

COMMITTED *to*
COMMUNITY

2023

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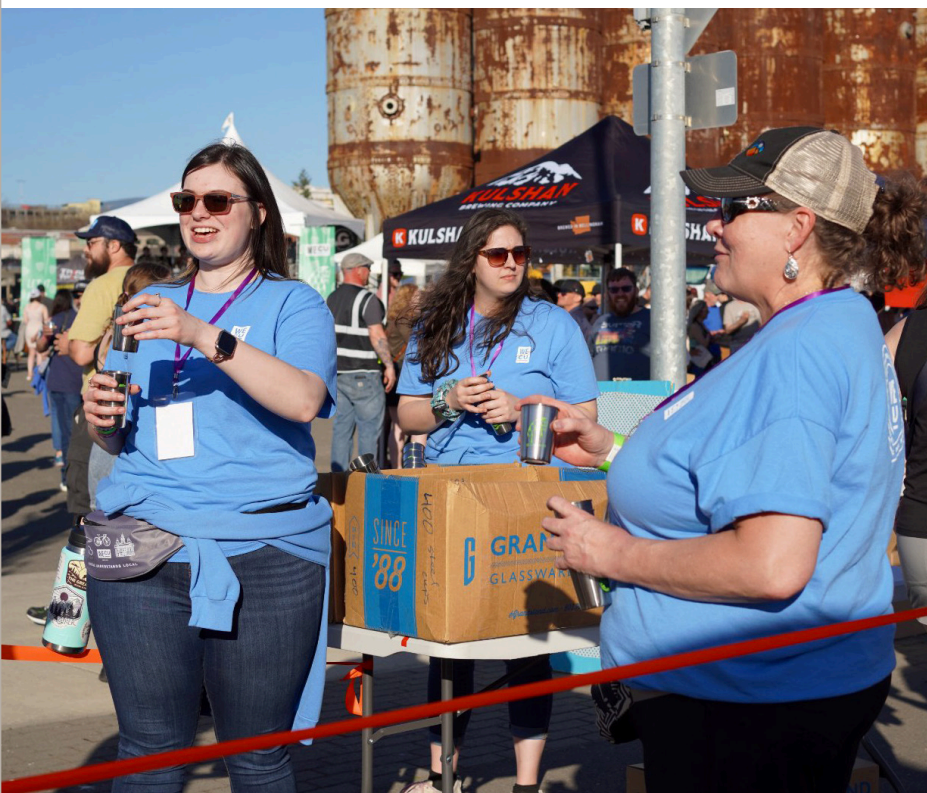


I am pleased to present the 2023 Community Impact Report, which highlights WECU's efforts to strengthen the communities we serve through charitable giving, volunteerism, community partnerships, financial education, and of course, financial products and services. At WECU, we listen, learn, and identify how to create tangible ways to further commit to financial inclusion, equity, and economic opportunity for all, and I am proud of the many accomplishments made in 2023.



JENNIFER KUTCHER
PRESIDENT AND CEO, WECU





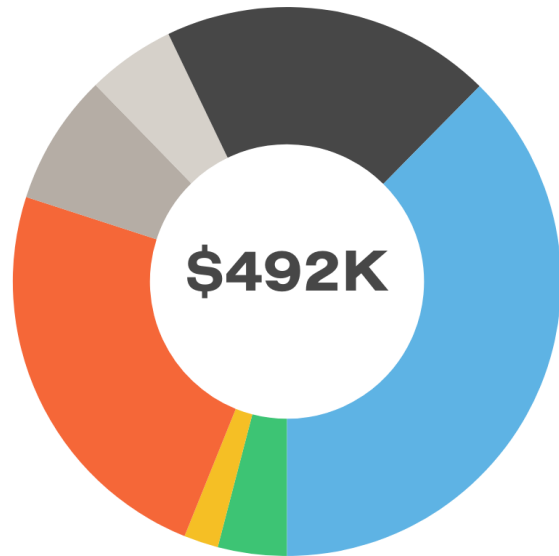
600 VOLUNTEER HOURS
37 CAUSES SUPPORTED

VOLUNTEERISM

Team WECU provides volunteer opportunities to staff, coordinating with nonprofits to support meaningful community causes. In 2023, WECU expanded volunteer programming to include paid time off when staff volunteer independently with eligible community groups. More than 600 service hours have been reported between the two programs, with 42% of staff participating, 37 causes supported, and compensation of \$3,500 paid to employees for time off.



TEAM WECU



WECU GIVING BY PROGRAM

- 38% Sponsorship/In-Kind Donations
- 24% Education First
- 19% Scholarships
- 8% Community Builder
- 5% Servant Leadership
- 4% United Way
- 2% Disaster Relief

Charitable Giving

EDUCATION FIRST GRANTS

WECU’s flagship grant program, Education First, makes a meaningful difference by supporting local initiatives as they provide quality educational programming to our neighbors and friends. WECU has donated \$565,000 since the program’s inception in 2019, and another \$125,000 will be awarded in the summer of 2024.

Skagit Valley College Foundation - Manufacturing Technology Program:

The Manufacturing Technology (MANF) program at Skagit Valley Community College provides students with the foundational skills needed for many entry-level manufacturing jobs. It introduces students to key workplace skill areas often found in advanced manufacturing-related industries.

Children of the Valley: Children of the Valley is where children in need are provided a safe and supportive after-school environment that celebrates each child’s unique potential and cultivates connection, learning, and confidence.

Whatcom Center for Early Learning: Whatcom Center for Early Learning’s mission is to partner with families to provide high-quality, equitable, and comprehensive therapy and support services to children experiencing developmental delays and disabilities.

Whatcom Dream: The Whatcom Dream is a nonprofit organization that has been providing free financial empowerment courses and community education since 1999.

Previous awardees in their second year of funding are Bellingham Childcare and Learning Center, Nooksack Salmon Enhancement Association, and Pickford Film Center.



Charitable Giving Continued

SCHOLARSHIPS

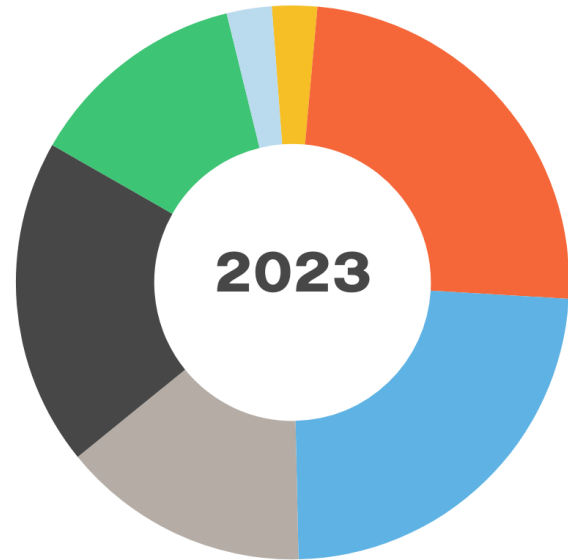
WECU proudly supports local education by partnering with foundations at Western Washington University, Whatcom Community College, Bellingham Technical College, Skagit Valley College, and Northwest Indian College. WECU contributed \$96,000 in scholarship awards to these institutions of higher learning.



It is so difficult balancing work, school, and a family life, but this scholarship will take some of the burden away from that balancing act. Thank you for your contribution to my education. I promise I will do great things with this scholarship and, one day, help another person in need!

- K. DeZarn, SVC

\$96,000 in scholarship awards



COMMUNITY BUILDER BY CAUSE

- 24% Education
- 24% Arts, Culture, and Civics Groups
- 19% Health and Safety
- 14% Food and Housing
- 13% Sports and Youth Programs
- 3% Other
- 3% Animal Welfare

Charitable Giving Continued

COMMUNITY BUILDER

The Community Builder grant program recognizes Whatcom County do-gooders who strive to make a difference every day. Up to \$500 each, these grants support a wide variety of causes totaling **\$37,950**. Eighty (80) nonprofits were supported by this program in 2023.

MEMBER AND STAFF DONATIONS

WECU's annual workplace campaign raised a record-breaking **\$117,700** for United Way. Fundraisers included a virtual auction, a dunk tank at a Bellingham Bells game, and a garage sale of unused office equipment. WECU contributed **\$22,874** in paid time off for 65 participating employees to encourage payroll deduction giving. WECU also made a corporate gift of \$20,000 and contributed paid staff hours for two employees who serve on United Way Community Impact Panels. New in 2023, staff were able to designate their gift to United Way of Skagit County, and a \$2,500 Servant Leadership grant was awarded to United Way of Whatcom County in recognition of employee board service.

WECU hosts annual charity drives in all financial centers, allowing staff and members to support the local community. Additionally, a nonprofit is chosen as the beneficiary at WECU's annual Business Banking Golf Tournament fundraiser. This year, more than **\$4,500** was donated to local nonprofits through these initiatives. Participants in charity drives also donated baby diapers, wipes, nonperishable pantry items, and holiday toys for more than 300 children across Whatcom and Skagit County.

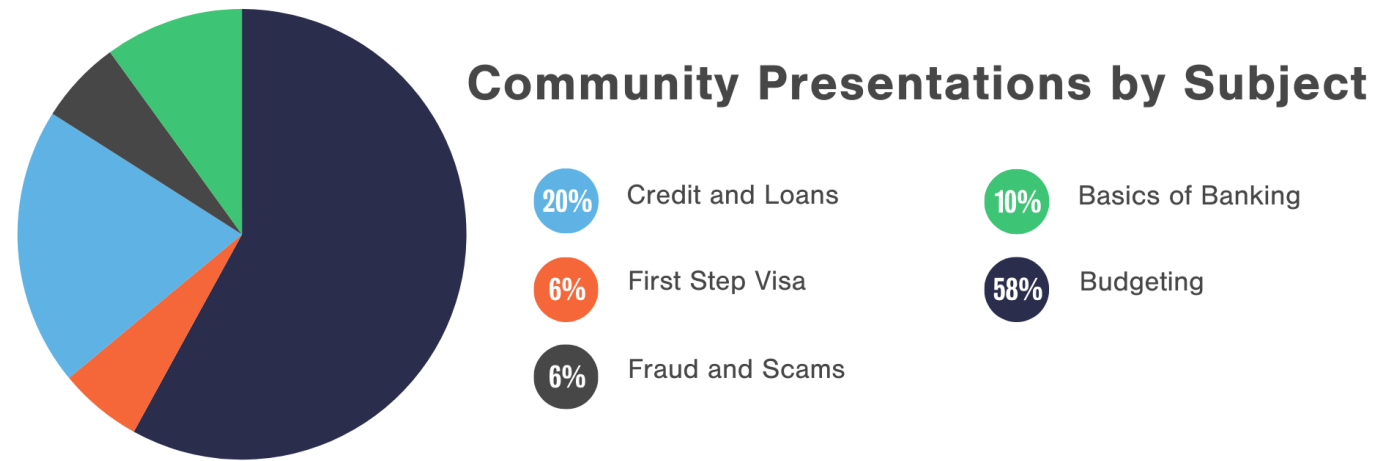
*\$25,500 to
11 nonprofits*

SERVANT LEADERSHIP

Servant leadership recognizes employees serving on nonprofit boards. In its fourth year, \$25,500 was awarded to 11 nonprofits in support of their missions:

- American Red Cross
- Bellingham Childcare and Learning Center
- Bellingham Kiwanis Club
- Carl Cozier Elementary PTO
- Engedi Refuge
- Interfaith Coalition
- Skagit Habitat for Humanity
- United Way of Whatcom County
- Upfront Theatre
- Whatcom Family YMCA
- YWCA





WECU led financial education lessons, reaching 1,357 students - our highest outreach total ever!

Financial Wellness

FIRST-TIME HOMEBUYER SEMINAR

WECU financial seminars include an on-demand First Time Home Buyer Seminar. For many members, a home is the largest purchase of their life. WECU's First Time Home Buyer Seminar helps teach prospective home buyers the ins and outs of the home buying process and how to avoid common mistakes. Last year **294 members** participated.

FIRST STEP AND YOU(th)x

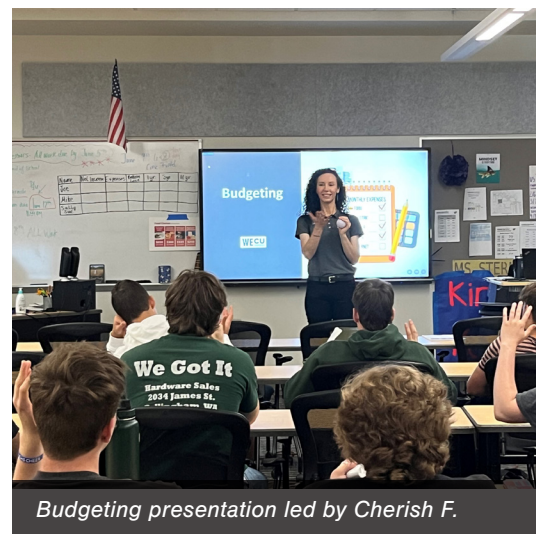
First Step Savings and Checking accounts are youth-centered accounts that encourage early financial education, feature above market interest rates, and no overdraft fees. There are currently **5,943 First Step Savings** and **3,676 First Step Checking** accounts. As part of WECU's First Step Checking offering, teens are invited to join YOU(th)x to participate in financial education challenges. So far, our **145 You(th)x members** have completed **2,698 challenges**.

FIRST STEP VISA

WECU's First Step Visa Program allows 16- and 17-year-olds to build their credit and practice responsible credit card use. After attending a required educational seminar, students are invited to apply for a \$250 limit First Step Visa card. **132** students attended, and **54 cards** were issued. Graduates of the First Step Visa Program have credit scores **80** points higher than non-graduate WECU members of similar age (**750 versus 670**).

SAVE THE DIFFERENCE

2,969 WECU members were enrolled in the Save the Difference in 2023! The Save the Difference program allows members to



Budgeting presentation led by Cherish F.



First Step Debit Card

Financial Wellness Continued

build savings everyday by rounding up debit card purchases and depositing the difference into their preferred savings account. Together **they saved \$249,563** last year!

MMI

WECU partners with Money Management International (MMI), a full-service credit counseling agency, to give our members access to high-quality, free-to-the-member financial counseling. MMI's services include budget counseling, credit report reviews, debt management, and student loan counseling. **410 members** called MMI and **287** visited their website. Of these, **158** members went on to participate in counseling sessions and **12** started a Debt Management Plan, paying down **\$72,606** in high interest debt.



*\$249,563
in savings*

Sponsorships and In-Kind Donations

EVENTS AND SPONSORSHIPS

WECU contributed **\$135,000** to nonprofits through event sponsorships. These partnerships raise the profile of our cooperative while helping support some of Whatcom and Skagit County's most important causes. Gifts include:

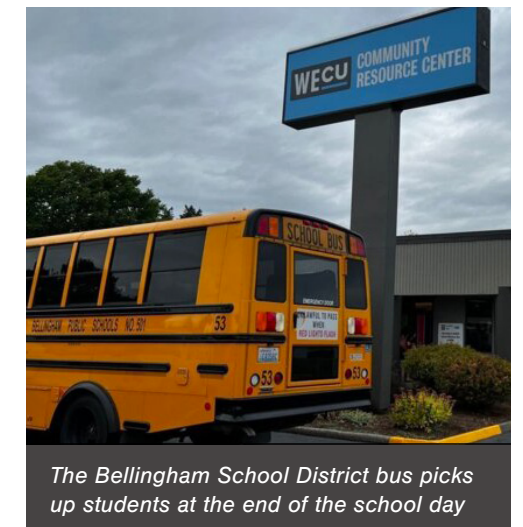
- Whatcom Hospice Foundation
- North Cascades Bluegrass Festival
- Economic Development Alliance of Skagit County (EDASC)
- Skagit Regional Health Foundation
- Lighthouse Mission Ministries

BIRCHWOOD COMMUNITY RESOURCE CENTER

WECU and the Bellingham School District formed a partnership in which the school district hosts its Community Transitions Program (CT) from the former WECU Birchwood Branch, now known as the Birchwood Community Resource Center. The CT Program serves students who receive special education services in the Bellingham School District through the age of 21, seeking to successfully transition students to more independent living, employment, or post-secondary training. The value of this donated space is \$50,000/year.

EDUCATION CENTERS

WECU offers free spaces to community nonprofits for educational meetings and seminars. The Ferndale and Bellingham Education Centers were used by nonprofits 67 times.



The Bellingham School District bus picks up students at the end of the school day

*\$135,000 to
nonprofits
through event
sponsorships*



Serving the Underserved

LOW-TO-MODERATE INCOME

As a not-for-profit credit union, WECU understands the importance of focused attention on members of our community with **low-to-moderate income**. Decisions big and small at WECU take this into consideration. Those include checking and savings accounts that feature no minimum balances and low fees and financial center and ATM networks that span Whatcom and Skagit Counties.

Some financial institutions may target large-dollar loans, but smaller loans are critical to working families.

- Analysis of member profiles estimates that 26% of WECU members are low-to-moderate income. WECU defines low-to-moderate income as households with annual income less than \$50,000.

EBT: ELECTRONIC BENEFIT TRANSFER

EBT cards issued by the Washington State Department of Social and Health Services (DSHS) are re-loadable and issued to community members receiving government support due to financial hardships. WECU ATMs provide free withdraws for EBT users. The total amount saved at WECU ATMs was over **\$39,660** based on a national average ATM fee of \$4.73.

MANUFACTURED HOMES

WECU is proud to fund manufactured homes. WECU funded **34** manufactured homes on land with an average original balance of **\$224,196**. WECU is also proud to fund **15** manufactured homes located in mobile home parks, with an average loan size of approximately **\$55,138**, filling an important community need.



43% of auto loans funded are under **\$20,000**



58% of credit cards funded are **\$1,000** or less



25% of personal loans are for less than **\$3,000**



14% of WECU members are subprime*

*WECU defines subprime as credit scores less than 650.

LANGUAGE BARRIERS

Language barriers create challenges in accessing financial products and services and discourage individuals who do not speak English from using a formalized banking system. WECU partners with LanguageLine to provide translation services in over 200 languages. To ensure all members feel welcome and heard, WECU staff made **4,154 calls** to LanguageLine in 2023 and used their translation services for **40,771 minutes**, an annual increase of approximately 90%.

SUBPRIME

Many community members encounter a time in their lives when income is lost or unexpected bills cause credit problems. WECU is dedicated to creating pathways back to stellar credit.

SECURED LOANS

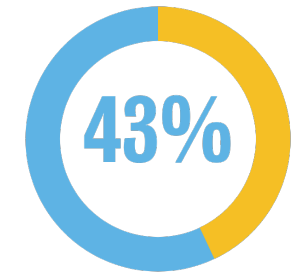
Saving secured loans are a tool for members with poor credit histories to access a line of credit and begin rebuilding their credit scores. **240** savings secured credit cards were opened with WECU now having **2,485 total cards**. The average balance is 35% of the card limit - a great ratio for improving credit!

SPEND SAFE

WECU's Spend Safe is a second chance account that features no overdraft fees. There are **344** Spend Safe accounts, and **52%** of cardholders have subprime credit.

ITIN LENDING

WECU Launched ITIN Lending in May, 2022. WECU funded **968** ITIN loans since then with original loan balance or limits of **\$19,332,812**.



of purchase loans for primary residences were under the median home price in Whatcom County.



23%

of WECU auto lending at a dealership is subprime, an increase of 9%. 2% are Thin Files.**



19%

of WECU auto lending at branch is subprime, an increase of 5%. 2% are Thin Files.**



21%

of all consumer lending is for subprime members, an increase of 9%. 4% are Thin Files.**

**Thin File means they do not have enough information on their credit report to create a credit score.



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