

With You Rewards
CONCEPT DOCUMENT

TEAM MEMBERS

David Knox, United One Credit Union
Holly Hermanson, Royal Credit Union
Jen Pyka, Altra Federal Credit Union
Kim Krugman, Guardian Credit Union

TARGET MARKET

Only 14% of Gen Z choose a credit union as their primary financial institution, according to a 2024 poll from Apiture. Younger members usually select banks as their financial institution of choice, and credit unions typically have a low membership percentage in this younger age group. In our findings, approximately 12% of credit union membership falls within the 18-24-year-old age group. Like many young members, these members have frequently “inherited” their initial financial relationships, adopting the relationships passed down within their families. But, according to research conducted by PYMNTS.com and Velera, Gen Z members are more than twice as likely as the average member to consider leaving their credit union, with 37% of Gen Z members being at least somewhat likely to switch to another financial institution within the next year. Retention and growth of membership in this age group is critical to the future success of our credit unions. The average age of credit union members is 45 so we still rely on obtaining and retaining this membership demographic to grow and maintain a sustainable future for our institutions.

Credit unions are member-owned and exist to serve people and communities, not for profits. While credit unions are still experiencing growth, an area of concern is young adults - the future of the credit union. As the youngest of the baby boomers reach retirement age and the generation pulls money and assets from the institution, credit unions will become increasingly more dependent on their younger membership to continue to prosper. This younger age group is the least likely to choose a credit union and stay with the credit union. 18–24-year-olds are among the most prone to changing financial relationships and thus are our target audience.

Whether moving for a job, to attend college, or simply for new living arrangements in a different part of town, individuals in this age group tend to move more frequently, with 25% of 18–29-year-olds making a change to their living arrangement annually, according to the United States Census Bureau. Ease of access to their banking relationships is important, especially through digital channels, which may be native to their primary financial institution or separate money moving or payment apps.

Individuals in this demographic tend to be very mobile and may not feel established in a living arrangement, career path or in their finances. They are typically just starting their financial life and are often being informed by peers, family and online sources. This can create confusion as to what advice to trust and as to how to move their financial situation forward efficiently but sustainably. With short credit history and therefore low credit scores, understanding where and how they can make improvements to their situation can be difficult. Finding a trusted advisor or a source for reliable guidance may not be something this audience is proactively seeking but that could help them establish solid footing as they navigate a very fluid period of life.

PROBLEM DEFINITION

Growth and retention of the 18-24-year-old demographic continues to be low for many credit unions. Members within this age range often show low usage and engagement, with single product usage and a lack of loyalty. This is concerning because these individuals are the future of our credit unions. We seek to grow and engage these individuals in a way that will increase loyalty and retention.

With 12% of our credit union membership in this age range, there is room to grow this group of members. If we can make progress in retaining members in this demographic, we will have a strong base for growing future product relationships.

To do this, we sought to answer the question: How might credit unions engage 18–24-year-olds through online and mobile products?

INNOVATIVE SOLUTION

Introducing *With You Rewards*. A non-product specific incentive program targeted at young members to highlight our digital options and increase engagement with the credit union through frequent rewards for building strong financial habits over time to keep our products top of mind/wallet.

With You Rewards incentivizes members with monthly cash rewards for utilizing digital tools and working towards a savings plan. By logging into the digital banking platform and using the many tools offered like real-time alerts, transferring money, mobile wallet or paying a friend a member can earn up to \$10 each month.

This engagement builds consistent financial habits, provides the stability needed to those just starting out in adulthood, all while utilizing digital banking for ease of access.

We can be *With You* wherever you are physically or financially on your journey. Members in *With You Rewards* have the ability to earn monthly and annual incentive payouts. Based on 18–24-year-olds being digitally focused but also caring deeply about convenience. The program is focused on digital behaviors that can be simple to complete. We want to highlight that the credit union is *WITH YOU* anywhere, no matter the journey that the member is going through. Credit unions will also serve their members and provide better offerings than alternative institutions. Part of this program will incentivize good

money habits for young members while also building long term financial plans with their current credit union (mortgages, auto, etc).

The credit union will benefit from this program directly and immediately from increased interchange income and reduced attrition rates among younger members through higher engagement. We also predict that this program could help grow membership in this younger demographic, creating a more sustainable future for credit unions. This benefit to growth will also keep money within the communities that we serve.

PROTOTYPE

With You Rewards is a non-product specific rewards program, unlike many other rewards programs that are tied to a specific type of account. There are three qualifications to begin the program. First, the member must be in good standing between the ages of 18 and 24. The member must also have online banking and a checking/transaction account. In order to achieve a \$10 monthly incentive, the member must accrue 15 points from the list of the following:

- 1 point for set up and continued use of real time alerts.
- 1 point for being enrolled in estatements
- 1 point for every direct deposit of at least \$50 (max 5 per month).
- 1 point per login to online or mobile banking (max 5 per month).
- 1 point per use of a payment app such as venmo, cash app, paypal (max 5 per month).
- 1 point per use of mobile wallet (max 5 per month).
- 1 point per month for every on-time loan payment.
- 1 point per \$50 increase in month end savings account balance.
- 1 point for every 10 debit card transactions (max 5 per month).

Maximum earnings: \$120 based on monthly activities.

To receive an additional annual payout of \$120 and double the rewards, the member must also complete the following:

- Obtain a 12-month streak of monthly rewards.
- Complete in-person or virtual 30-minute financial review with a credit union representative.

TESTING AND RESULTS

Recognizing that younger consumers are less likely to choose credit unions, our first round of testing focused on understanding their behaviors and preferences. The results highlighted two priorities: a strong mobile app experience and overall convenience. We also found that only 20% of respondents would visit a branch for support; the remaining 80% preferred to get help through the app or the call center.

These insights informed our initial prototype: a program that rewards digital banking behaviors to showcase our mobile experience and increase awareness of the convenience our online channels provide. In our survey, 96% of respondents said they would participate in qualifying digital behaviors at least monthly to earn rewards. When asked whether they would switch financial institutions for a digital rewards program, only 15% said they would not consider switching. We also tested which behaviors should be incentivized. Our data showed that 57% of 18–24-year-olds use payment apps at least weekly, and 17% use them daily; we saw similar adoption patterns for mobile wallets. Based on these findings, we concluded it would be effective to reward these existing behaviors—encouraging young consumers to do what they already do, but with us.

We have received strong positive feedback on the prototype from colleagues across our credit unions. We believe this program supports our mission and vision and is worth piloting, given the long-term benefits it can deliver for both member engagement and relationship growth.

BUSINESS MODEL AND PROFORMA

We expect this program to increase engagement and reduce dormant activity in this age group by up to 20%, based on outcomes from prior credit union engagement efforts. Unlike a time-bound campaign, however, this initiative is designed to be an ongoing program. Based on our research, we also anticipate it will attract and motivate younger members by rewarding the digital behaviors they already prefer.

The primary driver of profitability is the long-term value of each retained member. While revenue per member varies by community and individual, annual revenue is typically about \$500–\$750 per member, with net income of roughly \$90–\$110 per member. Because younger members generally carry fewer deposits and loans, we expect performance closer to the lower end of these ranges in the near term. Over time, however, retaining young members can create relationships that last 30, 40, or more years—delivering compounding value to the credit union.

The primary direct revenue stream from the program is interchange income. By incentivizing card swipes, we estimate approximately \$5 per month in interchange from median participants. Top performers could generate closer to \$11 per month in interchange through sustained debit and/or credit card usage.

We also anticipate cost savings. Increased e-statement adoption would reduce monthly mailing expenses. In addition, retaining fewer dormant accounts will improve the accuracy of our membership counts, which can lower costs for those that price services based on total membership. Finally, we expect to reduce staff time spent monitoring and managing dormant accounts.

Operationally, front-line staff will need to understand the program so they can discuss it with members and support an expected increase in financial performance reviews. Marketing support will be needed to publish program information on the credit union website. Financial Education teams should also be prepared to explain and present the program to members and the community. Finally, Data and IT will be critical to define, recognize, and track qualifying actions, and to automate member-facing updates (e.g., points earned, streak status, and the With You dashboard).

Program expenses will include both one-time setup costs and ongoing servicing costs. A successful launch will require coordination across the credit union (setup, member awareness, and member support). Ongoing costs will include program oversight, data monitoring, and continued front-line staff time to explain and promote the program to members.

Our largest expense will be the rewards themselves. A high-performing member who earns all available payouts would receive \$240 in incentives per year. However, because the \$120 payout requires a 12-month streak, we expect the median participant to earn closer to \$100 annually.

Overall, the program's profitability depends on member retention. The stronger the relationships we build—and the more engaged these members become, the greater the long-term value this program will deliver to participating credit unions.

OPERATIONAL AND OTHER CONSIDERATIONS

As with any engagement-based program, ongoing evaluation will be critical to ensure incentives, payouts, and qualifying behaviors continue to align with credit union goals. After an initial testing period of at least one year, incentives and reward thresholds should be reviewed to confirm they remain effective, financially sustainable, and meaningful to members. This review period would allow credit unions to refine the program based on participation trends, engagement levels, and long-term member value.

While *With You Rewards* is initially designed for members ages 18–24, future scalability should be considered early in implementation. If adoption and engagement are strong, expanding eligibility to additional age groups could amplify the program's impact across the broader membership. In particular, extending *With You Rewards* to older members

may help support those who struggle to integrate with newer digital tools by providing simple, clear incentives to build confidence and familiarity with digital banking channels.

Conversely, there may also be opportunities to expand *With You Rewards* to younger members in the future, helping to establish healthy financial behaviors earlier and support long-term engagement with the credit union. Households with multiple youth or young adult members may see added value in a consistent, rewards-based approach to digital engagement that grows alongside a member's financial journey.

As adoption increases, credit unions should also be prepared to evaluate staffing, member education, and data-tracking needs. Clear communication, front-line training, and simple member-facing explanations will be essential to ensure *With You Rewards* remains easy to understand and administer. When thoughtfully managed, this program has the potential to evolve into a scalable engagement tool that supports sustained growth, stronger digital adoption, and deeper member relationships across multiple demographics.

CALL TO ACTION AND NEXT STEPS

Only a small percentage of credit union members currently fall within the 18–24-year-old demographic, yet this group represents the future of membership growth and long-term sustainability. At the same time, younger members are among the most likely to disengage or switch to banks and digital-first competitors if their needs are not met. *With You Rewards* presents an opportunity to change that trajectory by increasing engagement, reducing inactive accounts, and strengthening relationships during a critical stage of members' financial lives.

We believe *With You Rewards* can meaningfully reduce inactivity, increase participation in core products, and reinforce the value of a strong mobile and online banking experience. By encouraging behaviors members already prefer—such as card usage, payment apps, and mobile wallets—credit unions can deepen engagement with existing members while also attracting new ones seeking convenience, flexibility, and tangible rewards.

Take the next steps and join us to pilot *With You Rewards* at your credit union to validate assumptions, measure engagement outcomes, and refine incentive structures. Credit unions interested in participating should begin identifying internal partners across marketing, data, IT, and front-line teams to support development and implementation. With continued collaboration and refinement, this program has the potential to improve member retention, strengthen financial relationships, and support the long-term health of both credit unions and the communities they serve.

APPENDIX

Secondary Sources

Apiture and The Harris Poll Survey, 2024, <https://www.apiture.com/half-of-gen-z-and-millennials-open-to-switching-primary-financial-institution-to-a-community-bank-online-only-bank-or-credit-union-new-apiture-study-finds/>

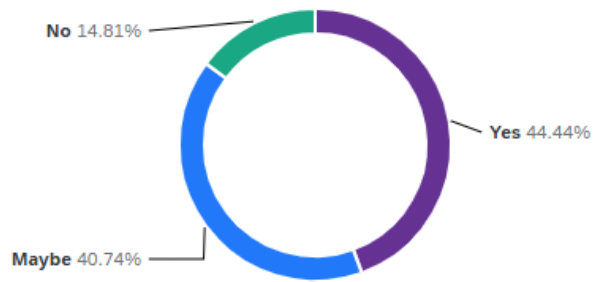
Credit Union Innovation Readiness Index: The Real Story Behind Member Churn, July 2025, <https://www.pymnts.com/study/credit-union-readiness-member-churn/>

United States Census Bureau, August 31, 2020, <https://www.census.gov/library/stories/2020/08/young-adults-most-likely-to-change-living-arrangements.html>

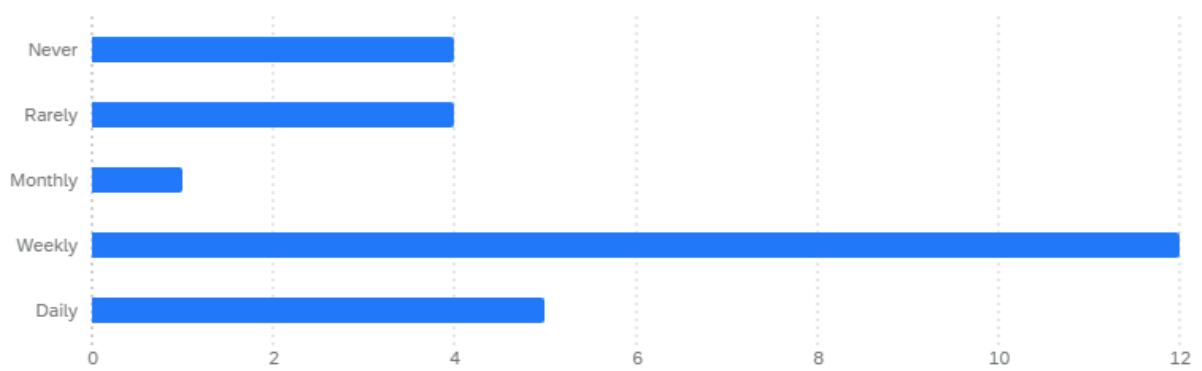
Primary Research



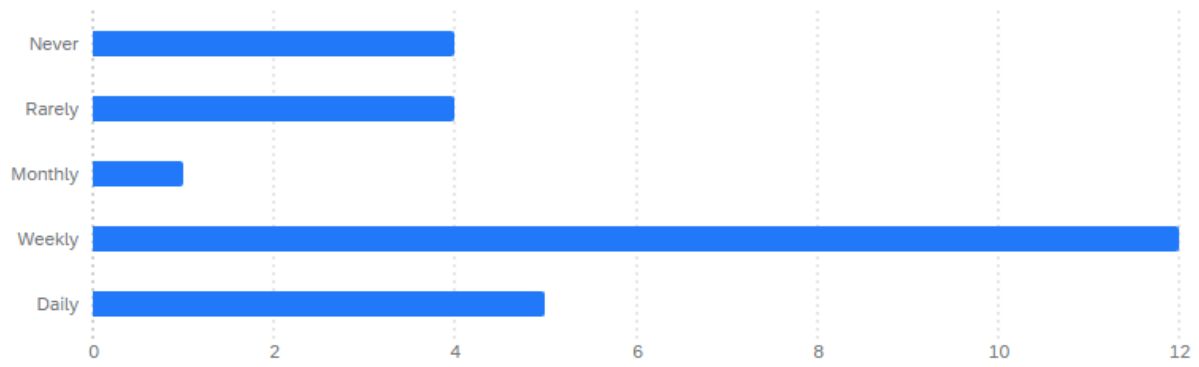
Would you consider switching to an FI that offered a program like this?



How frequently do you use a payment app? ⓘ



How frequently do you use a digital wallet? ⓘ



ABOUT FILENE

Filene Research Institute is an independent, consumer finance think and do tank. We are dedicated to scientific and thoughtful analysis about issues affecting the future of credit unions, retail banking, and cooperative finance.

Deeply embedded in the credit union tradition is an ongoing search for better ways to understand and serve credit union members. Open inquiry, the free flow of ideas, and debate are essential parts of the true democratic process. Since 1989, through Filene, leading scholars and thinkers have analyzed managerial problems, public policy questions, and consumer needs for the benefit of the credit union system. We work to strengthen organizations through cutting-edge research, incubation opportunities to test and scale solutions, advisory services to help organizations implement innovation, and host communities and events to connect a community of leaders to improve financial well-being.

We live by the famous words of our namesake, credit union and retail pioneer Edward A. Filene: “Progress is the constant replacing of the best there is with something still better.” Together, Filene and our supporters seek progress for credit unions by challenging the status quo, thinking differently, looking outside, asking and answering tough questions, and collaborating with like-minded organizations.

Filene is a 501(c)(3) nonprofit organization. Nearly 1,000 members make our body of work possible. Learn more at filene.org.