



Where Can Consumers Turn in Times of Financial Distress?

An op-ed – submitted by Jeff Olson, President/CEO Dakota Credit Union Association

The latest economic news has Americans getting poorer. In fact, recent reports are indicating that two-thirds of Americans are living paycheck-to-paycheck. Further, it's not just those living near the poverty level who are struggling. Fortune.com referenced a [new report](#) issued by LendingClub that revealed more than one-third of paycheck-to-paycheck consumers in the U.S. earn at least \$250,000. Certainly, inflation is affecting how Americans of all income levels handle their budgets.

The reality is many North Dakota and South Dakota consumers, including credit union members, are struggling today. Where can they turn when their financial situations hit rough waters? Should they keep swimming and hope for the best? Or, should they seek some guidance on how to stay afloat – and perhaps even safely reach the shores of financial well-being?

Nearly two years ago, the National Credit Union Foundation started leading credit unions across the country toward a mission they dubbed "[Financial Well-Being for All.](#)" What does that mean? Financial well-being for all is about motivating and supporting individuals to make sound financial decisions. Financial wellness is at the heart of credit unions' mission within their communities and deeply embedded into their structure; they want to help members achieve their financial dreams.

Credit unions also have a long history of helping consumers through difficult times. From their founding days in the United States in the early 1900s, credit unions have thrived under the motto "Not for profit, not for charity, but for service." During the recent pandemic, credit unions did so much to help both consumers and small businesses that they became known as "financial first responders" by many in the trades.

What exactly can a local credit union offer to help their members feel financially secure

about their future? Let's start with the average savings a family realizes just by being a member. According to the most recent *2021 Annual Membership Benefits Report* published by the Credit Union National Association, credit unions provided \$12,557,606,745 in direct financial benefits to the nation's 127,848,853 members during the twelve months ending December 2021. These benefits are equivalent to \$98 per member or \$206 per member household. In the Dakotas, those savings are even greater: North Dakota's credit union members save an average of \$118 per year, or \$249 per household; South Dakota's members save \$144 per year, or \$302 per household.

While that is a good start, credit unions offer so much more. Many have Certified Credit Union Financial Counselors (CCUFC) on staff and offer counseling with no fees for members. These trained individuals are professionally prepared to help members who are experiencing financial difficulties. The Dakota Credit Union Foundation recently authorized a grant expenditure for local credit unions seeking to add a financial education component or a CCUFC to their staff.

In addition, many credit unions will offer "Skip-A-Payment" programs for a minimal fee (often the fees are donated to a charity) so members can meet unexpected expenses and not damage their credit scores with missed payments. Other options for members in good standing can include loan modifications, budgeting assistance, not to mention lower interest rates on loans and lower fees on many services.

Most importantly, whether a consumer is working with a local credit union, a small community bank, or even a large financial institution, it is crucial to be proactive with your financial situation. If you are swimming upstream against a strong financial current and feel like you need some assistance, reach out to your financial services provider(s) as soon as possible to discuss your unique situation. They may offer a financial "life preserver," but at the very least, just like a lighthouse guides the ship, they should be able to point you towards safer waters.

Respectfully submitted,



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Jeff Olson is the President/CEO of the Dakota Credit Union Association, the professional financial trade association serving 69 credit unions that employ more than 2,200 individuals across the Dakotas. With more than 520,000 members in North and South Dakota, Dakota credit unions have assets exceeding \$8.7 billion. In our mission to help credit unions succeed, DakCU plays a key role in growing membership and

helping to provide service excellence to members from offices in Bismarck, ND and Sioux Falls, SD. For more information visit our [website](#).