

# Membership Matters



## From the Desk of Our President & CEO



*Dion L. Williams*  
President & CEO

### The Credit Union Difference and Piedmont Advantage's Safety and Soundness

World news has certainly reported the many challenges we have continued to face since the beginning of 2023. Inflation remains high; and continued rising interest rates by the Federal Reserve to combat this inflation seems imminent. Recent high-profile bank collapses only reaffirmed these challenging times.

**These broader economic events open the door to further distinguish the credit union difference and reinforce the safety and soundness of your Credit Union, Piedmont Advantage!**

**In closing out 2022 through the first quarter of 2023, I am pleased to report that PACU remains a well-capitalized credit union.** We have weathered the storm of the pandemic and the thunder of lingering inflation and have a cushion to withstand more rain, so to speak.

**Your Credit Union has sufficient liquidity to meet the needs of our member-owners.** In contrast to the Silicon Valley Bank collapse, we have ample sources of liquidity available without the need to sell investments at a loss. Member deposits are insured by the NCUA Share Insurance Fund. Like the FDIC on the banking side, each member's deposits are insured up to at least \$250,000 and backed by the full faith and credit of the United States government.

**Loan quality is excellent. Past due loans and loan losses are at historically low levels, which bodes well in uncertain economic times. Your Credit Union continues to make loans to members as loan growth was 11.01% in 2022 and remains on a positive trajectory for 2023.**

The troubled banks had a narrow customer base, focusing on start-ups, venture capital and crypto-currency. We refer to that lack of diversity as concentration risk. To borrow a quote from a communication I sent to members in mid-March, "Our employee groups, geographic diversity, and loan portfolio allocation are diverse and our members are at many different stages in their financial journeys, which lowers PACU's concentration risk."

### Demonstrating Cooperative Principles of Credit Unions

**A recent member notification on the updated fee schedule admittedly generated discontentment about a new fee to continue to have paper statements mailed. No one likes fees, including me, so when we have fees, we strive to give members alternatives to avoid those fees.** To avoid the paper statement fee, members just need to enroll to receive their statements electronically. Prior to sending this notification, approximately half of our membership already received eStatements. **The comparison between paper and electronic statements presents an opportunity to demonstrate the cooperative principles of credit unions.**

The cost of paper, printing and postage has skyrocketed in the last several years, which has significantly impacted your Credit Union's bottom line. **Eliminating expenses associated with paper statements, while passing these savings directly to all member-owners through higher dividends on deposits and lower rates on loans, is a great example of what it means to uphold cooperative principles.** Your Credit Union is keeping with our not-for-profit business model and Simply Service culture to help as many of our member-owners as possible receive the benefits of these savings. Additional benefits are to the safety, security and easy access of eStatements plus your annual tax forms. Please visit PACU.com, talk with your local branch representative or call our Member Relationship Team if you need assistance in transitioning to eStatements.

### Final Thoughts

Since the pandemic, the world around us has seemingly been thrown one challenge after another. Yet, your Credit Union remains safe, sound and by your side to navigate those challenges. **In 2024, Piedmont Advantage celebrates its 75th Anniversary!** It is our honor to serve you with transparency and an unwavering commitment to deliver safety, soundness and Simply Service for another 75 years.



## The Good, the Bad and the Ugly of Inflation

Inflation is a rise in prices or a decrease in the purchasing power of money. While prices may climb due to shortages or increased demand, inflation is generally measured across a wide range of goods and services. The increase or decrease in prices across this range is expressed as a percentage point.

For example, according to the Federal Reserve Bank of Atlanta, since 1960, inflation has increased an average of 3.79% a year. This means that prices today are about 10 times higher than back then. What \$1 would buy in 1960, now takes \$10.

Taking a reference from a 1966 classic Italian Western, starring Clint Eastwood, let's look at the "The Good, the Bad and the Ugly" of inflation.

**The Good:** If you own property or commodities, some level of inflation means that your goods are increasing in value. If you have a fixed rate loan, inflation means that you're paying the same amount of money each month but getting a higher value for it. Inflation can stimulate the economy by encouraging higher rates of spending, both in investments, as people seek higher gains than those yielded by inflation, and in general spending, as fears of greater inflation lead consumers to buy now rather than later.

**The Bad:** Consumers have to pay more for goods and services, and any money that is not invested in a high-yield savings vehicle is essentially losing value over time. Wages may not keep pace with inflation, leading to even further decreases in purchasing power.

**The Ugly:** If not kept under control, inflation can skyrocket to the point where money essentially becomes worthless; but thank goodness, the federal government has controls in place to prevent this from happening.

The Federal Reserve is tasked with controlling inflation. Typically, they do this by adjusting interest rates. If inflation is low, they lower interest rates to try to boost spending. If inflation is high, they raise interest rates to try to slow the economy. Raising it too high, too fast, however, can cause a recession.

Generally, the Fed tries to keep inflation to an average of 2.00%. This is just high enough to keep the economy growing and prices stable. If you'd like to learn more about the Federal Reserve and how it works, check out their website at [FederalReserve.gov](https://www.federalreserve.gov).



## Save to Win® Savings Promotion Raffle and Helpful Tips on Saving Money

Saving money can be hard, but if you can save just \$25 and deposit this \$25 into a PACU Save to Win Certificate account each month, you can earn a chance to win cash prizes.

### Are you intrigued to learn more about Save to Win® Savings Promotion Raffle?

Here is how the raffle works. For every \$25 deposit into your Save to Win Certificate account, you earn chances to win:

- Monthly and quarterly cash prizes of up to \$5,000 among participating credit unions across the nation; and
- Monthly, quarterly and at year-end cash prizes of up to \$1,000 for Piedmont Advantage members only.

Effective April 1, 2023, the number of Save to Win® Savings Promotion entries has increased significantly, giving you more opportunities to save each month with a motivational twist. See chart below to compare.

Maximum Entries	PREVIOUS Number of Entries	EFFECTIVE APRIL 1, 2023 Number of Entries
Monthly	10	100
Quarterly	30	300
Annually	120	1,200

To review **Save to Win® Savings Promotion official rules** and even to check out a list of PACU members who are Save to Winners in 2023 so far, go to [PACU.com/SaveToWin](https://PACU.com/SaveToWin).

## Savings Tips



If needed, here are a few ideas to cut back on everyday spending so that you have the opportunity to grow your savings each month:

- Turn your thermostat up a bit in summer or down in the winter.
- Use coupons or buy store brands to reduce costs.
- No matter where you go, stick to your shopping list.
- Cut back on buying a \$3.00 cup of coffee each week.
- Turn off lights and appliances when you leave home.
- Enjoy the free things in life, like visiting free-entry museums.

Plus, you may want to jumpstart your savings by using all or a portion of your tax refunds.



## Have Tips that have Helped you Save?

Email us at [Marketing@pacu.com](mailto:Marketing@pacu.com) with these tips. We will share in the next quarterly issue of this newsletter, which will be sent out on July 1, 2023.





## New and Updated Service Fees

New and updated service fees reflect the rising costs of printing, postage and handling and payment processing. When fees are put in place, we do our best to explain why and provide alternatives on how to avoid that fee. The following charts give explanations that led us to make these decisions and offer alternatives on how to avoid the fee altogether.

Type	Current Fee	New or Updated Fee Effective April 1, 2023	Explanation	How to Avoid the Fee
Printed Statement	\$0	\$3/month	Rising printing and postage and handling costs is hindering the Credit Union's efforts to pass meaningful savings and dividends to member-owners	*Enroll to receive eStatements which are archived securely in online banking account for convenient access
Foreign Check Fee	\$0	\$50/item	Pass-through of foreign check processing costs charged to PACU	
Overnight UPS Paperwork/Check Delivery (Next Business Day)	\$15/transaction	\$35/transaction	Covers increased shipping and handling costs	
Overnight UPS Paperwork/Check Delivery (Saturday Delivery)	\$30/transaction	\$60/transaction		
Federal Express Paperwork/Check Delivery International Delivery	\$0	\$75/transaction		
Member Assisted Phone Payment	\$12/request	\$20/request	Covers payment processing costs charged to the Credit Union for use of these services	Use online banking or PACUTel
Automated Service Phone Payment	\$6/request	\$10/request		
Online Loan Payment by Debit/Credit Card or Transfer from another Financial Institution to Loan Account	\$6/transaction	\$10/transaction		

Type	Current Fee	New Fee Effective May 1, 2023	Explanation	How to Avoid the Fee
ACH Return Fee	\$0	\$32/item for each item submission or resubmission	Covers the Credit Union's administrative and processing costs	Confirm account information is correct and sufficient funds are available in the account

\*To start receiving eStatements, you will need to enroll in Online Banking first. If you're already enrolled in Online Banking, log into Online Banking, click any Account Name, then click "eStatements," select "Continue" in pop-up window, read and accept "Site Terms," enter email and click "Submit." To enroll into Online Banking, go to PACU.com for Online Banking guide or Online Banking video if needed. For assistance, call 800.433.7228 or visit your local branch. You also may go to PACU.com/Appointment to schedule a call with someone at your branch.



## Popmoney® to be Discontinued

Effective June 30, 2023, our Popmoney® personal payment service provider has decided to discontinue the Popmoney service. As a result, Popmoney will no longer be available for members who have enrolled to use this service. We recommend canceling recurring or future-dated payments that are scheduled for delivery after June 30. No recurring or future-dated payments will be processed after June 30.

Transactions initiated before 6 p.m. on June 30 will be processed. Recipients who are registered Popmoney users will receive the payment automatically. If recipients are not registered Popmoney users, they will get a notification by email or text with instructions on how to accept the payment. If the payment is not accepted after 10 days, funds will be returned by you as the sender.

## Board of Directors

The Piedmont Advantage Board of Directors represents the history and tradition of the Credit Union as well as a commitment to the members and communities we serve. Directors are volunteers and serve without compensation; so their time, talent and knowledge are shared with the Credit Union as a labor of love.

Tom Mekis, Chairman  
 Steve Gilliland, Vice Chairman  
 Mark Saunders, Secretary  
 Mark Linville, Treasurer

Darren Cranfill, Director  
 Justine Lerch, Director  
 Brian Myers, Director  
 George Price, Director  
 Diana Santos-Johnson, Director

Ramon Hoots, Director Emeritus  
 John Reece, Director Emeritus  
 Gene Sharp, Director Emeritus  
 Jim Taylor, Chairman Emeritus

## Supervisory Committee

The Supervisory Committee ensures the Board safeguards assets and management complies with the organization's established policies. Committee members also are volunteers.

Diana Santos-Johnson, Chair  
 Toni Douglas  
 AJ Eaker  
 Mara O'Neil

## PACU and Davidson Family Aviation Scholarship

Financial support to students in the Aviation Program at Forsyth Tech

We are proud to announce a new scholarship for PACU members, who reside in Forsyth County, N.C.

The Piedmont Advantage Credit Union and Davidson Family Aviation Scholarship provides \$2,000 each year to students enrolled in Forsyth Technical Community College's Aviation Systems Technology Program located at the Mazie S. Woodruff Aviation Technology Lab at Smith Reynolds Airport. Financial support includes tuition and/or books.



This program offers credentials for individuals, who aspire to become aviation maintenance technicians and mechanics.

Go to [PACU.com/Scholarships](https://www.pacu.com/Scholarships) for eligibility requirements and details on how to apply for this scholarship.

## PACU Foundation's Flying Colors Charity Fun Run

Getting colorful for a great cause!

The PACU Foundation cordially invites all members, along with their families, friends, neighbors, youth groups, scout troops and others, to register to attend its inaugural Flying Colors Charity Fun Run for a great cause: **To raise funds to support area charities to increase their capacity to help families overcome financial hardship.**

### Event Highlights:

- **Date:** Saturday, May 6, 2023
- **Time:** 9 a.m. to 12 p.m.
- **Location:** Oak Ridge Town Park | 6231 Lisa Drive, Oak Ridge, NC
- **Features:** 1-mile fun runs every 30 minutes with runners and walkers welcomed. Plus bounce house, other rental game activities, face-painting, food trucks and more! And of course, during the Fun Run, participants are doused with colored powder (dyed cornstarch).
- **Participant Gifts:** Branded t-shirts, sunglasses, beads and ribbons for completing each Fun Run

### Registration Information:

<b>Individual</b>	
Early Bird Fee by 4.14.23	\$25
Standard Fee	\$30
<b>Family: Up to 5 members*</b>	
Early Bird Fee by 4.14.23	\$50
Standard Fee	\$55
<b>Youth Groups: Up to 15 students*</b>	
Early Bird Fee by 4.14.23	\$100
Standard Fee	\$125

\*If family or youth group is larger, contact the Foundation at [info@PacuFoundation.org](mailto:info@PacuFoundation.org) or 336.744.8780.

Scan QR Code to register today!



Help us spread the word. Share this QR Code or link from code with others.

## 2023 HOLIDAY CLOSINGS

Holidays	Date Observed
Good Friday	04.07.2023
Memorial Day	05.29.2023
Juneteenth	06.19.2023
Independence Day	07.04.2023
Labor Day	09.04.2023
Columbus Day	10.09.2023
Veterans Day	11.10.2023
Thanksgiving	11.23.2023
Day After Thanksgiving	11.24.2023
Christmas Day	12.25.2023

## PACU's 75th Anniversary

Just around the corner in 2024 marks Piedmont Advantage's 75th anniversary.

To commemorate this milestone, we need your help to publish an insightful and light-hearted publication on the history of the Credit Union and the impact it has had in our service areas and among members.

Email us today at [Marketing@pacu.com](mailto:Marketing@pacu.com):

- Unique experiences you may have had with or because of the Credit Union.
- Photos or copies of PACU memorabilia, campaign materials and/or activities.