



Knowing and Helping Your Membership

Testing tools to help smaller credit unions better understand the intersection of member demographics and financial well-being.

THE National
Credit
Union FOUNDATION®

Grant overview

The demographic makeup of the U.S. is forever changing. Understanding how an individual's race, ethnicity and culture influences their financial behaviors is key to the credit union movement's mission to improve financial well-being for all—but developing and operationalizing that understanding requires tools and resources.

With the vast majority of U.S. credit unions having less than \$500 million in assets¹ some of the organizations most connected with and integrated into their communities simply lack the capacity to invest in these tools. This poses an existential risk to the credit union system.

In October 2021, the National Credit Union Foundation (the Foundation) launched the Knowing and Helping Your Member grant project to explore these implications.

Credit unions composed of 10 or more employees with assets between \$100 million and \$600 million were encouraged to apply. Six credit unions participated in the study throughout 2022. Each organization received consultative hours and analytical services from Coopera Consulting, and technical support and consultation from Attune, part of the Financial Health Network.

As a result, each credit union uncovered communities of color in their field of membership that were overlooked or underserved to a greater or lesser extent, and identified existing products and services that did not (or would not) meet the needs of these communities if greater outreach occurred.

The grant also uncovered implications beyond the straightforward upfront costs that, unless addressed as a credit union system, could continue to limit opportunities for small credit unions to deliver against their missions.

Partners

Grant Provider

National Credit Union Foundation (the Foundation)

System Partners

Coopera Consulting (Coopera)

Attune, part of the Financial Health Network (Attune)

Credit Unions

Canopy Credit Union (Canopy)

Central Willamette Credit Union (CWCU)

Consolidated Community Credit Union (CCCU)

Education Credit Union (ECU)

Tarrant County's Credit Union (TCCU)

Wauna Federal Credit Union (WFCU)

¹ [National Credit Union Administration Quarterly Credit Union Data Summary, 2022 Q4](#)

Tenets of support

With the upfront financial implications of investing in these tools removed, the grant sought to explore further implications through three core tenets of support.

Tenet 1: Establishing a financial health benchmark

Attune worked with each credit union to establish a FinHealth Score® for a section of their membership and build a dashboard to monitor and track it over time.

This eight-point score, developed through a financial health survey, is considered one of the most robust and holistic measurements of how individuals feel about their money, and how they use it.

Prior to conducting the survey on members, credit unions were encouraged to conduct a dry run with employees—a process that delivered eye-opening results.



We were surprised by some of the feedback. As soon as the data started coming back, we could see an opportunity to support our employees with some fundamentals; budgeting, paying bills. There's a lot of opportunity just within our own walls that maybe we'd overlooked before.

Melissa Burleson

Training and Engagement Manager, TCCU

Pro-tip: Plan for the discomfort

Financial health surveys should be designed to gather baseline information across a number of categories to maximize analysis. That means race, gender and sexual orientation are often on the table. If you're partnering with an external organization like Attune to conduct a financial health survey, clearly communicate to your employees the distinction of who is asking for the information (the partner) vs. who will be acting on the anonymized insights (the credit union).

Once the internal surveys had been conducted and reviewed, credit unions issued the same (or an iterated version) survey to their membership. While response rates varied, in most cases this was the first time the credit union had sought to establish a baseline metric of their members' financial health and well-being.

Tenet 2: Establishing a picture of member demographics

Each credit union was also given access to Coopera's Hispanic Opportunity Navigator (HON). This service pulls a variety of data to build a step-by-step plan for credit unions to become the financial institution of choice in a multicultural market. Although focused on the Hispanic market, the analysis does include broader ethnicities.

The report provides a detailed ethnic analysis of a credit union's current membership, layered with directional insights into the opportunities available—or overlooked—in the community.

The Foundation's intent of coupling this service with the Attune dashboard was to explore financial health and well-being trends across racial and ethnic lines. As was anticipated from national data sets, in each circumstance the credit unions found race and ethnicity correlated with financial health scores.

“ *It's like credit unions are driving forward and going past neighborhoods we don't even know are there. It's not until we look in the rear-view mirror that we see what—or who—we've missed.*

We didn't know what opportunities we were missing until we had the data. That really has been the value. The grant helped remove some of our blinders. It's been a great stepping stone for us to start a conversation with our employees, our members and our broader community to learn how to authentically serve their needs.

Kurtis Kelly

Marketing and Community Development Manager, Canopy

Who is under the umbrella?

The little white man under the umbrella is no longer representative of those most overlooked by traditional financial services.

The U.S. 2020 census² reported that while the white population remained the largest race or ethnicity group (204.3 million) this represented an 8.6% decrease from 2010.

Over the same period, the multiracial population grew from 9 million to 33.8 million—a 276% increase—while almost 47 million people identified as Black or African American.

The Hispanic or Latino population, which includes people of any race, was 62.1 million in 2020, accounting for almost one in five Americans, while the next largest racial populations represented Asians (24 million), the American Indian and Alaska Native (9.7 million), and the Native Hawaiian and Other Pacific Islander group (1.6 million).

Despite this overwhelmingly and increasingly diverse population, race is one of the key indicators of wealth inequity.

The median household wealth³ of \$187,300 for non-Hispanic white householders is in stark contrast to the \$14,100 figure for Black householders and \$31,700 for Hispanics⁴—a disparity that persists across almost any financial health metric.



² [2020 Census Illuminates Racial and Ethnic Composition of the Country, United States Census Bureau](#)

³ "Wealth" defined as the value of assets owned minus liabilities owed.

⁴ [2019 Data Show Baby Boomers Nearly 9 Times Wealthier Than Millennials, United States Census Bureau](#)

Tenet 3: Building a roadmap for success

Informed by the employee and member financial health dashboard, and with a detailed understanding of their membership's ethnic demography and directional analysis of how that may represent their broader communities, Attune and Coopera offered consultative support to the credit unions to build a roadmap operationalizing the data.

“*The demographics in the country are changing very fast. There's diversity in rural America. There's diversity in the suburbs. Credit unions need to understand this isn't a trend that doesn't affect them or their region. Their field of membership is getting more diverse. If they're going to survive, their products and community outreach strategies have to reflect that change. The more a credit union can get in front of this with a proactive plan, the greater their ability to engage new and existing members, grow their market share and secure long-term success.*

Victor Corro

President & CEO, Coopera

The overlooked growth opportunity

Beyond the catastrophic sociopolitical implications, the continuing racial wealth gap is also antithetical to a growth mindset.

For example, if it were an independent country, the U.S. Latino population would have the seventh-largest GDP in the world. Unsurprising when they represent almost three-quarters of new U.S. workers and are one of the youngest demographics.⁵

Similarly, Black Americans' purchasing power is expected to grow from around \$910 billion in 2019 to \$1.7 trillion by 2030.⁶

Credit unions cannot improve financial well-being for all if they overlook communities of color. In addition, doing so is literally turning a blind eye to long-term growth and multigenerational membership.

Principles for success

After 12 months of working with Attune and Coopera, each participating credit union had unique plans to integrate any learnings from this grant project. However, there were three consistent areas of focus:

01 Targeted outreach and community representation

For every credit union, the Coopera analyses highlighted gaps in service within their existing (and growing) multicultural communities. To address those gaps, outreach is needed; for the outreach to work, representation is vital.

⁵ [Hispanics in the U.S. 2022, Hispanic Star](#)

⁶ [Black Consumers: Where to Invest for Equity, McKinsey Institute for Black Economic Mobility](#)

Updating hiring practices was a common thread. Through a greater focus on representing their community, Oregon's CCCU greatly increased the number of people of color in their workforce through 2022; from 10% up to almost a third.

CWCU, also in the Pacific Northwest, introduced similar practices. "We have put a focus on outreach and partnership efforts with communities of color to better understand needs," said Erik Fedler, marketing manager. "To do that effectively, we've updated our hiring practices to mandate that we have Spanish-speaking employees in critical areas."

Even in Amarillo, Texas—a city with 34% Hispanic residents—ECU uncovered opportunities to significantly increase the credit union's representation, outreach and decisioning processes to better support multicultural consumers.

“Because of this grant, we have changed the way we talk about what members we are able to serve. As part of our strategy to reach these members, we’ve formed a Hispanic Advisory Committee that will help implement changes based on the Coopera assessment.

We’ve learned that understanding, engaging and supporting these communities is not something that can be achieved overnight. It’s not about a marketing campaign telling the community you’re ready to serve them, it’s about a slow and steady rollout, taking small wins along the way.

Adrian Alejandre

Senior Vice President of Lending, ECU

02 Start at home

The dry run of Attune's financial health survey delivered eye-opening results. While this was a small data set, we know that credit union employees are just as financially vulnerable as the members they serve, system-wide. Each participating credit union agreed there are opportunities to support their own employees in improving their financial health and well-being.



Helping improve your employees' financial well-being can be as simple as sending an email.

[Learn more with the Foundation's Start at Home research.](#)

03 Financial coaching and counseling—in any guise—is necessary

In their strategic roadmaps, most participating credit unions called out the need to introduce and/or increase existing financial coaching and counseling programs.

Not every credit union arrived at this conclusion the same way: some identified financial counseling as a fundamental gap in ensuring their own employees' financial well-being while others considered it a key step in enhanced community engagement. Regardless of how they arrived at the conclusion, however, it was a recurring theme.

“*Smaller credit unions in particular have to equip their member-facing staff with this knowledge and education, which they are then encouraged to pass on to members when they are having a conversation.*

For example, a member may be coming in for a credit card but the staff can take a few moments to go over their credit score, ways to improve it, and what the member is doing a great job at. This isn't even formal coaching or counseling but providing this basic financial education—just taking a few extra moments to personalize the member's experience—will build loyalty and have a positive impact on the community.

Kurtis Kelly

Marketing and Community Development Manager, Canopy

Can financial coaching lead to financial empowerment?

Successfully integrating financial coaching and counseling into your credit union takes investment. Discover how the Foundation is helping other credit unions implement this work through our [Financial Coaching and Counseling grant](#).

Additional insights

The grant unearthed several additional insights—some of which may affect smaller organizations more acutely than larger credit unions—but overall, these are relevant and bear consideration for any credit union interested in investing in this work.

01 Lay the cultural groundwork in your own organization first

What initiated the Knowing and Helping Your Membership grant was the changing face of the United States and the undeniable need for credit unions to do a better job of serving multicultural consumers.

This grant was an exercise in uncovering additional benefits and/or constraints small credit unions would face, as they sought to serve an increasingly diverse nation.

What the project uncovered, however, is that even within a movement committed to improving financial well-being for all, acknowledging and celebrating our country's diversity—and being intentional about supporting communities of color—cannot be taken for granted among employees or members.

Several credit unions mentioned member complaints about bilingual services being promoted and/or culturally targeted products being introduced, while others acknowledged they faced issues internally.

“*We learned that not all our staff were on the boat for some of the outcomes. We are continually working to educate our employees on opportunities and priorities. Coupling this with DEI training and enhancing our culture we are well-positioned to get down the road as we need.*”

This quote is intentionally anonymous.

02 Integration cannot be taken for granted

With the Attune dashboard and Coopera's ethnic analysis, the participating credit unions had a detailed baseline: a dataset to observe measurable changes over time. This data could be used proactively (i.e., targeting low-scoring members with relevant financial services) and/or retrospectively (i.e., analyzing any change in that low-scoring group following the targeted promotion to determine the efficacy of marketing) but of course, only if the data and dashboards effectively integrate with existing systems.

“*The core operating systems of many small institutions are insufficient to adequately segment their membership population, and therefore may not be able to intake that data when it is provided. The cost of the programs needed to extract this type of information could be exacerbated with necessary updates to existing systems, too.*”

Melissa Burleson

Training and Engagement Manager, TCCU

Similarly, data is only valuable if credit unions feel informed and educated enough to use it. WFCU, for example, is already well-versed in collecting complex data and concluded the grant project wishing for more hands-on support on how to use this new information. “We already use sophisticated data information systems to analyze member account relationships, demographics etc.,” said Debi Smiley, chief operating officer. “For us, the value of tools like those we accessed through the grant would have been much greater if we'd received stronger technical support and more guidance on how to apply the data.”

03 Race and culture can (and should) influence product development

If race, ethnicity and culture influence a person's financial behaviors, so too must they influence a credit union's products. With a detailed ethnic analysis of each

credit union's membership and the surrounding communities, Coopera was available to support the development of more culturally relevant and resonant offerings.

“ *This experience opened our eyes to so many ways our credit union can support our community more effectively. For example, we're exploring the potential to provide culturally specific lifestyle loans, such as for a quinceañera, or a saving and loan combo for those looking to become U.S. citizens.*

Melissa Burleson

Training and Engagement Manager, TCCU

Canopy's Kurtis Kelly also confirmed the credit union had begun a soft launch of ITIN lending during the grant cycle. “We have also increased our financial education in areas with less financial institution accessibility and increased our ability to provide financial workshops to non-English speaking populations through various translating services,” he said.

04 It's a marathon, not a sprint

A number of the credit unions also called out the clarity of scale the process helped provide. Understanding the sheer volume of need and opportunity, and the long-term groundwork required to build trust within communities that have previously been overlooked or underserved.

“ *The biggest lesson we took from this is we don't know what we don't know. Taking the information provided and asking deeper questions, thinking at a deeper level led us to a deeper understanding of just how far we needed to move. We learned to ask the right people the right questions and allow their expertise to guide us in these initiatives.*

It's a marathon, and it doesn't happen overnight. We feel much more confident in a slow and steady rollout, taking small wins along the way. While it won't happen as fast as we'd like to see, we know that following the steps will achieve greater long-term success.

Adrian Alejandro

Senior Vice President of Lending, ECU

Conclusion

The Knowing and Helping Your Membership grant was not established to determine whether smaller credit unions could benefit from the types of tools and resources that would allow them to consider race and ethnicity more effectively in their service delivery. We know that is core to the system's ability to improve financial well-being for all.

With larger credit unions more frequently investing in such resources, however, the Foundation sought to understand whether there would be *additive* benefits and/or challenges facing these smaller credit unions beyond the initial investment.

At the conclusion of this grant, the Foundation believes the opportunities for credit unions to successfully improve financial well-being for all by investing in ways to better identify, engage and support communities of color are numerous. More importantly, these opportunities are not unique to credit unions of a certain asset size or charter, or serving a specific segment, region or community.

Similarly, while every new initiative or investment can pose new challenges for any organization, the Foundation does not believe smaller credit unions face undue risk in investing in these tools or resources.

In short: Investing in the capture, analysis and activation of data that sheds additional light on members' race and ethnicity—and how those cultural influences shape an individual's financial behavior—is critical for the success of any credit union, irrespective of asset size, geography, charter or field of membership.

After 12 months of conducting the Knowing and Helping Your Membership grant, the Foundation's interpretation is that there are no notable benefits and/or opportunities to be realized by smaller credit unions by understanding and supporting communities of color than there are for larger credit unions. Similarly, beyond the financial investment required, there are no notable restrictions or pitfalls for smaller organizations in investing in the types of tools and resources that will provide them with actionable data and insights.

Ultimately what gets measured, gets managed. The more any credit union (of any size) can document their members as individuals with unique needs, cultural influences and financial behaviors—and provide culturally relevant products, services and outreach programs—the more successful they will be now and in the future.

As members of a cooperative movement, the challenge is on all of us to ensure every credit union has the capacity to improve financial well-being for all.