

Predictive Financial Wellness
CONCEPT DOCUMENT

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TARGET MARKET

Across the credit union industry, a large and growing segment of members are experiencing financial stress that is not yet visible through traditional indicators. These are working age members who remain current on obligations and actively engaged with their credit union, but whose financial margin is increasingly fragile due to variable income, rising living costs, and increased reliance on revolving credit. Small disruptions—such as reduced hours or unexpected expenses—can quickly shift these members from stability to distress.

Our primary focus is on everyday credit union members living on tight financial margins, including:

- Members with hourly or variable income
- Households with limited emergency savings
- Members showing subtle behavioral shifts rather than overt delinquency

These members often absorb financial pressure quietly, adjusting spending, delaying decisions, or reallocating funds long before a missed payment occurs. Their primary need is early awareness and timely support, before financial stress escalates into crisis.

Secondarily, we focus on the credit union teams responsible for supporting these members—frontline staff, member care teams, lending, and risk leaders. These teams are deeply committed to helping, but are increasingly spread thin and constrained by fragmented systems. Critical behavioral signals are scattered across multiple dashboards, reports, and data sources, making it difficult to determine whether a member even needs attention, let alone when or how to engage. The market opportunity lies in addressing this visibility gap—enabling credit union teams to identify emerging member stress earlier, act with empathy, and intervene while options are still flexible and trust remains intact.

This target market exists in the narrow but critical space between financial stability and crisis, where proactive insight can have the greatest impact for both members and credit unions.

PROBLEM DEFINITION

Financial instability rarely begins with a sudden crisis. More often, it develops gradually through small income disruptions, rising living costs, and subtle behavioral changes that strain household budgets long before traditional distress indicators appear.

Today, most credit unions identify member financial distress only after negative outcomes have already occurred, such as missed payments, overdrafts, delinquency, or hardship requests. By the time these signals surface, members' options are constrained, trust may already be strained, and losses are more difficult—and more expensive—to prevent.

This reactive model persists not because credit unions lack concern or data, but because existing systems are designed to recognize events, not early warning patterns. Traditional credit metrics capture historical performance,

yet they account for only a portion of true financial risk and routinely overlook the behavioral signals that precede instability.

The evidence is clear that financial stress is increasing and unevenly distributed across households:

- Bankruptcy filings rose 10.6% year-over-year through September 2025, continuing a multi-year upward trend as pandemic relief expired and household costs increased.¹
- Total U.S. household debt reached \$18.04 trillion, with 4.5% of outstanding household debt was delinquent as of Q4 2025.²
- Credit card delinquency has emerged as a leading early indicator of strain, with over 20% of balances delinquent or near-delinquent in the lowest-income ZIP codes during 2025, far exceeding national averages.³

Critically, these trends show that financial distress does not appear all at once. It emerges first through behavioral changes—increased reliance on revolving credit, shifts in payment timing, disrupted cash flow, and declining liquidity—well before traditional credit deterioration becomes visible.

Research increasingly supports this pattern. Traditional credit scores and static risk models explain only a portion of real financial risk, while behavioral signals captured in transaction data, engagement patterns, and payment behavior provide earlier and more accurate indicators of impending hardship. Studies show behavior-based models can detect 30-day delinquency risk with significantly greater lead time than traditional scorecards, and credit-union-focused research highlights a growing number of first-time delinquents—historically reliable members whose distress goes undetected until after a missed payment occurs.

When these early signals remain disconnected or unused, credit unions miss the narrow window where proactive, empathetic intervention could preserve trust, improve outcomes, and prevent downstream losses.

How might we enable credit unions to identify and act on early behavioral signals of financial stress—before hardship becomes visible and outcomes are locked in—so members receive timely, compassionate support while credit unions protect long-term relationships and portfolio health?

INNOVATIVE SOLUTION

At the core of FinWell is a transparent, data-driven Financial Wellness Score (0–100) designed to detect early signs of financial stress—not predict default. Higher scores reflect stronger financial wellness, while declining scores signal emerging pressure. The score brings together behavioral, cash-flow, and stability indicators that individually may appear minor, but collectively reveal meaningful shifts in a member’s financial resilience over time.

FinWell operates through a structured, repeatable process:

1. Aggregate Existing Data

FinWell leverages data credit unions already have across deposits, loans, payments, and member activity—eliminating the need for new data sources or invasive monitoring. In addition to financial signals, FinWell

incorporates existing member demographic and preference data, such as age range, communication preferences, and historical engagement patterns. This allows the credit union to understand not only *who* may need support, but how and when that member is most likely to engage.

2. Evaluate Five Wellness Dimensions

Member signals are organized into five weighted categories that reflect different aspects of financial health:

- Cash Flow Stability (30%) – balance trends, overdraft activity, deposit stability
- Spending & Everyday Strain (25%) – reliance on revolving credit and rapid balance growth
- Credit & Borrowing Pressure (20%) – autopay changes, payment drift, minimum-only payments
- Payment Reliability (15%) – debt growth and unsecured exposure
- Life Changes & Disruptions (10%) – income interruptions, employment or address changes, hardship indicators

This structure ensures no single behavior dominates the score and reflects how financial stress typically develops—gradually and across multiple dimensions.

3. Translate Patterns Into a Clear Wellness Signal

Each category contributes weighted points to produce an overall wellness score, where higher scores indicate greater financial stability:

- 70–100: Strong / Stable Wellness
- 50–69: Early Signs of Stress (soft awareness or supportive outreach)
- 30–49: Elevated Stress (proactive engagement recommended)
- 0–29: High Stress (immediate support and attention needed)

FinWell prioritizes trends and direction over time, not one-time events, allowing teams to recognize declining wellness early—while there is still time to engage productively.

4. Enable Smarter, More Effective Engagement

Once a shift in wellness is identified, FinWell pairs the Wellness Score with known member preferences and demographic context to guide outreach. This ensures communication is delivered through the right channel, at the right time, and in the right tone - whether that means digital messaging, a phone call, in-branch conversation, or deferred outreach during non-ideal hours.

By aligning wellness insight with member preferences, credit unions avoid generic or mistimed messaging and instead deliver support that feels relevant, respectful, and human. This increases the likelihood of engagement, improves the quality of conversations, and reinforces trust—without increasing staff workload or introducing additional complexity.

Benefits for users

For credit union teams, FinWell replaces guesswork and dashboard fatigue with clarity. Frontline staff, member care

teams, lending, and risk leaders no longer need to interpret scattered data across multiple systems to identify who might be struggling. The Wellness Score provides a shared, understandable view of member stress, enabling teams to prioritize outreach, prepare more meaningful conversations, and engage earlier with confidence. This reduces reactive firefighting, improves staff efficiency, and strengthens alignment between mission and day-to-day decisions.

For members, the experience feels supportive rather than corrective. Engagement occurs earlier—before missed payments or hardship conversations—at a moment when options still feel manageable. Members benefit from timely awareness, guidance, and access to support while preserving dignity and trust. This reinforces the credit union as a financial partner invested in their long-term well-being, not just a lender that steps in after something goes wrong.

Benefits for the Credit Union

For the credit union, FinWell delivers both measurable financial impact and strategic value. Earlier identification of financial stress allows intervention before delinquency, reducing downstream costs associated with collections, charge-offs, and account attrition. Industry research consistently shows that preventing first-time delinquency is significantly less costly than recovering from it, and that proactive, personalized engagement improves repayment outcomes and member retention.

Beyond cost avoidance, FinWell strengthens the credit union's value proposition. It aligns financial wellness with risk management, improves consistency across teams, and deepens member trust. By shifting from reactive workflows to predictive, behavior-driven insight, credit unions protect portfolio health while living their cooperative mission—demonstrating that proactive, human-centered support and strong financial performance are not competing priorities, but reinforcing ones.

PROTOTYPE

To demonstrate how proactive financial wellness can function in practice, we built a high-fidelity prototype. The prototype simulates how existing member data, behavioral signals, and wellness scoring can be surfaced in a single interface to support earlier, more effective engagement.

Member Overview & Wellness Snapshot

This screen provides a high-level snapshot of an individual member's financial wellness. It displays the member profile, the overall Wellness Score, where higher scores indicate stronger financial stability.

Key elements include:

- Overall Wellness Score prominently displayed for quick context
- Primary communication channel and preferred outreach timing, informed by member demographic and engagement data
- Primary financial goal (e.g., reduce debt) to help frame conversations
- Quick visual cues indicating overall wellness level

This view is designed to help staff quickly orient themselves before engaging with the member.

Org-Level Dashboard: At-a-Glance Visibility Across Organization

Portfolio-Level Dashboard, designed to give employees immediate, high-level awareness of overall member financial wellness. At a glance, staff can see:

- An overall membership wellness view, showing how the member base is distributed across wellness levels (stable, emerging stress, elevated risk, high risk)
- A clear visual summary that helps teams understand the health of the portfolio without digging into individual records

Below this summary, a member list provides actionable detail. Employees can:

- Search by member name or member number
- Filter by member status (Stable, Emerging Stress, Elevated Risk, High Risk)
- Quickly prioritize outreach based on where attention may be most needed

Overall Membership Health → Healthy

● Stable 215,000	● Emerging Stress 129,000	● Elevated Risk 64,500	● High Risk 21,500
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Score Overview

81

out of 100

➤ Strong Health
 50% of members stable
+5 pts from last Q

Member List

Search by name or member ID... All Statuses

Member	Score	Status	Key Signals	Last Reviewed	Recommended Action
Sarah Mitchell M-47821	81 / 100	● Stable	Credit utilization >70%	Jan 9 3 days ago	Send wellness check-in
Marcus Williams M-52194	48 / 100	● Elevated Risk	Autopay removed Overdrafts (2+) Declining avg balance	Jan 11 1 days ago	Schedule support call
Jennifer Chen M-61047	96 / 100	● Stable		Jan 7 5 days ago	Regular monitoring
Robert Johnson M-48298	89 / 100	● Stable	Credit utilization >70%	Jan 10 2 days ago	Share budgeting resources
Alexandra Martinez M-54032	68 / 100	● Emerging Stress	Payment date drifting Credit utilization >70%	Jan 8 4 days ago	Soft outreach via email
David Thompson M-71805	22 / 100	● High Risk	Late payments Overdrafts (2+) Declining avg balance	Jan 12 Today	Immediate contact needed
Elizabeth Rodriguez M-39847	93 / 100	● Stable		Jan 6 6 days ago	Regular monitoring
James Anderson M-84316	51 / 100	● Elevated Risk	Declining avg balance Late payments Payment date drifting	Jan 11 1 days ago	Review hardship options
Nicole Taylor M-92753	72 / 100	● Emerging Stress	Overdrafts (2+)	Jan 10 2 days ago	Offer overdraft protection info
Christopher Lee	95 / 100	● Stable		Jan 5	Regular monitoring

Member Overview: Personalized Financial Wellness at the Individual Level

At the member level, users can view key member demographic and engagement information, including preferred communication channels and the best time to reach the member. This context is presented alongside the member’s personalized Financial Wellness Score, giving employees immediate insight into both *who the member is* and *how they are doing financially* at a glance.

The Wellness Score is directly tied to the Score Overview, where employees can explore the score in detail and understand exactly why it appears the way it does. The score is broken into five core wellness dimensions—Income Stability, Spending Strain, Credit Reliance, Payment Stress, and Life Changes & Disruptions—allowing staff to see which areas are contributing positively or negatively to the member’s overall financial wellness.

Each dimension can be expanded to show:

- How many points were impacted
- What specific behaviors or signals caused the change
- How critical those changes may be to the member’s long-term financial health

This transparency helps employees understand not just *what* changed, but *why it matters*. The score analysis is time-based rather than static, showing trends such as balance changes over the past three months or credit growth over the last 90 days. This historical view allows staff to distinguish between one-time events and meaningful patterns, ensuring engagement is thoughtful and proportional.

Based on this analysis, FinWell provides employee recommendations that suggest appropriate next steps. These recommendations are informed by the member’s wellness signals, demographic information, and engagement preferences, helping ensure outreach is relevant, personalized, and respectful.

The screenshot displays the FinWell member dashboard for Sarah Mitchell (ID: N-47821). The dashboard includes a header with the FinWell logo, a 'How Scores Work' link, and the member's name and advisor information. Below the header, there are sections for 'Primary Channel' (SMS & Email), 'Best Time' (Afternoons), 'Primary Goal' (Reduce Debt), 'Digital Engagement' (High (App)), and a 'Wellness Score' of 81. The main content area is titled 'Credit Reliance' with a score of -8 / 20 pts and a note: 'Moderate concern — credit utilization increased significantly'. A 'Hide Details' link is present. The 'How the Score Was Calculated' section lists four deductions: Credit Utilization >70% (-3 pts), Growing Credit Card Balances (-2 pts), New Credit Inquiries (3+ in 6 months) (-2 pts), and Maxed Out Credit Lines (-1 pts). A 'Total Deduction' box shows 8 out of 20 possible points lost. The 'Detailed Analysis' section provides context: 'Credit utilization has increased to 74%, which is above the healthy threshold of 30%. Balance growth of \$940 over the last 90 days suggests reliance on credit to manage expenses. This pattern can impact credit scores and lead to higher interest charges.' The 'Key Metrics' section shows: Credit Utilization at 74% (up from 52% 3 months ago), Balance Growth of +\$940 (last 90 days), Available Credit at \$3,480 (down from \$6,120), and Recent Inquiries at 3 (last 6 months). The 'Staff Recommendations' section includes: 'Offer personalized debt consolidation options to lower interest costs' and 'Provide balance transfer promotion with 0% intro APR if eligible'.

Actions & History: Guided, Efficient Engagement

The Actions & History section consolidates recommended actions and prior outreach in one place. It highlights suggested actions tailored to the member's situation and preferred channels, helping employees engage in the most effective and efficient way.

Below recommended actions, a complete communication history shows past messages, channels used, and engagement outcomes. This gives employees valuable context and helps prevent over-contacting, reinforcing intentional and member-centered communication.

The screenshot displays the FinWell member dashboard for Sarah Mitchell (ID: M-47821). The dashboard includes a header with the FinWell logo, a "How Scores Work" link, and the user's name, Sarah Chen, Financial Advisor. The member's profile section shows a Wellness Score of 81, a Primary Channel of SMS & Email, a Primary Goal of Reduce Debt, and a Digital Engagement level of High (App). The dashboard is divided into three tabs: Score Overview, Actions & History (selected), and Portfolio. The Actions & History tab is further divided into Recommended Actions and Communication History. Recommended Actions include Routine Account Review (Low priority, Next 30 days) and Debt Consolidation Assessment (Medium priority, Within 1 week). Communication History shows recent outreach and engagement, including Checking in - We're here to help (Clicked), SMS reminder about upcoming payment (Delivered), Financial Wellness Resources (Opened), Portal: Emergency Savings Builder (Opened), and Member Appreciation Resources (Not Opened). A yellow warning box at the bottom of the Communication History section reads: "Review history before additional outreach to avoid over-contacting members."

FinWell
MEMBER FINANCIAL WELLNESS EARLY-ALERT TOOL

How Scores Work | Sarah Chen
Financial Advisor

Sarah Mitchell ID: M-47821
Last updated: Jan 12, 2026

PRIMARY CHANNEL: SMS & Email
BEST TIME: Afternoons
PRIMARY GOAL: Reduce Debt
DIGITAL ENGAGEMENT: High (App)
WELLNESS SCORE: 81

Score Overview | **Actions & History** | Portfolio

Recommended Actions
2 suggested actions

- Routine Account Review** (LOW)
Send wellness check-in. Maintain ongoing engagement.
Next 30 days
- Debt Consolidation Assessment** (MEDIUM)
Analyze credit usage and propose consolidation alternatives.
Within 1 week

Communication History
Recent outreach and engagement

- Checking in - We're here to help** (Clicked)
Jan 9, 2026 · Jennifer Martinez
- SMS reminder about upcoming payment** (Delivered)
Jan 4, 2026 · Robert Chen
- Financial Wellness Resources** (Opened)
Dec 27, 2025 · Jennifer Martinez
- Portal: Emergency Savings Builder** (Opened)
Dec 14, 2025 · System (Automated)
- Member Appreciation Resources** (Not Opened)
Nov 29, 2025 · Jennifer Martinez

Review history before additional outreach to avoid over-contacting members.

Portfolio & Supportive Product Recommendations

Under the Portfolio section, employees can view all accounts the member holds with the credit union, as well as linked external accounts when available. Using this information, FinWell surfaces personalized supportive product recommendations. Each recommendation explains:

- Which product may be beneficial
- Why it fits the member’s current situation
- How it could improve financial wellness

These recommendations quantify potential benefits—such as savings, earnings, or optimization opportunities—allowing employees to have clear, value-based conversations grounded in the member’s real financial context.

The screenshot displays the FinWell interface for member Sarah Mitchell. At the top, the FinWell logo and 'MEMBER FINANCIAL WELLNESS EARLY-ALERT TOOL' are visible. The user's name, ID (M-47821), and last update date (Jan 12, 2026) are shown. Key metrics include the Primary Channel (SMS & Email), Primary Goal (Reduce Debt), Best Time (Afternoons), Digital Engagement (High (App)), and a Wellness Score of 81. The main content area is divided into 'Financial Portfolio' and 'Supportive Product Recommendations'. The Financial Portfolio section lists internal accounts (Advantage Checking: \$4,250.00, High-Yield Savings: \$15,300.25, Auto Loan: \$12,450.32) and linked external accounts (Chase Credit Card: \$3,240.15, Fidelity 401k: \$45,210.88). The Supportive Product Recommendations section includes Debt Consolidation (High Impact), Yield Optimization (Quick Win), Term Certificate (Wealth), and Rewards Card (Cross-Sell).

Financial Wellness Risk Score Framework

The FinWell platform includes a dedicated Financial Wellness Risk Score Framework that employees can reference at any time. This framework helps staff quickly understand what contributes to the Wellness Score, why each category matters, how many points can be deducted in each area, and how those changes impact a member's overall financial wellness.

The Wellness Score is structured on a 0–100 scale, where higher scores represent stronger financial wellness, and declining scores indicate increasing stress. The framework reinforces that the score is holistic, transparent, and behavior-based—not arbitrary or punitive.

Core Wellness Categories

Cash Flow Stability

This category reflects a member's ability to manage day-to-day finances and absorb short-term disruptions. The framework explains how declining balances, deposit reductions, overdrafts, or balance volatility can reduce points and why sustained cash-flow instability is often one of the earliest indicators of financial stress.

Spending & Everyday Strain

This category captures signals related to everyday financial pressure. Employees can see how repeated overdrafts, spending volatility, or short-term cash-flow fixes contribute to point deductions and what those patterns may indicate about timing challenges or rising expenses.

Credit & Borrowing Pressure

This category focuses on a member's reliance on credit to manage financial needs. The framework explains how rising utilization, rapid revolving balance growth, new credit inquiries, or maxed-out credit lines affect the score. Emphasis is placed on trends over time rather than isolated credit use.

Payment Reliability

This category highlights disruptions in otherwise stable payment routines. The framework shows how autopay removals, payment date drift, minimum-only payments, or early-stage late payments reduce points and why these behaviors often precede more serious challenges if not addressed.

Life Changes & Disruptions

This category provides context for why other behaviors may be shifting. The framework outlines how income interruptions, employment changes, address changes, or member-initiated hardship signals influence the score and why understanding these signals helps employees approach engagement with empathy.

← Back to Dashboard

Sarah Mitchell ID: M-47821
Last updated: Jan 12, 2026

Score Overview

Action

Recommended Actions

2 suggested actions

Routine Account Review

Send wellness check-in. Maintain ongoing engagement.

Next 30 days

Debt Consolidation Assessment

Analyze credit usage and propose consolidation alternatives.

Within 1 week

Communication History

Recent outreach and engagement

Checking in - We're here to help
Jan 9, 2026 · Jennifer Martinez

SMS reminder about upcoming payment
Jan 4, 2026 · Robert Chen

Financial Wellness Resources
Dec 27, 2025 · Jennifer Martinez

Portal: Emergency Savings Builder
Dec 14, 2025 · System (Automated)

Member Appreciation Resources
Nov 29, 2025 · Jennifer Martinez

Review history before additional outreach to avoid over-contacting members.

Financial Wellness Risk Score Framework

A practical, data-driven framework to identify early financial stress before delinquency occurs.

Score Ranges (0-100)

80-100: Stable

Excellent financial health

60-79: Emerging Stress

Early warning signals present

40-59: Elevated Risk

Proactive intervention needed

0-39: High Risk

Immediate support required

Core Risk Categories

1. Cash Flow Stability

-30
PTS MAX

Direct deposit stopped

-6 pts

Declining average balance (3-month trend)

-6 pts

Direct deposit reduction (>20%)

-6 pts

End-of-month balance < \$100 (2+ times in 90 days)

-5 pts

Overdrafts / NSF's (2+ in 90 days)

-4 pts

Balance volatility (large swings)

-3 pts

2. Spending & Everyday Strain

-25
PTS MAX

3. Credit & Borrowing Pressure

-20
PTS MAX

4. Payment Reliability

-15
PTS MAX

5. Life Changes & Disruptions

-10
PTS MAX



TESTING AND RESULTS

Testing Approach

To evaluate the relevance, usability, and practical value of the FinWell prototype, we conducted qualitative interviews with credit union professionals across a wide range of roles. Participants included staff and leaders from credit resolutions, financial coaching, lending, underwriting, branch operations, call center operations, member experience, and executive leadership.

Participants were selected because they regularly engage with members experiencing financial stress and represent roles most likely to interact with a proactive wellness and early-alert tool.

Participants were asked to describe their current processes, identify pain points, and react to prototype features while thinking out loud. The goal was to validate whether the concept addressed real problems and could realistically fit into day-to-day credit union operations.

Key Findings

1. Member Support Today Is Overwhelmingly Reactive

Across all interviews, participants confirmed that member outreach today is largely triggered after financial distress becomes visible, such as overdrafts, past-due loans, or delinquency. Proactive outreach is rare and inconsistent, often relying on individual judgment or manual reminders rather than system-driven insight.

When asked how much outreach occurs proactively:

- Most participants reported none or very little proactive monitoring
- Collections and credit resolution teams typically engage members 30–60 days past due
- Members often delay communicating hardship due to fear, embarrassment, or anxiety

This validated the core problem: financial stress is often identified too late, when options are already limited.

2. Current Processes Are Highly Manual and Fragmented

Participants consistently described workflows that require toggling between multiple platforms and reports to understand a member's situation. Information related to balances, loans, engagement history, and member preferences is rarely centralized, making it difficult to quickly answer:

- Who needs attention

- Why they may be struggling
- How best to engage them

Several stakeholders noted that simply having a single, consolidated view of member financial wellness would significantly reduce preparation time and improve outreach quality.

3. Strong Validation of the “Financially Stressed but Silent” Member

When introduced to the concept of members who appear stable on paper but are quietly struggling, feedback was overwhelmingly positive. Participants across departments recognized this member immediately and agreed that current systems do not adequately surface these situations.

Stakeholders estimated that approximately 30% to 55% of member issues could be mitigated or prevented with earlier visibility and engagement, reinforcing the value of detecting behavioral signals before delinquency or crisis occurs.

4. Positive Reception of the Wellness Score and Score Transparency

Participants responded favorably to the Financial Wellness Score, particularly its transparency and explainability. Key elements that resonated included:

- Clear score ranges tied to wellness states
- Breakdown by categories such as cash flow stability, spending strain, and payment reliability
- Ability to see why points were deducted and what behaviors caused the change

The score was described as:

- Easy to understand
- Intuitive to interpret
- Helpful for framing conversations with members

Importantly, participants appreciated that the score focuses on behavioral trends and context, rather than feeling punitive or judgment-based.

5. Portfolio-Level Visibility Was Seen as Highly Valuable

Stakeholders consistently highlighted the portfolio-level dashboard as one of the most compelling aspects of the prototype. Being able to see:

- Overall membership wellness distribution
- Which members may need attention
- The key signals driving those statuses was viewed as a significant improvement over existing prioritization methods.

Several participants suggested extending this view to branch-level dashboards to further support local teams.

6. Personalization and Communication Context Are Critical

Participants emphasized that effective outreach depends heavily on:

- Knowing a member's preferred communication channel
- Understanding when a member is most likely to respond
- Seeing prior outreach attempts and engagement outcomes

The prototype's inclusion of communication history and performance tracking was consistently cited as a strength, helping staff avoid over-contacting members and adjust tone appropriately.

Overall Results

Overall, testing validated that:

- The problem FinWell addresses is real, widely experienced, and currently underserved
- The prototype resonated strongly with intended users across multiple roles
- The Wellness Score, portfolio-level visibility, and communication insights addressed clear gaps in today's workflows

Feedback also surfaced important considerations around tone, privacy, and integration, which will guide future iterations. Participants consistently described the prototype as clear, intuitive, and aligned with the credit union mission, and several noted its potential to shift the organization from reactive collections to preventative, relationship-based financial care.

BUSINESS MODEL AND PROFORMA

Concept Viability

FinWell is viable because it addresses a real, validated problem within a large, regulated, and underserved market, using tools and data credit unions already possess, and in a way that fits existing workflows and culture.

Demand exists. Interviews and testing across frontline staff, financial coaches, lending, collections, call center teams, and leadership consistently confirmed that member outreach today is largely reactive. Participants universally recognized the “financially stressed but silent” member and agreed that current systems do not surface early warning signs soon enough. Stakeholders estimated that approximately 30–55% of member issues could be mitigated or improved with earlier engagement, and multiple participants noted that no comparable, wellness-focused early-warning capability exists today.

Feasibility exists. FinWell is built on existing credit union data—transaction activity, balances, deposits, credit utilization, payment behavior, and engagement history—rather than speculative or invasive data sources. The Financial Wellness Score is rules-based, transparent, and explainable, making it technically achievable with today’s analytics tools and aligned with regulatory expectations. No new core systems or fundamental technology shifts are required.

Adoption is realistic. FinWell was intentionally designed to fit real credit union workflows and staffing constraints. Testing surfaced valid concerns about tool fatigue and limited staff capacity, which directly informed the design: portfolio-level prioritization, clear filtering, consolidated views, and explainable insights that reduce manual investigation. Financial coaching, outbound relationship, and member care teams were consistently identified as natural users, as the solution enhances—not replaces—the way they already support members.

Value is sustained over time. FinWell improves how work gets done, not just what data is available. By embedding proactive financial wellness into everyday operations, the solution delivers ongoing operational clarity, consistency, and relationship strengthening rather than a one-time initiative. Its modular design allows incremental enhancement as data maturity grows, supporting long-term relevance.

Market Opportunity

The U.S. credit union market is large, regulated, and underserved by early-warning financial wellness tools. Approximately 145 million members are served across the system. At a conservative \$2 per member per year, this represents an estimated \$290M total available annual market (TAM).

The serviceable available market (SAM) includes roughly 700 mid-to-large credit unions (over \$500M in assets) with the scale, staffing, and data maturity to support proactive engagement. A realistic serviceable obtainable market (SOM) of 35–70 credit unions over 3–5 years reflects achievable adoption at credit-union-appropriate enterprise pricing.

FinWell's per-member pricing model aligns value with scale and risk exposure, allowing costs to grow predictably as institutions grow.

What Is Needed to Bring FinWell to Life

People. FinWell primarily leverages existing roles:

- Product or program owner to oversee wellness strategy and governance
- Data/analytics support to configure and monitor the Wellness Score
- Frontline, financial coaching, and relationship staff as primary users
- IT/digital support for integrations

Rather than creating new teams, FinWell amplifies the effectiveness of current staff.

Processes. FinWell integrates into existing workflows by:

- Introducing portfolio-level wellness visibility for prioritization
- Standardizing interpretation of early behavioral signals
- Supporting more intentional, timely outreach guided by trends and member preferences

These changes reduce manual investigation and improve consistency without increasing workload.

Tools & Technology. FinWell can be deployed as a standalone internal platform or embedded within existing CRM or digital environments, supported by:

- Secure data aggregation from core and transaction systems
- A Financial Wellness Score engine
- Role-based portfolio and member views
- Integration with email, SMS, and CRM tools

High-Level Financial Proforma

Initial Development (One-Time):

- Product design
- Data integration and score configuration
- Pilot testing and iteration

Ongoing Direct Expenses:

- Platform hosting and maintenance
- Analytics monitoring and refinement
- Incremental feature enhancements

Revenue / Value Streams:

- Per-member subscription pricing
- Implementation and onboarding services
- Optional advanced analytics or reporting modules

Impact on Overhead:

- Positive: Reduced manual review, clearer prioritization, improved staff efficiency
- Neutral: Ongoing analytics governance
- Net Effect: Shift from reactive effort to proactive, planned engagement

OPERATIONAL AND OTHER CONSIDERATIONS

While FinWell is designed to integrate smoothly into existing credit union environments, several operational considerations are important to ensure successful implementation, adoption, and long-term impact.

Implementation & Change Management

Introducing FinWell represents a shift from reactive to proactive member support. Credit unions implementing this solution should plan for intentional change management, including clear communication about the purpose of the Wellness Score and how it should be used. Training should emphasize that the score is a supportive, wellness-focused signal, not a performance metric or enforcement tool. Establishing internal guidelines around tone, timing, and appropriate outreach will be critical to maintaining member trust and consistency across teams.

Privacy, Trust, and Ethical Use

Because FinWell leverages behavioral data, careful attention must be paid to how insights are framed and acted upon. Testing highlighted the importance of avoiding a “Big Brother” perception. Credit unions should ensure outreach is positioned as a routine check-in or offer of support, rather than a reaction to specific data points. Transparency, restraint, and respect for member dignity are essential to sustaining trust and engagement.

Workflow Integration and Role Clarity

To maximize value, FinWell should be integrated into workflows where proactive engagement already occurs, such as financial coaching, outbound relationship management, and member care. Clear role definition—who monitors portfolio-level insights, who conducts outreach, and how follow-up is documented—will help prevent duplication of effort and ensure the tool enhances rather than complicates daily operations.

Future Direction and Scalability

As adoption increases, FinWell can evolve incrementally without requiring structural redesign. Future directions may include:

- Expanded portfolio-level insights, such as branch-level or segment-level views
- Enhanced benchmarking or trend analysis over time
- Deeper integration with digital banking and CRM platforms
- Optional enrichment with aggregated external account data as available

The modular design allows credit unions to adopt FinWell at a pace that matches their data maturity and staffing capacity.

CALL TO ACTION AND NEXT STEPS

Financial stress does not announce itself with a crisis—it builds quietly, often unnoticed, until options are limited and trust is tested. FinWell offers credit unions an opportunity to change that trajectory by shifting from reactive response to proactive support.

The immediate call to action is to pilot FinWell in a real-world credit union environment. We invite credit unions and industry partners to participate in a limited pilot to validate the Financial Wellness Score, refine operational workflows, and test how early insight can support more timely, empathetic engagement with members. Pilot participation would focus on select member segments and internal teams already engaged in proactive outreach, such as financial coaching, member care, or outbound relationship teams.

Next Steps

The next phase of development will focus on:

1. Pilot implementation with one or more credit unions to test FinWell using live, anonymized data
2. Workflow integration to ensure the solution fits naturally into daily operations without adding burden
3. Refinement of scoring and thresholds based on observed patterns and staff feedback
4. Measurement of outcomes, including staff efficiency, engagement quality, and member response
5. Governance and tone guidelines to ensure ethical, transparent, and trust-preserving use

Insights from this phase will inform broader rollout decisions and continued iteration of the platform.

Impact

For members, FinWell means earlier awareness, respectful outreach, and access to support before financial challenges escalate—preserving dignity and expanding choice. Members experience their credit union not as a last-resort problem solver, but as a trusted partner who notices and cares.

For credit unions, FinWell provides clarity and consistency. Teams spend less time searching for signals and more time engaging meaningfully. Operations become more proactive, staff are better supported, and financial wellness becomes a practical, repeatable capability rather than an abstract goal.

For the communities credit unions serve, FinWell strengthens financial stability at the household level. Earlier intervention helps families stay on track, reduces stress during periods of change, and reinforces the cooperative promise of people helping people.

FinWell is not about predicting failure—it is about creating visibility, enabling empathy, and acting earlier. The next step is to move from concept to practice and demonstrate how proactive financial wellness can become a defining strength of the credit union system.

REFERENCES

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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.

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