# Building the Factory

# I WANT TO MAXIMIZE THE HOUSEHOLD DATABASE

Find out how to

GET THE MOST OUT OF
YOUR HOUSEHOLD
DATABASE!

Data Bootcamp Edition:
Featuring Sarah McNeil,
United Advantage NW FCU

Simple DIY Instructions Inside!



# Building the Factory

# Vol. 9: Cleaning Up the Household Database

This document and the following volumes are intended to give a credit union a complete road map to execute a marketing campaign. This road map will take the user from the very beginning point all the way through to the end of the process and the evaluation of the campaign. This design will contain all the steps necessary to create the campaign, the steps to follow through to the end using the referenced CU\*BASE options to mine the data and track the sale's success.

# What is the Campaign?

Have you ever wondered what the information in your Household Database can be used for? It's not just for mailing lists and stat screens. Correctly maintained, the household database provides the credit union with a useful tool that allows you to target market, reach potential members and analyze trends. Each individual credit union may decide what data is important to them. This booklet will make best practice recommendations.

## What can I do with a tidy household database?

Here are some ideas for what you can do with the information stored in the Household database:

- Target your members with equity in their home for a loan promotion.
- Easily identify who is in charge of the finances for each household. Use the data to target them for promotions or important notices.
- Find out where your members primarily bank. Use the data to research why they bank there.
- Analyze and trend household income information. Find the mean and median household income for your entire member base, sort by SEG or ZIP. Trend that data—is it increasing, decreasing, staying consistent?
- Analyze single household behaviors compared to multi-household behaviors and common bonds.
- How many of your households have employed primary earners? What about self-employed, retired, social security, or unemployed.
- Analyze households with dependent children behaviors and common bonds.
- Target members who own their primary residence.
- Target members who rent their primary residence.
- Target members with young dependents with youth promotions.
- Target members with college aged dependents with college and student loan promotions.

• Target members with potential financial issues (revolving balance exceeding limits, income to expense ratio high).

# **How Do I Clean Up the Database?**

Cleaning up the Household database requires a multistep process in which you will first assess the quality of the current data, make a determination as to whether to clean or purge the data, and then initiate methods to gather clean information. You will need a basic understanding of using Query/Report Builder in CU\*Base.

#### Review your current data collection procedures

Begin by reviewing what data your staff currently enter in the database and how they are gathering this information.

There are several every day interactions that present opportunities for your staff to gather and document key information about your members. While nearly every field in the household database can be useful, it may not be realistic to set your goal at gathering ALL data fields. The chart below is a guideline to what other credit unions consider important.

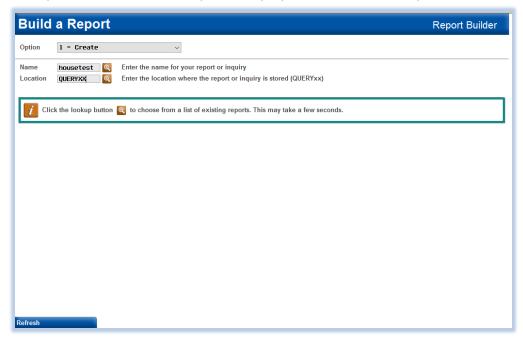
Key Fields	Potential Purposes	Collection Opportunities
Head of Household	With this field you should document who in the household primarily manages the finances. You can use this field to target your communications to the appropriate individual in the household, who may not always be your primary member.	new membership, adding a joint owner, a new loan application, every day teller interactions, and financial education sessions
Spouse	You can use this field to find all your households with a married couple. Allowing you to segment your members and compare married couple households from single households, or married couple no dependents from married couples with dependents, etc.	New membership, adding a joint owner, new loan applications and every day teller interactions
Relationship	Document the relationship to the Primary member i.e. Son, Daughter, Domestic Partner, Spouse, Mother, Father, etc. Useful when segmenting households with parent-dependents or child-dependents. Remember not everyone in the household has to be a member or joint owner. You can add non-member records and enroll those individuals in a household.	New membership, adding a joint owner, new loan applications and every day teller interactions

Own/Rent	Segmenting members who own their primary residence from those who rent and analyzing common bonds.  Targeting members who own with refinance or rent with first time home buyer options.	New membership, new loan application, ACH withdrawals to a mortgage company or landlord, credit reports.
Employer/Income Source	Analyzing common bonds by employer/income source. Recommend adopting some common words to keep staff consistent in with what they enter in this field i.e. "Unemployed" instead of "Not Working" or "Laid Off".	New memberships, new loan applications, adding a joint owner, payroll check deposits, ACH deposits, direct deposit form or other payroll forms
Job Title	Analyze common bonds by job title. For example, a sponsor based credit union may want to segment members by Apprentice, Journeyman, Foreman, Owner or Entry Level, Associate, Manager, Executive.	New memberships, new loan applications (paystubs), adding a joint owner, every day teller interactions
Self-Employed	Analyzing or targeting self-employed individuals	New membership, new loan application and every day teller interactions.
Other Depository Accounts	Analyzing Primary Financial Institutions or Where Your Members Bank	New membership, new loan application, ACH origination forms, A2A relationship accounts, loan payment checks
References	Recommend collecting Name, City/State and Relationship fields. These can be potential members or refer-a-friend/family opportunities.	New membership application (if eligibility was an existing member), new loan application
Assets	Find members with equity in their homes, calculate a members net worth	New loan application
Debts	A credit report will collect much of this information for you. You may choose to also collect information about debts not reported to credit bureaus for analysis purposes i.e. insurance payments, rent, and medical debts.	Credit report, ACH/bill payment information, new loan applications

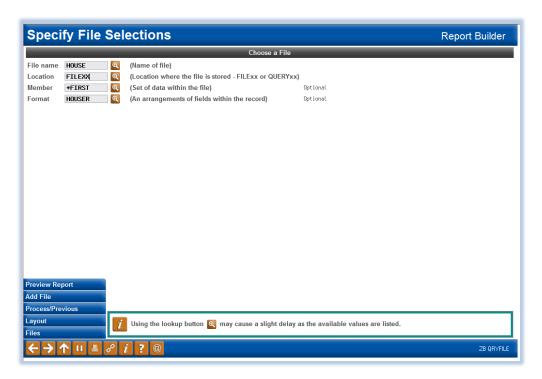
## **Assess your data**

Now that you've reviewed the data fields and possibilities, let's see what data you are currently collecting and populating in CU\*Base. While going through this process, think about if you are following good protocol for the most part and just have some light clean-up or if it would you be best to start with a clean slate.

1. Take option 1 Build a Custom Report or Inquiry from the CU\*Base Report Builder 1 menu MNQURY



Start by choosing file HOUSE



Preview the report



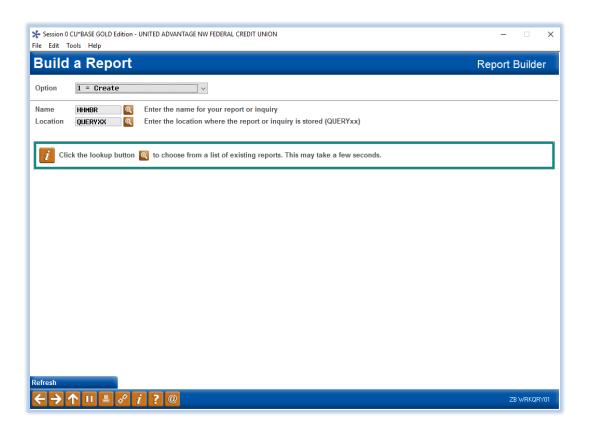
- Scroll through the results and review what data you have collected.
- Do you have the expected number of Households?
- Do you find that the HH Member Type is being used appropriately? Do you have the expected number of Head, Spouse, Individual and Other? Are some codes missing entirely?
- Do you find that the Relationship Field is being utilized properly or at all?
- 2. Continue to use the query you created in step 1, **housetest**, and simply change the file you are looking at. Review all the following files and evaluate if staff are currently using fields and collecting data important to your credit union.

File	Description & Possibilities
HOUSEREFDT	Household Reference Detail – Do you have any names of references? If you are a community credit union are you collecting City and State to see if these could be potential members? Are you collecting relationship to see if these could be potential members? Are you collecting phone numbers, email and/or mailing addresses for references as a way to reach out to these potential members?
HAD	Household Member Assets and Debts –Are you collecting AS-01 and market values to find equity in a member's primary residence or refinance opportunities? Are you collecting AS-02 for potential secondary property opportunities or to segment your members who have secondary properties?
HOUSTRL	Household Information for Other Deposits – This file can show you where your members bank. At minimum is the name of a primary bank being filled in?

HHEMPIN	Household Employer Income Detail —Is the income type and Income/Employer Name being used properly? If the Income Type is 0 is there consistency with the Income/Employer Name field i.e. DISABILITY, RETIRED, UNEMPLOYMENT for easy future extraction via query? Is the Title field being used? Is the Self Employed flag checked when a member is Self Employed and the Business Type being entered? Are you collecting the individuals Title?
HHSTAT	Household Summary Statistics – Do you have household with more than 1 address? Are you appropriately using the types H, S, I, O? Do you notice a sizeable number of households with only 1 individual (indication that individuals are not being properly enrolled in households)?
ННЅТАТМВ	Household Member Statistics – There are good stats in here for future household analysis and projects but this file may not be as beneficial for this project.
COMMNT	Household Member Comments – This is the Applicant and Co-Applicant comments. For training purposes, take a look at how your staff is using this section. It's meant to be used for members to explain why they answered Yes to any of the miscellaneous questions about their financial status i.e. pending judgments, bankruptcy, citizenship, future changes to income levels, etc.

- 3. Save your query using the file HOUSE. You may need to go back and change the file name one last time, but make sure you are saving using the file HOUSE.
- 4. Find out if you have a lot of individuals who are not enrolled in any household. For this, we are going to build two more simple queries!

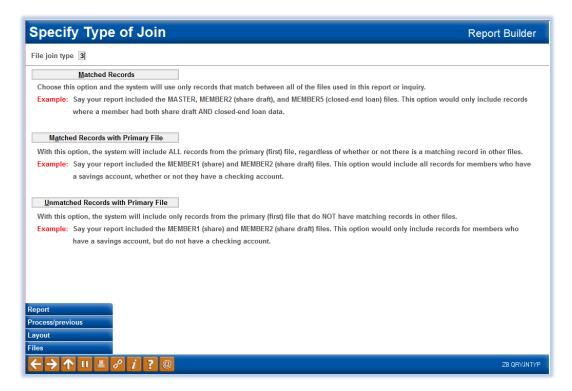
The first query will be finding any members who are not enrolled in a household. Back to option 1 *Build a Custom Report* from the CU\*Base Report Builder 1 menu MNQURY. Let's call this query **hhmbr**.



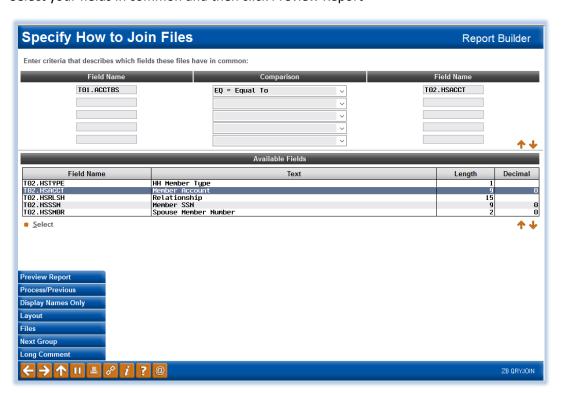
Choose the MASTER file and add a second file HOUSE.



Join the files using the third option Unmatched Records with Primary File

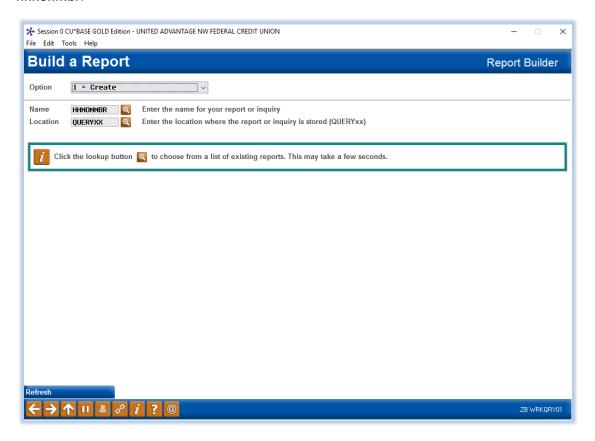


Select your fields in common and then click Preview Report

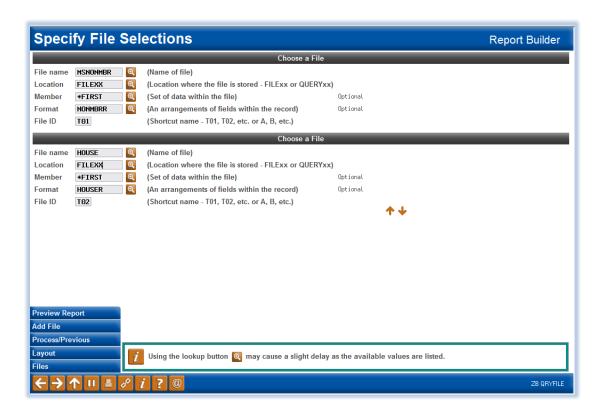


This report is a list of all of your primary members who are not enrolled in a household. You don't want to have any primary member who is not enrolled in a household. Ask yourself, do I have a manageable number of primary members listed here? If the answer is yes you may be looking at some light clean up. If the answer is no, you may be looking at a custom project. Keep moving as you want to assess all areas before making your final determination. \*Make sure to save this query!\*

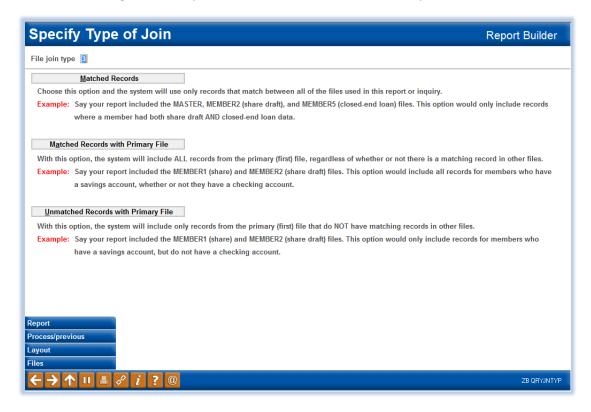
The second query will be finding any non-members who are not enrolled in a household. Back to option 1 *Build a Custom Report* from the CU\*Base Report Builder 1 menu MNQURY. Let's call this query **hhnonmbr**.



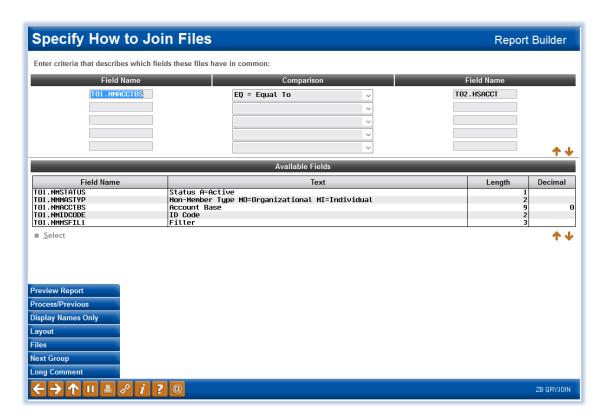
Choose the MSNONMBR file and add a second file HOUSE.



Join the files using the third option *Unmatched Records with Primary File* 



Select your fields in common and then click Preview Report



Review your results. You don't want to have any individual who is a joint owner, co-borrower, beneficiary, or has a matching address to an existing member that is not enrolled in a household. Again, assess if you have a management list of non-members who need enrolled in a household or if we might be leaning towards a custom project? \*Make sure to save this query too!\*

- 5. Now that you have reviewed the current state of your database, decide which method is best to proceed:
  - a. If most of your households have individual enrolled properly and you don't have a large number of members and non-members who are not enrolled in a household, you may find it easier to do the cleanup yourself. Using the Shortcut HOUSE work on get individuals enrolled in the appropriate household and clean up any data as necessary. See the Light clean up steps below for more instruction.
  - b. If you find a lot of individuals who are not enrolled in households and/or it doesn't appear there is any reasonable method to how individuals are being enrolled in households, Contact Client Services to begin a project to purge existing household data and re-enroll members based on set criteria (such as matching addresses). Once the programming project is complete, much of the enrollment work will be done for you but you will likely still have some light cleanup. Proceed with the Light cleanup steps Updating Household Information for more instruction.

#### **Light cleanup steps**

This may require some researching; reviewing membership documents or loan documents, working with your front line staff who know a lot of your members and might know who the Head of Household is, who each household member is enrolled with, etc. You likely won't have data for all of your members and that's ok. This is an ongoing process. The sections below titled "Retraining your staff the new rules" and "Best practices going forward" will help in your continued efforts to build and maintain your household database.

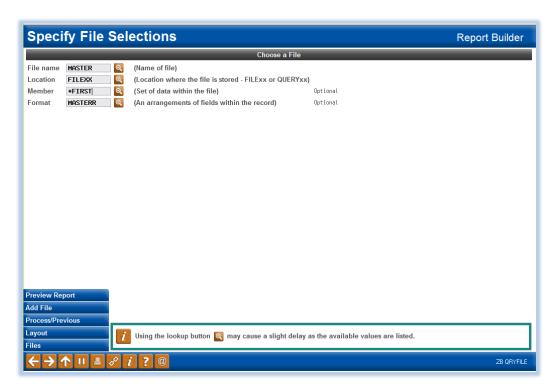
#### **Enroll Individuals Not Already in a Household**

Bring up (print or display on a second CU\*Base session) the **hhmbr** query. You want everyone in the **hhmbr** query enrolled in a household.

To determine if the individual needs to be enrolled in a new or existing household we are going to write one more query! This time to find address matches.

Back to option 1 *Build a Custom Report* from the CU\*Base Report Builder 1 menu MNQURY. Let's call this query **addressmatch**.

Choose the MASTER file



Select the Choose Fields option and choose the Account Base and Address Line 1 Fields.



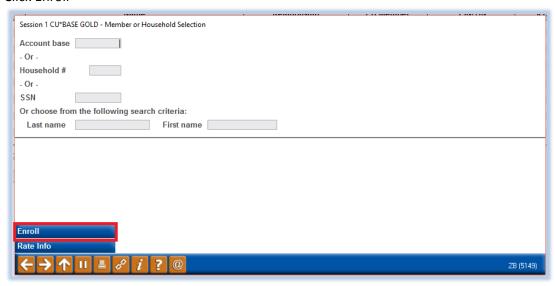
Select the *Choose Records* option with Field Name ADDR1, Comparison of Contains the Pattern Of and the Criteria should use the house number of the individual from the **hhmbr** or **hhnonmbr** query. If you get too many results using just the house number you can add more of the street address in the Criteria Don't forget to add a % (see screenshot).



Preview your Report. When you find an address match then enroll this individual in the household of the other individual(s) with the matching address. If you do not find an address match you can enroll the individual in a new household.

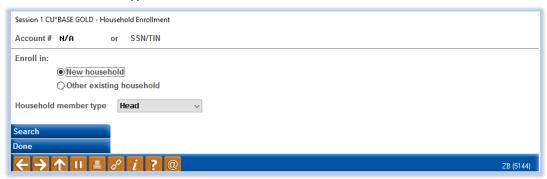
#### Household Enroll

- 1. Use Shortcut HOUSE
- 2. Click Enroll

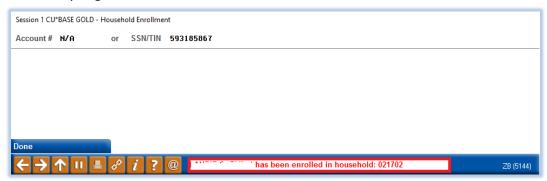


3. Enter the member number or non-member social security number and press enter.

4. Select whether you want to enroll them in a new household or if they belong in an existing household (you'll need the existing household number for this option) and pick the correct Household member type and click Done.



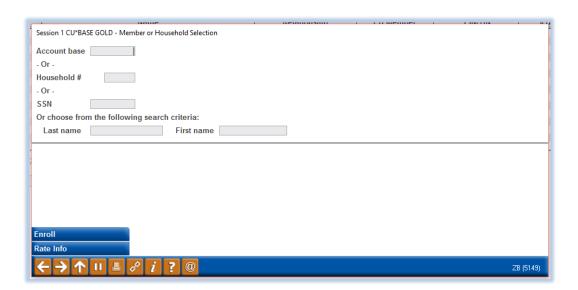
5. Make sure you get a confirmation that the individual was enrolled:



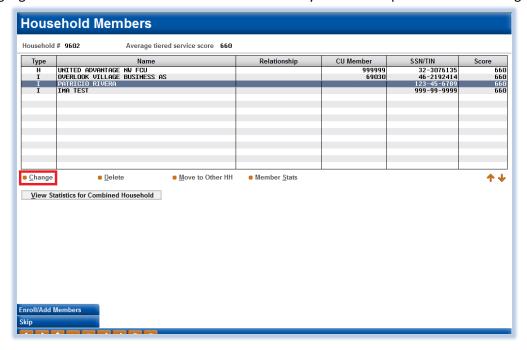
6. Repeat these steps using your **hhnonmbr** query. Depending on how you work with non-members you may either enroll all of the individuals in a household or review each and only enroll the ones you have a current relationship with (joint owner, co-borrower, beneficiary, or matching address with an existing member).

#### **Updating Household Information**

- 1. Use Shortcut HOUSE
- 2. Find the household or individual you want to update. You can search by household number, member number, social security number or name.



3. Highlight the individual whose household information you want to update and click Change.

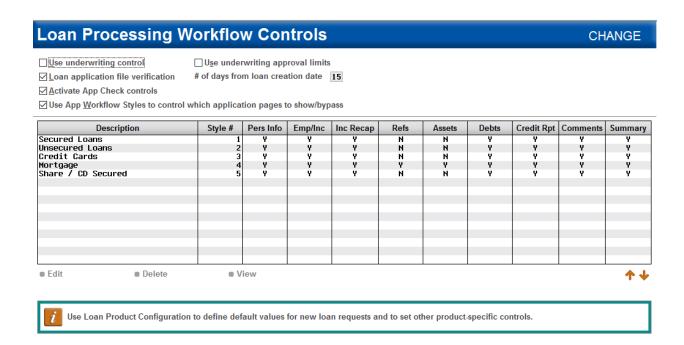


This will bring up all the Household fields and you can edit as necessary.

# Review and update your configurations

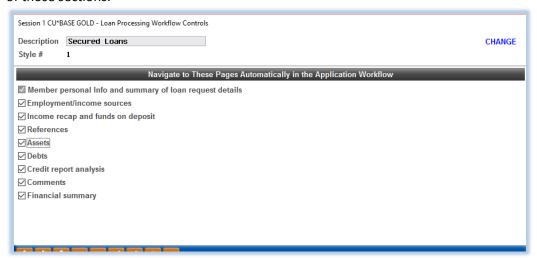
Review some key configuration screens to be sure your settings are appropriate for your data collection goals.

Review your Loan Workflow/App Check Configurations from the Loan Products menu.

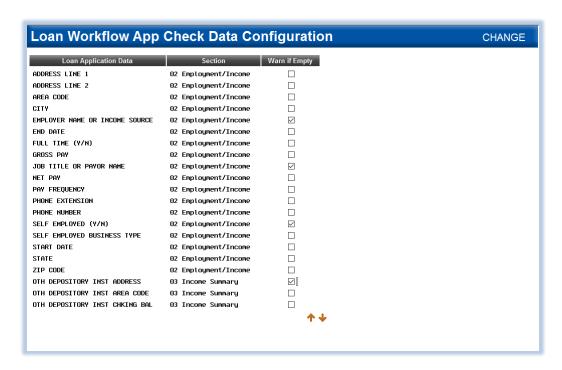




1. If you have activated Application Workflow Styles in your loan product configurations double-click a workflow style and ensure all areas of the Loan Application are checked. As a best practice you'll want to start gathering as much data on your members as possible, so display ALL of those sections.

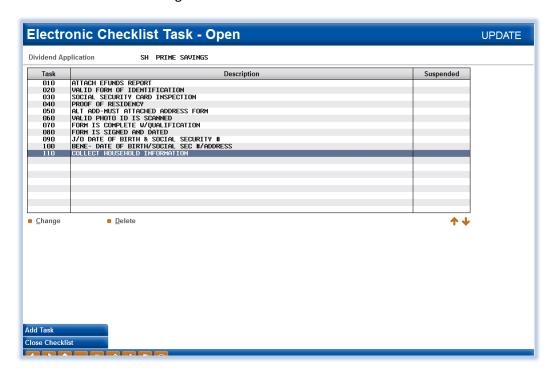


- 2. Review all of Application Workflow Styles and be sure all areas with data fields that you want populated are checked.
- When you are done viewing all of your Application Workflow Styles, hit enter to review your App Check Data Configuration. Check the "Warn if Empty" on any field you want loan processors to start inputting.



Review your Account Opening electronic checklist in Share Product configuration located on the Savings Products menu.

1. Add a task for collecting household information



2. Review each Share Product to update all the Electronic Checklists

#### Retraining staff for the new rules

Retrain your staff to properly enroll household members and collect valuable information when prompted. The section above titled "Light cleanup steps" has procedures for using the household database.

# **Best Practices Going Forward**

It's important to make sure you are monitoring the quality of the information in your household database going forward.

- 1. Create guidelines and be clear with your staff about and what important data you expect them to begin collecting, why this information is so important and the significance of their role in collecting it.
- 2. Regularly review the information being entered in the database and make sure your data collection guidelines are being followed. As member lifestyles and behaviors change, the database will need to be updated. This is an ongoing process and you may have to follow the steps in this booklet again to keep your household database clean.
- 3. Make sure all your employees who frequently interact with members are properly trained on the importance of collecting data and know how to populate necessary fields.
- 4. Incorporate data collection in your auditing procedures. When auditing your new membership and new loans, include in your auditors checklist to review critical data fields and ensure they are populated.
- 5. Adopt a formal disclaimer to any members who might be concerned with data gathering questions. For example:
  - We collect information about our members and use it to improve our products, services and our ability to serve our members. Any data we collect will be used only to better our credit union and our interactions with our members.
  - We do not sell any information about our members to third parties. Some information we are required to collect for regulatory reasons, such as your address, date of birth, and social security number. Some information is optional for you to provide but doing so may improve our ability to serve you, such as your primary financial institution or your favorite sports team.

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