

What's your financial well- being score?



We are all on a journey.



Our goals for our time:

- Understand the mandate of credit unions (why are credit unions here?)
- Complete the financial well-being assessment ()
- Explain some key financial services tools that empower people to enhance their financial well-being

History of Credit Unions



Credit Union's Purpose

Federal Credit Union Act of 1934.

Enacted during the depths of the Great Depression, the law enabled credit unions to be organized throughout the United States under charters approved by the federal government.

The purpose of the federal law was **to make credit available to Americans** and promote thrift through a national system of nonprofit, cooperative credit unions.

During the financial crisis in 2008, credit union lending continued to grow.

Credit unions take risk on their members because they are, by definition, designed to make credit available, even in times of crisis.

To make a difference, we need to do more than “educate”. We must give members the tools to succeed!





EXIT

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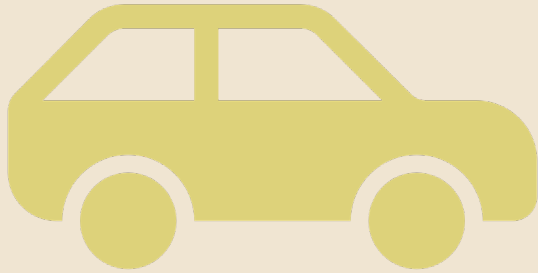
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1. Listen for what people need.
2. Take necessary precautions.
3. Have an exit strategy.
4. Track results.
5. Push our knowledge.
6. Don't get stuck.

How can we innovate?

Financial Well-being



Because of my money situation, I feel like I will never have the things I want in life.



I could handle a major unexpected expense.



Giving a gift for a wedding, birthday or other occasion would put a strain on my finances for the month.

(Some) of Our Ongoing Experiments

ITIN Lending

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Member Advance

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Lowering CD minir

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ITIN Lending

As of 2022, 3.8 million tax returns in the United States included an Individual Taxpayer Identification Number (ITIN).

Benefits	Concern	Mitigation
ITIN borrowers may have stronger repayment performance.	Borrower may get deported	Get references; know your borrower; early intervention for delinquency
Helping include an underserved population in the traditional financial system.	Limited credit history	Strong underwriting guidelines to empower your team
Boost local economies and communities by providing capital.	Fraud risk	Strong guidelines to enable your team to spot and report concerns. Training on how to approach with empathy but firmness.
Create safe places for people to keep their money, reducing crime.	Reputation	Consider how your organization approaches this.

Member Advance Loan

The payday lending industry has a market size of \$41 billion in 2025, and it is projected to grow to \$51 billion by 2030.

Many of these borrowers are young adults (ages 18-34); they love the convenience and are willing to pay high prices (360% to over 1000%), but then they get trapped in debt cycles.

Being able to serve people with short, small-dollar loans may be possible and profitable.

Concern	Mitigation
Inefficient to lend \$500	Create systems and use technology to limit staff time, and then be comfortable pricing higher than other loans.
Those borrowers aren't profitable	They may not be today, but if your organization builds relationship and the credit of young adults, it is an investment in the future.

Lowering CD minimum balances

Many people, especially those just starting out, cannot imagine having \$1,000, \$5,000, or even \$10,000 for a certificate of deposit. Yet, these tools are great for managing savings (locking it away from oneself).

Saving is one of the best habits you can enable. If someone has savings, they're able to handle income volatility and small emergencies without taking out a high-priced loan or depend on credit cards.

Concern	Mitigation
It is a lot of work to open a CD and then do the renewal letter.	Make your processes streamlined and train all team members in how to open these quickly.
Cost of funds!	You can tier your CD pricing...or you can just use this as part of your review of risk for pricing in general. Track this and see if it is a real issue.

Your turn...

- Pick a statement from the financial well-being.
- What have you heard or seen or experienced?
- What small step could you make within your organization, team, or self?
- What might go wrong? Can you mitigate it?
- How would you know it is working?
- What would be the exit plan?