

# KENTUCKY



Park Community Saving Families and their respective coaches



*"With the changes I have made with Park's help my security blanket is now my savings account,"*

*—Terena Eversole, winner of Park Community FCU's "Saving Families Challenge."*



One of Class Act's student branch

Kentucky credit unions are reaching out to their communities to enhance the financial skills and well-being of youth and families throughout the commonwealth. The following two credit unions exemplify these efforts.

**Class Act Federal Credit Union** offers a full operational branch in Louisville's Doss High School. The branch is open five afternoons a week for students, school staff, and faculty within the Jefferson County Public School System. It is operated by 12 student tellers and member service representatives.

The student employees must complete a six-week long summer internship at the credit union's main branch, states Mary Jackey, Community Relations Administrator for the credit union. The program is referred to as the Class Act Academy of Business and Finance and students must compete for a position in the academy. "It's very competitive," says Jackey. "Students must have a GPA of at least 2.5 and go through an interview process that involves a five-member panel of school and credit union administrators. They must have completed their freshman year, have no disciplinary issues, and obtain letters of recommendation from their teachers."

The result is a group of exemplary students that are able to operate independently, once trained. The training includes not only operational procedures, but also business etiquette and how to work with members with different skill levels. "We hold mock sessions where students have to manage difficult members or situations," explains Jackey. "We try to prepare them for a real life work experience." In return, students receive course credit for their work.

**Park Community Federal Credit Union** is beginning its third "Saving Families Challenge," where four families compete to significantly improve their financial situation over a 12-month period. Families are assigned personal coaches to help them create a budget, set financial goals and determine the best way to reduce debt. The family that has the biggest financial transformation receives \$5,000.

The winner for 2011 was Terena Eversole, a single parent who reduced her debt by over \$20,000 in one year. "Terena definitely learned some life-long lessons and skills through the Saving Families Challenge," states Carolyn Russ, VP marketing & Business Development for the credit union. Participants have to keep blogs of their efforts, successes and set-backs. In September, Terena wrote: "It has almost been a year since I last used a credit card and I still can't believe it. I depended on credit cards so much that I remember stressing about having to stop using them at the beginning of the contest. I didn't want to give them up because they were my security blanket. With the changes I have made with Park's help my security blanket is now my savings account."

As a group, the participants:

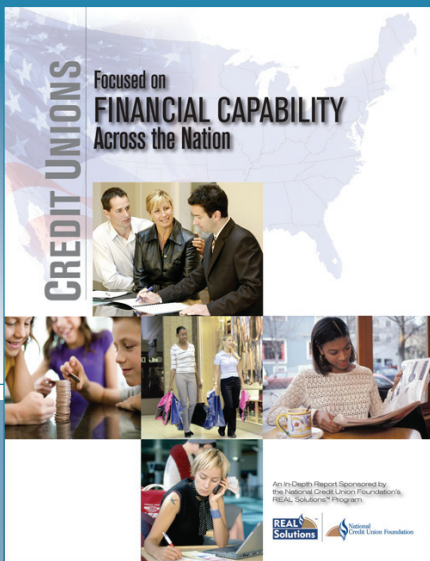
- ▶ Reduced their debt a total of almost \$50,000;
- ▶ Increased their net worth over \$79,000;
- ▶ Increased their credit scores a total of 210 points.

Credit union members are encouraged to follow the families' accomplishments and to cheer them on to success.

What are Terena's plans for her \$5,000? "Her plans are to spend \$200 on herself and apply the remaining amount to her second mortgage," says Russ. "She wants to refinance her first mortgage and is working to improve her credit score to take advantage of a low interest rate."

"These two credit unions illustrate the great work our credit unions are doing to help Kentucky consumers achieve greater financial prosperity over time," states Wendell Lyons, President of the Kentucky Credit Union League. "Class Act FCU is reaching out to students to give them needed financial skills at an early age. Park Community's Saving Families Challenge is an example of how to help adults change current financial behaviors into healthy asset-building behaviors."





## 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](http://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](http://www.realsolutions.coop).

