

Credit Unions Unite to Serve Members, Businesses and Communities

Unite *for*
Good

963
branches

1,566
surcharge-free
ATMs

13,358
employees

\$226
million credit union
benefit to members

4.61
million members



2014 Community Reinvestment Report

MCUL
MICHIGAN CREDIT UNION LEAGUE & AFFILIATES

Unite for Good



Unite for Good: it's who we are as credit unions.

When a member pulls up to one of Michigan's nearly 300 credit unions, logs onto the website, or pulls up the mobile app, it's not just about any one particular financial institution. It's a conscious choice to be part of something bigger: a movement, a community that is united for good.

Michigan credit unions are united in their commitment to offer consumers the highest quality financial services and products with the best possible value. Michigan credit unions are united in their focus on customer service, be it in person, on the phone or online. And Michigan credit unions are united in their passion for serving their communities, from service projects, donations, sponsorships and scholarships that make the state a better place, to small business loans and employment opportunities that help move the state forward. We call it "Unite for Good." Our members simply know it as the credit union difference.

The 1977 Community Reinvestment Act requires financial institutions to help all of the people in their communities, something credit unions have been doing for decades anyway. Also worth noting is that most experts agree that credit unions did not cause the 2008 financial crisis.

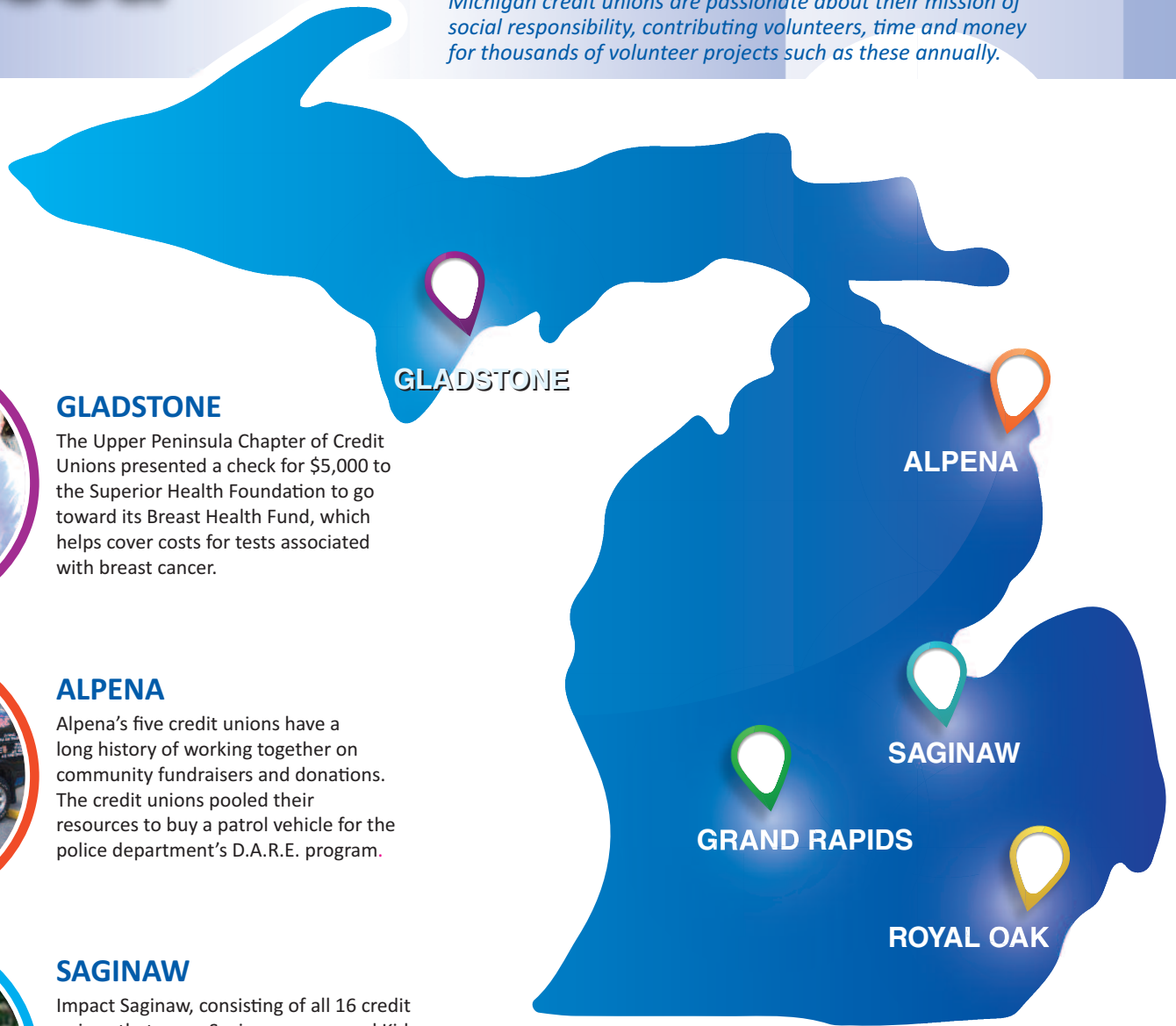
In this report, we summarize some of the many accomplishments and achievements of the Michigan credit union community, as well as the latest research into consumer sentiment and financial behavior. We look at what it means to be a modern credit union and how the industry is adapting to best serve today's members. We explore some of the innovative programs offered at Michigan credit unions, like Save to Win, the prize-linked savings program which has helped thousands of Michiganders develop a lifelong savings habit in the midst of rampant spending. We look at the many ways Michigan credit unions are helping to drive economic activity, from business loans that help make entrepreneurial dreams a reality, to "help wanted" signs at branches across the state. And we share some of the countless stories of how Michigan credit unions have improved the lives of residents across the state.

From cutting-edge financial services to hometown parades and everything in between, Michigan credit unions truly are a community that is United for Good.

A handwritten signature in black ink, appearing to read 'DAVID ADAMS'.

David Adams
Michigan Credit Union League & Affiliates CEO

Michigan credit unions are passionate about their mission of social responsibility, contributing volunteers, time and money for thousands of volunteer projects such as these annually.



GLADSTONE

The Upper Peninsula Chapter of Credit Unions presented a check for \$5,000 to the Superior Health Foundation to go toward its Breast Health Fund, which helps cover costs for tests associated with breast cancer.



ALPENA

Alpena's five credit unions have a long history of working together on community fundraisers and donations. The credit unions pooled their resources to buy a patrol vehicle for the police department's D.A.R.E. program.



SAGINAW

Impact Saginaw, consisting of all 16 credit unions that serve Saginaw, sponsored Kids Tri Too, a triathlon for kids at the Saginaw YMCA. About 200 youngsters took part in the free event. Impact Saginaw also sponsored a free day at Children's Zoo at Celebration Square in Saginaw.



GRAND RAPIDS

MCUL & Affiliates is helping credit unions and their business partners buy defibrillators at a reduced cost for placement in their buildings. The impetus for the program was when Jon Looman, CEO of Community West CU, suffered a heart attack at his local YMCA. He credits the YMCA staff for their quick action – and the YMCA for having installed the automated external defibrillator or AED.



ROYAL OAK

MCUL & Affiliates presented a \$100,000 check to Children's Miracle Network during a visit to Beaumont Children's Hospital in October. Over the last three years, the league has donated more than \$300,000 to CMN. In addition to the league's donation, Michigan credit unions have donated about \$640,000 to CMN in the last three years.

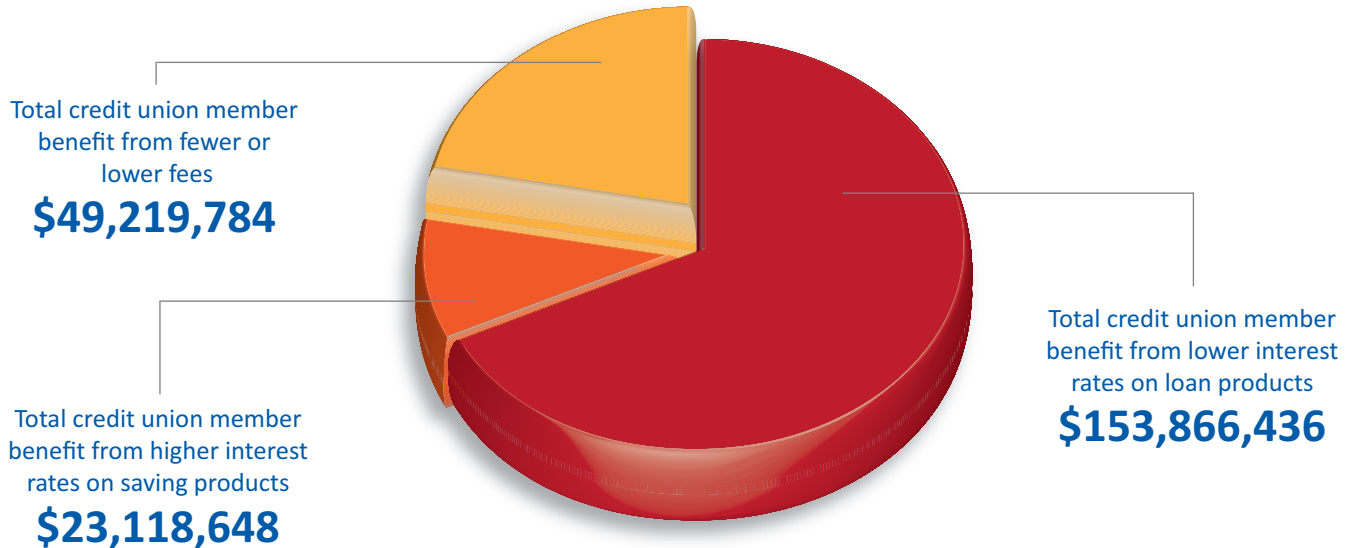


Scan here to watch a video that explains the Credit Union National Association's Unite for Good project.

Benefits to Members

Total credit union member benefit

\$226,204,867



How Credit Unions Compare?

Credit Unions Are Member Owned

49%

of responders said credit unions are member owned

Service/Account Fees

72%

much or somewhat better than banks

Customer Service

63%

much or somewhat better than banks

Source: Credit Union Awareness Study, Michigan Credit Union League and Affiliates, 2013

Did You Know?

For decades, Congress has granted credit unions an exemption from federal income tax because of their not-for-profit status and their unique structure. While the credit union tax expenditure "costs" the federal government approximately \$500 million annually, consumers benefit to the tune of up to \$8 billion annually because credit unions offer better rates and lower fees. Now that's a solid investment.

Building Confidence and Trust

Consumer Opinion of Credit Unions

Confidence in Your Primary Financial Institution

80% Credit Unions **38%** Banks

Trust Primary Financial Institution is Doing What Is In Your Best Interest

66% Credit Unions **27%** Banks

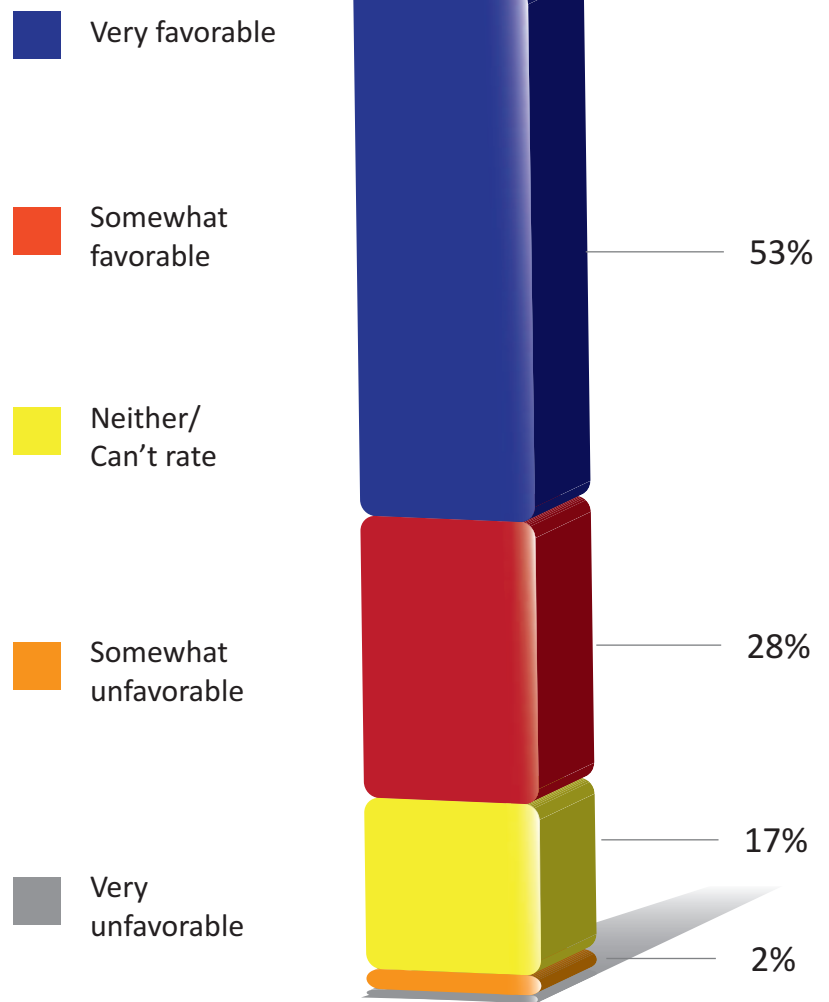
Credit Unions Different Than Banks

89% Yes **2%** No

Credit unions offer:

- Lower fees
- Better interest rates
- More financial education
- Consumer-friendly products and services such as Save to Win prize-linked savings and payday alternative loans

2013



Source: Credit Union Awareness Study, Michigan Credit Union League and Affiliates, 2013

Increasing Financial Literacy in Michigan

Credit Unions Investing in Financial Education **\$2,228,364**

credit union investment in financial education activities in 2013



Youth

- **22,631** students learn money management and career skills at one of 253 student credit unions in Michigan schools.
- **3,291** classroom financial education presentations reaching 57,924 Michigan students and assisting teachers in incorporating personal finance in our children's education.
- Michigan youth are saving more than **\$335 million**.



Adults

- **145,095** members received financial counseling.
- **269** credit union professionals have obtained financial counseling certification training, devoting 200,930 hours in 2013 to help members improve their financial positions.
- **15,455** adults attended financial education seminars and workshops.

Uniting with Lawmakers for Financial Literacy



Forty Michigan Lawmakers came together with credit unions for youth financial education during the Financial Literacy Legislative Challenge.

Gerber FCU CEO John Buckley and state Rep. Jon Bumstead, R-Newaygo, discuss money management with students at Fremont High School.



Focus on Our Future

Improving Futures through College Scholarships



Educational Community Credit Union handed out \$24,000 in scholarships in 2013.



Calcite Credit Union gave \$1,000 to three members including Damon Proctor, left, a Cheboygan High School senior, who received his scholarship from Yuri Bishop, a Calcite branch supervisor.



Every year, Lake Michigan Credit Union sponsors the Lloyd F. Hutt Scholarship essay contest. Winners of the contest receive \$2,000 scholarships to attend college.

Scholarships By the Numbers

\$2.7 million

Scholarship dollars spent by credit unions investing in the state's students

2,881

Number of students receiving credit union-sponsored scholarships

Source: Michigan Credit Union League Community Reinvestment Initiative survey, October 2013, numbers are estimates

Groundbreaking Saving Program

Credit Union Members Save Millions With Save to Win



SAVE TO WIN

Staff and friends from Community Alliance Credit Union in Dearborn celebrate the Save to Win Grand Prize winner from their credit union.

In February 2013, 10 Michigan credit union members were awarded checks for \$10,000 each, just for saving their own money. The “Week of Winning” celebrations were the culmination of another successful year for Save to Win, the nationally renowned prize-linked savings program, which is changing lives across the state. Now in its sixth year, Save to Win participants deposit money into a special certificate and by doing so earn entries into monthly and grand prize drawings for cash prizes. The



successful Michigan-based program, designed to reach low- and moderate-income households, has spread to Nebraska, North Carolina and Washington.

Playing the odds on saving
The New York Times

Savings account lotteries: Win up to \$25,000
CNN Money

Lottery-style savings accounts catch on
CreditCards.com

More than **\$1 million**

awarded to 9,200 members since 2009

Amount saved since program's inception:

\$32,083,809

Average saved per account:

\$2,556



Scan here to watch the PBS News Hour story on Save to Win.



Better Alternatives to Payday Lending

Birth of a Credit Union: Community Promise Federal Credit Union Opens Doors to Underserved Area



"This is the first day of getting rid of payday lenders in our community," said Kalamazoo Mayor Bobby J. Hopewell. The credit union office is located in the Edison Neighborhood, in one of the city's poorest areas.

The grand opening of Michigan's newest credit union, **Community Promise Federal Credit Union**, is helping bring a neighborhood out of poverty.

Solutions to Short-Term Lending Needs

Michigan credit unions provide members in need with responsible and less costly alternatives to payday loans or cash advance loans.

A few examples:

- MSUFCU helped one member get out from under a payday loan cycle, saving almost \$350 a month and \$19,300 in interest with a Flex Loan and consolidation loan.
- Peoples Trust Credit Union provided furlough loans during the federal government sequester to members in need.
- Southeast Michigan State Employees Credit Union helped one member raise his credit score more than 100 points with its payday alternative loan program, after which he qualified for loans with much better interest rates.

97,197

Number of payday alternative loans made by credit unions

\$100

Credit unions offer small-dollar loans of as little as \$100 to help members avoid payday lenders

\$24.4 million

Amount of payday-alternative loans made by Michigan credit unions

Source: Michigan Credit Union League Community Reinvestment Initiative survey, October 2013, numbers are estimates



Scan here to watch a video about the creation of Community Promise Federal Credit Union.

Supporting Michigan's Core Industry

Michigan Consumers Save with the Credit Union Member Discount from GM



Officials with the Michigan Credit Union League, Genisys Credit Union and General Motors celebrate the sale of the 500,000th vehicle through the Invest in America program.

Being in the heart of the auto industry, Invest in America's Credit Union Member Discount from GM is a perfect fit for Michigan credit unions. Invest in America, a program that was started and is run in Michigan, is proud of the contribution it has made to help the auto industry recover from the depths of the 2008 recession.

Michigan credit union members also enjoy discounts from other Invest in America partners including Sprint, Intuit's TurboTax, ADT, DIRECTV, Shop America, Dell, Allied Van Lines and others.



2,100

Credit union loans on GM vehicles in Michigan

\$52 million
Value of loans

5,239

Vehicles sold through the Credit Union Member Discount from GM in Michigan

Nationally,

Michigan's

Invest in America GM sales were second only to Texas

Credit unions supporting Invest in America nationwide

3,634

National transactions

3,409,104

Member savings nationwide through Invest in America

\$785,900,000

Small Business Loans

Michigan Credit Unions = Big Help for Small Businesses



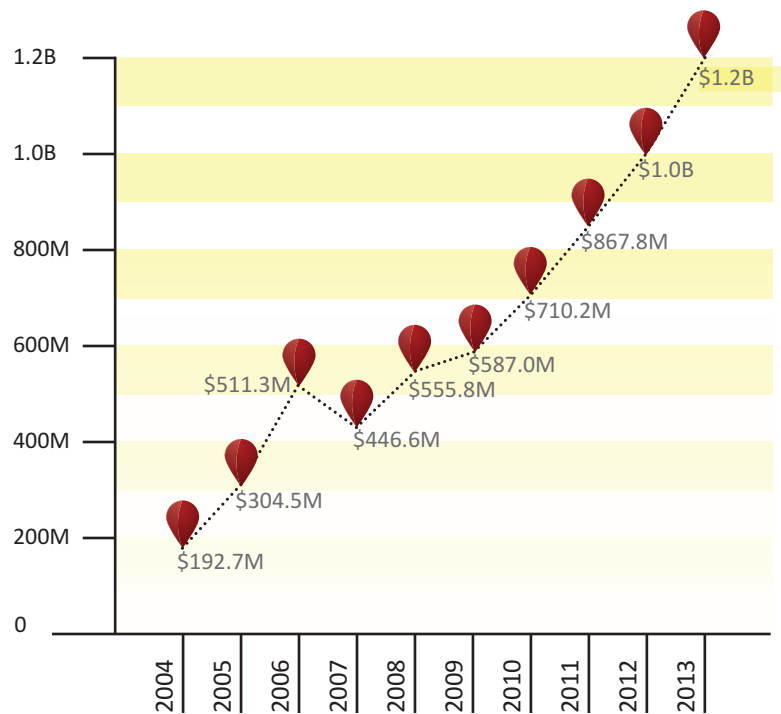
Josh Bell received a Small Business Association 504 loan from OMNI Community Credit Union to become the sole owner of K Drive Greenhouse in East Leroy. His success story was the main attraction at a roundtable discussion in July 2013 showcasing the joint efforts of business owners, the SBA, credit unions and the Michigan Credit Union League.

It's the \$1 billion question: How have credit unions continued to loan money to small businesses to help entrepreneurs fulfill their dreams, create jobs and drive the state's economy forward, even as banks cut back their lending? Simple: It's just what credit unions are. Deeply rooted in their communities, credit unions never stopped supporting the member businesses that make our state what it is, with loans to small businesses now surpassing the \$1 billion mark. And the best is yet to come, with credit union business lending up more than 17 percent in 2013 alone, which is double the national rate.

"Credit unions in Michigan have loaned more than \$1 billion to Michigan businesses and for much of the past five years have been the only reliable and available source of capital. Credit unions look beyond credit scores and spreadsheets to balance risk decisions with member and community service and commitment."

William Beardsley,
President of Michigan Business Connection

Total Business Loans



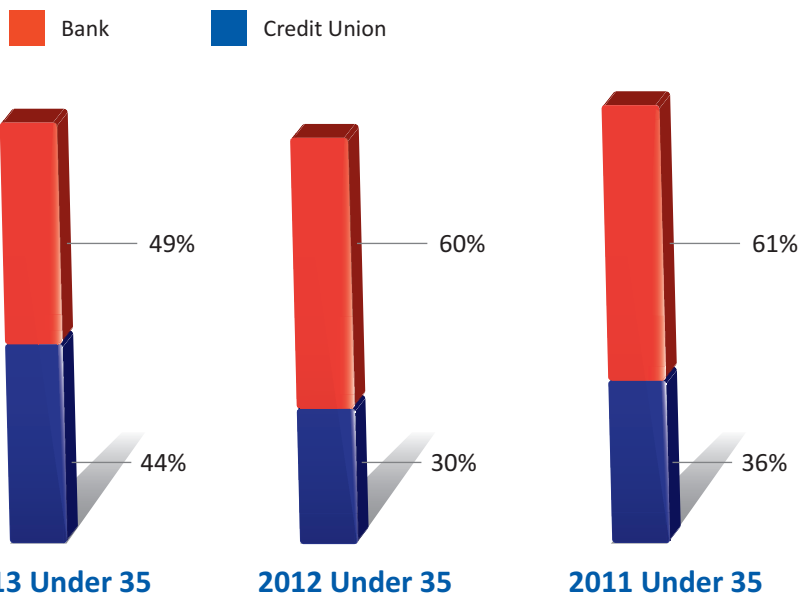
Source: National Credit Union Administration

Spreading the Word – Engaging Young Members

Credit unions are reaching out in creative ways to the next generation of members to help them understand the credit union difference. The Own Your Money tour, launched in late fall of 2013 as an extension of our CU Link cooperative advertising campaign, was a focused effort to connect with Gen Y, and educate them on the benefits of being a Michigan credit union member.

Credit unions are also using more digital channels to communicate the credit union difference. More than 16 percent of the media budget was allocated toward tactics like Pandora, search engine marketing and digital display advertising. Facebook and Twitter are also playing an important role.

Which Type of Financial Institution Comes to Mind First



Source: Credit Union Awareness Study, Michigan Credit Union League and Affiliates, 2013



CU Link at Iceman Cometh Challenge Bicycle Race in Traverse City.



CU Link at Noel Night in midtown Detroit.

Did You Know?

5,559

Facebook followers

74%

of followers are 18-34

Credit Union Employment

More Members, More Jobs, More Service



Lake Michigan Credit Union has the largest number of employees of any credit union in Michigan.

Did You Know?

Michigan has more than

290
credit unions

Helping Employees and Members Improve their Financial Lives:

“Because we have a financial budget counselor on staff, we encourage not only our members, but our employees, to meet and examine their current budgets. Many employees have reduced their monthly debt by combining loans at a lower rate. Employees who have engaged in this program in turn encourage members to do the same.” - Motor City Co-op Credit Union

Employment at Michigan credit unions is rising as more people join credit unions.

Year	Total Employees
2013	13,358
2012	13,220
2011	12,937

Credit union service organizations – companies that are owned by and primarily serve credit unions – employ hundreds more people in Michigan.

Ten Largest Credit Union Employers

Lake Michigan Credit Union	753
DFCU Financial	511
MSU Federal Credit Union	507
United Federal Credit Union	469
Lake Trust Credit Union	403
Advia Credit Union	361
Genisys Credit Union	330
Credit Union ONE	284
Michigan First Credit Union	260
Michigan Schools and Government Credit Union	248

2013 Detroit Free Press Top Workplaces

DFCU Financial
E&A Credit Union*
Genisys Credit Union
Michigan First Credit Union
Michigan Schools and Government Credit Union
Michigan State University Federal Credit Union

* E&A recently completed its merger with First Community Federal Credit Union. The combined organization is now known as Advia Credit Union.

Michigan Credit Union Foundation

Cooperation: Supporting each other for the good of Michigan



Mary Nefske, Alpena Community Credit Union CEO, hands out copies of Money Rules to shoppers at Save-A-Lot in Alpena. The credit union received a Michigan Credit Union Foundation grant to distribute copies of the book.

The credit union philosophy of “People Helping People” extends to the practice of helping other credit unions through the Michigan Credit Union Foundation. MCUF provides support to help Michigan credit unions remain strong and engage in activities that help Michigan residents improve their financial health through credit unions.

More than \$100,000 in support annually to help credit unions make a difference in Michigan

- Professional Development Scholarships and Financial Counseling Certification Training ensure that credit unions provide high levels of expertise to help Michigan consumers thrive financially.
- Community Reinvestment Grants for financial education outreach and community partnerships help credit unions collaborate and educate.



The Michigan Credit Union Foundation Thumbball turns a game of catch into a learning experience for all ages. The ball was developed by the Michigan Credit Union League’s Financial Education Council.



3,700 copies of Money Rules books were distributed to Michigan consumers through the MCUF and credit unions in 2013.



High school students take part in a Teen Reality Fair to learn the realities of earning, spending and saving money, sponsored by Soo Co-op Credit Union in Sault Ste. Marie.

What it Means to Be a Credit Union

Michigan Credit Union Impact



2013 by the Numbers

Credit Union Principles

Credit unions are cooperative financial service providers working together to achieve a better life for their communities.

- **Democratic structure** – Credit union members enjoy equal rights to vote and participate in decisions affecting the credit union without regard to the volume of business.
- **Service to members** – Credit unions operate with the primary purpose of improving the financial well-being of their members and community. Any surplus may be distributed among members as dividends on shares or directed to improved services.
- **Social goals**
 - **Ongoing education** – Credit unions actively promote the education of their members, officers, employees and the public.
 - **Cooperation among cooperatives** – Credit unions actively cooperate with other credit unions and associations in order to best serve the interests of their members and communities.
 - **Social responsibility** – Credit unions seek to bring about human and social development for their individual members.

\$10.9 million

Money credit unions donated to charitable causes

4,625

Community outreach/volunteer projects

963

Credit union branches

1,566

Surcharge-free CO-OP Network ATMs

158

Shared branches

Sources: Michigan Credit Union League Community Reinvestment Initiative survey, October 2013; National Credit Union Administration

About Michigan Credit Union League & Affiliates

MCUL & Affiliates helps Michigan credit unions serve their members, grow their market presence and strengthen their financial condition. The league accomplishes this by protecting and expanding the charter, telling the credit union story and providing solutions that help credit unions excel. Organized in 1934, the Michigan league has long been considered one of the most progressive in the country.

About the Community Reinvestment Report

Created in 2004, the Community Reinvestment Initiative highlights the community work that is at the core of credit unions' social mission.

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Thank you to the 117 Michigan credit unions that provided individual information and statistics for this report. Many of the statistics in this report are estimates based on the survey results.