

## COVID-19 CEO update: Kevin Johnson, Suncoast Credit Union, Tampa

Leader of state's largest credit union says high unemployment is his biggest concern.

by: Business Observer | Staff

### What is your working situation?

I've been working from my home and the office. Early on we decided to eliminate the possibility of the virus infecting a large percentage of our senior leadership team by creating two groups within our team. Coordinated and alternating work environments between the two groups is necessary to maintain our team's resiliency. Since financial institutions are essential and part of the critical infrastructure of our nation, it is imperative that the credit union remain stable while meeting the crisis at hand. Therefore, I need to maintain my presence in the building while also practicing social distancing.

I find that everyone is different in how they want to navigate through this situation. Many of our employees shared that they are more productive working from home and that they appreciate the option. Personally, I prefer to be in the office.

### What is your biggest work from home and/or work from office challenge?

While I have grown to appreciate how well video conferencing works, there is no substitute for face-to-face interaction. I like to read my team members body language during meetings and it is

harder to pick up on that through video. Remote working prohibits dropping into one of my colleague's office, and sometimes those impromptu meetings produce the best ideas.

### What is the most important business lesson you've learned in the COVID-19 shutdown?

The most important business lesson that I've had the good fortune to affirm, is that taking care of our employees is one of my highest callings, and it has never been more evident than during this time of crises. In return, I see employees working tirelessly to fulfill our mission and serve our members in a remarkable way, while dealing with many personal distractions at the same time.

### How far into the future are you looking for the credit union?

Typically, our business plans project five years, reflecting our longer-term goals. Obviously, targets will need to be adjusted in the short term due to COVID-19, prioritizing and focusing on initiatives that help our members get through difficult economic times. Overall, we hold a positive outlook in staying financially strong while continuing to grow our credit union.



## **Has your credit union done PPP loans? (If so, how many loans for how much money?)**

Yes, Suncoast is participating in the Paycheck Protection Program (PPP) established by the CARES Act. We have many small business members at Suncoast and I'm proud to say that we have closed over 1,700 loans in the amount of \$45 million. I am mostly proud of the fact that our average loan size is approximately \$28,000, reflecting that we are truly helping small businesses that are the lifeblood of our economy. Through a PPP loan, small businesses are able to remain solvent and keep their team members employed.

## **How will a prolonged economic downturn impact your credit union?**

My greatest concern right now is how deep and how long unemployment will remain at high levels. While the government has done a good job of providing stimulus, some of our members who are incurring long-term unemployment will struggle to meet their loan obligations with the credit union. Sustained and prolonged loan losses, if severe enough, may erode capital. Our number-one priority is to inform and place those members into loan workout solutions that will help them survive financially and mitigate the organization's losses at the same time. We will need to make difficult choices on how and where we invest the smaller amount of resources available. Unfortunately, in the short term, there will be less investment into new and enhanced delivery channels and services.

## **What steps can regulators take to free up banks and credit unions to do more lending?**

They could delay or reconsider forthcoming regulations which will place greater financial burden on financial institutions, such as current expected credit losses (CECL) methodology issued by FASB. This standard will have a significant impact on how institutions recognize loan losses and may impact the amount, quality, and number of new loans many financial institutions may be willing to put on their balance sheets especially during an economic downturn.

## **How do you maintain your spirit/morale during these tumultuous times?**

I find it very rewarding and uplifting to help people, especially our employees. Spending time with my children always lifts my spirit; and being able to spend more time with them during this pandemic has been a real gift.

## **What books, articles, TV shows, podcasts and/or audiobooks are you focused on?**

My reading and listening habits are no different from usual except, currently, I find it harder to get through the news that dominates the headlines. I read The Wall Street Journal and American Banker and I stay informed through local and national news. I make a point to watch different news channels to obtain objectivity and understand different points of view, especially since I lead an organization that serves a wide range of demographics.

I also enjoy reading historical accounts of past leaders. I recently listened to a Martin Luther King biography, which I found as a timely reminder that we need to learn from our past to make a better future.

## **What type of exercise or stress relief do you turn to during a crisis?**

Like many, not having sports to watch has been difficult. That is usually my release. Fortunately, I live near the coast and have enjoyed the peacefulness that the beach brings to me. Of course, connecting with friends and family energizes one's soul, even if it is digitally.

## **Where did you go on your last trip out of the house?**

I don't stay isolated in my house all the time. I am serious about social distancing and wearing a mask when appropriate, but I have had a couple of meals at restaurants with outdoor seating. Occasionally, I take my kayak to local rivers.

## **What are you most looking forward to post-lockdown/pandemic?**

Human contact outside of the restraints of social distancing. I look forward to spending time with, and making up for time lost, with my friends.

## **What is the greatest life lesson advice that you have ever received?**

My predecessor taught me to never take myself too seriously. Have fun. I've learned that I can be an effective leader while still being human. I work at practicing humility when building rapport within my relationships with people. I find this to be an effective leadership style for me, and so far that advice has served me well.