

AMERICA'S CREDIT UNIONS

ADVANCING UNDERSERVED COMMUNITIES

America's Credit Unions 

ADVANCING COMMUNITIES

ONE PERSON AT A TIME

CREDIT UNION IMPACT

SERVING UNDERSERVED AND DIVERSE COMMUNITIES

Credit unions believe everybody deserves a shot at the American dream. The systematic inequalities that adversely affect diverse, low income and other underserved communities, need to be addressed. Credit unions believe access to financial services, education, stability, and peace of mind should not be limited by where people live, their skin color, their gender, their job – or the language they speak.

Credit unions are not-for-profit financial cooperatives set up to serve the needs of members. They focus on people's financial health and wellness - not on big profits for Wall Street investors.

Nearly 50% of credit unions have a specific focus on serving low-income communities — providing affordable interest loans, higher savings yields, and lower fees.

Credit unions ensure more consumers have access to core financial services so they aren't vulnerable to payday lenders, title pawn lenders, and currency exchanges charging predatory interest rates and excessive transaction fees.



2,618

Recognized as Low-Income Designated (LID) Credit Unions



\$93B

Annual Economic Impact of LID Credit Unions



\$67B

Financial Benefits to Consumers from LID Credit Unions



470K

National Employment Impact from LID Credit Unions



\$13.5B

Small Business Loans Originated from LID Credit Unions



32.4M

Loans Made to Members of LID Credit Unions

THE CREDIT UNION DIFFERENCE

A VITAL RESOURCE FOR UNDERSERVED COMMUNITIES

Credit unions are member-owned, giving members have a say in how their finances are handled. Underserved communities are empowered and built up by people who already live and work in the communities they are serving. This helps members and employees identify and invest in financial education programs, local relief & aid, and to quickly respond to the ever-changing needs of their communities.

3.35%

Average Used Car Loan Interest Rate from Credit Union

Compared To

4.88%

Average Used Car Loan Interest Rate from Banks

AVERAGE SAVINGS OF \$830 OVER THE LIFE OF THE LOAN

For example, used-auto loans are crucial for people to be able to maintain employment by traveling to work, taking kids to school, and offering flexibility in their daily lives. Credit unions offer consistently lower interest rates that provide an annual financial benefit of approximately \$1 billion.

CREDIT UNIONS

MEETING THE UNIQUE NEEDS OF UNDERSERVED COMMUNITY MEMBERS

Every community that credit unions serve looks different. By giving these often overlooked communities a financial voice – staff and members are enabled to build credit unions to fit their individual community's unique needs.

Communities of color and rural communities have been disproportionately impacted by COVID-19 and have required unique forms of support to make ends meet. Credit unions have a long history of serving these communities and providing services that are needed rather than trying to make a profit.

Underserved communities have a broad range of members needing a variety of financial options including providing small dollar loans and payday lending opportunities. Credit unions across the country in both urban and rural settings prioritize the needs of underserved communities to help ensure that financial services are readily available to every person.

95%

of credit unions have offered loan modifications during the COVID-19 pandemic

These modifications helped keep families in their homes, food on the table, and allowed them to keep some sense of normalcy during the pandemic. With millions of Americans unemployed, these loans were critical to low income communities.

282K

Education Loans (Equalling \$1.7 B)

One of the most successful ways to break the cycle of poverty in low-income communities is to receive a college education or trade certification. Credit unions offer low interest rates to help students attend a college, university, or trade school.

179,472

First Mortgages Provided

(Low Income/Moderate Borrowers Loans, Equalling \$18.9 Billion)

Purchasing a home is one of the pivotal ways individuals and families can establish equity and generational wealth – both of which help people break the cycle of poverty.

CREDIT UNIONS IN UNDERSERVED COMMUNITIES

1,700

Decline in bank branches between 2004 and 2018, while credit unions increased branches by approximately 1,700 in the same period

over \$56M

Payday Alternative Loans were granted in 2019

87%

of Credit Unions (104.4 million members) offer free financial counseling to members

Credit unions are uniquely designed to serve people of modest means, and others who are traditionally overlooked by other financial institutions. The not-for-profit structure of credit unions, means credit unions are there to serve you – and not exploit working-class families struggling to make ends meet. Credit unions offer flexibility for those living paycheck to paycheck, including programs like skip-a-pay and waived fees in times of crisis.



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For more information about credit unions and how they are working to serve you, visit America's Credit Unions at www.advancingcommunity.com