

RED LAKE FALLS, Minn. Oct. 2004 – Every time you turn around these days, survey results are confirming the importance of youth involvement in credit unions.

1. If you do not reach someone by the age of 25, the percentage of bringing them into your credit union is reduced by half. -- CUNA Mutual Group
2. The average credit union stands to lose \$14 million in loans alone if they do not increase their penetration of 18-24-year-olds. -- Credit Union National Association
3. “Improving basic financial education at the elementary and secondary school level will provide a foundation of financial literacy that can help prevent younger people from making poor decisions that can take years to overcome.” -- Federal Reserve Board Chairman Alan Greenspan

But too many credit unions – especially those with few staff and limited resources – are unsure of how to engage this valuable resource.

Five years ago, Red Lake Co-op Federal Credit Union in northwestern Minnesota was in that very situation. A \$4 million credit union with just under 1,000 members, RLCFCU decided it was time.

“I noticed that we had a lot of kids coming into the credit union with their parents, and I thought that they might as well become members too,” said Harvey Bakke, 10-year member of the Minnesota Family Involvement Council (FIC) and 16-year volunteer at Red Lake Co-op FCU. “Not only does the kids club benefit the credit union, but it provides practical knowledge and hands-on experience of saving and money management for children.”

They pitched the idea to the credit union Board of Directors and, upon approval, began the project with \$500. Money was spent on brochures, advertising, cards, a “goody bag” (activity book, pencil, ruler, etc.) and other rewards. All club members are required to make a minimum \$5 deposit, to be maintained in their account at all times, and pay a \$1 membership fee. Current credit union members can join the club at no cost.

“Harvey’s involvement on the FIC helped get us going, but it’s really not difficult to do,” said Phyllis Audette, Treasurer/Manager of Red Lake Co-op FCU. “Get the kids involved at a young age, teach them how to save, and show them how their money grows, and they will stick with the credit union in the future.”

RLCFCU’s kids club has various membership benefits. Club members receive a ½% higher dividend rate and receive a reward with each deposit of \$1 or more. Also with each deposit, the member’s name gets entered into quarterly prize drawings. The quarterly winner’s picture is featured in the local newspaper and displayed at the credit union. Club members also receive birthday cards, holiday cards, and are eligible for periodic contests.

Today, Red Lake Co-op FCU has 129 kids club members 12 years of age or younger, and it continues to grow. In addition, they implemented a teen club in 2003.

“Our kids club has really grown into something great, and it was easy to start and maintain,” Bakke said, encouraging all credit unions to “just go ahead with it!”