

Pandemic shines a light on need to help members with investments

By Robert Comfort, President of CUNA Brokerage Services, Inc.

For more than a decade, the need for retirement savings and the level of focus needed on an individual's investment plans has changed dramatically. The world around us has pivoted away from providing traditional retirement programs and pensions - putting the onus on the individual. This has become even more important during this time of global pandemic and economic uncertainty.

We've known for some time that credit union members would prefer accessing financial services at a credit union – more than half of members state that. However, only 3% of members utilize their credit unions for investment services according to research from Kehler Behlen.¹ With many members struggling financially and facing uncertain futures, this is a time when future planning on retirement goals might be put off. However, now more than ever is when credit unions should be the trusted, go-to source to help members through this crisis.

Credit unions will benefit from increasing their focus on helping more members become educated and ensuring they have plans in place to help provide peace of mind that their future needs are being covered. This delivers on member needs and builds the credit union business overall. As research shows, members who enter into an engagement with a credit union do more business with them in the long term and are more loyal. In fact, households that own an investment or insurance product from their credit union are 13 percent more likely to not consider switching from their credit union when compared to all households who consider their credit union their primary financial institution.¹ Successful credit unions do this by ensuring that investment services are seen as equally important as their savings, lending and insurance businesses and defining a clear vision for their wealth management program.

Making investment services core requires more than a vision. It involves deep thought, a different strategy and incorporation of these best practices:

- 1. Ensure your credit union has the right number of advisors to properly serve your membership.** This starts by understanding how many advisors are needed to deliver on your members' needs as well as confirming you have the right advisors in the right places to serve them. Perhaps, incorporate an associate advisor model where senior advisors mentor those with less experience. Nurturing the next generation of advisors is critical considering today only 11% of advisors are under age 40.² However, as Baby Boomers are expected to pass down up to \$48 trillion of wealth in the next 25 years to Generation X and Millennial family members, your credit union needs advisors on tap to build and nurture long-term relationships with those legacies.³ To do this effectively, it makes sense to partner with the right external partner that has credit union expertise to identify, onboard and train advisors as well as drive the appropriate level of service based on what your credit union members need today.
- 2. Increase member awareness and understanding of your program's value and drive referrals in both traditional and non-traditional ways.** Expanding member awareness and filling the opportunity pipeline is a crucial part of growing your advisory business. Streamline marketing activities across advisors by working with a strategic partner who can help you create a 12-month integrated marketing and execution plan. This could include everything from employee engagement and referral programs to marketing campaigns and social media. We also

recommend working with a partner who has deep data, analytics and lead generation capabilities to drive member awareness and leads.

- 3. Drive growth of advisory business.** Working with a credit union wealth management partner can also help propel your investment services strategy. A qualified investment services provider can help your credit union develop a strategic plan with company-wide goals that increase the number of members helped with wealth management services and provide the tools and technology to accomplish these goals.

- 4. Leverage advanced analytics.** Use your proprietary data and supplement it with financial behavior data so you can capitalize on the benefits of predictive analytics. These powerful insights will help you separate current clients as well as your overall membership into different customer segments and so you can prioritize your outreach efforts.

Having a disciplined plan in place and planning for success, while being able to adapt to the changing world we live in and adjust as needed, works. It starts by treating the program as core. When you adopt a thoughtful, disciplined approach to growth, it pays dividends in terms of helping members achieve their goals while helping you deliver on your mission.

[Read more](#) about financial advising in credit unions.

¹ Kehrler Bielan Consulting, "Making Wealth Management Core in Credit Unions", Feb. 2019

² JD Power, "Technology, Social Media Critical to Bridging Financial Advisor Age Gap, J.D. Power Finds" July 2019
<https://www.idpower.com/business/press-releases/2019-us-financial-advisor-satisfaction-study>

³ Cerulli Associates, "The Great Wealth Transfer", November 2020

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