At Filene, we do research differently.

Yes, we read, write, and run regressions, and sometimes our research looks like a white paper or spreadsheet—the kind of thing that might take you back to college.

But here at Filene, research also looks like dozens of credit unions across the country testing new product and service innovations. It looks like readymade tools and toolkits for your team, or educational resources for your board. It looks like better member experience, programs with proven impact on people’s financial well-being, and legislation to expand financial access to those most in need. It looks like new connections and new partnerships—like 300 industry leaders together in one room. It looks like new ways of thinking about the future.

So for us, research means doing as much as it means knowing. It’s about communicating ideas—and about the community you’re communicating those ideas with. Knowledge becomes powerful when it connects with the world.

Over the next year, we’ll be launching new research initiatives to dig into the most pressing consumer and cooperative finance challenges (see pages 6–7):

→ diversity, equity and inclusion from the workplace to the marketplace

→ consumers’ changing financial lives

→ emerging technologies and data governance and analytics

→ business strategy and how organizations cultivate cultures of innovation

→ the challenge and opportunity for credit unions to deepen, expand, and showcase their social purpose and community impact

At Filene, we do research differently, and that difference enables us and everyone with whom we work to think forward and change lives.

WE CANNOT SOLVE OUR PROBLEMS WITH THE SAME THINKING WE USED WHEN WE CREATED THEM.”

—Albert Einstein

Transformation entails a modification of beliefs or actions from within, resulting in a different form or function. Like the caterpillar that must perform the most iconic of transformations to gain the gift of flight as the butterfly, so too, must organizations pass through more significant, often times systemic, transformations to get where they need to be in the future. This issue explores and celebrates stories about people, ideas and organizations taking significant and bold transformative action in the quest for what’s next.

These new Centers of Excellence, led by a new group of cutting edge academics and Filene Fellows, will build on the work of our five existing Centers in bridging the divide between theory and action. That’s our mission: to translate information and understanding into transformative impact.

How is transformation different than change?

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Are You Prepared? Get Your Credit Union and Members Ready for Recession

Economists across the world are betting on the arrival of a recession. This curated collection of research arms credit unions with tools, a long-term perspective, and a proactive mindset to not only survive the next recession, but thrive through it.

Do Credit Union Mergers Create Value for Credit Union Members?

Using Analytics to Meet Member Needs: A Case Study of Kern Schools FCU

Factors Contributing to Failures of Credit Unions and Banks, 1980–2018

Member Experience and Service Excellence, Part 1

The Credit Union of the Twenty-First Century

Core Processors and Data Integration in the Credit Union System

Platform Economics? The Impact of Facebook’s Libra on Credit Unions

Artificial Intelligence by Design

Credit Union Growing Pains: Trends & Strategies for Sustainable Growth

Meeting the Needs of Independent Workers at Vancity Credit Union

The Lessons of Fintech Apps: Design Matters for Personal Finance

It’s important to pay attention to the lessons that personal finance apps are teaching users—but credit unions must also pay attention to what makes fintech app users happy and what frustrates them if they want to bring fintech apps into their own shops.

Incentive Pay: Research and Guidance for Credit Unions

Leveraging Employee Loss for Employee Gain

Workplace Design as a Strategic Human Capital Management Tool

The Case for Workplace Financial Well-being: The View from Credit Unions

More than half of workers experience financial stress of some kind and that stress impacts the bottom lines of the organizations they work for. There is a huge opportunity for credit unions to refine their financial well-being program to support their own employees.

In the summer of 2019 Filene challenged credit unions to share how they are designing high-quality work environments for their employees. After being reviewed by industry professionals including Filene Fellow Sekou Berman and experts from Momentum Design Lab, Filene is proud to recognize Christian Financial Credit Union as the recipient of the 2019 Workplace Design Award.

“Filene’s research reinforced the decisions that we made to create a place that exemplifies efficiency and productivity. We are so energized by our new home that it is transforming the way we operate as a team and how we look at things.”

Patty Campbell
CEO, Christian Financial Credit Union, Filene Board Member

Learn more about Christian Financial Credit Union’s new space at filene.org/workplaceblog.
What’s Coming Next?

Throughout 2020, look out for more research and innovation opportunities for your organization to grow, prepare for the future and better serve the financial needs of your members and your community.

Pathways to Financial Well-being: Qualitative Research Findings from the Reaching Minority Households Incubator

A follow-up to 2018’s Reaching Minority Households Incubator, this research shares the stories of the people behind the loans issued. As a framework for developing and implementing high-quality programs with long-term sustainable impact, this report will help credit unions understand the challenges and opportunities for supporting underserved and vulnerable households.

Publishing: SPRING 2020

Member Experience and Service Excellence, Part 3

Filene Fellow Dennis Campbell completes his three-part research series around member experience and service excellence by looking into credit unions that are already implementing successful strategies to show the business case and opportunities credit unions have to create a more impactful member experience.

Publishing: SPRING 2020

Trauma-Informed Financial Services

This research is an opportunity for Filene to provide tools to credit unions on what they can do to better serve members who have experienced trauma like domestic violence, PTSD, and violent crimes. When credit unions meet the needs of the most marginalized members of their community, it improves the service delivery for all.

Publishing: FALL 2020

Empathy and Intimacy in Automated Financial Customer Service

Credit unions fill a unique role in the financial services space and may be the key to empathy and intimacy in artificial intelligence. In a world dominated by technology-enabled bots, this research will help credit unions think about how they can integrate intimacy and empathy into technology—ultimately standing out in service delivery.

Publishing: SUMMER 2020

Credit Union Commercial Business Capabilities

In order to address the concerns credit unions have around their commercial capabilities we must first understand the problems. This research will help credit unions understand the regulations that exist and what can be done to better serve commercial businesses going forward.

Publishing: SPRING 2020

Research & Incubation Council

Filene is looking for CEOs, senior executives or high-level functional area experts from credit unions and credit union partner organizations to serve as a voice for the credit union system and guide Filene’s research and incubation activities.

Apply to be part of the Filene Think Tank at filene.org/thinktank.
By the end of 2020, Filene will have six centers of excellence to drive the future of research for the credit union movement.

**THE FUTURE OF FILENE’S CENTERS of EXCELLENCE**

- **EMERGING TECHNOLOGY**
- **CONSUMER FINANCIAL LIVES IN TRANSITION**
- **DIVERSITY, EQUITY & INCLUSION**
- **INNOVATION & INCUBATION**
- **COMMUNITY SOCIAL IMPACT**
- **DATA ANALYTICS & THE FUTURE OF FINANCIAL SERVICES**

**FULLY FUNDED:**

**Center Sponsorships listed as of 2/12/20.**

**Inner Circle Sponsorship**

Your credit union has an opportunity to get involved as part of our Inner Circle through sponsorship of a Center of Excellence.

Visit filene.org/innercircle for more information.

**WELCOME TO OUR NEWEST FILENE FELLOWS**

**CENTER FOR DIVERSITY, EQUITY AND INCLUSION**
Dr. Quinetta Roberson
Villanova University

Exploring the changing demographic landscape of the cooperative finance industry and provide evidence-based solutions for tapping into the power of diversity, equity, and inclusion to enhance member financial well-being and credit union success.

**CENTER FOR CONSUMER FINANCIAL LIVES IN TRANSITION**
Dr. Lisa Servon
University of Pennsylvania

Working to strengthen credit unions' capacity to adapt to consumers' changing financial lives and livelihoods as they face new forms of economic struggle and financial fragility.
Credit Union Team Workshop: 
Identifying Your Target Member and Aligning Member-Organizational Compatibility

PURPOSE
In order for credit unions to compete on member experience, they must make strategic adjustments to their business model product and service design. These inevitably involve trade-offs. This workshop will help your team make better-informed choices to improve member compatibility with focus on your chosen ideal member. Follow the process to identify and carefully define your target membership and match those members with the most compatible offerings and operations that your organization can provide to improve member experience.

OUTCOMES
- Clear understanding by all team members of your brand’s identity experience, and impact on those you serve.
- Better awareness of the demographic groups and other populations that your credit union serves.
- Detailed understanding of your target member (and this segment’s needs and desires) on which your organization will focus when making adjustments to improve compatibility.
- A target member to use for mapping and drafting your plan to maximize member-organizational compatibility.
- Honest assessment of your credit union’s strengths and weaknesses.
- Two to three strategic adjustments (with trade-offs) that your organization can make to improve the fit between your target member and your credit union’s operating model and product and service priorities.

MATERIALS
Copies of Figure 1 for participants (found at the end of this document), white board or poster board with markers, Filene report #476 and #488 for reference, and a note-taker to capture learnings from the session.

PARTICIPANTS
Business development, marketing, member facing staff, products, sales, and other relevant back office staff (6-15 individuals).
Episode 48
Do Credit Union Mergers Create Member Value?

“This is the idea of focus. We are deliberately not going to be all things to all people. We are going to deliberately be bad about the things our customers care less about in order to be best in class at the things they care most about.”

Episode 60
Competing and Winning on MX with Dennis Campbell

“This value that is created is not evenly split between the members of the acquiring, or continuing credit union, or the members of the target, or acquired credit union.”

Episode 61
Fintech Catalyst Incubator: Align ISA Research and Results

“Every time we’ve gone through testing we’ve come out with some type of takeaway whether it was very tangible and adjustments were made...or whether that was something we continued to work with Filene to implement within our own credit union.”

UnLock Innovation

This quick and easy to read book is perfect for anyone at any age and has the cutest illustrations. In less than 10 minutes (start to finish), this story encourages one to be confident in the fact that there is no bad idea. It focuses on how to transform your mindset in order to feed your idea and to allow it to grow into something special. And it makes a great gift for anyone interested in innovation. Just ask our last Filene i3 graduating class!

What books are you reading right now about transformation?

Cultivating new habits is hard work, but this book taught me to reframe my approach to changing habits by focusing on the process rather than the goal. For example, if trying to quit smoking and someone offers you a cigarette, rather than responding, “No thanks, I’m trying to quit,” answer with, “No thanks, I’m not a smoker.” This subtle shift can transform change on a cognitive level.

Invisible Women is a story about absence. It offers a close examination of the impacts of the gender data gap that has shaped the world around us. From medicine to car seatbelts, the absence of representative data has generated blind spots negatively affecting women in a world designed for able-bodied men. In 2020, credit unions are looking to elevate their diversity, equity, and inclusion efforts and increase the use of AI algorithms. This book can help us overcome past biases, avoid “one-size-fits-all” solutions, and transform the way we use data in our decision-making.

MEMBER PICK

Reading during the holiday season always provides me with a great opportunity to refuel the mind and spirit.

Dickinson shares her personal journey to transform her failing organization, and how these same tools can be used should we ever desire or need to re-invent ourselves. A great read that is beneficial both personally and professionally.
FEELING THE FOMO?
WE’VE GOT YOU COVERED.
Take a look back at the insights around debt, savings, innovation, data and work from our annual signature event, big.bright.minds.

big.bright.minds. | Nov 2019 | Durham, NC
FILENE.ORG/BBMT9RECAP

FILENE’S ANNUAL MEMBER EVENT, BIG.BRIGHT.MINDS., IN DURHAM, NC ON NOVEMBER 19–20 | PHOTOS BY ROMULO MORISHITA
Join Filene fellow, Dennis Campbell of the Harvard Business School, in Boston for the final research event from Filene’s Center for Organizational Entrepreneurship focusing on the biggest factors impacting member experience and service excellence.

Register at FILENE.ORG/CUEXPERIENCE