

# **An Analysis of Youth Involvement in Irish Credit Unions**



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

# **An Analysis of Youth Involvement in Irish Credit Unions**

## **Authors:**

**Olive Mc Carthy  
Robert Briscoe  
Michael Ward**

## **Co-authors:**

**Students of 1995/97  
Diploma in Credit Union Studies  
(see Appendix Two for a full list of names)**

## **Supported by:**

**The Irish League of Credit Unions  
Centre for Adult Continuing Education  
and  
Centre for Co-operative Studies**

## **Published by:**

**Centre for Co-operative Studies<sup>1</sup>,  
National University of Ireland, Cork**

This work has been externally refereed.

© Centre for Co-operative Studies, National University of Ireland, Cork 1999. All rights reserved.

ISBN

Printed by Litho Press, Midleton, Co. Cork.

---

<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.

# **An Analysis of Youth Involvement in Irish Credit Unions**

## ***EXECUTIVE SUMMARY***

The Irish credit union movement is facing the very real prospect of losing a whole generation of members to banking institutions unless it takes immediate action on the issues of involving youth in a meaningful way and providing carefully tailored services to meet youth needs. For credit unions, these two issues are co-dependent. Indeed, this study argues that involving youth in the credit union may be a prerequisite to providing services to youth. It urges that co-operative ways of working must be employed more fully by Irish credit unions to encourage and motivate them to involve their youth members at all organisational levels. Credit unions need youth. The essence of the co-operative spirit is that of empowerment whereby all members of the co-operative can be active in solving their mutual problems. Youth members must be involved to identify youth needs and help design services to meet these needs.

This study represents the collation and analysis of the views and perceptions of five categories of credit union member (non-youth board members, youth board members, youth on committees, youth staff and volunteers, and youth members) as presented in the final year projects of the students reading for the 1995/7 Diploma in Credit Union Studies. It also takes into account the views of the diploma students as expressed in the projects making this report unique in many ways.

Several strands of thought emerged from the research carried out by the students: the great success of the banking institutions at targeting and maintaining the loyalty of their younger members in contrast to the inadequate attempts by many credit unions to tailor their services, a certain sense of apathy and fear in many Irish credit unions in relation to involving youth and finding new ways to do so as well as providing youth with the services they require, the lack of knowledge of young people and the lack of information available to them about credit unions.

Despite what may seem, at first glance, as an alarming state of affairs in many credit unions as regards youth involvement and services, the study demonstrates that much

can be done to harness the strengths of young people. It points to the great energy and enthusiasm of youth and their natural inclination towards technologically based activities, two strengths which can be put to good use in every credit union. It highlights the willingness of many young credit union members to get involved - many are simply waiting to be asked and do have sufficient time to devote to credit union duties. Youth members are not all driven by financial motives. Most credit union members, particularly the under 25's will welcome the opportunity to gain work experience. Credit unions *need* youth to give a sense of continuity to their operations. In particular, the study underlines the great wealth of ideas expressed by credit union personnel on how to involve youth and provide them with the services they need at minimal cost.

Attempts at seeking youth involvement in credit unions must be perceived as genuine and carried out on an on-going basis. Credit unions must be fully aware of and accept the time and commitment that will be required to educate and inform the youth of the ideals and the practicalities of credit unionism. Youth must know that they will be welcome in the credit union, that their ideas and opinions will be listened to, and that they will feel their input into the operations of the credit union is making a difference. Meaningful duties must be assigned to the youth or youth will lose interest in the credit union. However, it is recognised that some youth may have to start at a basic level of the credit union operations. The importance of education is again highlighted.

The study shows that the medium of the local school has been a very important source of young members and volunteers for some credit unions. More credit unions must recognise the potential of local schools to spread the credit union idea, through effective education and information in the classroom and credit union open days for schools, by setting up junior school credit unions, and for recruiting new volunteers for the credit union.

Credit unions must recognise that the younger generation are more in touch with the needs and capabilities of youth. Youth *within* the credit union attract youth *to* the credit union.

The study recognises the sensitivities that may be associated with implementing some of the ideas presented here. Resolving the issues presented in the report may require the use of discretion and delicacy. Genuinely held concerns about youth inexperience can be alleviated. Careful education of youth and non-youth within the credit union will, as one would expect in a co-operative, arm all concerned with the necessary information and motivation to realise the importance of youth involvement for the future of the credit union and to take immediate action on youth issues.

Interested readers are afforded the opportunity towards the end of the report to examine their own credit unions in relation to youth issues and to identify their own attitudes and opinions on involving youth in credit unions and providing the services required by youth.



3.3.5 Board members (non-youth)	22	
3.3.5.1 Board members perceptions	22	
3.3.5.2 Summary	25	
3.4 Conclusion	26	
Section 4 Levels and Perceptions of Youth Services	27	
4.1 Introduction	27	
4.2 Services currently available to youth members	27	
4.3 Levels of services	28	
4.4 Perceptions of interviewees re additional services	28	
4.5 Conclusion	29	
Section 5 Competition from the Banks	30	
5.1 Introduction	30	
5.2 The current extent of competition	30	
5.3 Categories of competition	31	
5.4 Other issues identified	32	
5.5 Conclusion	33	
Section 6 Towards a Credit Union Youth Policy	34	
6.1 Main aims of the study	34	
6.2 Main themes for consideration - How can my credit union use this study?	34	
Recommended Exercise	35	
Appendix One	Diploma students 1995/97 names and credit union studied	37
Appendix Two	Project guidelines	39
Appendix Three	Selection of responses in tabular form	43
Appendix Four	Diploma in Credit Union Studies	47
Appendix Five	Structure of credit unions	49
Bibliography	51	

## SECTION 1 GENERAL AIM OF THE STUDY

*“The interests of childhood and youth are the interests of mankind.”*

Edmund Storer James

### 1.1 Introduction

This section presents the overall aim of this study and provides a brief description of what the study entails. It then discusses the reasons why youth must be involved in credit unions referring particularly to the importance of maintaining co-operative ways of working within a credit union.

### 1.2 Aim of the study

The aim of this study is

*to provide a well-balanced discussion document enabling those charged with decision-making in credit unions to have access to a rich source of information on youth in credit unions.*

Key aims of this study are therefore

- to heighten the awareness and understanding of credit union activists of youth issues
- to chart possible future action for the formulation of credit union youth policy

How will this be done?

This study will

- examine the current level of youth involvement in credit unions
- review the services currently made available to youth members by credit unions
- investigate the services and inducements being offered by the banks
- explore possible new services for youth members
- profile the perceptions of the youth members, youth committee and board members, non-youth board members, and youth volunteers and staff
- conduct a preliminary analysis of the current situation as regards credit union youth policy and carry out a review of possible future strategies

### 1.3 Why involve youth?

The essence of the co-operative approach to organisation is that it *‘enables individuals to become actively involved with others in solving their own problems and meeting their own needs’*<sup>2</sup>. Taking the co-operative approach seriously *demands* meaningful participation by all members of the co-operative, including youth.

The Irish Department of Education has stressed the importance of promoting and facilitating the *‘development of young people as individuals, as members of their local*

---

<sup>2</sup> Briscoe et al , ‘The Co-operative Idea’, Centre for Co-operative Studies, UCC, p. 32

*and unique communities, and as members of society*<sup>3</sup>. Indeed the 1984 Costello Report<sup>4</sup> has stated that young people must be empowered and enabled to *'emerge from the enveloping state of dependence ... young people must know, feel and believe that they have some control over their situations in the sense of having ability to influence intentionally what happens to them and their community.'* Co-operative best practice implies that young people can and must contribute to their own development through the co-operative of which they form a part.

Credit unions, like all co-operatives, share three main characteristics that have their foundation in the co-operative/credit union operating principles. It is these characteristics which distinguish credit unions and co-operatives alike from conventional, non co-operative type organisations. These characteristics are:

- Treating people as origins of action  
The credit union operating principles of open and voluntary membership, democratic control and on-going education are based on the assumption that individuals can actively make decisions and choose between alternative courses of action for their lives. The co-operative or credit union structure is the ideal vehicle to allow people to play a more proactive role in shaping their futures. Co-operative best practice implies that *'every effort must be made to identify and meet the real needs of members by encouraging and facilitating their full participation'*<sup>5</sup>. People will also be more committed to decisions in which they have played a significant role. Education, of course, is vital to this process to give people the information they need in making these types of decisions.

From a credit union perspective, this calls for the meaningful participation of *all* members, young and not so young. Youth are not represented in great numbers within the Irish credit union movement. We recognise that involving youth in credit unions will require sensitivity and care. Non-youth members must not be made to feel that they are being pushed out after many years' service to what has become for them a very personal organisation. Involving youth will demand the availability of education, training and information to all.

Implementing credit union principles more fully should not only help to encourage credit unions to involve more youth but should also provide guidance on the best approach to do so.

- Mutual aid  
The principles of non-discrimination, co-operation among co-operatives and social responsibility are based on the idea that people are willing to work together to solve mutual problems. By working collectively to meet mutually held needs, people can achieve much more than they would by working individually. Working together also gives people more confidence and reduces fear in the face of uncertainty.

---

<sup>3</sup> 'Youth Services Grant Scheme', Department of Education, p. 2

<sup>4</sup> 'Costello Report', The National Youth Policy Committee Final Report, p. 115

<sup>5</sup> Ward, Michael, 'Is the Spirit of Credit Unions Still Alive and Healthy in Ireland?', paper presented to the Chapter Officers Seminar, Dublin, 1995

In a credit union context, the concept of mutual aid should mean that all member groups, young and old, at every level of the credit union structure should strive to work in harmony with one another to identify the best means to meet their needs. The benefits of working together may serve to enhance the overall community as well as the lives of the members themselves.

- Design for use

Like all co-operatives, credit unions must be designed for the use of the members and must meet the members' needs. This is a characteristic of co-operatives on which the principles of service to members, return on savings and return of surplus to members are based. It is only the members who can determine their own needs and design services to meet their needs. Indeed, the more the members are involved in the process of designing services to meet their own needs, the more aware they become of their needs.

In credit unions, this implies that services offered to members are designed by the members. This essentially means that *all* members must be heard and must be given the opportunity to participate in a meaningful way in the decision-making process.

Each of these characteristics shows that involving all the members of a credit union is a prerequisite to effective co-operation. We recognise that a representative structure is necessary within the credit union as it is unrealistic to expect all members to participate fully. As previously stated, however, youth under the age of thirty are underrepresented within the Irish credit union movement. This must be viewed as an enormous loss to the movement from a co-operative perspective: credit unions are missing out on the opportunity to implement the co-operative ideal more fully from the point of view of involving youth, educating youth, training youth, and meeting the financial needs of youth more completely. Co-operative best practice requires all credit unions to have a strategy in place by which youth can be encouraged to participate in a significant way in shaping the future of the credit union; and to facilitate this, education, training and information must be provided.

#### **1.4 Conclusion**

In this section we have presented the aims of this study. We have also reviewed co-operative best practice and the onus it places on credit unions to involve youth in the decision-making process.

## SECTION 2 OVERVIEW AND METHODOLOGY

### 2.1 Introduction

A brief overview of the study is presented in this section. The research methods employed are also detailed as well as difficulties experienced in the research process.

### 2.2 Policy and decision-making

One of the main aims of this study is to assist credit union personnel in deciding policies for the future of the movement by providing a source of valid and reliable analytical information about young people in Irish credit unions. All credit unions are autonomous bodies and may set their own policies. Credit unions also work together in a movement and co-operate with each other and a single policy for all credit unions can be set. Setting policy for credit unions does not entail determining a set of rules and regulations by which they must operate. Robbins (1990) states *“Rather than specifying a particular and specific behaviour, policies allow . . . discretion but within limited boundaries”*.

Setting a policy allows credit union personnel to interpret best practice for their credit union. In order to determine policy, then, policy-makers must set a standard for best practice. This can only be done with the assistance of a detailed information database. It is intended that this study will provide a rich source of information to all who wish to set policy and make decisions with regard to youth involvement and the provision of services to youth within credit unions.

### 2.3 Youth involvement in credit unions

The 1991 Planning Committee Report was probably the first official document to recognise the need for a planned and co-ordinated approach to encouraging youth participation in the Irish credit union movement. In 1995, the Lansdowne Market Research Report showed that young people are underrepresented within the membership of the Irish credit union movement. The Youth Forums hosted by credit union Chapter XI in 1996 and 1997 were the first positive step towards developing and implementing an inclusive youth policy for credit unions and provided the impetus for national action on the issue.

In recent months, the issue of youth involvement in credit unions has become even more pressing with the introduction of new legislation. Tony Smyth, General Secretary of the Irish League of Credit Unions addressed the Diploma in Credit Union Studies 1997 Summer School as follows:

*“This movement is responsible for its own destiny, its own vision and to ensure the safety and soundness of our movement.”*<sup>6</sup>

This, surely, is a call to all credit unions to become actively involved in youth issues which will inevitably affect them.

---

<sup>6</sup> Tony Smyth, ‘A Movement for a New Millennium - Developments in the Irish Credit Union Movement in the Context of New Legislation’, paper presented to Diploma in Credit Union Studies Summer School, UCC, 1997

The present study documents and analyses the perceptions of credit union members at all levels of the credit union organisation as to the needs of youth not only in terms of services but also in terms of their active and meaningful involvement within a credit union context. We feel that the involvement of young people within the credit union may actually be the prerequisite to providing suitable services to youth.

A particular value of the study lies in the fact that it not only represents the views of credit union activists, that is, the people who experience daily the issues being studied, but also the activists themselves who carried out the research. This makes the study unique among other studies of the Irish credit union movement.

## **2.4 Methodology**

### **2.4.1 The source of the research material**

The Diploma in Credit Union Studies<sup>7</sup> is a distance learning course, which has been developed by the Centre for Adult and Continuing Education and the Centre for Co-operative Studies and offered by the Department of Food Economics, University College Cork. Students of the diploma are required to study and be successfully examined on seven course modules, together with mandatory attendance at one Summer School and completion of a final year project of approximately 30 pages in length. The final year project for the class of 1997<sup>8</sup> entailed a detailed analysis of youth involvement within the local credit union of the individual students. 78 students submitted projects on 69 Irish credit unions, with a further 8 on British credit unions. The Irish projects that were submitted form the basis for this study.

Students were presented with a set of guidelines and requirements for conducting the research and compilation of this project<sup>9</sup>. For the purposes of the project, 'youth' was defined as age 30 or under. Young people were grouped within the following age categories<sup>10</sup>:

- <18
- 18 - 25
- 26 - 30

### **2.4.2 Geographic spread of the research**

The credit unions surveyed in this study represent all four provinces in Ireland. This contributes to the validity of the study to the extent that the views expressed are representative of the views of credit union activists throughout the country. However, one clear weakness is that only two credit unions from Northern Ireland were studied. Table One shows a breakdown of the credit unions included in the survey by geographical spread including industrial credit unions. Most of the credit unions surveyed are based in Munster and Leinster, while somewhat fewer are to be found in Connaught and Ulster.

---

<sup>7</sup> See Appendix Four for further details on and course content of the Diploma in Credit Union Studies

<sup>8</sup> For details of student names and credit unions studied please consult Appendix One

<sup>9</sup> See Appendix Two for project guidelines and questionnaires

<sup>10</sup> The age limit and age categories were chosen in consultation with credit union activists

**Table One**  
**Geographic spread of credit unions studied**

<b>PROVINCE</b>	<b>Number of credit unions included in study</b>
<b>(Industrial)</b>	9
<b>Munster</b>	26
<b>Leinster</b>	28
<b>Connaught</b>	9
<b>Ulster</b>	6
<b>TOTAL</b>	<b>78</b>

### **2.4.3 Research difficulties**

Students were required to carry out a series of interviews with personnel from their credit union who fitted the age categories as given. Some students found it difficult to procure sufficient numbers for interview because of the ageing profile of their credit unions and were advised that it would be acceptable to adjust the age categories accordingly. For the purposes of this study, however, only those interviews which were clearly within the defined age categories were used in the compilation of statistics.

This reduced the number of projects that were actually used for statistical purposes to 62. In addition, there were a number of cases where two projects were carried out on the same credit union. Where there was overlap between interviews, the interview schedules for just one of the two projects were selected for analysis. However, all projects were read thoroughly and ideas and analysis were considered from all Irish projects that were submitted for examination to the university.

Difficulties can often be experienced in collating data that has been collected by researchers other than those who will compile the final study. One difficulty experienced by the authors in this case was the way in which some of the interview questionnaires had been completed. Thus the sample of respondents may differ between questions<sup>11</sup>. In addition, some open-ended questions led to multiple answers being given, particularly those relating to services. Thus the number of responses may be greater, in some cases, than the number of respondents. The variety of answers given to some questions was enormous and was difficult, at times, to code efficiently. This will explain why, in the statistics given, the percentages for 'other' as an answer may appear to be somewhat high. A brief summary of the types of answers within this category will be given when deemed necessary.

Students were required to include the full interview questionnaires used to carry out their research as an appendix to their projects. These were extracted by the authors of this study, and collated and analysed using the Statistical Package for the Social Sciences (SPSS). The resulting statistics form the basis for the analysis throughout this study. Sections of the projects that were not quantifiable were compiled by identifying and analysing emerging themes.

---

<sup>11</sup> This problem arises mainly for the interviews with youth staff and volunteers. Appendix Three shows the maximum and minimum number of respondents within each youth staff and volunteers category

## **2.5 Conclusion**

This section of the study has reviewed the idea of policy-making in a credit union context as well as examining the recent recognition within the Irish credit union movement of the necessity for action in the area of youth involvement. It has also detailed the methods by which this study was undertaken and the problems encountered in collating and analysing the data collected.