



CREDIT UNION LANDSCAPE REPORT

TRENDS, CHALLENGES & SOLUTION PATHWAYS

PART 2 – MEMBERSHIP GROWTH

RECAP: THE BROADER CONTEXT



Part 1, [*FiLab's CU Landscape Report*](#), provided a high-level overview of the rapidly shifting financial services landscape, outlining the external forces disrupting industry norms for credit unions. Each subsequent report will build on this foundation, diving deeper into one of the five strategic focus areas.

KEY TAKEAWAYS FROM PART 1

COMPETITIVE PRESSURE IS INTENSIFYING

- **Fintechs, neobanks, and tech giants** are scaling from niche services to core banking, outpacing traditional institutions with superior digital fluency, embedded experiences, and rapid innovation.

MEMBER EXPECTATIONS ARE CHANGING

- **Consumers are demanding more** personalized and seamless experiences to navigate the emerging financial stressors of this era.

INVESTMENT TRENDS ARE SHAPING THE FUTURE

- **Investment trends continue to favor personal finance and B2B fintech**, fueling both direct competitors and their enabling tech. These maturing fintechs pose a more focused threat to core member relationships.

FIVE KEY STRATEGIC PRIORITIES

- **Filene's FiLab** community uncovered five strategic priorities that have emerged to help credit unions navigate these uncertain times and chart a path toward long-term growth and sustainability.

PART 2: MEMBERSHIP GROWTH

Part 1: Overview

Part 2: Membership Growth

Part 3: Deposit Growth & Revenue Streams

Part 4: Enhanced Member Experience

Part 5: Improved Operational Efficiencies

Part 6: Decreased Risk & Fraud

TABLE OF CONTENTS

1. STATE OF MEMBERSHIP GROWTH *p4*

2. CURRENT LANDSCAPE *p8*

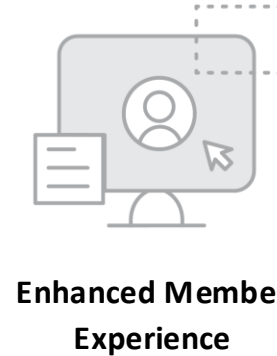
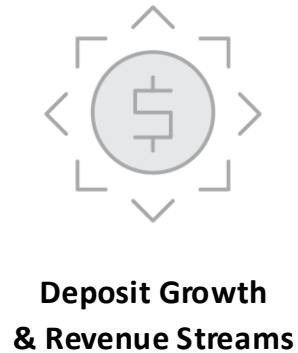
3. CREDIT UNION SOLUTIONS *p12*

4. WHAT'S AHEAD *p16*

01

STRATEGIC PRIORITY FOCUS:

STATE OF MEMBERSHIP GROWTH



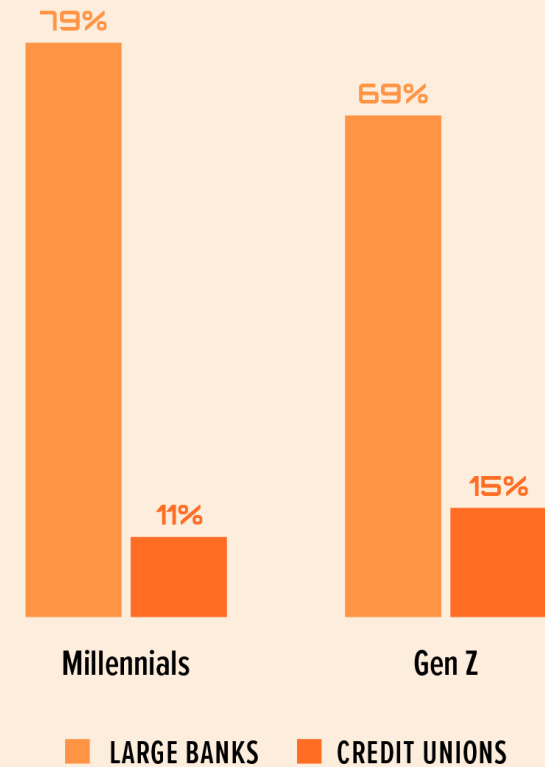


THE STATE OF MEMBERSHIP GROWTH

Credit union membership growth is slowing, and long-term sustainability is at risk. As the average age of credit union members continues to rise, it's especially important that credit unions navigate the competitive landscape and expand their digital reach to attract and retain new members

- **<20% of Americans under the age of 40 use a credit union.**¹
- **Only 11% of Generation Z and 15% of Millennials** are credit union members, while 79% and 69%, respectively, use larger banks.²
- **CU membership growth slowed to 3.3% in 2023**, the lowest since 2014.⁴
- **Smaller credit unions with limited digital investment experienced membership declines in 2024 (–3.1% to –3.7%),** while larger, tech-enabled credit unions grew by 5%, highlighting how fintech adoption supports member growth in a digitally driven market.^{3,1}

YOUNG MEMBER MARKET SHARE: LARGE BANKS VS. CREDIT UNIONS





IDENTIFYING GROWTH OPPORTUNITIES

As U.S. communities evolve, credit unions have a unique opportunity to build relevancy and drive growth through community development efforts that meet emerging financial needs and build long-term resilience.



DIVERSE & GROWING COMMUNITIES

- **Communities of Color:** 5.6M population growth since 2020, with Hispanics driving 91%¹
- **Immigrant Communities:** Now make up 14.3% of U.S. residents, the highest since 1910²

UNDERBANKED & FINANCIALLY INSECURE

- **Underbanked Households:** 19M households (14%) lack full banking access³
- **Financial Insecurity:** 70% of U.S. households struggle financially; nearly half lack a 3-month emergency fund⁴

GENERATIONAL SEGMENTS

- **Young Adults:** Gen Z has an average credit score of 665, but needs improved access to credit for financial security⁵
- **Older Adults:** 4.1M retire annually, creating need to support retirement and wealth transfer planning⁶

ENTREPRENEURS & BUSINESS OWNERS

- **Young Entrepreneurs:** 55% of Americans under 40 have a side business⁷
- **Minority-Owned Businesses:** 2–3x more likely to be denied loans and pay up to 3.1% higher interest rates⁸



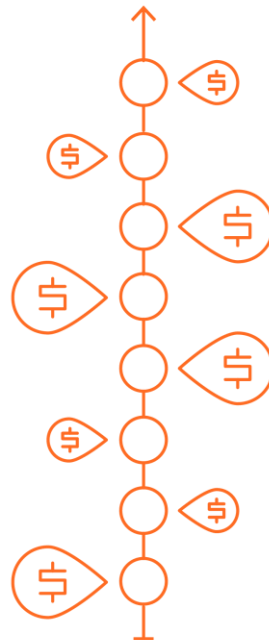
MOMENTS THAT ACTIVATE GROWTH

Taking advantage of growth opportunities will require a stronger presence in moments when people are navigating major changes. **Meaningful support makes a difference during life transitions, creating opportunities to deepen financial ties.**

AGING UNDER FINANCIAL PRESSURE

Adulthood, from entry to exit, is more costly than ever.

- **Gen Z enters adulthood with lower purchasing power**, higher relative debt, and less post-debt income compared to older generations.¹
- Half of lower-income parents **financially supporting their adult children** are experiencing negative financial impacts as a result.¹
- 35% of near-retirees report **delaying retirement due to financial concerns**.²
- **Unpaid family caregivers** now add \$28.3B to annual healthcare costs and risk falling 40% to 108% short on their own retirement savings.³



AFFORDING THE NEXT CHAPTER

The rising cost of living makes life transitions expensive.

- **Divorce is costly upfront, but it also jeopardizes future earnings.** In the year following a divorce, employed individuals earn 12% less than their peers who remain married.⁴
- **In 2024, 91% of first-time buyers couldn't purchase a home without financing**, and for 1 in 3, saving for a down payment is the biggest barrier.⁵
- **The price of parenthood is increasing exponentially.** Childcare costs 10% of married couples' income and 32% for single parents—above the federal affordability benchmark of 7%.⁶

02

MEMBERSHIP GROWTH:

CURRENT LANDSCAPE



COMPETITIVE LANDSCAPE

In today's context, here's how financial institutions are tailoring strategies to meet members' evolving needs.

Key Players	Offerings	Credit Union Implications
Neobanks (e.g., Chime, Varo)	No-fee banking, early direct deposit, and fast mobile onboarding	They're winning the same segments CUs want: Gen Z, underbanked, and digital-first users
Fintechs (Non-Neobank) (e.g., Cash App, Robinhood)	Discrete tools for payments, credit, investing, now bundling into all-in-one apps	These players replace CUs for individual products, eroding CU share of wallet and engagement
AI-Driven Infrastructure (e.g., Zest AI, Upstart)	Personalized lending, financial coaching, and automation	CUs risk falling behind if they can't match the speed, accuracy, and personalization of AI tools
Youth-Focused Platforms (e.g., Step, Greenlight)	Gamified savings, parent-linked cards, teen onboarding	Reaching members before CUs do, potentially locking in relationships for life
Big Tech/Embedded Finance (e.g., Apple Pay, Uber Wallet)	Banking invisibly embedded into everyday apps	Makes CUs irrelevant at the point of transaction or decision, users may never even see the CU brand



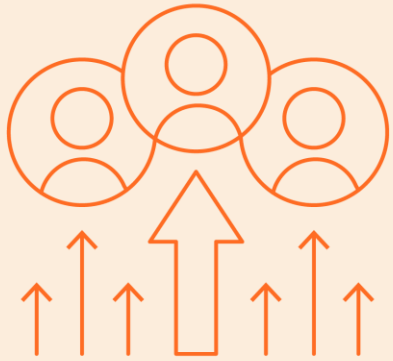
SOLUTION TRENDS

Across the landscape, these approaches highlight how financial institutions are unlocking growth and where credit unions can pursue opportunities to expand membership.

Solution	Offering/Method	Advantage
Influencer Campaigns	Partner with trusted creators on TikTok, Instagram, etc.	Earns Gen Z and Millennial trust and awareness through figures they already follow ¹
Embedded Loan Offers	Surface CU loans inside partner apps (payroll, e-commerce, marketplaces)	Reaches new members right when they need financing and without requiring a branch visit ²
Onboarding Nudges	AI-driven, contextual nudges during onboarding (real-time tooltips or hesitation-triggered pop-ups)	Significantly reduce onboarding abandonment and boost completion rates ³
Financial Wellness Apps	CU-branded budgeting, credit-building, and savings tools	Delivers daily value that attracts prospects and deepens loyalty ⁴
Referral Incentives	Simple rewards for bringing friends or finishing onboarding	Low-cost, high-trust growth driven by satisfied members ⁵



CREDIT UNION CHALLENGES & BARRIERS



Addressing the following challenges can help credit unions make meaningful headway in advancing their member growth strategy.

- **High member drop-off** occurs early due to fragmented digital onboarding, creating friction at the critical first interaction.
- **Generic marketing efforts miss the mark**, failing to connect with younger generations who expect culturally relevant and personalized engagement.
- **Limited ability to deliver differentiated products** and services hampers competitiveness amid increasing alternatives.
- **Limited presence at pivotal life-stage moments** results in missed opportunities to attract prospective members when they need credit unions most.
- **Operational silos** and lack of coordination across teams hinder seamless member onboarding and overall growth execution.

03

MEMBERSHIP GROWTH:

CREDIT UNION SOLUTIONS



SOLUTIONS THAT FILENE HAS TESTED

Through testing, Filene has explored solutions that help credit unions grow by addressing member needs and deepening engagement.

Solution	Use Case	Outcome / Benefit
Steady	Mobile platform connecting users to income opportunities that match their availability, skills, and needs.	Helps members address income gaps, improve financial well-being, and strengthen loyalty.
CardFit by Nickels	Tool that helps members choose the best credit card based on their spending and payment habits.	Grow card adoption and usage, while offering revolving users a lower-APR alternative to big bank cards.
Debbie	Provide a rewards platform for paying down debt and building savings.	Attracts and engages younger members by helping them pay down debt, build strong financial habits, and improve overall financial health.
FinFluencer	Leverage influencers for authentic, social media-based education and market visibility.	Builds trust with Gen Z; creates a modern member acquisition channel.
Re-thinking Physical Space	Explores innovative ways to repurpose branches and physical space to better serve members and community needs.	Creates inclusive, trust-building spaces that deepen community connection and enhance member engagement.



MEMBERSHIP GROWTH

FINTECHS ON OUR RADAR



Looking ahead, these promising solutions stand out as key opportunities for further exploration and testing.



Helps credit unions grow by attracting parents and their children through a unique, parent-controlled debit card paired with a financial literacy tool that builds money management habits for the whole family.



Provides business intelligence to boost SMB services, drive income growth, and unlock new business banking opportunities.



Builds future membership by engaging kids and teens with gamified financial education and a debit card experience, helping credit unions connect with the next generation early.



Uses predictive data to identify and convert high-potential prospects, improving new member campaign ROI and long-term member engagement.



RECOMMENDATIONS FOR CREDIT UNIONS

In summary, below are a few key steps credit unions can take to build membership growth:

- Implement seamless, real-time digital onboarding and identity verification processes to **eliminate friction**.
- Leverage comprehensive data analytics and behavioral insights to support **highly personalized outreach**.
- Cultivate embedded partnerships within digital platforms, employer ecosystems, and widely used applications to **integrate financial services into daily life**.
- Develop lifestyle-aligned campaigns speaking to member goals and values, **moving from product-centered to member-centered marketing**.
- Reposition the brand narrative through compelling financial empowerment stories that **illustrate tangible member success**.
- **Establish a visible and supportive presence during pivotal life moments** that typically trigger acute financial needs (e.g., gig work, caregiving, entrepreneurship).



04

WHAT'S AHEAD

COMING NEXT

This report builds on the initial high-level landscape overview by providing a deeper look into one of the top strategic priorities for credit unions:

Member Growth.

The next four reports will continue this series, each offering deeper exploration and focused insights into the remaining priority areas identified by the FiLab community.



Trends across the
**broader financial
services landscape**



Common challenges
facing credit unions



Insights on
**member needs
and expectations**



Emerging solutions
and innovative strategies



Key findings
from FiLab tests
and collaborators



**Actionable
recommendations**
for credit unions

NEED HELP SORTING THROUGH THE LANDSCAPE?



Empowers credit unions to lead with innovation by **scouting, testing, and accelerating** the adoption of emerging solutions.

Through rapid experimentation and insights, we help credit unions make informed decisions, stay ahead of market shifts, and bring the most promising solutions to their members—faster.

FiLab helps credit unions innovate faster- reducing time, cost, and risk through expert-led testing and shared insights. **By partnering, credit unions access:**

TEAM CAPACITY



400–600 Hours

Hours of innovation capacity for scouting and testing applied to accelerate credit union strategy

DISCOUNTED TESTING



65%

13 of the Top 20 Finalists for the 2025 testing agenda offered testing at no cost or at cost of operation

LOW-RISK CONTRACTS



<6 Months

Short-term test partnerships enable low-risk testing and faster insight collection

EXPANDED DATA & INSIGHTS



5 CUs

Average number of organizations participating in testing cohorts, sharing data and best practices

CONCLUSION

THANK YOU



**A special thank you to our
FiLab supporters for helping
to make this research possible.**

**If you have questions, would like to learn
more about FiLab, or want to connect,
we'd love to hear from you!**



Reach out to us at
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