

**“Knowing & Helping Your Membership”:**

**Testing Tools to Help Credit Unions Understand the Intersection of Member Demographics and Financial Well-being Needs**

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# Grant Application

October 2021

## Background:

Financial health and financial well-being go far beyond traditional financial education efforts. The [Financial Health Network](https://finhealthnetwork.org/research/financial-health-measurement/) describes financial health as arising “when your daily systems help you build resilience and pursue opportunities.” Similarly, the [Consumer Financial Protection Bureau](https://files.consumerfinance.gov/f/documents/201709_cfpb_financial-well-being-in-America.pdf) (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.”

The COVID-19 pandemic underscored the vast scope of consumers’ financial fragility. Study after study continues to reflect a persistent and widening racial wealth gap[[1]](#footnote-2) and the Financial Health Network’s collaboration with PSCU and MDC[[2]](#footnote-3) reflects a 63% financially unhealthy segment of credit union members and employees. Similarly, consumers, even those of higher income[[3]](#footnote-4), wrestle with making ends meet, income volatility and living paycheck to paycheck. In 2017, the [Foundation’s own research](https://www.ncuf.coop/files/Foundation_Financial_Health_Check-Up_Aggregation_slides_for_publication_2017_11_05.pdf) showed that more than half (58%) of credit union members were struggling financially.[[4]](#footnote-5)

Grant funding opportunity:

For the past six 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 Hispanic Opportunity Navigator and Member Analysis](https://c64d5c3d-b1dc-45b4-8028-dbd18b7f2940.filesusr.com/ugd/ce6e3a_d070e6cd9b8745c0b05c0f91a6ae3730.pdf) and the Financial Health Network’s financial health score and through its [Attune](https://finhealthnetwork.org/what-we-do/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 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 swell[[5]](#footnote-6) 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, smaller asset sized institutions need access to the tools and resources to help them better know and help their membership.

This grant opportunity will be a multi-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.

This first phase is designed to test a methodology to fill this gap in a sustainable way. It provides an opportunity for smaller credit unions ($100-600 million in assets) to have access to Coopera and the Financial Health Network’s tools and analytics to deeply know and understand members to better align strategy and products to improve members’ financial health 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 smaller institutions use them to gain a deeper membership understanding? If not, what other barriers exist that limit smaller credit unions from involvement in financial well-being for all efforts (e.g. - monetary, system, staff, etc.)?
2. How are smaller institutions burdened by these tools? How do they benefit?
3. What planning resources/advice is needed to help these institutions take concrete action on 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 smaller institutions? What are the minimum success thresholds?
6. Do smaller CUs then adopt more tools for inclusion at their disposal by virtue of being connected to peers who may know abut the benefits of a Low-Income Designation (LID), MDI, CDFI, Juntos Avanzamos and the work of the ACUC, Inclusiv, state CU foundations and other system partners? Depending on the answer to this question, the Foundation may consider crafting a playbook for this asset size of credit unions to help operationalize financial well-being for all and DEI.

Minimum requirements:

The Foundation is looking for credit unions with at least 10 employees and from $100-600 million in assets 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 2022. Total funding of up to $100,000 is available in calendar year 2021. A similar funding commitment is anticipated to be approved by the Foundation board later this year as part of the Foundation’s 2022 grant cycle budget.

## 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 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 account 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.

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.

Timing of grants:

Grants will be funded in the fourth quarter of 2021 and work must be completed by December 31, 2022.

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 outlined in attached Adobe Acrobat (pdf) form. 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 Friday, November 5, 2021.

Where to Send Your Application

Please save a copy of the pdf application below and once completed, please email it and any supporting documentation to Traci O’Neill at [toneill@ncuf.coop](mailto:toneill@ncuf.coop).

Questions

If you have questions while preparing your application, please contact Gigi Hyland, Executive Director, National Credit Union Foundation at 571-228-7810 or [ghyland@ncuf.coop](mailto:dbrown@ncuf.coop).

**CREDIT UNION gRANT APPLICATION**



1. <https://www.federalreserve.gov/publications/files/scf20.pdf> [↑](#footnote-ref-2)
2. <https://www.pscu.com/pscu-announces-findings-of-how-credit-unions-can-become-financial-health-providers-study> [↑](#footnote-ref-3)
3. <https://www.npr.org/2020/12/16/941292021/paycheck-to-paycheck-nation-how-life-in-america-adds-up> [↑](#footnote-ref-4)
4. For more background about the Foundation, go to [www.ncuf.coop](http://www.ncuf.coop) [↑](#footnote-ref-5)
5. <https://www.cuna.org/Credit-unions-improve-financial-well-being/> [↑](#footnote-ref-6)