

THE ASTERISK

A FILENE UPDATE

THE POWER OF CONNECTION EDITION

ISSUE NO. 3

PHOTO BY ANDY JANNING

Filene *

THE POWER OF CONNECTION

Humans are wired for connection; it is part of our DNA. We have a basic need to belong to groups and form relationships—and we spend much of our lives doing just that. What we don’t often measure is the power that those connections give us to make an impact on the world around us. Insight, inspiration, innovation...none of this happens in isolation. This is also true for organizations and industries that want to make a difference, to think

forward and change lives. Credit unions especially are uniquely positioned to tap into this power through their cooperative nature. In this issue, we highlight the ways we are stronger when we gather together, when we work in cooperation, when we develop our talent and our ideas collectively and when we grow networks of innovative big thinkers to build a community of support and financial well-being for all.

VOLUME 3

FEATURES

- 4 **CRASH**
- 6 **PRIZE-LINKED SAVINGS**
- 8 **i³ NEW CLASS & IMPACT**

IN EVERY ISSUE

- 10 **TAKE-AWAY TOOL**
- 11 **YOU ASKED. WE ANSWERED.**
- 12 **PODCAST**
- 13 **STAFF PICKS**
- 15 **EVENTS UPDATE**

“INVISIBLE THREADS ARE THE STRONGEST TIES.”

Frederich Nietzsche

When there is a true connection—whether to an idea, a person or to a movement—transformation happens.

At Filene, our superpower is connecting. Over the last 30 years we have made it our mission to connect innovation-minded credit unions to opportunities, ideas and communities that change thinking and drive results.

This issue highlights the power of connections and ways credit unions have and continue to enable transformation.

Explore stories that demonstrate the power of connection like:

- The Crasher Network—which inspires and builds a pipeline of future leaders (p. 4),
- credit union leaders transforming state laws to make savings more approachable (p. 6),
- and strategic tools rooted in research to support your credit union in discovering the right insights for long-term sustainability (p. 10).

We’re interested in the connections that you are making to drive change and transformation inside and out of your credit union—reach out at christiek@filene.org so we can capture and share your stories in future issues.



Christie Kimbell

Christie Kimbell
Chief Experience Officer

LASTING CONNECTIONS WERE MADE AT AUGUST'S RESEARCH EVENT IN BOSTON, MA



PHOTO BY ROMULO MORISHITA

CRASH MENTORS LED FILENE'S NEW CLASS OF CRASHERS AT CUNA'S GAC 2019



PHOTO BY LAUREN DAVIS

i³ MEMBERS CELEBRATING BIG ACHIEVEMENTS AT MAY'S RESEARCH EVENT IN SEATTLE, WA



PHOTO BY ROMULO MORISHITA

THE POWERS OF CONNECTION

SCALABILITY
Expand reach, impact and sustainability

TRANSFORMATION
Profoundly change point of views and outcomes

ACCESS
Opportunities via entry to networks, communities and knowledge

ACCELERATE INSIGHTS
Get further faster

INNOVATION
Breakthroughs greater than the sum of the parts

UNDERSTANDING & EMPATHY
Relate through shared humanity and emotional synergy



2019 SAW THE LARGEST CRASH EVENT TO DATE WITH 100 CRASHERS ATTENDING CUNA'S GAC.



TO SAY THAT CRASHING CHANGED MY CAREER, IS AN UNDERSTATEMENT.

Crashing led me to change my career goals but it also changed my overall perspective. **My passion for credit unions grew.** I encourage every young professional in the industry to apply until they get to experience [a Crash] at least once. Not only will you walk away energized and inspired, you will also walk away with a **large network of peers**, whom we like to refer to as the #CrasherFam, and this family will continue to support you throughout your career.

Mayra Alcaraz
Farmers Insurance
Federal Credit Union



UPCOMING CRASH EVENTS

BIG.BRIGHT.MINDS.
NOV 19-20 DURHAM, NC

RESEARCH EVENT
JAN 28-29 IRVINE, CA

CUNA'S GAC
FEB 23-27 WASHINGTON, D.C.

SEE PAGE 15 FOR NEXT YEAR'S LIST
OF CRASHABLE FILENE EVENTS.

After crashing big.bright.minds. in 2018, Mayra presented a proposal for an internal Young Professionals (YP) group and was given the green light. Farmers Insurance FCU now has a group of YPs coming together to learn, develop and improve their organization.

CREDIT UNION YOUNG PROFESSIONALS:

Apply to be a Crasher
at ALL of Filene's
research events,
big.bright.minds.
PLUS major industry
conferences in the
coming year.
Apply today!

FILENE.ORG/CRASH



**THE
COOPERATIVE
TRUST**
brought to you by Filene

PRIZE- LINKED SAVINGS

CASE STUDY



What is the solution for the 46% of Americans that are unable to come up with \$400 in an emergency?
What about the 40% of low-income earners who believe that winning the lottery is a practical way to save?

Prize-linked savings is the realization of breakthrough thinking and was a proven success in countries around the world, but the United States had state laws preventing it. A group of innovative and forward thinkers in the credit union industry with support from Filene Fellow, Peter Tufano, worked to apply the fun

and excitement of gamification to the serious task of savings.

Filene i³ers found a small wrinkle in Michigan law. From there, Filene Research Institute, Commonwealth (formerly Doorway to Dreams Fund) and the Michigan Credit Union League went to work and piloted a prize-linked savings program called Save to Win in eight Michigan credit unions in 2009.

In the first 32 weeks, Save to Win helped 10,000 Michigan residents open a savings account and save, on average \$140,000 per week.

The concept snowballed from there. Ten years later, **Save to Win has helped change laws in 24 states, launched savings programs in 18 states and helped credit union members save more than \$200 million dollars.**

One Michigan credit union member heard about Save to Win with only \$10 in her savings account. She said, “I thought it was a good idea, because earning interest means you win anyway, so I put down the minimum \$25 [into my account.]” One week later, she was the lucky winner of \$400 and immediately put that money back into her Save to Win account.

Now managed by CU Solutions Group, Save to Win is the nation’s largest prize-linked savings program, changing the lives of credit union members and successfully helping them achieve financial well-being by saving for those unexpected financial emergencies.

i³

IDEAS

INNOVATION

IMPLEMENTATION

Filene’s i³ is an *INNOVATION ACCELERATOR* that connects the *BRIGHTEST MINDS* with *CUTTING-EDGE IDEAS* to *STRENGTHEN* the credit union industry.

Over the next several years, the i³ program will continue to expand on the strong foundation of innovation and creative problem solving the program is known for, with the addition of new methods that will result in case studies, deeper member insights, catalogs of ideas and an even larger network of innovative talent.



Challenges like this one piqued the interest of four members from Filene’s 2007 i³ group. Using research from a former Filene Fellow, Peter Tufano, on the concept of prize-linked savings, the team realized the potential of encouraging savings by offering an opportunity to win with no chance of losing the investment.

“The Shocking Number of Americans Who Can’t Cover a \$400 Expense,” Washington Post, 2016.
Consumer Federation of America 2005 Survey with the Financial Planning Association.

MEET THE NEW CLASS





Twenty-three credit union leaders have been accepted to the 2019 **FILENE i³ PROGRAM** and will begin a two-year development journey to address some of the biggest issues facing the credit union industry.

With a 15-year legacy of fostering the development of new ideas and innovations for credit unions, Filene has the honor and privilege to announce the next wave of i³ers:

Annie Lepper
Minnesota Power Employees CU

Brianna Mickelson
Washington State Employees CU

Elizabeth Seelbach
Resource One CU

Eric Gubka
Member Driven Technologies

Erin Malekadel
Members First CU

Jake Kiker
WilliamsGautier Law

Jason Witt
MAC FCU

Jeremy Eichhorst
TDECU

Jim Hossfeld
SchoolsFirst FCU

Joe Agostinelli
Vibrant CU

Justin Weiler
CU Direct

Kirun Amiri
Kinecta FCU

Kyle Gallacher-Turner
Rivermark Community CU

Lauren Kessler
PenFed CU

Lindsey DeBartelo
Blackhawk Community CU

Marisa Conley
Member Cooperative CU

Mark Volz
Corporate Central CU

Matthew Metzger
Redwood CU

Michelle James
Pen Air FCU

Rudy Arceo II
Envision CU

Saeed Goraya
Tucoemas FCU

Sarah Brenner
Andigo CU

Wilson Wizalamu
Cent Cent Savings & Credit
Co-operative Society Ltd.-CU

Becoming AN AGENT FOR CHANGE

Steve Koenen has spent the last 23 years advocating for a culture of innovation at Altra Federal Credit Union (\$1.64B in assets) in Onalaska, WI. A self-proclaimed “disruptor,” he has been wired his whole life to take risks and facilitate change but like many of us, faced the challenge of how to communicate this and make it an effective strategy early on in his career.

It was his acceptance into the 2006 Filene i³ program that set the stage for him to become a powerful agent of change for his career and the credit union industry. Over the next three years, Steve worked closely with his small group of 6–8 credit union leaders within the i³ program and brought back tools and processes to articulate, coach and communicate his ideas so his credit union could take the next steps to become the innovative credit union they were longing to be. He still remains in contact with members from his cohort to this day.

At the beginning of 2019, Steve became the new CEO of Altra Federal Credit Union continuing to foster a culture of innovation. Steve says, **“I believe the learning and change tools that I received due to my participation in**



MEMBERS OF THE 2006 i³ COHORT STILL CONNECTING TO THIS DAY. (FROM LEFT TO RIGHT: DAVE BROOKE, STEVE KOENEN, SCOTT MORIARTY AND CHARLIE WHITE.)

the i³ program played a significant role in me being selected as the new CEO here at Altra.”

As Filene welcomes the new cohort of 2019, we reflect on all of the credit union leaders who have come through our program. Steve says it best, “a lot of cool things that are happening in the credit union industry are probably not far from the touch of the i³ program. The program has created innovative people across the country and as i³ers move up in their organization and have more say and authority, they will remember those days in i³ and their learnings and THAT bodes well for the industry. We need more of that.”

Steve’s words of wisdom for Filene’s 2019 i³ class:

*“Take it all in, don’t forget to celebrate the little wins and go back to your credit union and **be a change agent**. If your credit union felt strongly enough to send you [through i³] then it would be a shame to not use the information and education that you get and put it back into your credit union and community.”*

Steve Koenen
President + CEO
Altra Federal Credit Union



28% OF FILENE’S i³ ALUMNI are now in a C-SUITE POSITION.



From Filene's Center
for Emerging Technology

Pair with report #459: *The
Credit Union of the 21st Century*

8 HOUR
STRATEGY SESSION

MATERIALS

Slide deck, worksheets,
poster, markers and flip
charts or white boards,
designated note-taker.

PARTICIPANTS

Executive team and/or
Board of Directors
(8–25 individuals).



The Credit Union of the 21st Century: Strategy Planning Guide

PURPOSE

This is a strategy planning guide for credit union leaders to assess and refine their organization's plan for growth by plotting its current and future position against a matrix of 21st century-ready business models.

Use this guide to lead your executive team or board of directors through an analysis of critical transformations in consumer and cooperative finance. Participants will then identify the trends and challenges facing their particular credit union and its members. Finally, they will use these trends as key inputs for developing a tailored business model to achieve long-term sustainability.

DESIGN

This strategy planning session is modular: it can be carried out as a full-day program or divided into half-day blocks.

Another approach is to assign the three review portions of the agenda (Socioeconomic, Technological, Four Business Models) to pre-work teams who are tasked with meeting individually and completing that work ahead of a full-group 4-hour session. That larger session would begin with team reports followed by the strategy planning: plotting your credit union's current state, future state, etc.

OUTCOMES

- Clear understanding of how socioeconomic and technological factors are reshaping credit union members' financial lives, as well as how these changes will impact credit unions' offerings, operations, service delivery models, and value propositions.
- Clear description of your credit union's strengths and gaps, with a prioritized list of the competencies and changes necessary to execute your organizational strategy.
- Map of your current and future state in relation to a matrix of four 21st century credit union business models.
- Alignment on your credit union's strategic focus over the near- and long-term to create sustainable growth for your organization, members, and community.

1



Research TAKE-AWAY TOOL

Visit FILENE.ORG/459P to download the full strategy planning guide to lead your executive team or board of directors through developing a tailored business model to achieve long-term sustainability.

You Asked. WE ANSWERED.



DOES HIGHLIGHTING THE CREDIT UNION DIFFERENCE MAKE A DIFFERENCE?

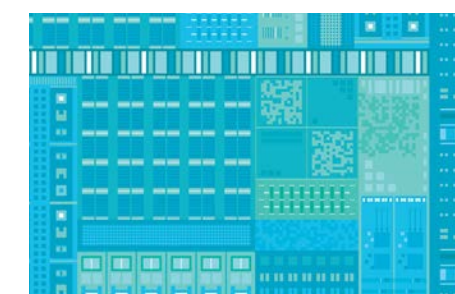


Who Do Credit Unions Belong to?

Filene conducted a national survey of Americans' perceptions of credit unions. Most people in the US have a positive perception of credit unions, regardless of their personal political or social affiliation. Yet credit unions face choices about how to proceed in a polarized, partisan environment. Read this report to learn what researchers found about credit unions highlighting their difference on their website homepage.

filene.org/470

HOW CAN I KEEP MEMBER DATA SAFE WHILE LEVERAGING NEW DATA?

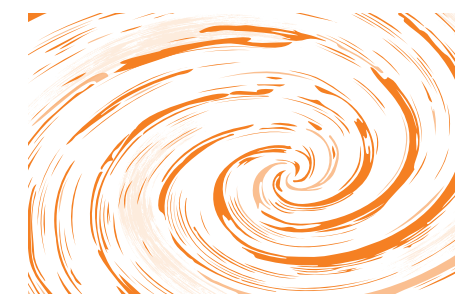


Core Processors and Data Integration in the Credit Union System

As credit unions' technology needs change, so too must their arrangements with core providers. The imperative of data integration and the leverage of useful data insights force core and credit union relationships to evolve. Both sides should recognize the promise in data sharing. The answer lies in how to integrate data into a single source without compromising integrity, security or speed. Read the report for key issues to identify as you review your relationship with your core provider.

filene.org/473

HOW MUCH ARE FINANCIAL STRESSORS AFFECTING MY CREDIT UNION STAFF?



The Case for Workplace Financial Well-being: The View from Credit Unions

55% of credit union employees are also struggling financially. The links between financial stress and absenteeism, lower productivity and increased costs are directly impacting your credit union's bottom line. Re-invest in a financial wellness program that goes beyond just financial education and actively works to improve the financial well-being of your employees and the overall health of your credit union.

filene.org/480

* EMAIL US YOUR QUESTIONS AT INFO@FILENE.ORG

FILENE FILL-IN PODCAST



Instead of looking at it as a diversity and inclusion **problem**, let's look at it as a diversity and inclusion **solution**. There is talent everywhere and we just don't know where to find it. With AACUC we want to be the go-to organization for diversity and inclusion.

Episode 55 A Conversation with AACUC's Renée Sattiewhite

Episode 56 Car Ride Conversation with Filene Fellow Bill Maurer

Episode 58 A Look into the Cooperative Trust, Part 1

...that time I sat around in a room with bagels, **redesigning the United States' currency** with the US treasury secretary.

This is going to **drastically impact my career**, in the fact that I have a pool of resources now for help, advice and guidance.



FILENE.ORG/PODCAST

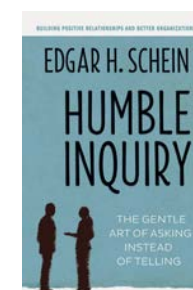
STAFF PICKS

What books are you reading right now about the power of connection?



Mark Meyer
President + CEO

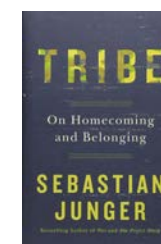
SEEK TO UNDERSTAND



Listening can be one of the most difficult yet critical skills for a leader. This book reminds one to lead with curiosity and seek to understand. Finding the right answers and opportunities for an organization comes from listening, not telling. It opens the door to an outward mindset.

* EMAIL US AT INFO@FILENE.ORG
TO SHARE YOUR FAVORITE BOOKS ON THE TOPIC OF TRANSFORMATION.

MEMBER PICK



For those looking for a quick, yet impactful read on human nature, Junger clearly explains that all of us have a strong instinct to belong to small groups defined by clear purpose and understanding—"tribes."

UNLOCK YOUR CREATIVE GENIUS



While this book should be read front to back the first time around, what I love most is that you can open this field guide to any page and take away something that can be applied at your credit union, on your team, heck even at home. This guide is about unlocking your creative genius so you can save the world!



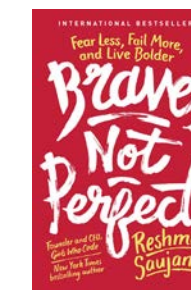
Cortney Angeley
Director of Community
Development

This tribal connection has been largely lost in modern society, but regaining it may be the key to personal and professional success, happiness and well-being. All of us want to make a difference and belong. Being part of a tribe in support of clear goals and objectives is what has motivated individuals for centuries. It brings out



Holly Fearing
Director of Marketing +
Communications

BRAVELY CHANGE THE WORLD



We, especially women, go to great lengths to avoid doing anything that could result in failure. But that mindset drastically limits the places we can go if to fail is not an option. The "Brave Not Perfect" concept is about learning to shed the need for perfection in the sake of bigger outcomes. And by looking for opportunities to support other women on the same journey, we become members of Team Brave—fearless women changing the world one brave act at a time.

the best in one's own contributions as part of a larger effort. Teammates feel a sense of belonging and connection in pursuit of a common goal.



James Schenck
President + CEO
PenFed CU



ATTENDEES ASKED QUESTIONS AND GOT ANSWERS DURING THE ASK THE EXPERTS Q&A



FILENET FELLOW, DENNIS CAMPBELL, LED AN OPERATIONAL IMPROVEMENT WORKSHOP



ATTENDEES IDENTIFY SOLUTIONS TO THE CONSUMER PAIN OF GROWING SAVINGS



CREDIT UNION MEMBERS SHARE THEIR EXPERIENCE DURING A MEMBER PANEL SESSION



CONVERSATIONS FLOWED DURING DEDICATED NETWORKING TIME WITH EXPERTS



Upcoming GET TOGETHERS



NOV 19-20
big.bright.minds.
DURHAM, NORTH CAROLINA

REGISTER TODAY

CRASH

2019 ↑
2020 ↓



JAN 28-29
Consumer Thinking & Technology
IRVINE, CALIFORNIA

CRASH



MAR 25-26
Incubator Event
PHOENIX, ARIZONA



APR 28-29
Business Strategy
BOSTON, MASSACHUSETTS

CRASH



JUN 16-17
Operations & Talent
DENVER, COLORADO

CRASH



AUG 18-19
Incubator Event
CHICAGO, ILLINOIS



SEP 15-16
Diversity, Equity & Inclusion
PHILADELPHIA, PENNSYLVANIA

CRASH



OCT 27-28
big.bright.minds.
DALLAS, TEXAS

CRASH

* FIND THE MOST UP-TO-DATE CALENDAR AT [FILENE.ORG/EVENTS](https://filene.org/events) *

Register at
FILENE.ORG/EVENTS

THINK FORWARD

big.bright.minds.2019

Join us **November 19–20** in **Durham, NC** for Filene's annual member event, **big.bright.minds.**, where we'll tackle the factors impacting your members' financial lives every day—debt, retirement, housing, technology, education and work. When we think forward, we can change lives.

Register at **FILENE.ORG/BBM19**