



Montana Credit Union Philosophy

CERTIFICATION PROGRAM

INTRODUCTION

WHAT ARE CREDIT UNIONS?



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HISTORY

THE “WHAT”

Credit unions are financial cooperatives, owned and controlled by their members for the purpose of providing financial services. They serve a need that other financial institutions leave open, but they're relative “newcomers” to the social and economic scene. As an idea, they have only been around since the mid-1880s.

Over the next several slides, you'll learn a little more about our history and what makes us a little different — in a good way!

“I have recently been employed by Park Side CU. I came into this place of employment because of the ‘not-for-profit’ practice. For me, this creates a clear intention of value in service rather than profits leading the company's values.”

~ Amber Graham, Teller at Park Side FCU

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HISTORY THE “WHAT”

Credit unions were established to provide access to affordable, short-term credit for members of the working class, small farmers, or tradesmen in a community.



Here's more on our mission to serve.



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1844

The Rochdale Society of Equitable Pioneers, founded in 1844 in England, was the first "classic" cooperative aimed at combating poverty and high interest rates. A group of workers organized a store, bought shares to raise capital, and sold goods to members at discounted prices.

1848

The first credit cooperatives emerged in Germany in 1849, when Hermann Schultze-Delitzsch and Friedrich Wilhelm Raiffeisen adapted the Rochdale model to create "credit societies." Instead of providing discounted goods, these societies offered members essential cash at affordable rates.

1864

In 1864, Raiffeisen established a formal credit union, believing that through collaboration and pooling savings, people could create a valuable source of credit. The core principles of his credit union still guide all credit unions today.

HISTORY

THE “WHAT”

1909

The first credit union was formed in the USA! St. Mary's Bank — headquartered in Manchester, NH — still operates today, and the building is on the National Historic Registry.

1934

During the Great Depression, Congress passed the Federal Credit Union Act to promote thrift and provide access to credit for provident purposes. This act granted federal credit unions tax-exempt status

1937

An amendment to the Federal Credit Union Act in 1937 reaffirmed the tax-exempt status of federal credit unions, emphasizing their role in serving communities, especially those underserved by traditional banks

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THE “WHAT”

Quiz yourself:

What is a credit union?

1. A small bank, organized and controlled by stockholders for the purpose of making a profit
2. A financial cooperative, owned and controlled by its members
3. A collection agency

How are credit unions structured?

1. Democratically. Every member has an equal say regarding the credit union's goals and functions.
2. A small number of stockholders vote on the goals and functions of the organization.
3. Usually with a teller line and a quiet place to do loan reviews.

Which of the following is FALSE?

1. Credit unions were established to provide affordable, short-term credit.
2. Credit unions and banks are the same.
3. Credit unions are run by volunteer board of directors.

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THE “WHY”

A credit union is a **not-for-profit financial cooperative** owned and operated **by its members**. As you learned earlier, unlike traditional banks — which aim to generate profits for shareholders — credit unions **return their profits** to members in the form of better interest rates, lower fees, and other benefits.

In this section, you’ll learn a little more about the “Credit Union Difference” and our founding principles.



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THE “WHY”

Our “why” starts with the cooperative principles:

- Voluntary membership
- Democratic member control
- Members’ economic participation
- Autonomy and independence
- Education, training, and information
- Cooperation among cooperatives
- Concern for community
- BONUS: Diversity, equity, and inclusion*

*In 2019 the Credit Union National Association and National Credit Union Foundation (now collectively as America’s Credit Unions) adopted a board resolution to support diversity, equity, and inclusion as a shared credit union cooperative principle, and for credit unions to continue to have a responsibility and take a leadership role in building and serving more diverse, equitable and inclusive communities.

PHILOSOPHY

THE “WHY”

So what does it mean to be a “not-for-profit” financial cooperative?

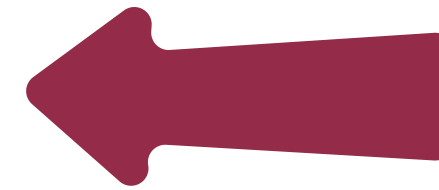
It simply means that they are **not looking to make a profit** off of members. Credit unions, much like charitable organizations, are **focused on a mission**, and they reinvest their profits in their members to ensure **the most positive impact** in their community.

You are a customer at a bank, but you’re a member of a credit union. Banks are looking to serve you with products that you need, but also to maximize their profit. Credit union see you as having a stake in what they are doing and they’re more focused on your satisfaction than on making money.”

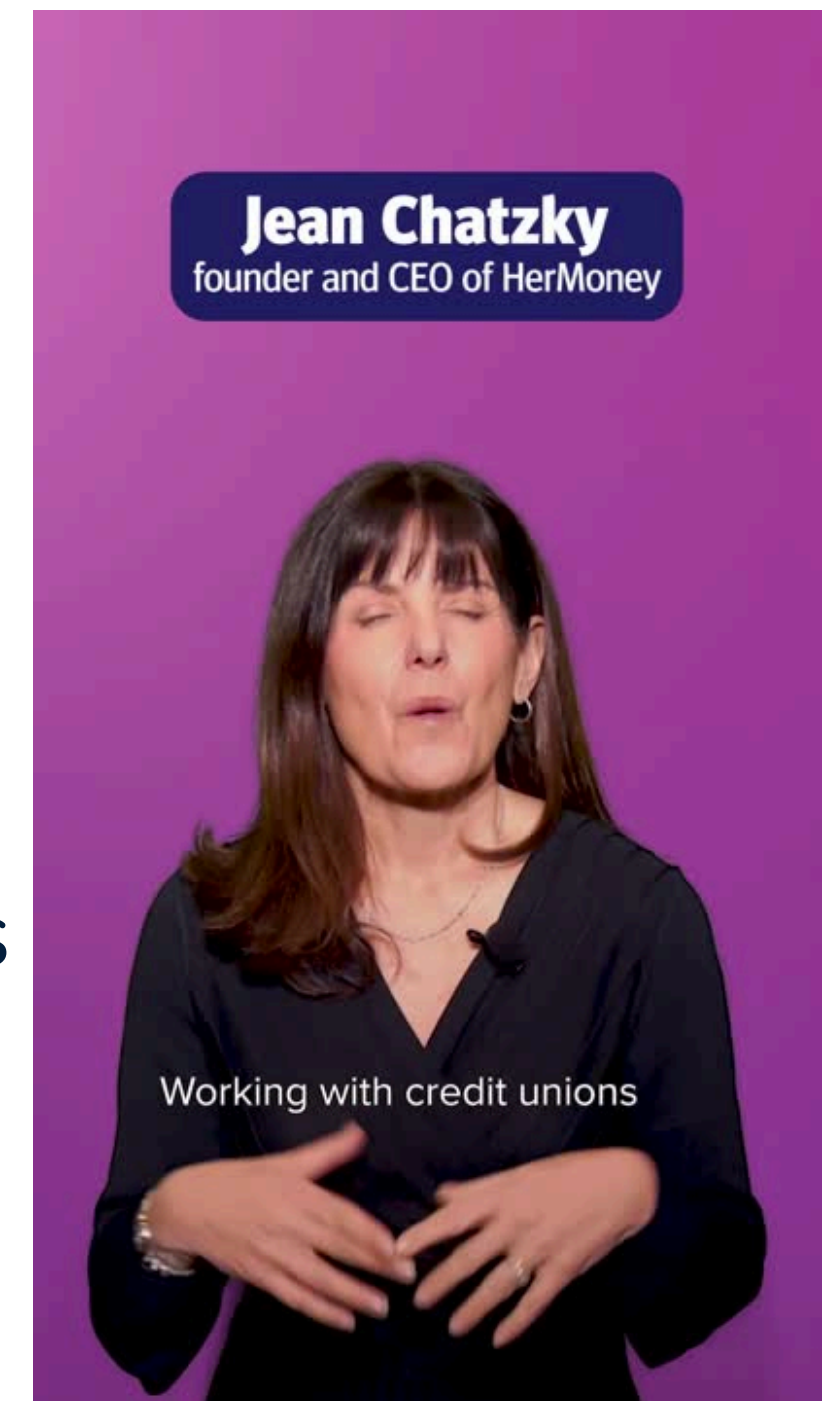
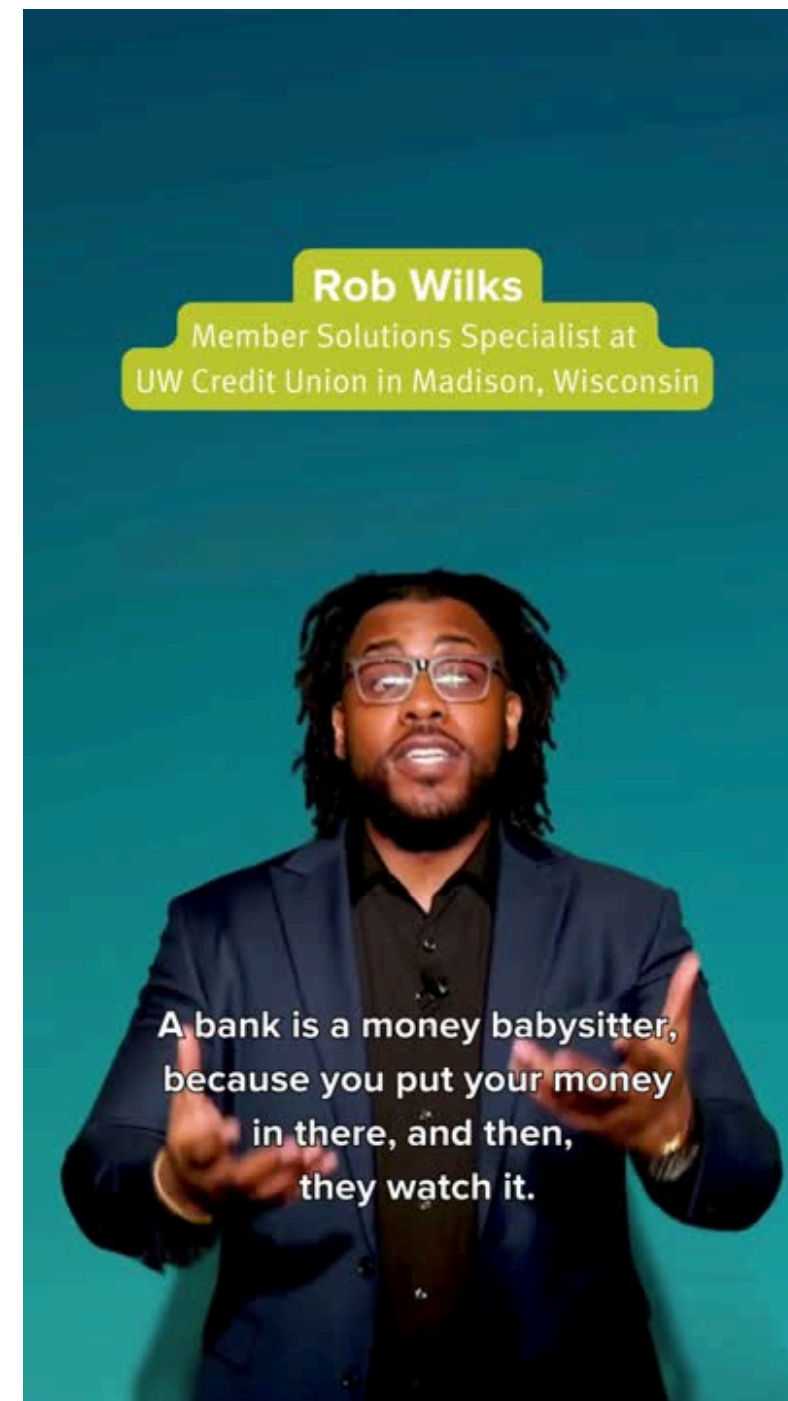
~ Lisa Servon, Filene Credit Union Fellow and University of Pennsylvania Professor

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THE “WHY”



Our defining principles are part of the “Credit Union Difference.” Check out a couple videos to learn more!



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THE “WHY”

The “Credit Union Difference” also means there are big differences between credit unions and other financial institutions. Here are a few easy differences to keep in mind.

Credit Unions

- Credit unions are insured by the **National Credit Union Administration (NCUA)** for up to \$250,000 per depositor, per account type.
- Credit unions have **lower fees and better interest rates** on loans, savings accounts, and credit cards.
- Credit unions are **owned and operated by their members**, and profits get reinvested into the community.

Banks

- Banks are insured by the **Federal Deposit Insurance Corporation (FDIC)** for the exact same amounts.
- Banks may charge **higher fees than credit unions for certain services**, including overdraft and ATM fees.
- Banks are owned by **shareholders and investors**, so corporate decisions are made with the goal of **maximizing profits**.

PHILOSOPHY

THE “WHY”

Here’s what some of Montana’s credit union professionals had to say about their “why.”

“To me it’s giving a personal touch to banking with a memorable feeling. It’s sharing knowledge that helps members reach their financial goals and offers solutions to aid in their financial well-being. It means opportunities to grow within an organization and be involved in the communities and nonprofits.”

~ Brittney Zubowicz, SMLO at Park Side FCU

“What I love about working at Ravalli County Credit Union is the incredible work environment and the opportunities to help our community thrive. We are a mighty team!”

~April Brown, Teller at Ravalli County FCU

“I’ve been a member at this credit union for a long time, and I’ve always loved the atmosphere, the people, and the amazing service. This is something that I want to be a part of.”

~Jody Martin at Lincoln County CU

PHILOSOPHY THE “WHY”

What’s your “why”?



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THE “WHY”

Quiz yourself:

Which two of the following are cooperative principles?

1. Autonomy and independence
2. Knowledge of the industry and competitors
3. Cooperation among cooperatives

How is the board of directors chosen at the credit union?

1. Directors are elected by the membership and volunteer their time
2. Directors are elected by the shareholders and are paid for their time
3. Directors are chosen by the manager of the credit union

Which two of the following are true?

1. Banks may charge higher fees than credit unions for certain services, including overdraft and ATM fees
2. Federal credit unions are insured by the Federal Deposit Insurance Corporation (FDIC)
3. Credit unions are not-for-profit

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ADVOCACY THE “HOW”

Credit union advocacy isn't limited to the governmental relations arena. We break advocacy into three branches, and everyone has a part to play.

Political

We actively work to build and strengthen relationships among state and federal policy makers, regulators, consumer groups, and credit unions. We coordinate a variety of events and practices that help amplify the voice of credit union philosophy and principles to increase the visibility of credit unions.

Philosophical

Our 501(c) foundation, Montana Credit Unions for Community Development (MCUCD) works to improve the social and economic well-being of all Montanans through financial education.

Philanthropic

An essential part of the credit union philosophy is giving back to our community, including through charity. Montana's Credit Union's charities of choice are Credit Unions for Kids and the Children's Miracle Network Hospitals.

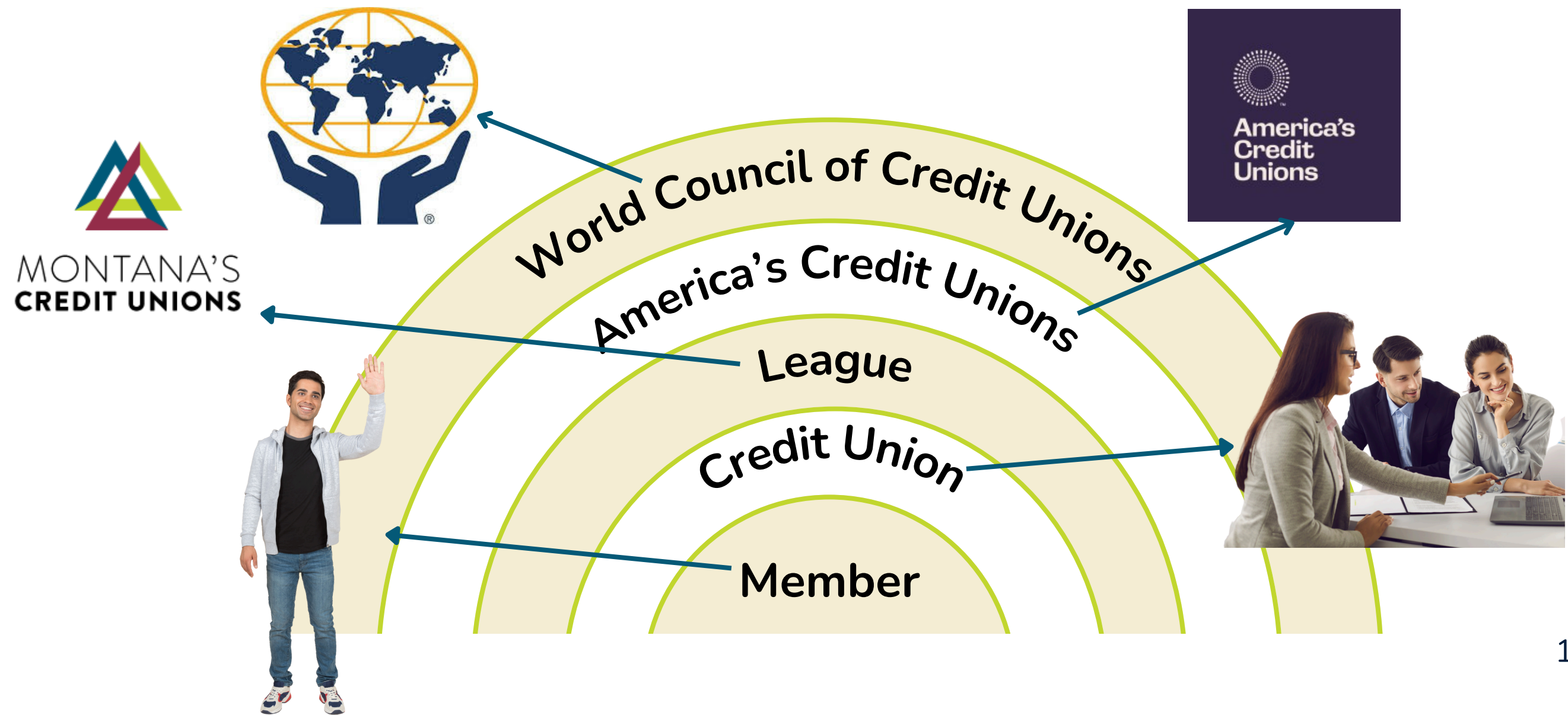
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ADVOCACY THE “HOW”

We also have a pretty great structure that helps advocate for credit unions on a global scale, but it all starts with the member.



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ADVOCACY THE “HOW”

Advocacy is imperative to telling our story to members, in our communities, and with lawmakers. Here are a few facts about the important economic impact of credit unions in Montana.



46 credit unions in Montana provide financial services to **466,888** members in **146** communities



Credit unions have a high impact on local economies, creating about **3,000** jobs, generating tax revenue of **\$180M**, and contributing **\$1.5B** to economic impact.



Credit Unions in Montana — by the Numbers

- Total assets: \$7.6B
- Total property taxes paid In 2023: \$4.2M
- Total number of employees: 1,505
- Job opportunities generated an additional \$2.9M to total over \$7M in property taxes

ADVOCACY THE “HOW”

Here are a few ways to advocate for the “Credit Union Difference” as a Montana credit union professional.

- Join one of the league’s free communities or chapters to network and learn
- Share your credit union’s or the league’s posts on social media — or add your own stories to your page
- Visit with your supervisor about attending the league’s events
- Speak at a community event
- Volunteer within your community
- Lead a fundraising event or celebration at your credit union
- Share your good news with the league to help amplify the story

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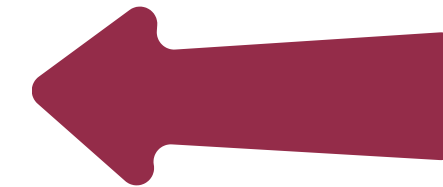
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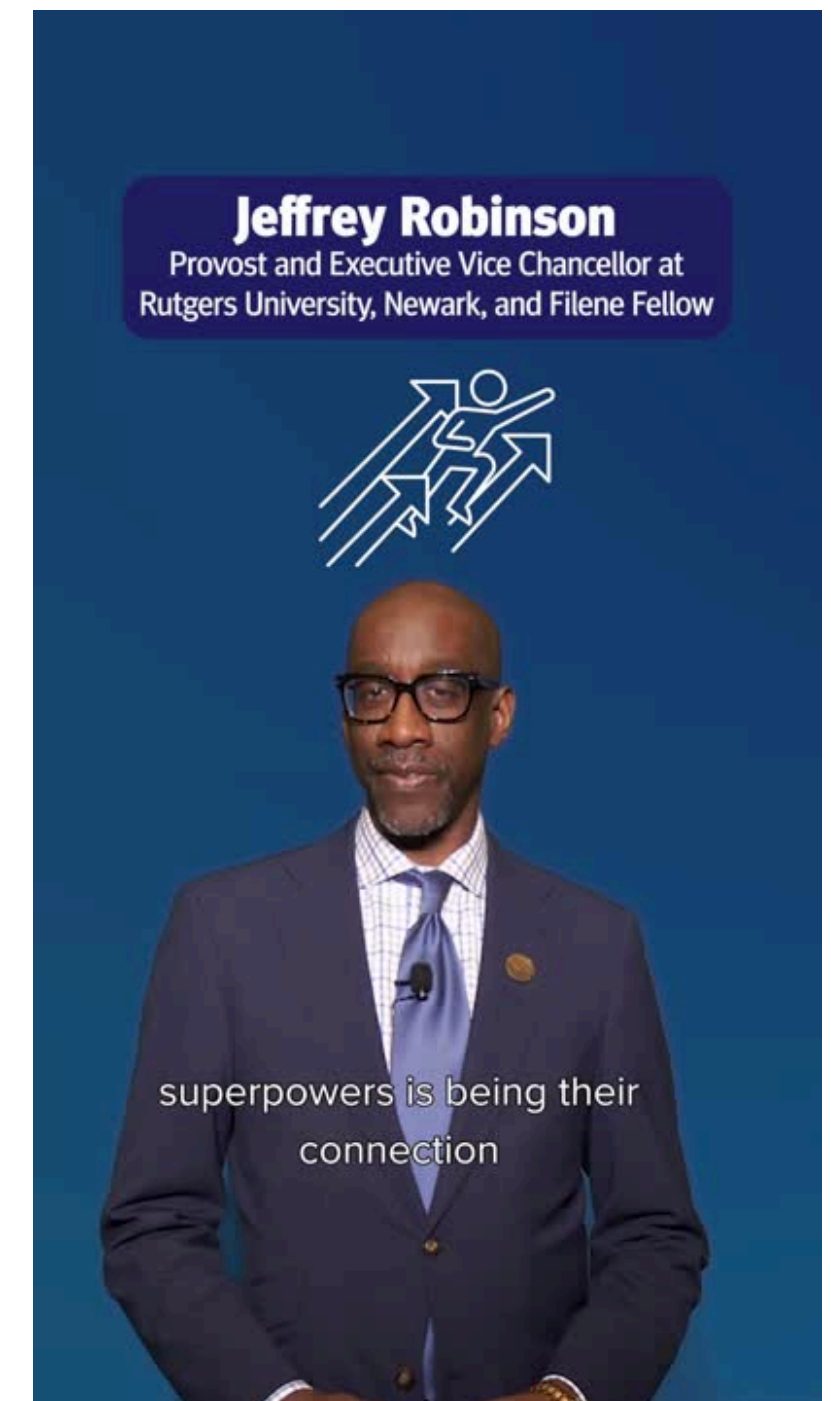
ADVOCACY THE “HOW”



Here are a couple
BIG examples of
articulating the
“Credit Union
Difference.”



Do your stories have to
be this elaborate?
Absolutely not! Start
small and be authentic;
just share them!



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ADVOCACY THE “HOW”

Quiz yourself:

About how many Montanans are members of a credit union?

1. 467,000
2. 1,000,000
3. 65,000

Which three are the three branches of advocacy at the league?

1. Executive, legislative, judicial
2. Philanthropic, philosophical, political
3. West, east, southern

What's one way you plan on advocating for the “Credit Union Difference”?



NEXT STEPS

It's time to test your knowledge and obtain your Credit Union Philosophy Certification!

Take the test based on your new expertise, and we'll email you a copy of your certificate.

HINT: This is a great graphic to accompany your social media post about your new certification!

This isn't the end of your credit union philosophy journey, though. In fact, it's just the beginning. Visit with your supervisor about how you can be more involved in the credit union movement, and keep sharing your stories!

[Test your knowledge](#)

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