I've mentioned here before how the credit union industry is trying to improve its political prowess so it can acquire a larger share of your customers’ wallets. A crucial pillar of the Credit Union National Association’s political infrastructure is Project ZIP Code.

Project ZIP Code seeks to match up credit union customers’ ZIP codes with congressional districts and state house and senate districts. This gives credit unions the ability to tell each state and federal lawmaker how many credit union customers are represented in his or her district without violating customers’ privacy.

The premise is that once lawmakers see how many credit union customers reside within their districts, they will be intimidated into opposing legislation that is unfavorable to credit unions, such as taxation, or become more supportive of the credit union empire-builders’ growth agenda.

Gary Davis, CEO of Chocolate Bayou Community Federal Credit Union, told the Texas Credit Union League that Project ZIP Code opened the door for his credit union with House Majority Leader Tom Delay (R-Texas). The credit union completed a copy of Project ZIP Code, which showed more than 120,000 credit union members lived in Delay’s district. Since presenting the information to Delay, Davis says the congressman has been far more accessible.

Scott Earl, the head of the Utah League of Credit Unions, said Project ZIP Code was instrumental in changing the position of one Utah state senator on legislation that would have taxed Utah credit unions.

CUNA has been encouraging credit unions to participate in Project ZIP Code to improve the credit union industry’s political effectiveness. So far, participating credit unions have matched up over 39 million customers’ ZIP codes to legislative districts through Project ZIP Code.

For example, South Carolina credit unions are among the most active in identifying credit union members in each congressional district. Approximately 72 percent of credit union members in the state have been matched to their representatives in the House of Representatives.

The Credit Union Journal said the California/Nevada CU Leagues claim that 130 of their member credit unions, representing 4.9 million members, are now a part of Project ZIP Code. According to the California league, 11 California congressional districts each have more than 100,000 credit union members counted so far, with the 5th District leading the way with 231,044. Among state legislative divisions in California, the 6th Senate District has the most credit union members counted, with 310,000. There are about 850,000 Californians in each Senate district.

This raises the obvious question: Do you know how many of your bank’s customers, employees, or shareholders live within your lawmaker’s district?

If we are going to counter the growth agenda of the credit union empire builders, bankers need to increase their political grassroots involvement.

— Keith Leggett
ABA Senior Economist