
Credit Unions: The Unsung Heroes of the Nonprofit Industry

By the Executive Service Corps (ESC)



ESC consultants aren't always asked for our advice on where our non-profit clients should park their financial accounts. But, if we are asked for suggestions, we can surely let clients know about credit unions, which had their fastest growth year ever in 2018.

Credit Unions are not-for-profit financial institutions with a mission of serving their members (account holders) and community. Credit Unions help bring people into the financial system that might otherwise go “unbanked.” Credit unions often times offer better interest rates and have a wide variety of consumer advocacy services meant to assist all of their account holders.

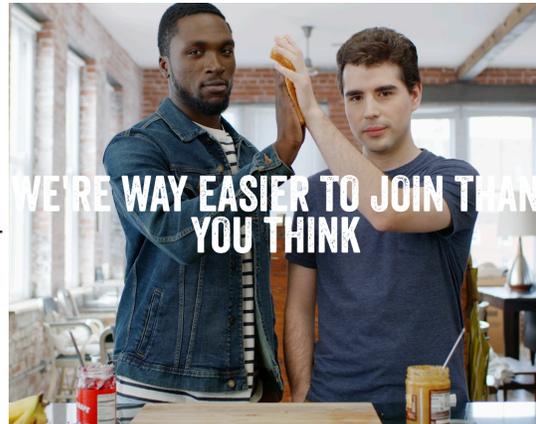
Like banks in many ways, credit unions offer numerous products and services (including checking, savings accounts, loans, and credit cards). The service quality of credit unions is often considered superior, and fees for basic services are frequently lower than the comparable options offered at a bank. But most importantly, credit unions are non-profits themselves and, as a result, they are more likely -- as a whole -- than traditional banks to put money back into communities. Credit unions also put profits back into their members' hands, not shareholders' pocketbooks.

In part, because credit unions are not driven by a profit-seeking bottom line, but rather are controlled by their members and not investing shareholders, credit unions have not been involved in any of the major banking or financial scandals of the past 20 years. Credit

union financial services are clear cut and usually don't offer the array of complex, overlapping, and often confusing financial programs often found in the for-profit banking environment. Like for-profit banks, credit unions tend to insure deposits for up to \$250,000. This makes credit unions an option for both individuals and institutions.

There are 283 credit unions with 3.58 million members (and \$48.3 billion in assets) in Illinois alone. Numerous federally-insured credit unions have Chicago branches, and thousands of others (including unions run by professional associations or universities) operate without local branches but offer a very good value which includes low interest loans, and minimal account fees.

Credit unions, broadly speaking, also have a reputation for going an extra mile to help members with financial difficulties and may offer educational programs on financial management—all features that would be welcome by many of the non-profits we serve.



“When I was looking for a new financial institution, I searched for the best savings deposit interest rates in my neighborhood. I was delighted to find an excellent local credit union. It took less than an hour for me to become a member and transfer my balances. I appreciate the customer service and interest rates. I also embraced the opportunity to support a local non-profit focused on serving the community,” says ESC’s CEO, Rachelle Jervis.

To find a credit union near you visit <https://yourmoneyfurther.com/cu-finder>.

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