



2018 Credit Union Financial Literacy Survey

Promoting financial literacy is a core credit union mission, which is why Louisiana credit unions are becoming a primary source of financial education for their members and the communities they serve. With several initiatives catapulting the narrative of financial literacy, the Louisiana Credit Union League conducted a statewide survey to collect data and information to reinforce credit union efforts.

Adult Financial Literacy

72%

of survey participants offer or helped offer sessions for either adult members/non-members on topics related to financial literacy.

Topics offered include: Saving and Budgeting, What is a Credit Score and How to Build Credit, Smart Lending and Retirement, Auto Buying Process, Mortgage Process, Money Concepts for Teens and Young Adults, Investment Options, Tax Preparation, Estate Planning, Check Fraud and General Fraud.



Percentage of survey participants have someone on staff that has completed the FiCEP program and earned their **Certified CU Financial Counselors (CCUFC)** designation:

62%



Youth Financial Literacy



36%

of survey respondents participate in **National Youth Savings Month**, helping teach children to learn good financial habits.

The percentage of survey respondents that operate in-school branches/student-run branches:

10%



21%

of survey participants make presentations to students (under age 18) either in the classroom or in the community.

Percentage of survey participants award scholarships to students in their community:

Credit Unions awarded over **\$100,000** in scholarships to students in their community in 2018.



42%

Underserved/Unbanked

24%

of survey participants offer a second chance checking account.

The percentage of survey participants that offer a flexible small dollar loan to consumers for emergency cash needs:

42%

84%

of credit unions have **Low Income Designation**, which allows them to receive benefits designed to help serve members who have challenges accessing mainstream financial products and services.

Survey participants who have **CDFI Certification**, making them eligible to apply for grants to finance a wide range of activities (*mortgage lending for first-time homebuyers, flexible underwriting, commercial loans for businesses in low-income areas*):

56%

of survey participants operate in an underserved area.

52%



When asked if products or services targeted to the underserved/unbanked are offered to members, here's what they had to say...

Shared secured Visa cards, free checking accounts, salary advance loans, Lucky Lagniappe Savings, prepaid reloadable cards, overdraft protection programs, share pledges, holiday and back to school loans.

When asked if the credit union currently has a flexible small dollar loan to consumers for emergency cash needs, here's what they had to say...

- "We have a back to school loan that is up to \$1,000 offered every year to assist families with back to school costs. We make exceptions for members to go beyond the unsecured limit if they qualify otherwise."
- "Our Pay Day Lending alternative is MoneyWise Loan. Max \$1,000, can only have one at a time."
- "We offer three \$1,000 pre-approved loans: Winter WonderLoan (offered Oct. 1 - Dec. 24), Summer SuperLoan (offered May 1 - July 31), and a Lagniappe Loan offered year round"
- "We offer a Rescue loan, Freedom Loan, Signature Loan, Guaranteed Signature Loan"
- "We do helping hand loans similar to unsecured with online approval, signing, and quick funding in addition to small lines of credit."
- "We have a Fresh Start Loan with 6 – 12 repayment at 17.99% simple interest."



Member Success Stories

A member of **GNO FCU** started the financial counseling process three years ago. This member had a low credit score and poor credit. Through the counseling process, the member has raised his score to over 700 and is now qualified to purchase a home.

A member of **Neighbors FCU** recently graduated from high school and wanted to attend a local university. Due to a lack of support from her immediate family, the student had given up on their dream of becoming a registered nurse and began the enrollment process to a local job training curriculum to become a practical nurse which would have required her to take out student loans. Due to our scholarship program, we reached out to this individual, assisted them in enrolling in Southern University. We were also able to assist her to obtain scholarships to cover her tuition and most of her housing expenses.

A young man visited our credit union wanting to refinance his truck. He had multiple lines of credit at increased interest rates. He had no former financial education and didn't know where to start. We refinanced his auto loan and cut his interest rate in half! Once the truck was paid off, we consolidated all of his current open lines and lowered each interest rate. Once those were paid off his credit score increased from 525 to over 750. At that time, he visited the credit union to finance his new home and now he is a home owner, married with one child with no outstanding debt. He is a true testament to what a credit union member should be! He spreads the word about how HIS credit union, put him on the right path to financial success.

A member of **First Pioneers FCU** had a 442 credit score. He had collections and garnishments on his report. They made a plan to pay off his collections and garnishments. Then started on a credit builder program to build up his credit score. While working toward building his credit score they also worked on learning how to save for emergencies and down payments on vehicles. His loans would always come to the CEO to get approval because they were exceptions to their policies. After working with him for 4 years he was so excited to come into the CEO's office to proclaim that he didn't need her approval on a loan for a camper. He qualified for the loan with a credit score of 655. He has gone on to build his credit score into the 700s.

A member of **Pelican State CU** joined with Financial Wellness Program in September 2017. She worked with one of their Certified Credit Counselors to improve her credit score. The member attended all scheduled sessions even though they were after her dialysis treatments. In a little over a year, she was able to qualify for a new car loan.

Credit unions work with numerous non profit organizations to give back to the communities they serve. Some of the organizations credit unions have partnered with include *Children's Miracle Network, Volunteers of America, Goodwill, the ARC of Greater New Orleans and St. Charles, Daughters of Charity, Jerico Road, Odyssey House, Project Homecoming, United Way, Shriners, Lions Club, local food banks, Junior Achievement, and JumpStart Financial Literacy Coalition.*

