



Moving and Your Money: Interview with Michael Mercer (President & CEO of GCUA), pt.2

By Atlanta Personal Finance Examiner, Melissa Kennebrew

Earlier this week, I posted the [first half of my interview](#) with Mr. Michael Mercer, President & CEO of [Georgia Credit Union Affiliates](#). He and I were discussing the new grassroots movement that is spreading the idea of moving your money from large "too big to fail" banks into smaller, local institutions. [MoveYourMoney.info](#) is a seed site dedicated to sharing the information behind the idea of the movement, and providing resources for people to find a local bank or credit union in your area.

Me: Here in GA, and especially in Atlanta, people are so busy with their jobs and family lives that they are concerned with the stability of banks and the risks of moving their money to a new institution. Can you give us a little background on credit unions here in GA and whether the security of their funds may be compromised?

Mr. Mercer: Credit unions and community banks are backed by Federal government for

up to \$250,000 per account. Beyond the deposit insurance, you also see that the Capital / Asset ratio for most credit unions here in Georgia is greater than 10%, which shows a very strong financial foundation. This can be partly attributed to the fact that credit union portfolios are not as risky and they have not participated in many risky loan practices. Because [credit unions] are not profit-motivated, they are less inclined to take on risky deals. "So, if your credit union officer doesn't think you can afford that Mercedes or 3-car garage, they will let you know." (Whew - it's scary to think of so many people with homes and cars they cannot afford. We see where those practices landed us!)

Me: While sometimes people think that the 18-25 age group is completely wireless and may regularly use larger institutions that give them immediate access to their banking via mobile phone or web apps, I think that this age group is also more open to change and willing to move their money to make a statement against larger banks. What piece of advice would give to the baby boomers that have been banking with their current institution for 20-30 years, and may be less willing to change?

Mr. Mercer: If a consumer is not upset with their institution, or are not open to talking



about it – they are highly unlikely to go through [a bank change]. In that situation, [credit unions] will discuss other programs such as lending, Christmas club, and CD accounts. If they are interested in talking about change, credit unions know that there are challenges [in moving accounts] so the credit union will assist in the account conversion. Some even have conversion kits or switch kits that assist with that process. Many consumers are also willing to have multiple banking relationships, and they look for what they need when they need it. They are usually looking for the best deal on rates and savings.

Me: Mr. Mercer - thank you so much for your time. Is there any other general personal finance advice you would like to give?

Mr. Mercer: Here are some important financial points to consider:

Spring time brings the new-car itch...and this is great time to go see credit unions. Credit unions dramatically reduce the acquisition cost of new cars and especially used cars. If you save \$500-\$1000 up front on the cost of the car, and then save 1-2% on interest, the cost of owning the car goes way down. There is a discount auto buying service that is offered

through some credit unions, and some will deliver the car right to your front door!

For kids that are in high school or college – the best place to go for good benefits and pricing is through credit unions. The other big bank relationships can become expensive for them over time. You have to think ahead about your financial affairs, and the decision you make out of high school or college can cost you a lot in ten years. They can visit the [credit union finder page](#) and the [Facebook page](#). There are also workshops, online information, and newsletters to help teach the youth about money.

Think of financial affairs in ten year period of time – such as when you leave college. In ten years, you will probably get married, have kids, buy a few cars, a house, and finance a ton of things. Those decisions in that time period can make or break your retirement. Those decisions can also affect your standard of living. (Although I am an avid financial planner, both personally and professionally, I have never thought of that in those terms! I have not yet been out of college 10 years and I have done



all of the above!)

You can coin another phrase in addition to "Move Your Money" – **"Don't get your money stuck in the first place!"**

The younger generation are more open to this and they need to consider their financial decisions ahead of time. You want to be part owner in your finances (as you will be with non-profit credit unions) – not wall street (as with larger profit-centered institutions).

I hope you have enjoyed this interview with Mr. Michael Mercer as much as I did. Please share with us your plans during the Move Your Money movement and your opinion on the credit union perspective presented here.

Additional Resources:

[Credit Union Finder](#)

[Credit Union Facebook Page](#)

[Move Your Money Site](#)



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