Targeting Americas Biggest Market.
Millenials

Presented by David Lockhart
Sales Manager, Lending Solutions
CUNA Mutual Group
My Millennial
Hula Popper
The Demographic Driving Lending Disruption

Millennials:

- Are the largest population cohort in US history
- Will outnumber boomers 78 million to 56 million by 2030
- Are in their prime borrowing years
- Are 10 times more likely than boomers to consider using P2P lenders
- Account for most of the traffic in digital banking channels
- Are the most likely demographic to embrace mobile payments
As with other generations, families and kids are critical, but millennials are more concerned with financial stability.

60% report living paycheck to paycheck.

Source: CUNA Mutual Group Consumer Survey; 2015
Wisdom of the crowd: Burning Questions, interconnected issues

Do you have a Social Media strategy?

Sources Where US Millennial Internet Users Learn About Products, Sales and Shopping News, Oct 2015

% of respondents

- Social media: 55%
- Google: 45%
- Amazon: 39%
- Retail websites: 37%
- Friends and family: 36%
- TV: 35%
- Website ads: 27%
- Newspapers/magazines: 20%
- Radio: 12%
- Other: 4%

Note: ages 18-29
But this also offers a **large opportunity** in the financial industry as they are extremely open to advice and guidance on financial matters.

84% of Millennials indicate they would value advice or guidance when it comes to financial decisions.

How are you providing Financial Wisdom to Millennials?

Money talks through pictures and hashtags
Popular finance-related hashtags on Instagram

#newcar
#budget
#debtfree
#taxes
#retirement

#newhouse
#savingmoney
#homeowners
#debt
#banking

#invest
#creditcards
#finances
#mortgage
#getoutofdebt

Source: Instagram data based on audiences eligible to see ads on Instagram based on a variety of factors, global, Jan 2016.
Millenials 1st Mortgage Reasoning

WHY ARE MILLENNIALS BUYING THEIR FIRST HOME?

- More Living Space: 66%
- Build Equity: 36%
- Better Space/Yard For Dog: 33%
- Marriage: 25%
- Birth of Child: 19%

More people list dogs than marriage or children as factor in home-buying decision.

SunTrust Mortgage online survey conducted by Harris Poll June 28-30, 2017.
Engage members early…Win their CU Moment before they get to the dealership

**Which-car-is-best moments**

**ls-it-right-for-me moments**

**Can-I-afford-it moments**

**Where-should-I-buy-it moments**

**Am-I-getting-a-deal moments**

Stacy’s Google searches:
- “best minivan”
- “best car for families with car seats and dog”

Stacy’s Google searches:
- “Brand A price”
- “best car lease deals”
- “get out of Current Brand lease early”

Source: ThinkwithGoogle.com
Here are some ways to Target Millennials

Millennials monitor spending regularly and like loyalty programs

- 64.7% Keep watchful eye on spending and paying bills.
- 53.7% Prefer using credit card or debit card for purchases.
- 50.4% Check bank account status every day.
- 45.1% Use coupons and loyalty points.
- 39.7% Prefer using PayPal or similar for online purchases.

Source: CCG Catalyst © August 2016 The Financial Brand
What are folks aged 34 and under doing right now?

- Graduating College
- Launching into their first careers
- Streaming on their laptops versus paying for cable
- Trading in their rusty 1999 Buick Regal (which is now 18 years old)
- Finding the love of their life, getting married and combining checking accounts
- Having kids
- Buying their first homes
- Trading in their sports car for a mini van
- Seeking advice and guidance to set aside funds for retirement and kids college
- Starting their own companies
Acquisition of Millennial members is a critical objective in that so far, Credit Unions have not penetrated the Millennial market well.

- 14% of Millennials use a credit union for their primary account.
- 25% of Millennials have any credit card, investment or loan through a credit union.
- #1 reason Millennials don’t use a credit union is that “I don’t know much about them.”

Source: U.S. Yankelovich MONITOR; 2015
Millennials FI Preference in the future

73% would be more excited about a new offering in financial services from GOOGLE, AMAZON, APPLE, PAYPAL, OR SQUARE than from their own nationwide bank.
Don’t ignore Gen X… Reasons CU’s should focus on Gen X Moms

1. They have a brand loyalty rate of over 50%!

2. They use both traditional and new media

3. They have the most spending power

4. They are most influential in sharing brand opinions on Social Media

5. They are primetime in their income

6. They notice

7. They need help even though they are SUPER MOMS!
<table>
<thead>
<tr>
<th>Cal</th>
<th>6&quot; Sub</th>
<th>Cal</th>
<th>6&quot; Sub</th>
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<tr>
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<td></td>
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<tr>
<td>THE FEAST</td>
<td>5.29</td>
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<td>480</td>
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<td>Subway Club®</td>
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<tr>
<td>Italian B.M.T.</td>
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*Refers to Premium and DOUBLE STACKED™ subs with at least 4 oz. of meat per 6" sub or 8 oz. of meat per footlong.

DOUBLE refers to sandwich meat content only.

Make Any Premium or DOUBLE STACKED™ Sub*
(660-1260 cal) A FOOTLONG Add 3.00

*Make Any Premium or DOUBLE STACKED™ Sub* (660-1260 cal) A FOOTLONG Add 3.00
<table>
<thead>
<tr>
<th>Food</th>
<th>If you weigh 160, you’d have to jog this long</th>
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<tbody>
<tr>
<td>26 Tostitos Tortilla Chips = 260 Cal</td>
<td>22 min</td>
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<tr>
<td>1 TWIX Bar = 280 Cal</td>
<td>23 min</td>
</tr>
<tr>
<td>3 Small Chocolate Chip Cookies = 300 Cal</td>
<td>25 min</td>
</tr>
<tr>
<td>4 Tbsp Ranch Dressing = 300 Cal</td>
<td>25 min</td>
</tr>
<tr>
<td>1 Starbucks Grande Mocha = 330 Cal</td>
<td>28 min</td>
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<tr>
<td>1 Svg B&amp;J Chubby Hubby = 330 Cal</td>
<td>28 min</td>
</tr>
<tr>
<td>1 McDonald’s Medium Fries = 380 Cal</td>
<td>32 min</td>
</tr>
<tr>
<td>6oz BR Mint Choc Chip Ice Cream = 405 Cal</td>
<td>34 min</td>
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<tr>
<td>1 Starbucks Blueberry Scone = 460 Cal</td>
<td>38 min</td>
</tr>
<tr>
<td>1 Small Buttered AMC Popcorn = 600 Cal</td>
<td>50 min</td>
</tr>
<tr>
<td>Taco Bell Fiesta Taco Salad = 770 Cal</td>
<td>1 hr 4 min</td>
</tr>
<tr>
<td>1 Reg Quiznos Tuna Salad Sub = 1120 Cal</td>
<td>1 hr 33 min</td>
</tr>
<tr>
<td>Cheesecake Factory Turkey Burger = 1373 Cal</td>
<td>1 hr 54 min</td>
</tr>
<tr>
<td>1 Slice Cheesecake Factory Carrot Cake = 1549 Cal</td>
<td>2 hr 34 min</td>
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Popular Fitness Apps
Consumer Lending Strategies – Reduce Friction

**SIT AND WAIT**
- Initiated by Member
- Application required

**REACTIVE**
- Online applications
- Instant approval
- Rate competition
- Little differentiation
- Little/no competitive advantage

**ASK FOR THE BUSINESS**
- Promotions (seasonal or need driven)
- Targeted pre-approvals & pre-qualifications
- New account cross-sell (application required)

**PROACTIVE**
- “Spray & Pray” marketing initiatives
- Advertising & promotions
- Teaser rates & incentives
- Segmentation & targeting strategies
- “Instant” applications w/ cross sell

**EMPOWER THE MEMBER**
- Comprehensive Pre-Screened Lending (CPL)
  - NO Applications
  - **Perpetual loan approval status**
  - Multi-product
  - Omni-channel
  - Member-centric

**PREEMPTIVE**
- Constant/consistent messaging
- All touch points
- All direct channels
- Instantly actionable response
Member Data = Opportunities
Consumer Personas at a Glance

High-Touch Harrises

The Harrises are high touch, loyal Credit Union members. They like to meet face to face when conducting their financial business, but are familiar with using digital channels in other parts of their lives.

Tech-Savvy Taylors

The Taylors are tech-savvy, relatively new Credit Union members. They are heavy digital users in all parts of their lives. They prefer to do business online and expect the ability to pick up where they left off on any device.

Self-Guided Garcias

The Garcias are self-directed and strongly prefer to use their personal computer at home for their financial needs. But, for entertainment and other casual activities they frequently use their mobile devices. They have been Credit Union members for nearly a decade.

Convenience-Driven Clarks

The Clarks are all about value and convenience. They are not loyal to a particular financial institution but rather look for the most convenient option to meet their needs. For example, they are likely to obtain a loan at the dealership after purchasing a new car.
Life Stage Lending & Marketing

What do a newly married couple, a recent college graduate and an expectant mom all have in common?
Elements of Change

Adapted by Palma Buttries-Valdez, from Dr. Mary Lippitt, Enterprise Management, Ltd., 1987.
Questions
Thank you!

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