

# **Credit Union Services: Opinions, Challenges and Opportunities**



**Centre for Co-operative Studies,  
National University of Ireland, Cork**

# **Credit Union Services: Opinions, Challenges and Opportunities**

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<sup>1</sup> The Centre for Co-operative Studies is a university research centre which promotes education and training and independent research and consultancy in all aspects of co-operative organisation, including credit unions.

## FOREWORD

- ◆ How satisfied are members with their credit union?
- ◆ What changes would members like to see?
- ◆ What do non-members think of credit unions?
- ◆ What needs to be done to convert non-members into members?

These are just some of the questions this report sets out to answer. The answers came from nearly 1,500 credit union members and 750 non-members from across Ireland. Interviews were carried out by 147 credit union activists who were course participants in the 1993/95 Diploma in Credit Union Studies. They conducted these interviews as part of their final year project on *Credit Union Services and Community Linkages*. The report also reviews the opinions and conclusions of these knowledgeable activists.

A number of other issues which are central to the problem of how to do a better job of meeting members' needs are also raised in this report. Should credit unions be getting more directly involved in building the local economy? What can be done to increase effective member participation in credit unions? What are the benefits of increased co-operation between credit unions?

This review of the thoughts and concerns of large samples of members (including activists) and non-members, should be of considerable value to the Irish Credit Union Movement as a starting point for addressing the problems of coping with a rapidly changing environment.

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# Section 1

## General aims of the report

### 1.1 Introduction

Although only introduced into Ireland in the late 1950's, credit unions have been such a successful phenomenon that they are now a familiar sight in Irish towns, villages and cities. The Irish movement is now almost forty years old and at a stage when it is useful to reflect on how members and non-members perceive its performance to date.

### 1.2 Aims of the report

The report is a snapshot of the opinions and attitudes of credit union members, including directors, committee members, staff (both voluntary and paid), and non members, on a number of key issues affecting the future development of credit unions in Ireland. It is intended that this report will give an *overview* of some of the contemporary issues confronting Irish credit unions and serve as a *discussion document* to generate ideas and debate within credit unions. It is also hoped that it may be a useful *starting point for further research*.

### 1.3 Key issues

This report focuses on the following key issues:

- Members' current level of satisfaction with their credit union
- Non-members' perceptions of credit unions
- The potential role of credit unions in community focused development
- Issues of participatory democracy in credit unions
- Opinions on the possibility of greater networking between credit unions

Section 2 will highlight the methods by which these issues are investigated and will explain how information was collected and analysed to achieve the aims of the report.

## Section 2

# Overview and methodology

### 2.1 Introduction

This section of the report explains how data for the report was collected, and the methods used to collate and analyse the information.

### 2.2 Source of research material

The primary research data used in this report was initially collected by the students of a distance learning course entitled the *Diploma in Credit Union Studies*<sup>2</sup> which has been developed by the Centre for Co-operative Studies and the Centre for Adult Continuing Education, University College Cork and is offered by the Department of Food Economics. The course is designed for credit union practitioners at all levels of the credit union movement.

As part of this course, each student is required to complete an in-depth, analytical project on their local credit union, using guidelines provided by the university<sup>3</sup>. In 1995, the title of the project was “Credit Union Services and Community Linkages”, which 147 course participants<sup>4</sup> submitted to the university for examination. In this group, there were 74 staff members (19 of whom were managers) and 76 voluntary credit union activists, including board members, committee members, and other volunteers.

As part of their project, each student was required to conduct and analyse interviews, using a set questionnaire<sup>5</sup>, with ten members of their credit union and five non-members. These questionnaires are collated and analysed in this report. The members and non-members who were interviewed by the students were chosen at random<sup>6</sup>. Because the sample size in this study is quite large we can, with some level of confidence, apply the results to the larger population.

The members' questionnaire concentrated on the following areas:

- Members' level of satisfaction with credit union services.
- Members' interest in additional services.
- Members' opinions on the direct involvement of credit unions in community development projects.

The non-members' questionnaire had 2 main strands:

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<sup>2</sup> Please see Appendix 5 for further information and course outline.

<sup>3</sup> Please see Appendix 1 for an overview of the project guidelines given to participants.

<sup>4</sup> Please see Appendix 2 for a full list of course participants and credit unions studied.

<sup>5</sup> Please see Appendix 3 for samples of the questionnaires employed to interview both members and non-members.

<sup>6</sup> Those that were not chosen using a random sampling technique were excluded at the statistical analysis stage.

- Non-members' knowledge on credit unions (e.g. what does the credit union do? and for whom?).
- Factors which would influence non-members' behaviour (e.g. what would encourage them to join the credit union?).

As well as collecting and analysing this data, the students presented their own opinions on how their credit union has performed to date and on possible opportunities for the future, and gave suggestions on how the credit union movement should progress. Majority viewpoints of the students are summarised and analysed in this report. Interesting minority viewpoints are also referred to.

The opinions of these students are of considerable significance as the students are all involved in a full or part time capacity with various credit unions and will more than likely be involved in the future of the movement. The credit unions studied were in various parts of Ireland, in the Republic and in Northern Ireland, in both urban and rural areas. There is not a concentration on any particular area or county within the survey results.

### **2.3 Collation and analysis of the data**

The questionnaires were extracted from the projects and then coded, inputted and analysed using the SPSS computer package (Statistical Package for the Social Sciences). Although a standard questionnaire was utilised, the students were encouraged to ask additional pertinent questions of their own choice. Responses to some of these questions are included in this report, although the *sample size may vary*. This is particularly noticeable in the chapter on democratic processes in credit unions where just 150 members were asked why they did not attend the AGM. The sample size may also vary at times because it is rare that *every* interviewee answered *every* question.

### **2.4 Summary**

This report has two main strands:

- The opinions of 1,500 members and 750 non-members of Irish credit unions
- The opinions and suggestions of 147 diploma students involved in Irish credit unions