

Financial Fitness and Project Differentiation Go Hand-in-Hand



by Dick Ensweiler,
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The notion of educating members about the wise use of money has been central throughout my credit union career. Expanding the financial sense of members is one of the best reasons to be a credit union professional.

Just think of the challenges we face helping members raise their financial awareness:

- Half of all Americans live paycheck to paycheck.
- About half of credit card owners pay only their minimum monthly payment each month.
- Four of 10 Americans say they live beyond their means.
- University administrators say they lose more students to credit card debt than to academic failure.
- About 10 million “unbanked” Americans don’t use mainstream, insured financial institutions.
- One of four women retires on an income below the poverty level.
- The net worth of the average middle-class American household, after debt, is less than \$10,000.
- The personal savings rate, as a percentage of gross domestic product, decreased from 7.5% in the early 1980s to 2.4% in 2002. (It wasn’t always this way—during WWII, Americans were saving more than 24%. OK, there weren’t a lot of consumer goods to shop for, but you get the point.)
- The average 50-year-old has less than \$40,000 in personal wealth.
- More young adults filed for bankruptcy than graduated from college in 2001.

This is just a partial list of the struggles our neighbors and co-workers grapple with every day. And don’t think this is only a problem for those with little education, or even for those with modest means. You can have a six-figure income and a Ph.D. and still be in money trouble. It’s hard to believe that in this great country, the richest on earth, so many of us falter when it comes to money.

The good news for all these consumers is that credit unions are on the job.

The people in credit unions work hard every day to serve members with the best

products and services, at the best prices in the market. And credit unions do it all by staying true to their basic cooperative philosophy and democratic principles.

**Credit unions not only talk the talk,
but walk the walk every day.**

So keep on improving your members’ financial wisdom while you demonstrate the difference between credit unions and other financial institutions.

Then take one more important step. Participate in Project Differentiation and complete your credit union’s Statement of Commitment to Members. Use it to renew your vows to the credit union movement, particularly members, and to provide evidence to policymakers at all levels that credit unions not only talk the talk, but walk the walk every day.

Use your Commitment to Members to prove that access to financial literacy is one of the best reasons to be a credit union member.