

A LOOK BACK AT 2023, AND A GLIMPSE FORWARD TO 2024 WITH YOUR CREDIT UNION

FROM CEO THOMAS DOMINGUE



It's tradition within our culture that as each year ends, we take a moment to reflect on the year that was, and outline what our ambitions are for the year coming up. When 2023 began, we had set some modest objectives for the credit union to focus on this year: adding a Business Checking account product to our offering, strengthen our operating efficiencies, and building upon the value proposition we provide to our financial cooperative. With each of these objectives, your credit union had a successful 2023.

Business Accounts

In June, we launched our Business Account product to our membership, and recently we branded this account as the [Freedom Business Checking Account](#). Many of our members over the years have expressed a need to have a truly maintenance-free account that they could utilize to run and expand their small businesses. Our *Freedom Business Checking* meets the needs of these entrepreneurs. If you are looking for a better Business Checking account than what you currently have, then I encourage you to set an appointment ([virtual, by phone, or in person](#)) with our Financial Wellness Advisor team today to get started!

Operating Efficiently

As a financial cooperative, all members receive value from the credit union through a shared distribution of costs, utilization, and returns. As I'm sure you are aware, credit unions are *not-for-profit organizations*, and the more cost efficient we are in operating the credit union, the more value we can return by way of expanding products and services, lowering loan rates, and offering higher dividend rates. This year, our team worked hard to improve 13 operational processes, which resulted in saving your credit union more than \$52,000 in operational costs per year. Through the efforts to improve processes, combined with leveraging technology and the hard work of our employees, we successfully reduced our operating cost ratio from 97% at the end of 2022, down to 79% in December 2023.

Building More Value

These improvements in our operating costs allowed us to create more value for you, through the loan and dividend rates we offer. Throughout 2023, while other lenders increased their loan rates significantly, we used the operational efficiencies noted above to keep your loan rates with Labor Credit Union low. As of September 2023 (*most recent regulatory data available*), the rates on loans to borrowers at Labor Credit Union averaged 0.82% lower than at other credit union lenders. This figure makes it clear, if you have your auto loan, home loan, credit card, or personal loan with another lender, you are paying too much!





As part of your 2024 resolutions to improve your financial well-being, you need to inquire with our Loan Advisors about how we can reduce your monthly payments!

Throughout 2023, we elevated the value of our dividend rates, particularly in the Certificate of Deposit rates, and in 2023 we have paid our members **\$1.044 million** in deposit dividends! On top of the dividend payouts, we have waived or refunded *more than \$48,000 in fees* for our members to help improve their financial well-being.

Final Thought On 2023

As a final note on 2023, I want to highlight the launch of our philanthropic arm, the [Labor Community Foundation](#). Earlier this year, we launched the *Labor Community Foundation* as a 501C3 organization, so that we could further our impact on the community we serve by helping those that want to expand their contributions to the labor movement succeed. The vision for the *Labor Community Foundation* was driven by Dr. Kevin Jackson PhD, who was a member of our Board of Directors since 2014 and who served as our Board Chair since 2021. We lost Dr. Jackson in October 2023, and in his memory, we established the Dr. Kevin Jackson Scholarship Program.

The Labor Community Foundation will fundraise for and administer the scholarship program. Currently, we are raising funds to award scholarships to graduating high school students who will go onto careers in finance, Information Technology, or Engineering. Throughout 2024, you will see frequent communications relating to these fundraising activities, and I encourage you to participate to help shape the future for those that will carry the labor movement forward in the next generation.

Looking Forward To 2024

With our focus now on 2024 ahead, we will continue our efforts to expand the value we provide to our members. We are currently working on several initiatives that will achieve this, such as:

- Bringing a “cash back on debit card purchases” option to your Reward Checking benefits!
- Incorporating the use of an AI tool within our online banking to assist you faster with getting answers to your questions, particularly during after-hours.
- Adding more physical locations for you to meet with our knowledgeable staff and complete your banking needs!
- Adding ways for more individuals to join our credit union and contribute to the success of our cooperative.

I want to thank you all for utilizing your credit union, and for helping make the credit union part of your journey towards financial well-being. I’m looking forward to helping all of you make 2024 a great year within your financial journeys.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Domingue", written over a light blue horizontal line.

Thomas Domingue
President/CEO
Labor Credit Union

