



**Volunteer
Leadership
Institute - Hawaii**

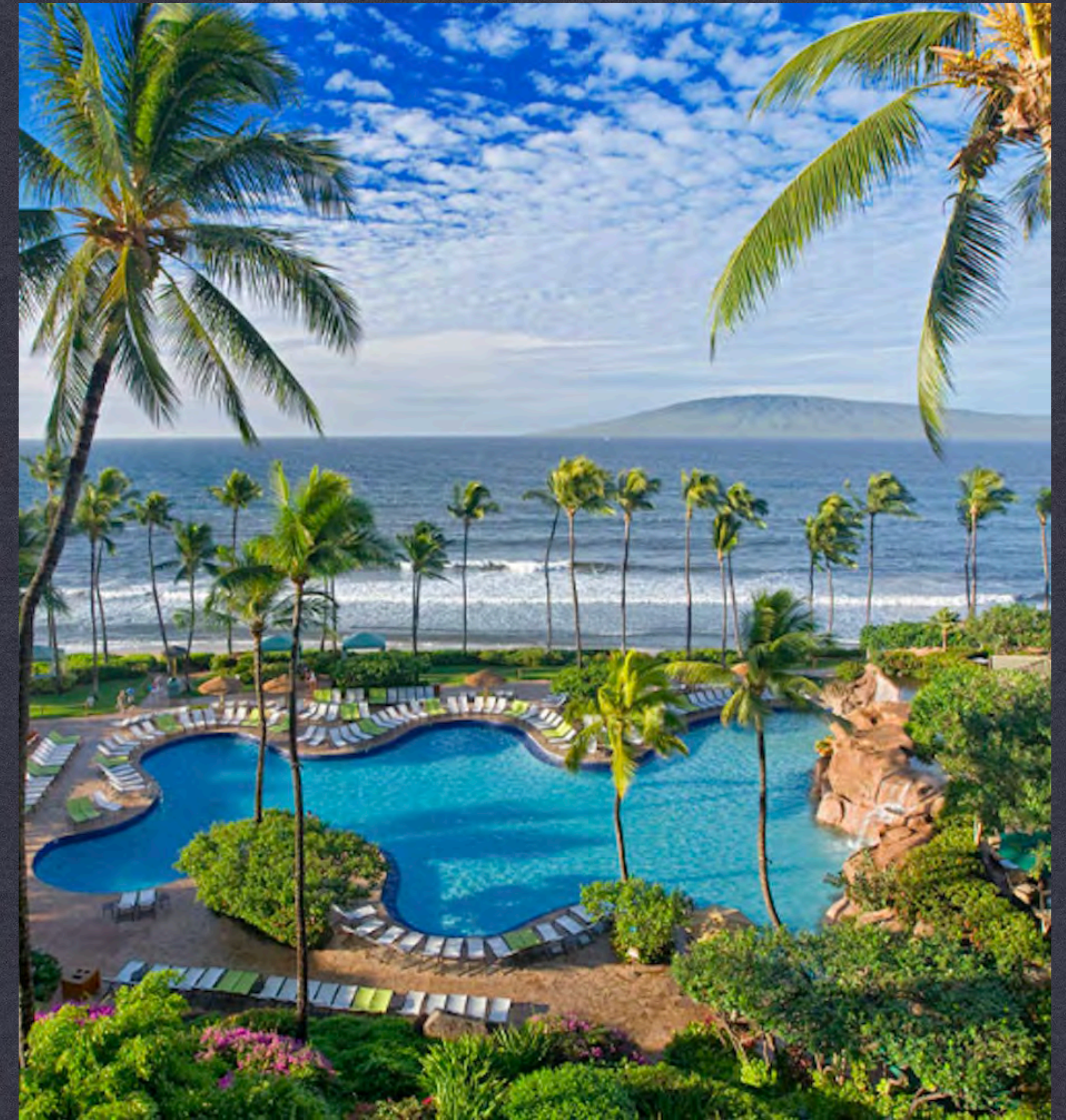
THE 25 THINGS YOU SHOULD BE THINKING ABOUT FOR 2025 AND BEYOND

Frank Diekmann

Credit Union Journalist

Learning Objectives

1. Share long-term issues boards must be discussing.
2. Provide shorter term ideas and strategies for consideration.
3. Present creative and clever approaches by credit unions across the country that other CUs will want to borrow from.



25 THINGS TO THINK ABOUT FOR 2025

VOLUNTEER LEADERSHIP INSTITUTE 2025

EVENT

MAUI, HAWAII

SPEAKER

FRANK J. DIEKMANN



We exist
to teach
one another
to prosper.



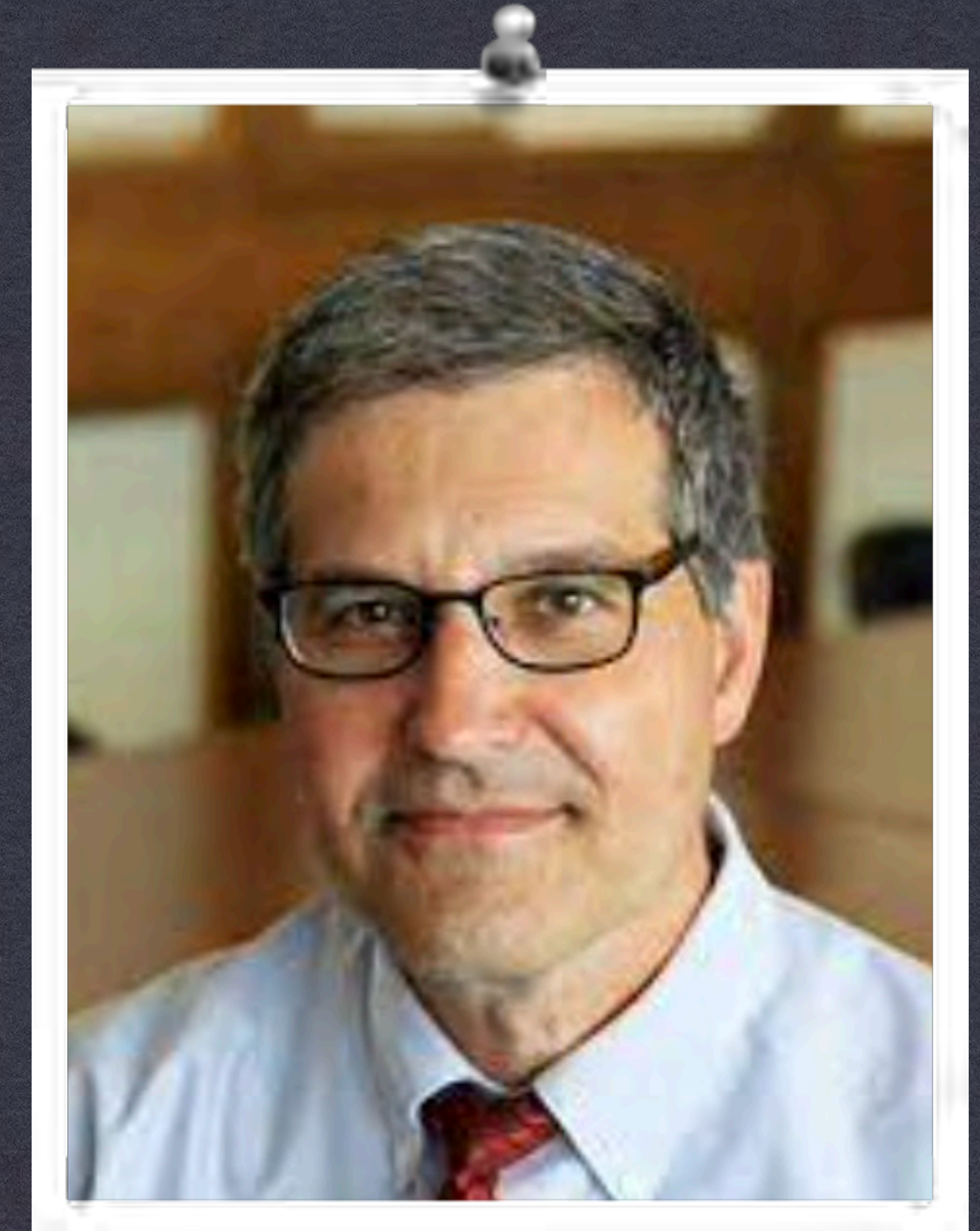
Westerra
Credit Union

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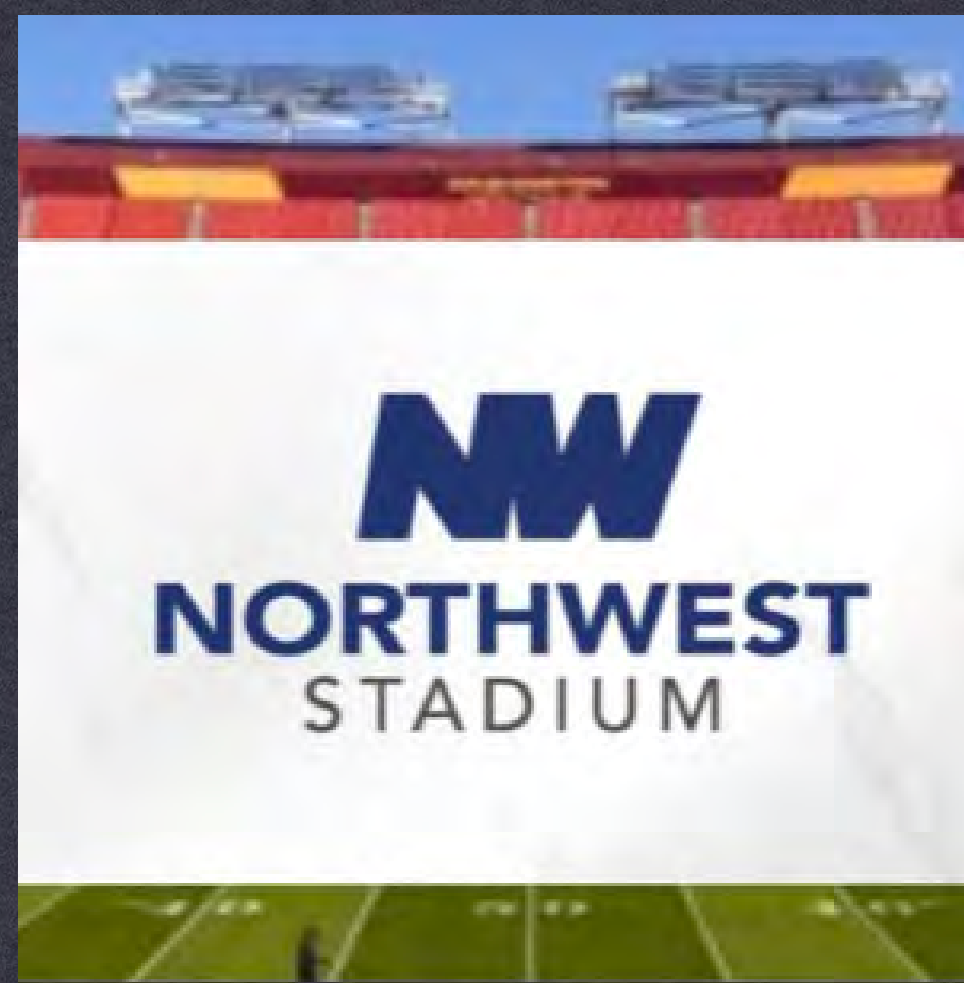
THE GOOD NEWS: CUs STILL 'RESONATE'

WHAT: America's Credit Unions' Consumer Pulse Survey shows the credit union difference **"resonates with members..."**

QUOTE: "The survey results make it abundantly clear that credit union members view credit unions differently—and much more positively—than their counterparts view the institutions they use. (Members like) credit unions' more consultative approach, more consumer-friendly pricing thoughtful products and services, and an overall sense of trust fostered by member-ownership."



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PROJECT

2. WILL THIS BE A TAXING YEAR?

AN AGE-OLD ISSUE GETS NEW LIFE

EVENT

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WILL THE TWO SURE THINGS IN LIFE ALSO APPLY TO CUs?

Calls in Congress for at least re-examining the credit union tax exemption are likely to increase in the new term.

Rep. Claudia Tenney (R-NY) wants a hearing on the 'inequities' between banks and credit unions.

American Bankers Association and ICBA continue to make CU taxation a priority, and have made some inroads.

CU tax exemption also getting new scrutiny as federal budget deficit continues to grow.



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MAKING A NAME

Credit unions also bringing attention to themselves with some high-profile sponsorships, including:

- * The Golden 1 CU has \$120-million naming rights deal for home arena of the Sacramento Kings
- * Northwest FCU has \$7.5-million naming rights deal for home of Washington Commanders
- * Mountain America CU has \$50-million naming rights deal to Arizona State University stadium
- * PenFed has branding deal with Dulles Airport



WHAT'S BEING SAID



‘Absent regular congressional oversight, credit unions have expanded far beyond their statutory mission and nonprofit structure at the expense of their member-owners and the American taxpayers.’

—Rob Nichols, ABA

‘...Northwest FCU is spending \$8 million of its members' deposits each year for the Washington Commanders football stadium naming rights. (It's) just the latest example of how credit unions are violating the limits established by Congress to justify their federal tax exemption.’

—Rebecca Romero Rainey, ICBA



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3. FEES. 4-LETTER WORDS, BUT... A QUICKLY GROWING SCRUTINY COULD CHANGE

EVENT

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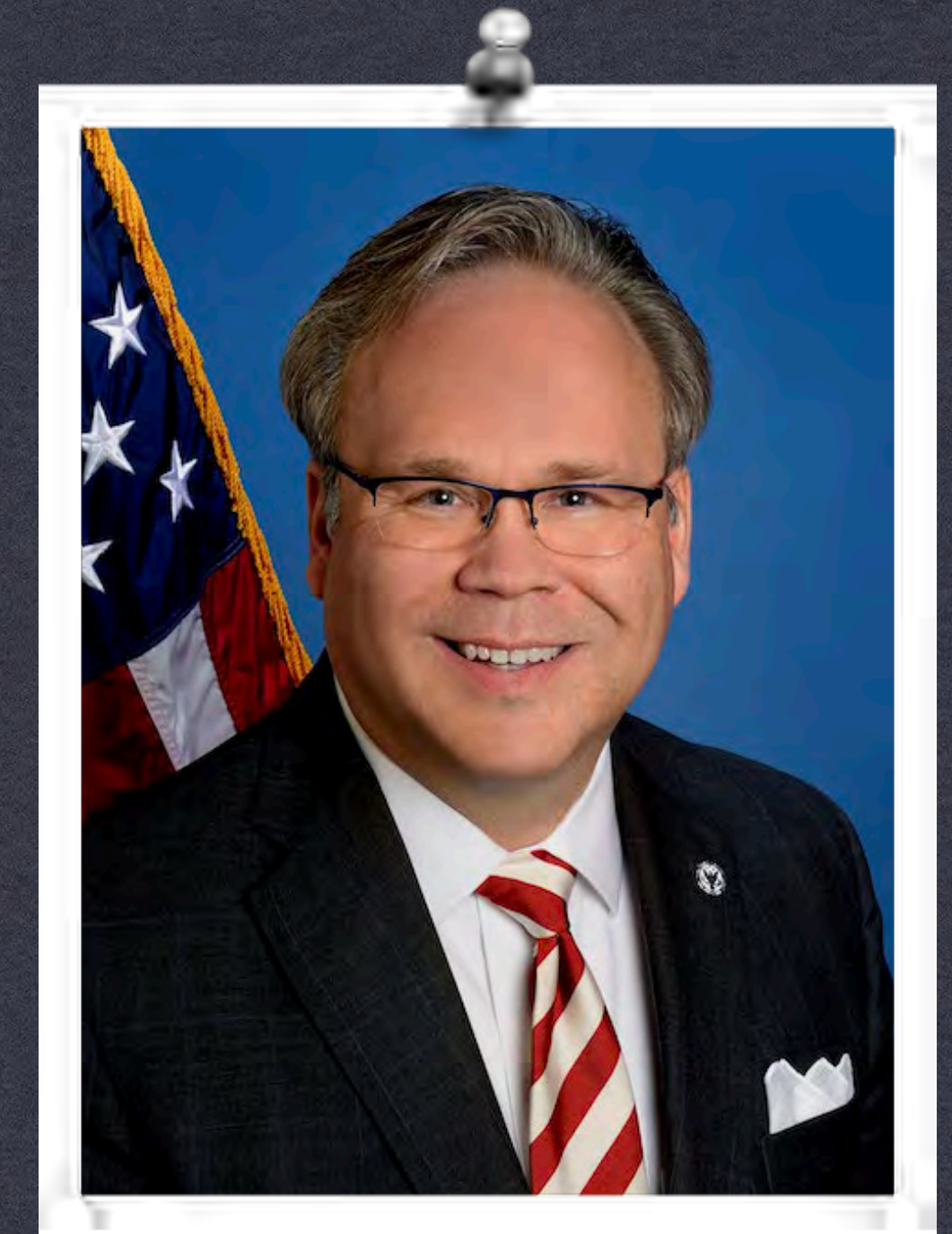
SPEAKER

FRANK J. DIEKMANN

THE **VIEW** FROM NCUA'S CHAIRMAN (FOR NOW)

“You need to think about (overdrafts) in a few different ways...Fees have to be reasonable and proportional. Are you getting charged a \$35 fee for \$2.50 cup of coffee (due to an overdraft). If so, that's problematic.

If you authorize positive, settle negative, those are surprises. (Members) don't necessarily know they're coming. They check their accounts and then by the time it settles they get charged a fee they weren't expecting.”

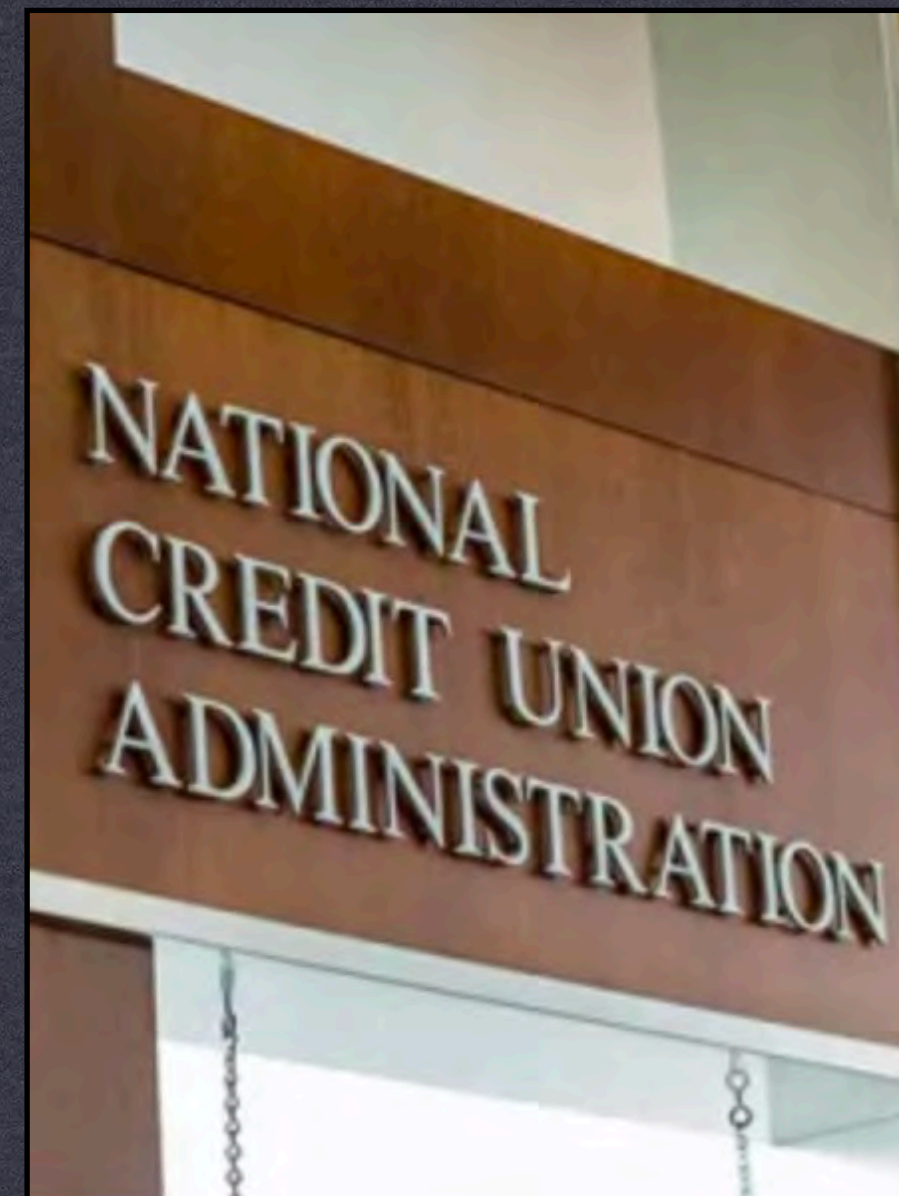


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NO SURPRISES



If your CU assesses overdraft or NSF fees that your members cannot reasonably anticipate or avoid, your CU may be exposing itself to heightened reputational, consumer compliance, third-party, and litigation risk. Unanticipated fees can cause substantial harm to credit union members...The assessment of unanticipated fees on credit union members generally represents an unfair or deceptive act or practice...



The NCUA does not expect credit unions to cease offering overdraft programs...However, the NCUA will continue to review overdraft programs to ensure credit unions are effectively managing the heightened risk of certain fee practices and will expect credit unions to properly mitigate such risks, including by ceasing unanticipated fee practices.

–NCUA Letter to Credit Unions, December, 2024

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NCUA FINDS 'NSF' MEANS **NOT** **S**UBSIDIZING **F**EES

New NCUA Research Note shows CrUs with higher combined overdraft and non-sufficient fund (NSF) fees per member do not seem to have lower fees per member for other services.

Overdraft and NSF fees make up about 2% to 5% of total revenues for most credit unions in the reporting threshold of \$1B or more, but some CUs even more dependent.

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Overdraft + NSF Fees as a Share of Total Revenue

Credit Union Type	Minimum	25th Percentile	Median	75th Percentile	Maximum
All Filers (> \$1 Billion in Assets)	-2.5%	2.0%	3.5%	4.9%	18.2%
FCUs	0.0%	1.8%	3.5%	4.8%	15.2%
FISCUs	-2.5%	2.3%	3.5%	4.9%	18.2%
Neither MDI nor LID	0.0%	1.2%	2.8%	4.2%	15.2%
MDIs	-2.5%	1.1%	4.5%	7.4%	9.4%
LIDs	0.0%	2.7%	3.9%	5.2%	18.2%

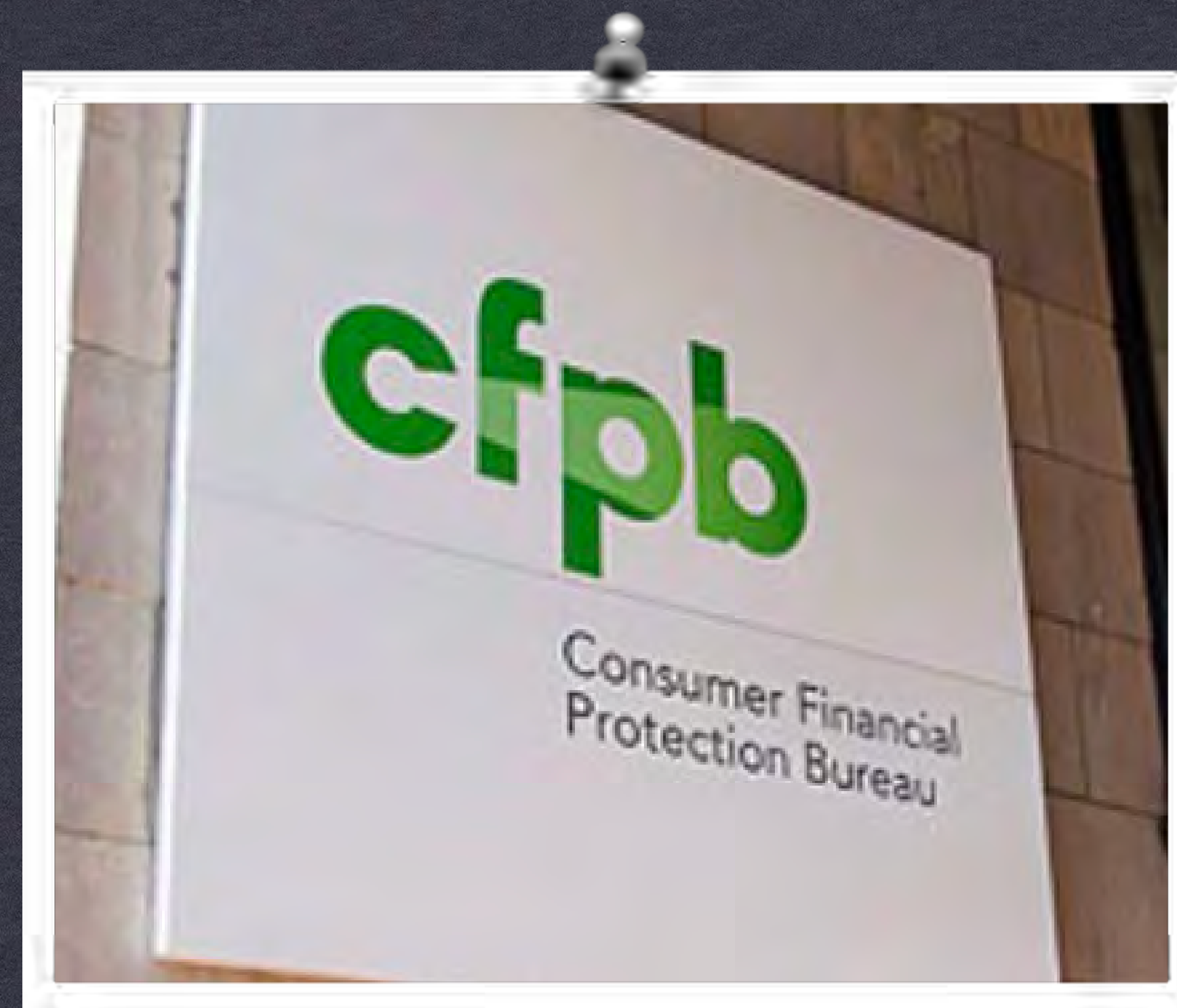
FIVE BUCKS: THE CFPB'S NEW OD FEE CAP

After earlier calling ODs/NSFs a 'junk-fee harvesting machine,' CFPB introduced a final rule limiting overdraft fees to \$5 (it had earlier proposed a range of \$3-\$14).

Although cap applies only to FIs of \$10 billion or more, analysts expect it will drive all FIs to \$5 (or below).

NOTE: Trump Administration could roll back the fee cap. ACU, ABA & others have filed suit against the proposal.

ALSO NOTE: CFPB is also targeting 'junk fees' in mortgage lending, home buying process, as well as fees in auto lending, student lending and more.



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CFPB GIVETH (& TAKETH AWAY **FOR NOW**)

The CFPB has withdrawn proposed rule banning the charging of NSF fees for ATM withdrawals, debit purchases, P2P payments or other transactions that are declined “instantaneously or near-instantaneously.”

Bureau said it will instead consider a “more comprehensive approach to transactions that are instantaneously declined.”

It acknowledged NSF fees are rarely charged on instantaneous transactions and that the rule was meant to prevent the practice from becoming more common.



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WHAT'S **HAPPENING** IN ONE STATE

WHAT: Effective Jan. 1, 2026, new California law prohibits credit unions from charging more than \$14 for an overdraft, or any amount set by the CA Dept. of Financial Protection, whichever is lower.

WHO: Sen. Steven Bradford called NSF's 'inherently predatory.'

WHY: California's state-charters have been under public and media scrutiny since the release October 2023 state report that showed, overall, SCUs during 2022 took in \$252 million in OD/NSF fees, and that 30 credit unions earned half or more of their net profit from just overdraft and NSF fees.

AND: State media reports have been very critical, and media have followed up with several other pieces, including highlighting pay increases for CEOs at CUs with significant revenue from OD fees.



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ANOTHER CU'S **RESPONSE**

MADISON, Wis. – UW Credit Union has announced:

Elimination of NSF fees

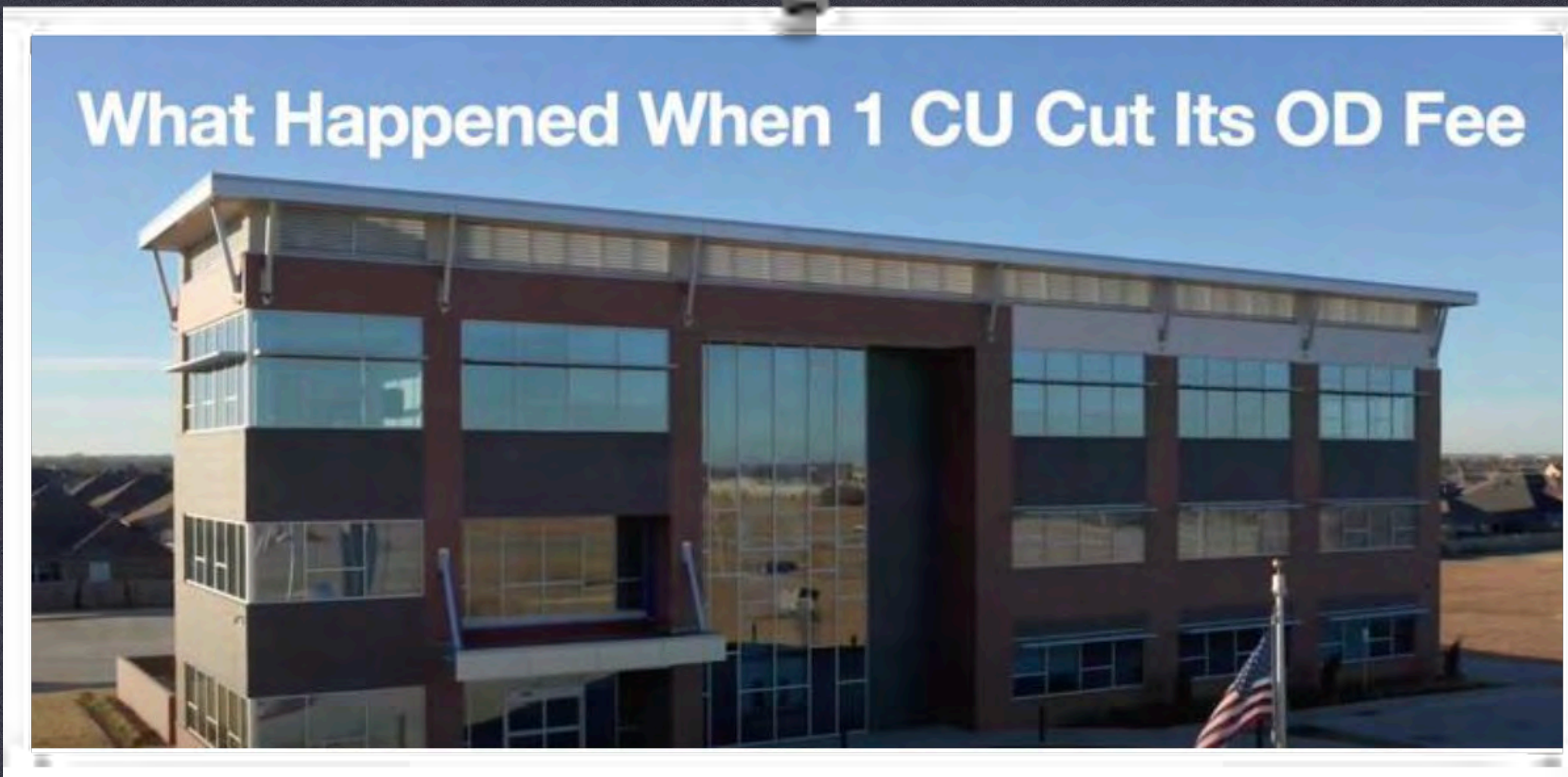
Elimination of overdraft fees

Elimination of returned check payment fees.

UWCU told members the new free reductions align with its efforts to “make banking more accessible and equitable.”



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WHO: WEOKIE CU, Oklahoma City, Okla.

WHAT: Reduced its OD fee to \$15 from \$27.60

THE RESPONSE: Went from 3,500 members in its overdraft program to 4,500 members.

THE QUOTE: '...What I've come to appreciate over the last five years is that our members really depend on that service, and the service truly prevents them from ending up in payday loans and some other challenging situations.' –Jeff Carpenter

THE BOTTOM LINE: Expected revenue reduction of \$1.5M annually, but has not seen reduction as more members use service.

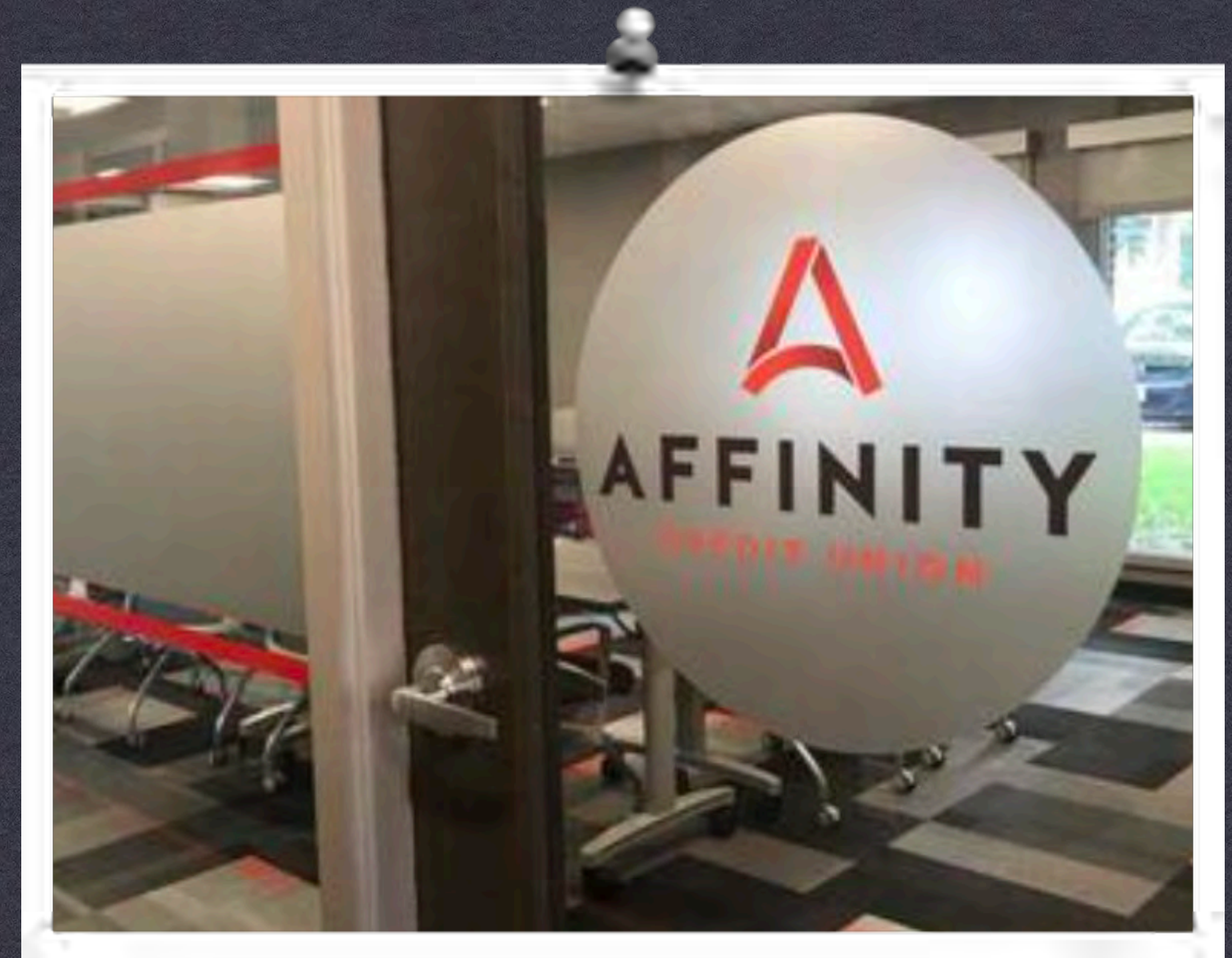
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AN OVERDRAFT COUNSELOR IS NAMED

WHO: Affinity Credit Union, Iowa

WHAT: In addition to lowering overdraft price to \$10 (it has also seen surge in usage), it has also hired a full-time financial counselor to proactively reach out to members who are heavy OD users.

THE QUOTE: “This new person is a financial coach. That person has been working a lot with our members on budgeting. Through our core system he looks to see what members have overdrafted their account the most within the last 12 months. We’re calling them or emailing them saying we have this new coaching resource.”



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**BUY
NOW
PAY
LATER**

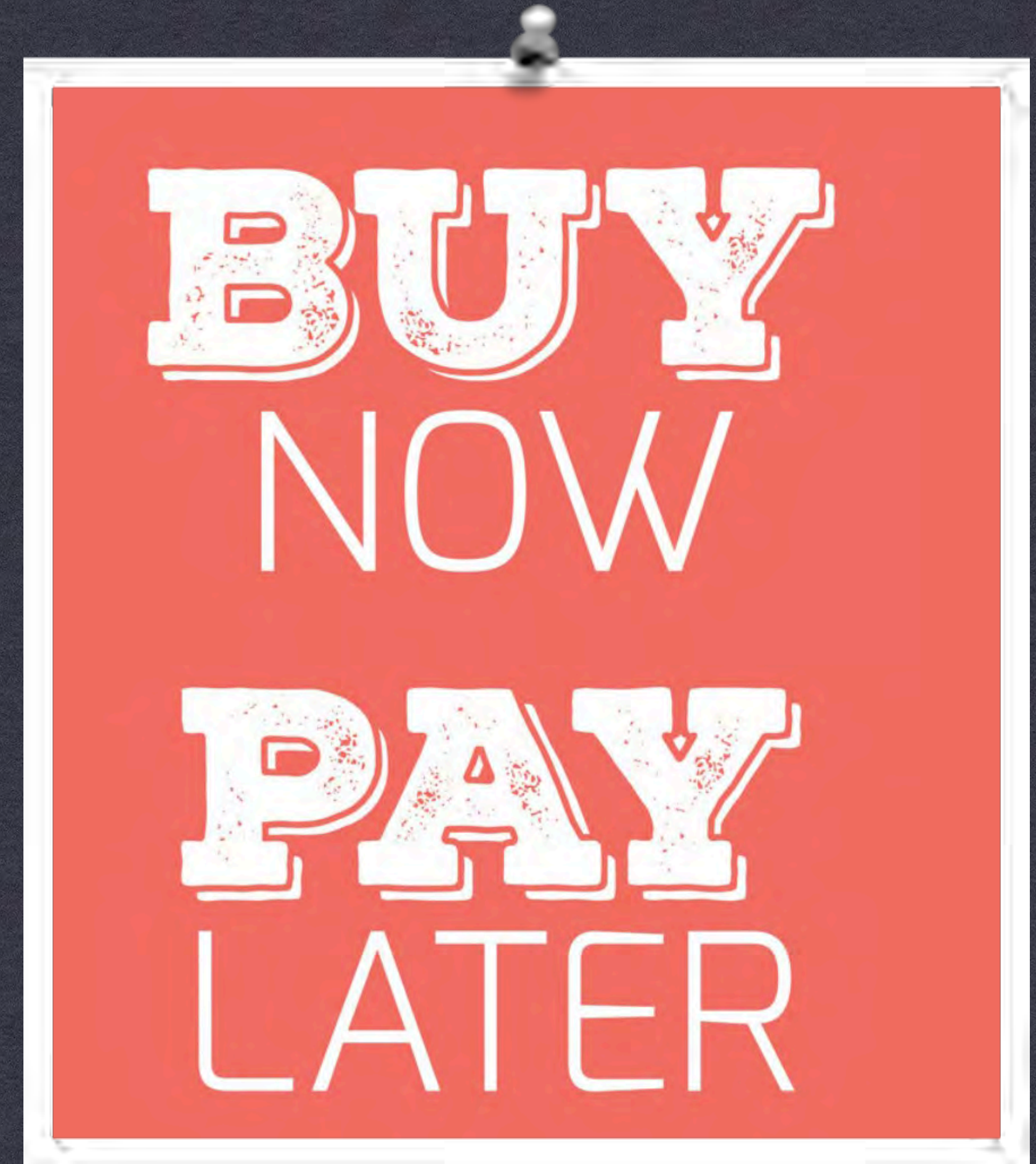


4. BNPL: PAY ATTENTION NOW, OR LOSE LATER
RAPID GROWTH IN 4 EASY PAYMENTS

GROWING AND GROWING

“We're seeing a lot of different things in the market. Juniper Research came up with some statistics around the number of consumers—we're looking at 360 million consumers that actually use BNPL. That's no small number.

–Nelson Fisher, Velera



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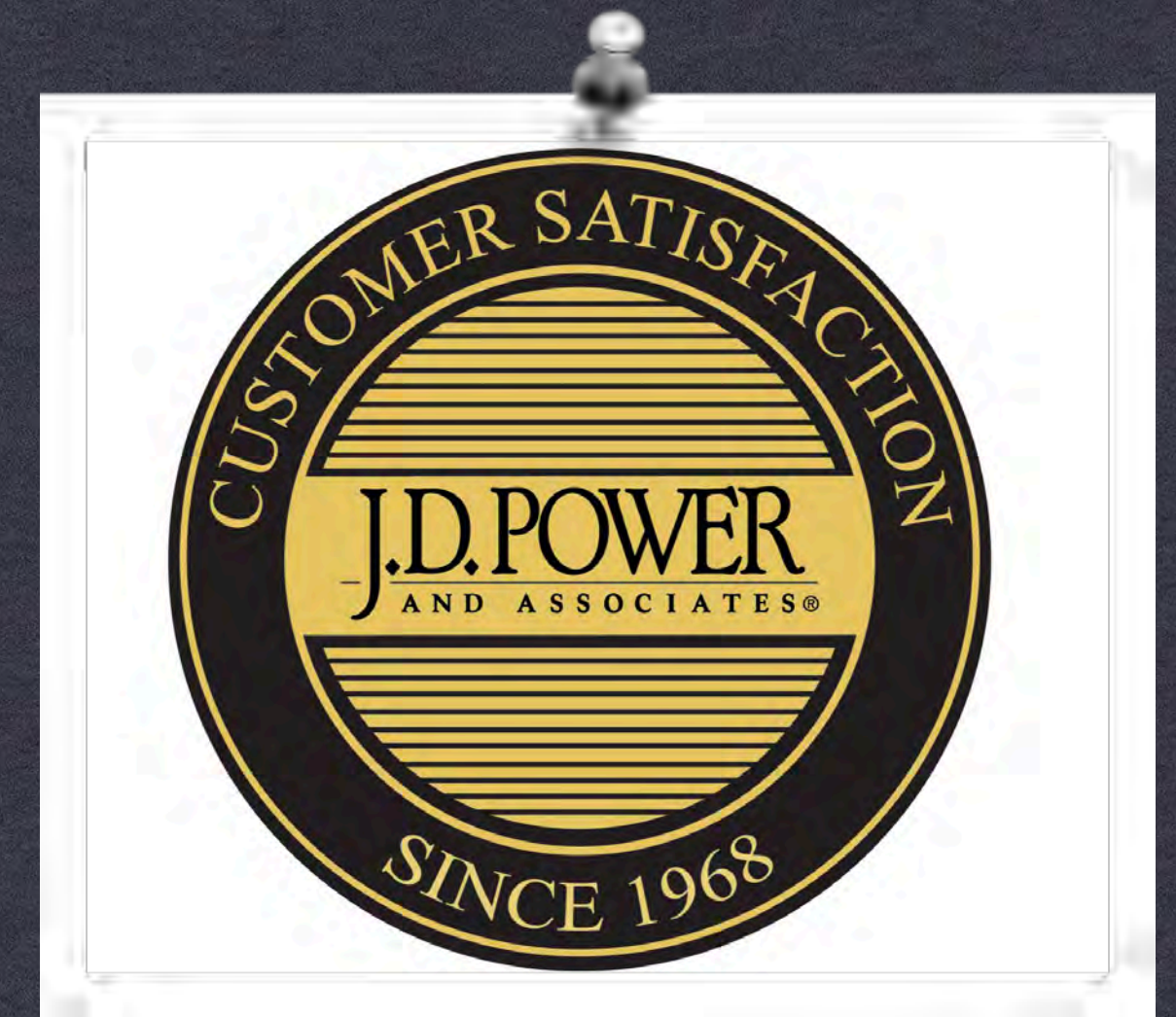
WHAT THE RESEARCH SHOWS

J.D. Power Survey Findings

HOW MANY: 28% of U.S. consumers said they've used BNPL financing at least once in the previous 90 days,

WHAT RESEACH SHOWS: “While many reports have suggested BNPL has been most attractive to financially vulnerable consumers who are already overextended on their credit cards, the real BNPL customer profile is decidedly more nuanced.”

33% of consumers indicate a primary driver for using BNPL is "repayment terms are reasonable," while only 8% say the same about credit cards.



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MORE BNPL FINDINGS

77% made installment repayments using a debit card, bank account, or bank check; 10% used a credit card; 6% used a prepaid card; and 8% used a payment service such as Venmo

“...Vast majority of BNPL loan users tend to be banked and usually have a credit score.”

“Many of those core BNPL borrowers have grown so comfortable using the installment loans for just-out-of-reach luxuries that they’re putting more everyday purchases on them as well. (BNPL) is a routine tool in young adults’ wallets as they adapt to higher prices.”



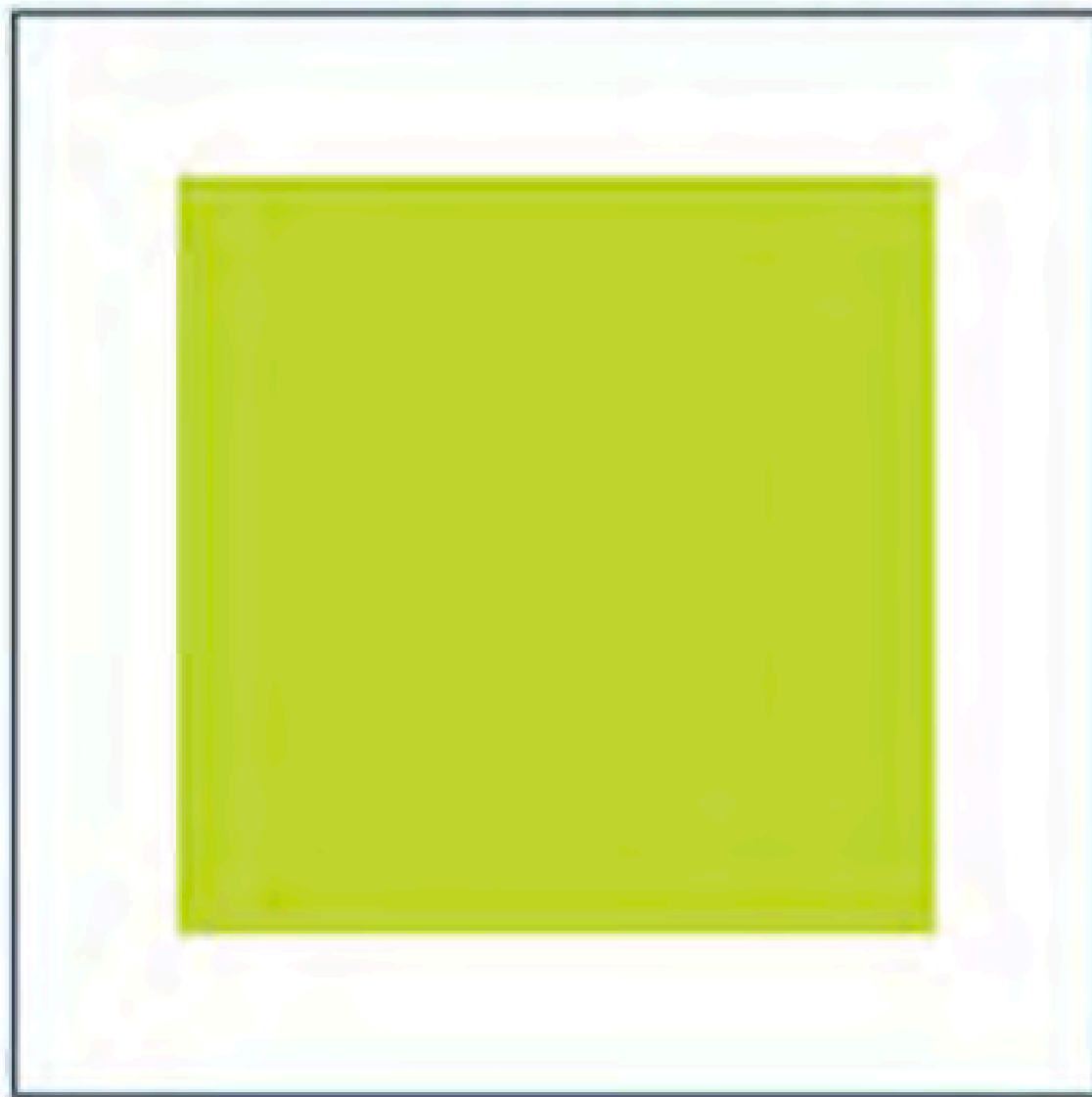
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CU plans to offer BNPL

Share of CUs planning to offer BNPL in the future

49%

Have no plans to offer BNPL in the next three to six years



31%

Plan to introduce BNPL in the next three years



18%

Plan to introduce BNPL in the next six years



Source: PYMNTS Intelligence

Credit Union Innovation Readiness Index, January 2024

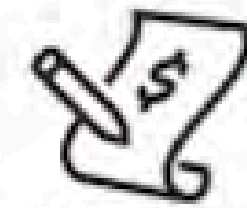
N = 201. Complete responses for CU executives, fielded Oct. 4, 2023 – Nov. 16, 2023

A CREDIT UNION, MEMBER DISCONNECT

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Products and services consumers want in the next three years

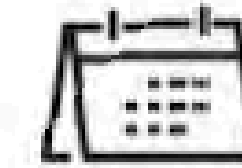
Share of consumers citing credit product innovations that they want their FI to focus on in the next three years, by current FI status



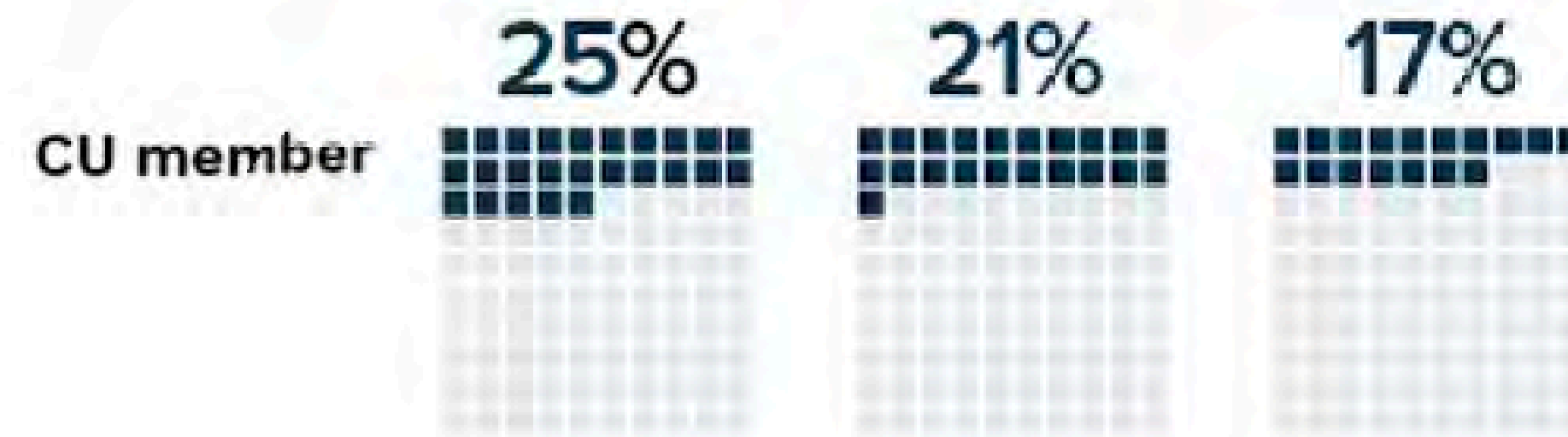
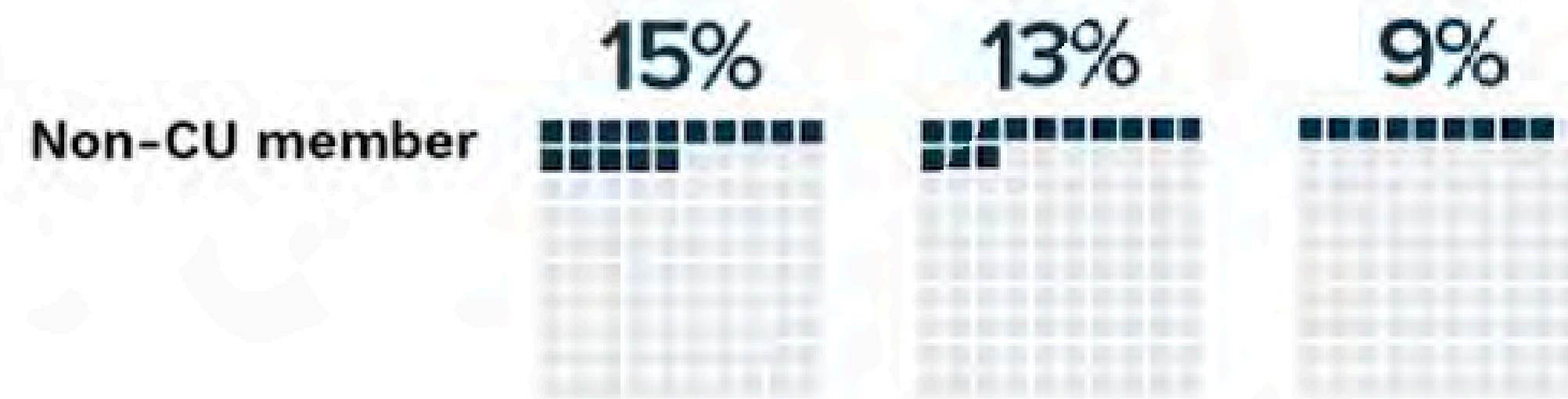
Personal loans



Auto loans



BNPL



Source: PYMNTS Intelligence

Growing Credit Union Membership via Lending and Omnichannel Banking Innovation, March 2024
N = 3,484; Respondents who value innovation in their primary FI, fielded Nov. 2, 2023 – Dec. 6, 2023



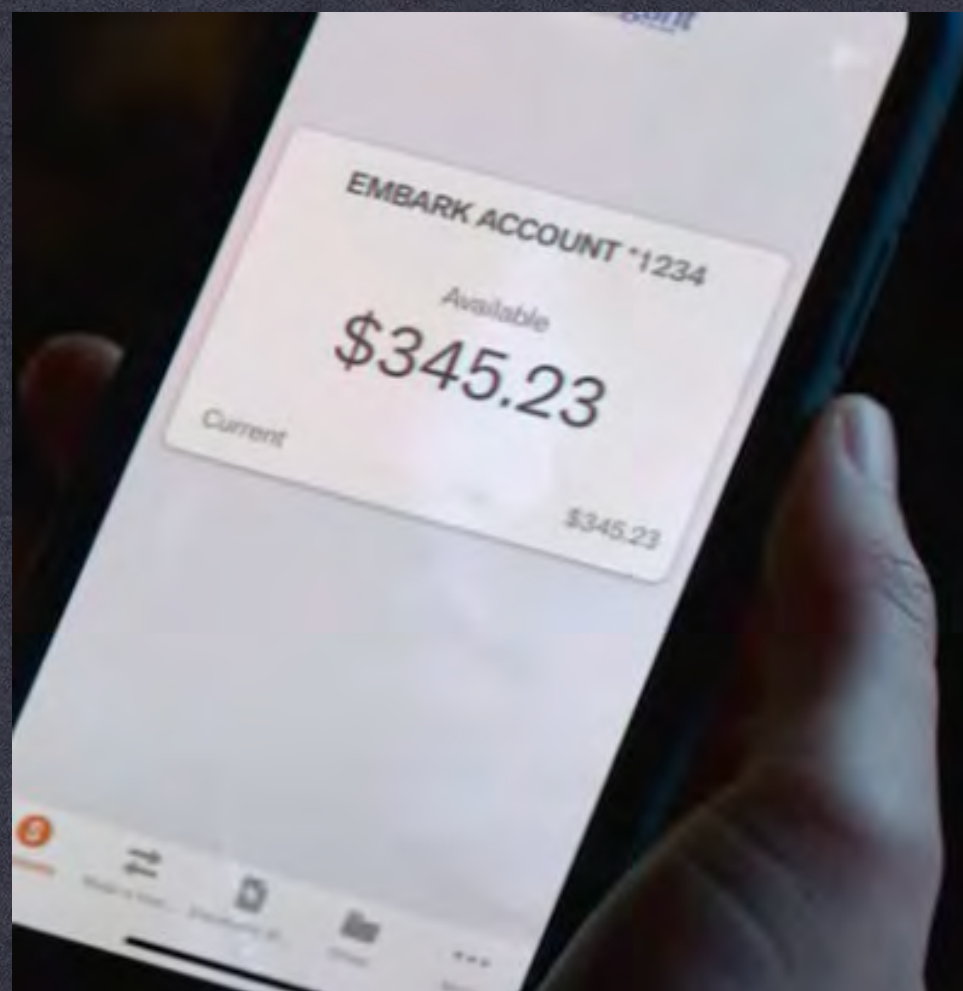
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WHO/WHAT: USFFCU, Tampa. Customized BNPL offering

WHY: “There’s an increasing demand for financial flexibility from our members. They want more ways to be able to make purchases and finance smaller dollar amounts for a short period of time at a reasonable interest rate.”

HOW WORK: If a member debit transaction qualifies, USFFCU presents an offer back to them. Terms out to 18 months available; different repayment options are presented. Rate is 17.9%

THE QUOTE: “You see similar products in the marketplace—the Affirms and Klarnas—that offer similar solutions. We just find the solution we have to be fair and better than those offerings. We conducted research with our membership to identify what other payments products they were using, and BNPL came out as one being overwhelmingly used....”



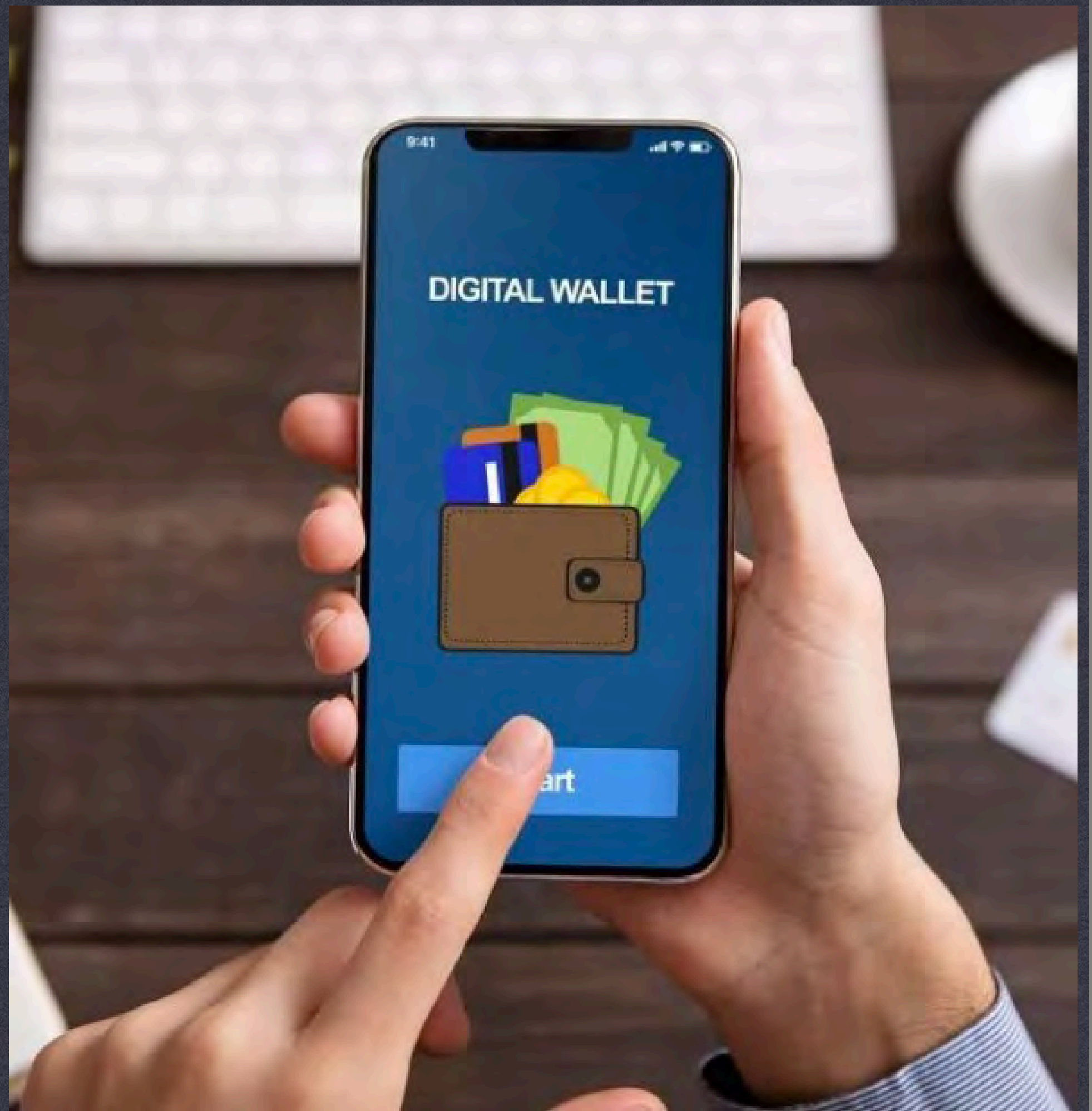
5. YOUTH ACCOUNTS: FORGET SAMMY THE SAVINGS SQUIRREL ONE CU EMBARKS ON MESSAGE TO TEENS

EVENT

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PRESENTER

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PROJECT

FAMILY DIGITAL WALLET

FIXING A 'BLIND SPOT'

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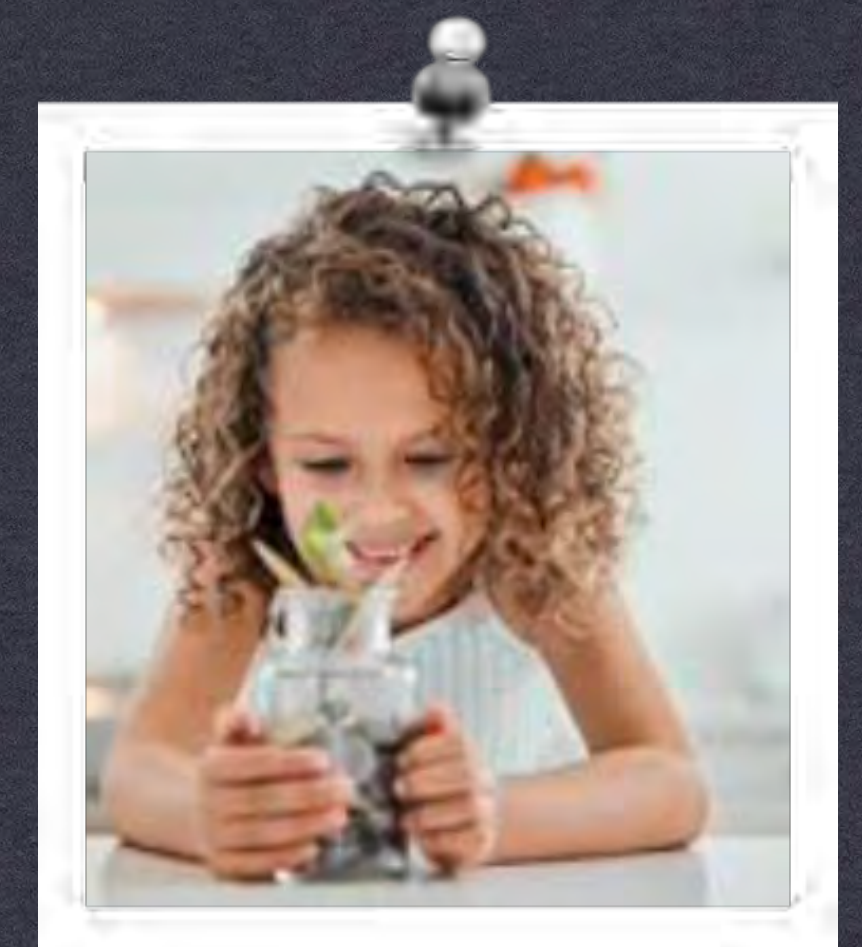
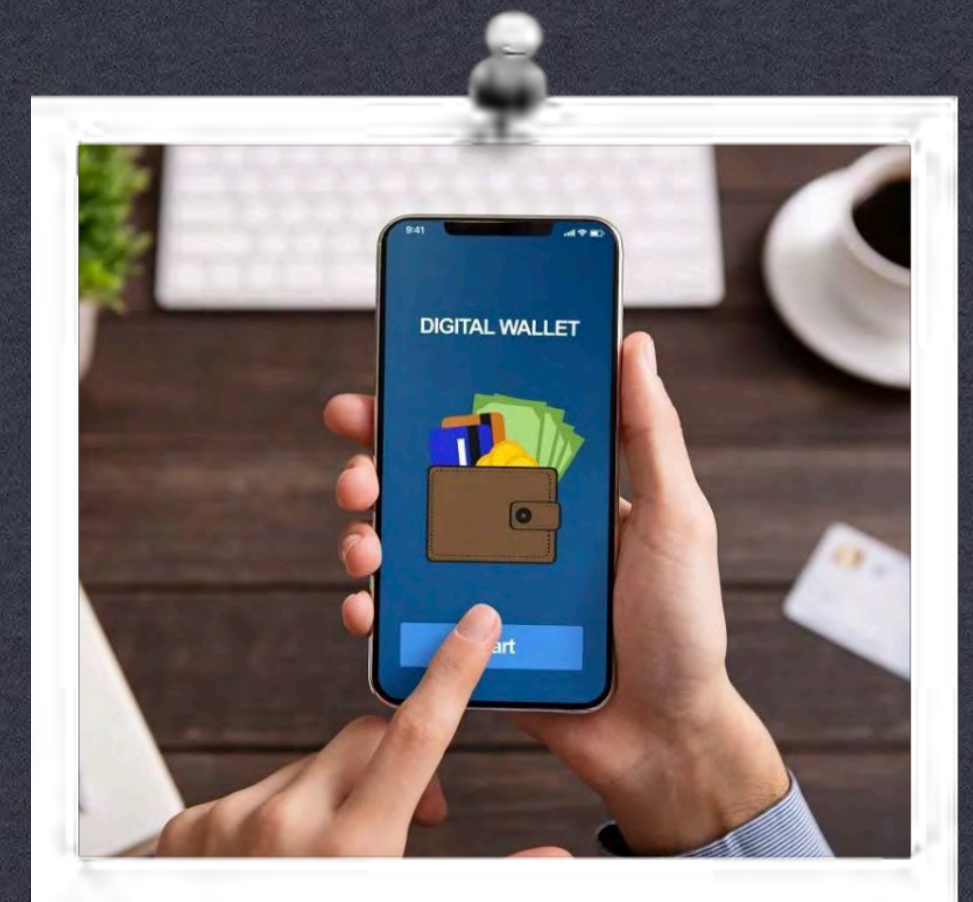
WHY: Tool for attracting young members instead of just offering a loss-leader youth account.

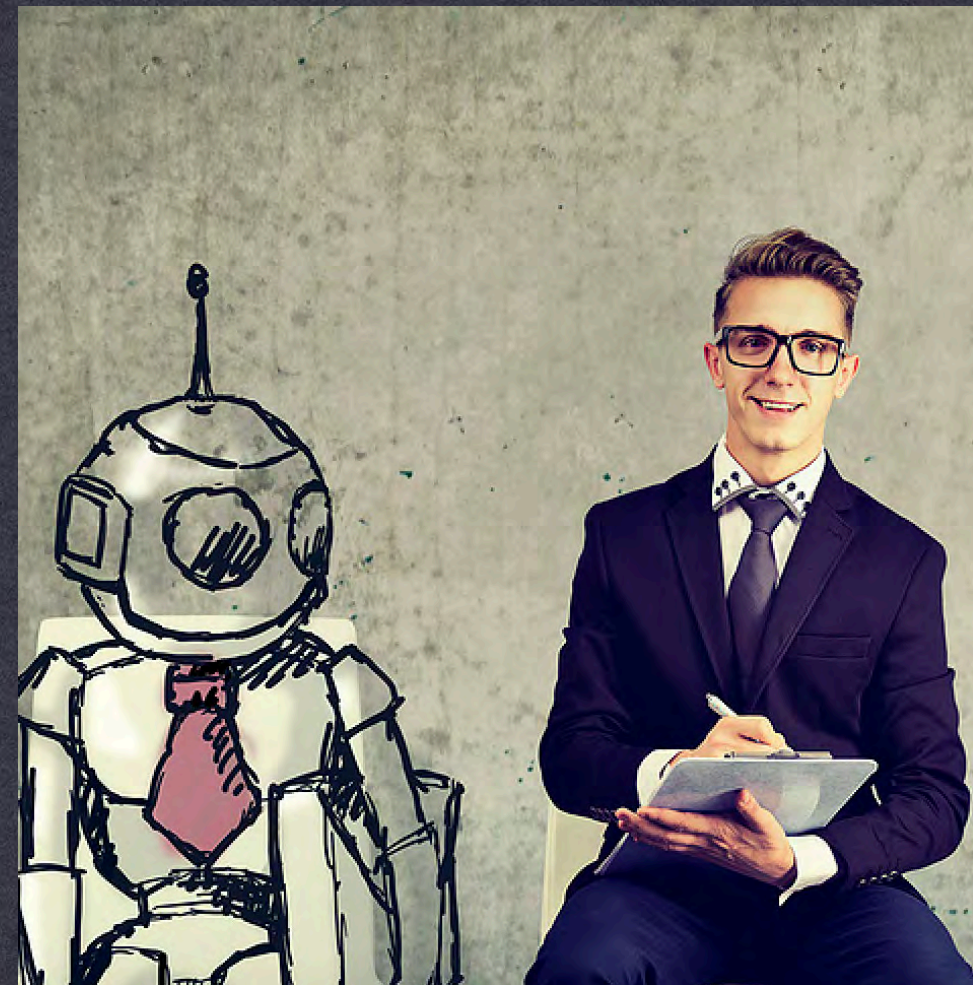
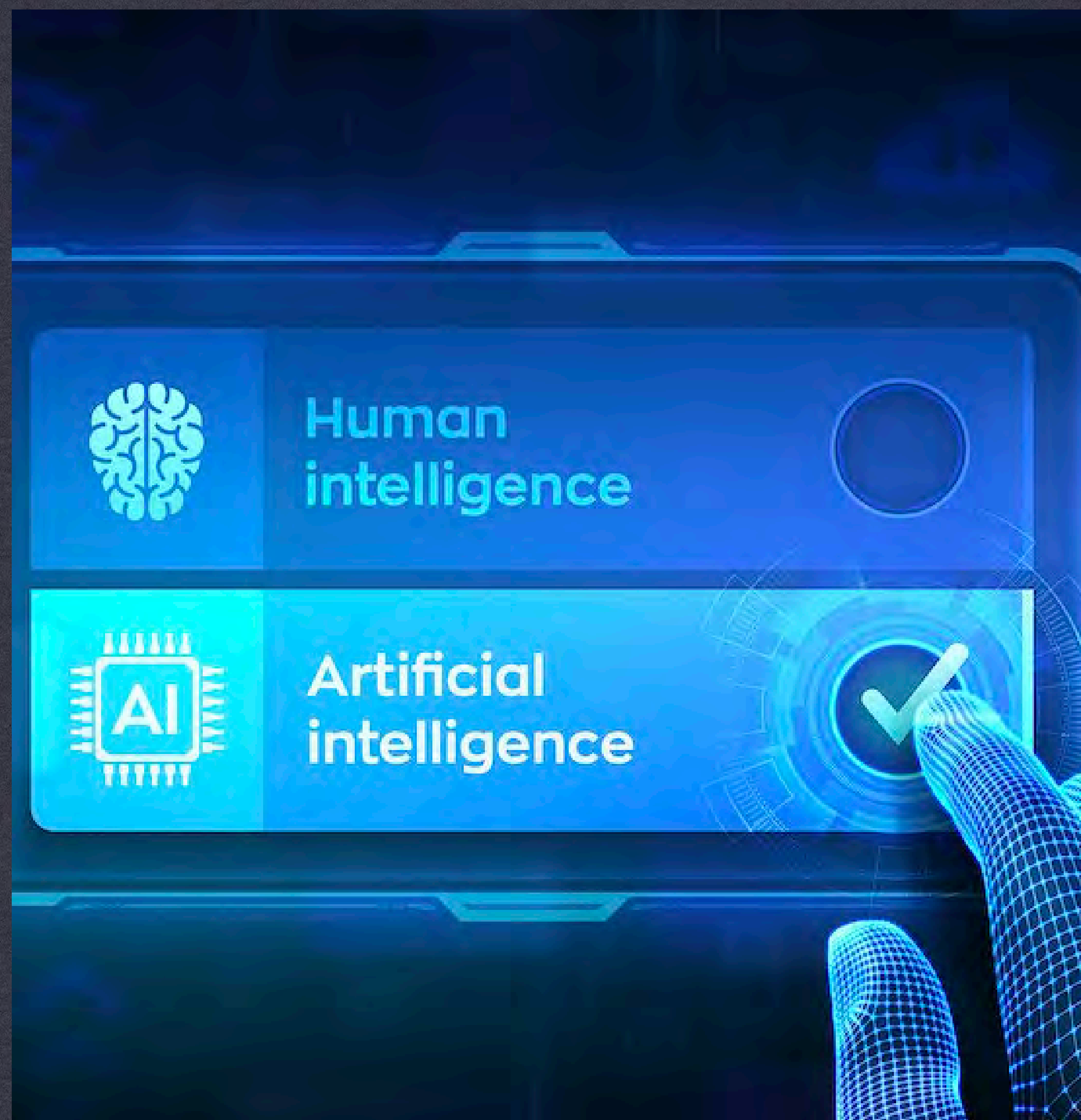
WHERE DO CUs HAVE VISION PROBLEMS? Many credit unions have “blind spots” when it comes to the apps for young members.

HOW DOES IT WORK? Family digital wallets are apps designed to provide younger consumers who would otherwise not be able to open a banking account with the tools to begin their first step into finances while providing parents with the ability to monitor and control their activity.

THE QUOTE: “The big banks and the fintechs are going to continue to make ground here until credit unions start offering a solution that **captures these families from an early age.**”

– Tristan Green, director at Cornerstone Advisors Advisors





6. NOTHING ARTIFICIAL ABOUT DEVELOPMENTS

THIS PRESENTATION TO BE GIVEN BY AI IN JUST A FEW YEARS

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PRESENTER FRANK J. DIEKMANN

Is It 'AI or Die?'

Advice from Dr. Lamont Black of Filene's Center for the Credit Union of the Future

- * Give it the priority it needs, because it is coming your way whether you like it or not.
- * AI is not a product or service. It's not something you're just going to bolt on. You need a strategy.

Where to Begin?

- * Start researching (AI) terms and to then start to think about how can they be used; how they work.
- * Take simple steps. Get organized, start listening, empower employees, access your knowledge, explore use cases, collaborate
- * * Think about who's going to help lead this and be involved in trying to implement this change?
- * * Don't just put it on the board planning agenda as a one-time thing just to scratch that itch.

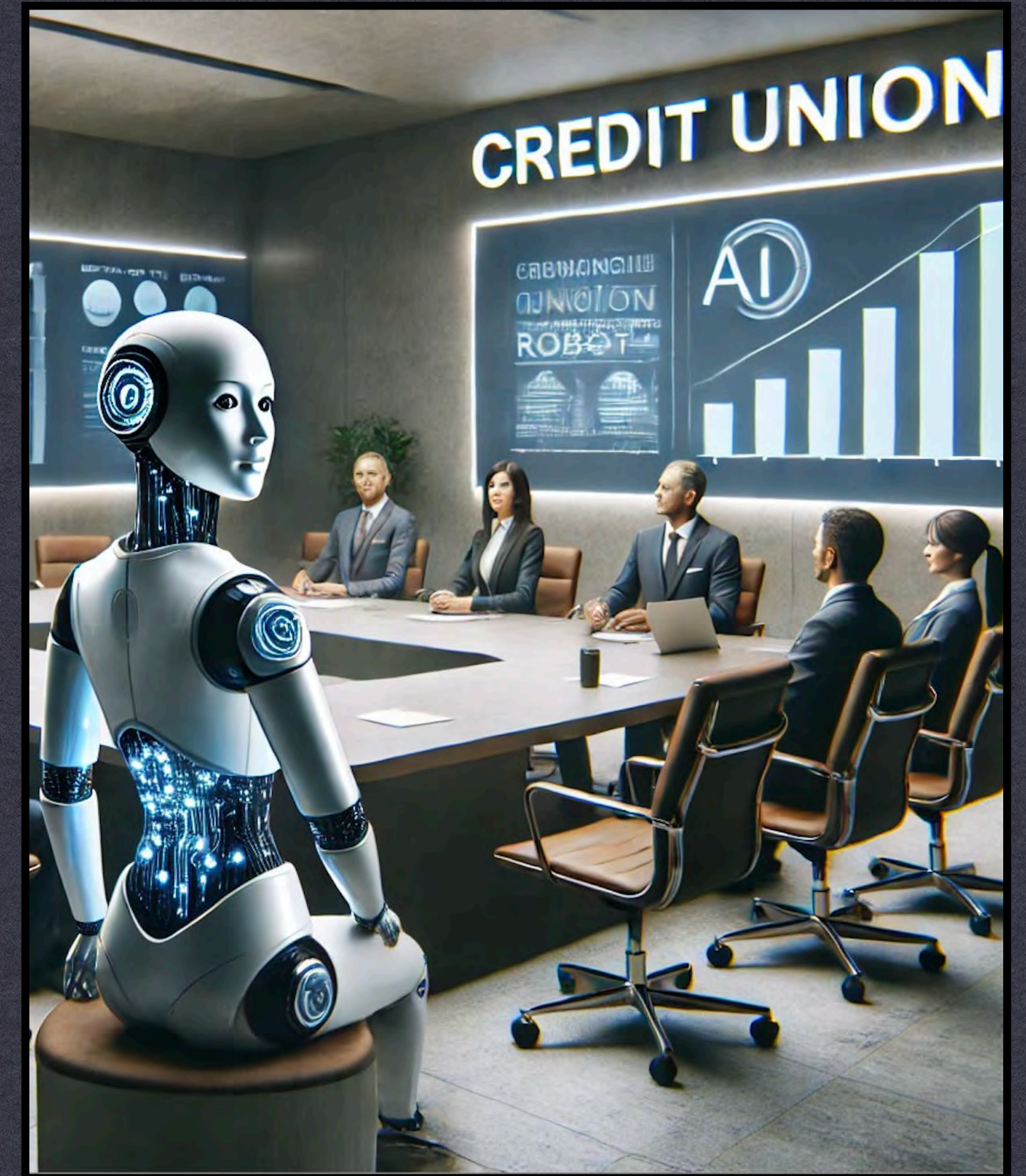
Things to Keep in (Your Still Human) Mind

Due to privacy and security issues, many credit unions are starting to create a policy document around ChatGPT usage:

- * What's good?
- * What's bad?
- * What's appropriate?
- * What's not appropriate.

The Advice

“...Learn from your employees. They are a source of information. Don't just treat them as a risk to be monitored with some policy document. How do we start to come up with ideas from the bottom up, not just from the top down.”



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WHAT AI SAYS ABOUT AI & CUS

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What is AI?

- AI is technology that enables computers to simulate human intelligence, such as learning, problem-solving, and decision-making.
- Common examples include chatbots, recommendation systems, fraud detection, and data analytics.

Why it Matters for Credit Unions:

- AI can improve member services, streamline operations, and enhance decision-making.
- It also brings risks, like data breaches, biases, and regulatory concerns.

Your Role as Board Members:

- Understand AI's potential and challenges to guide your credit union responsibly.
- Stay informed about emerging AI technologies in financial services.

AI'S ADVICE FOR BOARD EDUCATION

1. Start with the Basics:

- Read introductory articles or watch videos about AI in financial services.
- Learn key AI terms like machine learning, predictive analytics, and natural language processing.

2. Explore Applications in Credit Unions:

- Research how credit unions use AI for personalized member experiences, loan approvals, and fraud prevention.
- Attend webinars or conferences focused on AI in the financial sector.

3. Stay Updated on Trends and Risks:

- Follow industry publications.
- Understand threats like cybersecurity risks, privacy issues, and regulatory challenges.

4. Leverage Internal and External Expertise:

- Consult your credit union's IT or innovation teams for insights on AI initiatives.
- Engage with industry experts or hire consultants for tailored education sessions.

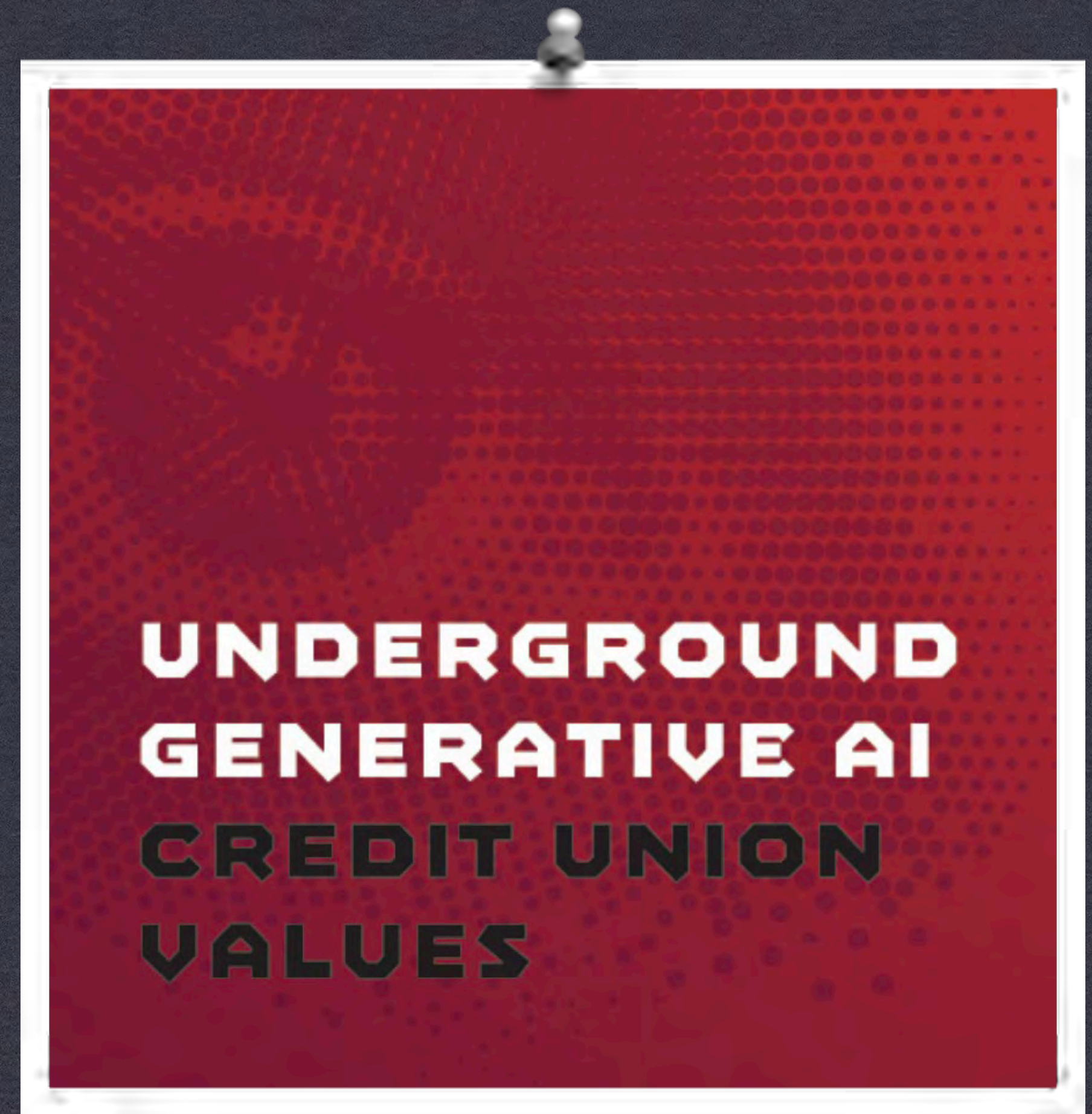
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A **VERY GOOD** RESOURCE

A group of people from across credit unions contributed to a white paper published by Mitchell Stankovic. The 77-page white paper is an excellent resource on AI and credit unions.

The paper focuses specifically on how **credit union core values**, unique to the cooperative model, as well as member trust can be maintained.

(The White Paper is Free
at www.mitchellstankovic.com)



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ONE SMALL CU'S USE OF CHATGPT

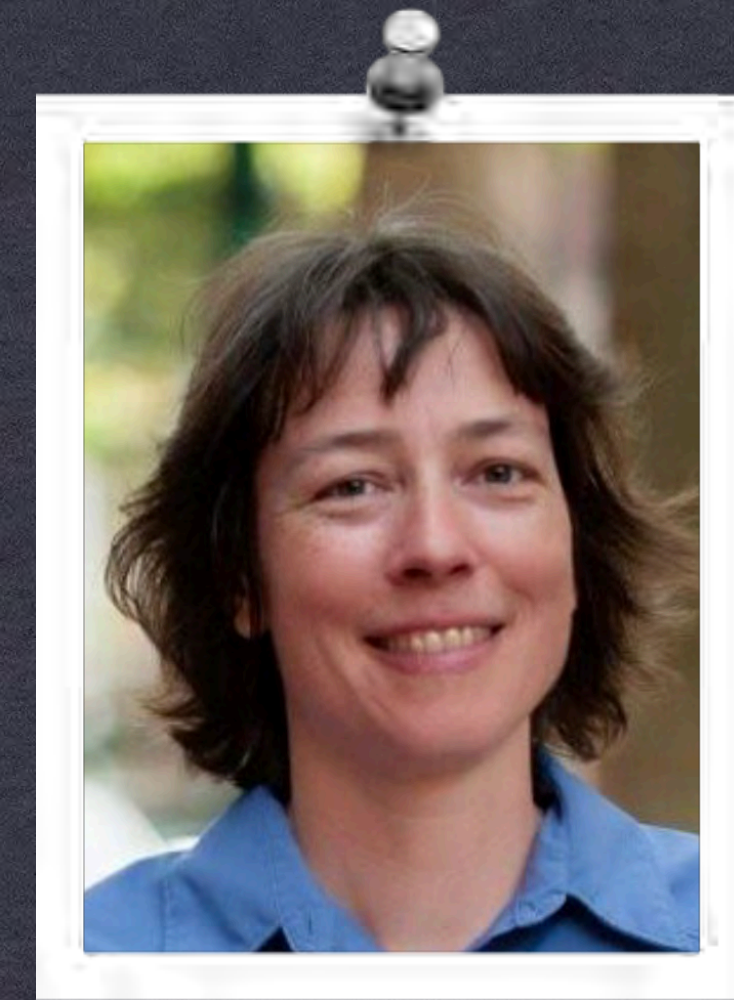
WHO: Element FCU, \$55 million in assets

WHAT: Using ChatGPT to help offset limited budget and staff

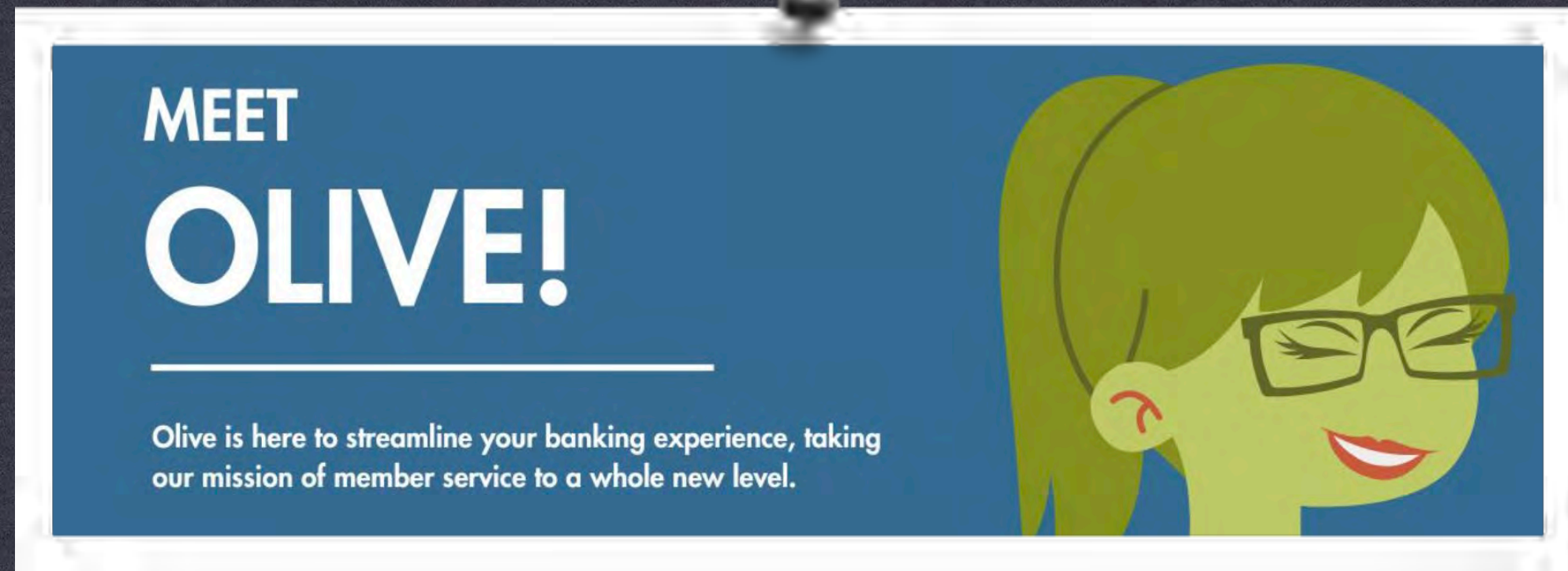
HOW IS IT USING IT: Began with staff in creating emails to ensure they were well-written and included all necessary information for members. Is also using it in marketing.

AND: Element FCU also used ChatGPT to help create strategic plan.

THE QUOTE: 'It will be a game-changer for marketing, for strategic planning, for call center chat...This will just bring much more automated services than we have right now. I think about lending decisioning and lending...We have developed a policy for using ChatGPT with our credit union. We have encouraged our staff to use it.' —Linda Bodie



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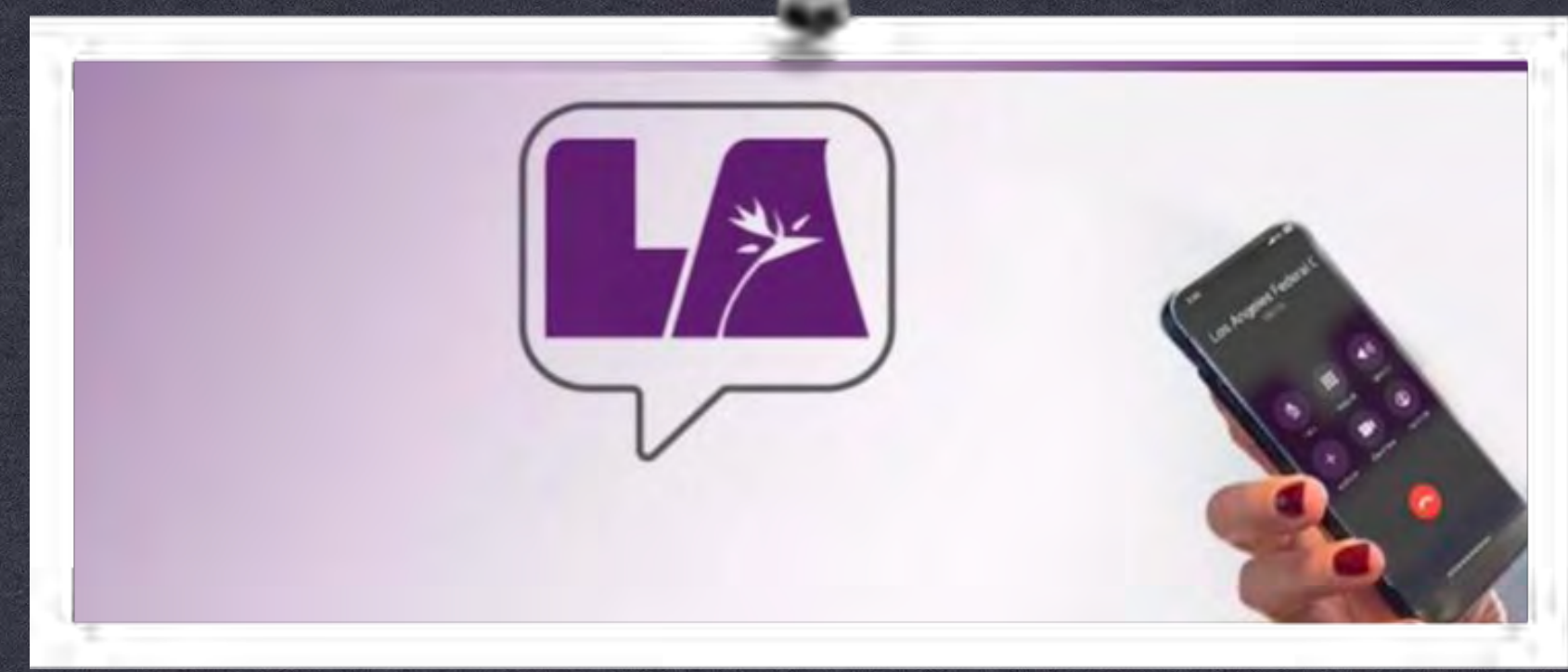
WHO: Great Lakes Credit Union

WHAT: Olive, a call center bot uses conversational AI to route calls, conduct transactions and decrease wait times.

WHY: Olive enhances roles of the call center team, including spending more time with members who have more time-intensive requests.

THE QUOTE: "Members have verbal conversations and they can ask questions...instead of typing questions via an online chatbot they're actually having conversations. This really personalizes the experience...We tried to make her almost like a cartoon; she's fun and enjoyable."

THE RESULTS: On day 1, GLCU received about 1,600 calls, 33% of which were fully handled by Olive.

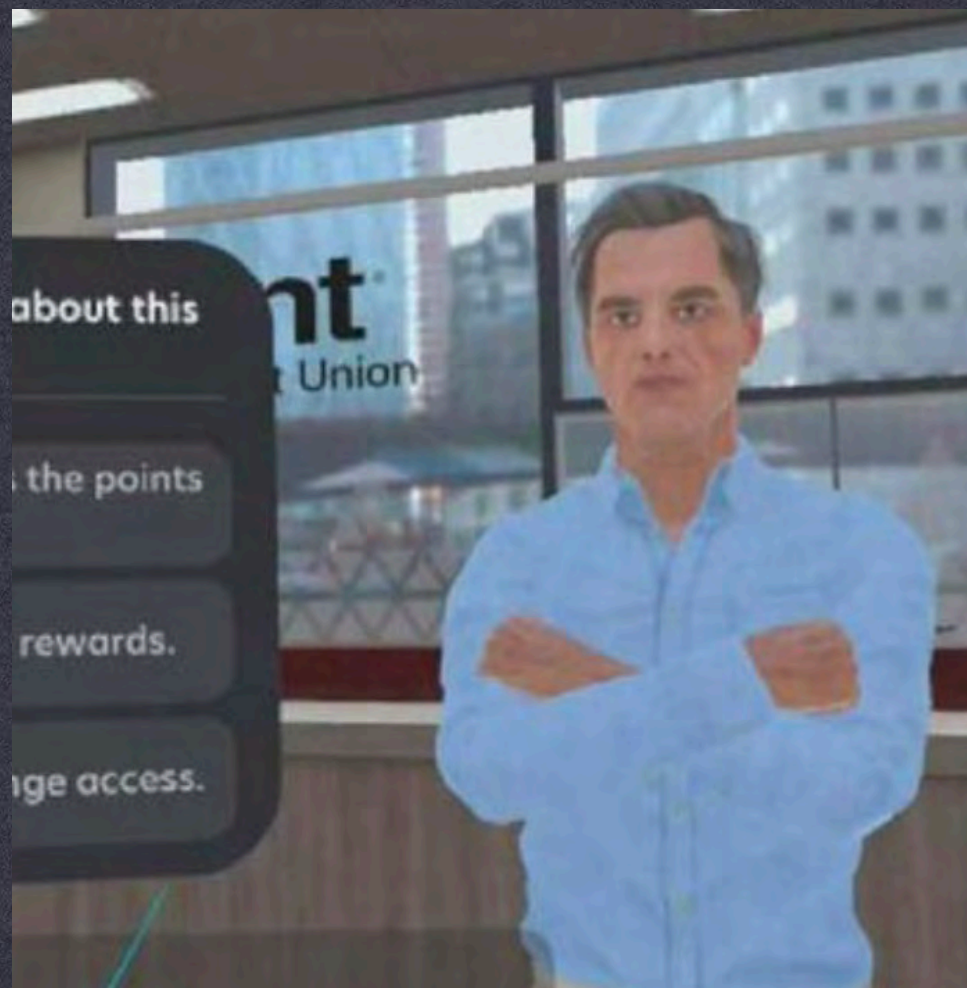


WHO: Los Angeles Federal Credit Union

WHAT: "Angie," a 24/7 virtual assistant programmed to answer many frequently asked questions and conduct transactions.

HOW DOES IT WORK? Members can chat with Angie from its website and speak with her when calling. To chat, members can click on the Angie avatar on the lower right of web page, then type their questions into the chat window to get rapid replies. In the mobile app and online banking, there is a chat bubble with the same functionality.

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PROJECT

7.

WE WILL 'CU' IN THE METAVERSE

FIs UTILIZING VIRTUAL REALITY TOOLS

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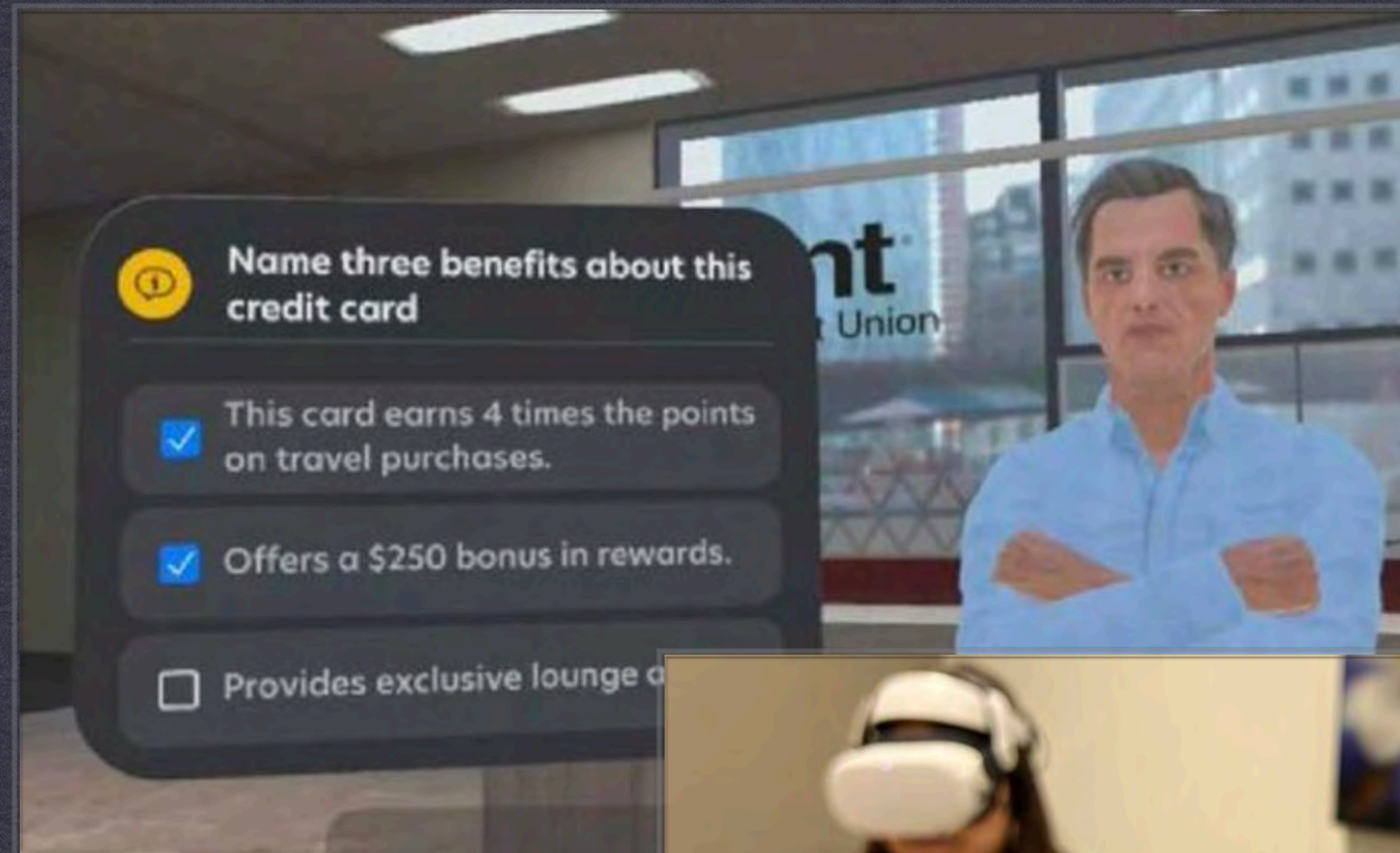
TRAINING IN THE METAVERSE

WHAT: CUs expanding training into the metaverse using virtual reality headsets

WHO: Ent Credit Union, Colorado Springs

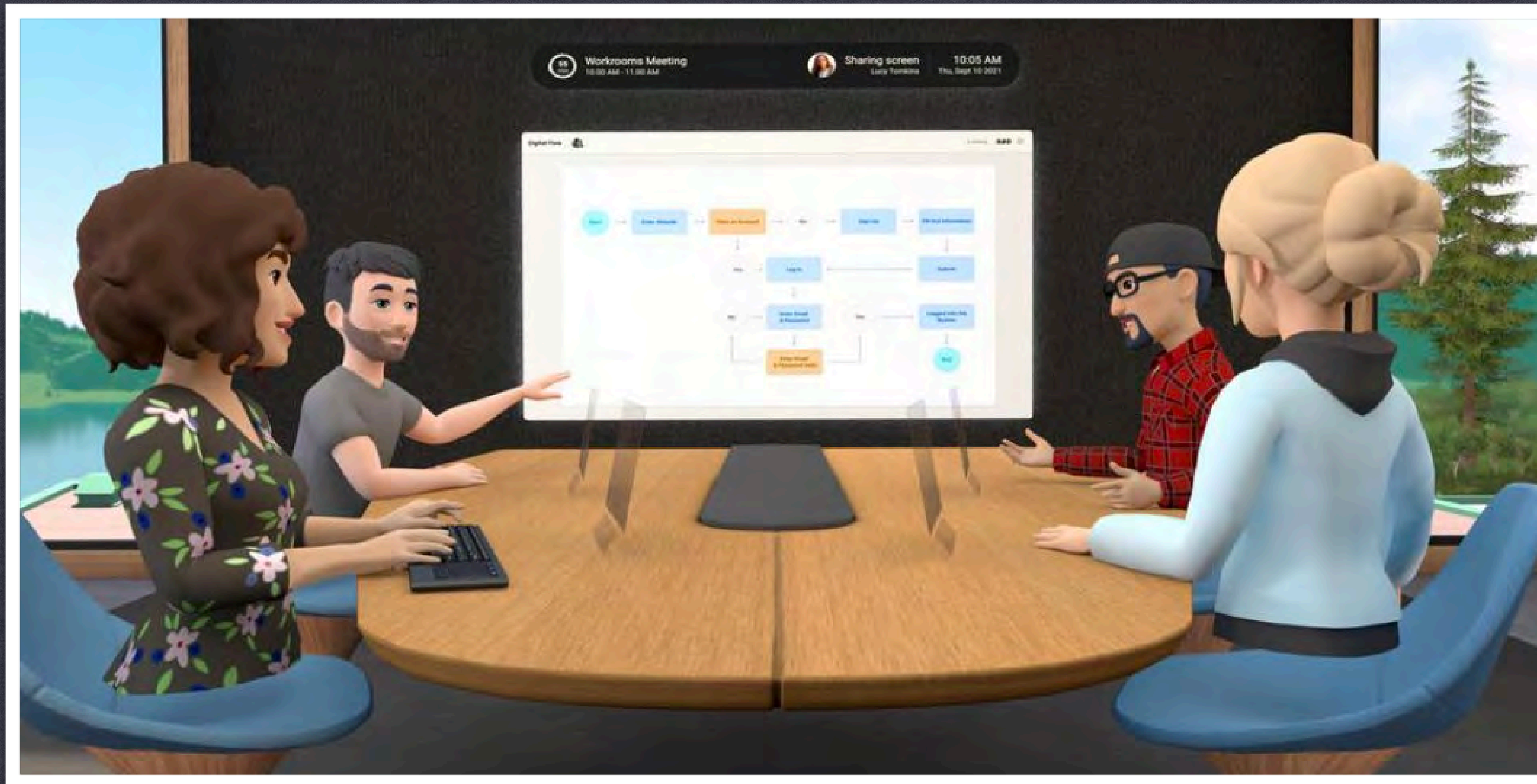
WHY: Ent is using the VR headsets for training MSR's on interacting with members. The virtual training follows up on standard online training; helps with eye contact, following up with members.

THE RESULTS: ECU is reporting 73% of VR trainees say they feel more comfortable interacting with members.



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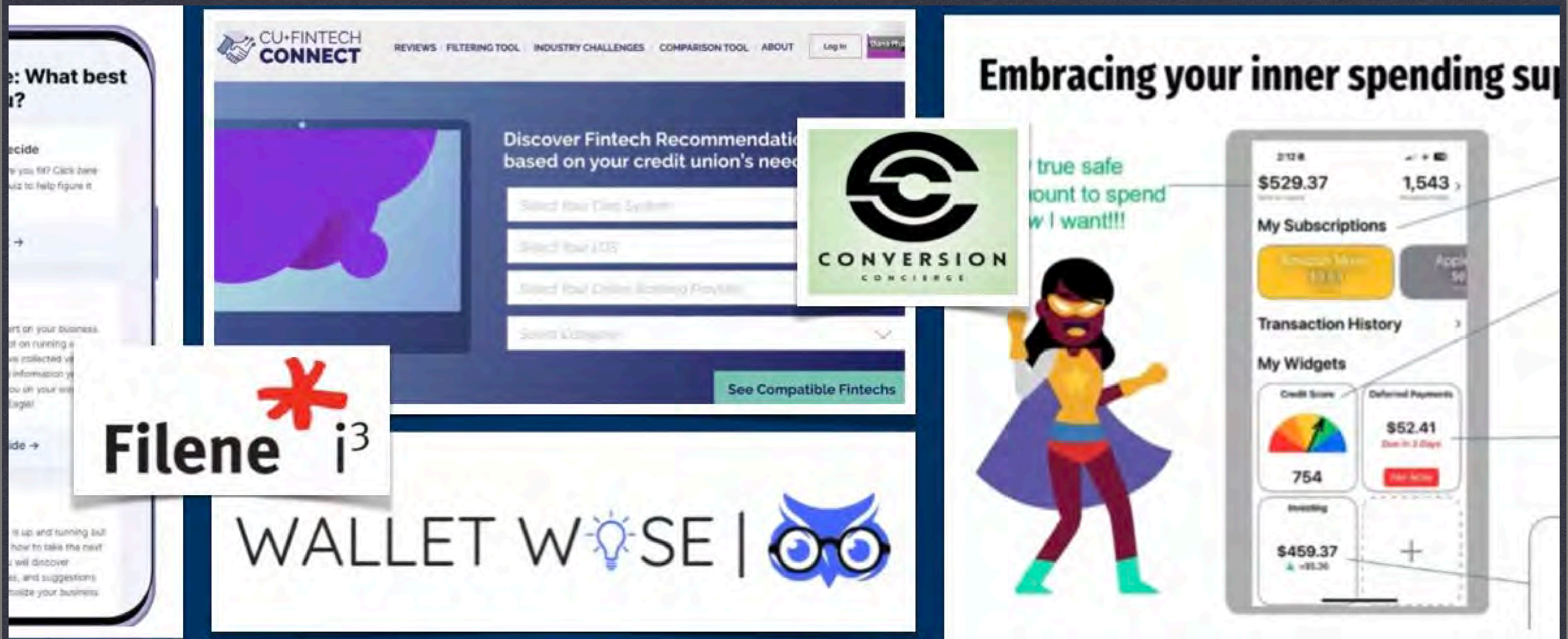
WHAT BANKS ARE DOING



ALREADY STARTED: Bank of America has launched virtual reality (VR) training for employees in nearly 4,300 financial centers worldwide.

Citibank has begun program utilizing holographic workstations for financial trading.

THE FORECAST: Digital Banking Report poll found 1/3 of FI leaders expect augmented reality for transactions to be in place by 2030.



8. 10 NEW PROTOTYPE IDEAS

FILENE RESEARCH I3 GROUP

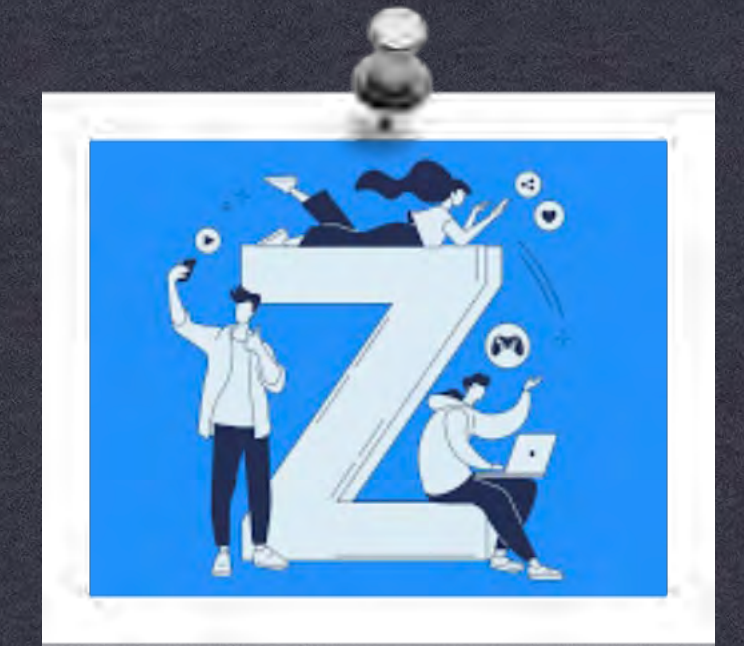
EVENT **VLI MAUI**

SPEAKER **FRANK J. DIEKMANN**

IDEAS FROM FILENE'S 13

Frank J. Diekmann

Thrive App: Generation Z accounts for about 20% to 25% of the world's population. Thrive is as an “intuitive mobile app offering personalized financial guidance



Elevate Innovation AI is AI-based solution that helps CU leaders to get a real-time overview of organizations’ “innovation vital signs,” based on internal data and surveys related to multiple questions, such as alignment with strategic goals, percentage of resources allocated for innovation projects, etc.



Learn2Earn Rewards is response to what team said is “boring” fin ed. To grab a tech-savvy gen, Learn2Earn rewards uses gamification to integrate real-world rewards with the fin ed, including incentives such as discounts on loans or tickets for users as they improve their financial knowledge



IDEAS FROM FILENE'S 13

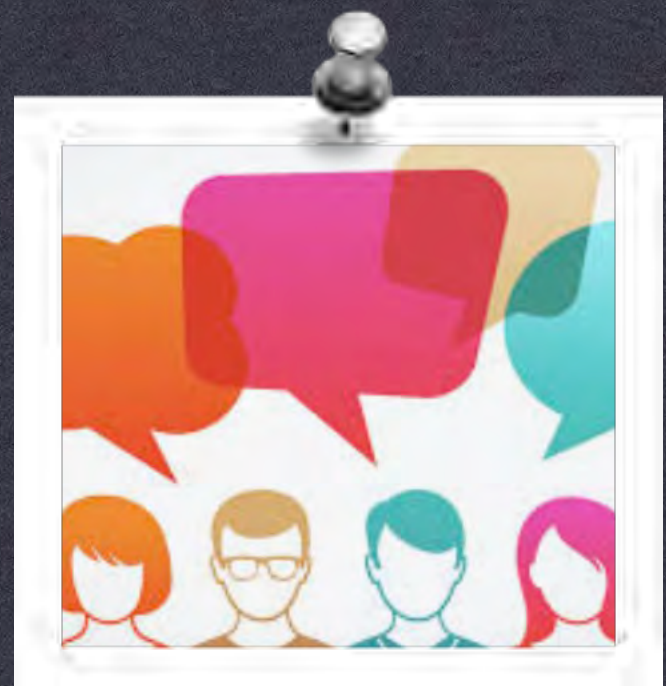
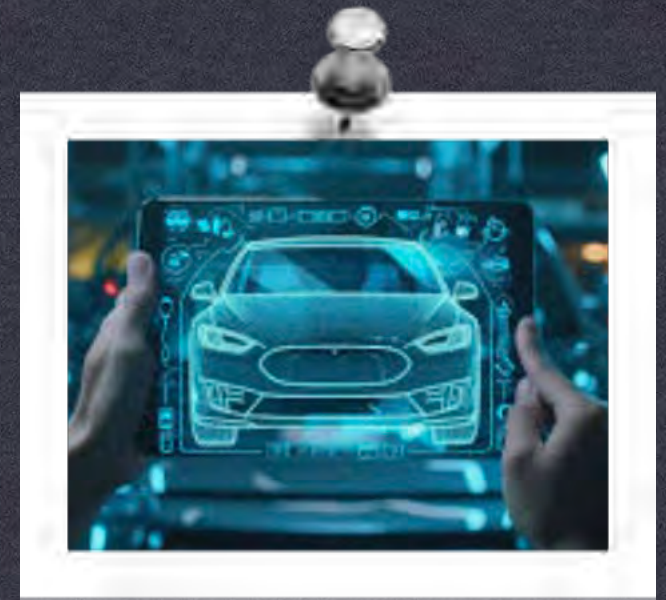
Charlie AI is designed to leverage AI as part of the car-buying process, allowing the member to not just find the vehicle they are searching for, but financing from a credit union, all in a few clicks.

Sidekik provides guidance and financial advice, using AI to help users remain on track with budget and savings goals, integrating data, categorizing transactions, and more.

CU Fintech Connect is a platform that helps CUs quickly find fintech solutions.

Conversion Concierge seeks to turn indirect members into direct, engaged members via streamlined process for bringing external checking accounts to the CU.

Frank J. Diekmann

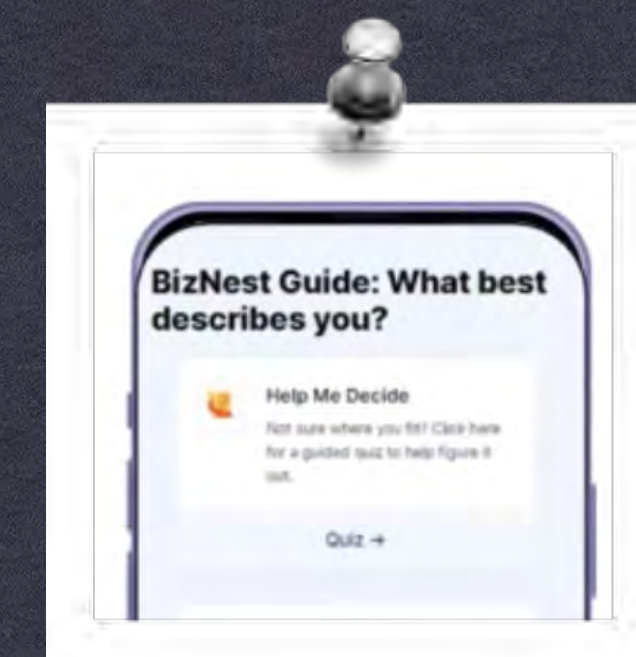
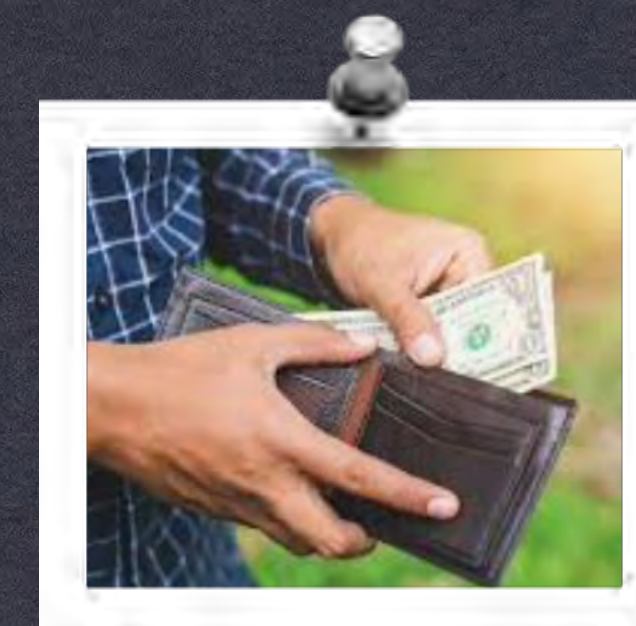


5 MORE IDEAS FROM FILENE'S 13

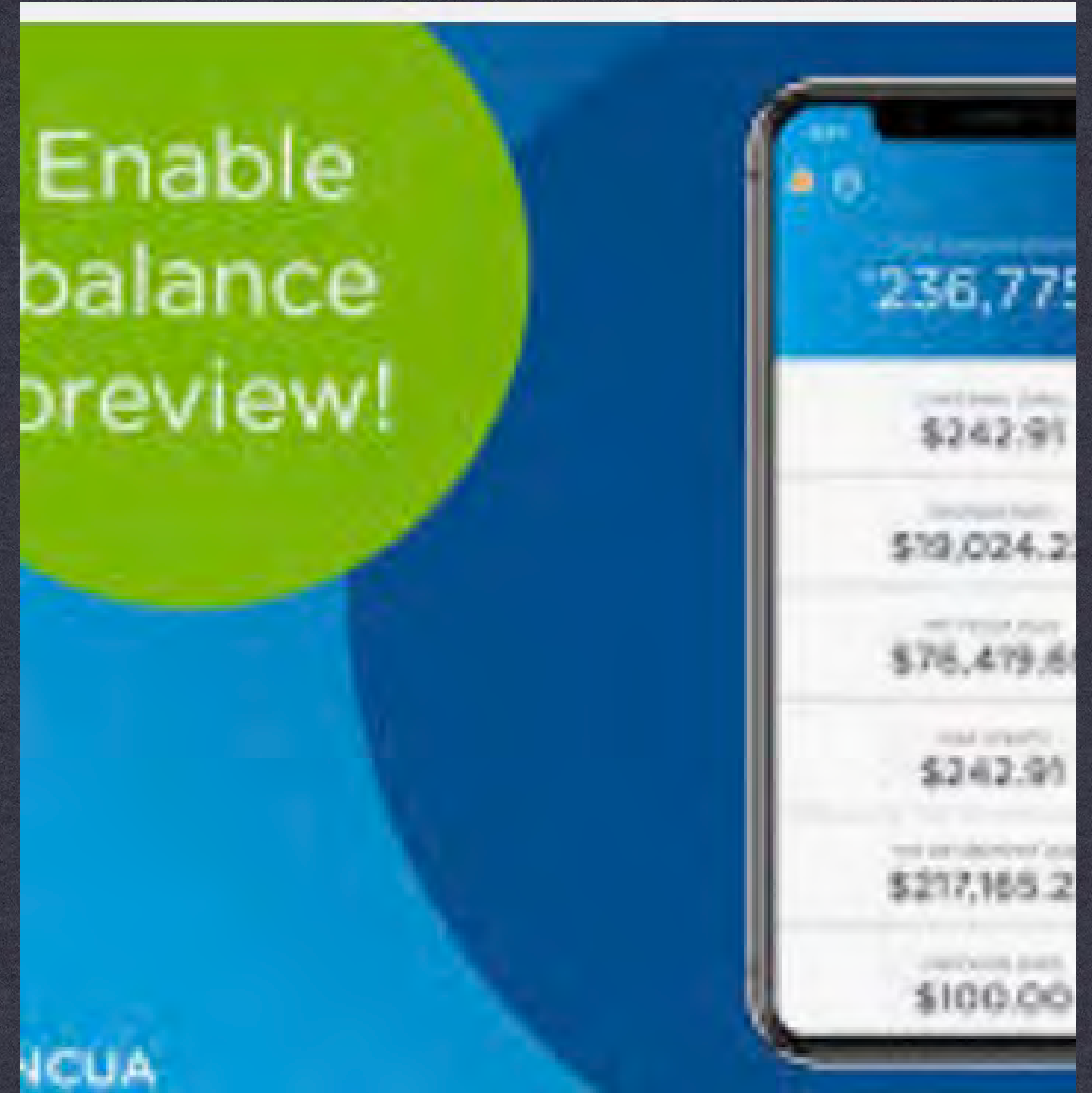
Safe-To-Spend is an “overlay” to the CU’s mobile app leveraging Gen Z members’ “unique needs and individual data to aggregate available spend, rewards, subscriptions, payments, and credit performance into one customizable screen.”

Wallet Wise is an app for members to improve CU financial education efforts, with “age-tailored lessons and perks.”

BizNest is a one-stop shop, small business incubation resource for new and aspiring business owners that assesses a user, size and profile level—egg, chick or eagle.



Frank J. Diekmann



9. ALLIANT CU'S 52% GROWTH RATE IT'S REALLY NOT ABOUT THE TECHNOLOGY

EVENT VLI MAUI

SPEAKER FRANK J. DIEKMANN

WHO: Alliant Credit Union, Chicago, \$20.3 billion in assets

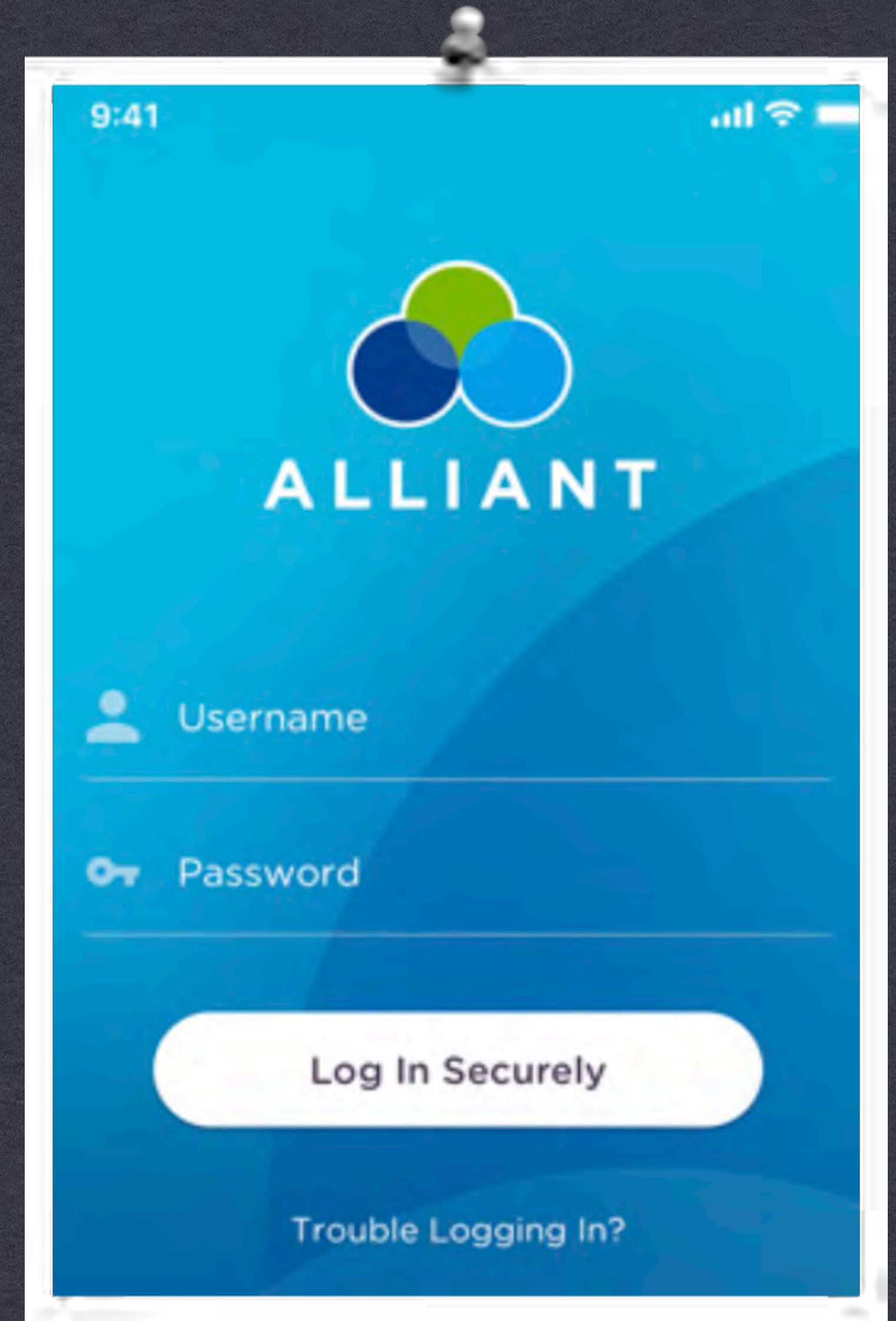
WHAT: Alliant CU experienced 52% membership growth from 2021-24

HOW: Alliant CU is a virtual CU that serves 830,000 members with one branch.

THE STRATEGY: Alliant says it's growth is the result of:

- Members do not feel they have engaged with separate departments rather than a unified institution. The differentiator is **connected member experiences**

THE QUOTE: Credit unions that prioritize “great” member experiences truly connect with their membership, and benefit from member engagement and growth.



THREE PIECES OF ADVICE FROM ALLIANT



- **Listen.** “Get to know your members and the ways in which they utilize your platform and offerings in their everyday lives.” Three years ago it took about nine minutes to open an account. Today, it’s a little over three minutes.”



- **Adapt.** “Tailor strategies to members’ needs and build trust. Don’t be afraid to pivot as your members’ needs change. If you can do it right, it works. If you cannot do it right, do not do it. **Are you an really setting members up for success in their financial wellness, or are you just trying to pitch a product or service?**”



- **Enhance.** “Engaged members often provide valuable feedback and insights that can inform your tactics for growth and engagement. Use that data and ask where do we want to be really good, and where can we be even better?”

Frank J. Diekmann



10. FOR 2 CUS, 'HEALTH' BEGINS AT HOME

MEMBERS CAN'T BE HEALTHY IF EMPLOYEES AREN'T DOING WELL

EVENT **VLI MAUI**

PRESENTER **FRANK J. DIEKMANN**

FINANCIAL HEALTH BEGINS AT HOME

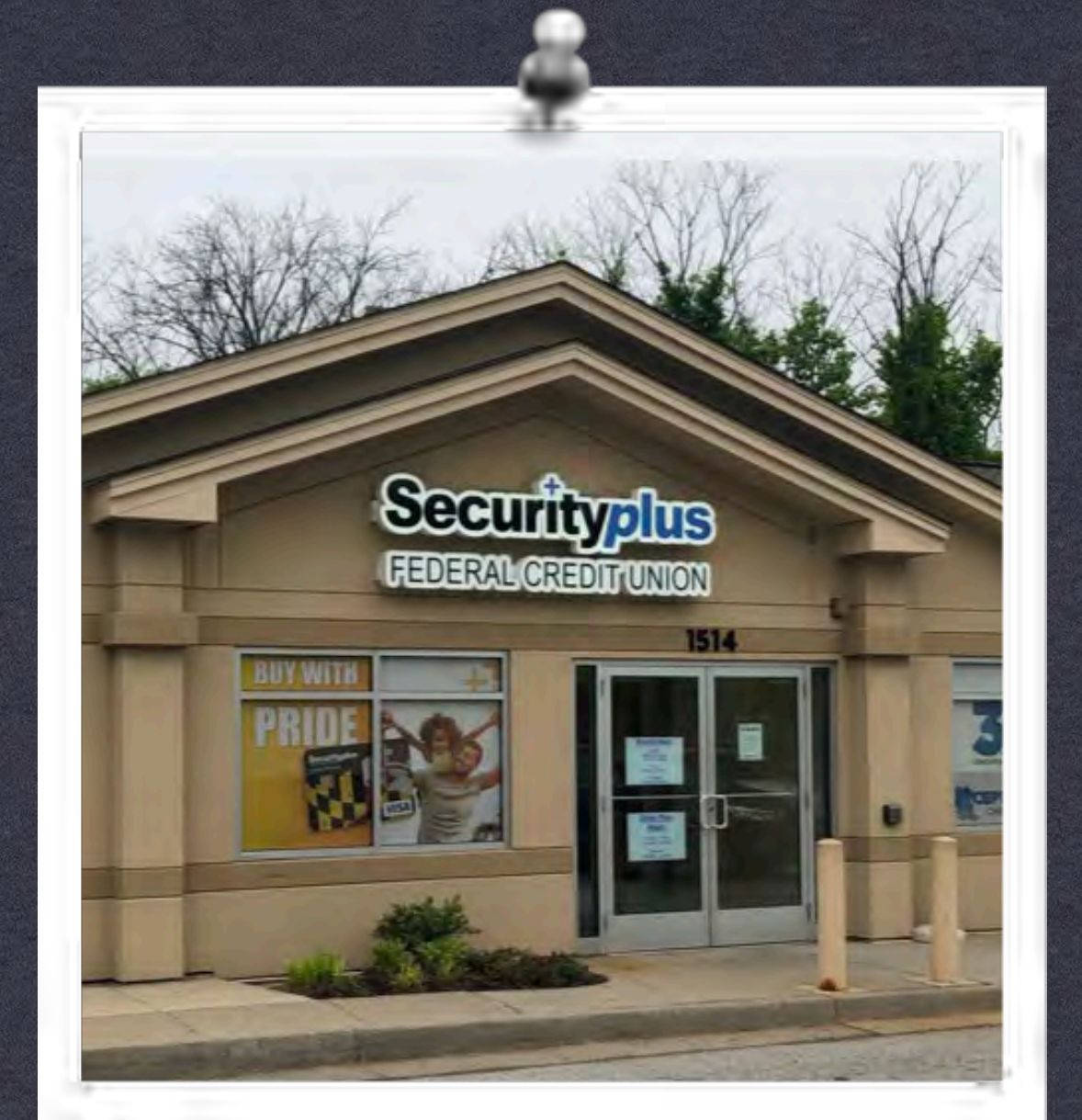
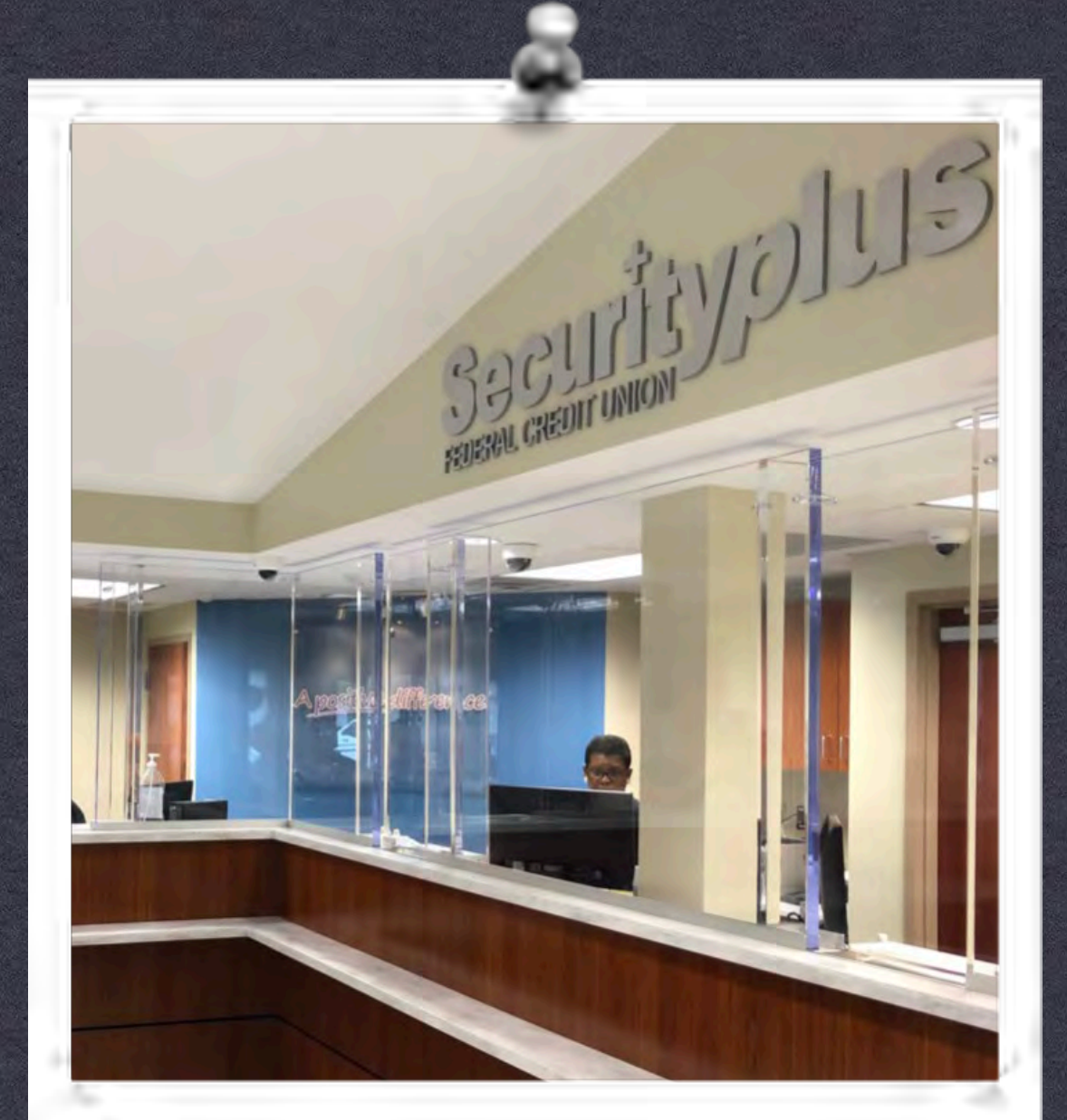
WHO: SecurityPlus FCU, Baltimore

WHAT IT DID: Added a \$500 “Financial Health Deposit” to each employee’s paycheck at close of 2023. Credit union has a five-year strategic plan that has at its heart a **focus on employees.**

THE QUOTE: “If we can't get our employees excited about what we're doing, we're certainly not going to be able to get our members and our community excited about doing business with us....Happy employees equal happy members...”

Frank J. Diekmann

–Tricia Szergot



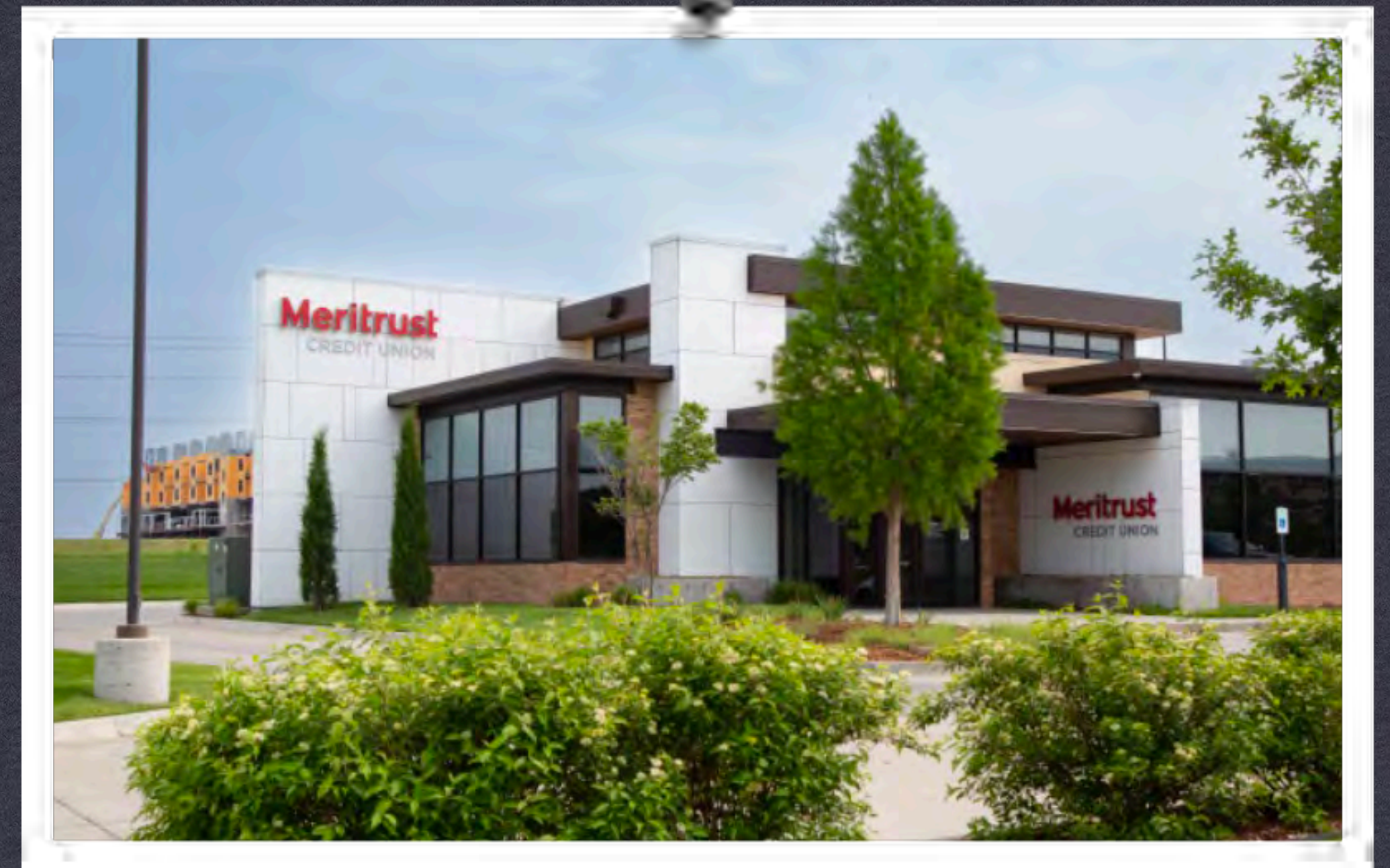
FINANCIAL HEALTH BEGINS AT HOME 2.0

WHO: Meritrust Credit Union, Wichita

WHAT: Gave employees \$400 for Emergency Savings Account

WORTH NOTING: Response to Fed's 2022 survey that found 37% of Americans do not have funds to cover \$400 emergency.

THE QUOTE: "We understand that in order to best serve our members, we have to focus on financial health from within. Knowing that our employees are equipped to not be part of that 37% is just one step in the process of supporting their financial well-being."



Frank J. Diekmann



11. IT CAN HAPPEN TO ANY CU... ...AND IT HAS

EVENT

VLI MAUI

PRESENTER

FRANK J. DIEKMANN

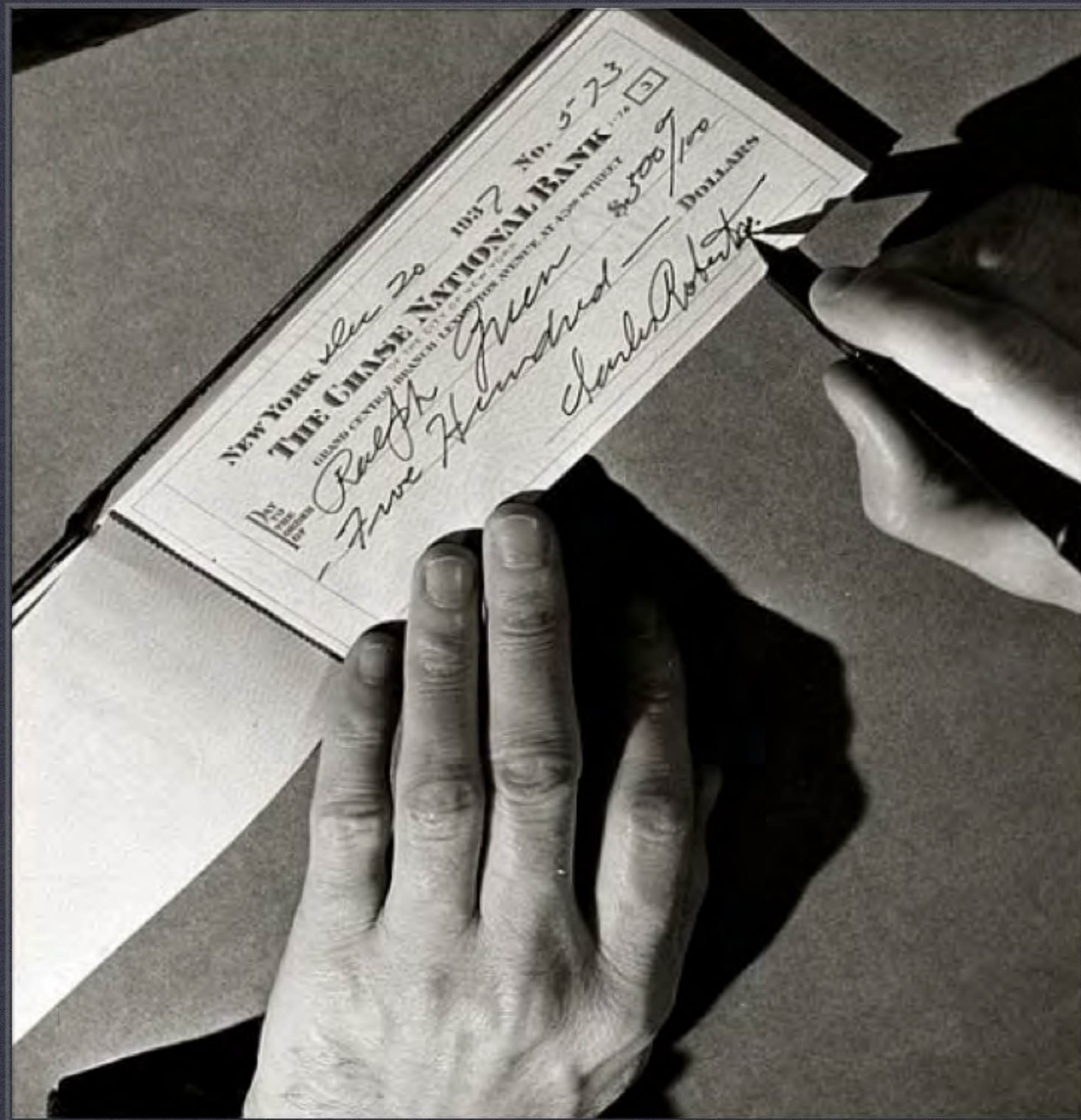
JUST A REMINDER (AS IF YOU NEED IT)

Just a reminder that during 2024 multiple credit unions, especially large, multi-billion-dollar CUs, were hit with ransomware attacks that knocked systems offline (in some cases for weeks) and that led to the exposure of the PII of millions of members. The CUs were the subject of negative media reports, critical member posts online and dozens of lawsuits.

The ramifications continue to be felt.



Frank J. Diekmann



PRACTICE

WRITING CHECKS WITH
BLANK CHECKS TEMPLATE

YOUR NAME
123 YOUR STREET
CITY, STATE ZIP CODE DATE _____ 0001

PAY TO THE ORDER OF _____

PRACTICING BANKS
3453 Popular Street
Fort Wayne, IN 46888

MEMO _____ SIGNATURE _____

123456789 114456885 0001

FOR STUDENTS,
PARENTS, KIDS, ETC.

PROJECT

12. CHECK THIS OUT (AGAIN)

WHY CHECKING WILL BE CRITICAL IN 2025

VLI MAUI 2025

FRANK J. DIEKMANN

IT'S ALL ABOUT RELATIONSHIPS

THE BACKGROUND: For many years credit unions did not focus on relationship pricing because overall deposit pricing wasn't that important in the low-rate environment

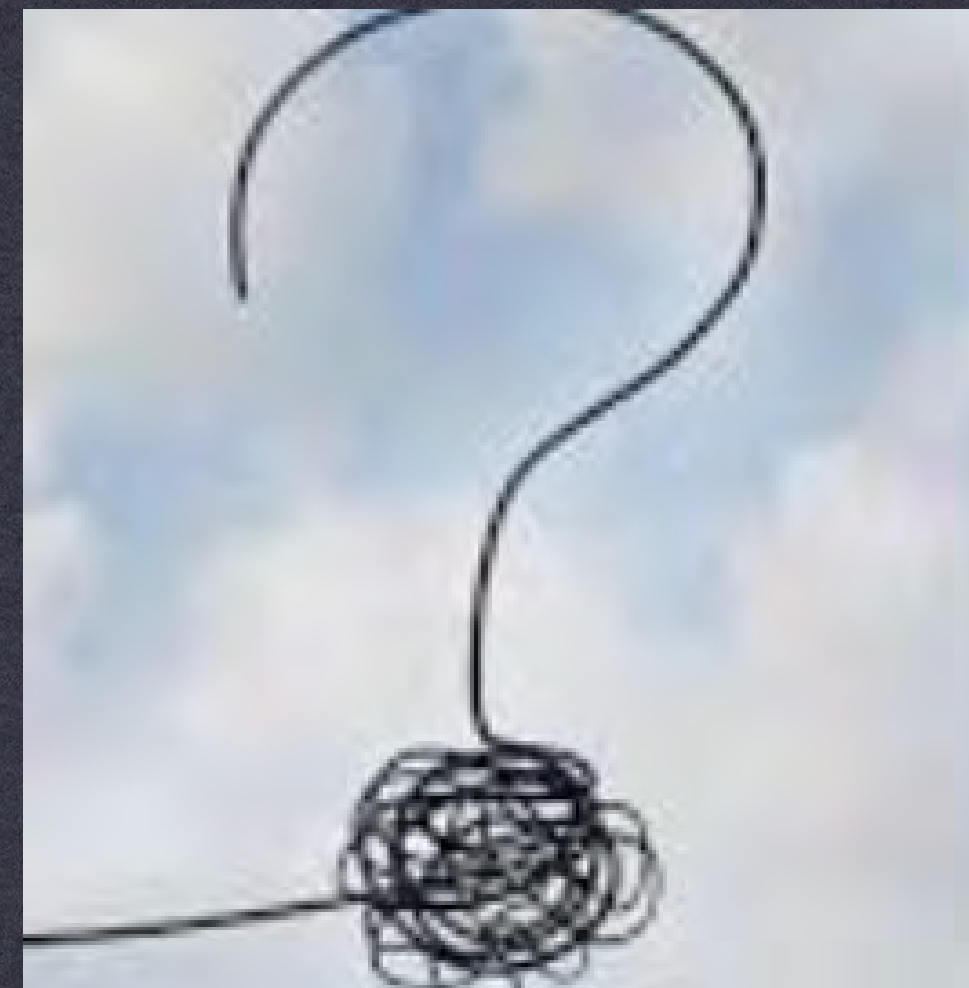
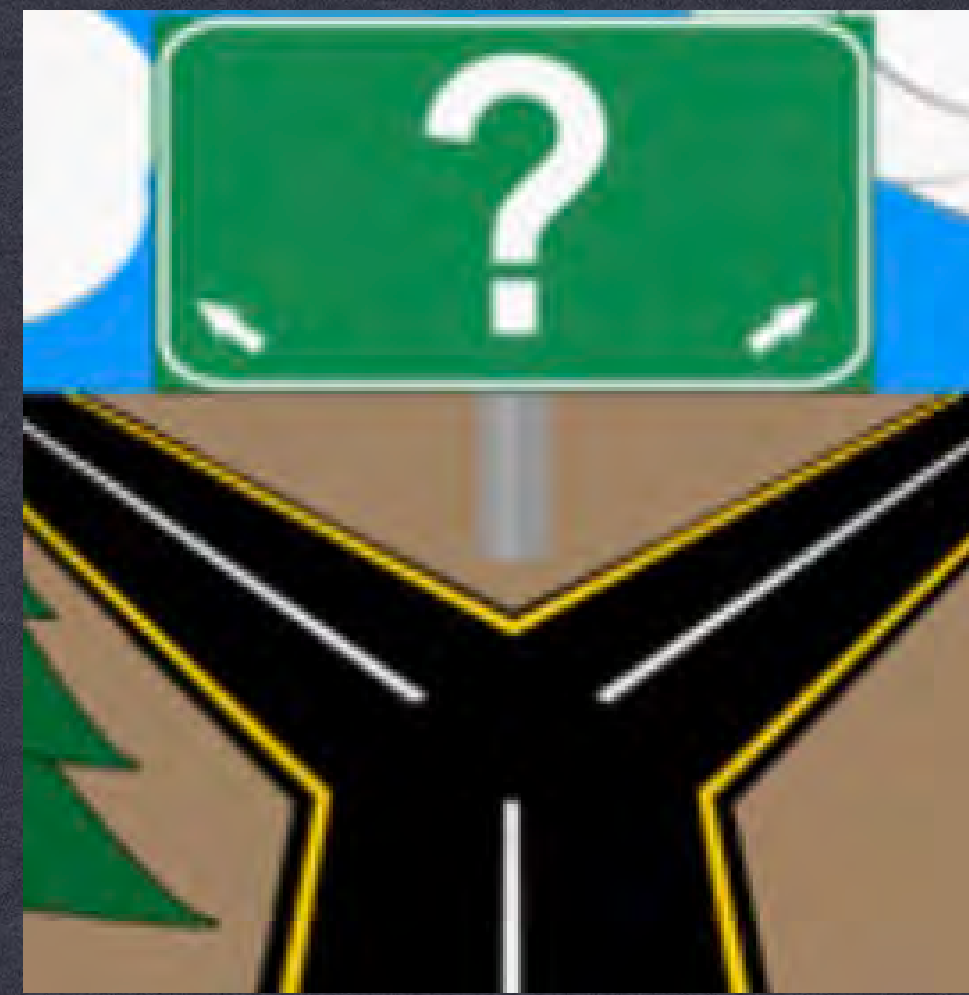
THE PRESENT: Rates rose, then declined and have now stabilized, and steepening of yield curve means rates should remain high

THE ADVICE: Effective relationship pricing needs to be considered, with the checking account at the center of the relationship.

WHY? Checking accounts are more important now, not less, because of the data that can be gleaned. Transactional data from ACH strings is so powerful for understanding members' needs, allowing you CUs to see members' loan payments, card payments. You can refine your marketing.



Frank J. Diekmann



13. THE 'Z' STANDS FOR ZILCH

ONE GENERATION'S CHALLENGES

EVENT VLI MAUI

PRESENTER FRANK J. DIEKMANN

BOARD MEMBERS MAY KNOW, BUT...

WHAT: Survey found knowledge of Millennials/Gen Z'ers has considerable uncertainty around financial issues, even as nearly half also believe money management is most important life skill.

NO CLUE: Survey found:

- * 14% aren't confident in basic math
- * 21% don't actually know what a 401(k) is
- * 57% aren't confident in their real estate investment knowledge
- * 16% aren't confident in writing a check without assistance
- * 21% aren't confident with managing their money
- * 17% overall say it's best to wait until your 40s to start saving for retirement. 24% of both Gen Z and Millennials agree, compared to 18% of Gen X and a 5% of Boomers
- * 22% of Americans seem to struggle with budgeting and selecting health insurance





No filters,
no fakeness,
just the raw
truth about
~~your~~
everyone's
money.

Navigate your
financial journey
like a **pro.**

Handpicked **tools, resources,** and
recommendations to make smart
money moves.

A small graphic of a grey gift box with a gold ribbon, placed on top of a smartphone screen. The screen shows the time '9:41' and a 'VA' notification icon.A smartphone screen displaying the FRICH app interface. The app has a red background with the word 'FRICH' in large, green, bold letters at the top. Below it is a green icon of a hand holding a card with the number '4', and the text '4 day streak' in yellow. At the bottom, there is a question in white text: 'Would you date someone who makes less money than you?' and the start of another question: 'That shouldn't...'. The phone's home indicator bar is visible at the very bottom.

13A HELPING MEMBERS TO GET, YOU KNOW...

MSUFCU PARTNERS WITH FRICH

EVENT VLI MAUI

PRESENTER FRANK J. DIEKMANN

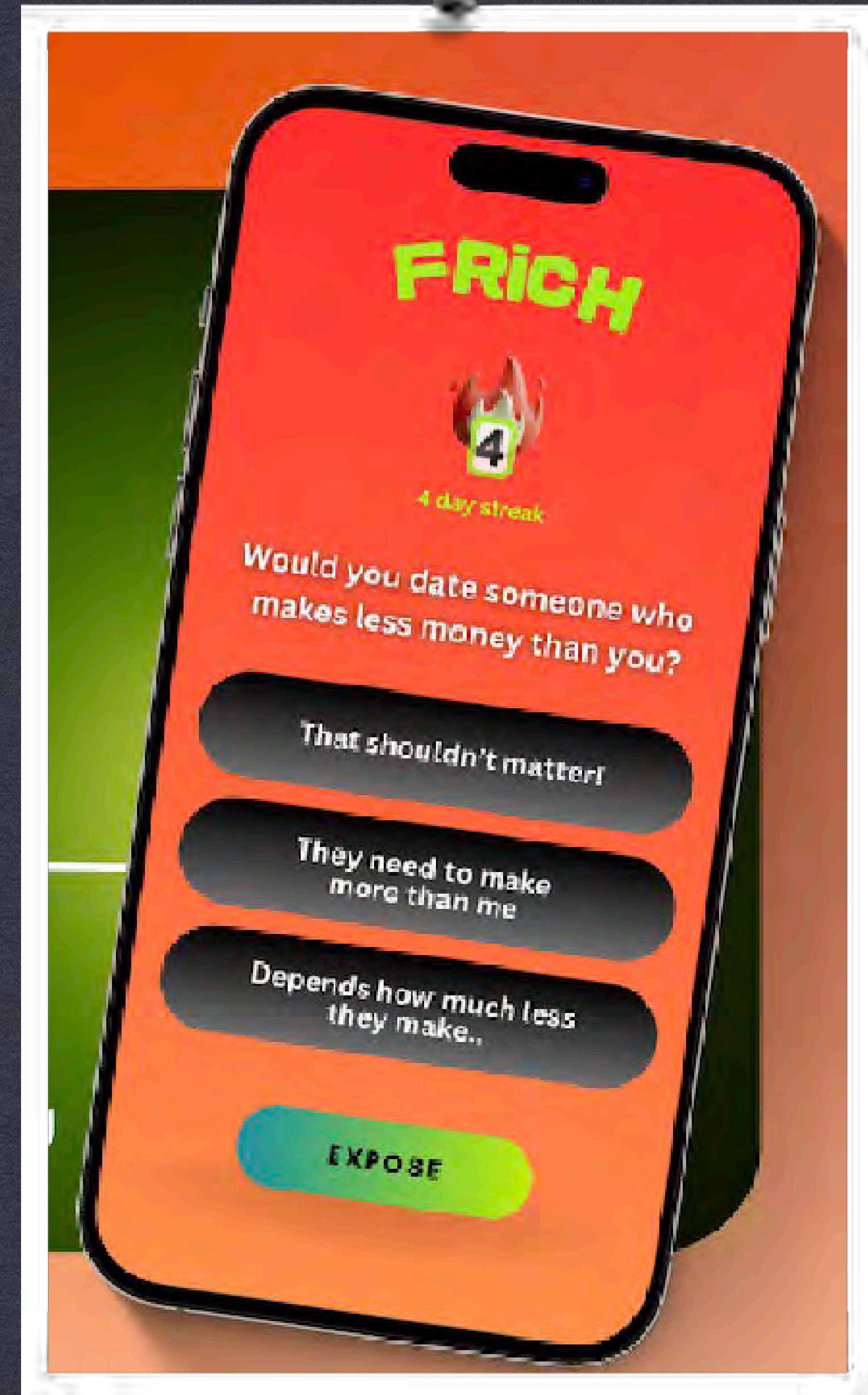
GET FRICH

WHO: MSUFCU, East Lansing, Mich.

WHAT: Partnership With Frich Money, a financial wellness app designed to help Gen Z users “make informed decisions about money quickly and confidently.”

THE QUOTE: “The average age of most credit union member bases is north of 50 years old, which is leading many in the industry to realize that member succession planning by attracting younger members is imperative for the survival of their credit unions. Only 4% of Gen Z currently utilize credit unions today, the fact that their deposits are estimated to be a combined \$10 trillion by 2030 as a generational cohort should be motivation to find solutions.”

Frank J. Diekmann

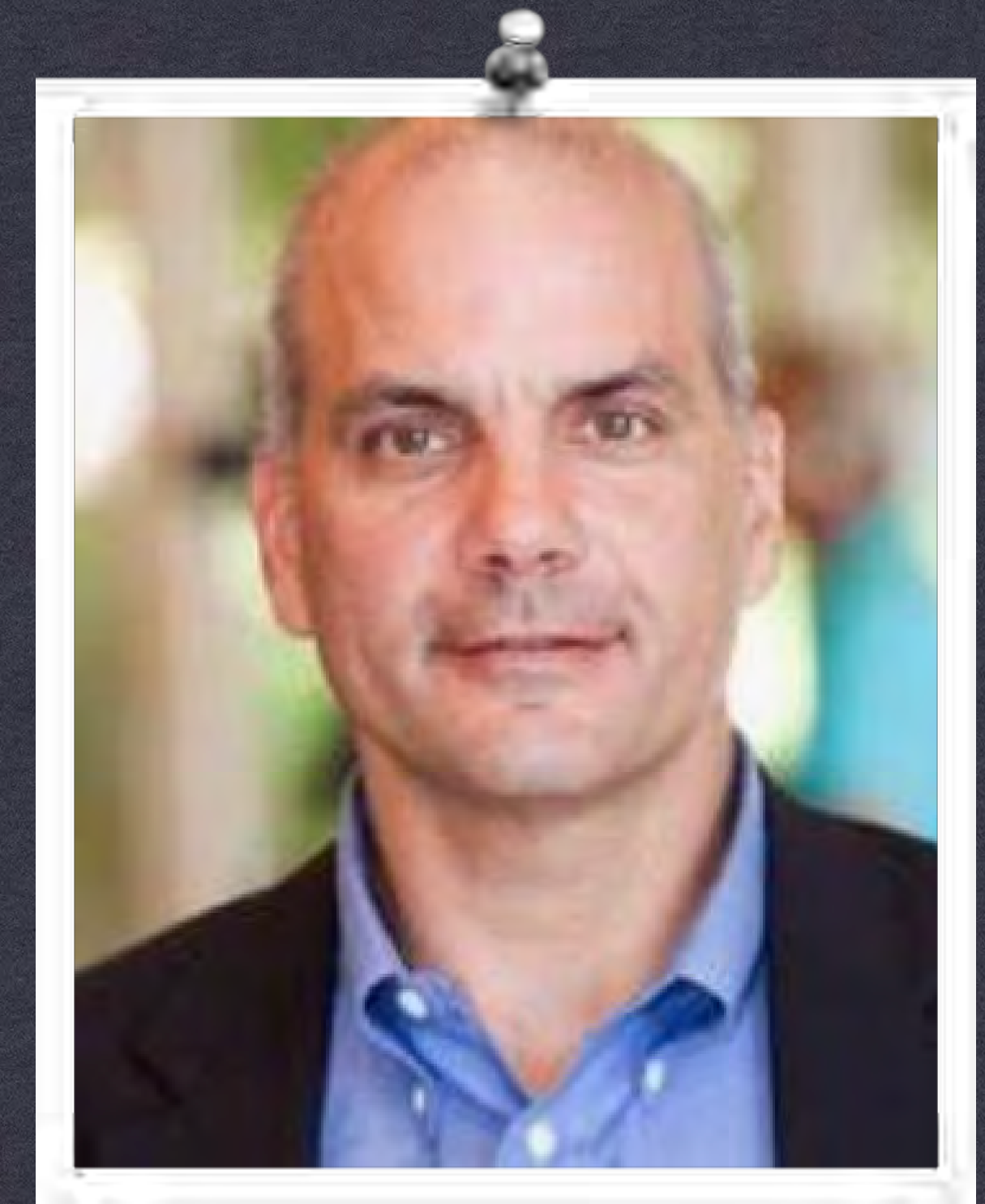


ONE PERSON'S **ADVICE** FOR 2025 & BEYOND

“Credit unions need to help members make **prudent and correct financial decisions**. Credit unions have been trying to do this, but haven't been as successful as they might like. This is something they should be really focused on.

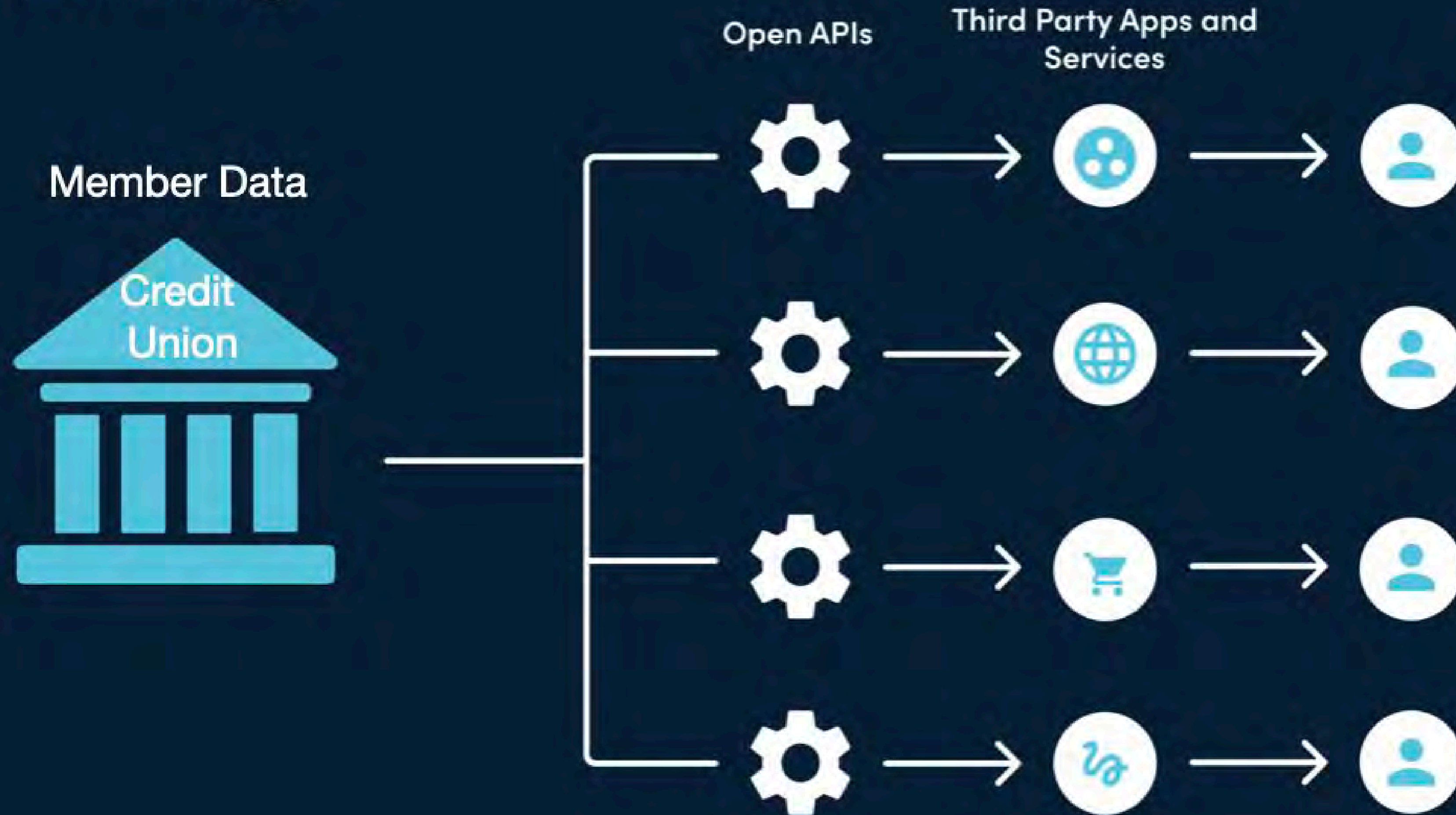
“Some people are running up massive levels of debt now. That's where credit unions should be focusing their efforts. **Step up efforts to help members make the best financial decisions.**”

—Bill Handle, VP-Research, Raddon



Frank J. Diekmann

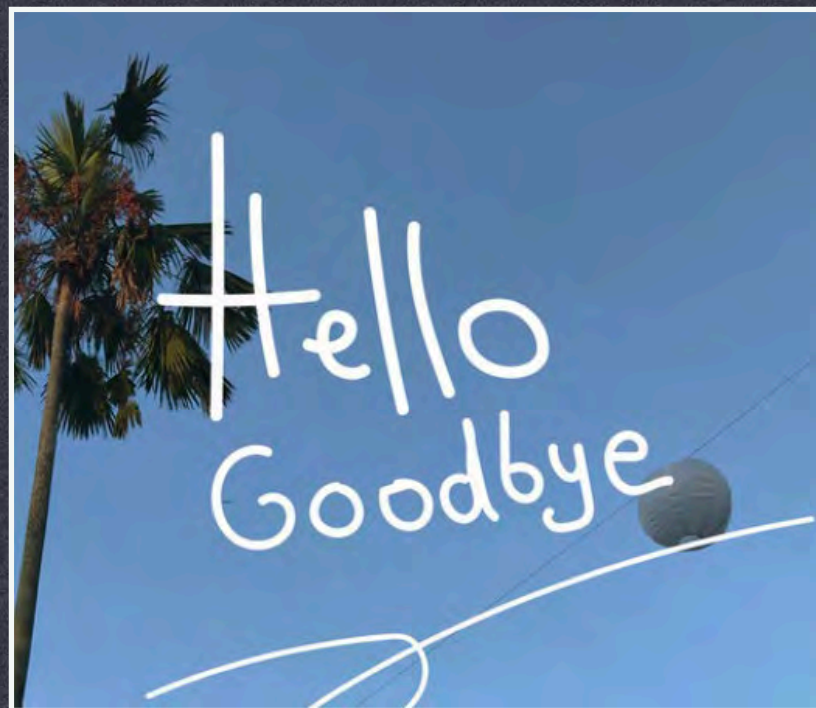
Open Banking



14.

OPEN BANKING NOW OPEN FOR BIZ

A WORLD WHERE MEMBERS OWN THEIR DATA



HELLO, OR GOODBYE MEMBERS?

What Is It? Open banking provides third-parties open access to consumer banking, transaction, and other data from CUs, banks and non-banks through APIs, allowing accounts to be networked. FIs are required to unlock data and share it at a consumer's request.



How Does it Work? Third party APIs can then use consumers' shared data to compare accounts and transaction history, provide financial service options, aggregate data to create marketing profiles, facilitate new transactions and account changes.



Risk/Rewards for CUs/Consumers? Open banking makes it easier to switch accounts, ID best options (higher rate/lower rate elsewhere?), etc. CUs can get a more accurate picture of a member's finances and risk level. Members get more accurate picture of own finances before taking on debt.

Frank J. Diekmann

FIRST OB STANDARD-SETTER APPROVED



What Is It? The non-profit Financial Data Exchange is first to be recognized by CFPB as a standard-setting body for open banking and is to “develop, improve and maintain a common, interoperable standard for secure consumer and business access to financial records.” The organization has more than 200 member organizations.

Conditions include:

- * Ban on “pay-to-play” and other conflicts of interest
- * Mandatory reporting on market adoption
- * Transparency and availability of standards

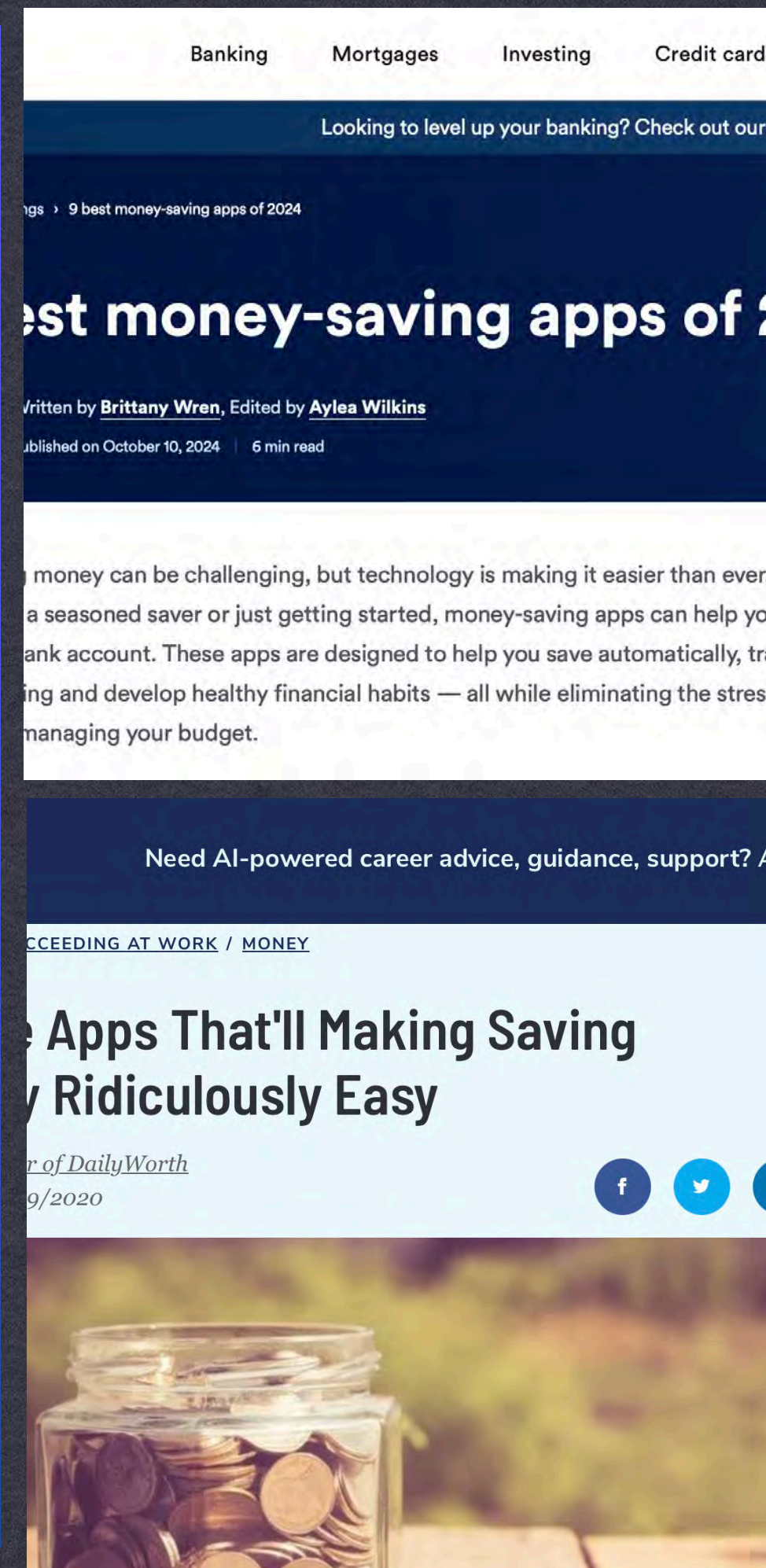
Frank J. Diekmann

How will you spend your ~~money~~ life?

Create a friendly, flexible plan and spend with YNAB.

Start Your Free Trial

It's easy! No credit card required.



Cancel this for me

N

Cancel Now

15

WHY ARE CUs MISSING IN ACTION?

GOOGLE MONEY MANAGEMENT & YOU'LL FIND...

EVENT

VLI MAUI

PRESENTER

FRANK J. DIEKMANN

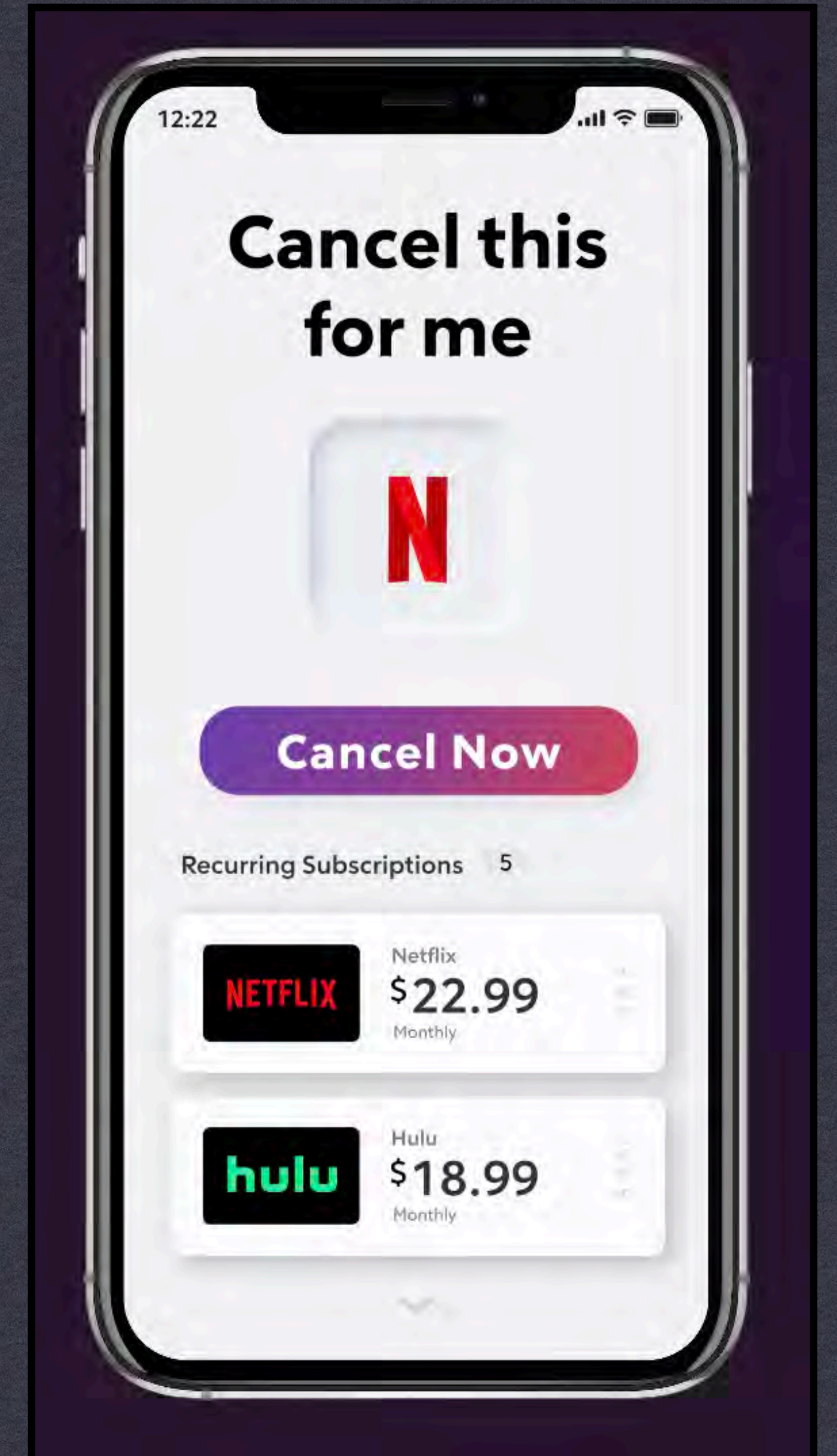
3 THINGS CUs SHOULD BE KNOWN FOR, BUT...

Rocket App: IDs subscriptions to stop unnecessary payments; Cancels forgotten subscription using 'concierge' Company says savings up to \$740 annually are possible.

GoodBudget App: Budget tracker that is virtual update on paper envelope budgeting method

You Need a Budget: Budget app that helps actively manage finances by allocating every dollar of income to specific expenses or savings goals, 'giving every dollar a job'

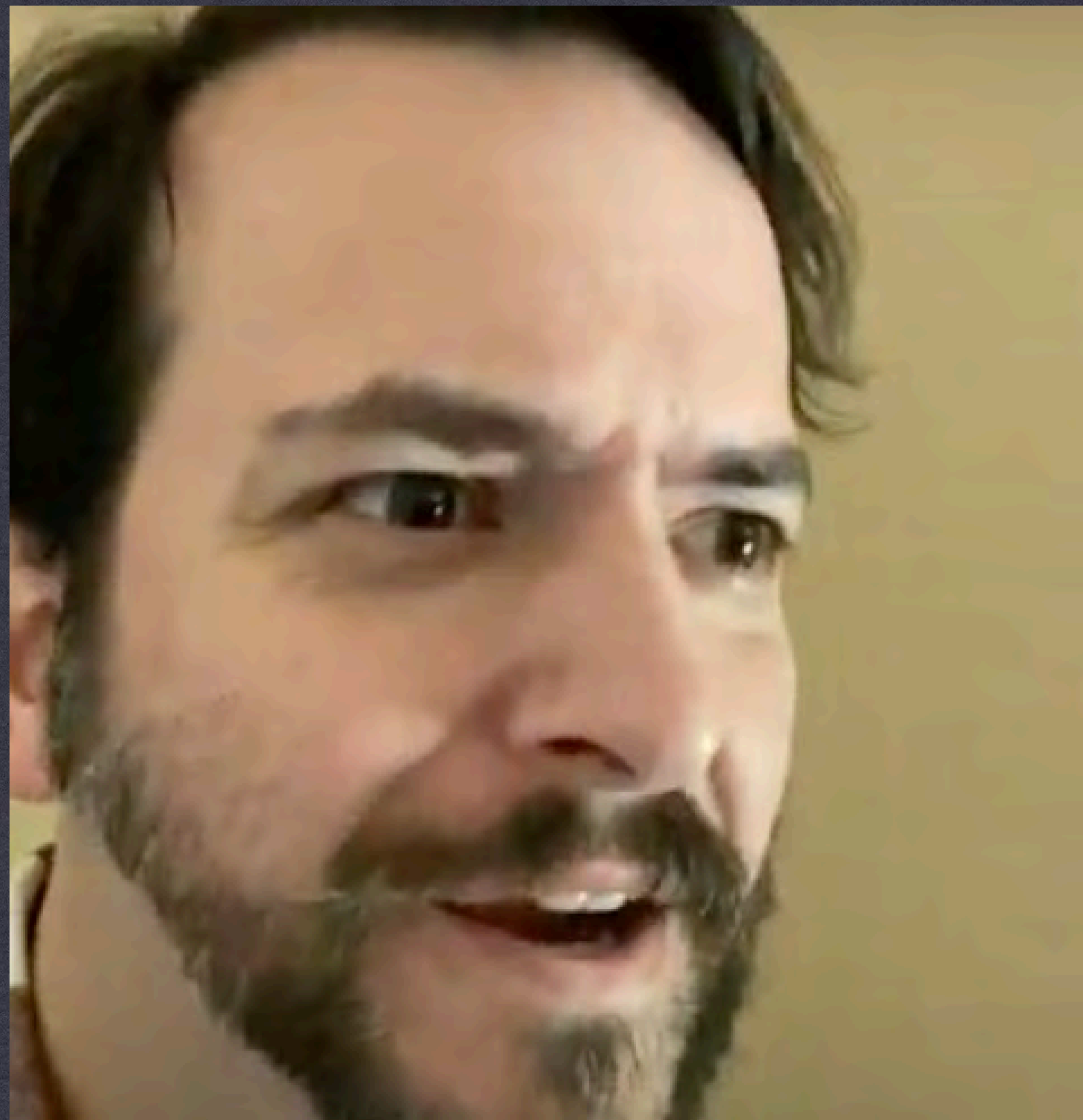
Frank J. Diekmann



DO YOU **PROVE** YOUR WORTH? **CAN** YOU?



TRAVERSE CITY, Mich.—During 2024, TBA Credit Union reported it saved its members \$1,543,923 by refinancing high-rate loans from other financial institutions and providing free personal and business checking accounts.



VISIT
FFCOMMUNITY.COM
TO JOIN
TODAY



16

YOU DON'T NEED MARTIN SCORSESE

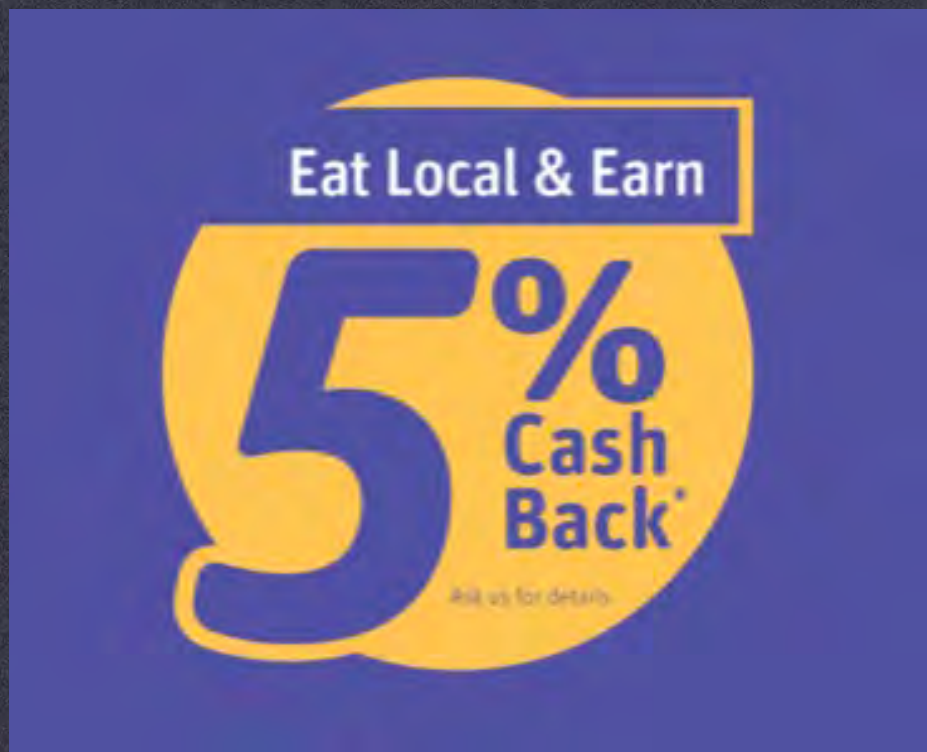
TWO LOW-BUDGET APPROACHES

EVENT

VLI MAUI

PRESENTER

FRANK J. DIEKMANN



17 GET LOCAL BIGGER ISN'T ALWAYS BETTER

EVENT VLI MAUI

PRESENTER FRANK J. DIEKMANN

WHAT: Abound Credit Union ran a 3-month promotion that urges support of Kentucky restaurants.

HOW IT WORKED? Abound Platinum VISA cardholders were offered 5% cash back during the promotional period for any dining purchase, including take-out & delivery through DoorDash, Grubhub, Uber Eats, and Postmates. Members receive the cash back rebates automatically as a monthly statement credit, not at the time of purchase.

THE BONUS: As part of the initiative, the \$1.8-billion Abound is spotlighting local restaurants regularly through its official social media account.





SHOP LOCAL
this holiday season

Earn a special holiday rate of **3.99% APR¹** on all holiday purchases plus **TRIPLE REWARD POINTS²** for supporting 100+ local participating businesses.



Credit Union Australia



18

THE FOUR-DAY WORKWEEK

OREGON COMMUNITY CREDIT UNION'S EXPERIMENT/EXPERIENCE

EVENT

VLI MAUI

PRESENTER

FRANK J. DIEKMANN



WHO: Oregon Community Credit Union

WHAT: Four-day workweek

WHY: Looking to address stress levels, especially among call center staff, and become a more attractive employer

HOW DOES IT WORK? Staff work four eight-hour shifts, get paid equivalent of five shifts.

THE RESULTS: Improved time for responding to calls. Reduction in staff churn.

THE QUOTE: “What's interesting about this pilot is we really made it transparent with the whole organization that we were testing this out, and then measuring. We're sharing that publicly so the whole credit union can look at that and see where we're at. I believe we can increase productivity in almost every job in this organization this way.”

Frank J. Diekmann





19

THERE IS GREEN IN ALL THAT GREEN (FOR NOW)

CDFIs CAN LEVERAGE GREENHOUSE GAS REDUCTION FUND

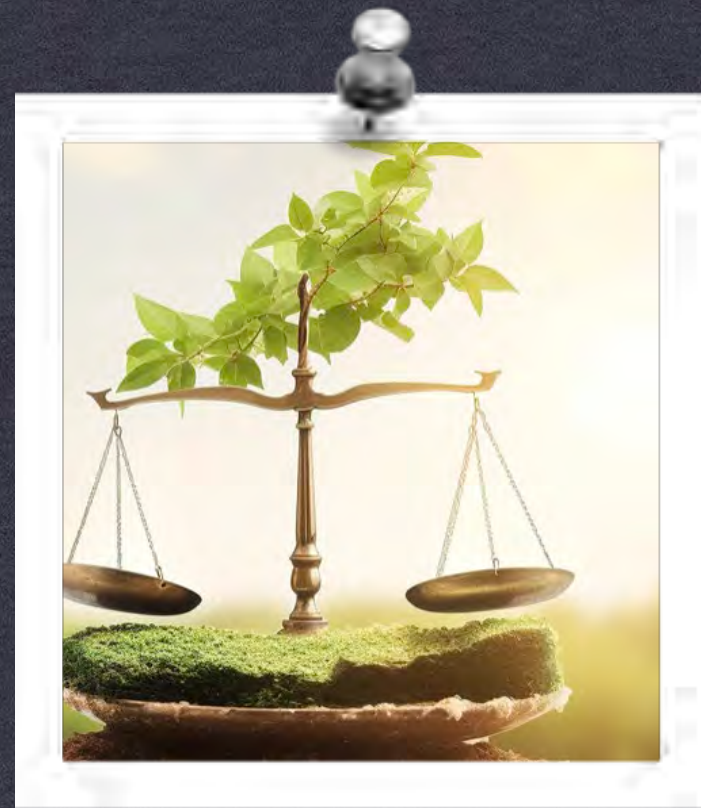
EVENT

VLI MAUI

PRESENTER

FRANK J. DIEKMANN

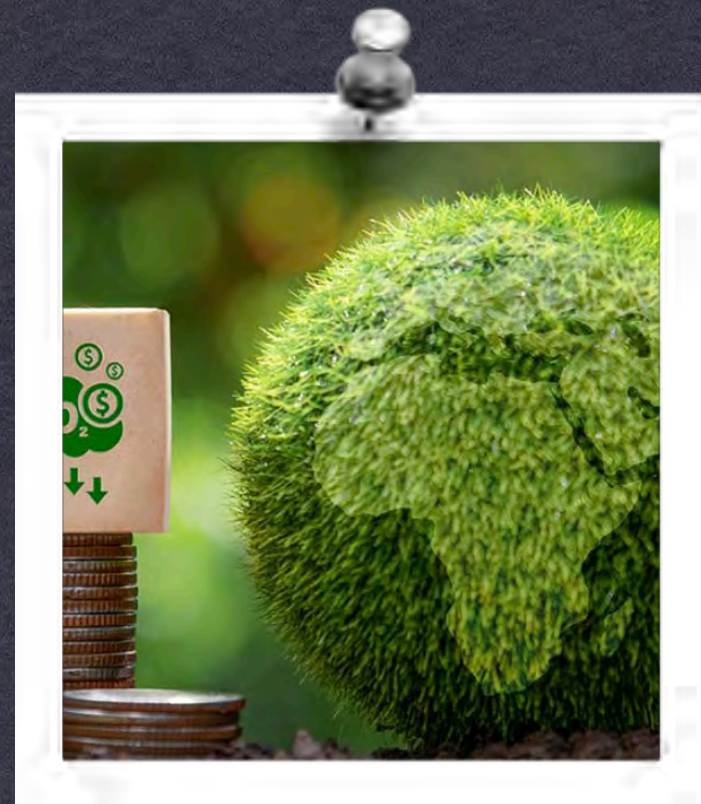
NEARLY \$2 BILLION AVAILABLE



WHAT: Inclusiv has been selected by EPA for \$1.87 billion in funding through the Greenhouse Gas Reduction Fund (GGRF) Clean Communities Investment Accelerator

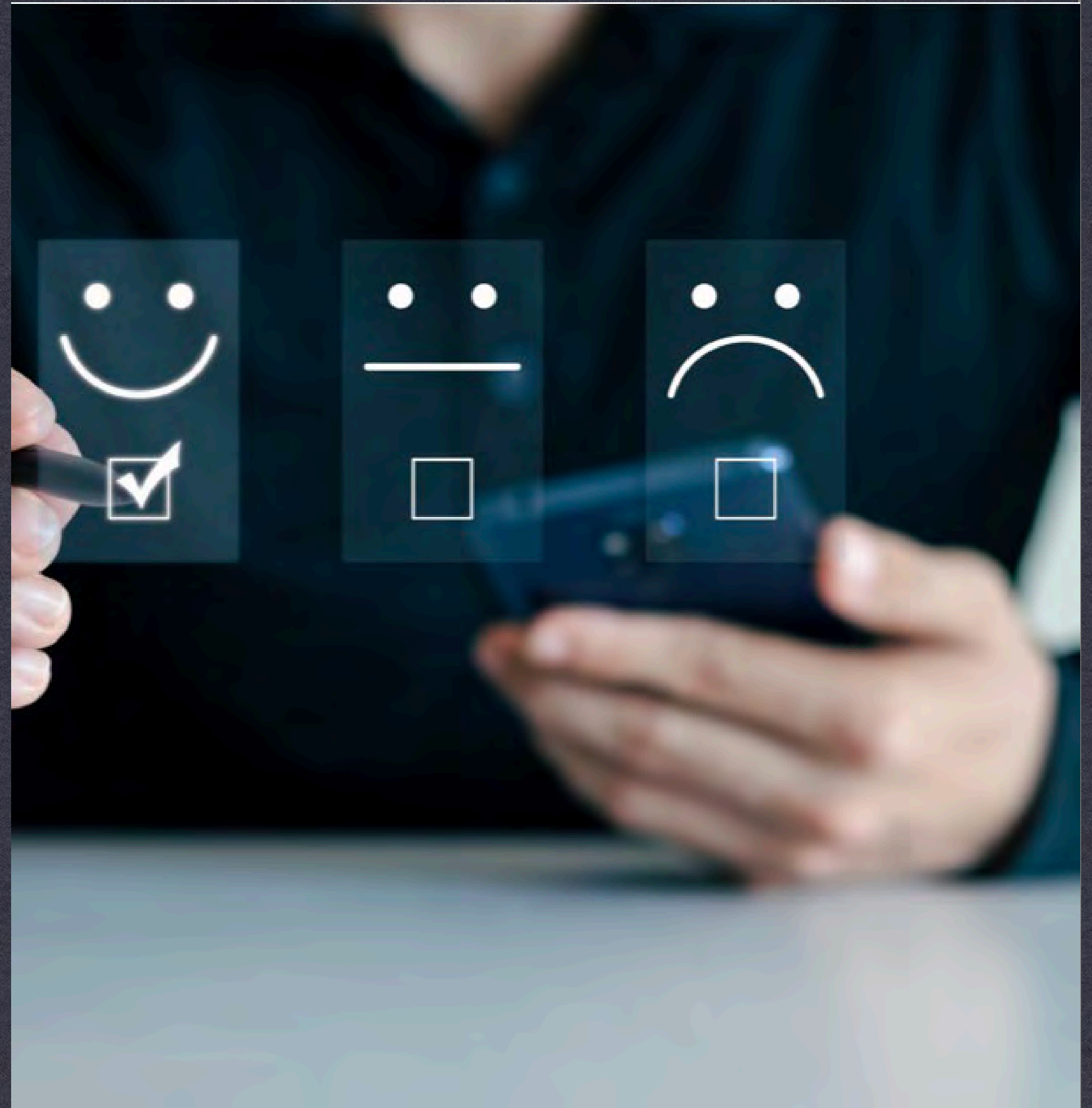
WHAT II: Will enable CDFI CUs to deliver funding for energy efficiency, electrification, and solar access to consumers, homeowners and small biz

HOW FUNDS WILL BE USED: Clean Communities Investment Accelerator funding will allow it to provide CDFI CUs grants for capitalization, staffing, training, software and other operating costs.



THE PLAN: The organization further said it will:

- Build local and national markets for green lending by scaling its solar and green lending training and technical assistance program for community-based lender
- Expand its proprietary lending data analytics to target financing to low-income and disadvantaged communities
- Build its consumer financial empowerment platform for climate resilience
- Help connect community lenders to minority-owned clean energy businesses.



20

A COMEBACK! OR A COMEBACK?

CU's SEE REBOUND IN CONSUMER SERVICE RANKINGS

EVENT

VLI MAUI

PRESENTER

FRANK J. DIEKMANN

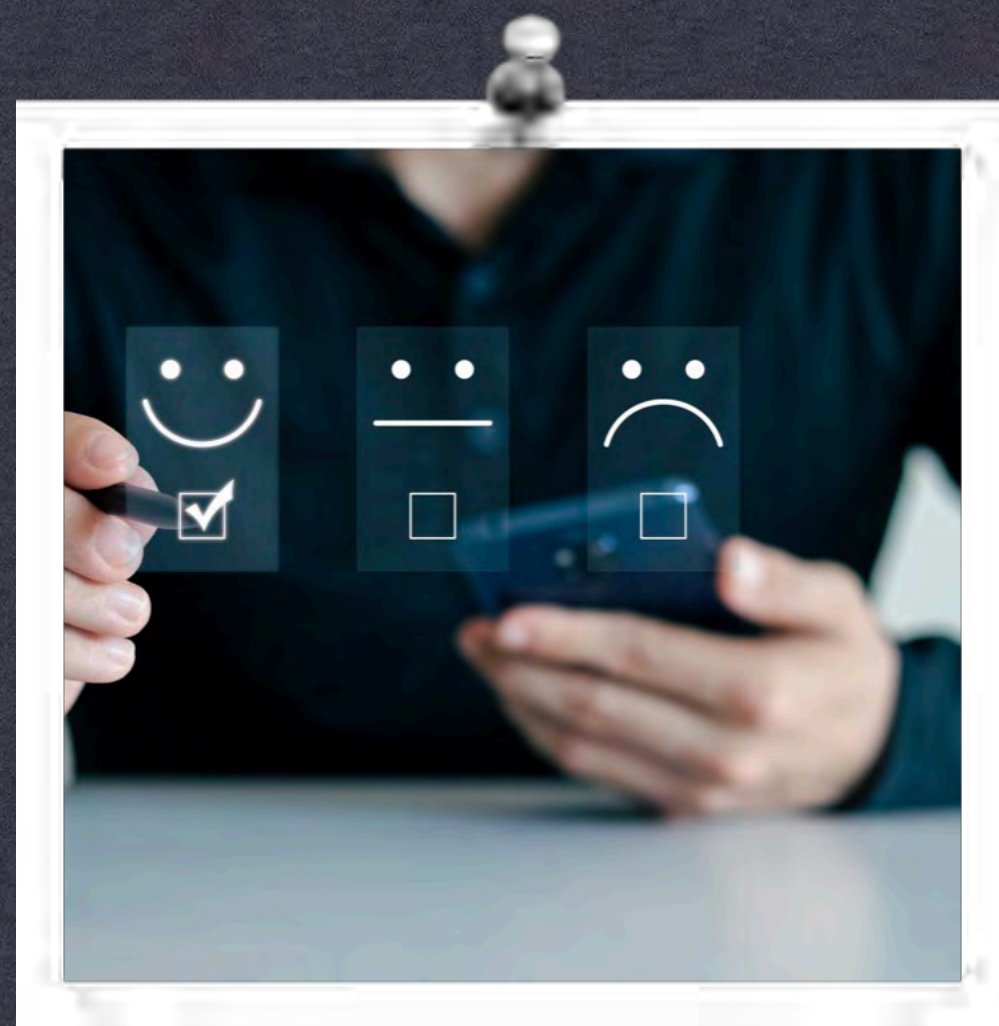
WHAT: After a five-year slide in perception of service satisfaction by American consumers, credit unions have narrowed the gap with banks in new American Customer Satisfaction Index.

WHY: Theory is banks' inability to convey a personal touch via digital channels is factor in closing gap

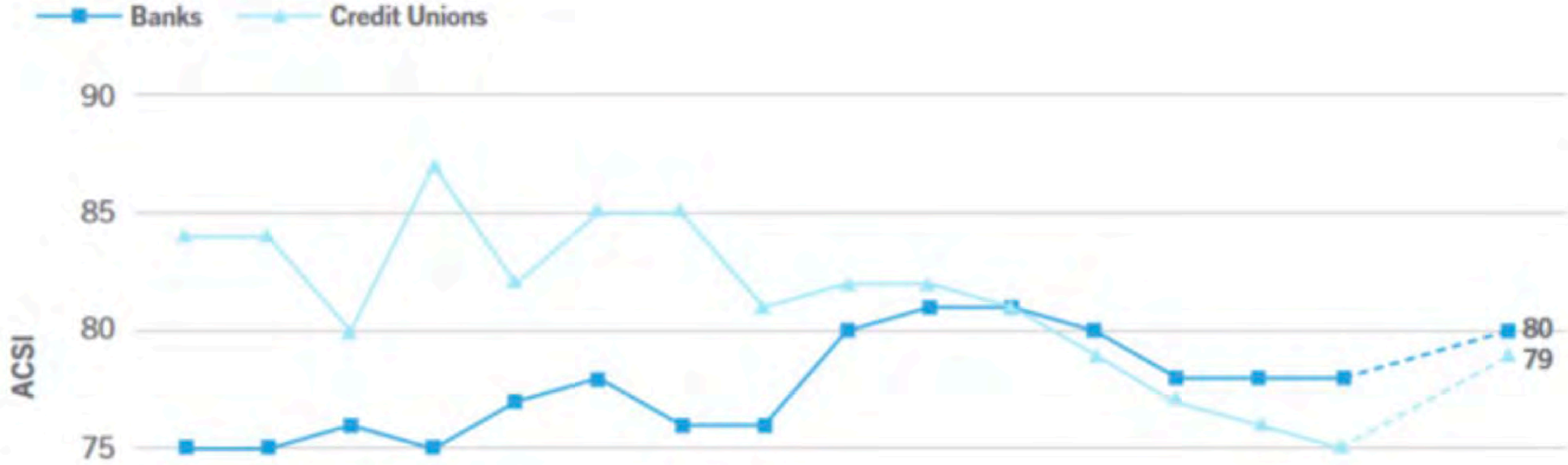
HOW MUCH? CUs jumped 5% in 2024 and banks rose 3%—bringing CUs to within one point of banks at 79 on a 1-100 scale as rated by consumers.

THE QUOTE: “It does appear we're getting back to the sweet spot for credit unions, where consumers aren't as confined and constrained in what they can do because of what was going on with the pandemic, and they're looking to get out in the world a little bit more. With that comes a desire to do more in-person banking.”

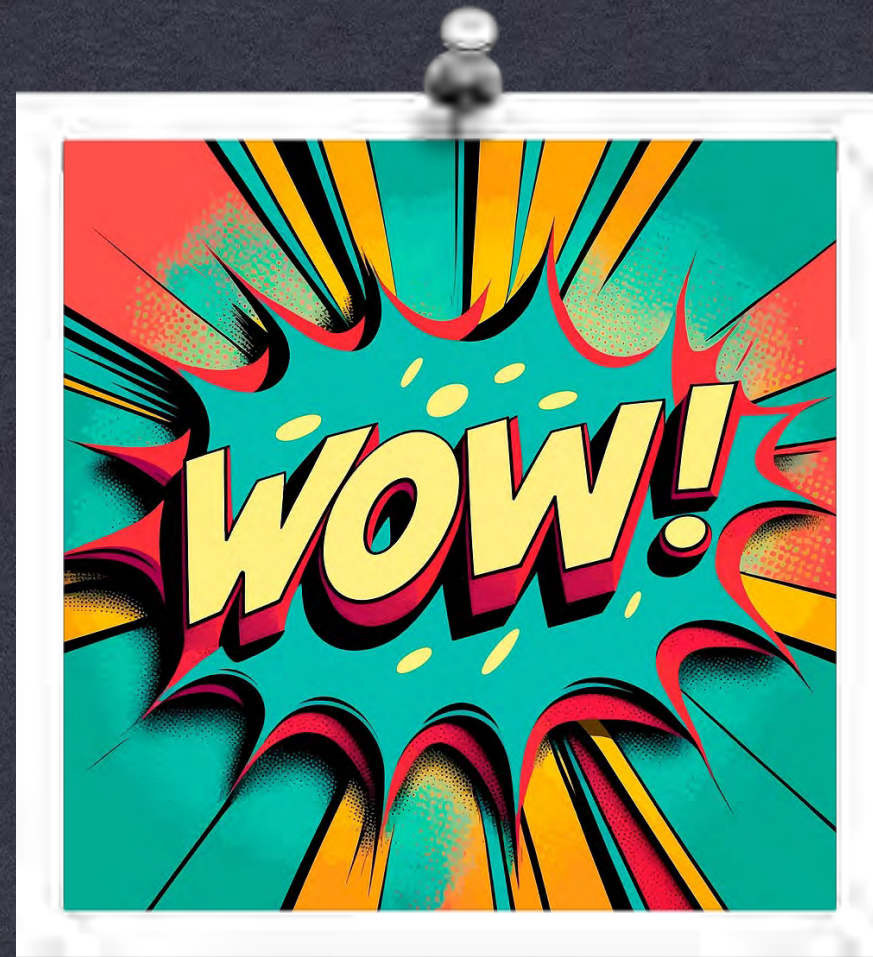
–Forrest Morgeson, director of research emeritus at the ACSI



AMERICAN CUSTOMER SATISFACTION INDEX: BANKS AND CREDIT UNIONS 2008-2024 Industry Trends*



THREE THINGS TO BE THINKING ABOUT WITH SATISFACTION



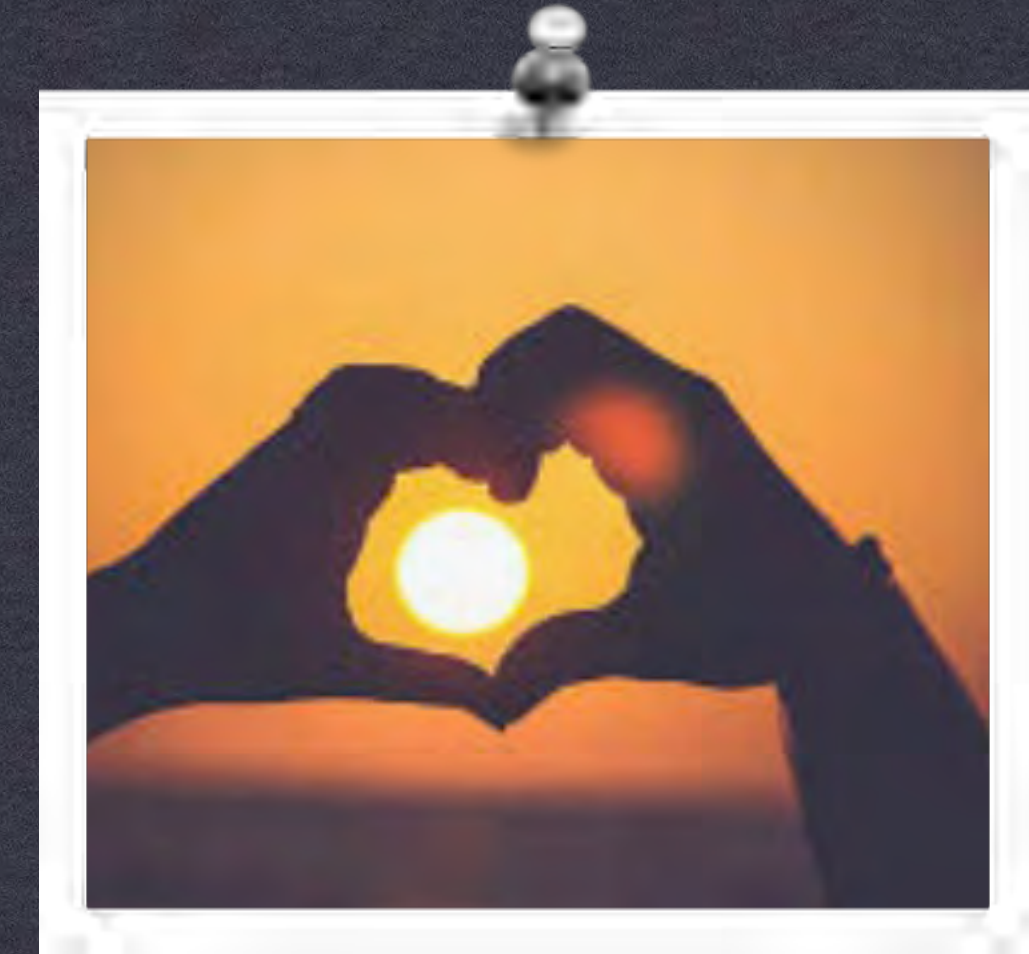
“We ask credit unions, ‘What is your wow factor?’ Ninety percent say, ‘We give them the best service.’ That’s great, but think about that, as they don’t know that until they are already with you.”

–Kerri Anne Aarnosk



“Young adults today are particularly sensitive to the benefit promise of a credit union. Why is the credit union here? That is what they want to know.”

–Doug Hall



“I think it’s about showing your passion for the credit union concept, and not just showing facts and figures and your rates. It’s about ‘Why I love being here’, and ‘Why I choose to be here.’ You can show all the advantages, but its about more than being a product.”

–Tony Hawk, skater,
credit union consultant



**Belonging
Over
Banking™**

When everybody wants
more of your money, take
back control of your cash
with **CloseEnuff Checking.**

YouAreEnuff.org



Membership eligibility required.
Federally insured by NCUA.

YouAreEnuff.org



Membership eligibility required.
Federally insured by NCUA.

Since April 1, **CloseEnuff™** saved Michigan families

\$593,607



That's enuff savings to buy
224,851+ gallons of milk!



21

**2 CUs APPROACH AN OVERLOOKED MARKET
BETTER SERVING WOMEN WITH FINANCIAL SERVICES**

EVENT

VLI MAUI

PRESENTER

FRANK J. DIEKMANN

Credit Union: Community Financial Credit Union, Michigan

What It's Doing: Introduced 'CloseEnuff,' which it calls a 'cash flow account that focuses on women.'

What Is It? Checking account with no NSF fees if account is overdrawn by less than \$50. Overdraft transfer fee has been eliminated; NSF fee (when applicable) reduced to \$9 from \$25. It expects product will save members \$1.5M annually.

The Thinking: CFCU said it recognizes women are the primary decision-makers in households and that the fees disproportionately affect them.

Frank J. Diekmann

The image is a screenshot of the Community Financial Credit Union website. At the top left is the logo, which consists of a stylized bear head icon followed by the text "Community Financial CREDIT UNION". To the right of the logo is a navigation menu with links for "About Us", "Locations & Hours", and "Contact Us". Below the navigation menu is a dark purple horizontal bar containing four menu items: "DEPOSITS", "LOANS & CREDIT CARDS", "COMMUNITY IMPACT", and "eSERVICES". The main content area features a large orange banner with the text "Get up to \$1000!" in large, bold, white and dark blue font. Below this, in a smaller dark blue font, it says "Open a new CloseEnuff™ cashflow boosting account and start earning."

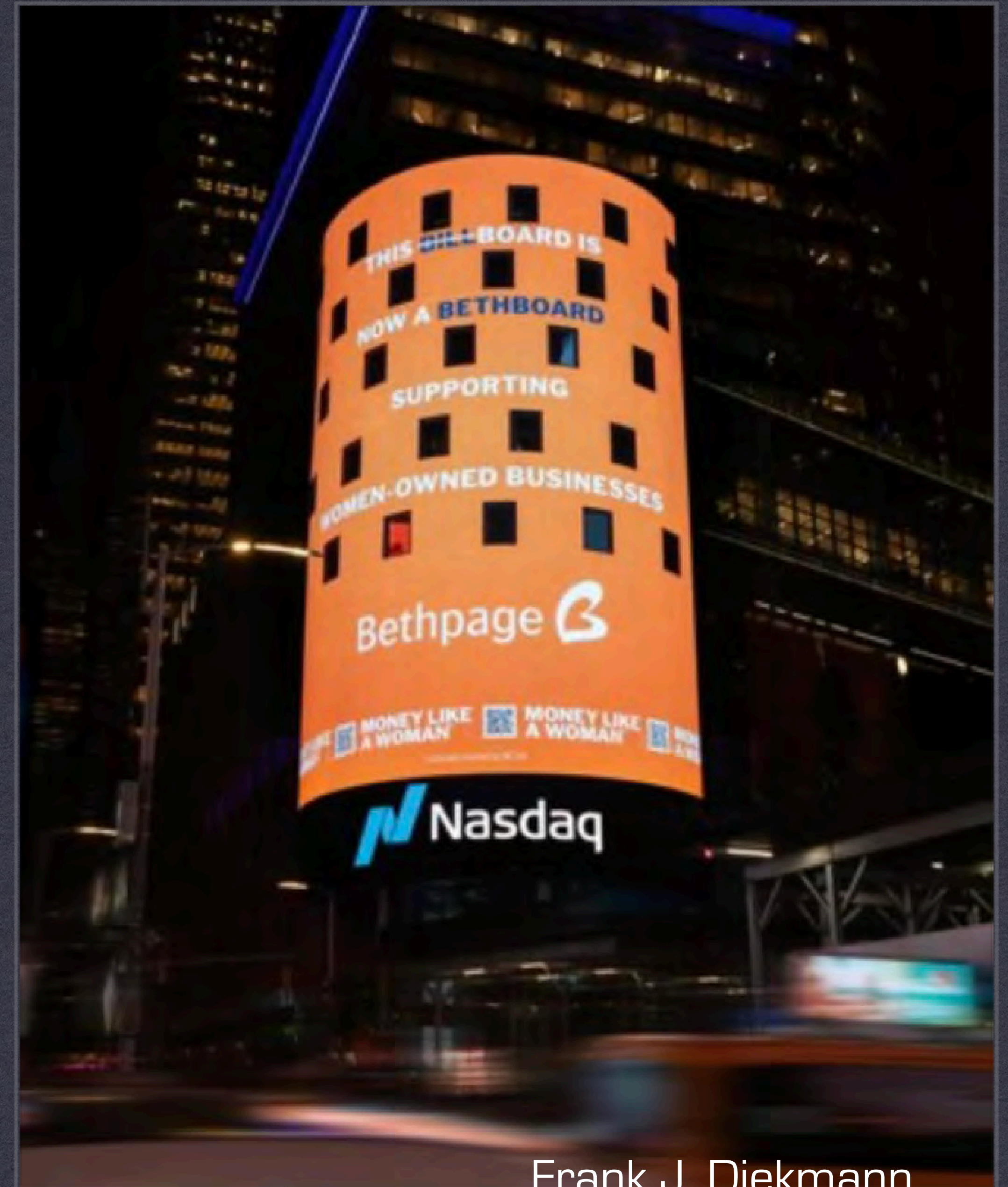
'BETHBOARDS' IN NYC

Credit Union: Bethpage FCU (changing name to FourLeaf FCU)

What It's Doing: Introduced 'Bethboards'

What Is It? Provides free advertising on billboards (including in Times Square) in support of female entrepreneurs.

The Thinking: The effort is part of Bethpage FCU's larger 'Money Like a Woman' campaign.



Frank J. Diekmann



22

NEW WORK NOT LIKE THE OLD WORK

VANTAGE WEST CU HAS A NEW GIG

EVENT

CSCUA REALITY CHECK

PRESENTER

FRANK J. DIEKMANN

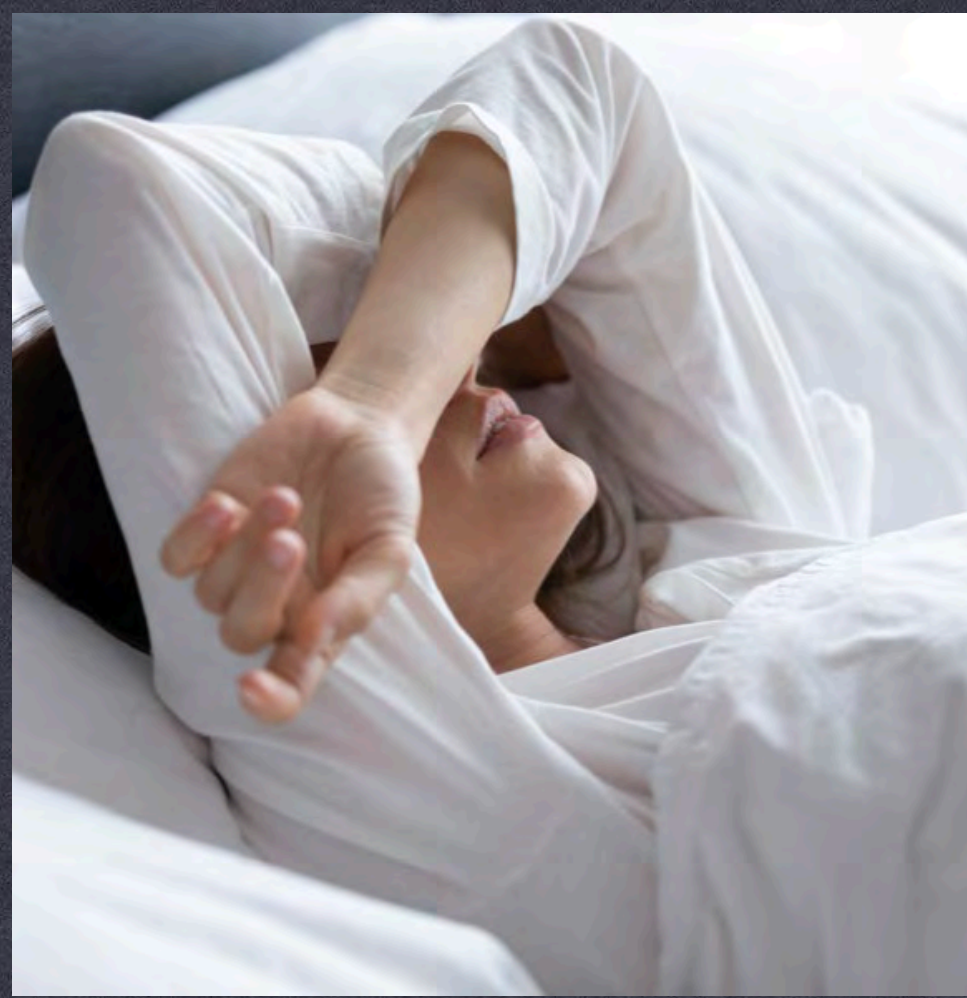


WHO: Vantage West Credit Union, Tucson

WHAT: HUSTL, a new digital financial brand for freelancers, an estimated 6.7 million independent professionals/freelancers in the U.S. Their collective revenue reached \$286 billion, reflecting a 9.2% growth compared to 2021.

THE PRODUCT: Interest-earning checking accounts, high-yield savings, and CDs—all with no monthly fees. HUSTL members can access tools and technology designed to help freelancers automatically save for taxes, create personalized savings goals for future projects, supply needs, or equipment upgrades, and track gig income, expenses, and cash flow — all from a single screen.

TARGET MARKET'S CHALLENGE: Irregular income streams, and a lack of financial statements like W2s



23 EMPLOYEES SAY THEY'RE EXHAUSTED

THE REAL ISSUE, PLUS, A 'BIG FAT LIE'

EVENT

VLI MAUI

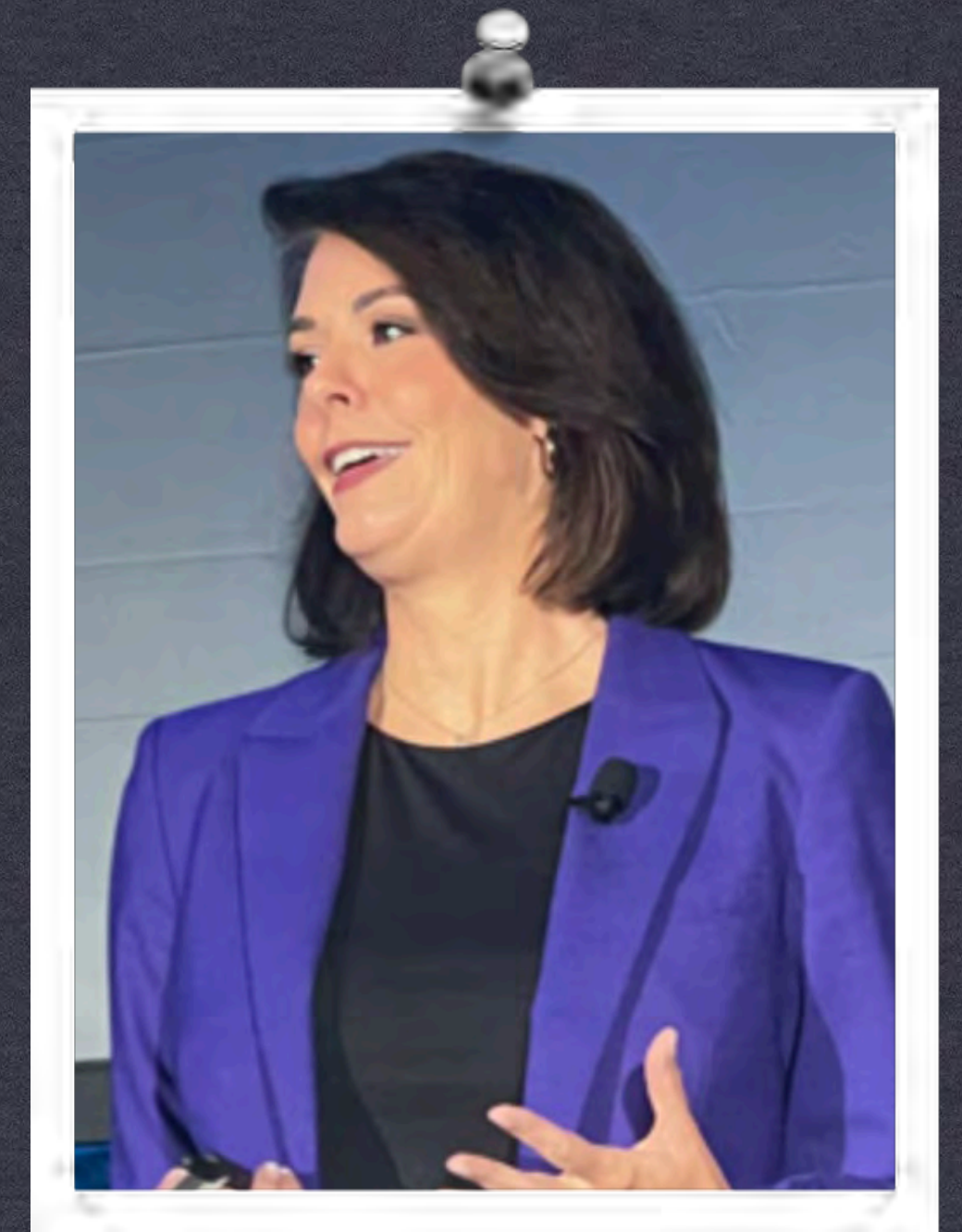
FRANK J. DIEKMANN

WHAT'S REALLY GOING ON?

DeDe Halfhill, Col. (Ret.) US Air Force. Worked in support of Joint Chiefs in addition to other commands.

When she polled junior enlisted personnel and asked what was biggest issue, they responded 'We're tired.' But there was a bigger issue at play, she would discover (and HBR research backs her up).

'It's the feeling of **loneliness** that is manifesting itself as exhaustion...If you tell me you are tired, I will tell you to rest, to take some leave. Basically, I'm telling you to go away, versus bringing you in. I'm exacerbating the very thing I'm trying to address. But if you tell me you are lonely, I will bring you closer.'



Frank J. Diekmann

THE BIG FAT LIE

Halfhill said credit union leaders, just like military leaders, are expected to show everyone what 'perfection looks like.'

'That's a big fat lie. There are moments when our humanity is going to be the thing they need to see. Being real can be vulnerable and that's a hard thing to navigate.'

'When we don't know how to navigate it, we opt out. What we know about vulnerability is it's the first thing I look for in you, but it's the last thing I want to show you in me. But when I do, it's a fast track to trust.'

Frank J. Diekmann





24. WHITEFISH MEMBER STORIES

LET THE MEMBERS DO THE TALKING

EVENT

VLI MAUI

PRESENTER

FRANK J. DIEKMANN

Frank J. Diekmann

WHO: Whitefish Credit Union

WHAT: ‘Member Stories’ Documentary Series, “an in-depth look at how local businesses and individuals support Northwest Montana in unique and engaging ways.”

WHY: Goal is to highlight “some incredible businesses, non-profits, and members shaping and changing Montana for the better.”

THE QUOTE: “These stories are about how our members invest in our communities, making them stronger, more vibrant, and more livable for every Montanan. We’re proud to share their stories.” – CEO James Kenyon

Member Stories



Members like Ceres Bakery

“If you don’t know the science, it’s kind of magical.”

[READ STORY →](#)



Members like the North Valley Food Bank

Supporting and encouraging community assistance initiatives like the North Valley Food Bank

[READ STORY →](#)



Members like Olivia

Supporting and sponsoring 4-H Market...and Montana’s future generations

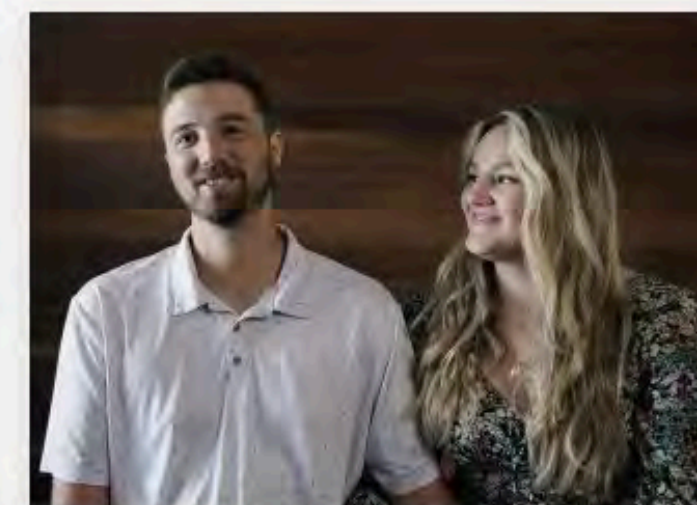
[READ STORY →](#)



Members like Beck & Cap

Supporting growing business ventures like Beck & Cap

[READ STORY →](#)



Members like Koby and Jessika

Helping first-time home-owners like Koby and Jessika

[READ STORY →](#)



Members like Back Country Horsemen

Supporting the mission of wilderness preservation—and its heroes—like the Back Country Horsemen of America

[READ STORY →](#)



BETTER HOLIDAYS
Open Account

SKIP A PAYMENT
Apply for Loan

LOCATIONS
CONTACT
Online Banking

Accounts • Loans • Rates • Resources • About • Appointments

LOANS AND ACCOUNTS THAT WORK FOR YOU

Affinity is here to help our members build better lives.

OPEN AN ACCOUNT

GET A BETTER LOAN

VALUE PROVIDED TO MEMBERS AND COMMUNITY SINCE 2022

\$892,590

Overdraft Fee Savings

\$505,610

Loans Protected

\$140,275

Community Giveback

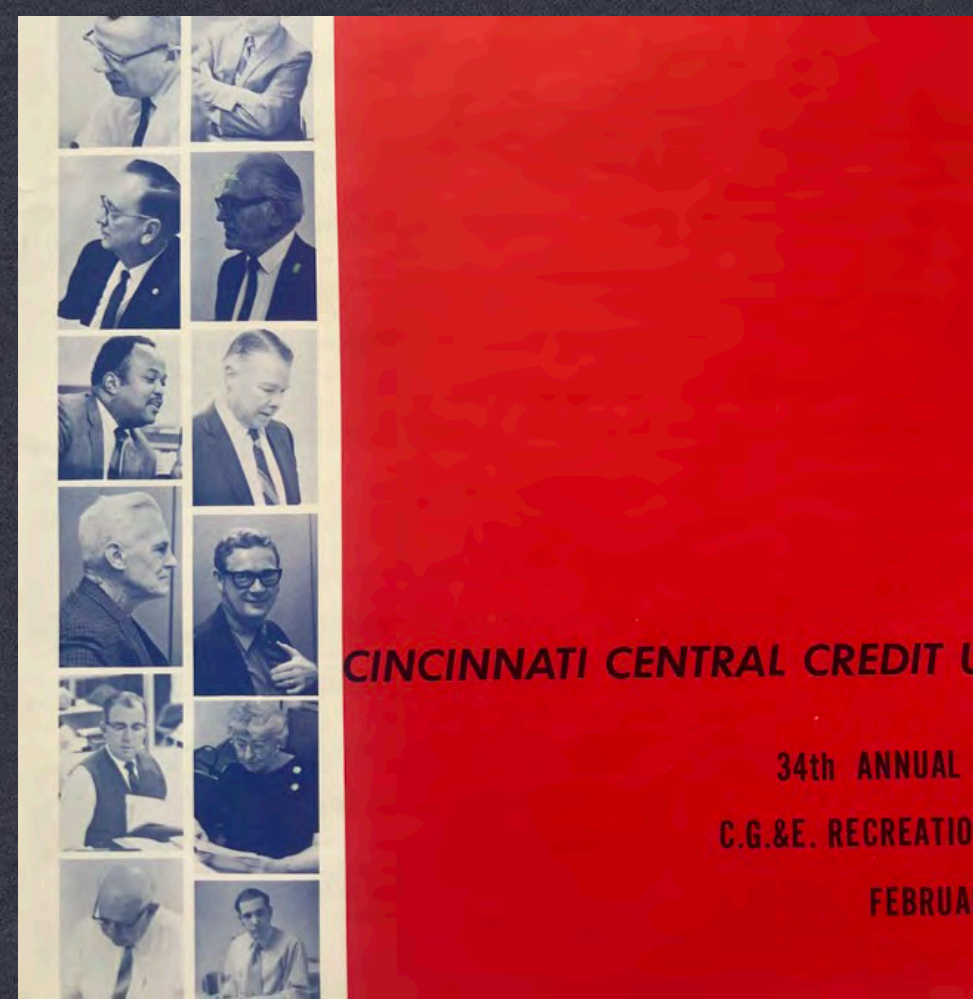
**Not for Profit.
FOR YOU.**

BETTER RATES

We make less to save you more.

FEWER FEES

It helps that so many fees are \$0.



CINCINNATI CENTRAL CREDIT U

34th ANNUAL
C.G.&E. RECREATIO
FEBRUAR



25. DON'T FORGET WHERE YOU CAME FROM

THIS IS THE REAL (AND OFTEN, ONLY) DIFFERENTIATOR

EVENT VLI MAUI

PRESENTER FRANK J. DIEKMANN

THE MORE THINGS CHANGE...

In newsletter that talks about all the 'change' taking place (new buildings, new products, new tech and interest rates (they were paying 5% on deposits), new employee benefits aimed at retaining staff, Cincinnati Central states...

Although many things have changed, our basic reason for organizing the credit union has not changed. We are dedicated to providing a safe and convenient place for members to save and to pay a fair return on these savings; and to provide a source of credit at the lowest possible cost. We are pledged to assist...in increasing credit union service to all the people in our community...

Cincinnati Central CU, 1970

Frank J. Diekmann



Thank You.

Frank J. Diekmann

Frank@TheCUDaily.com

