

## The Value of Credit Union Membership: A Personal Letter

Dear Margot,

I'm so excited to hear about your acceptance into university! I can tell you, being a college student is quite exciting. You'll have more freedom and independence to pursue friendships, career choices, and hobbies. However, this freedom comes with much more responsibility. Trust me, you'll have to be thinking a lot more about your finances than you did in high school. With student loans, scholarships, fluctuating income, and personal expenses, it's vital that you have a trusted place to help guide and protect your money. In my opinion, your best option is to become a credit union member.

Credit unions are non-profit member-owned financial institutions. Because they operate as a non-profit, they return their profits to the members. Some of these profits include lower loan rates, higher savings rates, and reduced fees. Credit unions are also insured by the NCUA (National Credit Union Association), so you can rest easy knowing your finances are in safe hands. Unlike traditional banks, credit unions are owned and operated by members collectively with a volunteer board of directors, rather than corporate shareholders. This can also allow for more individualized and empathetic service compared to a larger banking system. To qualify as a member, you must share a commonality within the credit union's field of membership, that forms the bond between other members. Make sure to check your local credit unions to see if you qualify!

By using a credit union, you don't have to stress about the risks associated with larger banking systems. There is no chance of a credit union going bankrupt, and the risk of fraud or public debt are reduced as well. Overall, credit unions provide the more benefits and safety than traditional banks, and thus they are the best choice for college students like us who are just starting out.

Remember, freedom comes with responsibility. While you're discovering yourself in college, it's important create a plan for your future. One of the best ways to do this is by establishing a financial plan. And trust me, becoming a credit union member is the best choice to keep your finances safe while receiving the best possible benefits.

Citations:

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Stevens, Theresa. "What's the Difference between a Bank and a Credit Union?" *Forbes*, Forbes Magazine, 10 Feb. 2023, <https://www.forbes.com/advisor/banking/difference-between-bank-and-credit-union/>.