

Cooperative Principles

Most people think of credit unions primarily as financial institutions, but our fundamental values and structure also identify us as cooperatives.



What is a co-op?

*a business owned and democratically controlled
by the members who use its services*

Members who use the cooperative **own** their co-op because they finance it in a variety of ways.

Members democratically **control** their cooperative by exercising the voting rights that come with membership.

Members **benefit** from the cooperative based on their use of the co-op.

The central goal of a cooperative is to place service and benefits to members above all else.

people are more important than dollars



The Foundation of the Cooperative Movement

In 1844, weavers in Rochdale, England established a consumer co-op store based on the first set of cooperative principles.

THE UNIVERSAL **COOPERATIVE PRINCIPLES**



**Voluntary and
Open Membership**

1



**Democratic
Member Control**

2



**Member Economic
Participation**

3



**Autonomy and
Independence**

4



**Education, Training
and Information**

5



**Cooperation Among
Cooperatives**

6



**Concern for
Community**

7

The 8th Principle for credit unions

SEPTEMBER 2019

CUNA Board of Directors voted in favor of a resolution to clearly and prominently establish diversity, equity and inclusion as the 8th cooperative principle of America's credit unions.

“Still, there is more to diversity and inclusion than financial access for members. **We need to hold each other accountable for equality, equity, and opportunity** for members, volunteers, and credit union professionals. It must be everywhere from the grassroots of our communities to the top of our credit unions or we will not fully serve our purpose.”

MAURICE R. SMITH

*CEO of Local Government Federal Credit Union in Raleigh, N.C.
and former CUNA Board chairman*

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**Diversity, Equity
and Inclusion**

8



We stand for the financial well-being of all people

#1:

VOLUNTARY AND OPEN MEMBERSHIP

Credit unions are voluntary, not-for-profit financial cooperatives, offering services to people willing to accept the responsibilities and benefits of membership, without gender, social, racial, political, or religious discrimination.



*We stand for the belief that
money does not equal power*

#2:

DEMOCRATIC MEMBER CONTROL

Credit unions are democratic organizations owned and controlled by their members. Each member gets one vote, no matter their financial status, to help make the organization's policies and decisions.



*We stand for
reciprocating trust*

#3:

MEMBER ECONOMIC PARTICIPATION

Members are the owners of their credit union and contribute to its capital.

Members, not shareholders, benefit from their credit union's profits in proportion to their relationship and use of its products and services.



*We stand for
transparency*

#4:

AUTONOMY & INDEPENDENCE

Credit unions are independent, self-reliant organizations controlled by their member-owners, not outside stockholders. When making business deals or raising money, credit unions never compromise their autonomy or democratic member control.



*We stand for developing educated
and well-informed citizens*

#5:

EDUCATION, TRAINING & INFORMATION

Credit unions provide education and training for members, elected representatives, and employees so they can contribute effectively to the cooperative. Credit unions place particular importance on educational opportunities for their volunteer directors, and financial education for their members.



*We stand for
unity*

#6:

COOPERATION AMONG COOPERATIVES

Credit unions serve their members most effectively and strengthen the cooperative principles by working with other cooperatives through local, state, regional, national, and international structures.




*We stand for, and with,
our communities*

#7:

CONCERN FOR COMMUNITY

While focusing on member needs, credit unions work for the sustainable development of communities, including people of modest means, through policies developed and accepted by the members.



*We stand for empowering
through empathy*

#8:

DIVERSITY, EQUITY & INCLUSION

Credit unions support diversity, equity and inclusion as a shared credit union cooperative principle and continue to have a responsibility and take a leadership role in building and serving more diverse, equitable and inclusive communities.

FINANCIAL DEMOCRACY

REINVISIONING THE COOPERATIVE PRINCIPLES

What do we stand for?



**THE FINANCIAL
WELL-BEING OF
ALL PEOPLE**

Voluntary and Open Membership



**THE BELIEF THAT
MONEY DOES NOT
EQUAL POWER**

Democratic Member Control



**RECIPROCATING
TRUST**

Member Economic Participation



TRANSPARENCY

Autonomy and Independence



**DEVELOPING
WELL-INFORMED
CITIZENS**

Education, Training and Information



UNITY

Cooperation Among Cooperatives



**FOR, AND WITH,
OUR COMMUNITIES**

Concern for Community



**EMPOWERING
THROUGH EMPATHY**

Diversity, Equity & Inclusion