

Credit Unions

Making a Difference for Virginians



IMPACT REPORT 2011

CREDIT UNIONS: DIFFERENT BY DESIGN

From their humble beginnings to the present day, credit unions have maintained a focus on serving people of modest means. As the economy shifted at the onset of the Great Recession, credit union leaders recognized the changing and growing needs among the broader population in the Commonwealth.

This new reality has required credit unions to refocus their efforts. Many members may have faced an extended period of unemployment for the first time in their working lives; others may have found challenges in saving for a child's education or even paying for repairs to the family car.

Each day, Virginians from every walk of life in every corner of the state benefit from the cooperative might of not-for-profit, member-owned credit unions. We're tangible proof that everyday people can join together, pool their resources, and help one another achieve their financial goals, no matter how big or how small.

This report highlights some of the good work of Virginia's credit unions, which we're proud to report are growing as new consumers realize the value credit unions represent for them, their families and their communities. At Virginia's credit unions, we continue to practice the "People Helping People" philosophy that is the hallmark of the credit union movement.

189 Number of Virginia-based credit unions

7.2 million Number of members for Virginia-based credit unions*

\$83.7 billion Assets for Virginia-based credit unions

\$57.6 billion Amount of loans held by Virginia-based credit unions

\$65.2 billion Savings held in Virginia-based credit unions

* A number of Virginia-based credit unions — especially those who now or previously served federal agencies or the military as a primary field-of-membership — have operations all across the nation, or the globe, in some cases. Membership numbers include out-of-state members/residents as well. The Virginia Credit Union League estimates [3 million Virginians](#) are credit union members.

TODAY'S CHALLENGES

Virginia can look relatively healthy if one looks at the state's poverty level of 11.1% when compared to the national level of 15.3% (2010 poverty estimates, U.S. Census Bureau) or its unemployment rate of 6.2% when compared to the U.S. average of 8.6% (November 2011 data, U.S. Department of Labor).

As such, Virginia ranks 44th lowest in the nation in poverty rate and 41st lowest in unemployment.

Virginia also ranks 6th highest in median net worth for households.

	Central	Eastern	Hampton	NoVa	Richmond
Population (000s)	588	141	1,641	2,595	1,167
% Growth	15.8	0.4	5.7	24.2	14.6
% Unemployed	6.7	7.5	6.8	4.9	7.5
% Living In Poverty	12	12	10	5	11
% Receiving Food Stamps	7	8	7	3	7
% Inadequate Income	25	26	29	24	28
% White	77	65	57	58	59
% Black	15	27	31	12	30
% Hispanic	5	5	5	15	5
% Asian	2	<11	4	12	3

	Southside	SW Va	Valley	Virginia	U.S.
Population (000s)	505	580	784	8,001	308,746
% Growth	1.4	2.7	10.6	13	9.7
% Unemployed	10.8	8.8	7.2	7.5	9.7
% Living In Poverty	17	19	12	10	14
% Receiving Food Stamps	13	14	7	7	12
% Inadequate Income	32	32	27	25	Ukn
% White	64	93	84	65	64
% Black	32	3	8	19	13
% Hispanic	2	2	5	8	16
% Asian	<1	<1	<1	6	5

Other rankings tell a very different story about Virginia.

Source: The University of Virginia's Weldon Cooper Center for Public Service report, "Building Economic Security for Virginia Families: Income and Asset Adequacy," February 2011.

Learn more about this regional breakout online: http://bit.ly/welcoop_study

The University of Virginia's Weldon Cooper Center for Public Service report, "Building Economic Security for Virginia Families: Income and Asset Adequacy," February 2011, reports that the federal poverty level does not begin to capture how many Virginia families face real economic challenges.

The study uses a self-sufficiency measure to evaluate how much Virginia families must earn to pay basic expenses such as food, housing, transportation and child care. **A family of four with an annual income of \$21,756 is above the federal poverty line.**

However, that same family actually needs income of about two times the federal poverty line (\$44,000) to cover expenses. And that doesn't provide any room for savings, emergencies such as car repairs or job losses, or special events such as birthdays or holidays.



Virginia is ...

- › 6th highest among states in median credit card debt;
- › 19th highest in the rate of bankruptcies;
- › 33rd in home affordability; and
- › Almost 1/4th of Virginia households earn less than the amount needed to meet basic monthly expenses on their own.

CREDIT UNIONS: SERVING OUR MEMBERS

With the economic downturn and a slow recovery, many Virginians have found themselves in financial circumstances that have impacted their employment, their credit score, and their ability to save money and pay bills.

These Virginians have turned to credit unions to help them get back on their feet. And owed to the incredibly positive media coverage credit unions have received these past few years, tens of thousands of Virginians are also discovering the "Credit Union Difference" for first time.

As member-owned cooperatives, our mission is simple: Help our members. And we're proudly and consistently meeting the financial needs of Virginians from every walk of life, with a special focus on those of moderate income.

The following is information reported by Virginia's credit unions...

37,020

Number of small loans (\$3,000 or less at origination) made in the first nine months of 2011 by the 43 credit unions participating in the Virginia Credit Union League's Micro-Loan survey, December 2011

\$36.5 million

Dollar amount of those 37,020 loans

\$51.6 million

Amount of small loans (\$3,000 or less at origination) held by the 43 credit unions participating in our survey. Includes loans made in 2011 or earlier

25,009

Number of 1st mortgages originated by Virginia-based credit unions during the first 9 months of 2011*

\$6.1 billion

Dollar amount of those 25,009 1st mortgages*



\$806 million

The Credit Union National Association (CUNA) estimates that Virginia credit unions provided \$806,395,459 in direct financial benefits to the state's credit union members during the 12 months ending June 2011. Source: *The Benefits of Membership* report for June 2011, CUNA.

* As reported to the National Credit Union Administration.

CREDIT UNIONS: SERVING OUR MEMBERS

Retail Fees - Averages Comparison Report for Virginia's Credit Unions & Banks

	Bank Average	Credit Union Average	Difference
Interest Checking			
Balance Needed to Avoid Fee	\$8,849.82	\$1,323.86	-\$7,525.96
Monthly Charge	\$15.54	\$6.91	-\$8.63
Non-Interest Checking			
Balance Needed to Avoid Fee	\$1,290.51	\$500.00	-\$790.51
Monthly Charge	\$5.53	\$1.56	-\$3.97
Money Market			
Monthly Charge	\$9.69	\$0.00	-\$9.69
Overdraft Protection (Debit/ATM)			
Per Item Fee	\$34.80	\$25.00	-\$9.80
Regular Savings			
Monthly Charge	\$3.58	\$2.67	-\$0.91

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Average Interest Rates - Comparison Report for Virginia's Credit Unions & Banks

	Bank Average	Credit Union Average	Difference
One-Year Certificate	0.67%	0.97%	30 basis points
Money Market Accounts	0.72%	0.85%	13 basis points
Auto Loan	5.43%	4.29%	114 basis points
Classic Credit Card	12.67%	12.44%	23 basis points

Average interest rates are as of September 30, 2010. Source: Datatrac.



ROSETTA'S STORY

Debts that accumulated while she cared for her sick mother forced Rosetta Balams to declare bankruptcy in 2005. Two years later she won her own battle against cancer, but the financial toll led to her losing her apartment.

Having learned firsthand about the dangers of predatory lending, she turned to Freedom First Credit Union instead. A micro-loan of \$1,000 enabled her move and put down a deposit on a new apartment.

"It gave me a lot of confidence in knowing that somebody out there would give you a chance if you just let them," said Balams.

4,970

Number of mortgage modifications made by Virginia-based credit unions during the first 9 months of 2011*

\$205 million

Dollar amount of the 4,970 modified mortgage loans*

* As reported to the National Credit Union Administration.

CREDIT UNIONS: SERVING OUR COMMUNITIES



Credit unions in the Northern Virginia, Tidewater and Richmond areas partnered to offer educators innovative ways to teach the principles of the new Economics and Personal Finance course in public schools. The free training sessions drew praise from educators, and helped to cement the already strong relationships between credit unions and local schools.

“Virginia’s credit unions are true partners with the Virginia Department of Education and the financial literacy initiative in Virginia—and the winners in this strong partnership are the teachers and students of Virginia. I applaud the Virginia Credit Union League and Virginia’s credit unions for the role they have played in financial literacy since the very beginning of the initiative and for their desire and interest to continue this valued partnership.”

Judith Sams (Program Specialist)
Virginia Department of Education

Whether through charitable giving or financial education or by volunteering our time and talents, Virginia’s credit unions are committed to the communities we call home.

We have long recognized and embraced our duty to be socially responsible organizations that work to address critical needs in our communities and which strive to make our communities better places to live.

Virginia’s credit unions have celebrated several milestones recently in our social mission.

- In 2009, we launched a charitable foundation — the Credit Unions Care Foundation of Virginia — and we’re proud to report the Foundation has donated more than \$150,000 to worthy causes.
- We have entered the 10th year of our partnership with Children’s Miracle Network Hospitals, our charity-of-choice. We’re proud to be approaching \$1.5 million in total donations for the past decade.

Youth Financial Education Classroom Presentations (2010-2011 School Year) *

Top 10 States Based on Number of Personal Finance Presentations Given (Youth)			
Michigan	1,909	Arizona	773
Texas	1,898	Oregon	717
North Carolina	998	Pennsylvania	694
Virginia	927	Florida	678
California	923	South Carolina	558
Top 10 States Based on Number of Students Reached with Lessons on Personal Finance			
North Carolina	64,008	Texas	32,081
Michigan	45,985	Arizona	25,161
California	38,014	Pennsylvania	25,146
Virginia	37,980	South Carolina	21,958
Florida	35,705	Illinois	11,875

* Based on data compiled by the National Youth Involvement Board, a credit union organization dedicated to promoting personal finance training for young people and to assisting credit unions in serving the next generation of credit union members.

CREDIT UNIONS: SERVING OUR COMMUNITIES

- The largest single recipient of Virginia-based credit unions' generosity in 2010 was the Make-A-Wish Foundation, which grants personalized wishes for children and teens with life-threatening illnesses. Virginia-based credit unions donated \$350,790 to Make-A-Wish in 2010. Since 1991, many credit unions in Virginia have championed the Make-A-Wish cause, with total donations of more than \$4 million.
- In addition to supporting Children's Miracle Network Hospitals and the Make-A-Wish Foundation, Virginia's credit unions donated \$730,263 to the American Cancer Society, Toys for Tots, the United Way, community food banks, clothes closets and scores of other local and charitable causes in 2010.
- Our credit unions also reported the donation of 16,058 volunteer hours during 2010 to various community and charitable causes, including Children's Miracle Network Hospitals, the Make-A-Wish Foundation, Habitat for Humanity, local foodbanks and shelters for the homeless.

Charitable Fundraising for Children's Miracle Network Hospitals

Year:	Donations:	Reporting Source:
2003	\$29,423	Reported to the Virginia Credit Union League
2004	\$124,813	Reported to the Virginia Credit Union League
2005	\$178,111	reported by CMN Hospitals in Virginia/D.C.
2006	\$188,800	reported by CMN Hospitals in Virginia/D.C.
2007	\$248,961	reported by CMN Hospitals in Virginia/D.C.
2008	\$167,640	reported by CMN Hospitals in Virginia/D.C.
2009	\$139,745	reported by CMN Hospitals in Virginia/D.C.
2010*	\$203,556	reported by CMN Hospitals in Virginia/D.C.
Total	\$1,281,049	

* Last complete year of available data.

Working together, credit unions in Greater Hampton Roads launched an annual credit union system sponsored Children's Miracle Network 5k run/walk. Celebrating just its second year in 2011, the event raised \$22,432 for Children's Hospital of The King's Daughters.

"We're overwhelmed each year by the generosity of our credit union partners, and continually amazed at how kindhearted and creative they are in support of Children's Miracle Network Hospitals all across the state."

Ashley Dorey (Development Officer)
Children's Hospital
of The King's Daughters

COOPERATION FOR A CAUSE

In only its 2nd year, Credit Union Charity Run Raises \$22,432 for CMN Hospital



CREDIT UNIONS: EMBRACING OPPORTUNITY



THE ZUNIGAS' STORY

Imelda and Fransisco Zuniga dreamed of owning a home. Having immigrated to the U.S. a decade ago, they had little knowledge of how the U.S. financial system worked and neither had a good grasp of English. Within a few short years, they found themselves in financial trouble owing to credit card debts, medical expenses, and their difficulties communicating in English.

They turned to Freedom First Credit Union for help. The Zunigas were able to take advantage of the credit union's financial education and financial counseling services, as they worked to clear past debts and build credit worthy of a home loan. With down payment assistance through a Federal Home Loan Bank program, they became proud homeowners in December 2011 with an affordable, fixed-rate mortgage through their credit union.

OUR COMMITMENT

The past few years have brought financial challenges for Virginians from every walk of life. Credit unions have been there to help — continuing to lend as they've done reliably and conservatively for decades.

In the midst of the mortgage crisis, Virginia's credit unions stepped up their efforts to aid members, offering affordable, sensible mortgage products.

At a time when Virginia's small business owners have struggled to find credit to start or grow their enterprises, our credit unions have positioned themselves as a new source of loans.

We know, too, that members are hungry for information on how best to manage their finances and ensure their financial security, so we've worked to expand existing financial education programs and counseling services.

Our legacy of service to Virginians, our long history of responsible lending practices, and our dedication to our "People Helping People" philosophy will continue to guide and inspire us as we strive to help members build a solid foundation for their financial futures.

\$25 billion

Amount of 1st mortgages held By Virginia-based credit unions

\$11.4 billion

Amount of new & used vehicle loans held By Virginia-based credit unions

\$750 million

Amount of Member Business Loans held By Virginia-based credit unions

\$135 million

Amount of member business loans originated in the first 9 months of 2011 by Virginia-based credit unions

77%

Percentage of all members at Virginia-based credit unions with access to financial counseling services through their credit union