The Wisconsin Credit Union League
One League, One Focus - Your Success!

FOR THE RECORD

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Credit unions' growth fuels fulfillment of their mission: to meet the needs of member-owners

Contrary to flimsy rhetoric that decries the growth of not-for-profit credit unions, a credit union retains its purpose - to serve its member owners - regardless of its size. It's important to note that:

■**The legal and philosophical basis for different treatment of institutions is structure, not size or services.** Credit unions are not-for-profit, member-owned cooperatives. Their treatment under the law is not based on asset size, field of membership or products and services offered. All credit unions, regardless of size, return earnings to members in the form of more competitive rates on deposits and loans, fewer or lower fees and improved services. In fact, credit unions' member-favored pricing resulted in $157 million in savings for credit union members in 2006. And at credit unions, members elect the board of directors - regardless of size. And that's drastically different than the for-profit banks.

The Credit Union Difference

- **Purpose** - To serve members
- **Governance** - Volunteer directors elected by members
- **Member benefits** - Earnings invested in the members and community
- **Values** - In people, not profits

■**Large credit unions behave/provide member benefits just like smaller credit unions.** Most Wisconsin credit unions are smaller than Wisconsin banks (see box, below). But even the largest credit unions put members before profits.

■**All credit unions - large and small - struggle to compete with banks.** For-profit banks enjoy unfettered access to capital markets, lower capital requirements, no membership restrictions and unlimited authority to make business loans, for example. While from a business standpoint it is more restrictive to operate under credit union rules, credit unions do so willingly because their purpose is so different. By focusing on profit making, however, Wisconsin banks have achieved astonishing financial success; Wisconsin banks and thrifts reported a record-level $1.5 billion in profits in 2006, their sixth consecutive year of record-level success. In fact, it took Wisconsin credit unions the last eighteen years to earn what Wisconsin banks did in 2006 alone. Wisconsin banking institution assets pushed past the $141.6 billion mark in 2006 - a one-year, $13 billion jump. In the past two years Wisconsin-based commercial banks and savings institutions have grown by $23.3 billion. This surpasses the $16.1 billion by which all Wisconsin credit unions combined have grown since they began operating in the state in the 1930s.

Wisconsin banks dwarf credit unions

The average Wisconsin bank holds $495 million in assets, while the average credit union holds only $64 million. In fact, while half of all Wisconsin banking institutions hold more than $110 million in assets, more than half of all credit unions hold less than $14 million in assets.

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