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**“Knowing & Helping Your Membership”:
Testing Tools to Help Credit Unions
Understand the Intersection of Member
Demographics and Financial Well-being Needs**

Grant Application

November 2023

Background:

Financial health and financial well-being go far beyond traditional financial education efforts. The [Financial Health Network](#) describes financial health as arising “when your daily systems help you build resilience and pursue opportunities.” Similarly, the [Consumer Financial Protection Bureau](#) (CFPB) defines financial well-being “as having financial security and financial freedom of choice, in the present and in the future. [This includes]: control over your day-to-day, month-to-month finances; financial freedom to make choices to enjoy life; capacity to absorb a financial shock; and being on track to meet your financial goals”.

Consumers continue to experience high levels of financial fragility. Study after study continues to reflect a persistent and widening racial wealth gap¹ and the financial health of consumers continues to be unstable². For the first time in five years, the Financial Health Network® actually saw an erosion of financial health gains with the percentage of people who are financially coping increasing³.

Grant funding opportunity:

For the past several years, the Foundation has funded research and grants to advance credit unions’ understanding and advancement of their employees’ and members’ financial health and well-being. The 2020 racial reckoning in the U.S. after the murder of George Floyd shed a spotlight on the persistent and widening wealth gap between whites and people of color. Financial well-being and diversity, equity, and inclusion (DEI) are deeply linked. To the extent a credit union can truly understand its membership – from both the demographic and financial well-being perspectives – it is better positioned to provide the products, services, education and coaching to help members live their best financial lives. In addition, this directly ties to credit unions’ mission to promote thrift and provide credit in order to build communities of financially resilient consumers and businesses.

Many larger asset size credit unions have had the resources to purchase and implement tools like the [Coopera Ethnicity Segmentation Analysis \(ESA\) as well as Organization Equity Assessment \(OEA\)](#) and the Financial Health Network’s FinHealth Score® through its [Attune](#) platform. These tools helped those credit unions gain insights into the DEI-financial health and well-being link. For those credit unions, this greater understanding of their membership has helped to shift their strategy, focus and services to more comprehensive work to advance members’ financial health and well-being. Not to

¹<https://www.minneapolisfed.org/article/2022/how-the-racial-wealth-gap-has-evolved-and-why-it-persists#:~:text=Stagnation%3A%201980%20to%202020&text=In%20the%2040%20years%20between,role%20of%20capita%20gains%E2%80%9D%20below.>; and see <https://www.federalreserve.gov/consumerscommunities/shed.htm>

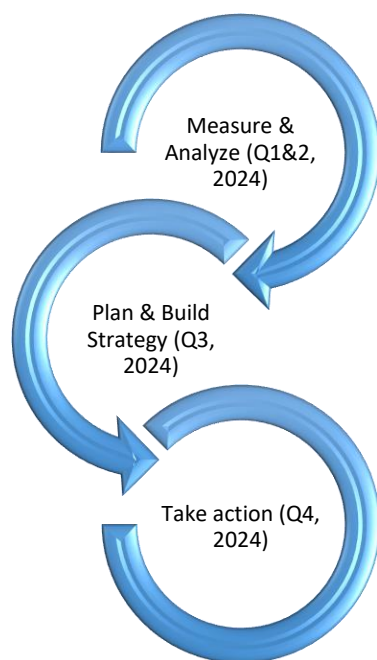
²<https://www.fool.com/the-ascent/research/auditing-americas-financial-health/>

³ <https://finhealthnetwork.org/research/financial-health-pulse-2022-u-s-trends-report/>

mention, they are now perceived as culturally sensitive to the financial needs of ethnic communities that essentially were asked to adopt to untargeted products and services.

Within the credit union system, there is a growing swell⁴ of work to advance financial well-being for all. CUNA, state leagues and foundations, credit unions and several system partners are working to coordinate and advance financial well-being for all throughout the system. However, in order for financial health and well-being and DEI to reach scale within the credit union system, medium asset sized institutions need to be catalyzed to use available tools and resources to help them better know and help their membership.

This grant opportunity will be a single year, staged effort to help credit unions gain the analytics of their membership demographics, financial health and well-being, and the planning and implementation resources to help put the analytics into tangible action.



The phases are designed to align putting financial well-being for all into practice in alignment with the [Foundation/Filene Quick Start Guide](https://www.cuna.org/advocacy/priorities/credit-unions-improve-financial-well-being.html) methodology of Commit, Assess/Learn, Plan, and Act. It provides an opportunity for medium size credit unions (\$500 million - \$1 billion in assets) to have access to Coopera and the Financial Health Network's tools and analytics to follow these four steps to deeply know and understand members to better align strategy and products to improve members' financial health

⁴<https://www.cuna.org/advocacy/priorities/credit-unions-improve-financial-well-being.html>

and well-being. The impact the Foundation wants to have through this funding is as follows:

1. If we remove the cost barrier for these tools, do medium size institutions use them to gain a deeper membership understanding? If not, what other barriers exist that limit medium size credit unions from involvement in financial well-being for all efforts (e.g. - monetary, system, staff, etc.)?
2. In the removal of the cost barrier and with the support of Attune, Coopera, and NCUF can medium sized credit unions utilize the framework of Commit, Assess, Plan, and Act to iterate and improve their financial well-being strategy? Will that strategy continue to evolve year over year after their participation in the grant?
3. What planning resources/advice is needed to help these institutions take concrete action and have impact from the analytics?
4. What changes, if any, in strategy, product/service delivery, coaching, digitization, or process result from the data provided by these tools?
5. How can availability of these tools, if successful, be brought to scale for medium institutions? What are the minimum success thresholds?
6. Do medium size CUs then adopt more tools for inclusion at their disposal by virtue of being connected to peers who may know about the benefits of a Low-Income Designation (LID), MDI, CDFI, Juntos Avanzamos and the work of the AACUC, Inclusiv, state CU foundations and other system partners?

Minimum requirements:

The Foundation is looking for credit unions with assets from \$500-million to \$1 billion who are willing to collaborate with Coopera and Attune to effectuate the goals of this grant effort. Credit unions can apply by using the links below. Once applications are received, assessed, and approved, the Foundation will invite credit unions, Coopera, and Attune to a webinar to discuss the implementation process.

This grant effort will run through 2025. Total funding of up to \$750,000 is available and will be applied to Attune and Coopera on behalf of the selected credit unions to provide their services and expertise towards data gathering, building of recommendations, and implementation of an inclusive financial well being plan.

Expectations of applicant credit unions

Time and staffing:

Like any project, participation in this grant effort will require dedicated staff time and attention. Institutions that apply for this grant will need to:

- Designate a senior level employee to be responsible for this project. This person should be able to facilitate and/or approve member communications and support the execution of the grant.
- Expertise and collaboration from different departments, especially Information

Technology and Community Outreach will be needed during the project.

- The CEO and Board Chair should expect to participate in an informational session at the beginning of the project so that they understand the potential, possibilities if they support the project.
- Anticipate **1-3 hours per week** of time, for **5-6 weeks** from a designated employee playing a project coordination role; the person will be responsible to keep the project on track, coordinate interactions with project partners (Coopera, Attune, the Foundation), and coordinate with internal departments as needed. Total staff combined staff time may be up to **80 hours** for this effort.

Providing data:

Data will formulate the basis for all the analytics to be provided through this grant.

Institutions can expect to:

- Provide member data to Coopera for analysis (template to be provided) and member name/e-mail to Attune for survey link generation (or distribution).
- If desired, distribute survey requests to members by Credit Union e-mail systems. These activities typically require 8-10 hours of total time from technical or operational resources.

Implementation

After the data collection and assessment process, each credit union will be provided recommendations and access to individualized support in order to facilitate the creation of an implementation plan to build an inclusive financial health strategy based on the data findings and industry best practices. It is expected that the selected credit unions will have the resources to support the building and execution of a new financial health strategy and can commit to their new financial well-being strategy after the completion of the grant.

Sharing the journey story:

An important part of this grant effort is to monitor and capture the journey of each institution in gathering and planning effective use of these analytics. Credit unions should expect language in the grant agreement to encompass follow-on research and reporting/storytelling on the impact of the grant in their DEI and financial well-being work.

In addition, credit unions should expect the journey and results of this grant process to be shared through various outlets, such as The FinHealth Hub in order for other credit unions to learn from and utilize learnings in their own financial health strategy journeys.

Timing of grants:

Grants deliverables will begin in the first quarter of 2024 and work must be completed by February 28, 2025.

Acceptance/Rejection Process

The Foundation will review all applications for each credit union's financial capacity and commitment to improving financial well-being that directly support the stated objectives defined in this application. The Foundation may schedule discussions with you if it becomes necessary to clarify elements of your application. Credit union participation in this project will be based upon the applications the Foundation determines best satisfy its objectives for this project. The Foundation also reserves the right to reject any and/or all applications received.

Instructions for Responses to Application

Please provide your responses to the questions on the application link posted below. Failure to provide requested materials with your response may be cause for rejection of the proposal.

Due Date of Proposal

The deadline for applications is close of business on, Wednesday, January 31, 2024.

Where to Send Your Application

<https://www.grantinterface.com/Home/Logon?urlkey=ncuf>

Questions

If you have questions while preparing your application, please contact Christine Hickey, Financial Health Program Manager, National Credit Union Foundation, chickey@ncuf.coop, 608-231-4377 or Gigi Hyland, Executive Director, National Credit Union Foundation, ghyland@ncuf.coop, 571-228-7810.