

America's Credit Unions: Financial Fitness Champions

I've made my concern about credit unions' lagging growth in recent years pretty plain. We need to use all the tools available to improve on growth for the continued viability of the credit union movement.

One key element in that tool kit is member education. A recent report, "*Credit Union Magazine Best Practices—Fatten Your Wallet Share: New Growth With Current Members*," studies nine credit unions that are performing well in the area of organic growth—growth due to factors other than mergers.

The report examines the strategies of these fast-growing credit unions for obtaining a greater share of members' wallets, which includes what they are doing to attract new members, bring in more assets per member, and make more loans per member.

The very good news is that success is as simple as doing what we do best: The more a credit union acts like a credit union, the more of its members' financial business it's likely to attract.

The credit unions—ranging from \$7 million in assets to \$1.6 billion in assets—all report that the cooperative principle of service and benefits to members is at the core of their success. And member education is a key component to growing your credit union.

We believe that more consumers can and should be taking advantage of credit unions. One of our best tools for making sure that all consumers—including our own members—understand the credit union advantage is to provide financial education. Educating members to be better consumers will make them better members, making our credit unions stronger as well.



Allan Kemp McMorris
Chairman,
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Let me make a provocative statement: There isn't a single financial challenge that our members face today that could not be helped by education. And to go further—there is no better source for that education than your credit union.

Identity theft, payday lending, mortgage foreclosures, inadequate retirement preparation, 0% vehicle financing—all these topics and so many more present credit union members and all consumers with choices that demand their ability to weigh their options and make wise decisions. Absent essential financial education, of course, people often will make the misguided choice.

When members make a poor choice, it often damages the credit union. No credit union lender makes a mortgage and looks forward to foreclosing on that home. When you issue a credit card, you trust that the holder is indeed the member you believe him or her to be. No one underwrites a car loan and plans to repossess the vehicle.

Timely personal finance education can improve all those scenarios and so many others, from helping a young person learn to write a check to protecting an older person vulnerable to scams from con artists.

And when credit unions educate their members, they maintain bragging rights in an increasingly contested market—bragging rights that convey advocacy benefits as well, as we continue to share the unique credit union story with legislators and regulators.

This issue of *Financial Fitness*, an annual supplement to *Credit Union Magazine* from CUNA's Center for Personal Finance, highlights just some of the many ways credit unions enhance members' lives with timely education. It's good business; it's the credit union way.



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