

Credit Unions Lead in Financial Literacy



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Financial literacy is a recent Beltway buzz phrase. But we in credit unions know that financial literacy—helping members make the most of their resources by providing them information they need to make wise choices—is as old as credit unions.

And while many think first of youth when they hear the term financial literacy, it's emphatically not just for kids. AARP's "Beyond 50.04: A Report to the Nation on Consumers in the Marketplace" finds that, for aging adults and seniors, "The difficulty of consumer decision-making has increased due to greater complexity of products and services, more choices, and less time for research and comparison shopping."

Credit unions nearly had a corner on personal finance information for years. Did you know that the Credit Union National Association launched *Everybody's Money*, now published as *Home & Family Finance*®, in 1961? And even then the financial literacy idea was not new to credit unions—it was a spin-off in 1961 of the January issue of *The Credit Union Bridge*, forerunner of today's *Credit Union Magazine*. The January issue for many years had been written and published for distribution to members at credit union annual meetings. In 1980, CUNA launched its national Financial Fitness campaign, supported by data the Gallup Organization collected exclusively for credit unions.

But now all kinds of financial service providers are peddling personal finance information: Capital One and Consumer Action have a national financial literacy partnership; Wells Fargo has programs online for Latino homebuyers, small business, and other consumers; Household International pairs with Equifax for a Build Your Tomorrow financial literacy campaign; and Citibank has tossed millions at the problem.

Deputy Assistant Treasury Secretary for Financial Education Dan Iannicola Jr. told CUNA staff in August that he speculates one reason for the surge in attention is to inoculate some financials against litigation, similar to what consumers brought against tobacco companies.

Think of credit card issuers casually sending cards to any warm body: "Companies aren't looking out for their best interest" if they neglect financial literacy, Iannicola said.

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The deep need for personal finance education means there's plenty of room for all these new participants; we welcome them. But, do you think we can expect these programs to feature credit unions? Can we count on them to be accurate about credit unions? Can we rely on them to be unbiased about credit union products and services and the contributions they make to improving all consumers' financial literacy?

No. We can only count on credit unions to tell the credit union story to members and potential members.

And that brings us back to the longstanding credit union commitment to member education, now dubbed financial literacy. This financial fitness supplement highlights the challenges many people—young, aging, low income, workers, newcomers—have in managing their finances. It also points the way to first-rate resources you can use in your credit union to reach members and potential members, and help them make the best use of their personal finances.

The collateral benefit? We firmly believe that an educated consumer will choose a credit union for financial services, and be a financially fit user of your services.