

# BANKING WITH CREDIT UNIONS VS BIG BANKS

As you consider where to entrust your money, don't overlook the benefits of a credit union.



**IF YOU'RE DISSATISFIED WITH YOUR CURRENT BANK — FEES ARE TOO HIGH OR MAYBE THE CUSTOMER SERVICE ISN'T UP TO PAR — AS YOU LOOK FOR A NEW PLACE FOR YOUR CHECKING OR SAVINGS ACCOUNTS, DON'T FORGET TO CONSIDER A CREDIT UNION.**

Some people misunderstand the role of a credit union and think that they are dedicated to serving only those in the military or government, or that they do not insure money to the same extent that banks do. All are incorrect assumptions.

Credit unions are in fact similar to banks and offer many of the same services. For instance, you can open both checking and savings accounts, each accessible with a debit card. And you can take out a car and home loan at a credit union, as well as invest in an IRA, too.

Additionally, credit unions insure deposits up to \$250,000 by the federal Credit Union Administration, the same protection that the Federal Deposit Insurance Corporation provides to banks.

But while credit unions and banks have much in common, they have important distinctions that you should consider before making a final banking selection.

## **Credit union pros**

**Financial structure:** While banks are for-profit institutions, a credit union is a non-profit, with each of its members an owner.

Due to their non-profit structure, credit unions typically offer lower loan rates and fees and higher savings rates.

## CREDIT UNIONS VS BIG BANKS

**Eligibility:** To bank at a credit union, you typically need to be a member of a particular community – for instance, a workplace, region, or church. While this may seem to restrict your participation, in fact, most consumers are eligible to bank at a credit union but do not realize their options.

You can find listings for credit unions at [www.mycreditunion.gov](http://www.mycreditunion.gov) and [www.asmarterchoice.org](http://www.asmarterchoice.org).

**Giving back:** Credit unions are tied to their local communities and many give back in economic and social ways, like reaching out to low-income individuals and providing free financial education to children and adults.

Financial education is a major focus of credit unions, and they routinely provide seminars on timely financial topics, such as preventing identity theft, managing debt, and shopping for insurance.

**Customer service:** Many credit union members tout the extra-friendly customer service of their institutions. In fact, customer engagement is often a focal point for credit union employees.

### **Credit union cons**

**Tech unfriendly:** Whereas most banks today offer advanced digital tools like online account access and smartphone apps, many credit unions lag behind in the tech department.

**Not always convenient:** The tech deficit at credit unions can often compromise convenience. For instance, a bank with a refined app empowers 24/7 banking from any digital device, whereas credit union transactions can take longer to execute.

Additionally, a credit union generally has far fewer branches than a major bank, making in-person credit union visits restricted to a smaller geographical area.

As you contemplate whether to trust your money to a bank or credit union, consider the factors that matter to most to you before making a final selection.

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