


AMERICA'S CREDIT UNIONS

SMALL CAR LOANS CAN MAKE BIG DIFFERENCES

America's Credit Unions 

ADVANCING COMMUNITIES

ONE PERSON AT A TIME

Credit Unions' Auto Lending Impact

VEHICLES DRIVE ECONOMIC OPPORTUNITY

Automobiles are the most common nonfinancial asset in the U.S., and consumers increasingly use auto loan debt to finance purchases. For many lower-income households, their vehicle is the single biggest asset they own and the gateway to accessing jobs and economic opportunity.

Why It Matters

Even in the nation's most transit-oriented city, New York City, only 15 percent of jobs are accessible within an hour by transit, whereas 75 percent are accessible within an hour's drive. This discrepancy in access is even greater in cities with less robust transit systems¹.



Vulnerable populations, like low-income and minority borrowers, are more susceptible to discrimination and risky subprime lending.



Vehicles are income producing assets, they are often essential for commuting to work, or running a small business, especially in non-urban areas².



Nearly 50% of credit unions focus on serving low-income communities so consumers aren't victimized by abusive lenders.

CREDIT UNIONS ARE NOT-FOR- PROFIT FINANCIAL INSTITUTIONS

Payday lenders, check cashers, and other abusive lenders are often clustered in lower-income neighborhoods.

Providing lower-interest car loans is just one of many ways in which credit unions provide solutions to systemic inequalities in our communities.

TO SAVE HUNDREDS

Based on the average used auto loan amount and term of \$15,000 and 54 months—a household borrowing from a credit union saves approximately:

\$532
(\$118/year)

relative to borrowing
from a bank

\$1,424
(\$316/year)

relative to borrowing
from a captive lender

Auto Lending Savings

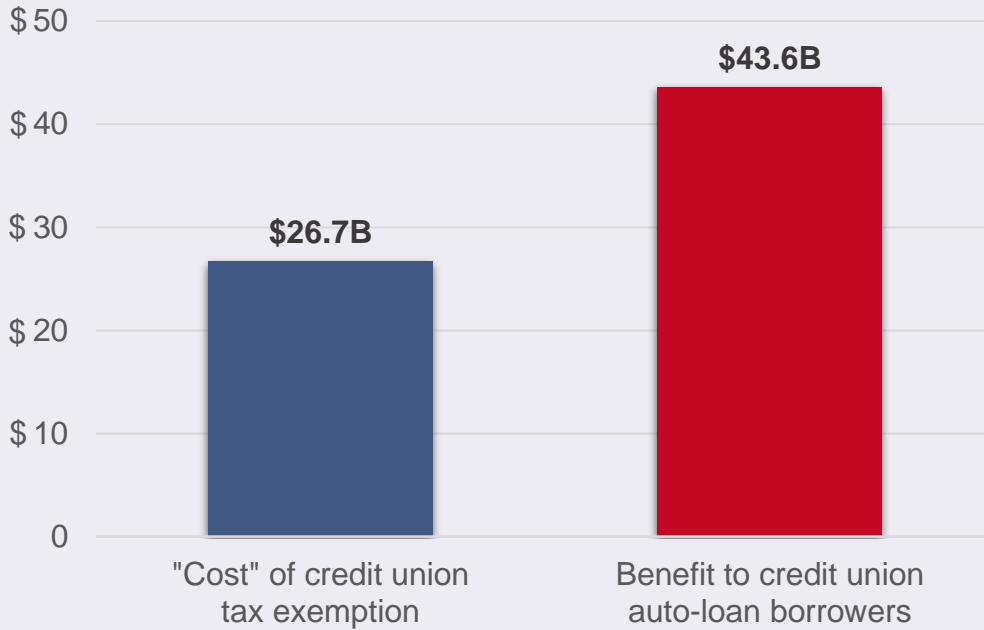
GREATER THAN THE CREDIT UNION TAX EXEMPTION

The savings to households that obtain their auto loan from credit unions, relative to banks, are larger than the entire value of the estimated credit union tax exemption.

Credit unions not only pass along the entirety of the tax exemption to their members but provide financial benefits well above of the value of the tax exemption.

THE \$16.9 BILLION DIFFERENCE

2002-2019



In addition to auto loans, credit union members benefit from lower rates on mortgages and unsecured loans, as well as from higher rates on deposits, and fewer and lower fees ³.

Research indicates that, globally, cooperative financial institutions, like credit unions, are more risk averse during economic expansions and lend more during and following recessions.

Laws and regulations making credit union membership more accessible—like allowing credit unions to easily expand their fields of membership—could vastly improve consumer welfare.

³ DeYoung et al. 2019; Feinberg and Meade 2017; Feinberg and Aatur Rahman 2006; Heinrich and Kashian 2007; Tokle and Tokle 2000

AUTO LOAN BENEFITS IN 2019

Credit union members saved a total of \$4.3 billion, relative to the estimated tax exemption value of \$1.9 billion. Credit union benefits provide more than double the “cost” of the credit union tax status.

Valuation of tax exemption



Benefits to credit union members



America's Credit Unions 
ADVANCING COMMUNITIES
ONE MEMBER AT A TIME

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