

The Benefits Of Credit Unions

- Credit unions are the best option for safe and affordable financial services for consumers and small business owners – that’s why over 140 million Americans rely on credit unions for everyday needs and long-term goals!
- The cooperative, not-for-profit structure allows credit unions to focus on serving the members and communities they serve instead of chasing profits to benefit only select shareholders.
- While credit unions pay a wide range of taxes, they do not pay federal income tax on profits because those dollars are instead reinvested back into their members and communities.
- Credit unions accounted for roughly \$23 billion in federal taxes in 2023, along with \$13 billion in state and local taxes.
- The credit union tax status delivers a 1,300% return on investment.
- Credit unions deliver \$35.9 billion in benefits to consumers.
- 60% of voters in the U.S. support preserving the credit union tax status.
- Credit unions serve 43% of all Americans but hold only 8.8% of assets in financial institutions, making them a small but vital financial option.

Myth v. Fact

“Credit unions are just like banks” **FACT:** Credit unions produce significant positive outcomes for people and communities that you don’t find through other financial institutions. The credit union difference is critically important.

“Credit unions harm banks” **FACT:** Contrary to the repeated banker myth, banks are thriving – despite credit union presence in the market.

- **FACT:** Banks have a near-monopoly presence in the market with a 91.2% market share of total financial institution assets at the end of the third quarter 2024.
- **FACT:** Bank assets grew \$5.7 trillion in the past five years—2.5 times more than credit unions have grown since their start in the U.S. roughly 100 years ago.

“Credit unions don’t pay taxes” **FACT:** Credit unions and their more than 140 million members bear a significant tax burden while bank tax rates have declined.

Credit Union Tax Status Impact:

Imposing additional taxes on credit unions and the average working Americans they serve – against the backdrop of billions of dollars in bank tax cuts – would be harmful and unfair. Removing the tax status would threaten the survival of the nation's 4,600 credit unions, greatly erode the financial well-being of over 140 million credit union members, and result in the loss of the broader benefits credit unions provide to society at large.

The benefits of credit unions are vital to many communities, and the loss of the federal income tax status would have far-reaching consequences. Analysis indicates that eliminating the credit union tax status would cost the federal government \$33 billion in lost income tax revenue over the next 10 years. GDP would be reduced by \$266 billion, and 822,000 jobs would be lost over the next decade as well.

Source: [*Americas Credit Unions*](#)