

## For Immediate Release:

### Credit Unions Cap Strong Year by Besting Bank BDs

#### *Survey of Credit Union Brokerages Compares Relative Penetration of Financial Institutions' Opportunity*

**CHAPEL HILL, NC AUGUST 21, 2014:** Credit unions produced investment services revenue penetration of deposits that was 9% better than the banks in a comparable survey of banks with their own broker dealer, according to a study released this week by Kehrer Bielan Research & Consulting. “The typical credit union in our survey generated \$1,514 in revenue from investment sales per million of member deposits, compared to \$1,384 per million of consumer deposits for the banks in our survey of large banks that own their own broker dealer,” said Tim Kehrer, the director of the survey and a senior research analyst at KBR&C.

“Credit unions providing investment services had a very good 2013,” he continued. “The share of members conducting investment business at their credit union increased from 2.7% in 2012 to 3.0%, and revenue from investment services grew 4%. At the same time, the share of credit unions providing investment services increased to 13.8%, up from 12.3% in 2012.”

The *2013/2014 Kehrer Bielan Credit Union Investment Services Benchmarking Study* drew on data from 905 credit unions with investment services offerings and an in-depth survey of a sample of 46 credit unions about the workings of their investment services businesses. The study compared the performance of the sample of credit unions to the findings from the *2013/2014 Kehrer Bielan Bank Broker Dealer Survey* of 19 large banks that own their own broker dealers, which was released last month.

“The typical Financial Advisor in a credit union brought \$7.7 million of new investment assets to the institution during the year, and produced \$246,325 in investment services revenue, which is shared between the credit union and the broker dealer,” noted Dr. Kenneth Kehrer, a principal of the firm. “While these metrics lagged far behind the productivity of Advisors in the large banks, the credit unions actually achieved better penetration of their opportunity. The credit unions in the survey produced \$360 in net income per million of share deposits, 21% better penetration than the banks.”

Tim Kehrer commented that the survey provides other benchmarks that are helpful to credit unions looking to achieve superior performance and understand best practices.

“Referrals of members to the credit union’s Financial Advisors remain an important ingredient in the recipe for success. Credit unions in the top quartile in terms of FA productivity provide 55% more referrals relative to their size than those credit unions with less productive Advisors.”

Dr. Kehrer pointed out that the typical credit union referred 1.7% of its member households to the institution’s Advisors during 2013, about the same referral penetration as the previous year. But as credit unions increase the number of Advisors they deploy, referrals per Advisor are thinning out. Last year the Advisors in the credit unions surveyed had one-third fewer referrals to work with; the same number of referrals were spread among a larger number of Advisors.

For further information about the *2013/2014 Kehrer Bielan Credit Union Investment Services Benchmarking Study*, contact:

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