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Why government shutdown has CU staff canceling vacations

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The ongoing partial government shutdown has plenty of credit unions that serve federal employees scrambling to meet increased demand from members.

As President Trump and congressional Democrats remain at an impasse over funding a wall along the U.S.'s southern border, credit unions are bracing to deal with a variety of issues, including [possible liquidity strain](#) and [declining credit quality](#), if the closure continues.

Some are also handling an increased volume of calls from members who work for the government and missed their first paycheck Friday.

For Cabrillo Credit Union in San Diego, branch traffic has remained relatively normal since the shutdown began, but inquiries at the call center jumped 8 percent in December. That's not surprising considering the shutdown began with 10 days left in that month. Cabrillo serves U.S. border patrol and customs agents, among other groups.

In the first three days of January alone the call center had already received nearly 20 percent of its normal monthly call volume.

"To have [that many calls] in three days is unheard of," said Chief Operating Officer Jonathan Zide, who added that overflow calls are being routed through CO-OP Financial Services.

Many members are inquiring about the \$300 million-asset institution's programs to help furloughed employees and those who are working without pay. Cabrillo is offering interest-free payroll advances of up to \$5,000.

Use of the credit union's online chat feature is also up, with the institution hitting 50 percent of its average number of chat sessions in the four business days of January, with many chats exceeding 10 minutes.

Volume especially picked up after President Trump claimed on Jan. 4 that the shutdown could last for "months or even years."

"As soon as that statement was made, call volumes increased," said Zide.

As a result of the uptick in member contacts, Cabrillo officials are shuffling their staffing.

"We're asking branch managers to be prepared not to take a vacation if they can," said Zide. "If they were booked on a trip, of course [they can go], but we've had a couple branch managers scheduled to be out and we said if you can be in and plan to stay until 6 p.m. when our branches close, please do."

Executives are expecting volume to further increase after the federal employees it serves miss their first paycheck on Friday, Jan. 11, Zide said. They expect to see additional increase in members asking about its furlough and payday advance loan products.

"We want to be sure we have the people and the bandwidth here to make sure we can get everything done" before the branches close, he added.

CO-OP and PSCU both provide overflow call center support services for credit unions across the country, but representatives for both

organizations said their contact centers had not seen an uptick in traffic as a result of the shutdown. That may not be a surprise – the shutdown impacts about 800,000 federal workers, which constitutes less than 1 percent of total credit union membership nationwide.

At FedChoice FCU in Lanham, Md., all six of the CU's branches are open, but only two of them are seeing much traffic. That's because the remaining four branches are inside government facilities and are only accessible to members who are able to get inside those buildings to work. About two-thirds of its members work for the Internal Revenue Service or the Bureau of Alcohol Tobacco and Firearms, both of which have been impacted by the shutdown.

That has resulted in "very limited" branch traffic, said Kevin Roland, delivery channels director at FedChoice.

"There has been some, but we're talking on any good day there might normally be hundreds of transactions and now we're talking probably less than two dozen," he added. "It's pretty much dropped by about 90 percent – if not more – at those four locations."

Roland said employees at those locations are spending their time doing member outreach, new member onboarding and other things they don't normally focus on because they're too busy with other commitments.

"At a couple of locations we have been able to shift some folks, but if this goes on much longer we are pretty much at full capacity," he said.

On top of that, one branch is set to close next week for HVAC repairs, meaning those employees will be temporarily relocated to FedChoice's headquarters and call centers.

"We're keeping an eye on when and where it's possible to reallocate," said Roland. "We really don't want to send folks home because this is not their fault."