The Wisconsin Credit Union League

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NEWS RELEASE

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Wisconsin credit unions annually save their members more than $176 million

Pewaukee, Wis. – Through lower interest rates on loans, higher rates on savings and fewer and lower fees, Wisconsin's not-for-profit credit unions are saving their members more than $176 million annually, according to a report released by the Credit Union National Association (CUNA).

The report compares credit union dividend rates, loan rates, and fees to those of banking institutions in Wisconsin, and combines those comparisons with state call report data to develop an overall estimate of the annual financial benefits provided to credit union members. According to the report, Wisconsin members saved $79 million because their credit unions offer lower interest rates on loans; $38 million because credit unions have higher deposit interest rates; and $59 million because credit unions have fewer and lower fees compared to for-profit banks.

The average benefit equates to $83 per member or $158 per credit union household, but the report notes that members who use the credit union extensively often receive total financial benefits that are much greater than the average.

"Credit unions traditionally incorporate member-favored pricing strategies and offer services that encourage saving and wealth-building," says Brett Thompson, President & CEO of The Wisconsin Credit Union League, the trade association representing more than 260 credit unions and 2.1 million members in the state.

As part of their REAL Solutions initiative, Wisconsin credit unions are offering services such as free checking and ATM access; small, low-cost loans to combat predatory services; free financial education; and more. Although doing so will not drive profits for credit unions, they see their effort as part of their mission as cooperatives.

Thompson adds that credit unions also help bank customers save by helping to keep bank fees and costs in check. Additional studies show that because of credit union competition in the marketplace, bank customers save at least $4.3 billion annually.

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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. More than two 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.