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Financial Education a Direct Route to Member Loyalty, Brand Recognition?

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WEST PALM BEACH, Fla. - Credit unions are learning to never underestimate the power of providing financial education.

"Our research has found that most credit unions that are diverting dollars from traditional marketing to education efforts have reported great success," said Financial Finesse CEO Liz Davidson. "They are establishing themselves as trusted resources where members can find unbiased answers to their financial questions."

She should know — her company, which is a full service financial education provider — was built on it.

Davidson says providing high quality education is driven from a desire to build trust and loyalty and that can go a long way to helping credit unions stand out from the competition.

"We've found that our clients that really focus on education rather than selling end up getting a higher rate of return," said Davidson.

She adds that two trends have been emerging: more financial institutions are launching comprehensive employee education efforts so that their employees can become a better resource to their members and customers; and credit unions are focusing more on their employer groups.

"The thinking is that if all employees improve their financial knowledge, they will be able to better service members and find additional opportunities to meet members' needs with credit union products and services," said Davidson.

The educational focus has also resulted in an uptick in financial education departments and positions.

So dedicated to improving its members' economic well-being and quality of life, Live Oak, Texas-based Randolph-Brooks Federal Credit Union has established the RBFCU Financial Education Program.

Headed by Financial Education Coordinator Wanda N. Busscher, the program includes financial education curriculum taught to students by credit union representatives in the classroom and adult level financial literacy seminars conducted in partnership with other not-for-profit organizations. In addition, a special committee chaired by RBFCU Board Director Jesse M. Solano, will provide guidance to the Financial Education Program.

"I think we're providing a social service to our community because the need for financial education cuts across all ages and it is very rewarding to know that even in some small way we're providing members with the tools and skills they need to make good financial decisions," said Busscher. "It also says a lot about the credit union."

Busscher says her goal is to be ready to launch a financial management curriculum from elementary school students to high school seniors by this fall.

Seminars seem to be working well for North Canton, Ohio-based Community One Credit Union.

"Money affects every aspect of an individual's life and the more we know the easier it becomes to manage and maintain balance in our lives," said Community One CU Marketing/Business Development Specialist Michalann Curlutu. "Education and knowledge are the keys to making smarter financial decisions so with that in mind we launched this seminar series entitled Stepping Up...To Smart Choices."

The series includes four programs that target a variety of financial topics ranging from "A Self Portrait Your Credit Report" to "Me, Myself and My Parents." At the end of each seminar attendees receive a point certificate, which can be used toward Community One services. The idea is that the more seminars attended the more points members can accrue and use before year-end. Open to the community, the free seminars are slated to run through November.

According to Curlutu, if the response from the first seminar is any indication there is a member need for financial education. Some 39 people came to learn the ins and outs of a credit report. With 50% of those who

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attended non-members Curlutu says the marketing opportunities are great.

Davidson adds that educational workshops are another way to demonstrate the value of credit union membership provided it is educational not a pitch to sell a product or service because sales are down. Consumers know the difference. She says a multi channel approach to education works best.

“Workshops can also be a great way for credit unions to develop tighter relationships with their SEGs and increase visibility as an educator. But ultimately it is about finding out what the need is,” said Davidson. “Some people learn better online, others love workshops, the point is to have different outlets so that regardless of which channel used members can be educated at every point and that can make a huge difference in their lives.”

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