



MEMBER NEWSLETTER

The Value of Credit Unions

President's Message

“As not-for-profit, member-owned financial institutions, credit unions know and work for their members, not bank shareholders.”



Chris Loseth, President & CEO

Year after year, credit unions fight to save their federal and state tax status. There is much time and effort spent working with our Senators and Representatives to protect our tax exemption status from the onslaught of banking associations that are always claiming it is an unfair advantage, and they want to level the playing field. This year, there will be renewed efforts to remove the tax exemption for credit unions at the federal and state levels, and we are well prepared to fight these attacks on

the credit union system through our individual efforts and the efforts of our trade associations. There may be a point in time when we ask members and staff to step up and become involved in this ongoing battle by asking you to contact your individual Senators and Representatives through a combined effort with our trade associations.



Congress initially granted tax-exempt status to credit unions in 1937 because of their similarity to other mutually owned financial institutions that were tax-exempt at that time. While the other institutions lost their exemption in the Revenue Act of 1951, credit unions specifically retained the exemption. State credit unions are chartered under state credit union laws and operate without profit and for the mutual benefit of their members. State credit unions are exempt under section 501(c)(14)(A) and *are* required to file an annual information return.

Credit unions do pay many taxes and fees, among them payroll taxes, sales tax, and property taxes. It is also important to note that share dividends paid to credit union members are taxed at the membership level. U.S. credit union members paid an estimated \$2.2 Trillion in state and federal taxes in the most recent federal tax year. Taxing credit unions is a direct additional tax on consumer owners who already bear substantial tax burdens.

U.S. credit unions deliver big financial benefits to their members and non-members.

- \$12.5 Billion in higher yields on savings
- \$1.5 Billion in lower fees
- \$8.8 Billion in lower loan rates
- \$8.9 Billion in savings to non-members

If U.S. banks were structured like credit unions, the \$1.3 Trillion they paid in shareholder dividends over the past decade would have instead been paid to small depositors. If credit unions were taxed, the revenue would only account for 0.04% of federal spending, funding federal government operations for ONLY 3.9 hours.

As not-for-profit, member-owned financial institutions, credit unions know and work for their members, not bank shareholders. Consumers are 1.5 times more likely to report feeling their credit union cares about their financial well-being compared to for-profit financial institutions. That is why America's member-owned, democratically controlled credit unions remain an extremely popular financial alternative for over 140 million people.

Critics argue that credit unions today are no different than banks. However, the defining characteristics of a credit union, no matter what the size, remain the same today as they did when the *Federal Credit Union Act* became law in 1934: credit unions are not-for-profit cooperatives that serve defined fields of membership, generally have volunteer boards and cannot issue capital stock. Credit unions are restricted in where they can invest their members' deposits and are subject to stringent capital requirements. A credit union's shareholders are its members, and each member has one vote, regardless of the amount on deposit. Credit unions are fundamentally different than banks, and their tax exemption reflects that indisputable fact.



The many benefits that credit unions provide to members, businesses, the economy, and by being the organizations that keep for-profit financial institutions in check by providing an alternative in the financial system is imperative for the Financial Well-Being For All and must not and will not be taken away by the loss of our credit union income tax exemption as we will fight tooth and nail for the Credit Union Movement in the United States.

Thank you for being a member and placing your trust in P1FCU!

Save the Date

Branch Closure

Memorial Day

May 26, 2025

All branches of P1FCU will be closed in observance of Memorial Day.

Branch Closure

Juneteenth

June 19, 2025

All branches of P1FCU will be closed in observance of Juneteenth Day.

Branch Closure

Independence Day

July 4, 2025

All branches of P1FCU will be closed in observance of Independence Day.

What's New?



Protect yourself from Scams.

Even though Fraud Awareness Month is over, we want to keep helping every member stay protected. Scammers constantly evolve their methods, so it's essential to be informed about new fraud tactics. Fraud is a threat to everyone, no matter your age or background. Anyone can fall for a scam if they do not know what to look out for. [Visit our website](#) for additional resources and examples of what to look out for to prevent becoming a victim of fraud.



Champions for Change, Making a Difference.

Introducing our newest Champion for Change, Nick. He helped establish Two Rivers United Child Advocacy Center, a safe place for children who have experienced trauma. At this advocacy center, children can speak with specialists, receive support through the judicial process, and access services for healing. [Learn more](#) about this organization and how you can help.



April is Financial Literacy Month!

Join us this month to learn about financial literacy! Our monthly email newsletter, Basecamp, offers free tips and strategies to enhance your financial well-being. Subscribe by visiting our [Basecamp Newsletter page](#) and entering your name and email address, and you will be entered to win a Yeti cooler! Also, this month, keep your eyes peeled for a youth coloring contest and financial tips and tricks from P1FCU staff.

Quarter End Financials



	12/31/2023	12/31/2024	% Increase
Shares	\$1,882,220,051	\$1,871,060,865	-0.6%
Loans	\$1,798,750,215	\$1,759,400,798	-2.2%
Total Assets	\$2,189,917,058	\$2,111,687,215	-3.6%
Members	127,211	127,873	0.5%

Financial Literacy Tools



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