

# Choosing Your FINANCIAL INSTITUTION

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## Let's start with THE BASICS

As you contemplate moving beyond your piggy bank, the two types of financial institutions that you're most likely to deal with are banks and credit unions. They offer essentially the same products and services, including savings and checking accounts, credit cards, auto loans, mortgages and investment products, but their values and motivations are very different.



### CREDIT UNION

- Member-owned financial co-operative
- Not for profit—excess earnings are distributed to credit union members in the form of profit-sharing, lower loan rates or higher yields on savings
- Run by a volunteer board of directors who are elected by fellow credit union members
- Members can vote on how their credit union is run
- Membership eligibility requirements vary; make sure you check with your local credit union



### BANK

- Shareholder-owned financial institution—not owned by bank customers
- For profit—profits not shared with bank customers
- Run by paid board of directors, not necessarily bank customers
- Customers have no say in how their bank is run
- Open eligibility; anyone can be a customer



### PIGGY BANK

- Owned by you
- No costs, earnings or profits
- Limited features and security
- Susceptible to dust and breakage

## Think about YOUR ACCESS

### BANK

The big banks have ATMs in most major cities. This will give you free access to your money nationwide. However, if you need to use another financial institution or convenience store ATM, get ready to pay a higher service charge.



### CREDIT UNION

Unlike national banks that have ATMs across the country, credit unions are typically community based, with far fewer locations. However, they often belong to ATM networks that allow you to use other credit union or convenience store ATMs free of charge.

### Largest surcharge-free ATM network

**16,000**  
Bank of America



**30,000**  
CO-OP ATM Network

### Is there an app for that?

Banks, especially the larger ones, typically offer great technology. Banking apps will support your love for on-demand banking on your smartphone.



You may not think that credit unions provide the latest technology; however, most have caught on and provide mobile apps that are comparable to the apps from the banks.

## Think about YOUR MONEY

On average, the largest credit unions have **lower fees than the largest banks**

**Credit unions have LOWER FEES**



Average online monthly bill payment fee

Average fee to use another financial institution's ATM



Average overdraft fee



## Credit unions offer HIGHER YIELDS ON SAVINGS



The average credit union account accrues **35% higher interest than a bank** account of the same type.

## Banks and credit unions are EQUALLY SAFE

The National Credit Union Administration (NCUA) protects the money you have in a federally insured credit union up to \$250,000. This is the same protection offered by the Federal Deposit Insurance Corporation (FDIC) for the money you might have in a bank account.

**\$250,000 coverage**

## Think about YOUR SATISFACTION

When customers weigh in, credit unions win. Banks fell short of credit unions in the **2019 FIS Performance Against Customer Expectations Study**—90% of credit unions members are “extremely satisfied” or “very satisfied” compared to just 66% of national bank customers.

**NATIONAL BANKS 66%**

**CU 90%**



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Sources: American Bankers Association, Consumer Reports, Credit Union National Association, Datatrac, FIS PACE Study, Forbes, University of Wisconsin Center for Cooperatives, U.S. News & World Report and Wise Bread

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