



CU Tomorrow and REAL Solutions
February 12, 2010
Filene Research Institute

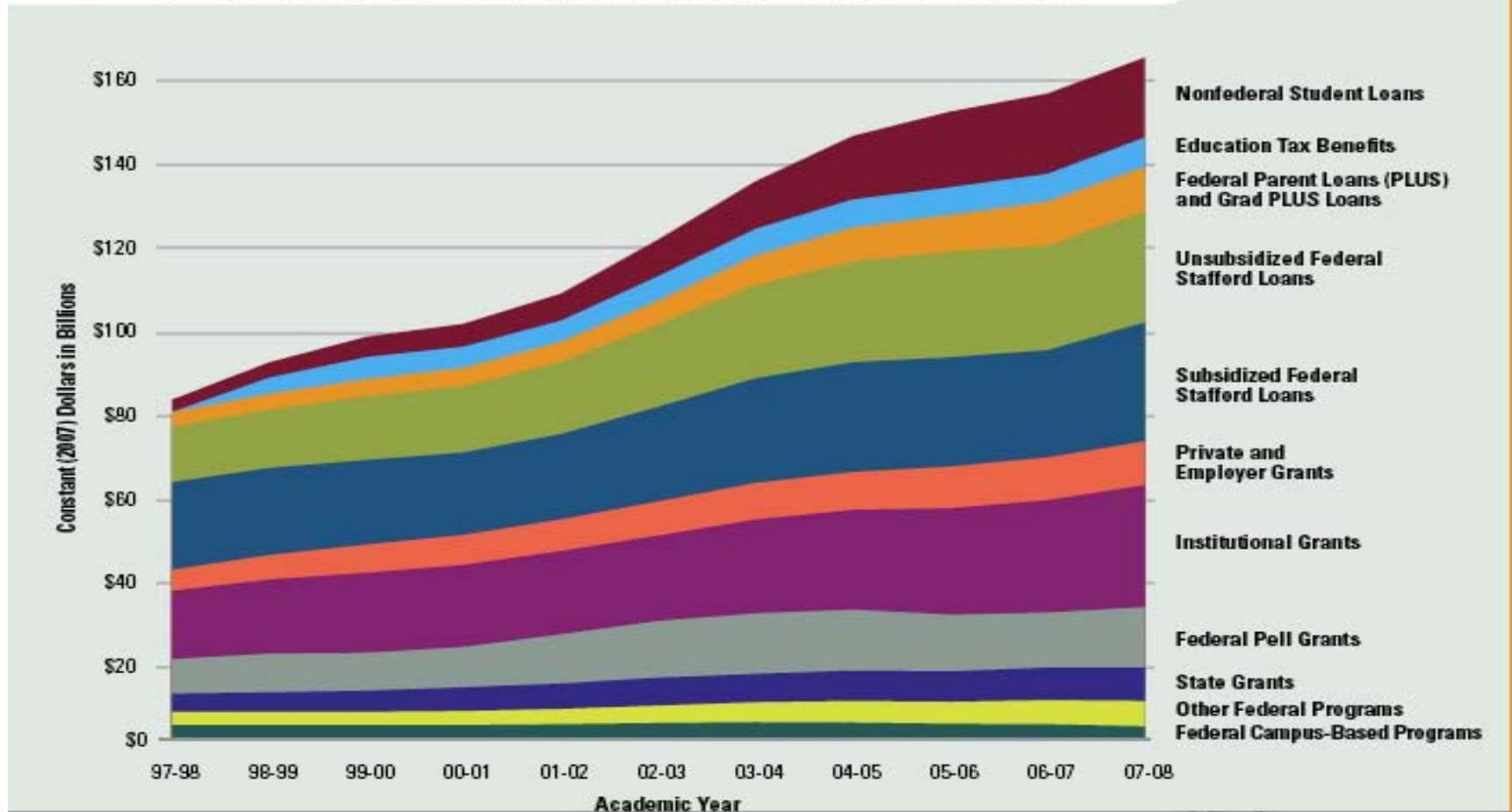
The Problem

- Unprecedented student/
consumer debt
- Stagnating income
- Slipping access to health insurance
- Lack of financial knowledge

Reaching Generation Debt:
New Products and Strategies

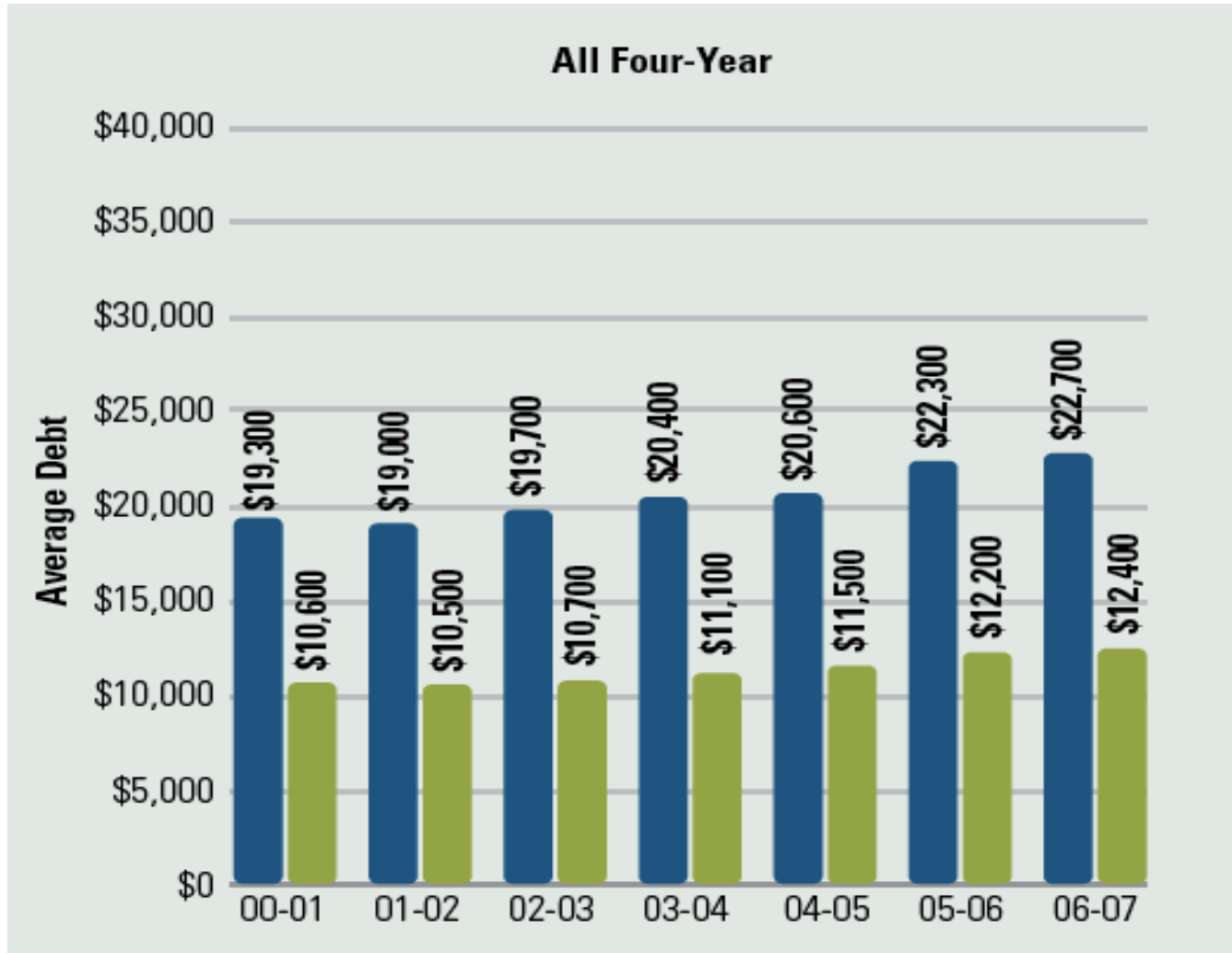
Unprecedented Debt

Figure 1: Ten-Year Trend in Student Aid and Nonfederal Loans Used to Finance Postsecondary Education Expenses in Constant (2007) Dollars (in Billions), 1997-98 to 2007-08



Reaching Generation Debt:
New Products and Strategies

Unprecedented Debt



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Unprecedented Debt

Avg. Student Loans

\$9,250 (1997)

to

\$19,200 (2007)

Reaching Generation Debt:
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Unprecedented Debt

Pvt. Student Loan

Volume

5% (1997)

to

24% (2007)

Reaching Generation Debt:
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Unprecedented Debt

91%

(college seniors w/ credit card)

75%

(credit card seniors
who carry a balance)

Reaching Generation Debt:
New Products and Strategies

Unprecedented Debt

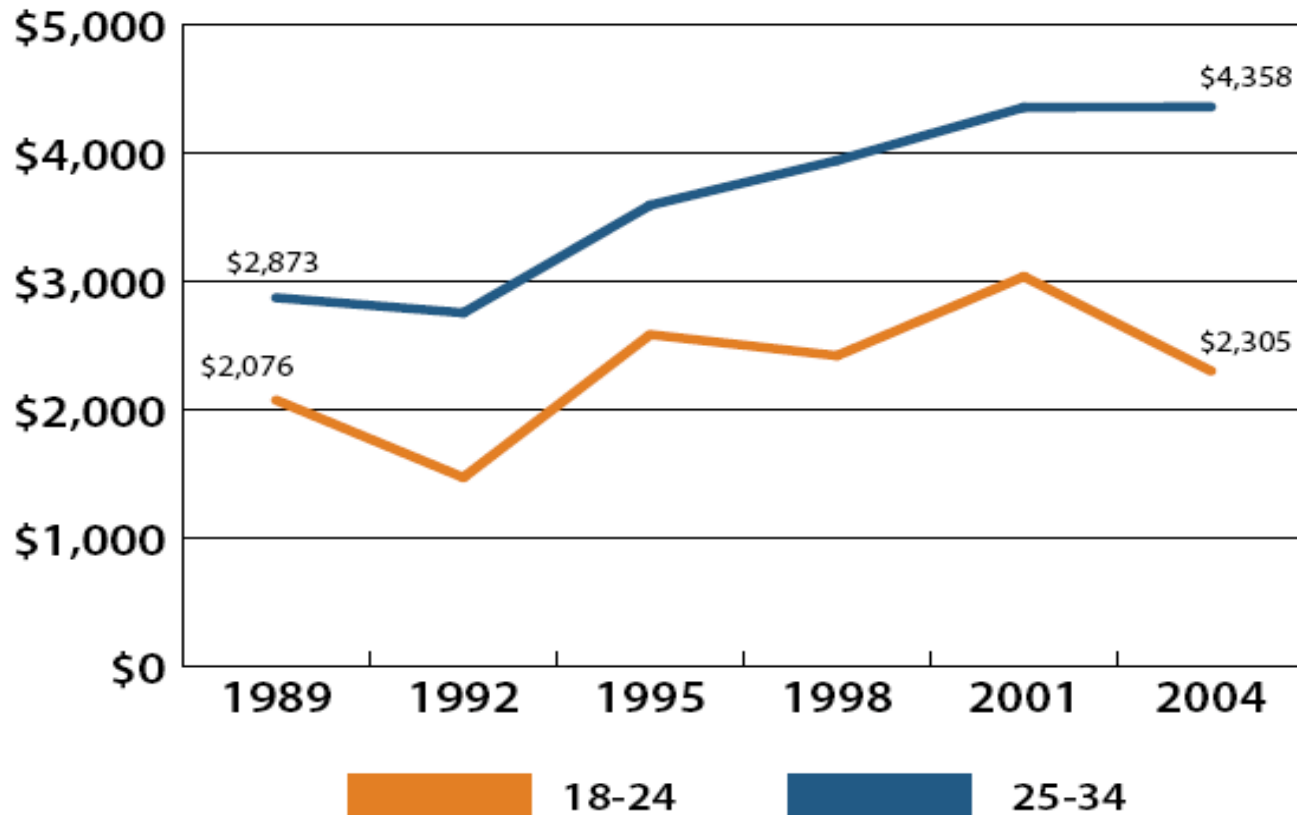
\$0.25 of each \$1

(credit cost paid by 25-34 year-olds
in America)

Reaching Generation Debt:
New Products and Strategies

Unprecedented Debt, but ...

Graph 8.1: Average Credit Card Debt Among Young Households with Credit Card Debt, 1989-2004 (2004 dollars)



Source: Dēmos' analysis of Survey of Consumer Finance data, 1989, 1992, 1995, 1998, 2001, and 2004.

Reaching Generation Debt:
New Products and Strategies

Lack of Financial Knowledge

- Only 31% of eligible millennials participate in 401(k)
- 57% of young adults know they don't make good financial decisions

The Solution

- Student debt fixes.
- Responsible use of credit.
- Getting started with savings.
- Money management / Financial literacy.

Reaching Generation Debt:
New Products and Strategies

Responsible use of credit.

- Electronic notifications
 - Email
 - Text
 - Online communities



Responsible use of credit.



Brighter
Planet

CUre
Card

Money Management • Goals

Smarty Pig
**What Are You
Saving For?**
PNC



Money Management • Reward Savings

Langley Saves

- 5% to \$500
- 3% next \$2,000
- 1.25% above \$2,500



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Drive-Up Savings

Money Management • Online Tools



Money Management • Access

79% of Gen Y: Being able to do all banking online is important



87% of Gen Y: A local branch is important



Five Approaches

United CU

The screenshot shows the United CU website's 'Rant' section. At the top left is the United logo with the tagline 'United FEDERAL CREDIT UNION' and the word 'Matter.' in a stylized font. A navigation bar contains links for 'We are not a bank', 'Rant', 'Individual', 'Learn', 'Shine', and 'Join'. The 'Rant' link is highlighted. On the left side, there are three menu items: 'Thought starters', 'Make us better', and 'Tour tracker'. The main content area features a title 'What's on your chest?' followed by two sub-headers: 'Want to get something off your mind?' and 'Confused about something?'. Below these is a paragraph explaining that UFCU has created a special section for sharing thoughts about financial matters. At the bottom of the text are social media icons for Facebook, Email, Print, and YouTube, along with a 'More' link. To the right of the text is a 'Rate this item' section with five stars and a 'Funny' tag. Below the text is a video player showing a woman with a sad expression. The video player has standard playback controls at the bottom.

United **Matter.**
FEDERAL CREDIT UNION

Home | My account | Sign in to a branch | Member log out

We are not a bank **Rant** Individual Learn Shine Join

Thought starters
Make us better
Tour tracker

What's on your chest?

Want to get something off your mind?

Confused about something?

UFCU has created this special section for you to share your thoughts about all things financial. Everything from what's up with those Washington bailout packages to why some people have pictures of kitties on their checks. Watch rants that other people have sent us and then submit your own...

[f](#) [✉](#) [🖨](#) [📺](#) | [More](#)

Rate this item
★★★★★

- Funny

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[I forgot my password](#)

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SAVINGS

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Mortgage Rates



C U T O M O R R O W

Research Advice

Use the Parents



Research Advice

Advertise/Issue Credit



Research Advice

Emphasize Transactions



Research Advice

Hire Young Talent



Research Advice

Improve E-Delivery



Research Advice

Bundle Products

Load up on some VITAMIN G.
As in Georges. Gravy. **Green Accounts.**

[Go Green Blog](#)



Being successful with money has everything to do with how well you manage it. To help you better understand how to do that, we've put together this page of helpful tips and information. It's a great way to get in-touch with your greener self. And don't forget, if there's ever a thing you have a question about, just give us a call. We're here to help you master money.

Money Slang

Half the challenge of getting good with money is knowing all the admittedly odd terms associated with it. [Click to learn the lingo](#)

Life Event

The best way to learn money is to actually practice it during the biggest and best times of your life.



Research Advice

Use Social Media Wisely



Broadcast Yourself



Research Advice

Recruit Young Volunteers



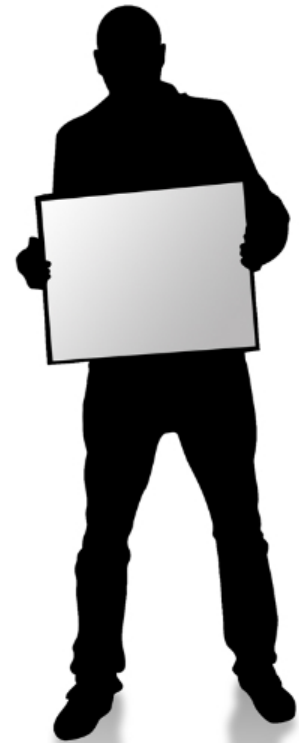
Leadership Engagement

- Level 1: Marketing
- Level 2: Management
- Level 3: Board



Level 1: Marketing

- Campaigns
- Collateral
- Products



Level 2: Senior Management

- Policies
- Technology
- Positioning
- Human resources



Level 3: Board of Directors

- Board composition
- Strategy
- Capital





Stay in Touch

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