

Credit Unions Continued to Offer Consumers Savings in 2009



Submitted by Georgia Credit Union Affiliates

In a time when consumers are making every penny count, credit union members in Georgia saved money throughout 2009 from higher interest rates on savings accounts, fewer fees on credit cards and lower interest rates on loans, according to the latest tracking index from Georgia Credit Union Affiliates (GCUA).

Georgia credit unions provided almost \$130 million in direct benefits to the state's 1.8 million credit union members - or \$74 per member and \$141 per member household - compared to Georgia banking institutions during 2009. In addition, interest rates for a number of loan options remained lower in 2009 for credit union members.

The Georgia Credit Union Benefits Index - based on data collected during December 2009 - is the latest installment of an ongoing report updated on a semiannual basis. The report - which uses data compiled from more than 160 Georgia credit unions and banking institutions from Datatrac, the nation's leading rate survey firm - serves as a barometer to help Georgia consumers make more informed personal financial decisions.

"Credit union usage continues to translate into substantial savings for Georgians," said Michael Mercer, president and CEO of GCUA. "Many Georgia consumers are switching to credit unions because savings are funneled back directly to our members, providing a direct and positive impact to their wallets. The index also reinforces that the total financial benefit of being part of a credit union is even more substantial to members who use them for multiple financial needs."

The full report, along with illustrated charts and information on credit union locations throughout Georgia, is available at www.georgiacreditunions.org.

By the Numbers

Among the report's findings:

- Credit unions granted more than 352,000 loans to Georgians in 2009. This compares to 368,000 in 2008.
- Loans granted totaled more than \$4.3 billion in 2009, compared to \$4.0 billion in 2008.
- While the number of loans granted decreased in 2009 as compared to 2008, the average loan amount was slightly higher in 2009- \$12,235 in 2009 as compared to \$11,029 in 2008.
- The majority of loans generated by credit unions were for consumer purchases, especially for used vehicles, but also for new vehicles, home mortgages, home equity lines of credit and credit cards.
- Lower average interest rates on loans issued by Georgia credit unions in 2009 saved members a total of \$53.3 million compared to bank rates.
- Higher interest rates on savings products yielded \$42.2 million to credit union members' accounts compared to banks in 2009.
- Fewer and lower fees for credit union members totaled \$34.3 million in savings benefits compared to banks in 2009.

Key findings for loan product rate comparisons in 2009 include:

- The average rate for a 60-month new car loan was 5.34 percent for credit unions in Georgia, compared to 6.56 percent for banking institutions.

- The average rate for a 48-month used car loan was 5.54 for credit unions in Georgia, compared to 7.09 for banking institutions.
- The average rate for a personal, or "unsecured," loan was slightly higher for credit unions in Georgia, at 11.08 percent compared to 11.01 percent for banking institutions.
- The average rates for 15- and 30-year mortgages were slightly higher for credit unions in Georgia, at 5.32 and 5.69 percent, respectively, compared to 4.66 and 5.07 percent for banking institutions.
- The average rate for home equity lines of credit and second mortgages was 4.61 percent for credit unions in Georgia, compared to 5.57 percent for banking institutions.
- The average rate for credit cards was 11.35 percent for credit unions in Georgia, compared to 11.96 for banking institutions.

Savings data compared to banking institutions also showed rates favorable to credit union members in Georgia. According to the index, in 2009:

- The average rate paid on a savings account with a \$1,000 balance was 0.58 percent for credit unions, compared to 0.42 percent for banking institutions.
- The average rate paid on a share draft checking account with a \$5,000 balance was 0.50 percent at a credit union, compared to 0.35 percent for banking institutions.
- The average rate paid on money market accounts was 1.74 percent for credit unions, compared to 1.25 percent for banking institutions.
- The average rate paid on an IRA retirement accounts was 2.08 percent for credit unions, compared to 1.59 percent for banking institutions.

Joining a credit union has never been easier. Membership is open to individuals who are associated through employer, organization, community or other affiliation, and many credit unions now open their membership to the broader local communities where they operate.

To find a local credit union or for more information, go to www.georgiacreditunions.org. Georgians can also find and share financial advice and helpful consumer information at www.facebook.com/creditYOUunion.