

# CUNA MUTUAL GROUP REPORT

Spring 2021

## Living Our Shared Purpose



By **BOB TRUNZO**  
President and CEO at  
CUNA Mutual Group

I have always been proud of our purpose at CUNA Mutual Group, but it has never been more relevant than it was last year. We believe a brighter financial future should be accessible to everyone. That means offering financial protection and opportunities, especially during a pandemic, with many facing joblessness and difficulty making ends meet. It means working to knock down barriers to financial democracy, especially when our nation struggles with unrest, systemic racism and polarization. It means finding new ways to reach people when most of us are spending more time at home than ever before. And it also means quite simply, putting people first.

We worked with you last year to help protect your members, paying out over \$36 Million in COVID-related unemployment and death claims. We also extended premium payment grace periods on many of our consumer products, allowing your members to keep their coverage, even if they couldn't make the payments.

We worked with many of you to create Diversity, Equity, and Inclusion (DEI) pledges, education, the DEI Collective, and CUNA Mutual Group's [Social Justice Statement](#). We lobbied for Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs) to help Credit Unions better support underserved populations. And we will continue to collaborate to remove financial barriers for everyone.

In 2020, conducting business and managing our lives on a mobile device accelerated from a gradually increasing trend with members to an expectation of today – right now. So, we are doubling down on our efforts to give you the digital support you need to be successful in reaching and serving your members. Our investments in data, analytics and digital services will be our primary focus for the foreseeable future.

When I say we put people first, we start within. We increased communication and updated processes to provide more support and flexibility to our workforce. We focused on capacity and well-being. We adjusted when necessary and did so quickly. All of this allowed our employees to take care of you and your members. In fact, we found that many of our employees were so diligent about caring for those they serve that we had to remind them of the importance of self-care. We learned that caring for your employees holistically enables them to serve others.

Thank you for continuing to choose us as your partner on this journey and for believing in our shared purpose. We are stronger together as evidenced by the great work we've done together over the last year and many years before that. We look forward many more ahead.

## Expanding Financial Inclusion

We've partnered with Inclusiv to expand network of CDFI-certified credit unions around the country.

Launched the Community Development Credit Union CDFI Awareness and Certification Campaign aimed at educating credit unions not currently certified as a CDFI credit union about the benefits of certification in serving members and local small businesses, and to create a network for existing CDFI credit unions to learn about and access additional resources.

[Click Here](#) to Learn More.

## 2020 At A Glance

NEARLY **30 MILLION** CONSUMERS PROTECTED

**95%**  
OF CREDIT UNIONS  
are our customers

**\$147 million**  
CONTRIBUTED to the credit  
union movement the last 5 years

**1.6 billion**  
BENEFITS PAID

**\$8.8 billion**  
ANNUITY ASSETS  
under management

**16,660**  
COVID CLAIMS

**\$36.7 million**  
COVID CLAIMS PAID

CUNA Mutual Group Internal Reports, 2020.

# Emotional Engagement: Differentiate Your Members Experience

By Steve Heusek, Sr. Manager, Customer Intelligence

To better understand how emotions shape members' perceptions of their credit unions, CUNA Mutual recently conducted [research that examined emotions](#) at two different levels:

- Anxiety related to consumers' overall financial situation
- Emotions arising from specific episodes consumers have while using different financial products This article shares a few highlights from this new study.



## New Insights About Financial Anxiety

Unsurprisingly, research firms, such as JD Power, Gallup and Kantar, have tracked an increase in consumers' anxiety, worry and stress since the beginning of the pandemic. Rising financial anxiety has important implications for financial institutions:

- Consumers experiencing financial anxiety tend to give their primary financial institutions significantly lower loyalty ratings
- These consumers also tend to give lower customer experience (CX) ratings to their most recent interactions using their checking account / debit card, loans, insurance policies and savings/investment products

While it's unfortunate that some consumers are experiencing elevated levels of financial anxiety, it represents a tremendous opportunity for credit unions to turn this anxiety into a positive emotional experience for their members.

To do so, credit unions need to identify members experiencing financial anxiety. Once these members are identified, credit unions can then decide what relief, if any, to extend to alleviate these members' financial anxiety.

## Emotions Arising from Using Checking Accounts / Debit Cards

Our research also closely examined the role of emotions when using checking accounts / debit cards. Negative experiences using these products can elicit strong negative emotions, including frustration, stress and anger.

Fortunately, we found that fewer consumers whose primary checking account / debit card is from a credit union have negative experiences (26%) than consumers whose primary checking account / debit card is provided by some other kind of financial institution (44%).

When consumers did have a negative experience, the rise in their negative emotions was accompanied by CX ratings that were 30+ percentage points lower than those of consumers who did not have a negative experience.

Our research revealed four broad categories which captured most of the negative experiences reported by consumers:

- Customer service
- Product functionality (something about the product didn't work as expected)
- Fraud
- Fees

Credit unions seeking to reduce the incidence of these negative experiences will need to determine the causes of these negative encounters. Once these are identified, credit unions can use member input, e.g., member interviews or focus groups, to re-engineer member journeys in ways that deliver a positive emotional experience.

As we've just seen, emotions play an important role in what members think of your credit union and the experience you deliver.