

INDIANA



Terone Johnson (left), a student and an employee at Finance Center FCU's Arsenal Technical High School branch, helps another student with a transaction during the school day.

Indiana credit unions head back to school

In Indiana, credit unions are going back to school to help the members of tomorrow grow up to be financially responsible adults. The approach to reaching high school students varies between credit unions. Here are some details from three of the most active:

REGIONAL Federal Credit Union, in the northwest part of the state, has in-school branches in four area high schools: Morton High School and Bishop Noll Institute in Hammond; at Hobart High School; and at the credit union's flagship in-school branch, Portage High School, which has been in operation for a decade. Students at these schools can manage their accounts on campus just the same as if they were at a branch of the credit union. For members who attend these or other high schools, there are also two special student products.

REGIONAL FCU's Power Pay Loan teaches students the importance of handling credit responsibly. A \$300, 12-month loan is available to students who go through an education session with their parents and a credit union loan officer. REGIONAL FCU has financed yearbooks, prom dates, car repairs and much more. One student borrowed to buy a lawnmower for his yard maintenance business—the student version of a member business loan. For savers, the credit union offers a Headstart CD. The minimum deposit is \$25 and the interest rate is tied to the credit union's 30-month CD rate. Deposits can be made in \$25 increments until the balance reaches \$1,000. At that point, the balance rolls to a traditional 6-month CD. This product is especially popular with grandparents for birthdays and other gift-giving occasions.

Purdue Federal Credit Union, headquartered in West Lafayette, has two in-school branches at area high schools—at Lafayette Jefferson High School and William Henry Harrison High School. In total, the credit union works with seven local area high schools and various La Porte County high schools, doing financial literacy outreach in the form of classroom presentations. Credit union staff members speak with classes each semester, and others on an on-demand basis to present a variety of content including Banzai financial literacy curriculum.

The credit union has sponsored debit card design contests at all of the local area high schools it works with. Student artists compete to design a debit card exclusive to their high school, and Purdue Federal has awarded \$500 to the winning artists during halftime of the schools' homecoming football games. The debit cards were intended to showcase school spirit for students, parents, and school faculty and staff while promoting responsible budgeting and spending. Recently the credit union was a sponsor for a local high school basketball tournament as a way to engage students, and promote their debit cards. Students who showed their Purdue Federal debit cards at the game or signed up for one were eligible for a gift.

In cooperation with three Indianapolis-area high schools, **Finance Center Federal Credit Union** (Financial Center) has opened in-school branches to help teach students about money management and starting off on the right financial path. The credit union has a full-time financial literacy manager and incorporates classroom education using curriculum from the National Endowment for Financial Education (NEFE) and other resources to fulfill the credit union's commitment to teaching students the importance of good money management.

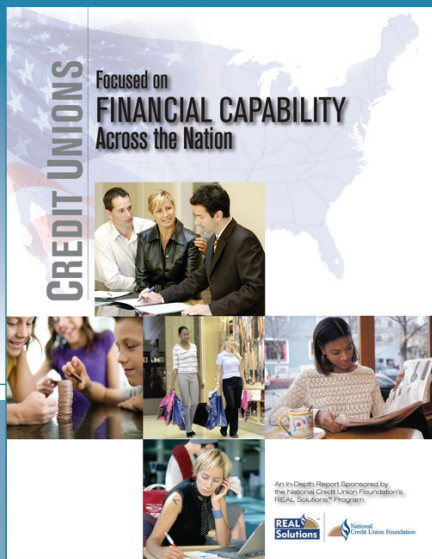
Financial Center opened its first student center in 2007 at the J. Everett Light Career Center in Washington Township. Locations followed in 2008 at Walker Career Center in Warren Township and at Arsenal Technical High School, in the Indianapolis Public School System. Students and teachers are able to transact business at the Center during school hours. Students can open checking and savings accounts and have access to the branch's ATM with their parents' permission. Students who take certain classes are selected to work in the Center under the supervision of the financial literacy managers.



Cheerleaders from William Henry Harrison High School with their debit card banner.



Students at REGIONAL FCU's Morton High School branch transact business during the school day.



About Credit Unions

- ▶ Credit unions are not-for-profit financial institutions that adhere to cooperative principles.
- ▶ As of December 2010, 92.6 million U.S. consumers were member owners of 7,605 credit unions across the country.
- ▶ Earnings are returned to members in the form of lower loan rates, higher interest on deposits, and lower fees.
- ▶ Credit unions serve members who have a common bond such as employment, association membership, or residence in a particular geographic area.
- ▶ Every credit union is governed by a board of directors, elected by and from the credit union's membership. Board members serve voluntarily.
- ▶ Congress exempts credit unions from federal income taxes but credit unions are subject to payroll, sales and property taxes.
- ▶ Credit unions are democratically owned and controlled institutions with a "people helping people" philosophy. Each credit union member has equal ownership and one vote.
- ▶ Credit unions assist members in becoming better-educated consumers of financial services.
- ▶ Credit unions are a small but significant presence in the financial services industry. Credit unions hold approximately 6.7% of household financial assets.

Source: Credit Union National Association, Inc.

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ACROSS THE NATION

In an effort to capture the depth and breadth of existing financial capability programs, the National Credit Union Foundation (NCUF) and its REAL Solutions™ program conducted a comprehensive national study of credit-union provided member and consumer financial education and counseling. The data derived from this study quantifies the extent to which credit unions are providing opportunities for consumers to advance their financial knowledge and decision-making skills.

The data on which this report is based was collected through an online survey of U.S. credit unions. *Credit Unions: Focused on Financial Capability Across the Nation* features an analysis of information submitted by 576 credit unions of all sizes from 45 states. These credit unions represent 8% of all U.S. credit unions, and 27% of all U.S. credit union memberships as of December 2010.

In 2010, credit unions invested millions of dollars to provide financial education and counseling programs that touched millions of lives:

- ▶ **1.6 million** consumers received financial counseling and/or advice through a credit union.
- ▶ Credit union representatives presented more than **24,000** educational sessions to over **600,000** students in classrooms across the nation.
- ▶ **111,500** student members had **\$34 million** on deposit at **1,400** in-school credit union branches that encourage savings and connect financial education with financial access.
- ▶ **1.2 million** members visited or used a credit union online educational tool, resource and/or course and generated tens of millions of page views.
- ▶ **85,000** teens and young adults participated in **1,200** experiential learning events organized or provided by credit unions. Experiential learning provides participants with a taste of the real financial world in a safe and controlled environment.
- ▶ Between **19 and 24 million** credit union members have access to education and/or counseling that deals with the five individual Financial Literacy and Education Commission (FLEC) core concept categories. Credit union financial education/counseling content is designed to develop proficiencies regarding spending, saving/investing, borrowing, protecting, and earning/income.
- ▶ Credit unions invested **\$140 million** during 2010 toward improving the financial capability of members and consumers in general. Whether it be through grants, human resources or budgeted financial resources, credit unions invest heavily in member and consumer financial education/counseling.

The National Credit Union Foundation believes that access to financial products and services should always be accompanied by educational opportunities. In particular, NCUF encourages behavior change through experiential learning and one-on-one counseling/advice. This link between education and impending opportunities to make financial decisions enables people to take action based on newly gained knowledge, resulting in more financially capable and secure consumers.

Credit Unions: Focused on Financial Capability Across the Nation represents one of several ongoing projects to assist credit unions with educational program development, measurement, and implementation. In the coming years, NCUF and REAL Solutions™ will continue to gather and publish data about credit union provision of financial education/counseling.

To learn more about the **National Credit Union Foundation** and REAL Solutions™, please visit www.ncuf.coop. A copy of the full report, and individual state supplements can be found at the **REAL Solutions™ Impact Center** at www.realsolutions.coop.

