

What Matters Now: A Multicultural and Multigenerational Consumer Lens

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TruStage

ROCHDALE + VLI

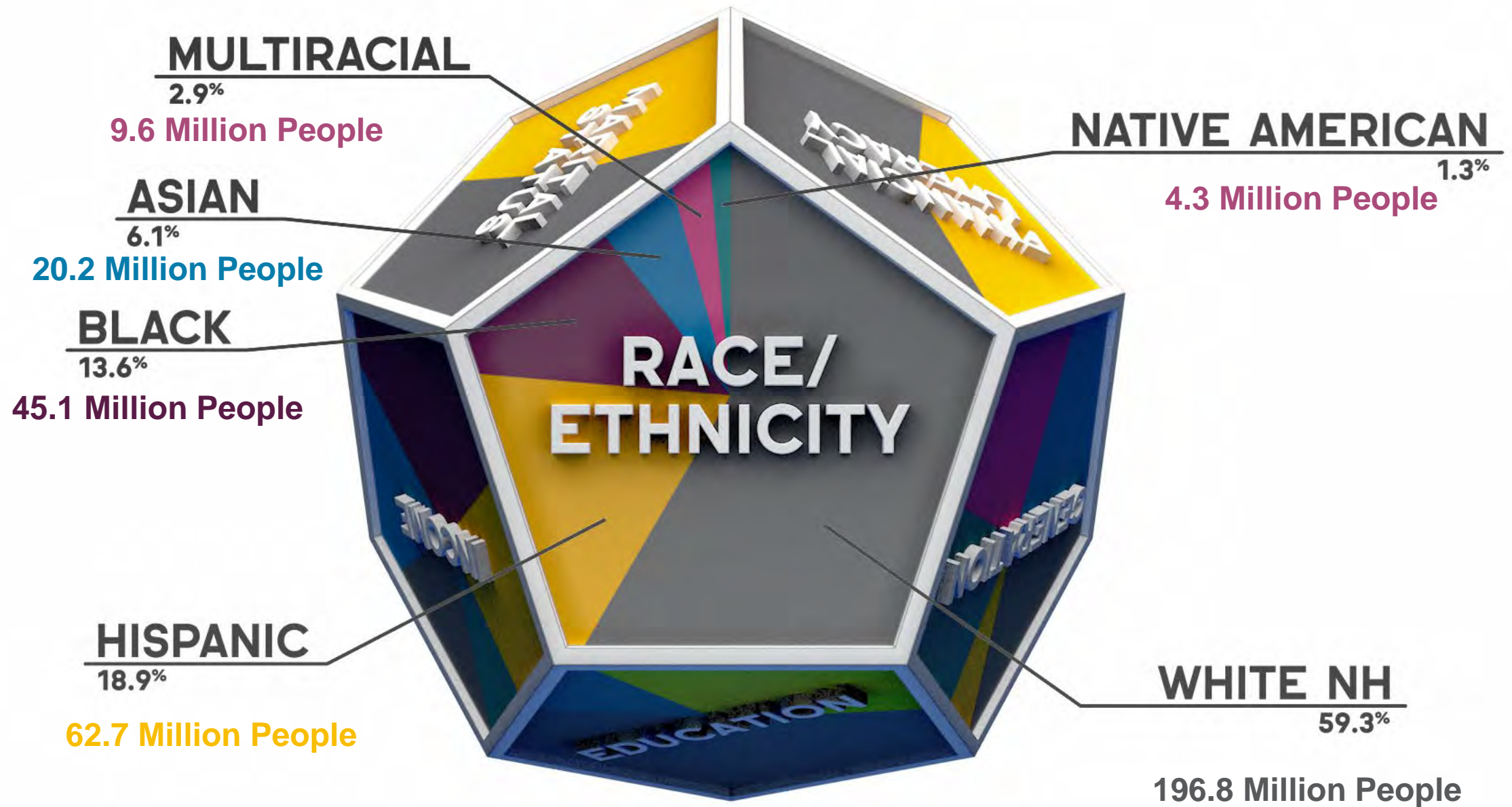




What Matters Now™

A Multicultural and Multigenerational Consumer Lens

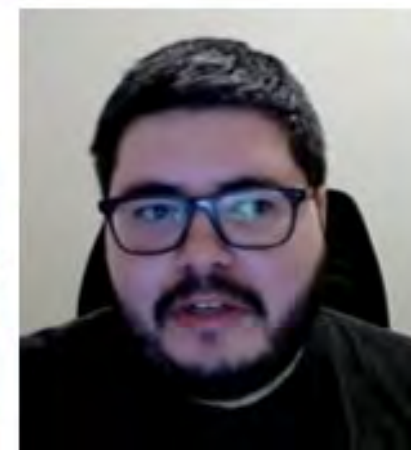
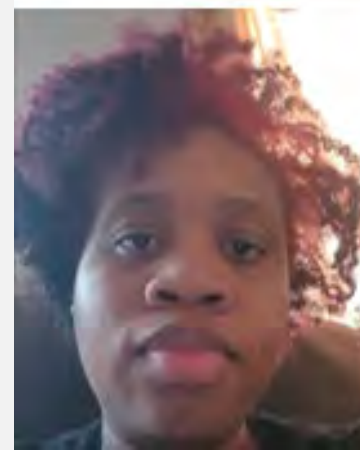
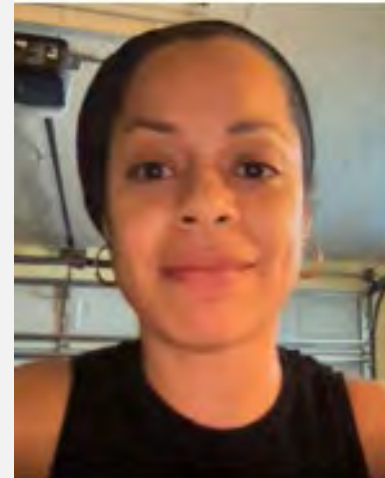
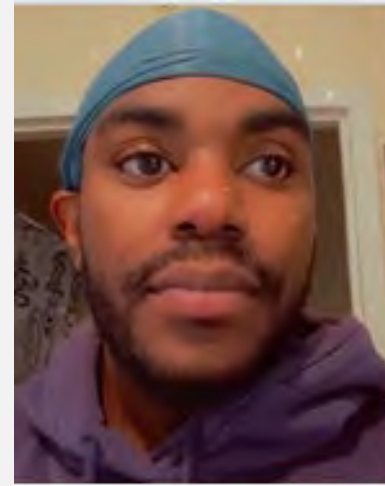




Why a multicultural and multigenerational look at consumers?

With multicultural consumers being the growing force and as Gen Z & Millennials continue to change life stages, **we need**

to understand all parts of their identity and serve them with intentionality.



What Matters Now™ in review

Insights from Middle America

2015

- Kids and family are the ultimate measures of success
- Financial stability concerns of the recession lingered

- 1 in 4 credit union members are disengaged
- Non-members are more racially diverse than members

Insights from the Non-Member

2017

2016

Insights from Millennials

- Millennial parents present a prime opportunity for financial events
- #1 reason Millennials don't use credit unions – they don't know much about them

- African Americans 2x more likely to have a student loan
- Hispanic consumers 9x more likely to take out a small business loan

2018

Insights from Multicultural Consumers

Quantitative study of 9,610 consumers with Ipsos

Race/Ethnicity

Black NH	1,318
Asian, Pacific Islander, Native Hawaiian, NH	1,401
Native American, Native Alaskan, Indigenous, NH	1,046
White NH	1,340
Multi-racial	1,944
Hispanic	2,906*

Gender

Woman	4901
Man	4613
Non-binary, other	96

Generation

Gen Z	2,056
Millennial	3,119
Gen X	2,470
Boomer	1,965

Hispanic Language Preference**

Primary English	1815
English and Spanish Equally	894
Primary Spanish	193

LGBTQ+

LGBTQ+	1,009
Non-LGBTQ+	8309

Note: Response quotas were set for race/ethnicity and gender with income and age falling out naturally. HH income ranges \$18k to \$500k. Results were stat tested at the 95% level of confidence and weighted, in "total" by US Census figures.

* Total respondents who answered yes to the question [D2] Are you of Hispanic, Latino or Spanish origin?

** [D3] What language do you speak at home? (Base: Hispanic/Latino/Spanish Origin = 2,906)

Focusing on children, generational wealth building and wealth transfer of current members is key for credit union growth and emotional connection

ACTION STEP:

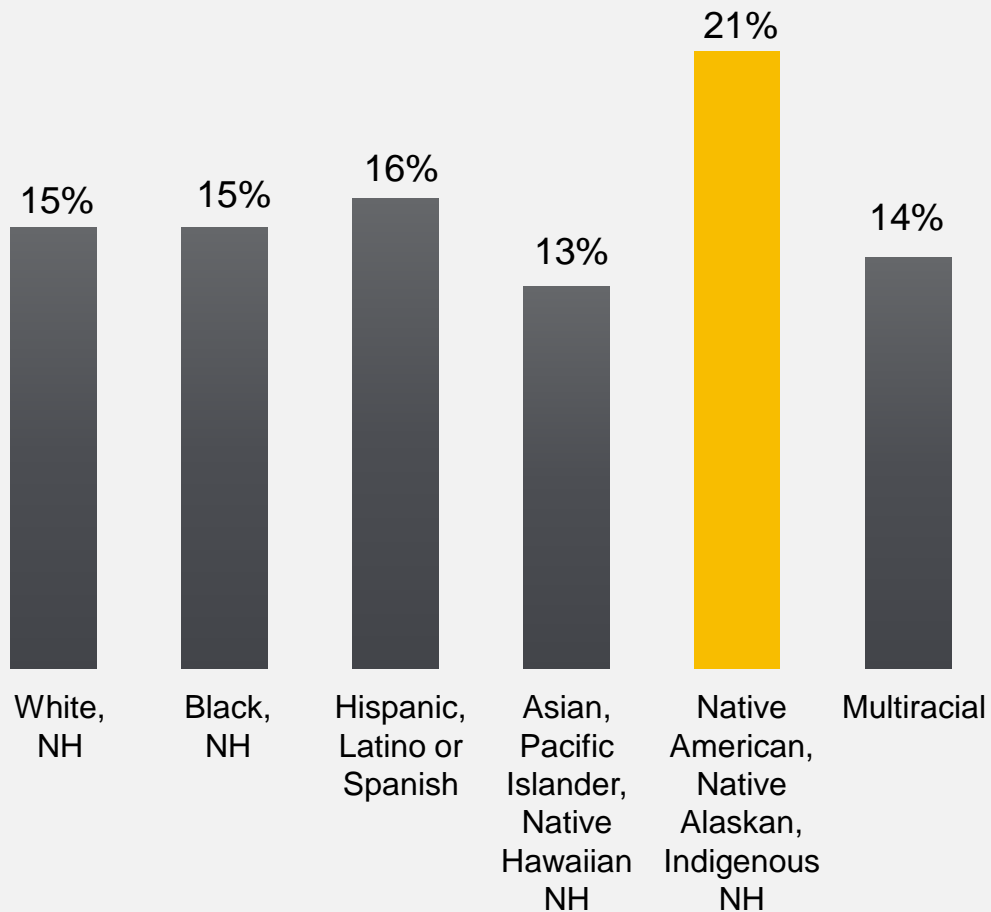
Carve out an engagement strategy focused on generational wealth building and wealth transfer to drive growth and emotional connection.



60% of people want their children to achieve more financially than them

Native Americans are the most likely to say credit unions are their primary FI

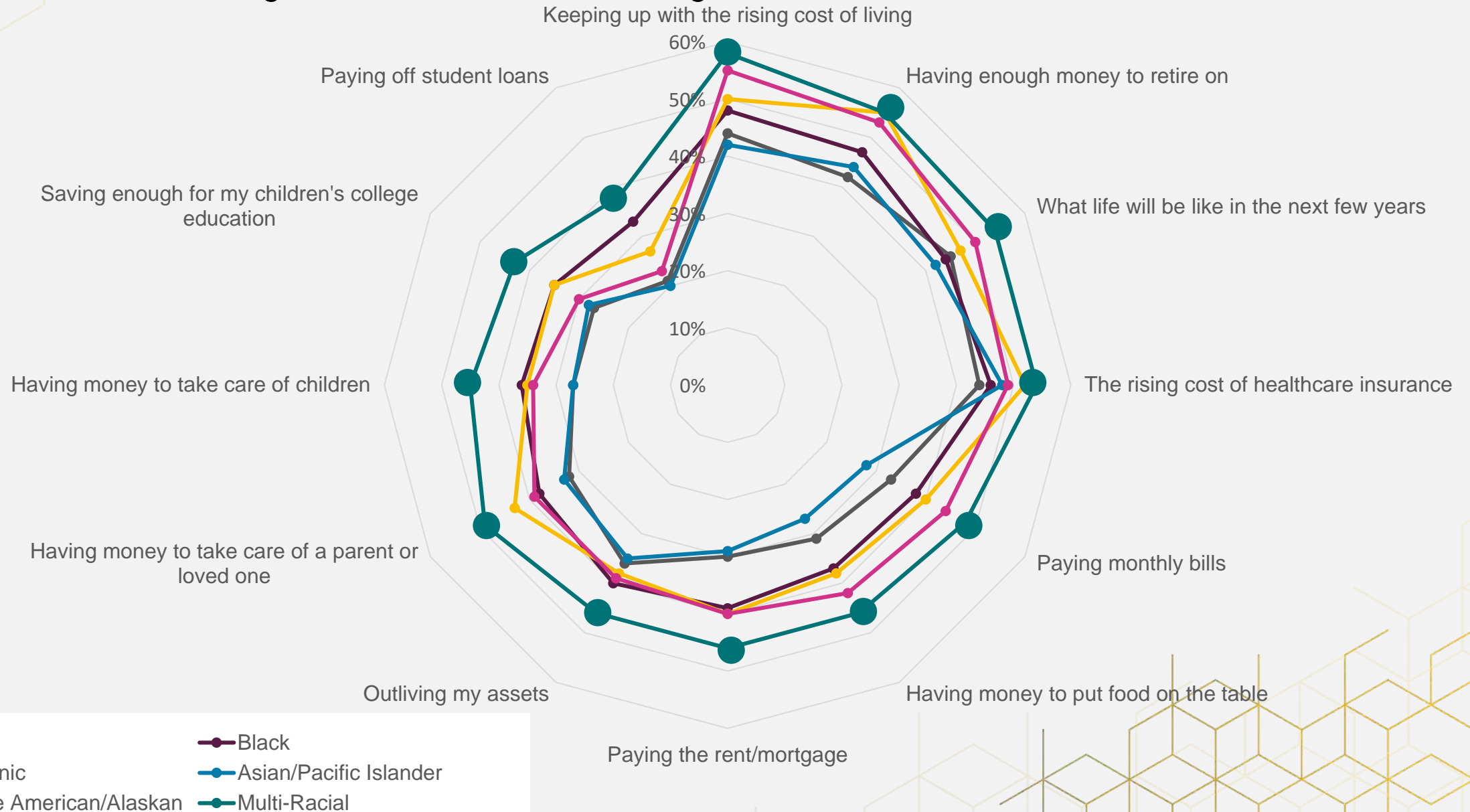
Credit unions are my primary financial institution for banking



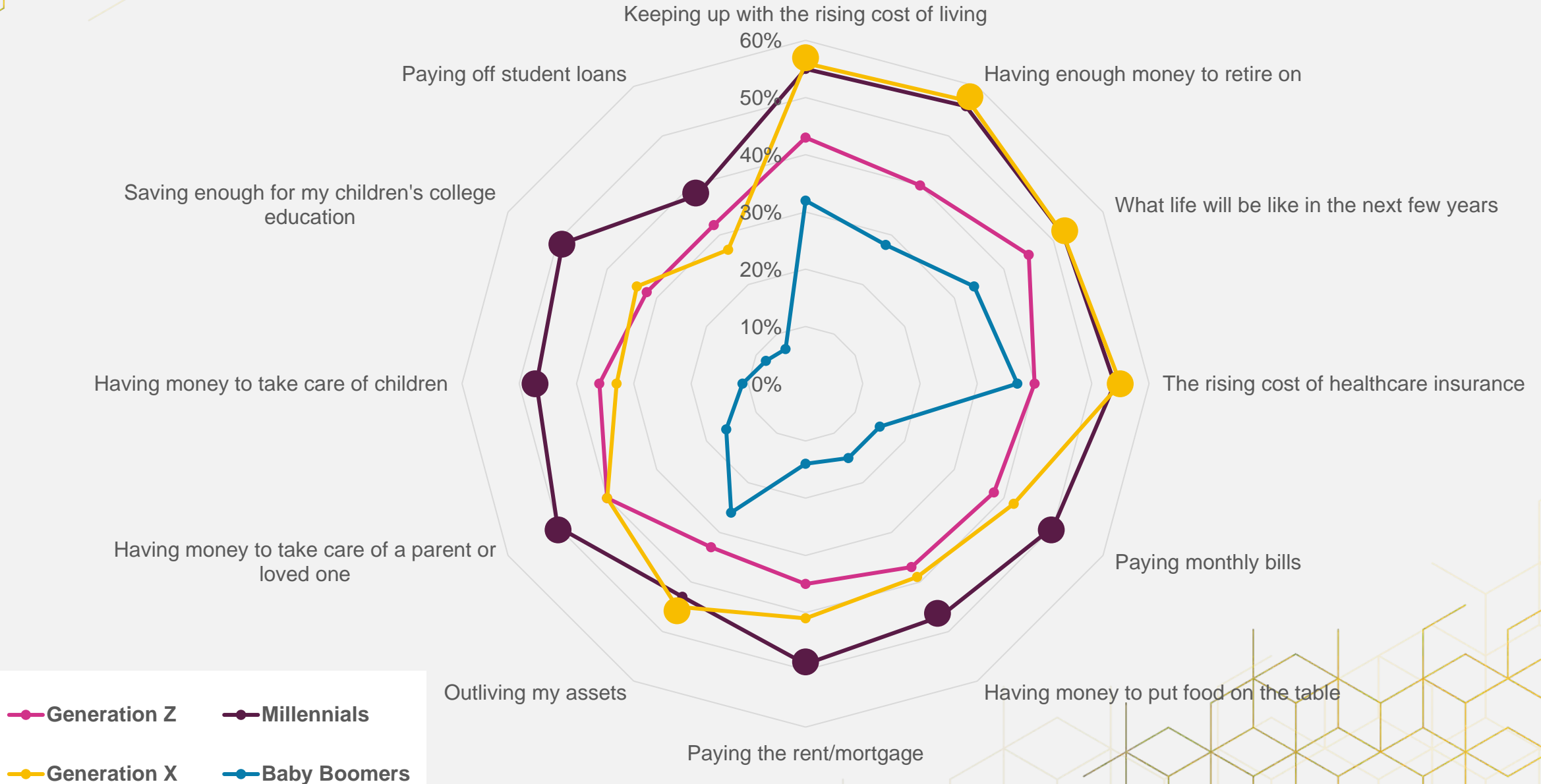
Oweesta is the longest standing Native CDFI intermediary offering financial products and development services exclusively to Native CDFIs and Native communities.¹

¹Oweesta, https://www.oweesta.org/about_native_cdfi/

Worries by race/ethnicity



Worries by generation



ACTION STEP:
Consider cultural needs and perceptions (in addition to traditional life stage moments) when deploying cross-sell campaigns to maintain relevancy with multicultural consumers.

Types of products/accounts consumers currently have





Loans

While auto loans, credit card and mortgages will continue to be the most demanded products, **Black and Multiracial consumers expect a higher need for nearly all lending products** (compared to other groups) in the next 5 years

Multicultural, Gen Z & Millennial consumers will have big interest in lending over the next 5 years

Loan Type	Overall	White, NH	Black, NH	Hispanic, Latino or Spanish	Asian, Pacific Islander, Native Hawaiian NH	Native American, Native Alaskan, Indigenous NH	Multiracial	Gen Z	Millennial	Gen X	Baby Boomers
Auto (New)	21%	19%	24%	26%	23%	22%	20%	22%	25%	23%	17%
Auto (Used)	17%	15%	21%	17%	12%	19%	24%	27%	25%	15%	7%
Home Mortgage	18%	16%	22%	21%	20%	20%	25%	29%	26%	17%	9%
Refinance	12%	11%	15%	12%	14%	9%	15%	21%	20%	10%	4%
HELOC	11%	10%	15%	13%	11%	10%	16%	20%	19%	9%	4%
Student	10%	9%	14%	10%	9%	9%	15%	23%	17%	7%	2%
Small Business	10%	9%	15%	11%	8%	10%	17%	21%	17%	9%	2%
Short Term	10%	9%	13%	10%	8%	10%	15%	21%	17%	7%	2%

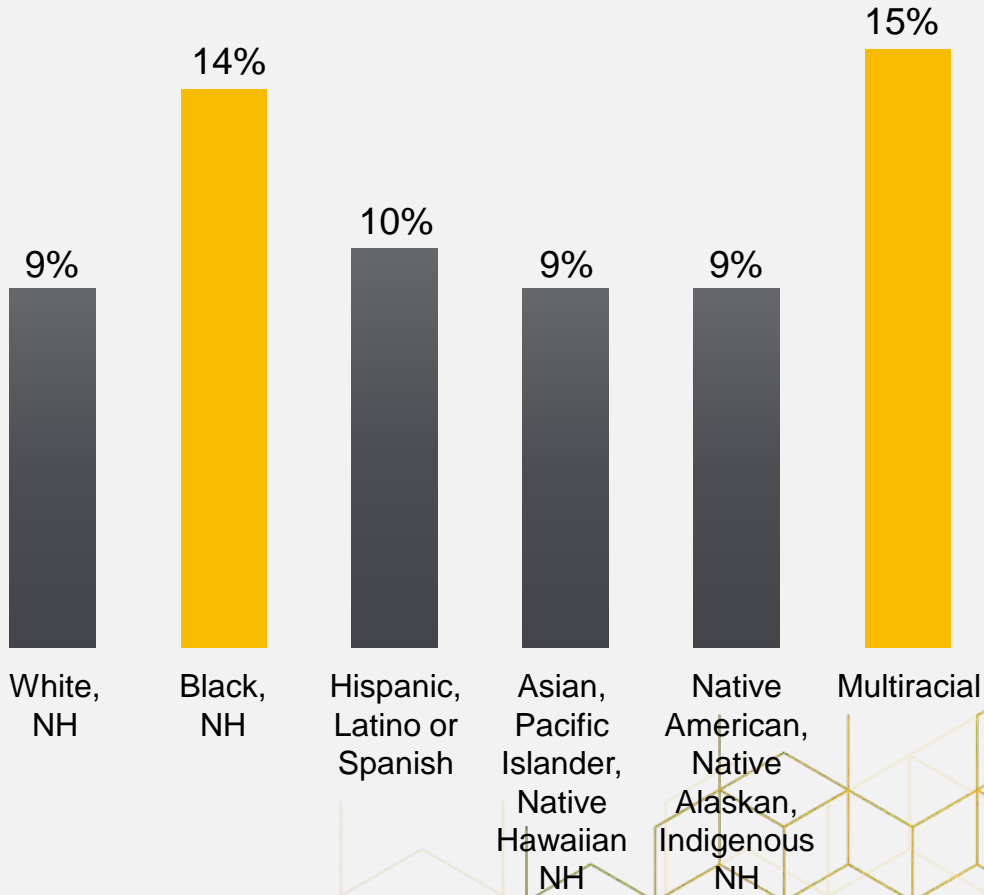
ACTION STEP:

Review and update your lending products to ensure they fit your membership and the community you serve. Make sure those lending products are visible to all consumers with inclusive and authentic marketing.

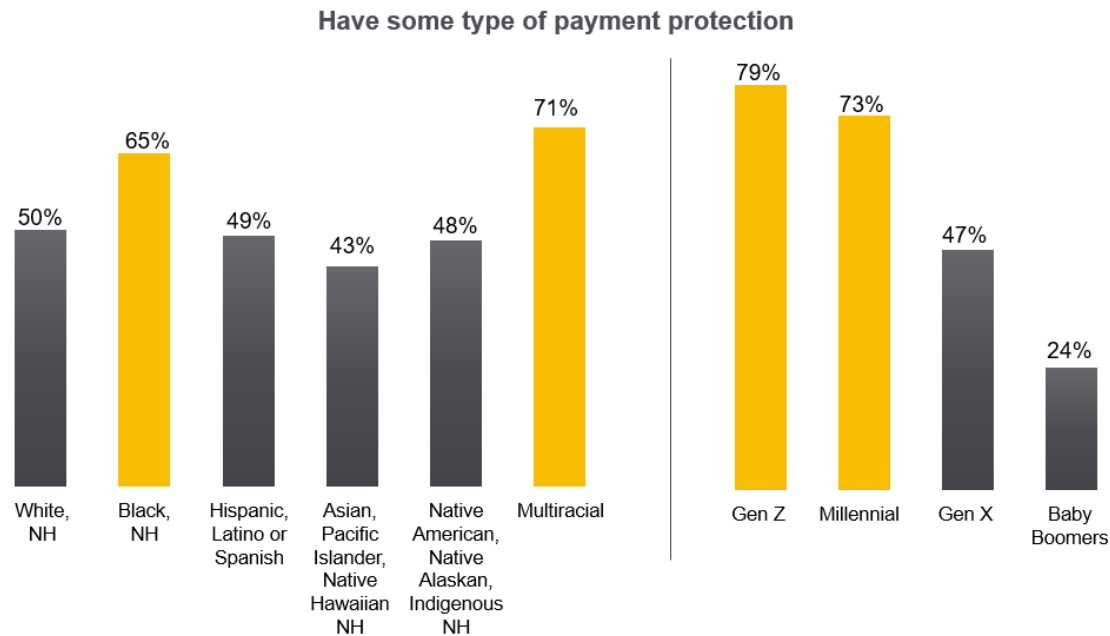


Future student loans highest for Black and Multiracial consumers

Anticipate having student loans in the next 5 years



Black, Multiracial, Gen Z & Millennial consumers more likely to take on payment protection



While all groups indicate credit card payments is the main reason they buy payment protection, **Black and Multiracial consumers indicate a stronger preference for protecting new auto loans.**

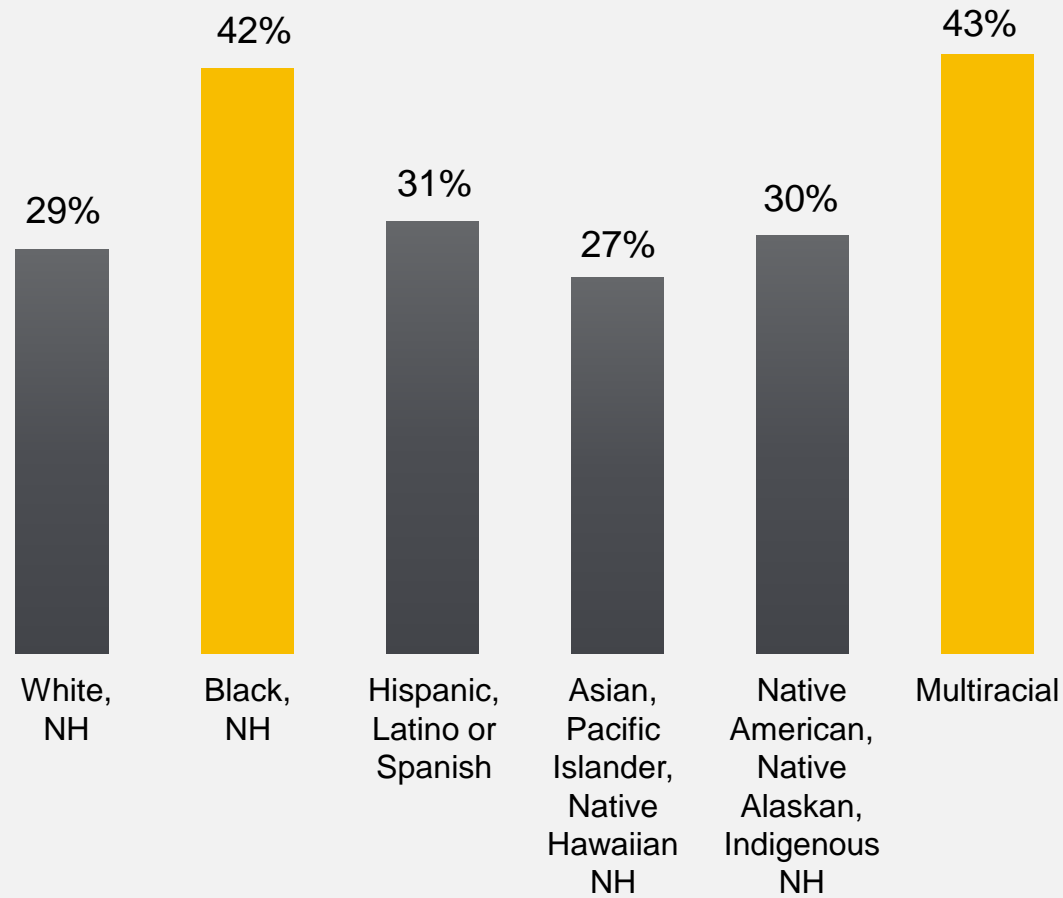
ACTION STEP: Be aware that use of the words “payment” and “protection” together means different things to different people. It’s common for consumers to mistake payment protection insurance for things like alerts, overdraft, or fraud and identity theft protection.





Life insurance: Multiracial & Black consumers more likely to purchase

Likelihood to purchase life insurance in the next 5 years





Investments and Financial Advising





ACTION STEP



Hire financial advisors who represent underserved populations and position your investment products in a way that welcomes multicultural and younger consumers.

"I feel like there are many more products out there which will help me make my money grow even faster. Like, for example, I have VTSAX index funds and even though I am in control and I distribute the money into each fund, I feel like a financial advisor would do a way better job and put the money in the right places."

– Asian, Millennial, Male, New Dad

When multicultural consumers reach out to a financial advisor, they are more likely to do so through a credit union.



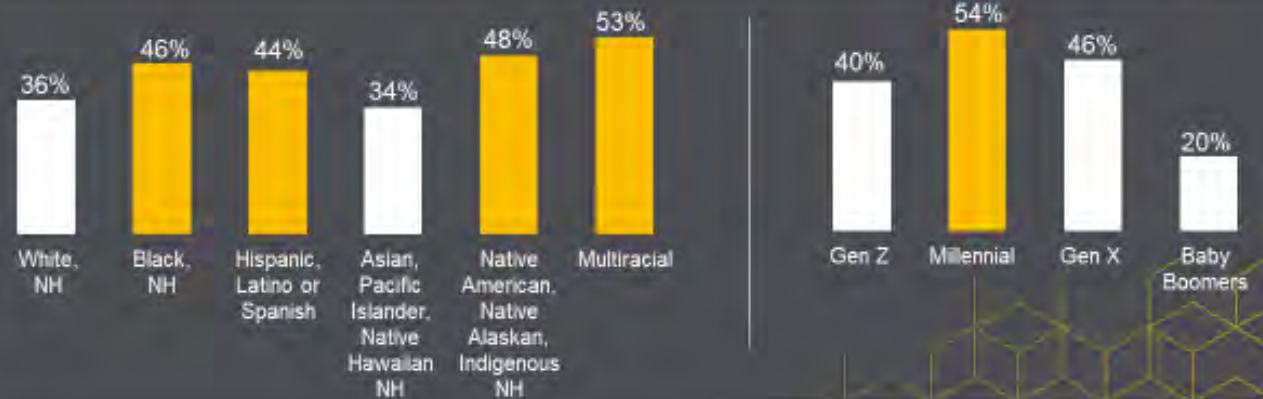
ACTION STEP:

Reimagine products and services so they are flexible enough to accommodate people who are paid at different times, from different places and in different ways.

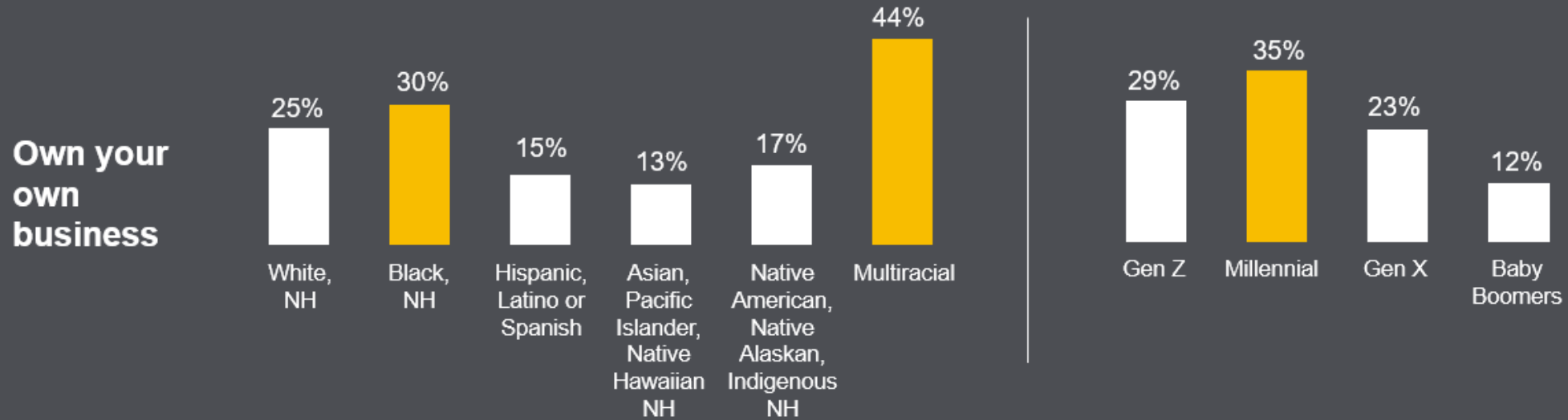
Nearly half of Black, Hispanic, Native American & Multiracial consumers – and more than half of Millennials – believe one job isn't enough to fulfill their goals



Salary isn't enough; you have to hustle to make money



Small business owners more likely to be Multiracial, Black & Millennial



ACTION STEP:

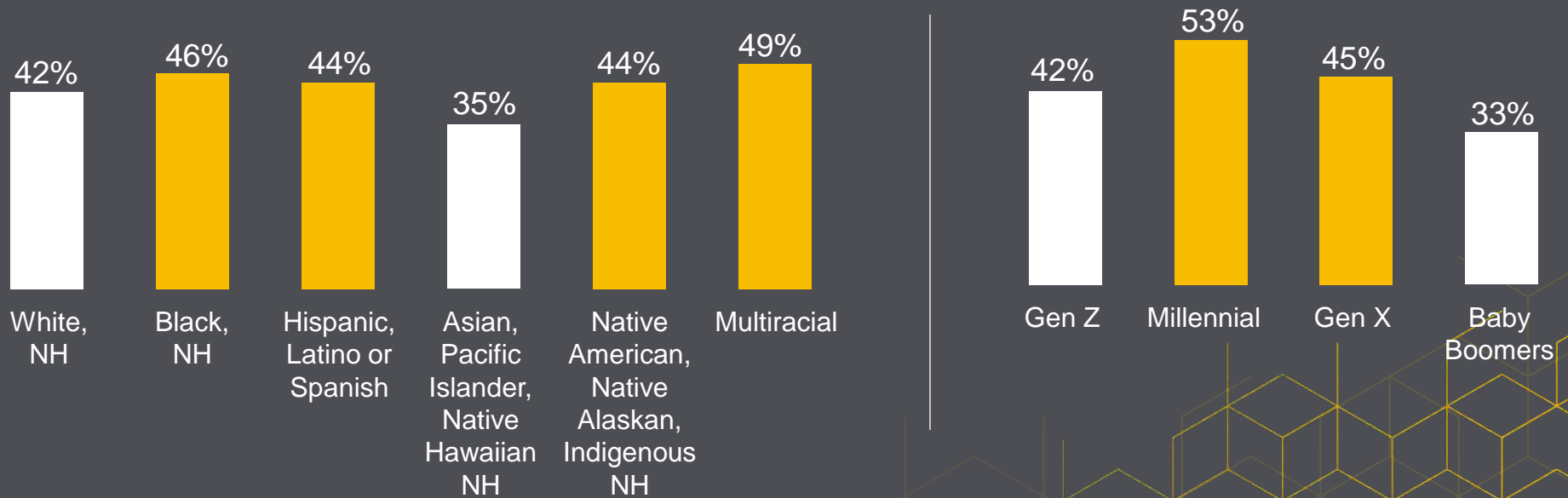
Examine small business products and services for relevance to Multiracial, Black and Millennial founders and entrepreneurs.





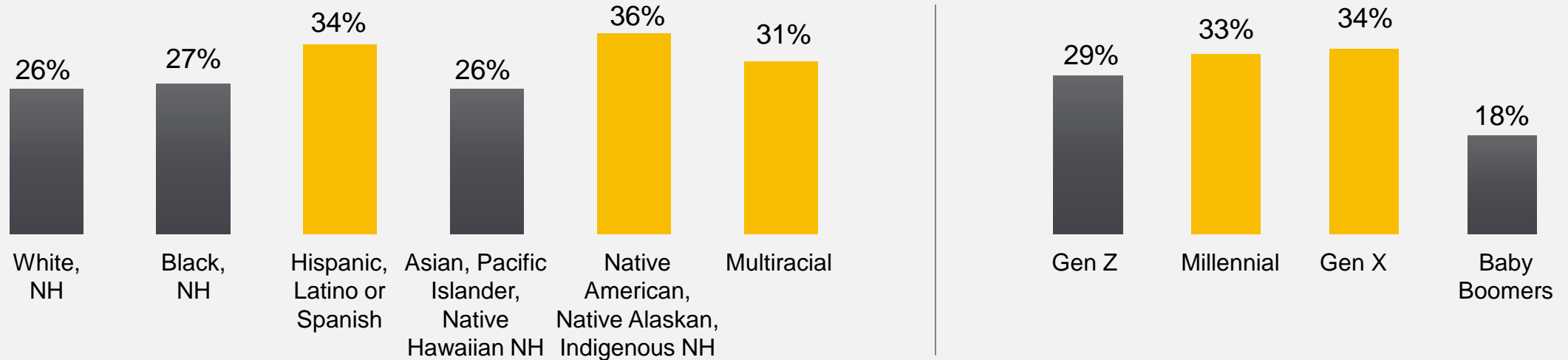
43% of consumers check their financial accounts daily – and it's even higher for many multicultural groups, Millennials & Gen X

I am the type who checks my financial accounts daily



Multicultural, younger consumers opting for mobile-first options....

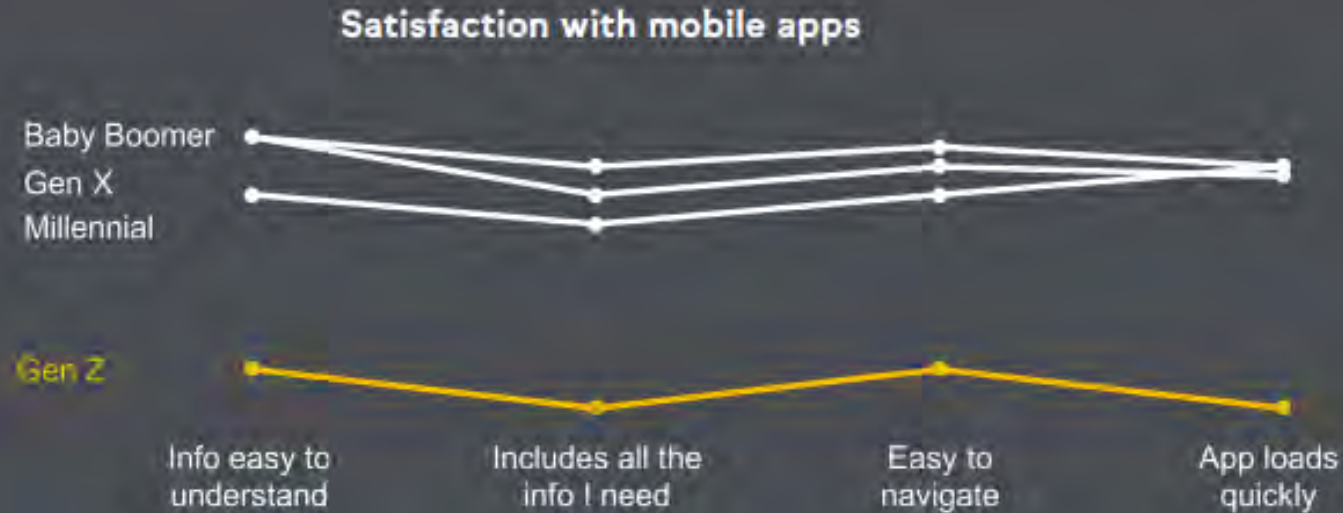
Mobile device is my preferred mode of interaction with my financial institution



...but Gen Z is dissatisfied with mobile apps



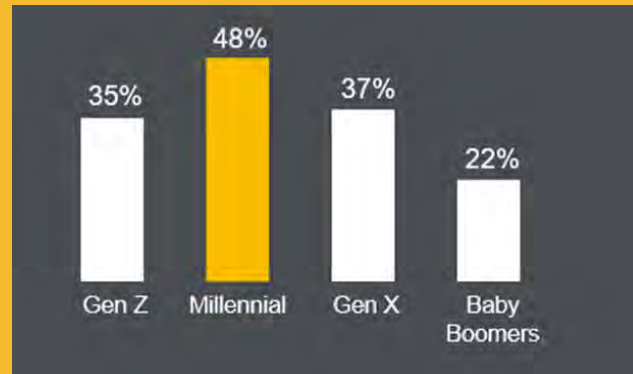
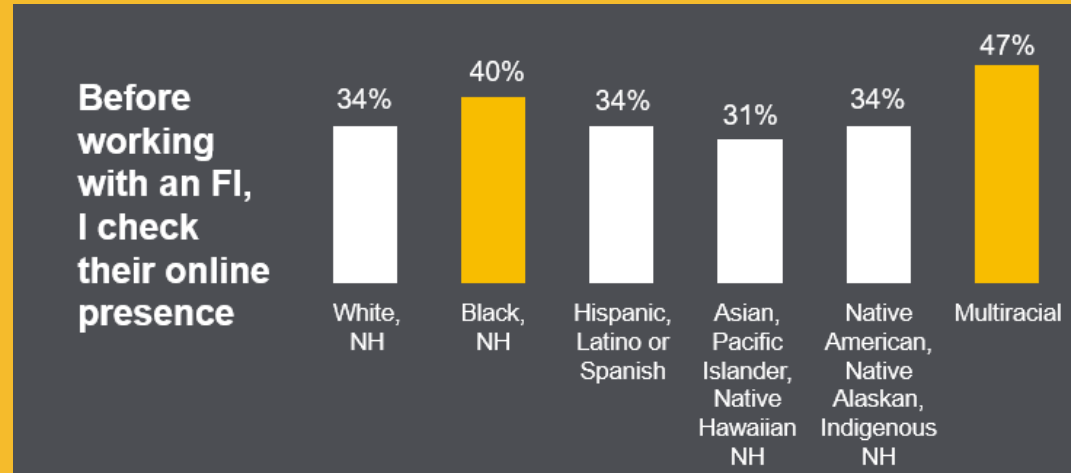
Gen Z is dissatisfied with mobile apps



ACTION STEP:

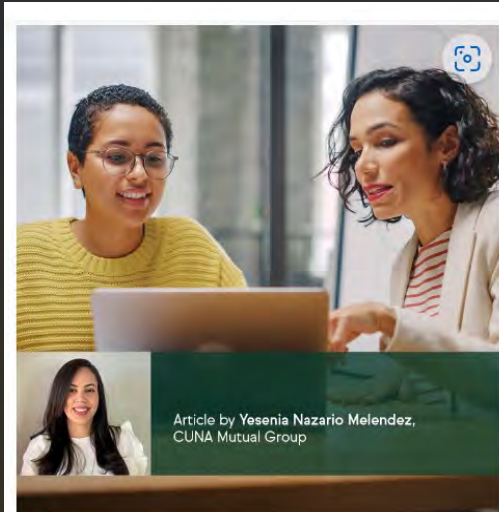
Ensure a simple and intuitive user experience on mobile apps.

Black, Multiracial & Millennial consumers are more likely to check the online presence of a PFI before working with them



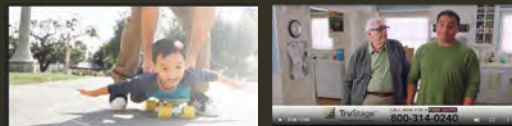
ACTION STEP: Consider how your credit union is showing up online. Your website should be welcoming and informative, but also think about your social media presence, press and visible employees. Are you showcasing your differentiators well online?

Go to your credit union's about page, do you see yourself represented? Do you see Multicultural Millennials? Do you see your favorite member? Go to your CU's social media pages, what do you see?



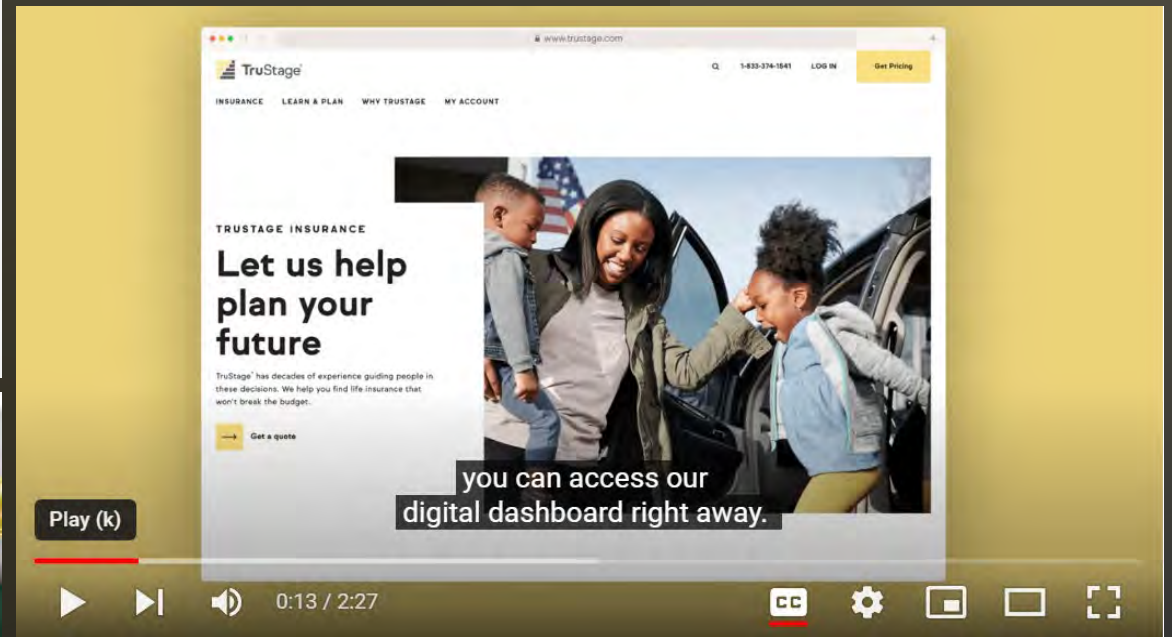
Latinas and the gender pay gap

As of 2020, women earned 84% of what men earned. Based on this estimate, women would need 42 days



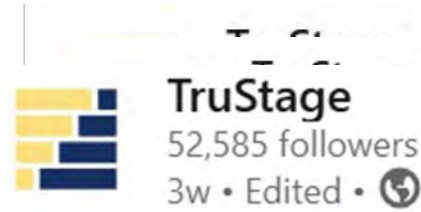
Generational wealth and the importance of life insurance for the Black family

Each February, Black History Month is celebrated around the world. It's a time to honor the achievements and contributions of Black people.



Social Media shift to:

- Optimistic but real
- DEI built in
- Community connection
- Current events
- People focused
- Highlighting employees



The [TruStage Ventures](#) Discovery Fund has expanded to include veteran-led startups. Originally created to address inequities in the financial sector, the Fund has already backed 25 early-stage startups with a 100% survival rate. Now, we're proud to ...more



This will strengthen our ability to not only meet veterans' financial needs but also **empower veteran entrepreneurs** to develop ideas and scale fintech solutions that can drive lasting economic impact for all.

Elizabeth McCluskey

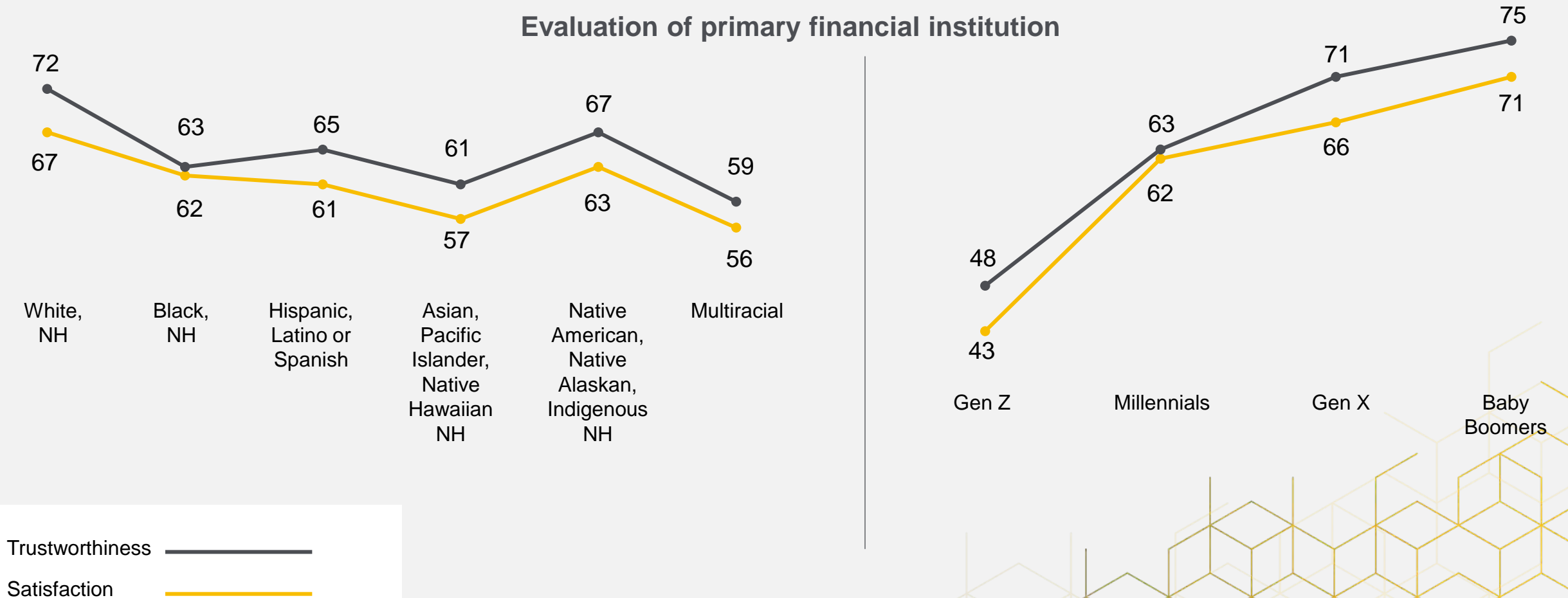
Managing Director, TruStage™ Discovery Fund

FT-8517568.1-1025-1127



Multiracial and Gen Z consumers tend to have lower trust and satisfaction with their primary financial institution (PFI)

Evaluation of primary financial institution



ACTION STEP:
Elevate DEI plans to strategic imperatives to ensure promises are lived out authentically across the credit union, its channels and experience touchpoints.

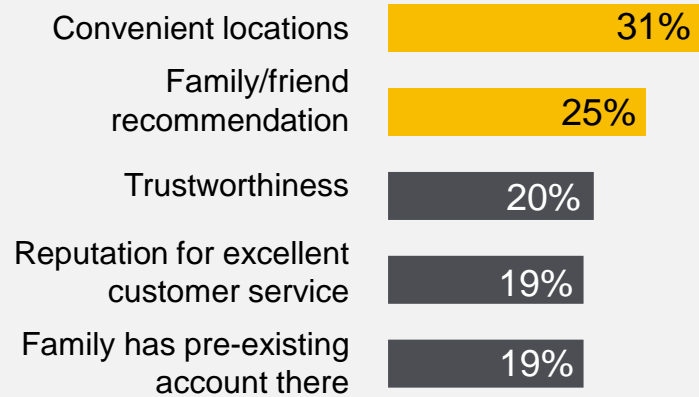
Lower satisfaction around DEI for BIPOC, Gen Z & Millennials

Satisfaction with primary financial institution

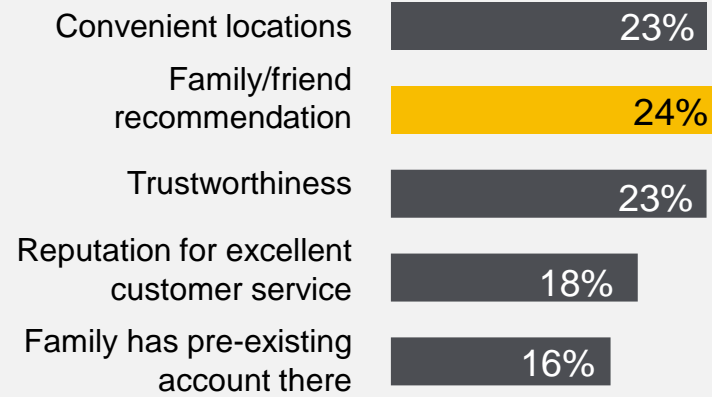
	White, NH	Black, NH	Hispanic, Latino or Spanish	Asian, Pacific Islander, Native Hawaiian NH	Native American, Native Alaskan, Indigenous NH	Multi-racial	Gen Z	Millennial	Gen X	Baby Boomer
Speak a language you prefer	85%	75%	74%	74%	82%	73%	60%	73%	83%	90%
Have staff representing your culture	80%	69%	68%	58%	73%	68%	61%	73%	75%	78%
Promote products/services relevant to your culture	79%	70%	66%	61%	72%	64%	58%	70%	76%	79%
Reflect your culture in marketing messages	78%	66%	66%	62%	74%	64%	57%	72%	76%	75%

Top 5 motivators for choice of PFI by race/ethnicity

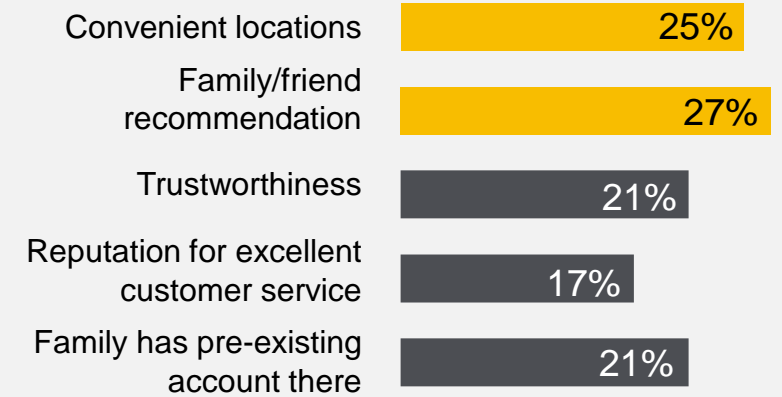
White, NH



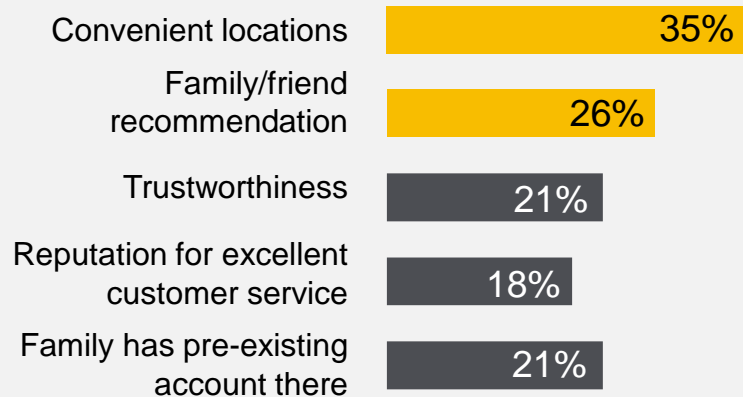
Black, NH



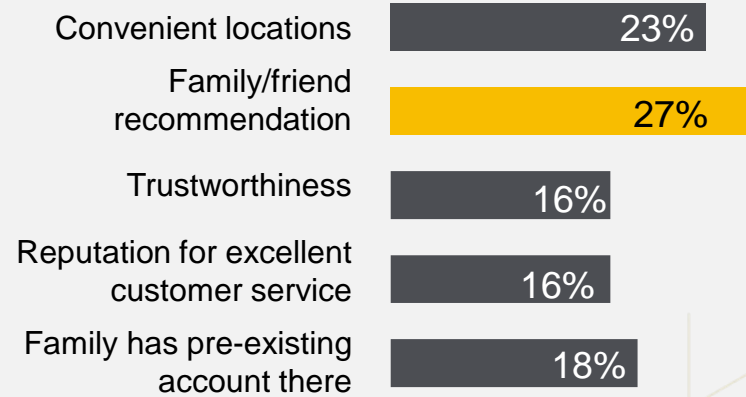
Hispanic, Latino or Spanish



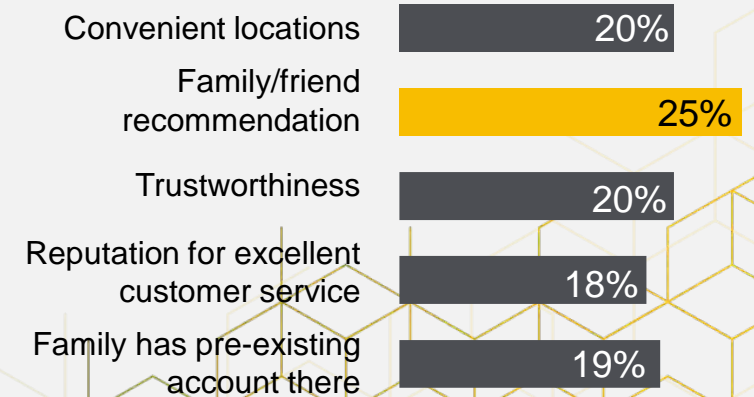
Asian, Pacific Islander, Native Hawaiian NH



Native American, Native Alaskan, Indigenous NH

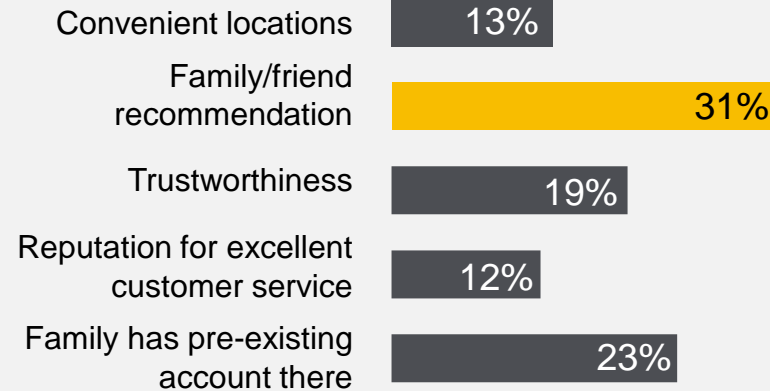


Multiracial

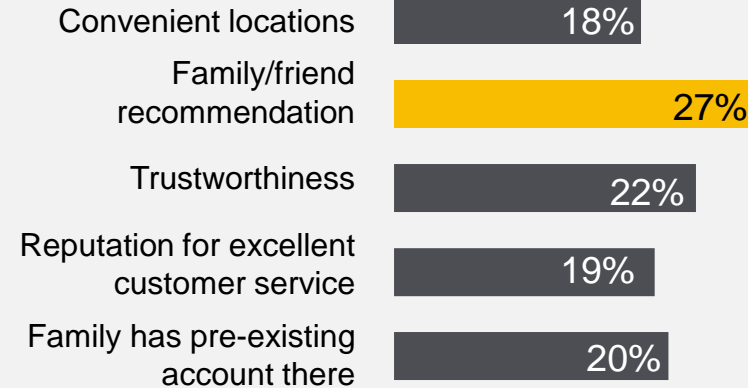


Top 5 motivators for choice of PFI by age group

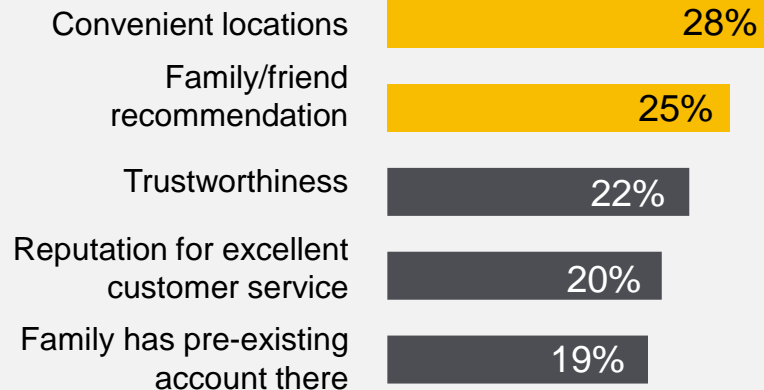
Gen Z



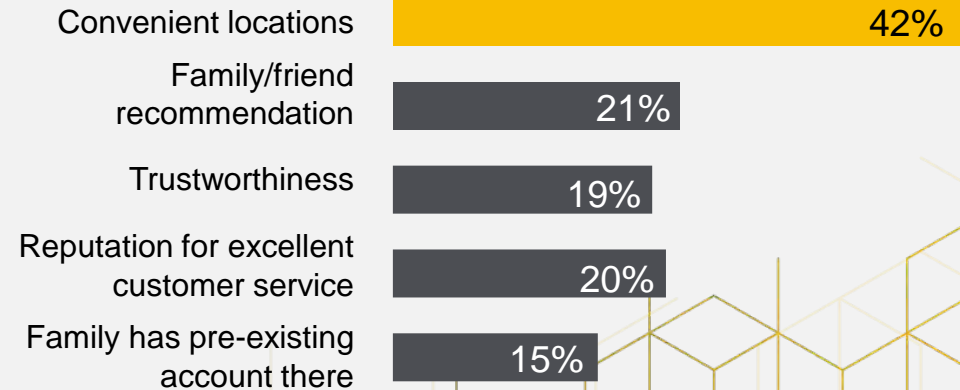
Millennial



Gen X



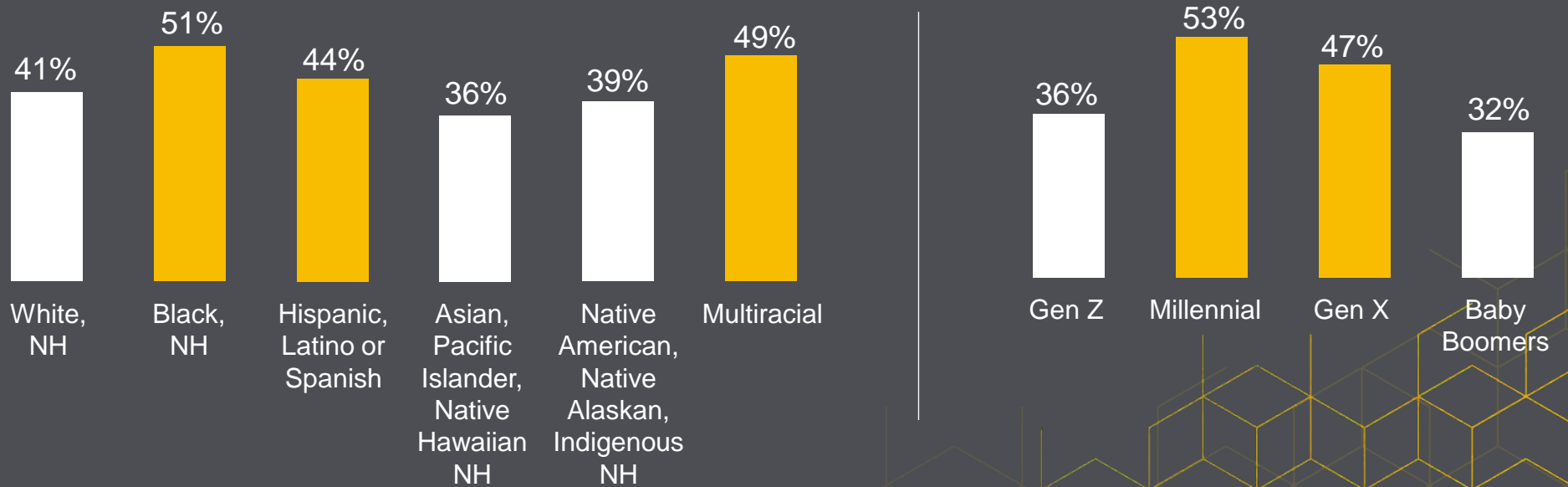
Baby Boomers



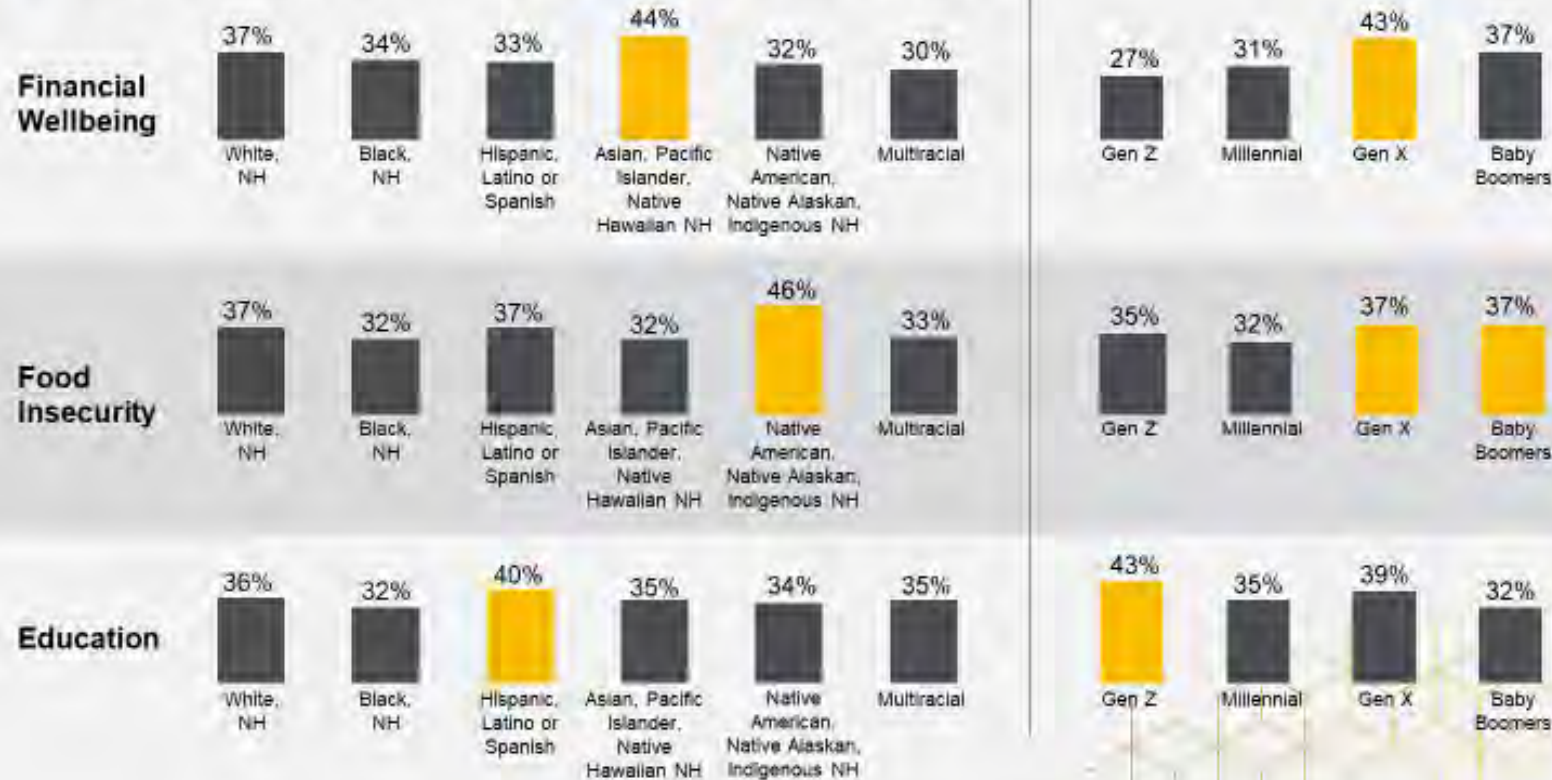


Importance of PFIs giving back to the community higher for Black, Multiracial, Hispanic, Millennial & Gen X consumers

It's important that my PFI gives back to the community



Causes that matter to consumers



ACTION STEP:
Consider elevating programs that connect back to the causes that resonate with your members and the communities you serve.



“I think all factors like race gender religion and orientation are important equally because no one is one thing. **I’m not just a woman, I’m not just Black, I’m not just one thing.** All parts of my life intersect to make me who I am and all those parts are important to how and why I do things.”

– **A.**, new mom, Gen Z/ Millennial,
Black, Native American, works for a start-up,
goals include financial stability and homeownership

Thank you.

Contact

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Insights & Multicultural Engagement

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www.linkedin.com/in/opalt

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