The Callahan & Associates 2016 Economic Outlook Survey

CALLAHAN & ASSOCIATES
the credit union company

Region 1 (Connecticut, Maine, Massachusetts, Michigan, New Hampshire, New York, Rhode Island, Vermont, and Wisconsin)

Please summarize your local market conditions looking ahead to 2016.	What are your department's biggest goals for 2016?	What challenges might prevent you from accomplishing those goals?	State	Peer Group
The economy in the New England region seems to be holding up pretty well. Competition in the financial industry space is quite strong although we expect a continued trend of consolidation to occur.	Relocate a branch office and headquarters to improve visibility and member services. These are significant undertakings and will be the key focus in 2016.	The unknown. Those projects that come up out of the blue that take time, resources, and energy away from the task at hand.	MA	$500M - $1B
Generally, the economy is improving and select areas of our market are showing growth.	Complete implementation of ERM platform and methodology.	Lack of internal resources.	MA	$1B+
There is slow but steady growth in economic activity with strong loan demand in the auto and mortgage markets.	At least maintain profitability and growth targets.	Rising labor costs. Uneven funding. Flattening yield curve. Slower economy.	MA	$1B+
The local economy is strong, particularly in real estate and auto lending. Small business should be good, too.	Membership growth. Small business services. Improved mobile payments. New markets.	Time and talent.	ME	$250M - $500M
Normal. Blue-collar, working class as well as upscale coastal vacation area.	Grow membership.	Employees aren't ready so we're creating a more focused culture within the branches of the organization.	ME	$250M - $500M
The local market is highly competitive.	Centralize and improve our mortgage lending program.	The regulatory burden is using up the resources I need to manage the changes we are looking to make.	MI	Less than $50M
The market looks promising for 2016. With increasing interest rates, we will be able to favorably reprice our short-term indirect auto portfolio and improve our net interest margin.	Stabilize growth while increasing net worth.	Increased charge-offs.	MI	$100M - $250M
The economy is a little slower than normal in our primary market due to issues with the city's largest employer. Conditions are much better in our secondary market.	Loan growth. Increase member wallet share.	Weak economy. Market saturation. Inefficient processes.	MI	$100M - $250M
The local economy has stable to improving employment. There's consolidation of banks and credit unions and increased competition for loans.	Increase net income through higher interest income, lower non-interest expense, and higher non-interest income.	Expenses associated with employees and benefits. IT. Containing compliance.	MI	$100M - $250M

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Our economic outlook is very positive. There is lots of growth, construction, and development. Some large corporations have relocated to our area. There is lots of emphasis on taking advantage of the natural resources of the area, enhancing work-to-live, and creating a more robust environment targeted primarily at a younger demographic.	Rebrand. Support departmental goal of designing comprehensive campaigns to drive in loans and membership. Create a new website. Develop more high-tech and personalized communication options. Develop and promote new products and services.	There's a lot on the plate. We have lots to do and limited time and staffing.	MI	$250M - $500M
The market is stable and showing some growth in our southwestern Michigan markets. The Upper Peninsula is volatile because of the types of jobs and the lack of business opportunities in those markets.	Attain $59.5M in annual loan growth for all lending portfolios combined.	Mergers, acquisition (distractions), and market instability (unlikely but could happen). We have four credit unions that are possibly interested in merging and an acquisition on the table currently.	MI	$500M - $1B
The local economy is solid.	Digital experience. Cyber security. Sales training. Business intelligence.	Cost. Slow growth.	MI	$1B+
Local economies are strong and expanding.	Win deposits.	Stagnant rate environment. Growing competition. Continued disintermediation.	MI	$1B+
The economy is stagnant. There's very little in terms of new jobs and always a fight to keep the current ones.	Increase membership. Growth.	We will have to move into new geographic areas, which is very costly.	NY	$100M - $250M
The local economy is continuing to improve.	Enhance product mix.	The attention needed to manage regulation.	NY	$100M - $250M
The market is holding steady from last year. There is no new competition from other financial institutions.	Increase membership and deepen existing member relationships. Possibly open a new branch in a new territory.	Change in interest rates. Economic downturn due to possible closure of businesses in market area.	NY	$100M - $250M
The local market is currently positive to stable. The Capital Region of NY generally does not fluctuate as much as other areas due to government and tourism. Overall, banks and credit unions are conservative lenders and maintain strength in bad times as well as good.	Move forward in loans. Improve member growth and member wallet share. Evaluate the transition from a branch service model where members come to us to a model where we reach out to members who visit us much less.	Low rates. Placing sales people and service people in the right position. Affording this new model given the tighter ability to make money and higher costs such as compliance and medical.	NY	$100M - $250M
Consumer confidence is generally improving amid incremental gains in housing prices and income.	Improve efficiency and cash flow.	Persistent low interest rates.	NY	$250M - $500M
We serve members and companies nationwide, our local market is the U.S. From my viewpoint, the economy is tepid and there is concern about rapidly shifting fundamentals.	Increase net income via non-interest income. Our balance sheet is maxed and the margin revenue is never enough.	An overzealous regulatory state.	NY	$500M - $1B

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We expect continued growth in R/E values, particularly in the NY investment R/E market. Residential pace is slower. Fears of recession are growing.	Increase loan portfolios by 10%. Diversify risk.	Continued economic concerns, particularly China's effect on global markets.	NY	$1B+
The economy is improving due to steady employment with some significant growth in commercial properties, especially hotels.	Add production in a rising rate environment.	A significant amount of production from 2015 was the result of three rate declines that increased refinances.	WI	$1B+
Trends in underemployment continue. Lost white collar jobs are not being replaced at the rate they are being lost.	Increase business loan portfolio and deepen relationships with local businesses.	Heavy competition from other financial institutions that will make loans at risky long-term rates.	NY	$1B+
The local economy is stable with marginal growth. The area is supported by state government, education, and regional health care.	Increase operational efficiency. Control expenses.	Change and challenge to the business model and brand.	NY	$1B+
Stagnant. We are in a small community with little to no recovery to home prices and job growth.	Improve asset quality in a depressed economic area.	Continued softening of local economic data, housing, and job growth.	NY	$1B+
The real estate market is rebounding with home prices beginning to appreciate. Unemployment is solid and is below state and national averages.	Grow market share in deposits, loans, checking, and millennials. Enhance the recognition of the credit union brand. Implement digital solutions to increase member participation and activity.	Available budget and personnel.	NY	$1B+
The local economy is sluggish but stable. There is very low unemployment tied to a shrinking labor force.	Growth and profitability.	In Vermont, our shrinking labor force is causing wage pressures to bubble, making external talent searches difficult. World economic turmoil might spill over domestically, too.	VT	$250M - $500M
There are solid economic conditions. Low unemployment. Scarcity of qualified workers.	Achieve full staffing. Implement operational efficiencies.	Lack of qualified workers.	VT	$500M - $1B
Our market is doing well. Loan activity is better than last January and the future, although not robust, is steady.	Upgrade technology for efficiencies.	Unstable economy might create negativity.	WI	$1B+
There is modest economic growth, no population growth, and modest employment growth in the local economy. There are government and school financial difficulties.	Manage risk. Support growth.	Unexpected economic conditions. Stagnant growth. Government and school sector financial issues. Weak auto sector.		$1B+
The local economy is steady but slowly improving.	Improve efficiencies and manage the margin.	Uncertain economic and market conditions. Ongoing technology changes.		$1B+

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Region 2 (Delaware, Maryland, New Jersey, Ohio, Pennsylvania, Virginia, West Virginia, and the District of Columbia)				
The local economy is growing and producing jobs.	Update our debit and credit cards and ATMs for chip technology	Depressed earning. Operating losses.	DC	Less than $50M
There is lots of competition in the local market.	Grow consumer loans and complete a merger.	Competition.	DC	$250M - $500M
Home values are stabilizing and unemployment rates are improving, but wage growth is stagnant.	Grow credit cards beyond historical averages while sustaining recent high growth rates in other consumer products.	Economic uncertainties might temper member loan demand.	MD	$1B+
The local economy – a white-collar Midwestern city – is positive. There is low unemployment.	Increase income.	Low-rate environment.	OH	$100M - $250M
There is limited growth in deposit products and substantial growth in indirect lending.	Increase the indirect portfolio and mortgage origination activity.	Not monitoring credit quality in indirect portfolio.	OH	$250M - $500M
Our local economy is stagnant. Consumers are cautious.	Attract more millennials. Enhance our sales culture. Provide more financial education. Increase non-interest income and diversity.	Increased regulatory burden. Limited financial resources.	OH	$500M - $1B
The local economy is stable to slightly improving. Slow growth is expected.	Enhance risk culture. Transform branches.	Attracting the right talent in the tight labor market.	PA	$500M - $1B
Competition for deposit balances is starting to show signs of life for the first time since the Great Recession started in 2008.	1: Improve member retention and engagement by revamping our new member onboarding process. 2: Grow home equity loans/lines, as recent regulatory changes have slowed production in this portfolio.	1: Nothing. 2: Consumer demand. Some members don't want to go through all the hassle now associated with HE borrowing.	PA	$500M - $1B
Unemployment is below national and overall state levels. Real estate pricing has increased, although it has not fully recovered to pre-2008 levels. Company layoffs have slowed to mainly merger/buyout activity. Loan delinquencies and charge-offs are down to pre-2008 levels.	Gain efficiencies.	Time.	PA	$1B+
The local market is stable. We operate across the United States, mostly in the VA, MD, DC area.	Open a new branch and video teller.	There aren't any.	VA	$100M - $250M
There is a strong local economy and tough competition from banks and large credit unions. Lending demand is strong and property values are high. Members adopt new technology early and push on us to innovate.	Build up business services to the same level as consumer services. Hit our large mortgage origination goal. We need strong deposit growth to fuel our loan machine.	Rising mortgage rates will reduce mortgage loan refinances. We need deposits, so we'll have to chase deposits early in a rising rate environment. Gross income is high but rising compliance costs and high office operations expense ratios are cutting into net income.	VA	$100M - $250M

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The area market is perennially strong. Federal government employees and contractors drive economic activity.	Rollout complete data analytics function that incorporates proper cost accounting models and sufficiently drives technological advantage.	Stakeholder (other departments, board, executive team) buy-in will likely be the biggest issue in rolling out this program.	VA	$1B+
Our local market will see modest growth in economic output, low unemployment, and good housing demand.	Grow loans 6%. Grow deposits 5%.	Because of our core system, we cannot offer value-based products, fees on ATMs, and fees on checking and bill pay.	WV	$50M - $100M

Region 3 (Alabama, Arkansas, Florida, Georgia, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Puerto Rico, and the U.S. Virgin Islands)

We expect the market to remain stable. Little growth, but no material decline in any area projected.	Maintain loan growth and technology automation.	Competition on loans. The cost of implementing the technology.	AL	$250M - $500M
The local market has a stable economy. There is a steadily growing jobs market with new businesses. We are optimistic!	Transition mid-level leadership. Take new technology to next level.	Personnel issues.	AL	$500M - $1B
The local economy is ripe for growth. The unemployment rate is declining.	Re-evaluate product portfolio to provide a more relevant product mix.	We need good data to understand what our members want and where to set our prices.	AL	$500M - $1B
Our local market is strong. We serve healthcare workers who work for a growing network including five hospitals and numerous outreach locations. The local economy is also growing slowly, but it is not a drag on members' attitude. Low oil prices are stimulating auto loan sales, our core business.	Grow membership, loans, and product and service usage, especially for cost-cutting technological advances.	It would take a market crash, a war, or a devastating hurricane.	FL	$50M - $100M
There is continued strong consumer loan growth and rising home prices in the local market. Also, low unemployment.	Increase profitability. Grow membership.	Unexpected geo-political event or weather event.	FL	$100M - $250M
There has been a solid rebound in real estate and small business success in the local economy. The population is growing.	Grow loans!	Hard to find good loans in a very competitive market. We are all scratching for the same loans with little margin.	FL	$250M - $500M
The local economy is improving slowly.	Improve processes.	Turnover.	FL	$500M - $1B
The economy seems to be picking up in some areas of the county.	Measure the ROI of community sponsorship.	Lack of base formula for calculating community sponsorship/outreach ROI.	FL	$1B+
The economy is improving and housing prices are coming back. We have relatively high demand for auto loans and credit cards.	Improve functionality of current systems.	Identifying how to improve functionality and making sure we have the correct folks in these areas.	FL	$1B+
The local economy is expanding and positive for loan and deposit growth.	Predicative member modeling.	Labor resources.	FL	$1B+

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We view our local market as the state of Florida. Continued relocation of individuals and business into the state is expected. New construction is strong with existing housing appreciation expected at a 3% increase. The job market is growing; however, income levels remain at a lower level than other states.	Increase the number of members who have made the credit union their PFI based on their mortgage experience. Increase closed volume of loans by 10%.	Additional compliance requirements. Rates increasing above affordability levels.	FL	$1B+
The local economy is stable to slightly improving.	Expand market and enhance value to members. Cyber security.	Cyber issues. Frivolous legal distractions. Economic uncertainty.	GA	$1B+
The local economy is improved but there is still a subtle yet general underlying feeling of unease. The spectrum of potential unknown economic variables is tremendous, many of which could have a material impact on the domestic economy.	1: Create a full costing system for all operating teams and refine the existing product profitability model. 2: Reduce operating costs and improve efficiencies. 3: Identify and develop new, higher-yielding asset classes in which to invest over the next three years.	General domestic/global economic recession. Continued erosion of interest margins. Critical staff turnover.	GA	$1B+
Unemployment is high, 8%, and the average wage for most jobs created is $12/hour. There are no new houses being built. The area is overbanked.	Grow loans and membership. Improve technology to attract younger members.	We are a small institution, and it is hard to remain competitive in a rising rate environment. We are evaluating whether we are spending money wisely. A large part of the population does not have internet access, so will we attract more members with additional technology or see no change in membership? These are unanswered questions.	IN	$50M - $100M
Local market conditions are strong – unemployment is low and manufacturing and housing is strong.	Manage liquidity. Implement HRIS system. Improve employee onboarding. Improve efficiency.	Key staff turnover.	IN	$500M - $1B
Blue-collar employment is in full demand. Housing is stable. Flight to credit unions is at its greatest ever in our market.	Grow deposits 15%, loans 17%, and membership 13%.	Rising interest rates. Competitive pressure. Economic downturn. Internal leadership development.	IN	$500M - $1B
There was a recent announcement of a plant closing. Six hundred factory workers are facing unemployment. This will have trickle down impact in the economy.	Expansion, business lending, e-signature and online new accounts and loans.	Regulation. New FOM being considered.	IN	$500M - $1B
Conditions are positive for the local market. It is growing with expected employment growth from new industry.	Create 10% revenue growth in 2016. Complete first derivative swap transaction. Maintain capital at desired range if we grow too fast.	Decline in the local mortgage market. Capital pressure from strong market deposit growth.	IN	$500M - $1B
The local economy is bearish.	Grow deposits.	Inept staff.	IN	$1B+
The local economy is stable to improving.	Improve growth in first mortgage volume.	Increasing treasury yields, which correlate to increasing mortgage interest rates.	IN	$1B+

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Our local market is mixed. Some companies are doing really well and adding jobs while others are reducing workforce.	EMV.	None.	KY	$500M - $1B
The local economy is flat. Unemployment is still high. The unemployment rate does not reflect the true rate as many that were laid off are not counted yet still seek employment. Real estate is flat. We do not have the amount of new construction as other markets. Insurance rates, especially flood insurance and wind/storm, is inhibiting home ownership.	Increase loan growth over 2015, which was a banner year.	Regulation. Market conditions. Insurance rates. Employment.	MS	$1B+
Our local market is stable with modest growth potential. Unemployment here is slightly higher than the national average.	Grow the consumer portfolio without indirect or business lending. Grow the RE portfolio in a rising rate environment with fewer qualified buyers.	Rising interest rates. Global economic downturn. Inability to attract deposits and new members.	SC	$1B+
There are stable prices and employment in the local economy.	Hire and train talent, possibly with low experience, to begin to replace losses over time. Manage liquidity, growth, and loan demand while maintaining profitability (we don't chase business that is too risky or not as profitable). Look for strategic partners either for our indirect lending CUSO or mergers.	Economy starts to perform worse. The inability to locate talent from the existing pool of candidates could cause us to over-reach or stretch pay ranges, although a slowing economy could help this.	TN	$250M - $500M
Delinquency and net charge-offs are well below national levels. Lending also beats national levels. We are located in a retirement community.	Increase the loan to share ratio while keeping delinquency and net charge-offs low. Increase net worth by 1/2% by Dec. 31, 2016.	If share deposits rapidly increase, this could lower the loan to share ratio and lower the net worth ratio. We must control share growth.	TN	$50M - $100M
This is a very competitive area.	Increase loan volume. Increase income.	Competition from large credit unions and banks. Excessive time and money spent dealing with regulation rather than on members and service improvements.		$100M - $250M
The local economy is improving. Unemployment is less than 5% and home prices are improving.	Increase loans outstanding by 10% or more while managing loan quality.	Local economic downturn. Entrance of aggressive lender into our market.		$250M - $500M

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Region 4 (Colorado, Illinois, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming)				
The market seems to be recovering. Real estate sales are increasing and there seems to be a positive atmosphere toward growth.	Increase loan demand.	Difficulties in finding a replacement for our mortgage lender.	CO	Less than $50M
We have a stable employment market. Home values are increasing and new builds are continuing for home and commercial. There's money for infrastructure to improve roads and light rail has helped increase home values.	Attract new members, especially those younger than 35. Grow loans to maximize income.	Members and small business still show uncertainty in financial decisions. The economy is still struggling and won't improve until after the election. Regulations on small financial institution is getting real old. EMV expenses are outrages.	CO	$50M - $100M
The local economy has been lagging behind regional and national numbers. We are starting to see the housing market come back, but we are still conservative in our outlook.	1: Host a financial literacy fair. 2: Implement mobile banking and a new online banking vendor.	Resources and volunteers.	CO	$50M - $100M
The local economy is strong. Denver has become an attractive place for millenials as well as all sectors.	Achieve significant credit card growth in balances and transactions. Focus on becoming top-of-wallet for payment systems transactions (eBay, Amazon, **Pay, etc.). Grow loans in the double-digits across all lines.	If the domestic economy overreacts to China or moderate Fed Funds rate increases, the local economy could be impacted. Also, larger card players might get to market first with digital initiatives.	CO	$1B+
The local market is stable and there is strong loan demand. Housing is strong and there is good mortgage demand.	Expand to new field of member. Remodel/update branch. Grow assets by 8%.	Competition is strong in our primary market and it is difficult to enter new markets. Card fraud is increasing to alarming levels.	CO	$1B+
Our local market significantly relies on agriculture, which is experiencing the third straight down year. Housing is stable.	Grow deposits and loans 8% to 10%.	Rising interest rates could increase the cost of gaining deposits.	IA	$500M - $1B
There is slow growth in the local economy. We are a rural university town with 45,000 students that come and go during summer. Farming is slow. The IL state budget crisis will likely increase taxes, which will further slow growth and increase business and resident attrition.	Install a consultative service and sales program and move away from pure incentives for immediate results.	Slow staff adaptation. Lack of senior leadership engagement.	IL	$250M - $500M
The local market is strong for auto sales. We are also seeing strong demand for commercial lending.	Grow deposits and acquire accounts. Raise funding for all loan programs – we are currently over 100% loans to shares. Improve mobile and online offerings.	The challenges are the usual – members waiting for rates to increase, saturated markets, members saving less and borrowing more on credit.	IL	$500M - $1B
The local market is coming off a strong year. It is a healthy economy that is at risk of increasing weakness.	Grow deposits, loans, and revenue.	Weak economy. Disintermediation of deposits.	MN	$1B+

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The local market is stable with limited loan growth opportunity generally but market share gains remain strong. Loan volume is down but purchase volume should be up for home loans.	Grow mortgage loans and engaged membership.	Staffing issues. Jobs. Local economy. Compliance. Regulation.	MO/KS	$500M - $1B
We're facing a tough economic climate. NM is dependent on oil and gas production as well as government spending. There are job losses in the oil sectors around the state and the tax revenues associated with oil and gas production will be down past 2016, which means fewer dollars for government-funded programs. Unemployment is close to 7.0%. Competition among FIs has picked up.	Technology. Loan growth. Overall financial performance.	The cost associated with new technology and the resources to implement new platforms. Loan growth might be stymied given weaker economic outlook and competitive factors.	NM	$1B+
The local market is flat but improving slightly. New Mexico's economy has trailed behind neighboring states and our dependence on government employment and oil/gas will continue to challenge us as we diversify the economy.	Increase new memberships/checking accounts. Deepen relationships with existing members, primarily through additional loan growth.	Economic challenges in our communities.	NM	$1B+
The oil industry is in the midst of a downturn, which in turn has sparked layoffs and hiring freezes. Industry experts seem split on the long-term outlook for the industry, but we expect heightened borrower credit risk over the next one to two years. This could result in slowing loan demand and/or increased charge-offs and delinquencies.	Generate non-interest income, sales and service, security.	Employee resistance to coaching. Consultant expenses.	OK	$100M - $250M
Oil prices below $30 have created a drag on the local economy. Exports are dragging because of the strong dollar.	Grow loans and deposits and continue a strong ROA. We're in the middle of building process and DP conversion at year end.	Economy could slow growth and hinder income.	TX	$50M - $100M
Our market has been improving slightly as exemplified by new businesses and home sales; however, low oil prices are leading to anecdotal evidence of a slowdown to come. Layoffs and delinquencies have risen in recent months and projects have stopped or are being re-evaluated. We expect deterioration in business.	Add one new high-tech branch in new FOM areas. Covert to EMV. Bring credit cards in house. Add a new imaging system to increase loan and deposit goals. Achieve ROA of 1.35.	Lower oil prices and the impact on loss provisions and general economic impact. Regulations remain a problem, but we are adjusting to the increased cost and workload.	TX	$500M - $1B

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Local market conditions are good. There is low unemployment and low gas prices. Consumers are spending.	Implement a new product in our mortgage group for 1-4 family purch/refi along with a HELOC product. Improve ROA, efficiency ratio, and net worth ratio. Transition into a more efficient credit union while implementing a new lending product.	Economy. Regulatory reform. A legacy mindset is causing us to not run as lean in certain departments as we need to run. Competition from non-bank factors (fintech firms, Google, Wal-Mart, etc.).	TX	$500M - $1B
We expect unemployment to remain below 5% and real estate values to increase. Home and auto sales are strong. According to an Austin Chamber of Commerce report, Austin's 3.5% workforce growth rate between May 2014 and May 2015 makes it the eighth-fastest growing metro area in the nation for jobs.	Increase overall income.	Continued low interest rates.	TX	$500M - $1B
There is stable to very slight improvement in the local economy, but the regulatory and rate environment are not that encouraging.	Gain efficiency to better serve co-workers and members. Build two new branches.	The continuing increase in regulations makes it more difficult to operate efficiently.	WY	$500M - $1B
A decline in natural resources has impacted the economies in Colorado and Wyoming, but with Wyoming depending ore on natural resources (there is no state income tax) the burden will hit much harder.	Merge into another credit union.	Nothing, we are almost there.	WY	$500M - $1B
The local economy is strong, home prices are rising, and this ski season has been the best in several years. A new recreation center is under construction, and car sales are strong.	Have a mobile app in place in the fourth quarter. Conduct a reality fair for 250 high school seniors. Find a CEO replacement. Raise capital 2%.	None at this time.		$50M - $100M
There is slow growth in the local economy.	Grow in outreaching areas. Grow capital.	Foreclosures.		$50M - $100M
The local economy is declining primarily due to the oil and gas industry. Members' confidence in their personal stability is also declining, and we expect loan growth to taper. Deposit growth will most likely come in short-term products with maturities of one year or less.	Improve processing time to increase the number of opportunities we have with our members.	Cost and regulations. Depending on the cost to make improvements and ensure all documentation has the required fields, this process might take longer than we plan.		$100M - $250M

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Region 5 (Alaska, Arizona, California, Guam, Hawaii, Idaho, Nevada, Oregon, Utah, and Washington)				
Local economic conditions have remained stable; however, a faltering state economy has residents concerned for higher living costs (taxes) in the near future.	Simplify internal processes to make member interactions more efficient.	Lack of system integration. Reliance on old technology and the cost of implementing new technology (that does not integrate with the old technology!).	AK	$500M - $1B
There is strong competition for loans from other credit unions and financial institutions.	Move to a forecasting approach versus traditional budgeting. Continue loan growth. Grow earnings. Reduce expenses.	Rate increases or lack of increases.	AZ	$250M - $500M
Economies are improving in all our markets (California, Utah, Michigan, and Arizona). Employment is down and continuing to fall. Members seem more willing to borrow.	Increase ROA, reduce cost of services, and expand member touch points.	Technology, compliance, and regulations – all related to cost and complexity.	CA	Less than $50M
The local markets are ok.	Grow auto loans and credit cards.	Marketing resources. Compliance approval.	CA	$100M - $250M
The local economy is stable.	Convert card processor. Update phone system. Work toward being a green credit union. Participate out solar loans.	Current servicing platforms do not exist for participating solar loans. All reporting is manual through excel spreadsheets.	CA	$250M - $500M
Unemployment is low – 4.3%. Housing prices are stable to rising. Economic growth is slow to moderate.	Grow net interest income, non-interest income, and market share/relationships.	Slower loan growth. Increasing rates beyond forecast. Economic downturn.	CA	$500M - $1B
The local economy has strong auto sales and credit card usage/growth.	Increase consumer loan originations 13%.	Rapid rise in interest rates. Worldwide economic shifts. Regulatory changes.	CA	$1B+
Our market is very competitive with lots of non-traditional competitors. We're in Silicon Valley, so there's a huge emphasis on high-tech delivery.	Our budget was cut, but we have the same expectations for member growth, loan growth, member service/loyalty, and income.	Budget and staff.	CA	$1B+
There is a strong local economy. Unemployment is down and housing sales are at record levels.	Build indirect lending.	Slowdown in the national economy. Rising interest rates.	ID	$100M - $250M
Currently, our local market conditions are good.	Implement responsibility center (RC) reporting and product profitability reporting.	Software functionality. Staff acceptance.	IL	$500M - $1B
Las Vegas and Nevada have been dragging somewhat behind the economic recovery with unemployment still above the national average. We've seen improvements, but the economy needs time to strengthen for consumer demand of loan products to increase.	Plastic card usage. Vehicle lending.	Internal competition for marketing budget.	NV	$500M - $1B
The local market is an attractive destination for young people to relocate families. Housing prices are rising and the job market is tight.	Develop career paths. Cross-train.	Rising wages from turnover and competition for skilled employees.	OR	$500M - $1B

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The Portland metro-area continues to see population growth, innovation, and increasing tax receipts that contribute to the state and local coffers. The positive impact on business revenues and activity as well as continued real estate demand create a positive outlook.	Improve efficiency in processes. Create opportunity through balance sheet management tools. Improve cost control.	Time, resources, current contracts, and/or vendors.	OR	$500M - $1B
Utah has a tight labor market, strong auto loan demand, and a competitive credit union market. Credit unions continue to do well in spite of the overall lackluster economic situation.	We are investing heavily in online and mobile banking. Push for growth in new members and products and services per member.	Regulations continue to drain valuable resources. Rapid growth has created management pool challenges.	UT	$1B+
The local market is a highly competitive market for refinancing. Indirect volume is flat. There are opportunities for first mortgage loans.	Increase direct loan growth for higher yielding products beyond auto loans and sell multiple loans to single borrowers.	Competition for similar products. Technology advances by other lenders. Offering products that are relevant to the borrower pool.	WA	$50M - $100M
The local economy is pretty flat. There's a major layoff pending for one local manufacturing employer, and the prospects for new, equal-paying jobs are not promising.	Continue moderate growth in assets and net worth. Capitalize on merger executed in 2015.	Continuation — or intensifying — of tight interest margins.	WA	$100M - $250M
The local economy is very strong and competitive.	Grow retail and business checking accounts. Sell jumbo mortgage product.	Competition.	WA	$250M - $500M
The Seattle/Tacoma market should remain strong in 2016.	Maintain strong loan growth — 10%.	Lack of consumer confidence. Strong competitors.	WA	$1B+
The local economy is favorable and there is intense competition.	Branding, branding, branding. Grow loans. Develop employees.	Time. Money. Stamina.	WA	$1B+
The local economy is steady to slightly declining. There is little to no growth in our market area.	Increase loan portfolio	Increasing unemployment rate.		$50M - $100M
Unemployment is down. Housing is growing and steady. Retail sales are down due to our close proximity to the Canadian border.	Increase income. Maintain expenses.	Compliance. Increasing regulatory oversight.		$100M - $250M
The local economy is strong.	Automate accounts payable.	Resources.		$1B+

* Some answers have been excerpted and edited for readability.