

The Credit Union Difference



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Introduction

Welcome to the Credit Union Difference Training on Demand course.

Have you ever been asked, “What’s the difference between a credit union and a bank?”

If you have—and if you wondered how to respond— this course will help you understand and explain why credit unions are different from all other financial institutions.

“The credit union difference” is what makes credit unions one-of-a-kind financial providers and sets credit unions apart. In this course, you will learn about the qualities that make our brand of service unique.

Objectives

The more you know about credit unions, the better you can help members understand why credit unions are the best place for their finances. After completing this course, you will be able to:

- Explain why “the credit union difference” is important to members;
- Describe how membership distinguishes credit unions from all other financial institutions;
- Describe how credit unions originated as cooperatives;
- Describe the characteristics that make credit unions unique among financial service providers; and
- Explain why credit unions were first organized in the United States.

The Credit Union Difference – It Matters to Members

New federal laws and regulations are changing the structure and face of the financial services industry. In this time of accelerating change, it is important to truly understand how credit unions are unique and different, and why we remain a necessary and extremely popular financial alternative for 87 million Americans.



“Not for profit, not for charity, but for service”

The credit union motto is “Not for profit, not for charity, but for service.” Only credit unions are organized entirely for service—and not for profit.

Additionally, credit unions provide a level of service that consumers can’t find elsewhere. All consumers, whether or not they are members, benefit from credit unions in the marketplace. Credit union competition helps keep prices lower among other financial service providers.

Credit unions provide quality services, fair rates and fees, and dependable advice and information. These are the foundations of “the credit union difference.”



Let’s go a little deeper into what the motto really means. Credit unions are not-for-profit financial cooperatives. We exist to serve our members, not to make a profit. This does not mean that credit unions are charities. Credit unions operate as businesses, earning income to meet expenses and maintain reserves for financial stability.

Unlike most other financial institutions, credit unions do not issue stock or pay dividends to outside stockholders. Instead, earnings are returned to our members in the form of lower loan rates, higher interest on deposits, and lower fees.

Commitment to Service

Along with our motto comes a commitment to serving consumers who are sometimes ignored by other financial institutions, because they aren’t considered to be high-profit customers. Credit unions exist to help people. The goal is to serve all members well, including those of modest means. Every member counts. Credit union members are fiercely loyal for this reason.

We strive to help people of all income levels manage their money effectively—through education, personal service, and low-cost financial services. The same people-first philosophy means that credit unions and their employees are also involved in community charitable activities and worthwhile causes.

The credit union provides lifeline services that other financial institutions simply won’t. These