



TruStage®



CUNA MUTUAL GROUP

2022 RESEARCH REPORT

What Matters Now™

*A Multicultural and
Multigenerational
Consumer Lens*



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FOREWORD

Why a Multicultural and Multigenerational Look at Consumers Matters

In years past, research has always been split by White, Black, Hispanic and occasionally Asian. Data on the Native American, Alaskan Native and Indigenous population would be missing, and information on the Multiracial population was non-existent.

A lot of surveys (Census included) forced people to choose one race/ethnicity to identify. Survey respondents who didn't identify with the four called out race/ethnic groups would be gathered into "other."

Now, with the new Census data — and because our team was determined to be more representative of the U.S. population — we can call attention to not only the Native American, Alaskan Native and Indigenous community but also the Multiracial community. One way that racism shows up, especially against the Native American, Alaskan Native and Indigenous population, is that these groups are ignored and left out of data collection and research. As you will see from this 2022 What Matters Now™ report, these growing populations provide a needed perspective in our total view of consumers and how they interact with financial services.

Another group that is often left out of the conversation when it comes to financial services and wealth building is Gen Z. Many of us hold old stereotypes that Gen Z consumers and even Millennials are too young or at life stages that have not yet required the need for our products and services. The reality is Gen Z consumers are a growing part of our workforce — they are parents, caregivers, heading and contributing to households financially and are an important consumer segment for us to consider both now and for the future.

This inclusion of additional generations and races/ethnicities allows people to show up as who they are fully and for us to better understand consumers and their identities. Conducting research that encompasses a wide range of racial and ethnic identities as well as looking at consumers from Gen Z through Baby Boomers provides a big picture that is more clear and vivid, one that is representative of the communities we serve.

At CUNA Mutual Group, we believe a brighter financial future should be accessible to everyone. We can only achieve that by centering our customers and evolving with consumers to meet their needs. We have been on a journey to learn as much as we can about consumers through a cultural lens that considers not one, but the many aspects of identity that make us human.

You can't get inclusive data without conducting research in an inclusive way. Both our quantitative and qualitative studies were conducted in both English and Spanish, allowing us to not only reach more people, but to gather more complete data in a way that centered the participants and their preferences. We considered the psychological safety of our research participants in everything from the screener criteria to the way questions were worded. We positioned ourselves as the learners and them as the teachers, understanding that multicultural consumers have an abundance of cultural wisdom and creativity when it comes to their lives, hopes, dreams and finances.

Finally, representation was incredibly important to us. We were intentional to put the time, effort and care in to reach communities that have traditionally been harder to reach and ensure their voices were included.

Our research today has evolved from our research five years ago, and our future research efforts will be even more inclusive. We believe diversity, equity and inclusion (DEI) efforts should be transformational, not transactional. The events of the last few years, specifically the murders of George Floyd, Breonna Taylor and countless others, as well as the lives lost and altered by the pandemic and the disproportionate impact of COVID-19 on Black, Indigenous and People of Color (BIPOC) communities has brought us and consumers in general to a place that requires companies and organizations to face disparities head-on and find solutions together.

Our offering of this multicultural and multigenerational research, which includes perspectives on how the pandemic has impacted consumer finances, is aimed at providing credit unions with insights that will help us better serve all consumers and live into our founding purpose of people helping people.

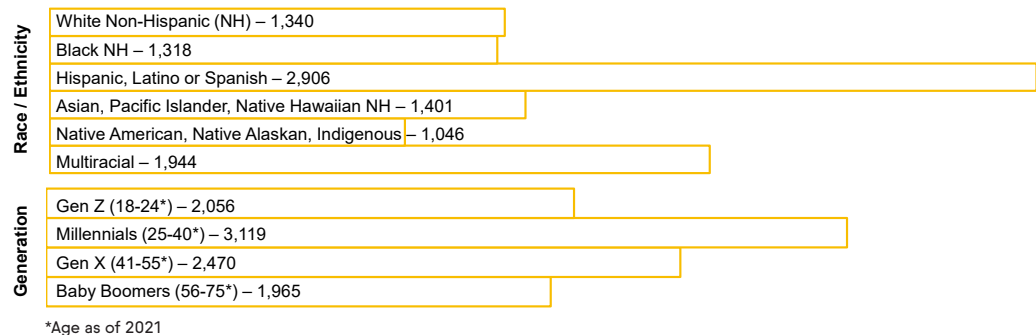
— *TruStage / CUNA Mutual Group*

RESEARCH METHODOLOGY

The 2022 What Matters Now™ research was gathered via quantitative and qualitative methodologies.

1. Quantitative

- Conducted by Ipsos
- 9,610 national participants responsible for or sharing in household financial decisions
- Online survey in English and Spanish
- Understanding of financial services behaviors, financial literacy and confidence, and needs, worries and goals of both consumer and credit union membership



2. Qualitative

- Conducted by The Collage Group
- 35 participants who are the primary decision maker on finances for the household
- Mix of urban, suburban and rural; credit union members and non-members; banked and under- or unbanked
- \$25K – \$150K household incomes
- Insights from Black, Hispanic, Asian and Native American consumers
- Online journaling, photo and video diary activities capturing financial practices, attitudes, values, hopes, dreams and habits.

More Insights Available

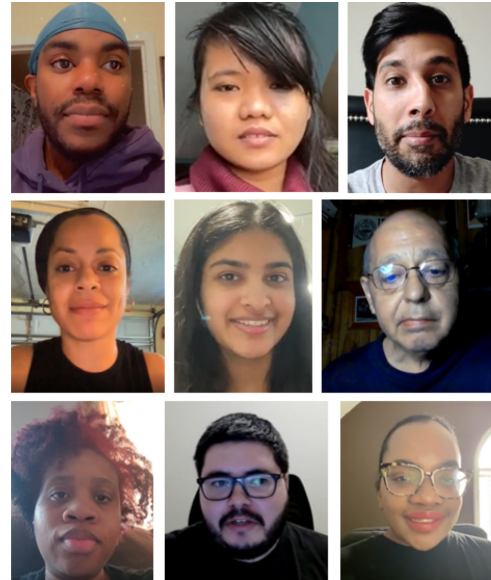


Looking for more data for your credit union and community? Uncover member insights by connecting with a DEI Services advisor at deiservices@cunamutual.com.

A MULTICULTURAL AND MULTIGENERATIONAL LOOK AT CONSUMERS

With multicultural consumers being the growing force, and as Gen Z and Millennials continue to change life stages, **we need to understand all parts of their identities and serve them with intentionality.**

The key themes included in this year's report are designed to help you do precisely that.



Key Themes:

6 People:

Understanding today's multifaceted consumer and being ready to serve tomorrow's consumer, acknowledging groups that have been left out

8 Emotional Fluency:

Understanding people's hopes, dreams and worries

10 Solutions for Financial Wellbeing:

Understanding what products and services people are using to survive and thrive

19 Connection:

Understanding how people interact and get information about primary financial institutions (PFIs) and what they offer

21 Evolving Consumer Expectations:

Understanding how the pandemic and this point in history has shaped what people expect from PFIs and how to show up for consumers NOW

People

Ground Ourselves in Commonalities and Differences

One key insight we captured is that 60% of people want their children to achieve more financially than them. This is a universal desire and goal, and it rises even higher for Native American (66%), Hispanic (65%) and Black (63%) Americans. But what are the products and services people are using to achieve that dream? What things are getting in the way?

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



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

ACTION STEP



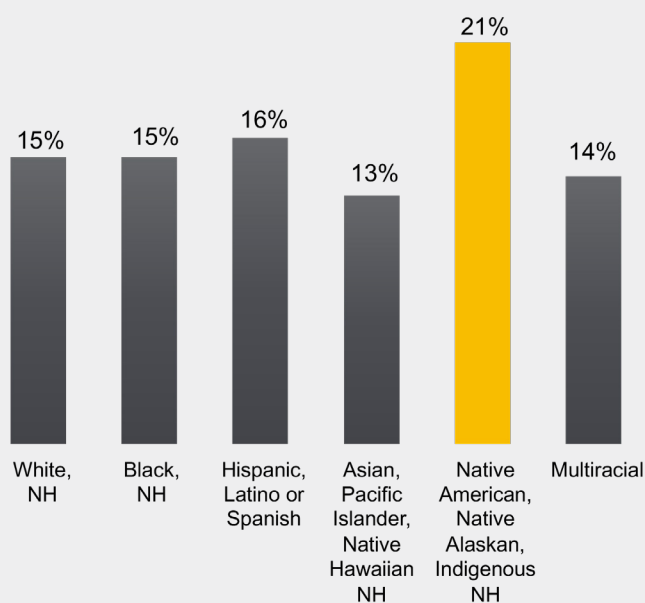
Carve out an engagement strategy focused on generational wealth building and wealth transfer to drive growth and emotional connection.

Native Americans are the Most Likely to Say Credit Unions are their Primary Financial Institution (PFI)

In our survey, Native American, Native Alaskan and Indigenous consumers far exceeded people of different races/ethnicities who said a credit union is their PFI.

This signals a big opportunity for credit unions, as the Native American population is growing rapidly. The American Indian and Alaska Native alone population grew 27.1% from 2010 to 2020. During the same time frame, the number of people identifying as American Indian and Alaska Native in combination with one or more races grew 160%.¹ The data has shown us that Native American consumers are choosing credit unions. What are we doing to embrace and better serve this growing demographic?

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.²

Connect with Native CDFI intermediaries like Oweesta to learn more about developing financial products and services centered on Native American communities.



ACTION STEP

¹ National Indian Council on Aging (NICOA), "Census Shows Increase in Native Population," September 2021, <https://www.nicoa.org/census-shows-increase-in-native-population/>

² Oweesta, https://www.oweesta.org/about_native_cdfi/

Emotional Fluency

Financial Worries Increase Among White Americans

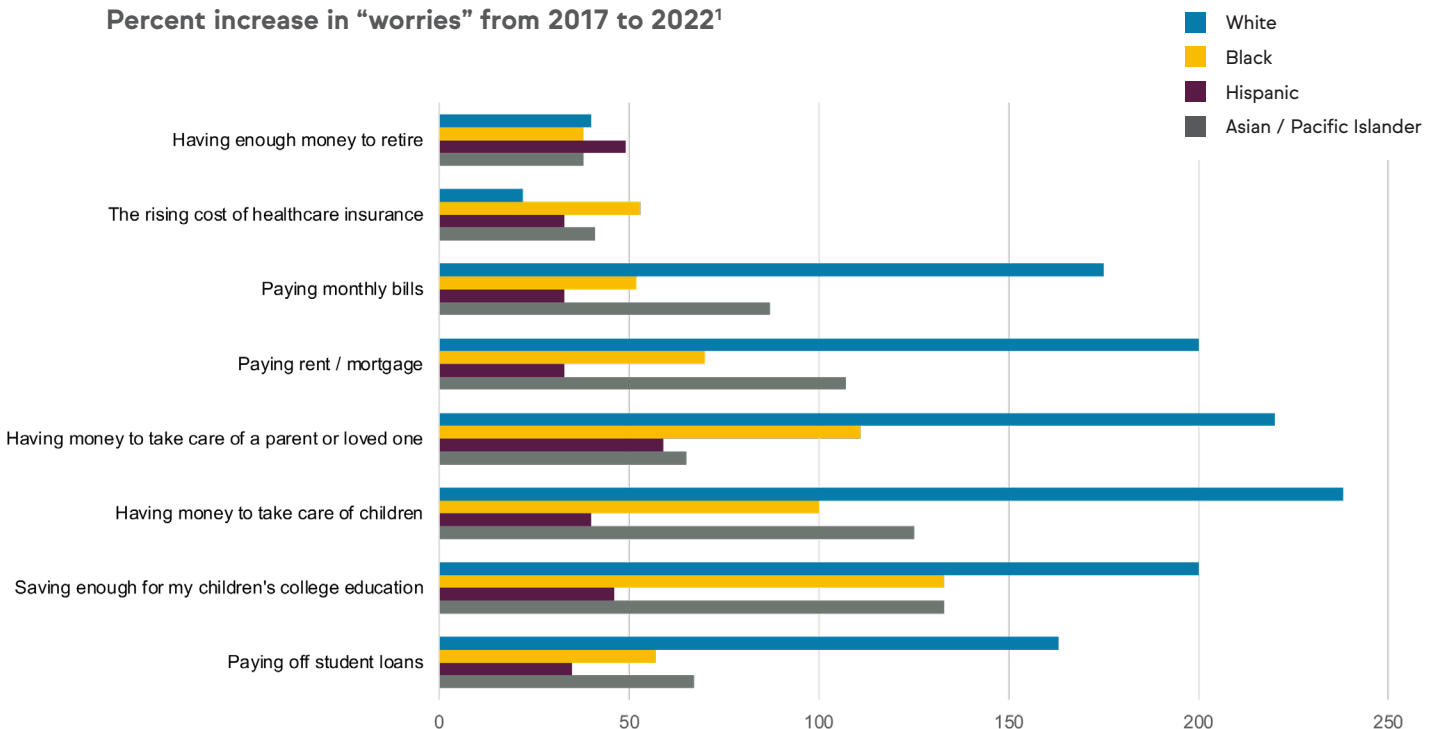
Across the board, people have grown more worried in the past five years. Given the economic and societal ripples of the pandemic, it's no wonder.

White Americans expressed a significantly higher jump in worry across nearly all categories compared to other groups. Having enough money to take care of a parent or loved one experienced a top-two increase in concern for White, Black and Hispanic consumers; saving for children's education is of highest importance for Asian consumers.

"I always end up getting overwhelmed right before pay days. I can feel the debt collectors looking at our accounts and it makes me anxious to get everything paid. Once it is paid I feel relieved and proud that I take responsibility in my priorities!"

– Native American, American Indian & Indigenous, Millennial, Female

Percent increase in "worries" from 2017 to 2022¹



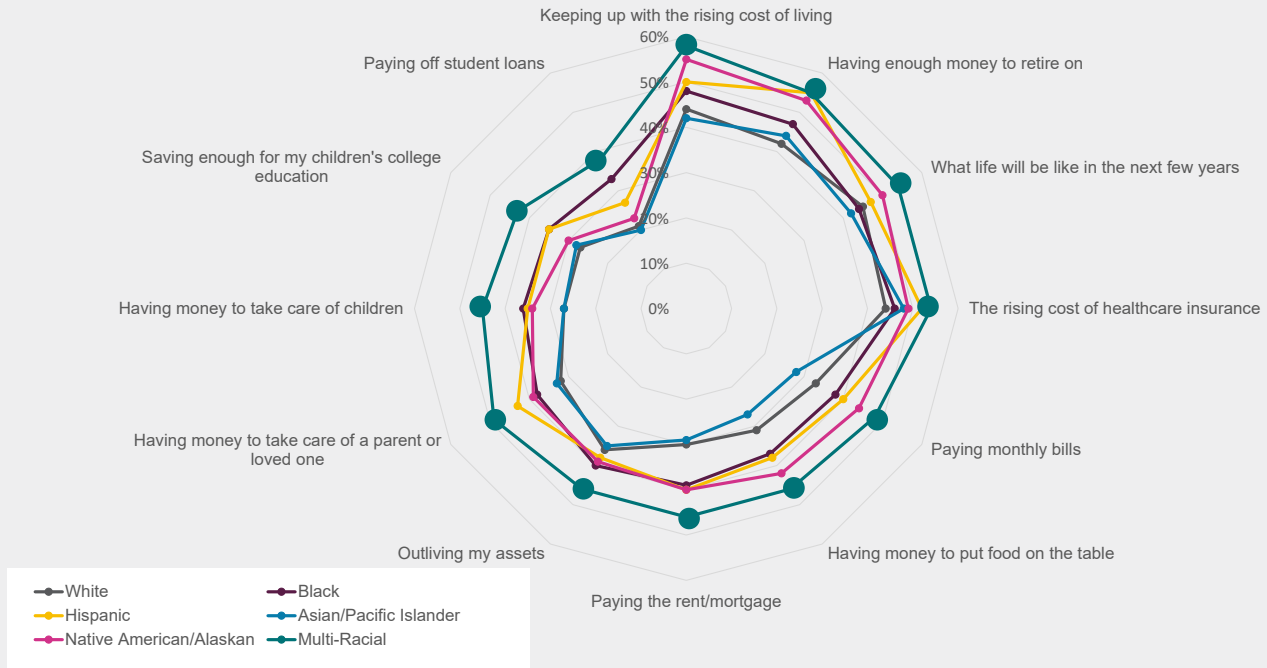
ACTION STEP →

Do the work to understand and empathize with your members' worries. Then take a human approach to marketing and education efforts around products and services that help alleviate financial worries.

¹CUNA Mutual Group, "What Matters Now™" Research Report, 2018
CUNA Mutual Group, "What Matters Now™" Research Report, 2022

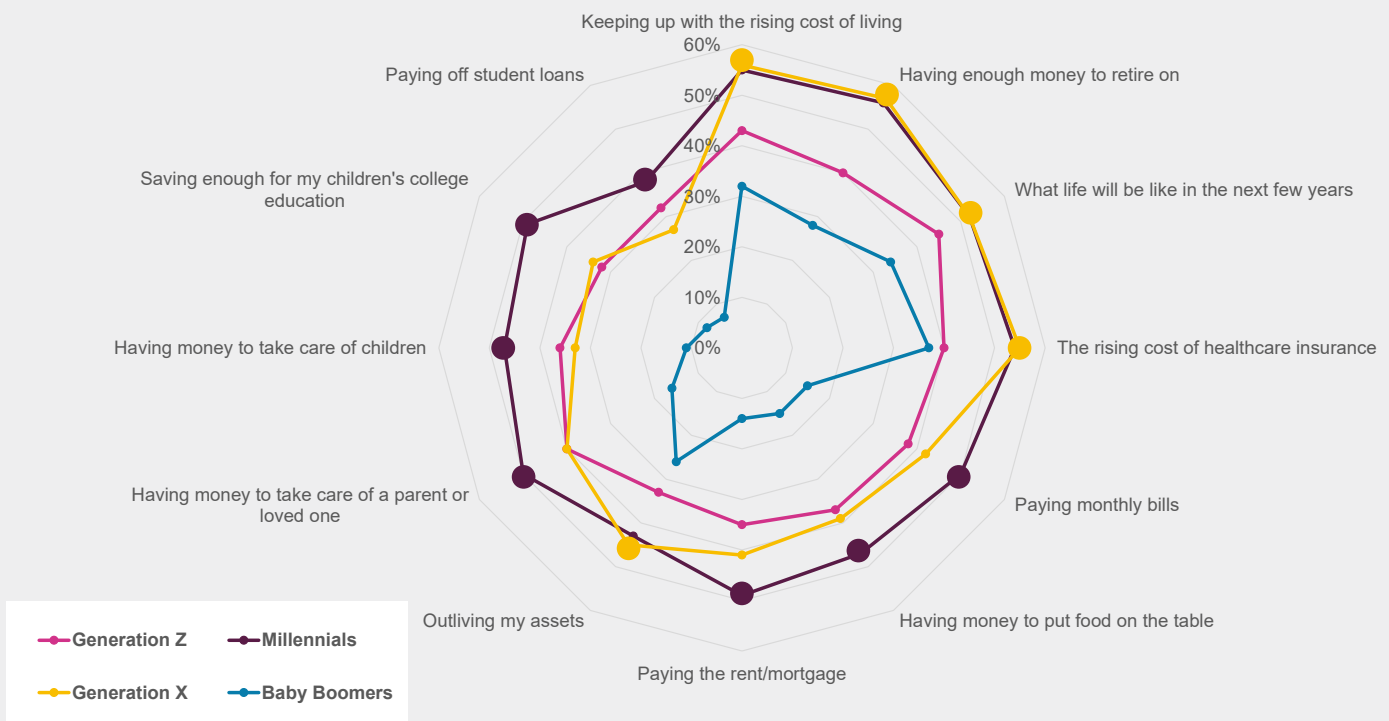
Worries by Race/Ethnicity

Worrying about retirement continues to be the top concern across all groups, followed by the rising cost of healthcare and keeping up with the rising cost of living. Paying off loans is a big worry for Black consumers, while paying monthly bills is top of mind for Native American consumers.



Worries by Generation

Millennials seem to be struggling with more worries than other generations, while Boomers seem to be significantly more at ease — with the exception of the rising cost of healthcare insurance, and having enough for retirement.



Solutions for Financial Wellbeing

Types of Products / Accounts Consumers Have

Our research indicates that multicultural consumers are adept at stitching together the most relevant financial-products quilt for them. Many of the people we talked to are working with multiple financial partners at once to meet their needs.

Hispanic consumers are more likely to have debit cards; Asian consumers more likely to have checking, credit cards and investments; and Black consumers are more likely to leverage loans, life insurance and payment protection. Native Americans generally have fewer financial products, which presents an opportunity to make your products and services more accessible and to connect with your membership and communities to learn what products you might be missing.



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.

Black, Multiracial and Younger Consumers More Likely to Obtain a Loan

While auto loans, credit cards and mortgages will continue to be the most demanded products, Black and Multiracial consumers expressed a higher interest in obtaining nearly all lending products (compared to other groups) in the next five years. Black and Multiracial Americans are also more interested in obtaining small business and student loans.

In terms of generation, Gen Zers — the oldest of which are turning 25 — had the largest interest in borrowing, with the most acute desire for funds in the areas of used car (27%) and home (29%) purchases. Millennials were not too far behind with 25% anticipating obtaining a loan for a used car loan, and 26% expecting to apply for a home mortgage in the next five 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.

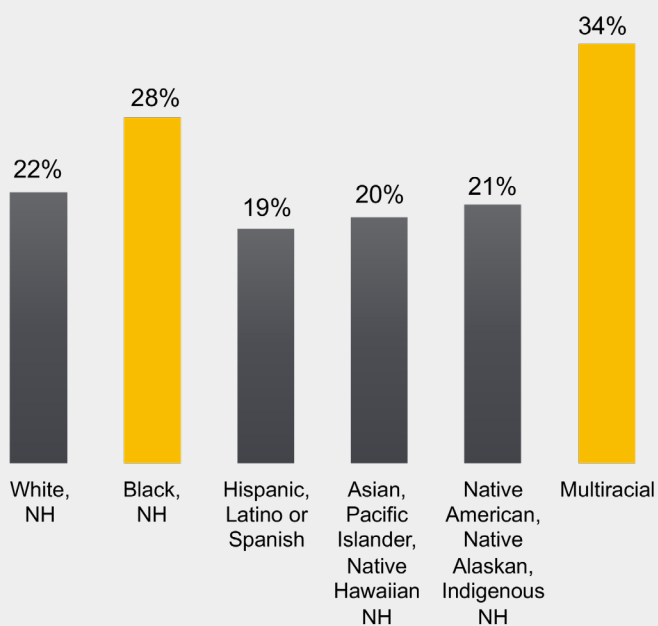
Consumer Sentiment Around Loans

When asked if getting a loan makes them feel idealistic in being able to help others, Multiracial (34%) and Black (28%) consumers were the mostly likely to agree.

Generosity and community are themes we discovered in our research in 2018, and they remain true in 2022.



Getting a loan makes me feel idealistic in being able to help others



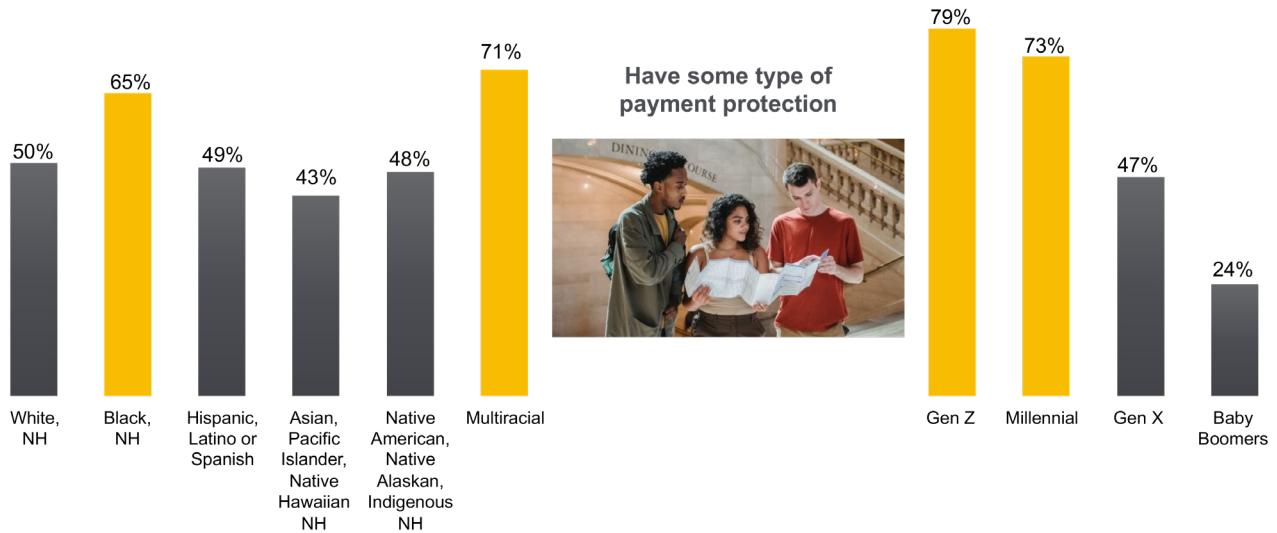
ACTION STEP



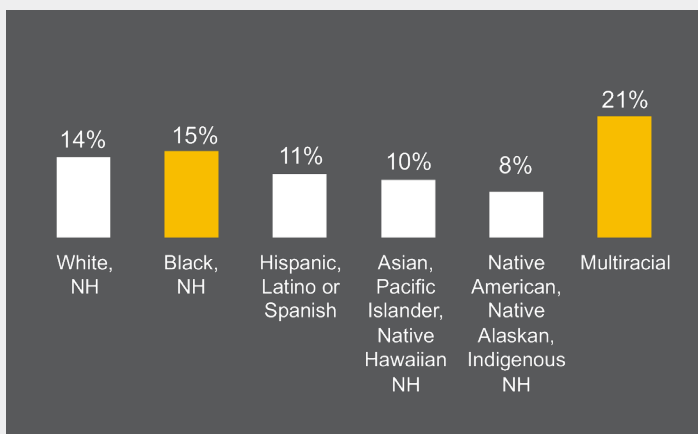
Understand the significance obtaining certain products and services may have for people, and position your products in a way that resonates with your members.

Payment Protection

Black, Multiracial, Gen Z and Millennial consumers said they are 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.



Payment protection for auto loans



ACTION STEP

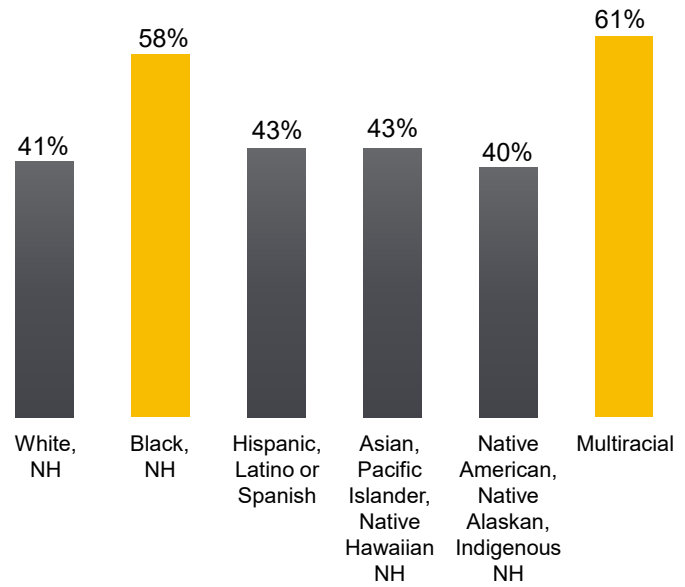


Be aware that use of the words “payment” and “protection” together means different things to different people. It’s common for consumers to mistake payment protection insurance for things like alerts, overdraft, or fraud and identity theft protection.

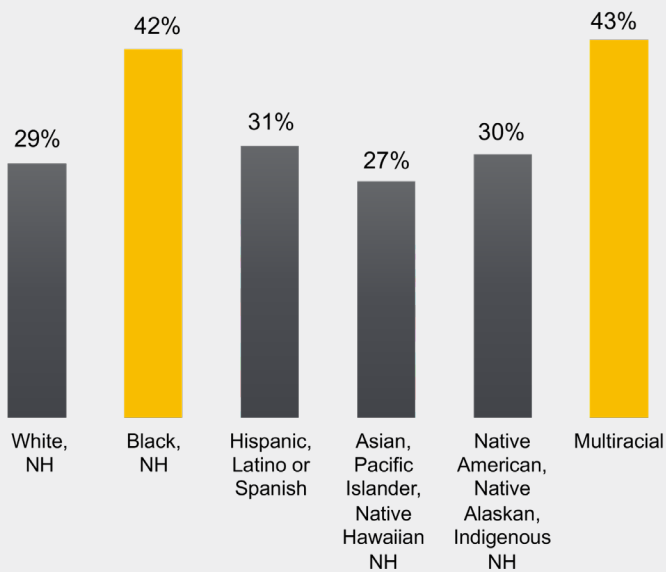
Life Insurance: Multiracial and Black Consumers More Likely to Purchase



Life insurance purchased in the past 5 years

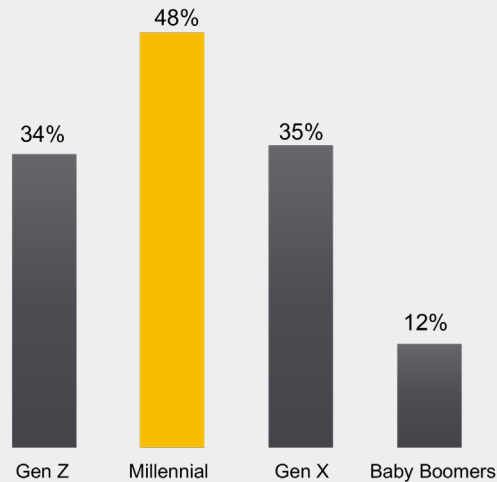


Likelihood to purchase life insurance in the next 5 years



Millennial Consumers are a Growth Area for Life Insurance

Likelihood to purchase life insurance in the next 5 years



LGBTQ+ Consumers are also a Growth Area for Life Insurance

Likelihood to purchase life insurance in the next 5 years



ACTION STEP



Offer life insurance products that can easily meet a broad range of needs, as member budgets will vary widely. Consider incorporating a digital quote tool to make it easier for consumers to experiment with different payment levels, removing barriers to purchase.

Multiracial, White, Black and Younger Consumers More Likely to Work with a Financial Advisor

Prior research conducted by CUNA Mutual Group showed that Multicultural consumers tend to seek financial advising at a younger age than White consumers. This — combined with the new data showing Hispanic (25%), Asian (30%) and Native American (23%) consumers are least likely to be working with an advisor — spotlights a significant opportunity for credit unions to make financial advice more accessible for communities of color.



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.”

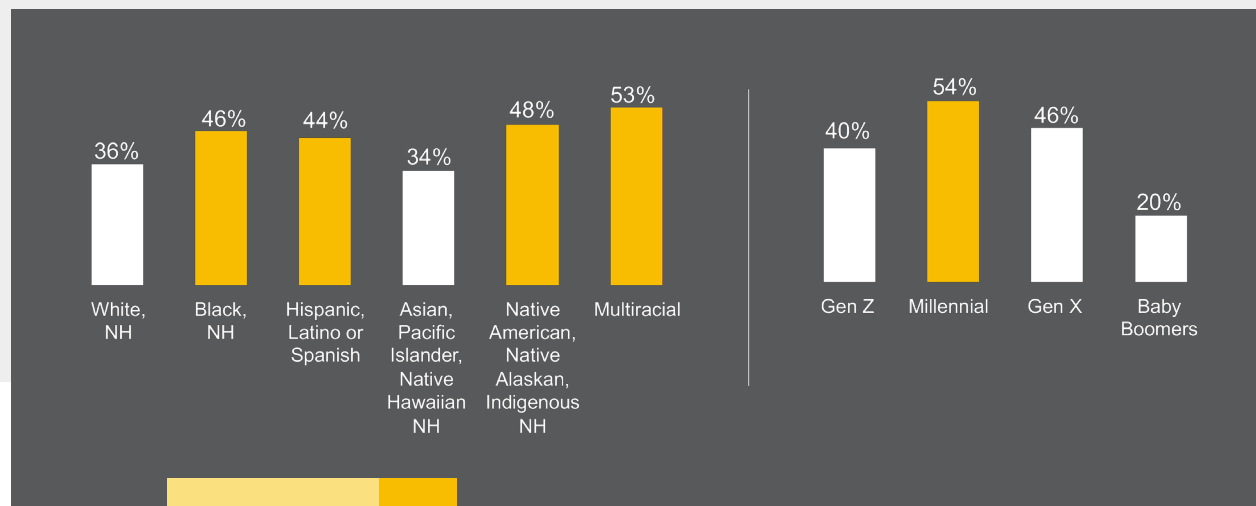
– Asian, Millennial, Male, New Dad

Many Believe One Job Isn't Enough to Reach Their Financial Goals

The gig economy has grown steadily over the past five years. People are juggling multiple jobs, side hustles and starting their own businesses. This reality is even more pronounced for Multiracial, Native American, Black and Hispanic consumers. Close to half of the people in these segments who participated in our survey, across income levels, said they believe one job isn't enough to fulfill their goals.



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



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.

Small Business Owners are More Likely to be Multiracial, Black & Millennial

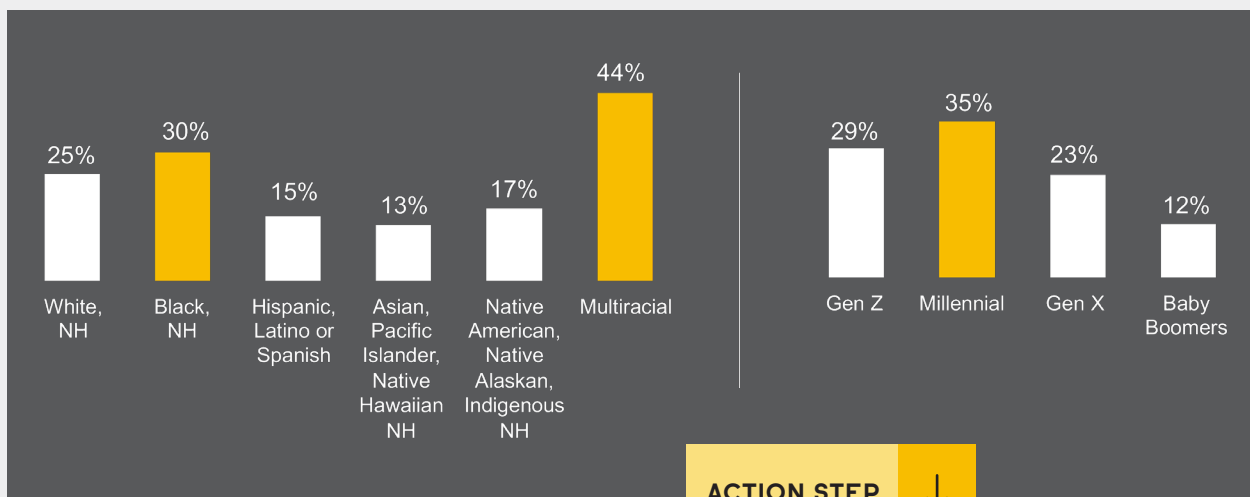
Several key multicultural and multigenerational segments are starting and growing small businesses. When asked if they own their own business, 44% of Multiracial consumers, 35% of Millennials and 30% of Black consumers answered yes. Many of these small business owners are entering or in the midst of life stages where financial needs and priorities are activated.

“I started a juice business because my dad had a colon cancer scare,” shared one of the participants. “It’s going OK, but there’s definitely been a pause on the type of progress I wanted to make because of the pandemic.”

“My cultural background, I am Native American, I’m also African and I’m also European.”

– Multiracial, Millennial, Female, Small Business Owner

Own your own business



ACTION STEP



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

Connection

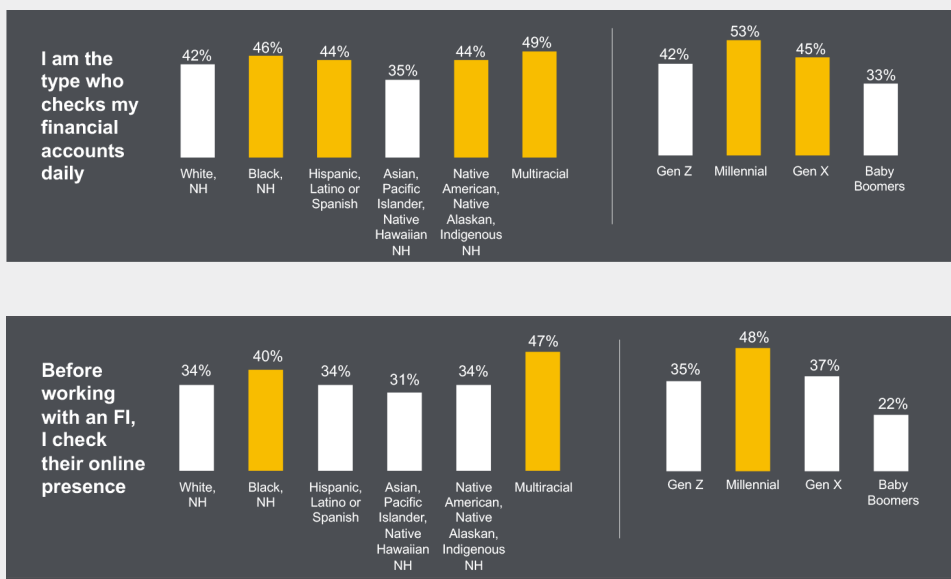
Multicultural and Multigenerational Consumers are Daily Digital Users

Regardless of income, many people (43%) — and especially Multiracial (49%), Black (46%), Hispanic (44%) and Native American (44%) consumers — say they check their accounts daily. When we look at this generationally, Millennials (53%) are the most likely to agree with the statement, “I am the type who checks my financial accounts daily,” followed by Gen X (45%) and Gen Z (42%).

What’s more, Millennial (48%), Multiracial (47%) and Black (40%) consumers are more likely to check the online presence of a PFI before working with them. Online presence goes beyond websites and mobile apps to include things like social media, press and partners the PFI is connected to online.



43% of consumers check their financial accounts daily



ACTION STEP



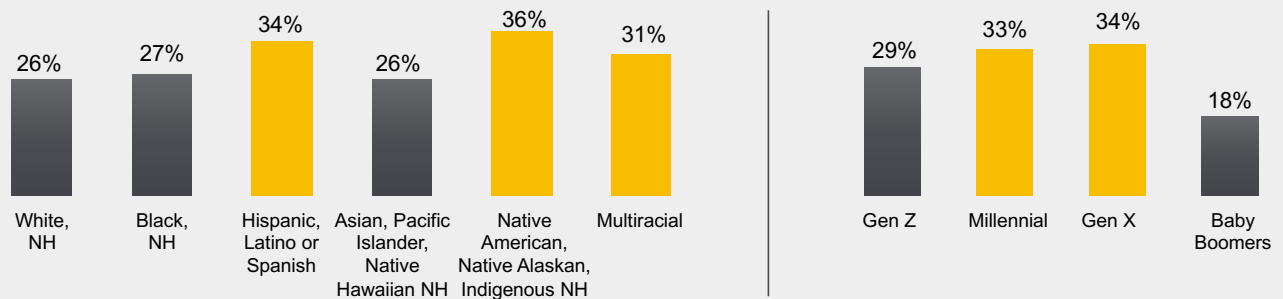
Consider how your credit union is showing up online. Your website should be welcoming and informative, but also think about your social media presence, press and visible employees. Are you showcasing your differentiators well online?

Multicultural and Younger Consumers Opting for Mobile-First Options, but Gen Z is Dissatisfied with Mobile Apps

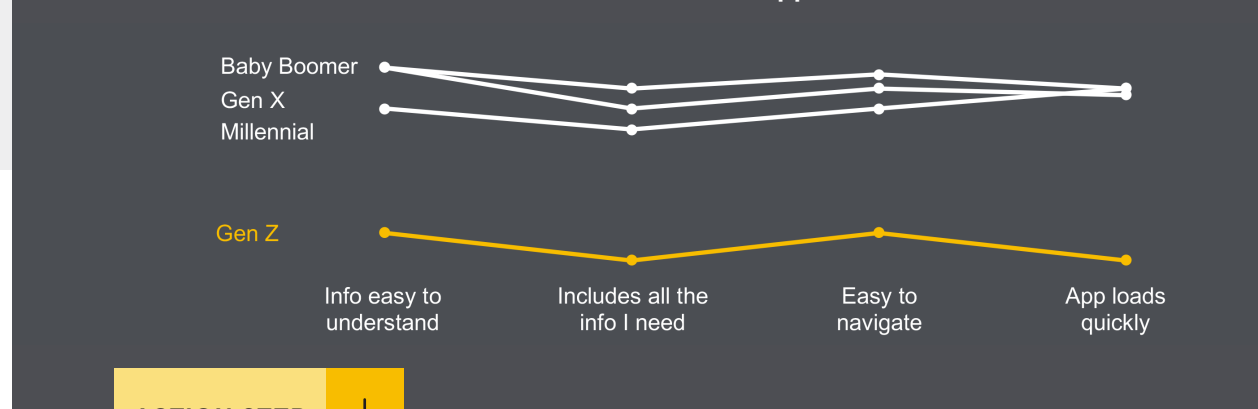
Many consumers are opting for mobile-first engagement with their financial institutions, a preference accelerated by the pandemic. This is especially true for Native American (36%), Hispanic (34%) and Multiracial (31%) groups, as well as Gen X (34%) and Millennial (33%) consumers.

However, our study indicates the possibility of a gap in expectations and experience. Gen Z consumers in particular report a low satisfaction with financial institutions' mobile apps. Gen Z participants are less satisfied with both the quantity and quality of information contained inside mobile experiences, as well as navigation and load times.

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



Satisfaction with mobile apps



ACTION STEP



Ensure a simple and intuitive user experience on mobile apps.

Evolving Consumer Expectations

Speaking Out is Important to the Youngest Consumers

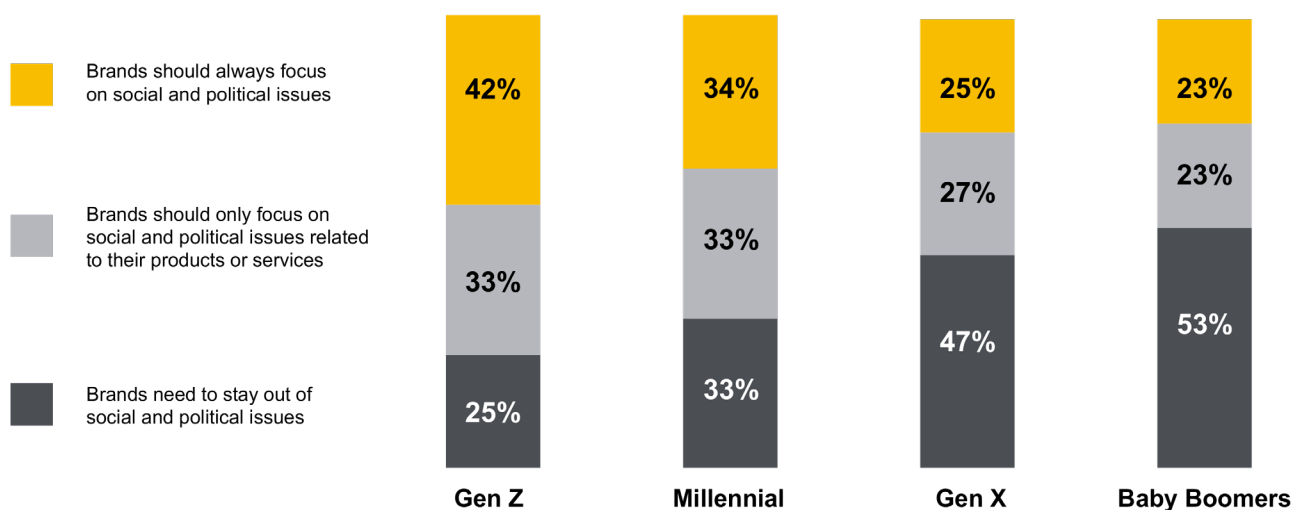
Traditionally, businesses and brands have shied away from taking a stand on either side of a political or societal issue. Young consumers may be about to turn that tradition on its head.

According to our research, younger generations want to know where brands stand, and a large number of Gen Z Americans (42%) believe brands should always focus on social and political issues.

"I think it was a good attempt to be culturally inclusive when a lot of brands started supporting BLM, Women's March and anything else that was going around in the media. But it also left a bad taste in my mouth because it felt like they were jumping on a trendy bandwagon to make themselves seem woke vs. doing something important for those communities in the background and after those trending events."

– Multiracial, Gen Z/Millennial, Female, New Mom

Taking a stand is important to consumers, especially those under 40¹



ACTION STEP →

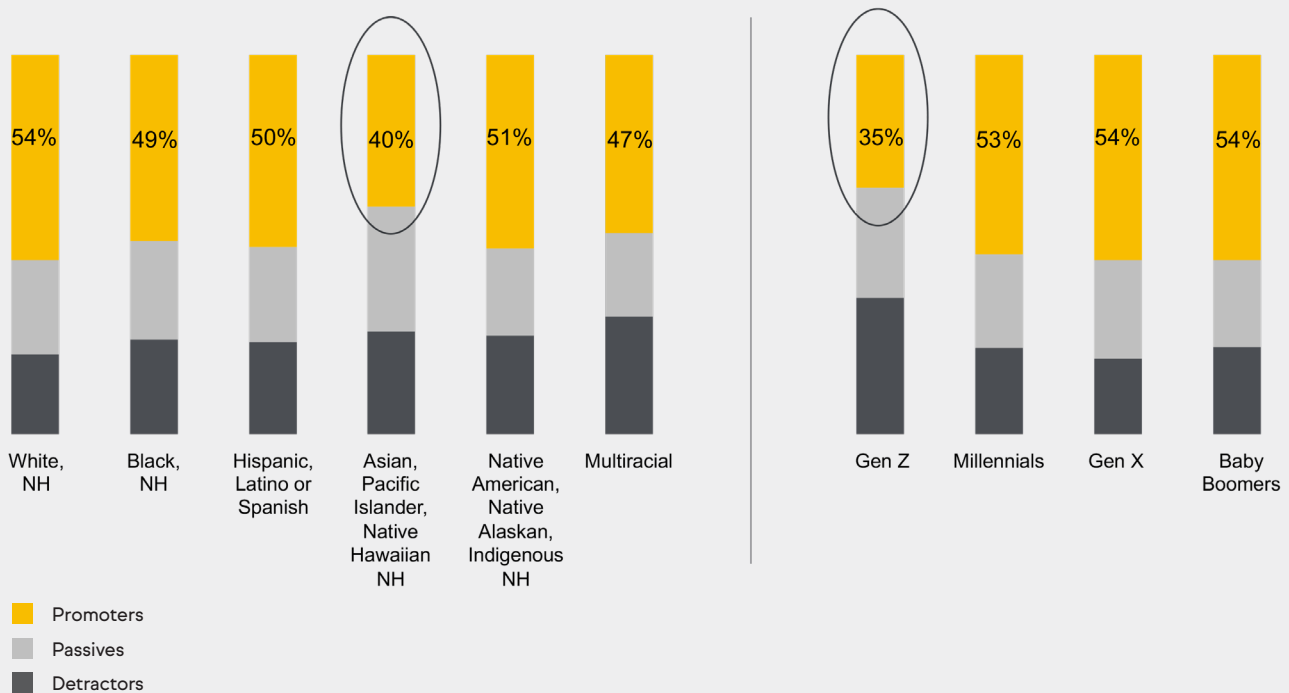
When speaking out, start by looking within to ensure you have meaningful action plans in place to connect with your community. Then, trust your talent. If your employees want to hear something, your members probably do too.

¹Collage Group, "America Now Survey," September 2021

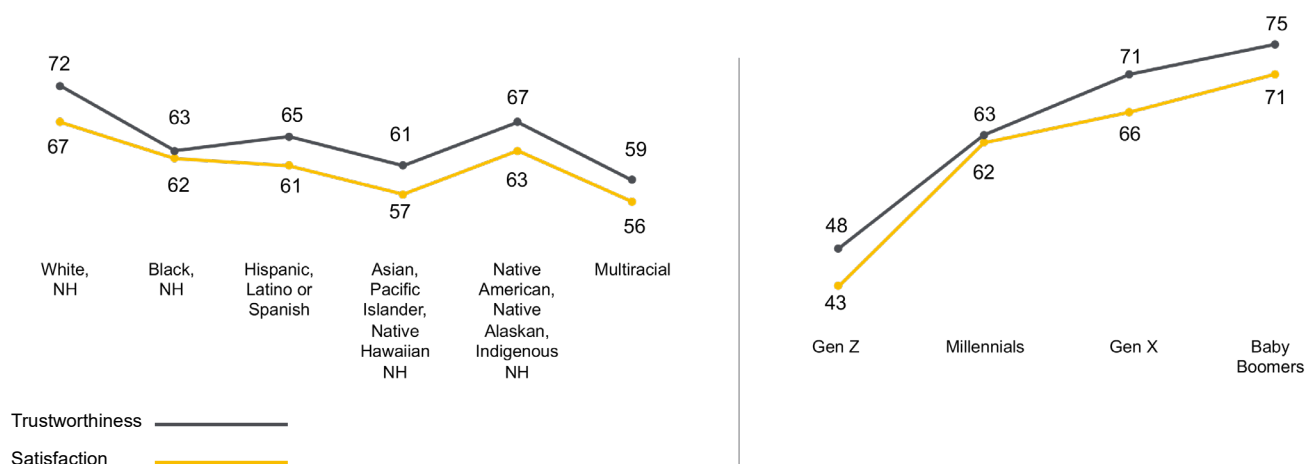
Asian and Gen Z Consumers Have a Lower Net Promoter Score (NPS)

As every credit union knows, gaining a new member is merely the beginning. Building a great relationship — the type that makes the member want to recommend the credit union to friends and family — quickly takes priority position. As our findings indicate, Asian and Gen Z consumers are least likely to recommend their PFI to family and friends. These segments offered the lowest Net Promoter Scores at 40% and 35%, respectively. Multiracial and Gen Z consumers tend to have lower trust and satisfaction with their PFI.

Likelihood to recommend



Trustworthiness and satisfaction evaluation of PFI



DEI Practices Matter

Across the board, diversity, equity and inclusion (DEI) practices matter to young and multicultural consumers, and there is room for improvement across several factors today.

Take staff representation, for example. Whereas 80% of White consumers are satisfied in this area, only 58% of Asian consumers are satisfied that their PFI has staff representing their culture. Similar results appeared across the survey when we asked about products, service and marketing reflecting the culture of participants.

Lower Satisfaction Around DEI for Multicultural Consumers, 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%

ACTION STEP



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

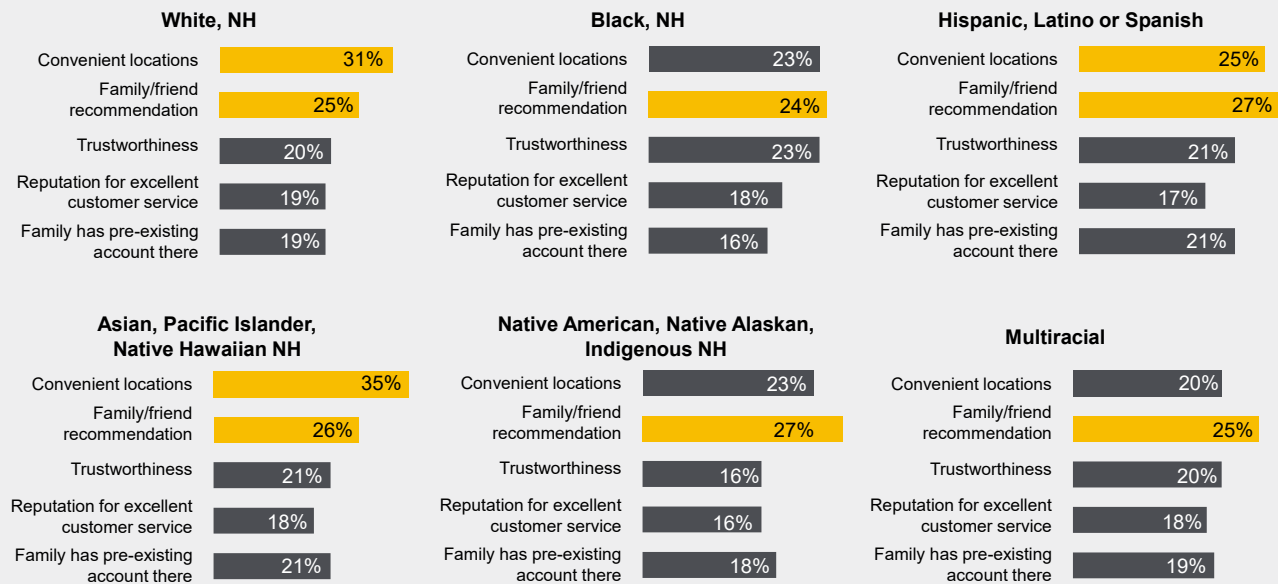
“I think Chase Bank in my area of South San Francisco has been good. You pretty much get staff and customers of all cultures, genders and socioeconomic status visiting the branch. This makes me feel more comfortable as a customer.”

– Asian, Millennial, Male

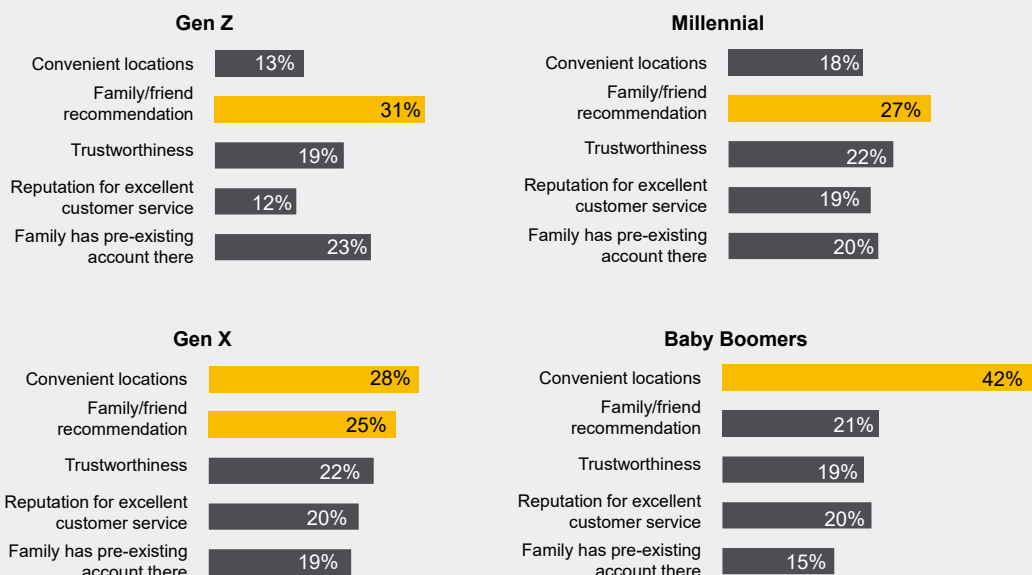
Top 5 Motivators for Choice of PFI

Convenient locations and family/friend recommendations are the highest motivators for choice of PFI across nearly all cultural and generational segments.

Top 5 motivators for choice of PFI by race/ethnicity



Top 5 motivators for choice of PFI by age group



Financial Wellbeing, Food Security & Education Top List of Meaningful Causes

Giving back to the community is a significant value held by younger and multicultural consumers. Half of Black (51%) and Multiracial (49%) consumers say it's important that their PFI feel the same and be active in giving back. A similar percentage of Millennials (53%) and Gen X (47%) agree.

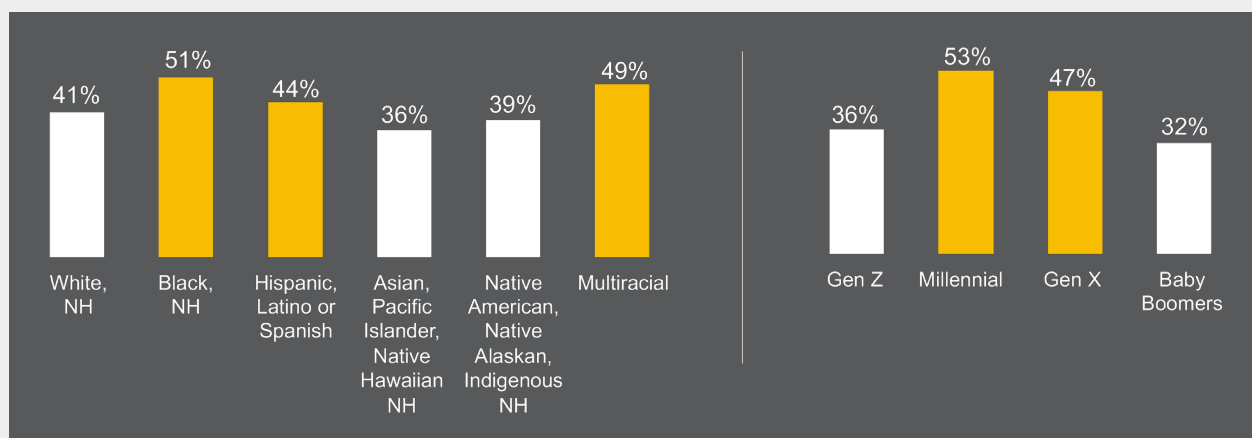
Much of the young, multicultural passion for working with PFIs that give back may stem from the fact that these individuals have at some point received services from area non-profits. When someone has been in that vulnerable state, they see the value and impact it can have for others as well. An overwhelming 71% of Gen Z and 62% of Millennial participants in our survey have received support from local organizations at least once in their lifetime. Sixty-seven percent of Multiracial, 54% of Black and 50% of Native American consumers also received support at some point.

When it comes to the “how” of giving back, consumers want their PFIs to focus on improving financial wellbeing, food security and education. Asian consumers (44%) and Gen Xers (43%) indicate a higher preference for financial wellbeing, while Native American (46%) and Baby Boomer (37%) groups most frequently chose food security. Hispanic consumers (40%) and Gen Zers (43%) indicate a higher preference for education-related causes.

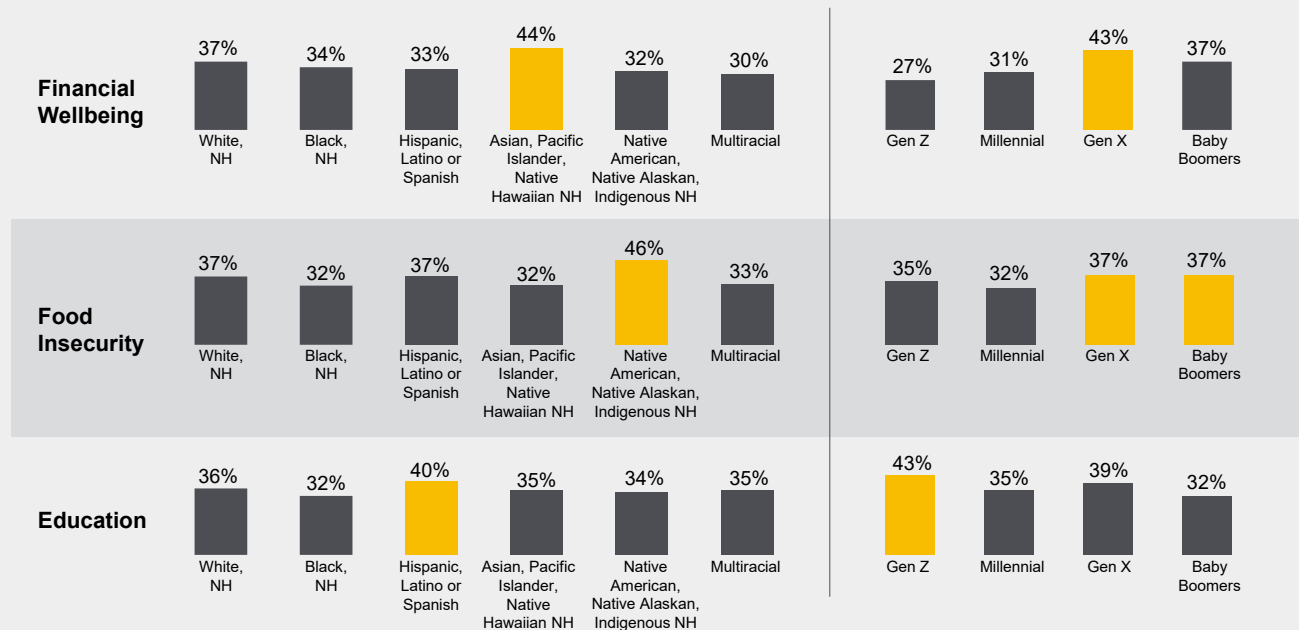


Importance of PFIs Giving Back to the Community Higher for Black, Multiracial, Hispanic, Millennial & Gen X Consumers

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



Causes that Matter to Consumers



Black, Native American, Multiracial and Younger Consumers More Likely to Have Received Support from Local Organizations



ACTION STEP



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

Identity Matters Now More Than Ever

All people seen. All voices heard.

That mantra is core to the What Matters Now™ research, developed and digested specifically for credit unions. In a world changed by undeniable societal forces, identity has taken on new relevance — and richer complexity. As one of the study's participants shared,



“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.”

– Multiracial, Gen Z/Millennial, Female, New Mom

This participant — and the millions of multicultural consumers in the U.S. who stand to achieve more with a credit union by their side — is why CUNA Mutual Group has continued its multi-year research project into these groups. The sheer size of the multicultural segment, not to mention their surging financial power, should compel all credit unions to understand all parts of their identities and serve them with intentionality.

CUNA Mutual Group sees a day when credit unions activate strategies of belonging to become the predominant financial relationship for all consumers. It's our 'why' behind this research, and we hope it inspires you to find new ways to live out your credit union's mission and our movement's people helping people philosophy.

ACTION STEP



To learn more, please connect with a DEI Services advisor at deiservices@cunamutual.com.



TruStage®



CUNA MUTUAL GROUP

Unless otherwise indicated, all data in this report is sourced from CUNA Mutual Group's 2021-2022 What Matters Now™ quantitative and qualitative research, conducted in partnership with Ipsos and The Collage Group.

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