

Home Opinion

OUR VIEWPOINT: TDECU naming deal good for credit union, shareholders

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An aerial view of the southeast corner of the new TDECU Stadium at the University of Houston is shown in an artist's rendering.



UH_TDECU_Stadium_Vert

seating section. All of these provide promotional opportunities for the credit union.

Some of the people in Brazoria County who remember the formerly named Texas Dow Employee Credit Union's small-town beginnings probably aren't enamored with the idea it is now so large. They probably expect it is on its way to becoming the impersonal monoliths of the giant banks that put customers well below profit and investors. The leaders at TDECU undoubtedly will argue that won't be the case, and considering how it has gone about businesses during its exceptional growth period of the last decade, we have every reason to believe them.

For starters, in the case of TDECU, the shareholders it has to please are also its customers, and it has a lengthy reputation for treating them well. Its leaders also remain part of our community, despite its increasingly spread-out geographical presence.

Instead of looking at the credit union's growth epitomized by the naming rights deal as a negative, we should take pride in it. TDECU is where it is because of the faith average Joes in southern Brazoria County bestowed in it through decades, helping build it from a tiny start-up almost 60 years ago to one of great strength.

This editorial was written by Michael Morris, assistant managing editor of The Facts.

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MICHAEL MORRIS | 1 comment

While unlikely to induce clever nicknames of the Houston Astros' home ballpark — Ten-Run Field for Enron Field or the Juice Box for Minute Made Park — the agreement announced Tuesday to christen the University of Houston's new facility TDECU Stadium is good for the credit union and its shareholders.

Those shareholders, if anyone needs reminding, are the roughly 190,000 members who have checking and savings accounts, loans, investments and other financial relationships with the not-for-profit credit union.

Putting its logo on the University of Houston's stadium is another sign of the phenomenal growth and long-term success of the locally born credit union. It is consistently becoming a major player in the Greater Houston financial services market that is full of dozens of competitors large and small.

The edge greater name recognition will bring to existing shareholders is perhaps the most important aspect of the stadium agreement. While some would argue bigger isn't necessarily better, the economics of banking show a broader base helps provide more affordable loan programs, better interest rates on savings and other benefits.

Granted, paying \$1.5 million a year for 10 years does sound like a lot of money to the small shareholders who have helped build TDECU since its founding in 1955. However, in the highly competitive financial services markets, where big players like Bank of America, Chase and BBVA Compass have major sponsorship deals with sports leagues and their names on stadiums, and spend tens of millions of dollars a year on national advertising, it is a minimal cost for a potentially large return.

There are other benefits for the credit union and its members, though. The credit union will get a luxury box on the 50-yard line and members will get ticket discounts. There also will be a reserved TDECU