

# Youth CREDIT Unions



by Viola Bostic, Deputy Executive Director  
National Federation of Community Development Credit Unions

What can \$1.25 per week buy in today's economy? How about economic empowerment and self-confidence for elementary school children. So says Mark Levine, president of the Neighborhood Trust Federal Credit Union (FCU), located in the heavily populated Dominican community of Washington Heights in Manhattan. He describes with pride the success of the one-year old school-based program that is meeting its goal of cultivating future members who are learning how to acquire wealth early.

Youth credit union programs (YCUPs) in Washington, Mississippi, Kentucky, New York and California can also express satisfaction with the results of similar youth activities. For example, at Progressive Neighborhood FCU (Rochester), a VISTA<sup>1</sup> volunteer

<sup>1</sup> *Volunteers in Service to America (VISTA) is a program funded by The Corporation for National and Community Service. Created during the administration of Lyndon Baine Johnson, VISTA has been in existence since 1965 as a vehicle to eradicate poverty in America. Vista volunteers working for the credit union can develop or maintain asset building programs beneficial to credit union members such as Individual Development Accounts (IDAs), microenterprise lending, homeownership counseling and financial literacy.*

helped establish an IDA program at the credit union's high school branch. Another case in point, with over 500 youth from 33 local churches and five schools, the almost 15-year old Brooklyn Ecumenical FCU program can be considered the grandfather of youth credit unions.

Some of these programs got their start with financial and technical assistance from the National Federation of Community Development Credit Unions (NFCDCU) in early 1992. These programs, which serve young people between the ages of seven and seventeen, have accumulated more than \$1 million in savings deposits. Each year, the youth network conducts a series of workshops and special events at NFCDCU's annual meeting on topics such as technology and fundraising.

NFCDCU's youth credit union programs differ from most youth financial literacy programs in that they are part of the CDCU's overall strategy of expanding community economic self-sufficiency. A study by a research team from Brandeis University's Heller School characterized these programs as "an exciting new brand of community youth development," and described the program's mission as leadership development, self-help, community reinvest-

ment, financial self-determination and financial literacy. The mutually beneficial relationship between the credit union and its youth members promote a dynamic alliance that strengthens community economic development initiatives and is an investment in the community's future.

First, YCUPs help their members become financially responsible adults by providing on-the-job training where they gain an understanding of what it takes to run a credit union. This specialized training and exposure improves self-image. Participants consider attending college or training for careers in the financial services industry. The youth program also fosters a feeling of ownership in being a contributor to the future of the community's economic development. At the same time, the sponsoring CDCU extends its impact and outreach to the burgeoning youth population, thereby strengthening the social capital and economic foundation of the larger community.

The cost of organizing a YCUP is prohibitive for many CDCUs. According to Jose Amaya, youth coordinator of the Mission Area FCU, "CDCUs must have a full-time youth coordinator on staff to manage the program if it is to be successful in the long term." Con-

sequently, seeking funding for the program is a persistent activity for National Federation members.

NFCDCU continues to look for grants that will expand the program to more members and youth organizations. Moreover, the organization offers training in how to market to and recruit youth, and at the same time, provides technical assistance in organizing a youth program. Contact the National Federation of Community Development Credit Unions if you are interested in setting up a YCUP or to make a financial investment. **CI**

*For more information on youth credit union programs, contact Viola Bostic at the National Federation of Community Development Credit Unions at (212) 809-1850 or via e-mail to: [vbostic@natfed.org](mailto:vbostic@natfed.org).*

To contact an existing youth credit union, please consult the list below.

MARK LEVINE, PRESIDENT  
Neighborhood Trust FCU  
New York, New York  
(212) 740-0900  
**[mlevine@cwcid.org](mailto:mlevine@cwcid.org)**

PEARL WATTS, MANAGER  
Quitman Tri- County FCU  
Marks, Mississippi  
(662) 326-4000

PRISCILLA PARKER, Asst. Manager  
Progressive Neighborhood FCU  
Rochester, New York  
(716)-328-5410  
**[pparker@pnfcu.org](mailto:pparker@pnfcu.org)**

ROBERT COLEMAN, President  
Northwest Baptist FCU  
Seattle, Washington  
(206) 322-1604

MARCUS BORDELON, President  
Central Appalachian Peoples FCU  
Berea, Kentucky  
(859) 986-1651

DAISY DOBBINS, Youth Coordinator  
Brooklyn Ecumenical FCU  
Brooklyn, New York  
(718) 858-8803

JOSE AMAYA, Youth Coordinator  
Mission Area FCU  
San Francisco, California  
(415) 431-2268

## FINANCIAL LITERACY GUIDE



The 26-page *Banker's Guide to Financial Literacy Resources* is a handy reference that can assist anyone with interest to strategically design a financial literacy program. The guide is formatted to quickly identify suitable material for a specific audience, with resources organized into five categories: early intervention, basic financial literacy, credit management and rehabilitation, asset building and specialized curriculum. Each category contains a concise description of various materials that can be used as reference, off-the-shelf or in coordination with a specific organization. Other features of the guide include an index and the Interagency Q&A reference for CRA pertaining to financial literacy.

Complimentary copies of the guide can be ordered online at [sf.communityaffairs@sf.frb.org](mailto:sf.communityaffairs@sf.frb.org) or via the Federal Reserve Bank of San Francisco's publication hotline at 415/974-4810.