

with the right technology in place, the possibilities are endless

Today's consumers have between 20 to 30 financial relationships spanning the financial services spectrum. With each of these relationships come separate applications, logins, passwords, and user interfaces, making it difficult for members to see a big-picture view of their finances.

Without this full, 360-degree snapshot, there's no way for your members to have a holistic understanding of their financial health or identify what steps they can take to improve their financial well-being. As a result, members are turning away from their credit unions and looking to fintechs and big tech for help, tools, and technology – ushering in an era of financial fragmentation.

Because of this, members have become disconnected from their financial position. They're struggling to illuminate and adjust spending habits and have difficulty recognizing insights that could help drive actions to improve their financial health. The damaging result of financial fragmentation for credit unions is a loss in member loyalty, revenue opportunities, and wallet and app share.

Rather than compete with fintechs and big tech, your credit union can instead adopt [an open banking approach](#).

Open banking is less about competition and more about collaboration. It's about working together to focus on your member experience and is powered by technologies that engage and protect members, fuel near- and long-term growth, and create clear differentiation between institutions that embrace open banking and those that do not.



the importance of open banking

Through open banking and innovative technology offerings, your credit union can increase engagement with members, grow relationships, deliver personalized experiences and value-added data and insights, help improve the financial health of your members, and so much more.

“People want to feel connected while banking on their own terms,” says David Foss, Board Chair and CEO at Jack Henry™. “Openness is how banks and credit unions can achieve this. We continue to steadily work toward [building open, user-centric digital technologies](#) that allow banks and credit unions to support their accountholders when they need it and where they need it. That’s what an open approach looks like to us.”

By opening APIs (application programming interfaces) and allowing third parties to design and build new apps and services, you’ll meet your members’ expectations and keep up with evolving technology offerings far quicker than you can on your own. Open APIs create, simplify, and enhance partnership opportunities with strategic third parties while bringing integrated solutions to market as quickly as possible.

For the technology service provider, an open API makes meeting and managing the demand for services both quicker and more efficient. Conversely, integrated vendors can use APIs to build solutions without additional dependencies, allowing them to move much faster in solution building – ultimately resulting in improved and differentiated digital capabilities for credit unions.

The expectation of innovation and improved experiences doesn’t stop with members. Of the 5,000 board members surveyed by Harvard Business School, 30% ranked innovation among their top three concerns and 21% cited technology.¹



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the importance of adopting innovative solutions and technology

According to Salesforce Research, 76% of consumers report it's easier than ever to take their business elsewhere – switching from brand to brand to find an experience that matches their expectations.² When it comes to banking, members expect uncomplicated, convenient, and quality service with solutions and processes that streamline their lives and make managing their finances simple.

Competitive advantage in the financial industry will shift to those who provide the value-added technology and services that members want and need. If you fail to invest in emerging technologies and responding quickly to new innovations like open banking, you'll quickly fall behind your competition and lose valuable relationships with your members.

innovation and collaboration across the credit union industry

CU Build, a build-a-thon for the Symitar® community, originated as an idea based on the first-hand experience of the American Airlines Federal Credit Union Hackathon and quickly came to life in 2021. CU Build is designed to put infrastructure and strategy into place – sparking innovation, fostering development, creating innovative solutions, and expanding capabilities in the credit union community.

“CU Build is a great way to support our credit union movement while building skills and technology for everyone,” says Brad Hickey, Chair of CU Build and Manager of Application Development at American Airlines Federal Credit Union. “These past two years at CU Build have been successful because of the people and technology and our goal of fostering connections and breaking down barriers for the greater good of our industry.”



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CU Build is an event where credit union professionals can come together and build solutions for the credit union industry in a cooperative, innovative, exciting, and competitive environment. The event is centered around Jack Henry's open technology and commitment to empowering financial institutions with the tools and technology to connect people and possibilities.

This year, the three-day annual event took place in Dallas, Texas and featured 56 professionals from various roles spanning 21 credit unions. Attendees focused on innovation and openness, giving participants the opportunity to solve real-time challenges, create quality solutions, grow their skills, and expand their networks.

Attendees left CU Build feeling proud of the work they're doing to lift the technical and creative maturity of the credit union movement and the communities they serve. One CU Build attendee stressed the importance of investing in the member experience through innovative technology offerings and solutions. "We're showing our members we want to engage with them and put them in a better financial state. When we invest in our members, our members will turn back around and invest in us in the future."

Attendees also noted the importance of adopting innovation and openness to support the financial health of members.

using innovation and technology to improve your members' financial health

Financial fragmentation is here to stay. In addition, consumer expectations are being reset by new and disruptive digital technology offerings, meaning your credit union must work harder and smarter to support the communities you serve – particularly when it comes to breaking down barriers to financial health.

In fact, the percentage of Americans considered financially healthy decreased for the first time since 2018 from 34% in 2021 to 31% in 2022.³ In addition, a staggering 66% of Americans are considered financially unhealthy and two-thirds of Americans are deemed "financially coping" or "financially vulnerable."⁴ This means the overwhelming majority of



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Americans struggle to spend, save, borrow, or plan in ways that allow them to be resilient and seize opportunities.

As members continue to look for support in their financial health journey, your credit union has a unique opportunity to deliver an enhanced digital experience and offer tools and resources to help support your members' financial wellness. That's what CU Build is all about – creating opportunities through tools and solutions that help your members manage their finances more effectively.

Jack Henry is ready to help

Jack Henry is proud to support the credit union philosophy of people helping people and fostering opportunities for community and collaboration. As open banking continues to grow in value and visibility, Jack Henry is prepared to address your credit union's evolving needs with our open approach to technology and culture, the strategic agility you require, and the high-quality experiences your members deserve. Credit unions can count on Jack Henry to advocate for positive change, co-create innovative solutions, and support open integrations with fintechs.

create limitless possibilities

[Learn more](#) about what you can achieve by utilizing Jack Henry's open banking approach.

For more information about Jack Henry, visit jackhenry.com.

sources

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