Filene Research Institute

Filab

YEAR 3 TESTS REVEALED

October 17, 2024

WELCOME

TODAY'S AGENDA

- **About the lab* at Filene**
- **Selection Process**
- **2025 Tests Announced**
- **Sponsor Insights**

McKaye Black

Head of Incubation
Filene Research Institute

the lab*
at Filene

OUR MISSION

The lab* at Filene empowers credit unions to accelerate innovation by identifying and testing best-in-class solutions that drive growth and create positive impact for their members and communities.

OUR PROCESS

Through the lab* at Filene, credit unions can gain critical market insight, accelerate speed to impact, and implement the best proven emerging solutions.

SEEK

We identify promising products, programs, and technologies that address key challenges facing credit unions and their members.

TEST

We conduct tests and rapid prototyping to assess solutions for their desirability, impact on members, and contribution towards credit union growth.

SCALE

We help increase adoption of promising concepts through implementation guides, online tools, and workshops.

TESTING HISTORY

11 Solutions | 45 Testers

ARTIFICIAL INTELLIGENCE

exagens
AI-driven Behavioral Banking

VERTICE AI
Grow Indirect Member Relationships using AI

Senso
Generative AI to Improve Member Interactions

PAYMENTS & DEPOSITS

Changed
Debt Repayment Round-up Tool

flow
Activating the Payment Moment

LOOKING PAST THE HORIZON

Blockchain
Tech Exploration for Auto and Home Loan Market Activities

Subscription-Based Pricing Models 2.0
Primary Member Market Research on Subscription Product Design

DIGITAL ENGAGEMENT

pocketnest
Financial Well-Being as an Engagement Strategy

ignite sales
Digital Engagement for Indirect Members

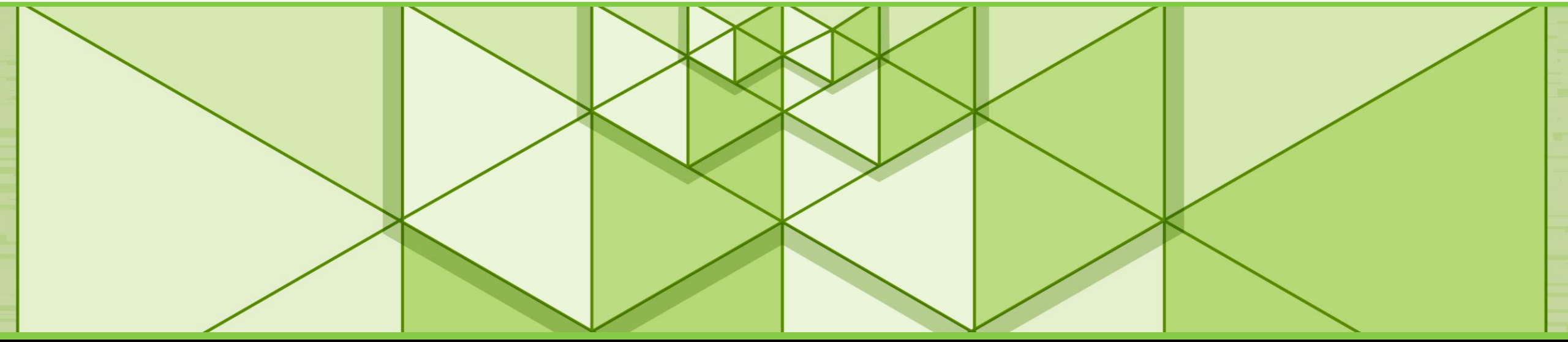
EXPLORING NEW OPPORTUNITIES

Subscription-Based Pricing Models
Exploring Member Interest in CU Subscriptions

Rethinking Physical Space
Exploratory Research to Guide Branch Design

THANK YOU TO OUR INNOVATIVE SPONSORS

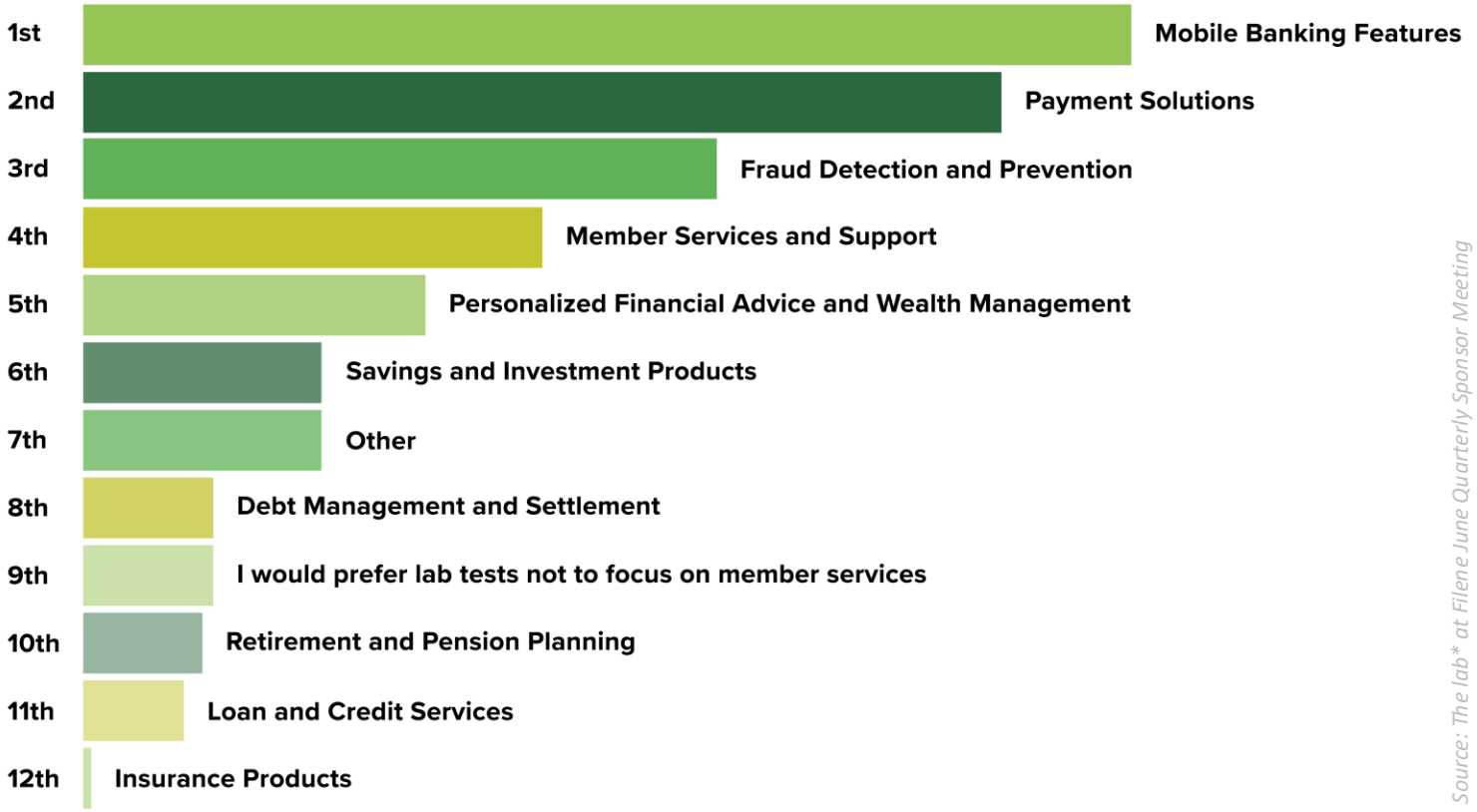
2025 AGENDA SELECTION PROCESS



2025 AGENDA SELECTION PROCESS

2025 TESTING INSIGHTS

TOP INTERESTS



Source: The lab at Filene June Quarterly Sponsor Meeting*

DESIRED TEST OUTCOMES

- Deposit Growth
- Membership Growth
- Enhanced Member Experience
- Decreased Risk/Fraud
- New Streams of Revenue
- Improved Operational Efficiencies

MEMBER SEGMENTS

- Young Adults
- Small Business Owners
- Individuals with Low Incomes

2025 AGENDA SELECTION PROCESS

PATH TO THE SYMPOSIUM

APPLICATIONS

93 testing options considered

59 solution partners received application

47 test applications received and reviewed

20 tests selected for menu

6 tests selected for 2025 agenda

2025 AGENDA SELECTION PROCESS

2025 TESTING AGENDA

GROWING MEMBERSHIP & PRODUCT ADOPTION

ATTRACTING NEW MEMBERS WITH CU CREDIT CARDS

How can credit unions effectively grow membership by promoting credit card products and positioning themselves to compete on card comparison websites?

ENGAGING MILLENNIAL & GEN Z MEMBERS WITH REWARDS

How can credit unions effectively communicate and leverage rewards to attract Millennial and Gen Z members and incentivize positive financial behaviors, such as saving for unexpected expenses?

TESTING SOCIAL MEDIA STRATEGIES

How can credit unions develop targeted social media campaigns that increase Gen Z's credit union membership and their consumption of specific products and services?

IMPROVING OPERATIONAL EFFICIENCIES

EXPEDITING FRAUD DISPUTE PROCESSING WITH AUTOMATION

How can credit unions reduce fraud dispute processing times while maintaining compliance and security? Additionally, does automation improve member sentiment with faster resolutions and simpler intake?

ENHANCING MEMBER ENGAGEMENT

PLANNING FOR RETIREMENT

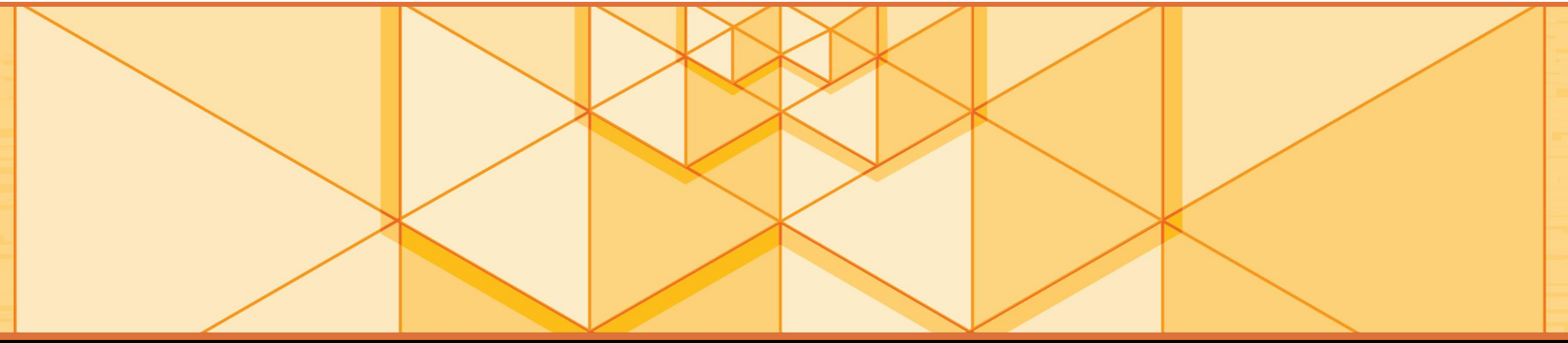
How can credit unions broaden retirement planning adoption by focusing on Social Security and Medicare guidance? Does leading with retirement education increase asset retention, deepen relationships and increase share of the retirement wallet?

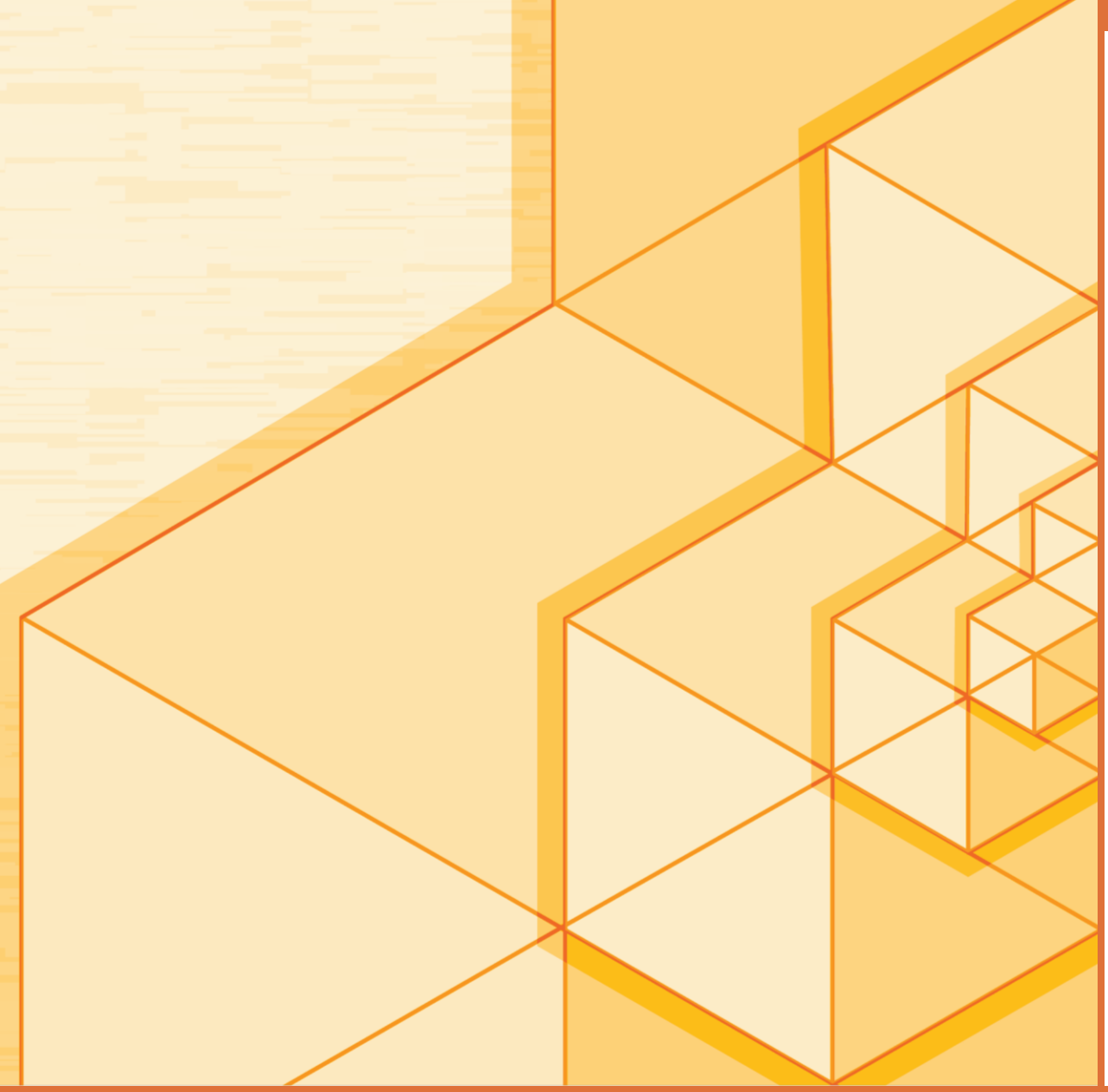
SECURITY & FRAUD PROTECTION

AUTHENTICATING MEMBERS FOR OFFLINE CHANNELS

How can credit unions improve their existing authentication processes to more effectively save time, reduce fraud and generate positive feedback from both members and staff?

GROWING MEMBERSHIP & PRODUCT ADOPTION





GROWING MEMBERSHIP
& PRODUCT ADOPTION

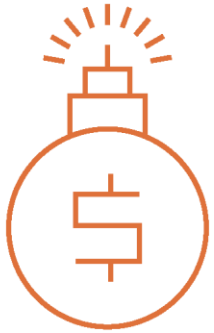
TEST #1

GROWING MEMBERSHIP & PRODUCT ADOPTION

CREDIT UNION CREDIT CARDS

50%

Half of American credit cardholders carry a balance from month to month



$1.14 Trillion

American credit card debt—the highest amount on record

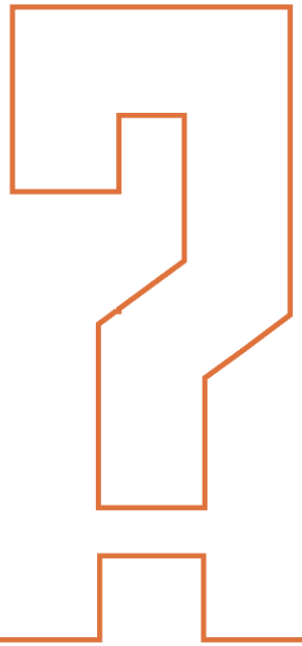
10%

Small issuers have lower median interest rates vs large issuers (28.2% vs 18.2%)

Source: Bankrate Survey: Half of American cardholders now carry credit card debt, many with no plan to pay it off. 8/5/24

Source: CFPB Report Finds Large Banks Charge Higher Credit Card Interest Rates than Small Banks and Credit Unions. 2/16/2024

TEST #1



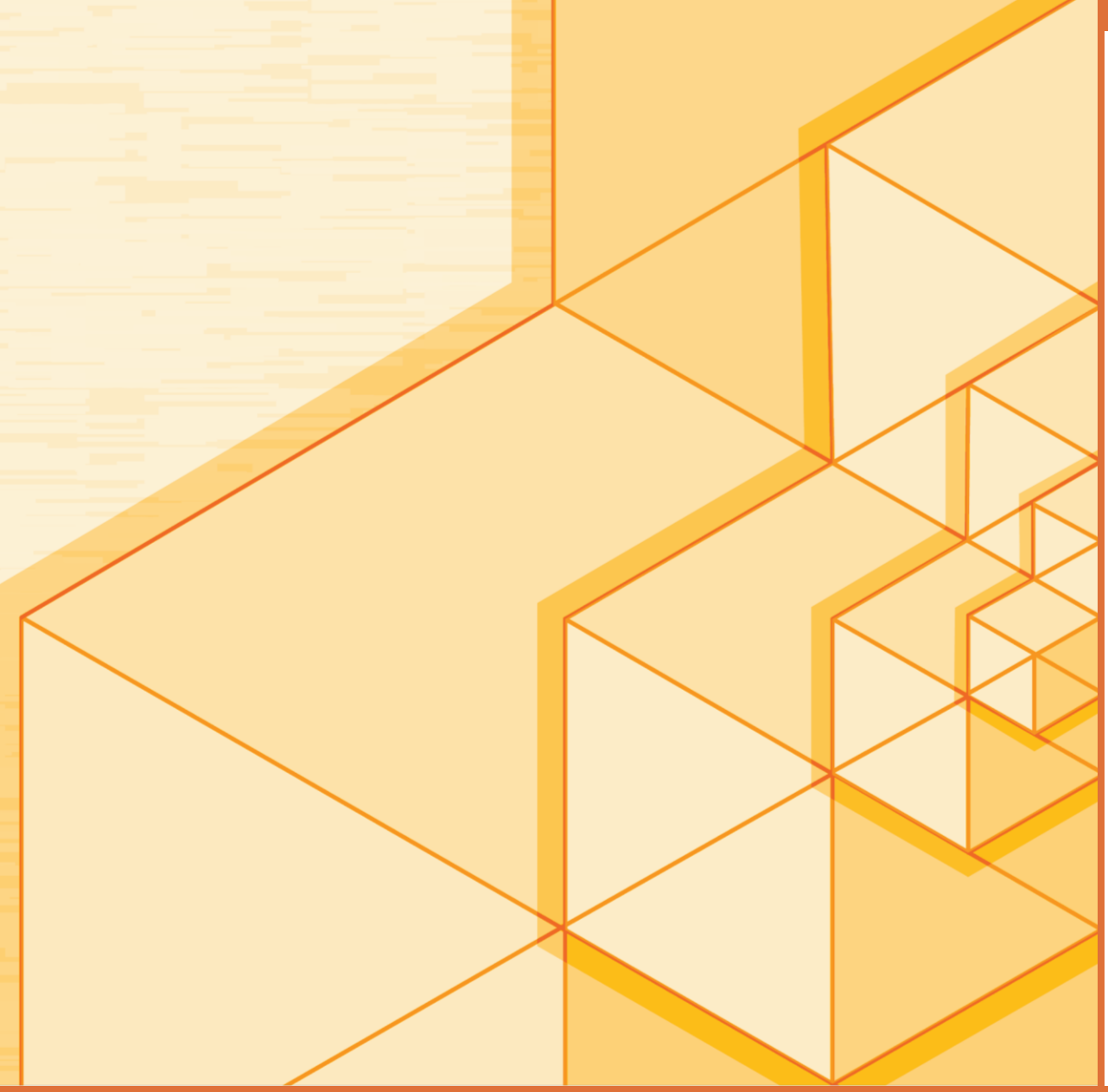
How can credit unions promote their lower-rate, financially healthier credit cards to attract new members?

CardFit™

Use your credit cards to

acquire new members and save your community money.

Powered by Nickels®



GROWING MEMBERSHIP
& PRODUCT ADOPTION

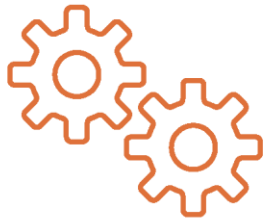
TEST #2

GROWING MEMBERSHIP & PRODUCT ADOPTION

DIGITAL FINANCIAL HEALTH FOR YOUNGER MEMBERS

85%+

Gen Z & Millennials manage financial accounts via mobile apps



63%

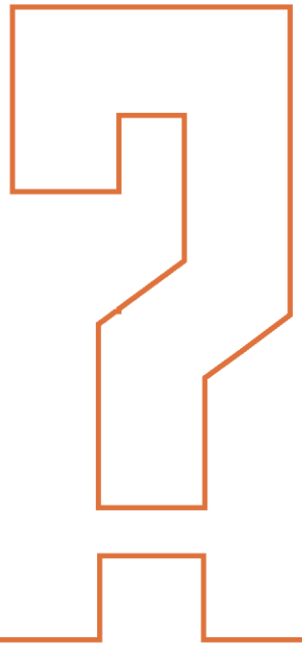
Consumers want financial services providers to proactively help them better manage finances

55%

Receptive to subscription-based digital financial wellness services

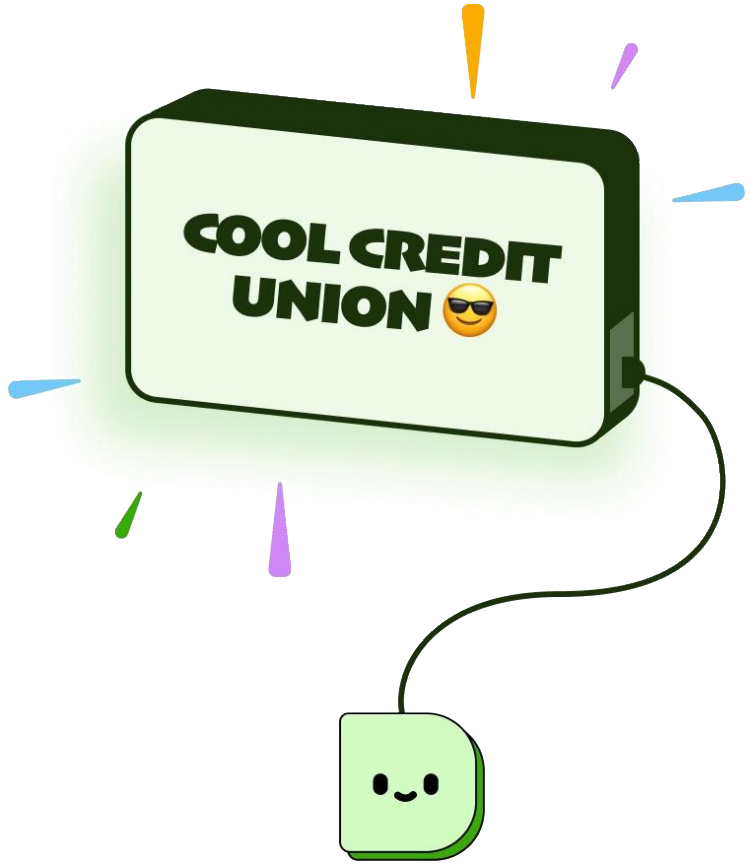
MX Consumer Research on Digital and Mobile Banking. 2022. The Fintech Effect. Plaid x The Harris Poll. 2023.
Apiture: Banking through the Ages – Attracting Gen Z and Millennials. Feb 2024.

TEST #2

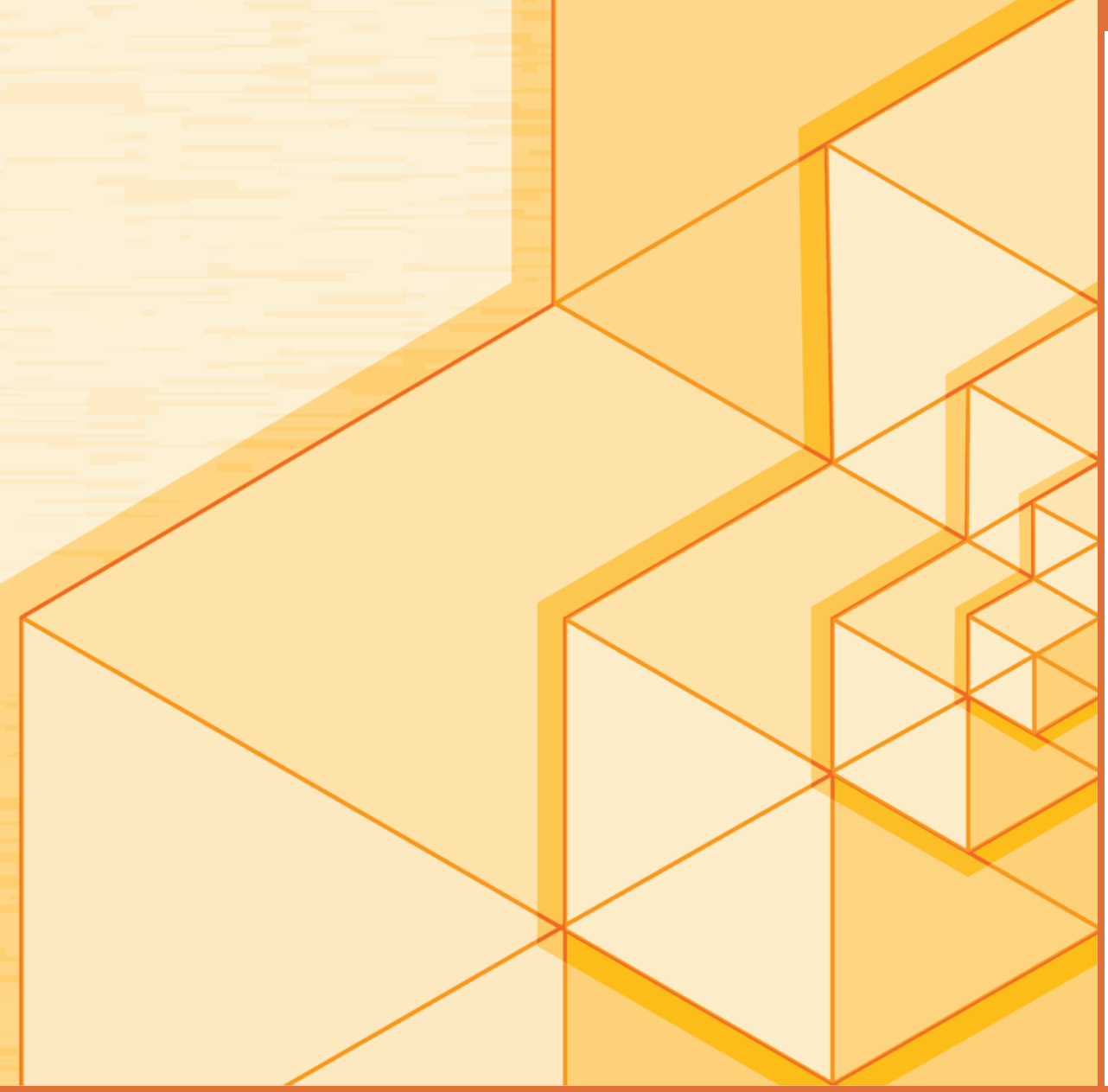


How can credit unions leverage rewards to attract younger members and encourage positive financial behaviors, such as saving for emergencies?

Say Hi 👋 to Debbie



Best financial education app of 2024



GROWING MEMBERSHIP
& PRODUCT ADOPTION

TEST #3

GROWING MEMBERSHIP & PRODUCT ADOPTION

REACHING YOUNGER CONSUMERS

<20%

Americans under 40 use credit unions, while the average age of a credit union member is nearly 15 years older than the average US population

47%

Gen Z and Millennials are willing to switch to a credit union

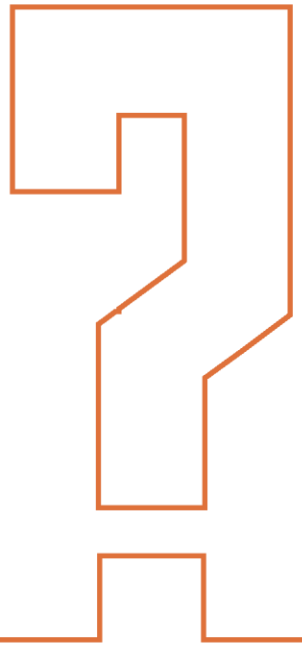
30%

Gen Z aren't aware of credit unions as an option to meet their banking needs

Apiture: Banking through the Ages – Attracting Gen Z and Millennials. Feb 2024.

The Next Generation of Membership Growth: Filene's Newest Center of Excellence

TEST #3



How can credit unions use social media to increase Gen Z membership and use of credit union products?

FINFLUENCER
DISCOVERY TEST

THE NEXT GENERATION OF MEMBER GROWTH

×

the lab at Filene

QUESTIONS WE'RE ASKING

Is finfluencer marketing a viable option for credit unions?

How might credit unions best leverage the reach and influence of social media creators to drive engagement, interaction, and, ultimately, member growth with younger consumers?

FACTORS WE'RE CONSIDERING

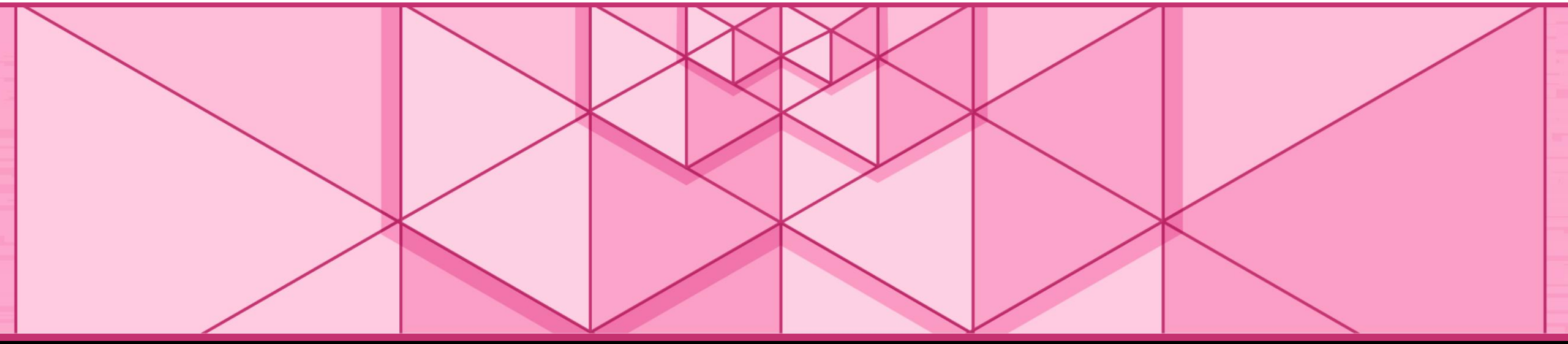
- PLATFORMS
- TARGET OUTCOMES
- TARGET AUDIENCES
- INFLUENCER SCALE
- MESSAGING

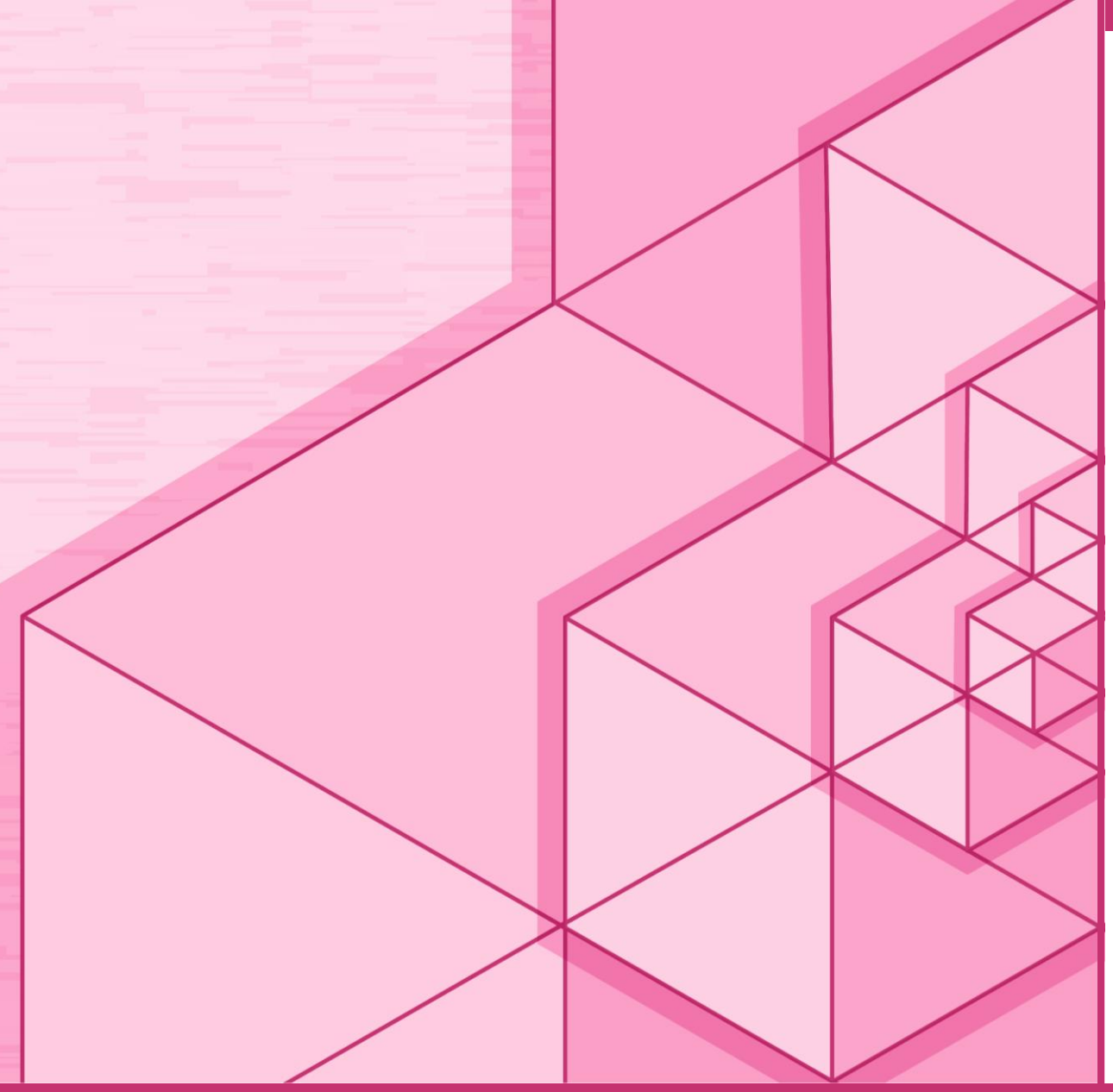
EXPERTS WE'RE ENGAGING

Katie Brown
Director of Business Strategy
Luquire Marketing

Jason Shapiro
Creative Director
Collab

IMPROVING OPERATIONAL EFFICIENCIES





IMPROVING
OPERATIONAL EFFICIENCIES

TEST #4

IMPROVING OPERATIONAL EFFICIENCIES

FRAUD PREVENTION & MITIGATION

2.6 Million

Fraud reports in the US in 2023

$10 Billion

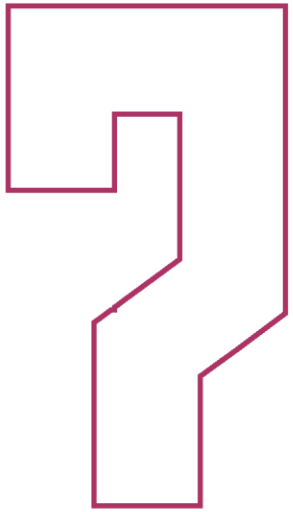
Total fraud losses, 2023 highest on record

10%

Growth YOY lost money cumulatively reported by consumers

FTC. Consumer Sentinel Network Data Book 2023

TEST #4



How can credit unions use automation to optimize fraud dispute processing?

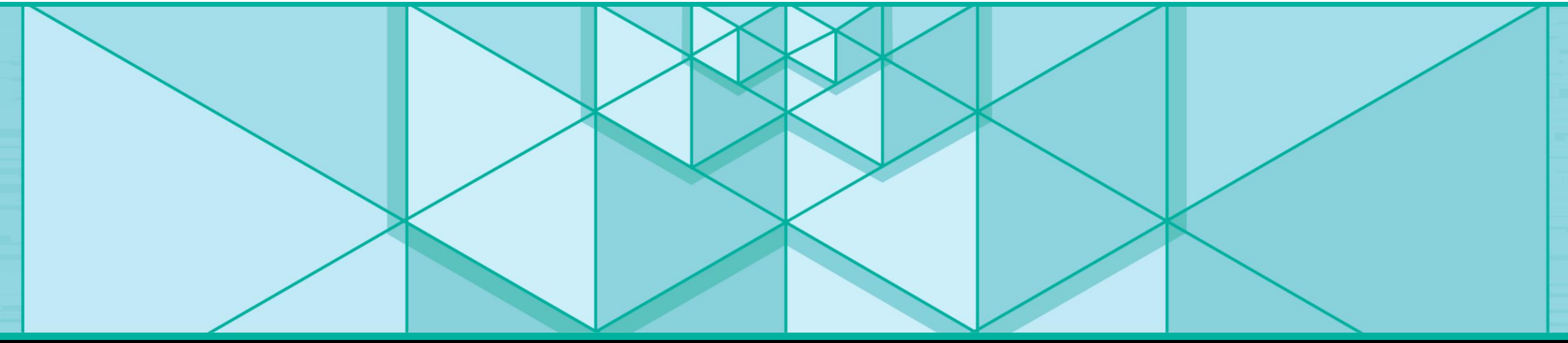
Casap

Automate Disputes at scale

Transform a negative experience into a
loyalty building opportunity

- Own the outcome v. outsourcing to a processor
- Self-service intake and tracker for members
- Supercharge your team with a streamlined experience
- Recover funds faster from merchants
- Intelligently eliminate “friendly fraud”

ENHANCED MEMBER ENGAGEMENT



ENHANCED
MEMBER ENGAGEMENT

TEST #5

ENHANCED MEMBER ENGAGEMENT

OLDER ADULTS

4+ Million

Americans retiring each year

10+ Years

Longer life expectancy of Boomers vs their parents

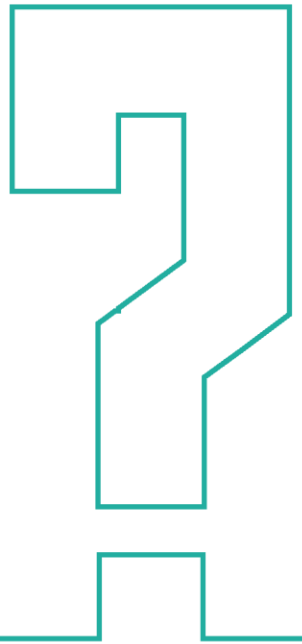
61%

Worried they will not have enough money for retirement

Welcome to the Peak 65® Zone –A New Chapter in America's Retirement Landscape. Protected Lifetime Income.

New AARP Survey: 1 in 5 Americans Ages 50+ Have No Retirement Savings and Over Half Worry They Will Not Have Enough to Last in Retirement

TEST #5

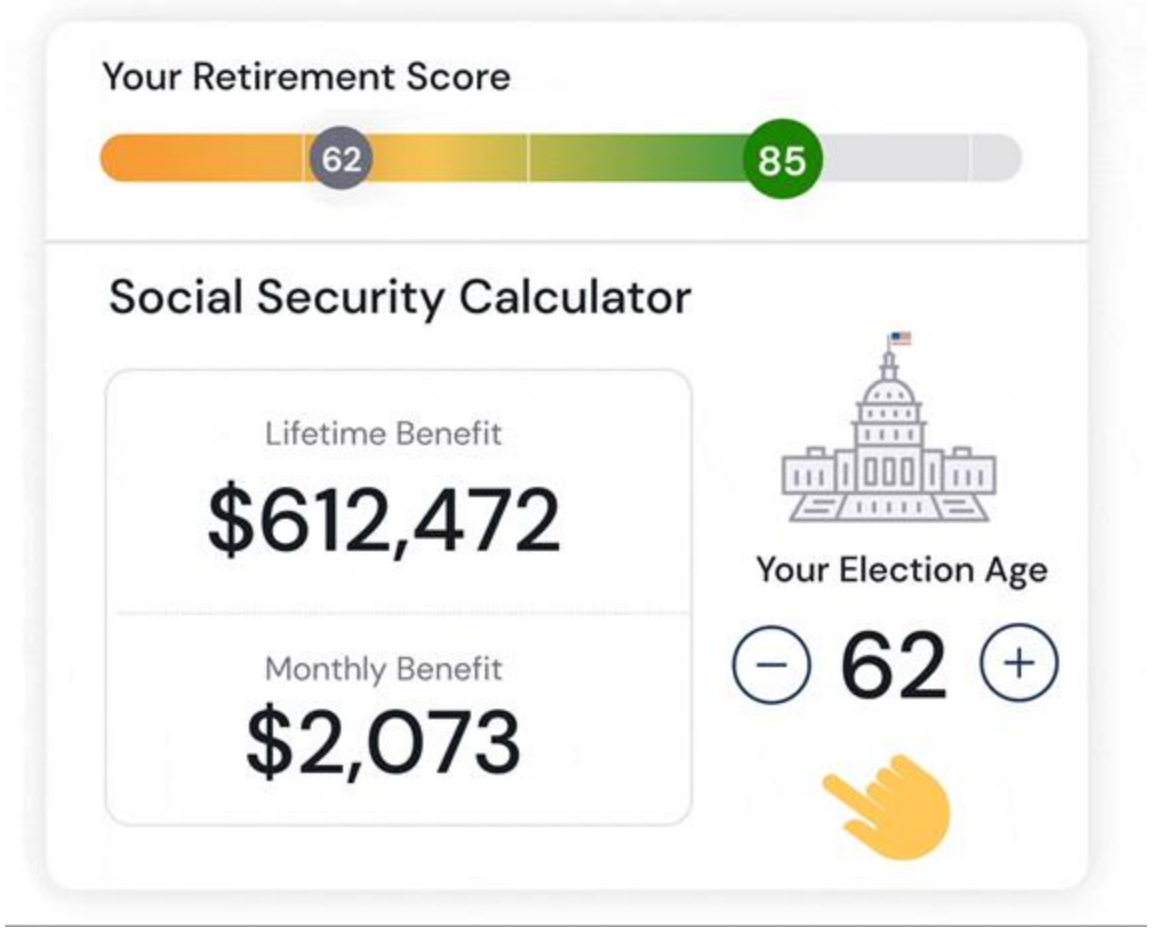


How can credit unions expand retirement planning by offering Social Security and Medicare guidance, and how does this impact asset retention and member relationships?

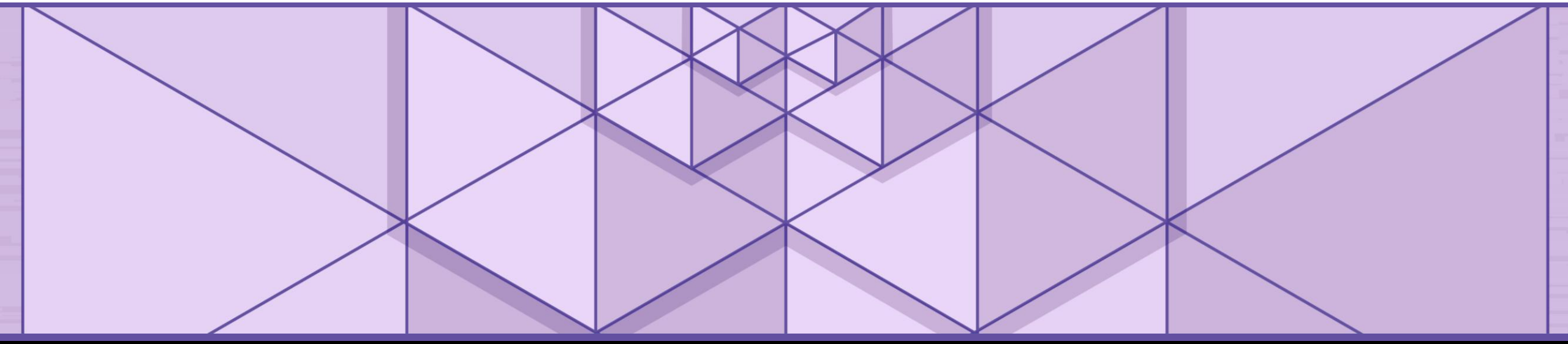
Silvur/ Filene Lab Pilot Social Security & Medicare Guidance

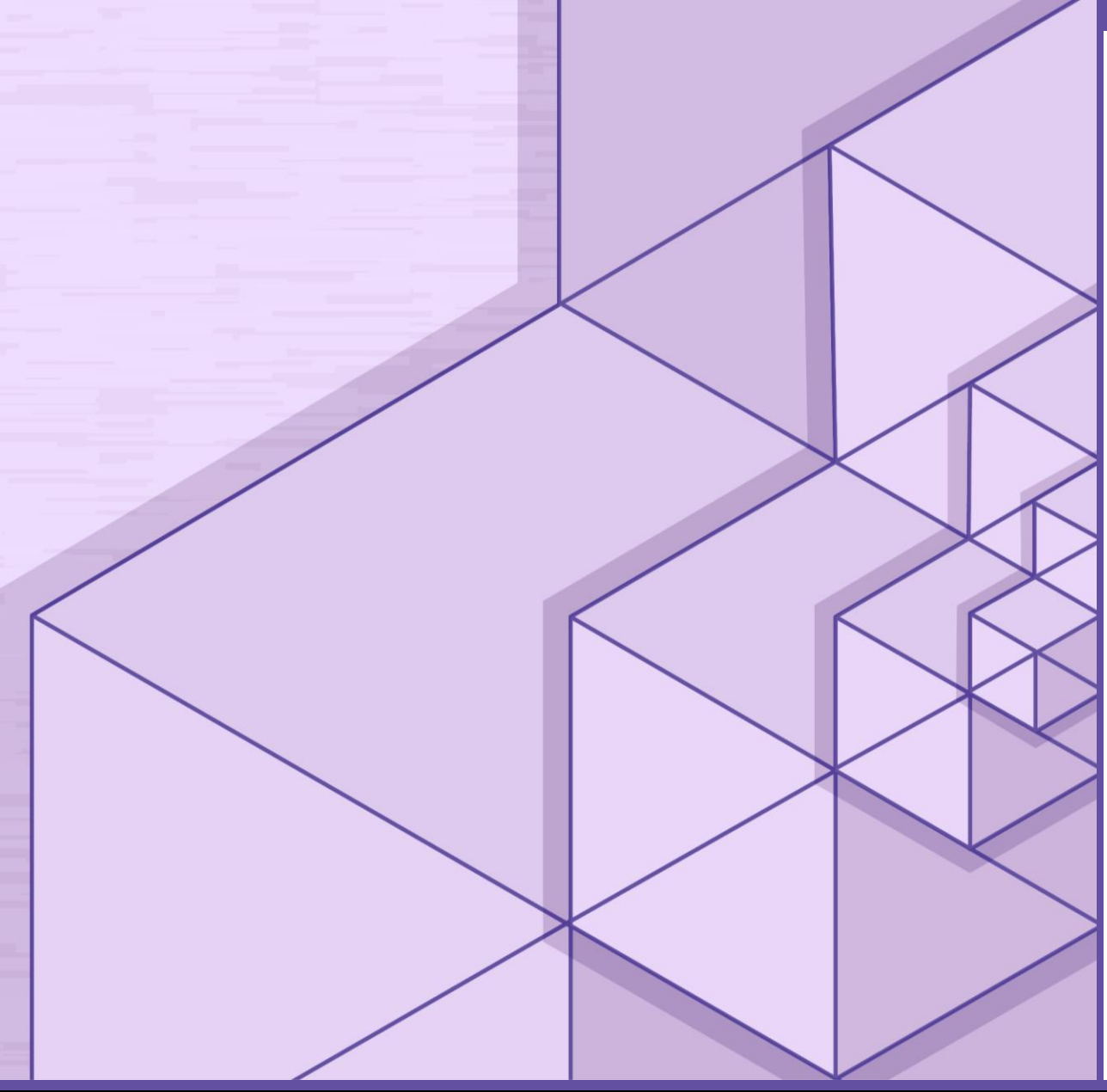
Deliver Silvur's white labeled Retirement Education platform to members and partner with Silvur to understand:

- Member preparedness for retirement
- How retirement education and tools can deepen engagement with members
- How to pass the baton from Silvur to credit union to deepen their share of the retirement wallet for:
  - CDs / HYS / Money Markets
  - Direct Deposit
  - Wealth Management (if credit union has wealth team)
  - Medicare (post pilot)



SECURITY & FRAUD PROTECTION





SECURITY &
FRAUD PROTECTION

TEST #6

SECURITY & FRAUD PROTECTION

FRAUD & CYBER SECURITY

80%

Credit unions lost more than $500k in direct fraud losses in 2023

41%

Members were victims of financial scams or fraud (vs 36% nonmembers)

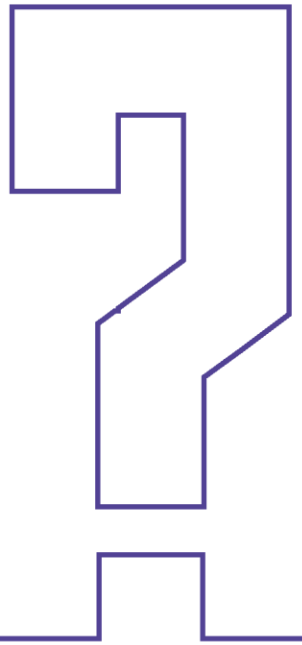
88%

Credit unions indicated plans to invest in an identity risk solution in 2024

Thinking Forward: The Rising Cost of Fraud and Scams—and 5 Ways to Fight It. Filene. Nelms, Vahrenkamp, Bruzgulis. 8/7/2024.

Alloy's 2024 State of Fraud Benchmark Report.

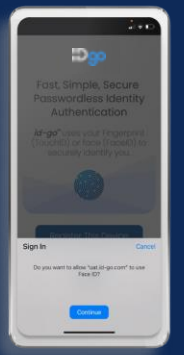
TEST #6

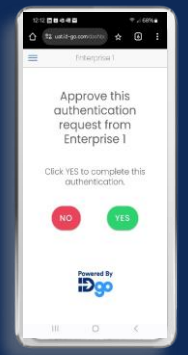


How can credit unions improve authentication processes to reduce fraud, increase efficiency, and enhance the member experience?

Simple. Fast. Secure.
Authentication.

1

2 

3 

Member authentication for offline channels that:

- ✓ Does not rely on members sharing personal information
- ✓ Saves time in call center (can be minutes)
- ✓ Much friendlier member and staff experience

THE LAB* AT FILENE

2025 TESTING AGENDA

GROWING MEMBERSHIP & PRODUCT ADOPTION

CardFit®

Drive net new membership by leveraging credit card products and position credit unions to compete with major card comparison websites

Debbie

Attract young members by offering rewards-based incentives to encourage the opening of accounts and the establishment of a basic emergency fund within 3–6 months

FinFluencer

Targeted social media campaigns to increase Gen Z's credit union membership and their consumption of specific products and services

IMPROVING OPERATIONAL EFFICIENCIES

Casap

Reduce fraud dispute processing times while maintaining compliance and security. Explore improvements in member sentiment with faster intake and resolutions

ENHANCED MEMBER ENGAGEMENT

silvur

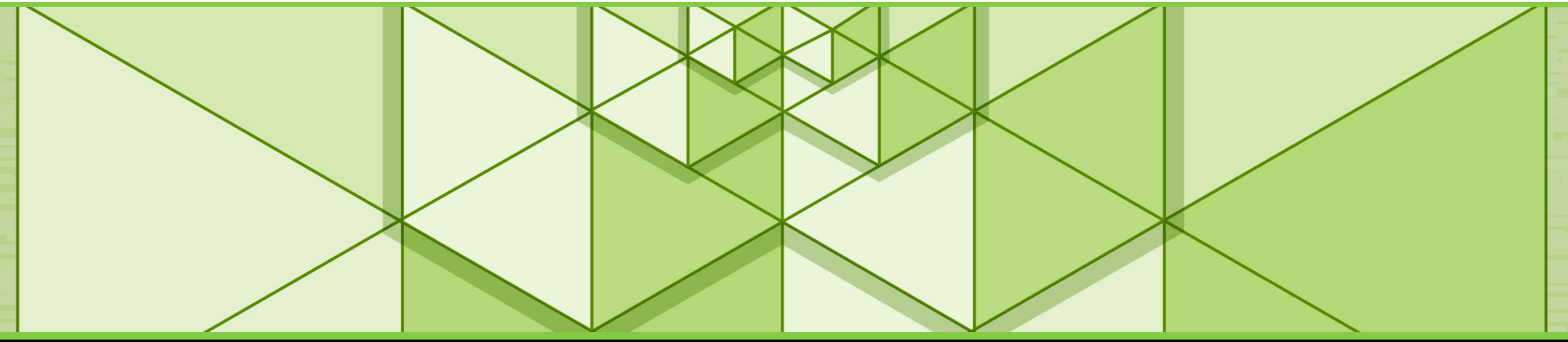
Broaden retirement planning adoption by focusing on Social Security and Medicare guidance. Assess education impact on asset retention, relationships, and share of the retirement wallet

SECURITY & FRAUD PROTECTION

IDgo

Authentication solution for saving time, reducing fraud, and generating positive feedback from both members and staff compared to existing authentication methods

SPONSOR INSIGHTS



INSIGHTS FROM OUR SPONSORS

EMILY SOBOLEWSKI

Brand Manager

RIZE CU

ALOK BAKSHI

Director, Cards
& Personal Loans

PATELCO CU

KATHY CHICAS

COO

FARMERS INSURANCE FCU

TESTING TIMELINE

DESIGN TESTS

- Sponsors selected test topics from a Filene finalist list, narrowed from nearly 100 growth and impact options.
- Filene will finalize quick, nimble test plans and recruit credit union testing cohorts.

AUG–DEC 2024

RUN TESTS

- Credit union cohorts will start testing solutions with support from Filene and solution partners.
- Monthly cohort calls will support collaboration, shared learning, and exploration and evaluation of solution benefits.

JAN–JUL 2025

SHARE LEARNINGS

- Findings will be shared with Filene members and the broader stakeholder network.
- Consideration for next steps and scaling opportunities will be evaluated.

AUG–DEC 2025

QUESTIONS?

McKaye Black

mckayeb@filene.org