

delivering Modern MembershipSM to create the ultimate member experience

The importance of improving the member experience cannot be overstated. If 2022 has taught businesses anything – it's that adapting and shifting priorities is critical to remaining relevant and competitive. According to a recent Experian report, consumers rank their top three online priorities as security (82%), privacy (77%), and convenience (74%), showing members want online experiences that are seamless, safe, and convenient.¹

what is Modern Membership?

The way you think about the member experience has a profound impact on the way you look at your credit union as a whole. Are you living up to the principle of people-helping-people? Are you offering advice and putting the member ahead of your bottom line?

Modern Membership is all about the member. It starts with a deep understanding of who they are; of what they're trying to do with their money and how they want to feel as a result. It's about providing seamless transitions across your delivery channels – online, mobile, in-branch, call center – with the personal touch your credit union is known for. It's about personalization and offering relevant products and services. Modern Membership is about making sure your members get the support they need when they



need it. Once you understand what your members want and need, you can align your purpose and decision-making in order to deliver.

By delivering Modern Membership, you're giving your members the opportunity to live a life well spent. You're showing that you are a credit union committed to delivering exceptional service (and in turn, fostering member loyalty). That you stand up for your members and live the people-helping-people philosophy.

understand your member's mindset

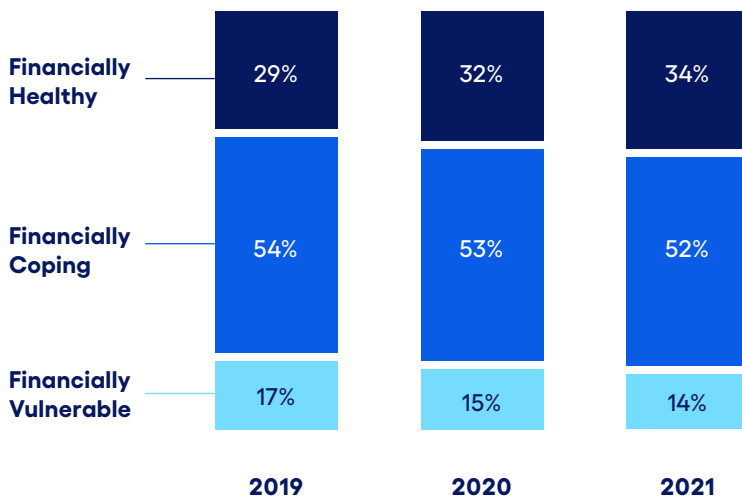
The Financial Health Pulse™ 2021 U.S. Trends Report reveals that 34% of people are now considered to be Financially Healthy – a significant increase from 2020. While there has been steady growth in the percentage of people considered Financially Healthy and a steady reduction in the percentage of people considered Financially Vulnerable – most individuals are not considered Financially Healthy. About two-thirds are considered Financially Coping or Financially Vulnerable – meaning they struggle to spend, save, borrow, or plan in ways that allow them to be resilient and seize opportunities. Furthermore, research indicates that financial health may be trending downward in 2021.²



About two-thirds [of individuals] are considered **Financially Coping** or **Financially Vulnerable** – meaning they struggle to spend, save, borrow, or plan in ways that allow them to be resilient and seize opportunities.

Financial Health Tiers 2019-2021²

Percentage of people by financial health tier



The financial life of your member is the struggle between paying today's bills and saving for rainy days. And while the member experience may mean something different to every credit union, all credit unions should be focusing on building their members' financial confidence.

step into your member's shoes

So, how do you make your members feel financially confident? The best place to start is by stepping into their shoes. Understanding their individual circumstances and what your member is trying to achieve in his or her moment of need. What are your members' biggest challenges? What goals are they looking to accomplish? What are their current circumstances? What if your member is going through a messy divorce? Maybe another member is buying a home for the first time, and another is trying to pay for college. What would make their lives better?

recognize your member's circumstances



Scenario: First-time Homebuyer

While incredibly exciting, buying a home – especially the first time around – can also be overwhelming and stressful. There's so much your member needs to do upfront: get pre-approved, get pre-qualified, shop for rates, and learn the lingo (FHA, PMI, HUD, fixed rate versus adjustable, escrow). Once the process is started, it's time to dig for paperwork like two-year-old W-2s and proof of renting an apartment from five years ago. It's downright exhausting. One way to help might be to host a seminar on the real cost of home ownership and what to expect when you're a first-time homebuyer. You could also offer personal guidance – from your members' first call to their closing date, checking in to see what they need help understanding or looking for. By helping your members through this nerve-



All credit unions should be focusing on building their **members' financial confidence**. The best place to start is by stepping into their shoes. Understanding their individual circumstances and what your member is trying to achieve in his or her moment of need.

wracking process, you'll be seen as a trusted source – you'll become a part of your members' important life milestone.



Scenario: Divorce

When a family breaks up, your member's budget will need an overhaul. For so long, this couple was planning a future together – sharing a home, security, and prosperity. But now, your member is independent and building a future for himself or herself – and maybe kids. During an emotional transition, help your members secure future financial goals. Is there concern of falling short of meeting expenses? Is there a need for new transportation or housing? Help them look for ways to cut back and free up cash for things they need for their new life. Maybe that looks like a loan to help tide them over. Maybe it looks like monthly budgeting templates to start keeping track of income (from job to alimony payments), living expenses without a spouse, monthly debt leftover from the settlement, and court-related expenses. Helping your member improve these circumstances can be a real comfort and allow them to feel more confident going forward.



Scenario: Paying for College

While the value of a college degree has never been higher, neither has the cost of receiving one – which is rising three times faster than any other school-related expense. Today, Americans owe an estimated \$1.75 trillion in student loan debt, spread out among 46 million borrowers. In addition to the total student debt in the U.S.³:

- **1 in 4** Americans have student loan debt
- The average student loan debt amount is **\$37,172**
- The average student loan payment is \$393/month – making the average monthly payment nearly **55% higher** than it was a decade ago

The challenge of student loans and the role they play in choosing to attend a university has never been greater than it is currently, with 73% of Gen Z students reporting they will graduate with student loan debt. Additionally, an overwhelming 61% of college students would take a job they're not passionate about due to the pressure to pay off their student loans. In fact, half of



Today, Americans owe an estimated **\$1.75 trillion** in student loan debt, spread out among **46 million** borrowers. **73%** of Gen Z students report they will graduate with student loan debt.

Gen Z respondents who participated in a recent Handshake survey disclosed they would take the first job they're offered with nearly 62% reporting financial pressure as the reason.⁴

The quicker Millennials and Gen Z can offload their student loan debt, the quicker they can feel financially confident enough to spend that money on large investments. To help your members who are burdened by student loan debt, consider offering consolidation assistance. For your members who are looking to pay for their children's tuition, maybe offer special savings or loan programs and complimentary access to a financial advisor to help ease the burden of student loans and financial stress.

where you want to be

Your members crave financial confidence, but right now they feel like their credit unions aren't doing enough to help fulfill that craving. So, change the narrative. Deliver Modern Membership by listening to your members. By making them feel valued, understood, respected, and protected. Feed them the tools they need in order to make smart decisions and increase that confidence. In turn, you'll have members for life.

Jack Henry™ is committed to helping credit unions improve the lives of their members through technology and service. With more than 45 years of experience combined with an open system approach and evolving technology, credit unions can benefit from customizable platforms that provide them with practical solutions to their current and future business needs while exceeding member expectations and remaining relevant in an everchanging industry.

unlock your potential

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



Feed your members the tools they need in order to make smart decisions and increase financial confidence. In turn, you'll have members for life.

sources

1. Credit Union Times. *Optimizing the Member Experience in Today's Digital-First World*. March 11, 2022.
2. Financial Health Network. *Financial Health Pulse™ 2021 U.S. Trends Report*.
3. Nitro. *Average Student Loan Debt: 2022 Statistics in the United States*.
4. Cision. *Survey: Student Loan Debt Is a Key Factor for Gen Z When Making Career Decisions*. January 22, 2022.