



**Optimizing Credit Unions Growth:
Assessing Financial Preparedness Across
Student and Non-Student Demographics**

For more case studies:
visit enrich.org

Insights for Enhanced Financial Education and Planning for Credit Union Member Acquisition

The magnitude of the wealth transfer wave cannot be underestimated. About \$84 trillion is expected to change hands as Baby Boomers and older generations transfer assets to their heirs. This immense transfer of wealth necessitates a proactive approach from financial advisors who recognize its tremendous impact on the financial landscape. The wealth transfer can stimulate the broader economy through increased consumption and investment as inheritors receive assets and look to either spend them or invest them for further growth. This may lead to shifting market dynamics, entrepreneurial opportunities, and innovation. The recipients of the great wealth transfer are primarily the next generation—typically Millennials and Generation Z.

For students, credit unions can appeal to Gen Z by offering tailored services like low-interest student loans, easy digital account access, and financial literacy programs.

On the other hand, non-student Gen Z members might be more drawn to credit unions that emphasize things like resources for small business owners, low interest rate personal or car loans, managing credit debt and retirement planning.

Evaluating Financial Preparedness

As financial preparedness continues to garner attention for its integral role in securing individuals' well-being and stability, the need for a comprehensive understanding of various demographic groups' financial standings becomes increasingly apparent. In this context, a comparative analysis between students and non-students emerges as a relevant pathway for exploration, offering insights into their distinct financial goals, perspectives on financial education, and approaches to financial planning.

For many in Gen Z, their relationship with financial institutions may mark their first independent foray into banking, often without the support or guidance of their parents. Credit unions, recognizing this pivotal moment, can tailor their approach to resonate with this new generation of potential members. Understanding the unique needs and preferences of Gen Z, credit unions can leverage innovative strategies to engage with them. According to CU Insight, only 4% of Gen Zer's have a credit union membership. This gives an advantage and incentive for credit unions to highlight the benefits of membership, such as competitive rates, personalized service, and a sense of community ownership.



Understanding the Demographics

Students, with their limited income and often looming student loan debts, face unique challenges in navigating their financial futures. On the other hand, non-students, who may have established careers and varying financial responsibilities, bring a different set of experiences and priorities. By examining the financial behaviors, attitudes, and knowledge of these two groups, we can gather valuable insights that will help enhance financial education programs and improve overall financial planning strategies.

Through a comprehensive assessment of students and non-students, the aim is to provide actionable recommendations for financial institutions on how to better equip individuals with the necessary tools and knowledge to make informed financial decisions.



The Data: Comparing Financial Preparedness

Banking Behaviors

Savings Accounts:



44.56%

of non-students express holding a savings accounts

41.53%

of students express holding savings accounts

This difference may stem from non-students having a steadier income and more financial stability, allowing them to prioritize savings.

Checking Accounts:

The prevalence of checking accounts is nearly equivalent across both demographics, suggesting a foundational use of banking services for daily transactions.

Financial Security

Students:



55.62%

of students express having money left over indicating tighter budget constraints, likely due to limited income sources from part-time jobs or financial support from family.

Non-Students:

61.86%

of non-students express having money left over at the end of the month. This could be attributed to more stable full-time incomes and possibly better financial management skills learned over time

Emergency Fund

Students:



23.4%

of students express having an emergency fund, highlighting a significant gap in financial preparedness. This gap may be due to a focus on immediate financial needs.

Non-Students:

37.18%

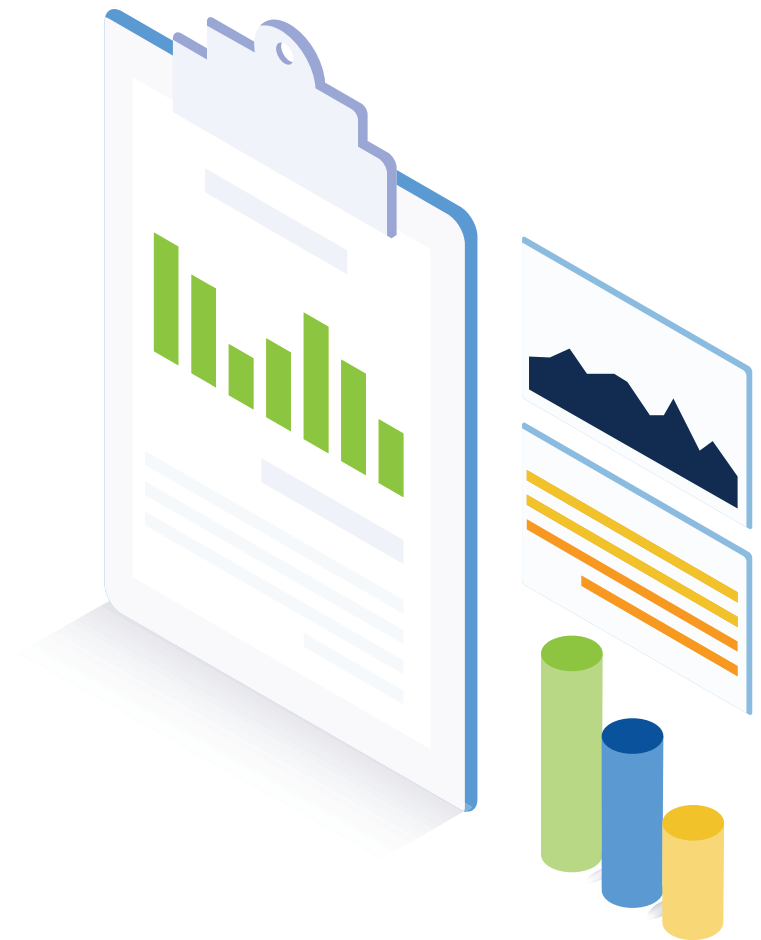
of non-students express having an emergency fund. This suggests a higher level of financial security and awareness. They've likely accumulated savings over a longer period due to being employed and free from student loan debt."

The Insights: Bridging the Gaps in Financial Wellness

The data reveals critical insights into the financial behaviors and readiness of students compared to non-students.

Let's address the major concerns for both demographics:

- Despite being in the same age bracket, students and non-students often exhibit differences in their financial behaviors and readiness. One significant factor contributing to this discrepancy is the varying financial responsibilities and resources available to each group.
- For students, financial decisions are often influenced by factors such as tuition fees, student loans, and part-time employment opportunities. These financial constraints may lead to a greater emphasis on budgeting and prioritizing essential expenses over long-term savings or investments. On the other hand, non-students typically have more stable sources of income and may already be established in their careers, allowing for greater financial flexibility and autonomy. They may prioritize saving for personal long-term goals.
- While some students may receive financial education through academic programs or workshops, others may lack the necessary knowledge to make informed financial decisions. Non-students, especially those with work experience, may have developed a deeper understanding of personal finance through real-world experiences and professional development opportunities.



Enrich Approach and Recommendations

Recommendations to address the financial challenges faced by students and non-students alike.



Enhance Financial Education:

Both groups can benefit from targeted financial literacy programs focusing on the importance of savings and emergency funds. This could be extra important for non-students who don't have the benefit of receiving financial education from a college or university.



Leverage Enrich's distinctive "Your Money Personality"

evaluation, continuous Stress Analysis, and Money Mindfulness resources:

Financial wellness is a subjective concept, varying from person to person. We take a distinctive approach by utilizing AI to personalize our platform to meet the needs of each user.



Increase Member Engagement:

The Enrich personality assessment, alongside unique features such as gamification and a selection of 100 configurations, aids in capturing user interest and ensuring the discovery of a program tailored to members' needs. By employing a financial personality assessment and gamification, to effectively drive engagement.



Encourage Savings:

Programs designed to incentivize saving, such as matched savings plans or educational seminars on investment basics, could help increase the percentage of individuals with savings accounts and emergency funds.



Support for Part-time Workers:

Given the high rates of part-time employment among students, creating more flexible financial products and services that cater to their unique needs could be beneficial. The Enrich platform is self-paced and can be completed at members' convenience, seamlessly integrating into their busy schedules and lifestyles.

Final Thoughts and Future Research

This analysis underscores the need for targeted financial education and planning services tailored to the distinct needs of students and non-students.

In the future, researchers might look further into how well various financial education methods work, how tools like fintech apps affect saving habits, and what happens financially over time when the younger generations are better prepared to manage their finances.

By continuing to analyze and address these critical aspects of financial wellness, we can better equip all individuals with the tools and knowledge they need to achieve financial security and resilience.

To truly foster financial security and resilience for all, it is essential that we continue to analyze and address these critical aspects of financial wellness. Act by learning more about the platform.

Request a demo today:

Visit ***enrich.org*** or email ***busdev@igrad.com***

