**	**275**

First-time loans. Provide first-time financing for new members of the low-income populations, both Hispanic/Latino and others. Loans (mortgage, credit card, auto, or personal) made in both Riverbank and Modesto to members who have not had a loan from CTCU before.

First-time loans both branches	**2003**	**2004**	**YTD thru 10/05**
	489	**695**	**555**