

Make Sure Members Get the CU Difference

Sometimes we credit union people forget that we didn't always have the same depth of understanding about our wonderful financial institutions that we do today. We talk a lot amongst ourselves—preaching to the choir, you could say.

Maybe we think that consumers, even credit union members, understand the same things we understand. Do members “get” credit unions? Do they appreciate the real and tangible differences between their credit unions and other financial institutions? Does it matter if consumers don't get it?

It matters a great deal—especially if their only source for information about credit unions is an activist banker set on misrepresenting credit unions. Understanding the credit union difference is a key element of financial fitness—the theme of this special supplement to *Credit Union Magazine*.

Consumers pay for gaps in financial understanding in different ways, and it can be a heavy price. For example, a consumer who doesn't understand the value of building and keeping a solid credit history will pay more for a mortgage loan or a credit card. Over a lifetime, that will add up to thousands of dollars spent pointlessly.

Think of those consumers who don't “get” that credit unions, among other distinguishing characteristics, are member-owned financial service cooperatives. That could be one reason that nonmembers pay \$6.3 billion a year more for financial services than consumers belonging to credit unions.

In another compelling topic, consider

the question of credit unions converting to banks. When members don't understand that there is a big difference—financially as well as philosophically—between credit unions and banks, perhaps those consumers care less about where they conduct their business. Maybe it seems obvious to us, but unless a member *knows* he's \$76 ahead each year—or \$149 per member household—why would he think too hard or long about approving a credit-union-to-bank conversion?

There are many reasons it makes good business sense for credit unions to embrace member education and financial fitness. That includes making sure members and nonmembers alike get the story about credit unions, and that they get it from reliable sources.

Research conducted a few years ago to support the national brand campaign indicated that, even among members, consumers did not get the connection between membership or ownership and financial empowerment without “much probing” by researchers.

We have work to do.

This supplement details several opportunities for credit unions to play a larger role in fostering consumers' financial fitness—and their understanding of credit unions.



by Daniel A. Mica
President/CEO,
Credit Union National Association

