

FACTS

Credit union service to members of modest means

WHO USES CREDIT UNIONS?

Key points:

- The vast majority of credit union members have family incomes that place them in the *working middle class and below*, living largely from paycheck to paycheck.
- Credit unions disproportionately serve working Americans because most credit unions are restricted to serving people working for a specific employer or group of employers.
- *Average household income is lower* among those which use only or primarily a credit union, compared to average household incomes of those who use only or primarily a bank.

Working middle class

- 60 percent of credit union members have family incomes below \$60,000.
- 82 percent of credit union members have family incomes below \$75,000.
- Sixty-five percent of Americans are dependent on their next paycheck to meet current living expenses, according to the American Payroll Association.

Restricted membership

- At year-end 2005, nearly 70 percent of credit unions operated under occupational “fields of membership,” about 10 percent under associational fields, and a little more than 20 percent had community charters.
- This concentration is a legacy of years of restrictions on credit union memberships, which caused credit unions to primarily organize around where workers were employed.
- The “occupational” limitations on the majority of credit union membership eligibility, both traditionally and today, has a substantial influence on who uses a credit union – and means credit unions mostly serve working Americans (the “field of membership” legacy).
- Credit union membership tends to be concentrated among workers in the 35 to 65 age brackets.
- Households are thus most likely to be credit union members during their primary earning years.

Average household income (Source: 2004 Federal Reserve Survey of Consumer Finances)

