Personal Finance 101: CREDIT UNIONS V. BANKS

Credit unions and banks both offer financial services, but they operate differently. Credit unions are member-owned, not-for-profit financial cooperatives that provide better interest rates and lower fees because their primary goal is to serve their members, not to generate profit. They value "people over profit" and are known for their community involvement and support of local initiatives.

Let's Break it Down

Credit Unions

- Credit unions are insured by the **National Credit Union Administration** (NCUA) for up to $250,000 per depositor, per account type.
- Credit unions have **lower fees and better interest rates** on loans, savings accounts, and credit cards.
- Credit unions are **owned and operated by their members**, and profits get reinvested into the community.

Banks

- Banks are insured by the **Federal Deposit Insurance Corporation** (FDIC) for the exact same amounts.
- Banks may charge **higher fees than credit unions for certain services**, including overdraft and ATM fees.
- Banks are owned by **shareholders and investors**, so corporate decisions are made with the goal of **maximizing profits**.

"To me it's giving a personal touch to banking with a memorable feeling. It's sharing knowledge that helps members reach their financial goals and offers solutions to aid in their financial well-being. It means opportunities to grow within an organization and be involved in the communities and nonprofits." ~ Brittney Zubowicz, SMLO at Park Side FCU

Lower Loan Rates

The average Montanan saves **over $1,000** on a five-year auto loan

Support in Rural Communities

Over half of the credit unions in Montana are headquartered in rural counties. They provide **essential financial services and jobs** in communities that can lack access to traditional banking, which strengthens local economies and keeps resources close to home.

Community Support

In 2025, credit unions across Montana donated over **$27,000** to Shodair Children's Hospital.

Member Satisfaction

Credit union members report feeling **1.5 times more likely** to report feeling their credit union cares about their financial well-being than non-members

Scan to learn more about the credit union difference.