The Wisconsin Credit Union League

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NEWS RELEASE

For Immediate Release
August 18, 2008

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Wisconsin students going back to school excel at something most Americans don't – saving money

Pewaukee, Wis. – The personal savings rate of Americans, saving as a percentage of disposable personal income, was a mere 2.6% in the second quarter of 2008 – continuing a dismal trend that's been below 3% (or even *negative*) for the better part of this decade. Yet students returning to class this fall will arrive eager to pour their own money into personal savings accounts held at 77 youth-run credit unions inside Wisconsin's elementary, junior high and high schools.

"The fact that young people are saving regularly is a sign that they grasp the need to save in light of the economic pain that's affected families as well as entire sectors of the economy," says Brett Thompson, President & CEO of The Wisconsin Credit Union League. "Young people are recognizing the need to put one's financial house in order."

"While Americans are nowhere near to achieving the savings habit that defined today's students' grandparents' generation – something our country needs right now – Wisconsin students appear to have the discipline needed to make some important strides in saving," Thompson adds.

He says the savings push by Wisconsin students – which includes savings deposits acquired as allowances, from part-time jobs, and entrepreneurial or investing exercises conducted in classrooms or independently – is no accident.

"Wisconsin is a progressive and award-winning state for financial education," Thompson says.

He attributes Wisconsin students' jump start on saving to schools teaching basic personal finance – most voluntarily – as well as financial education provided by member-owned credit unions, which supervise the youth-run branches inside Wisconsin schools. Credit unions have also sponsored 67 Wisconsin teachers – a majority of the attendees – at the National Institute for Financial & Economic Literacy, a summer workshop at Edgewood College in Madison that improves educators' personal finance lessons. In addition, Wisconsin credit unions sponsor the brass|STUDENT PROGRAM, through which credit unions provide free to all of Wisconsin's public high schools the lifestyle money magazine brass, a publication that supports state teaching standards and is widely used as part of classroom instruction.

Savings in Wisconsin credit unions by all of their 2.2 million members was up by more than 7% in the 12 months ending March 2008. Thompson says more people may be choosing credit unions to save because they are federally insured and, as not-for-profits, typically pay a higher rate than Wisconsin banks (visit www.creditunion.coop/ratedex.php).

Credit unions support financial education as part of their REAL Solutions initiative – an effort that strives to help people save and build wealth. REAL Solutions and the brass|STUDENT PROGRAM each won Governor's Financial Literacy awards, in 2006 and 2008 respectively, for improving the financial health of Wisconsin citizens.

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Credit unions are cooperative financial institutions that are owned by their members and do not have stockholders. Because they are not-for-profit, they return earnings to members in the form of more competitive rates of return on accounts, lower interest on loans, lower fees and improved services. Around 2.1 million Wisconsin residents belong to credit unions, of which nearly half are open to the local community. People can find a credit union to join by looking in the phone book or by visiting www.creditunion.coop.