

Volume 19, Issue 2

Perspectives

The Official Magazine of the Cornerstone League



*DEVELOPING TALENT
AND BENCH DEPTH TO
GROW SUCCESS*

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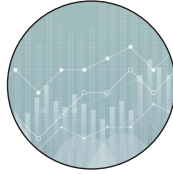
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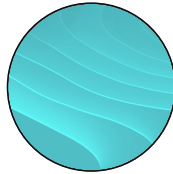
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Perspectives | Volume 19, Issue 2

Perspectives is a quarterly publication of the Cornerstone League and is offered to affiliated credit unions as a dues-supported service.

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Developing Talent to Drive Organizational Success



Caroline Willard
President/CEO
Cornerstone League

“Great leaders don’t just build teams; they build leaders. Developing talent is central to driving organizational growth and success.”

— Jack Welch, former CEO of General Electric

Welcome to the latest edition of Perspectives, where we delve into some essential strategies for navigating the leadership and talent development landscape while attracting younger members who can identify with your staff.

Specifically, we explore ways to recognize new leaders, empower them to learn, stretch, and thrive in the credit union environment, and shepherd the industry into the future. Additionally, we examine the nuances of cultivating next-generation leaders, understanding and utilizing the unique perspectives they bring to the table.


For credit unions that want to extend their reach among consumers, expand their financial service offerings, and boost their competitiveness in the marketplace, attracting younger members is key, especially with an aging membership base. This edition offers invaluable insights and actionable tips for engaging and retaining the next generation of credit union members, from leveraging digital platforms to tailoring services that meet their evolving needs and expectations.

Experience and decades of study tell us that a culture that prioritizes its staff’s continuous training and development will enhance employee satisfaction and drive organizational success. Yet, so often, credit unions consider training a time-consuming and costly luxury. We make the case for establishing a culture of learning, mentoring, and advancement within credit unions to gain a significant return on your workforce investment.

From harnessing the power of rookie smarts to embracing generational differences, learn how to foster a dynamic and inclusive leadership pipeline. Look at succession planning in relation to bench depth and nurturing tomorrow’s leaders to ensure continuity and resilience during management transitions.

Fraud in the financial services sector is ever-present, ever-changing, and endlessly creative. That’s why Cornerstone created the Fraud Council, a free, moderated, knowledge-sharing forum for credit unions. Learn why your staff should be members and how easy it is to join.

I’m pleased to welcome two of our preferred business partners to this edition’s lineup. Millennium Corporate takes an in-depth look at certainty in uncertain times using the ladder approach. Mark DeBree, with Catalyst Strategic Solutions, explores the strategic benefit of subordinated debt to plan now for the future.

Perspectives is your trusted resource for industry information and insights, whether you’re a seasoned executive or an emerging leader. We hope you find these articles well worth your time and welcome your feedback. 

Sincerely,

Caroline Willard, President/CEO
Cornerstone League

Subordinated Debt: Plan Now for the Future



Mark DeBree
*CFA, Managing Principal
Catalyst Strategic Solutions*

In a financial landscape where liquidity and deposit growth were challenged over the last year, it's important to remember that the markets run in cycles. After each boom, a bust eventually follows. These market fluctuations influence the outlook and actions of our members and, therefore, impact our balance sheets.

As the market prepares for interest rate cuts in the coming months, the Federal Reserve will work to orchestrate a “soft landing” to avoid a recession. Admittedly, the Fed faces the difficult task of balancing growth and inflation pressures. We will all be pleased if they achieve the always-sought-after but seldom-achieved soft landing.

Historical trends suggest, however, that this is not the likely outcome. A recession may be at the other end of this cycle, characterized by rising unemployment rates, declining interest rates, and heightened consumer uncertainty—a recipe for an influx of deposits returning to credit union balance sheets.


While the idea of deposits coming back to balance sheets sounds appealing, it also presents challenges for credit unions. One of the most significant is falling net worth ratios (as assets increase) that can restrain the ability to grow and operate effectively.

Subordinated debt is one of the few tools credit unions can access to directly increase net worth. This alone renders it an attractive option. Subordinated debt buoys net worth ratios amidst liquidity surges and provides operational flexibility valuable to capitalizing on expansion opportunities.

Those wanting to prepare for an uncertain future should consider starting their subordinated debt applications to secure approvals in advance before the need to issue arises. Approved applications carry a two-year funding window and the opportunity for extension. This flexibility merits consideration for starting the process now, rather than later.

Explore the Strategic Benefits of Subordinated Debt

Subordinated debt can provide resources to put your plans into action, and Catalyst has a long track record of successfully guiding credit unions through the application process.

As a credit union-owned institution, Catalyst is committed to serving as your partner during challenging times. We aim to find the best possible solution for your credit union, not the solution that produces the highest revenue. Our process's speed, simplicity, and power allow us to move subordinated debt transactions across the finish line efficiently. 

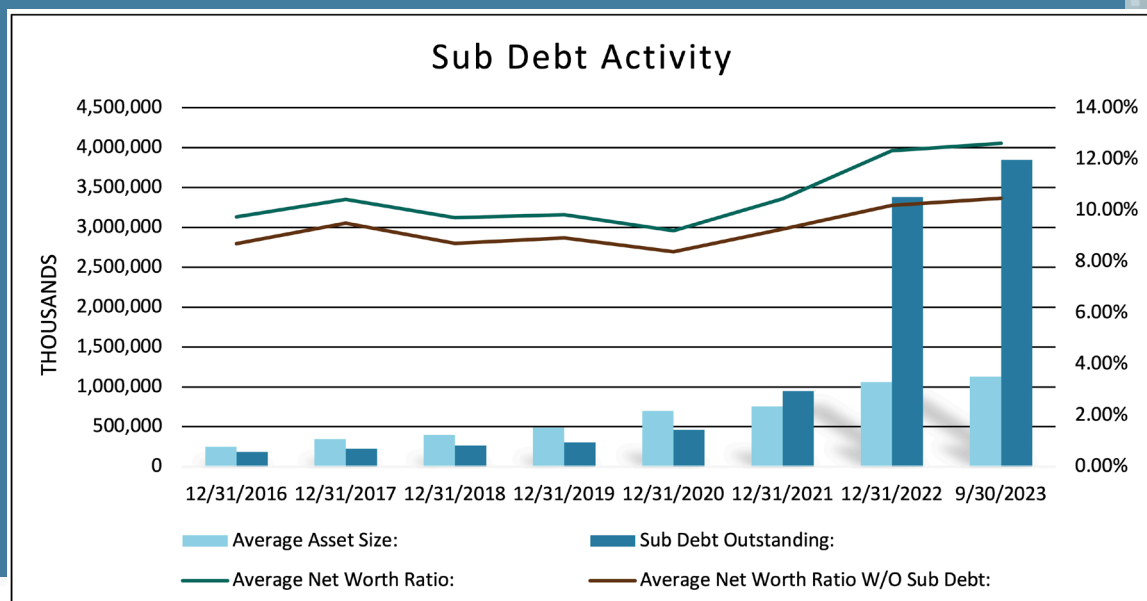
The Federal Reserve will work to orchestrate a “soft landing” to avoid a recession.

For more information, [contact Catalyst](#) today.

About the Author:

As managing principal at Catalyst Strategic Solutions, **Mark DeBree** directs risk consulting, balance sheet advisory, and broker/dealer services for credit unions nationwide. Formerly the organization’s vice president of ALM Services, he has 16 years of experience consulting credit unions on interest rate risk, liquidity risk, strategic planning, member deposit behaviors, and mortgage servicing portfolios.

Subordinated debt is one of the few tools credit unions can access to directly increase net worth.





Safeguard Your CU: Become a Fraud Council Member



Sarah Easley
Compliance Specialist
Cornerstone League

Fraud is ever-present, ever-changing, and endlessly creative. The potential for fraud at your institution is limited only by the imaginations of the fraudsters looking to make off with other people's money. Credit union members continue to fall victim to scams and schemes targeting them daily with click-bait invitations like:

*"You've won a foreign lottery!"
"Get paid big money to work from home!"
"You qualify for a \$50,000 LOC;
just pay \$8,000 in closing costs!"*

You've likely heard it all!

Cornerstone League understands that your credit union and its members are your top priorities, so we have launched a new Fraud Council, a free, moderated, knowledge-sharing forum for credit unions. The Fraud Council provides a safe space for Cornerstone member credit unions to report and receive fraud alerts, discuss and share information to prevent fraudulent activities, and safeguard your organization. The forum is a zone in which only credit unions may participate.

Did You Know?

Fraud is defined as any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and the perpetrator achieving a gain.

Over half of the fraud encountered by credit unions is from an individual or entity unconnected to the credit union. The 2023 Association for Financial Professionals' "Payments Fraud and Control Survey" reports that 65% of organizations were victims of payment fraud attacks/attempts in 2022. Checks continue to be the payment method most vulnerable to fraud, with 63% of respondents reporting their organizations faced fraud activity via checks. Of those who were victims of payment fraud in 2022, more than one-fourth of organizations (27%) were able to successfully recover at least 75% of the funds lost.

Over half of the fraud encountered by credit unions is from an individual or entity unconnected to the credit union.

However, nearly half (44%) were unsuccessful in recouping any stolen funds. Forty-five percent of respondents (the highest in the past five years) cited wires as a top payment method. Instances of fraud via commercial cards increased by 10 percentage points, and instances of fraud via ACH credits and virtual cards increased by 6 percentage points each.

Why Fraud Council Membership?

As a Fraud Council member, you're part of a team that enhances the understanding of current fraud tactics and trends among credit unions while improving your ability to detect and prevent fraud risks. After joining the Fraud Council, you'll gain exclusive access to closed-door conversations and insights you can't get anywhere else. You will also get valuable, timely, and focused content related to the fraudulent activity occurring in our region's credit unions.

Council Membership Features:

- Virtual meetings to discuss issues related to fraud, including fraud prevention strategies, current fraud trends, and new tools and solutions.
- Access to the online community of Cornerstone member credit unions, where you can ask questions and share resources related to fraud.
- Alerts of fraudulent activity happening around the Cornerstone region.
- A minimum of two free, interactive virtual educational sessions conducted by industry specialists.
- A credit union platform offering a members-only forum that provides actionable insights and peer networking.


More about the Fraud Council

- To report fraud and to receive fraud alerts, you must be a member of the Fraud Council.
- The Fraud Council is free to join. Visit the [Fraud Council page](#) for complete details.
- You must have an account on the Cornerstone website to join the Fraud Council. Don't have an account? [Claim one here](#).
- To be a member of the Fraud Council, you acknowledge that you have read and understand the terms and rules of the council and that your credit union annually submits to the FinCEN certification notice pursuant to 31.CFR 1010.540.

Reporting Fraud is Simple

- As a Fraud Council member, simply complete the [Fraud Alert form](#).
- Use the Connect platform to post messages about fraudulent activity and upload the completed Fraud Alert form and any other necessary information (you may upload multiple attachments).
- A Cornerstone compliance staff member will review the message and approve it to send through Connect or contact you for additional information.

Account fraud has caused staggering losses to financial institutions and continues to increase. Financial fraud is rampant, can come in many forms, can be consumer or commercial, and is causing increasing losses for financial institutions.

So, what are you waiting for? Join this proactive group of credit unions as we try to thwart fraud and safeguard the members. We look forward to meeting you. 

Account fraud has caused staggering losses to financial institutions and continues to increase.



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Unlocking ROI:

How Investing in Employee Development Pays Off for Credit Unions



Amber Bailey, CUDE
Education Director
Cornerstone League

In today's fast-paced financial services landscape, securing a competitive edge in talent acquisition and development is paramount for credit unions. The evolving nature of the workforce necessitates a proactive approach toward grooming the next generation of leaders. If you're uncertain about your credit union's commitment to nurturing emerging talent, consider the following questions:

1. When upper management and middle-tier positions become available, is your first instinct to look within your organization for potential candidates?
2. Can you confidently assert that your credit union boasts a well-prepared pipeline of leaders primed to tackle new challenges?

While maintaining a balance between internal promotions and external hires is prudent, having a pool of ambitious leaders poised for advancement within your ranks can be indispensable. One of the most effective strategies to achieve this goal is through investment in educational and training initiatives, particularly targeting the youngest professionals in your workforce.

Every member of your organization should have access to personalized career development plans and tailored learning pathways designed to nurture their potential. As senior members of the workforce transition into retirement, younger generations are swiftly assuming roles critical to the organization's long-term viability. However, this transition can be daunting without proper guidance and mentorship. Not to mention that the potential loss of institutional knowledge could become a crucible for the organization's strategic decision-making ability. This is where participation in educational programs and mentorship initiatives becomes invaluable.

At Cornerstone, we take the journey of credit union leadership seriously. Our education experts have crafted competency models based on extensive industry research and feedback that underscore the cutting-edge skills our emerging leaders require. These models serve as the blueprint for our curricula and conferences, ensuring that our offerings are meticulously aligned with the evolving needs of the industry and paving the way for sustained success.


Your Return on Investment

Investing in talent development through educational programs like those offered by Cornerstone League translates directly into a tangible return on investment for credit unions. Here's how:

- **Increased Employee Performance and Engagement:**

Credit unions provide comprehensive training and development opportunities to equip their employees with the skills and knowledge necessary to excel in their roles. Well-trained employees are more likely to perform at a high level, leading to improved member satisfaction, increased productivity, and greater overall organizational success. Moreover, investing in employees' professional growth demonstrates a commitment to their career advancement, which can boost morale and foster a sense of loyalty and engagement among staff members.

- **Reduced Turnover Costs:** High employee turnover can be costly for credit unions, resulting in recruitment expenses, lost productivity during transition periods, and potential disruptions to member service. However, when credit unions invest in talent development and provide opportunities for career advancement, employees are more likely to remain loyal to the organization. This, in turn, reduces turnover rates and associated costs, ultimately saving the credit union money in the long run.
- **Enhanced Leadership Pipeline:** Educational programs like cuLEAD Academy and Southwest Credit Union Management School are specifically designed for the next generation of credit union leaders. By investing in these programs, credit unions can ensure continuity in organizational management, minimize the risk of succession gaps, and position the credit union for long-term success.
- **Improved Member Experience and Growth:** Well-trained and engaged employees are crucial to delivering exceptional member experiences. By investing in talent development, credit unions can ensure their staff possesses the knowledge, skills, and mindset necessary to provide superior service and build meaningful relationships with members. This, in turn, can lead to increased member satisfaction, loyalty, retention, and organic growth through positive word-of-mouth referrals.
- **Innovation and Adaptability:** Educational programs like the Young Professionals Conference foster a culture of innovation and continuous learning within credit unions. By exposing employees to new ideas, emerging trends, and best practices in the industry, these programs encourage creativity, critical thinking, and adaptability—all of which are essential for staying competitive in a rapidly evolving marketplace.

Want a great return on your investment in employees? Start by establishing career development plans, supporting educational goals, and encouraging mentorship initiatives inside and outside the organization. 



Cornerstone League's Exclusive Educational Opportunities

Let's explore three educational opportunities available through Cornerstone League that are convenient for credit union people and tailor-made to enhance your credit union's success.

cuLEAD Academy

Our cuLEAD Academy is a pioneering leadership development program for credit union staff. This hybrid program caters to multiple generations and emphasizes critical thinking, team dynamics, and innovative problem-solving. Participants engage in a comprehensive exploration of various credit union domains while learning to lead teams toward growth. Moreover, the cuLEAD Academy facilitates seamless knowledge transfer across generations by fostering mentoring relationships.

As one who has witnessed the career progression of countless cuLEAD Academy graduates, I can attest that their impact on their credit unions and the industry at large is immensely gratifying for all involved, from the students to their support teams to their coworkers and upper managers.

Southwest Credit Union Management School

Building upon the foundation laid by the cuLEAD Academy, our Southwest Credit Union Management School (SCMS) offers a prestigious management program designed to prepare young professionals for leadership roles at the executive level. By refining their executive leadership skills and expanding their professional networks, participants enhance their visibility and credibility within their organizations. This heightened influence translates into a robust talent bench and increased mobility, whether through promotions or lateral transitions.

Young Professionals Conference

Cornerstone's Young Professionals Conference is a dedicated platform driven by advisors and tailored to the needs of emerging leaders. This popular event features content curated by young professionals who focus on the knowledge and skills essential for future success in the industry. The conference fosters exploration and community building, energizing attendees to innovate and embrace new challenges.

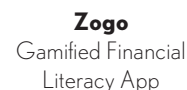
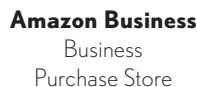
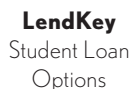
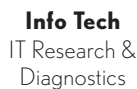
These signature Cornerstone League programs offer multiple benefits to participants and organizations. By investing in the educational and professional growth of young professionals, credit unions not only fortify their leadership pipeline but also cultivate a culture of continuous learning and innovation—a cornerstone of success in today's dynamic business landscape. The ultimate objective is to retain top talent and adapt to changing times seamlessly.

[Learn more at Cornerstone Development.](#)



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Bench Depth Strategies for Succession Planning




Kimberly Cockrill
Senior Writer
Cornerstone League

“Succession planning isn’t just about replacing outgoing leaders; it’s about building a pipeline of talent that can drive the company forward.”

— Ursula Burns, former CEO of Xerox

In today’s financial sector, credit unions face the ongoing challenge of nurturing talent and ensuring a robust leadership pipeline. As the backbone of their communities, credit unions must continually innovate and adapt to meet the evolving needs of their members. Central to this endeavor is the cultivation of bench depth—the reservoir of skilled individuals ready to step into key roles when needed. Here are some strategies for credit union leaders to enhance their bench depth:

1. **Invest in Professional Development:** Prioritize ongoing training and development programs for employees at all levels. Encourage participation in industry conferences, workshops, and online courses to broaden skill sets and deepen knowledge. By investing in continuous learning, credit unions empower their staff to take on new challenges and advance within the organization.
2. **Succession Planning:** Craft a comprehensive succession plan that identifies high-potential employees and outlines a roadmap for their growth. Succession planning ensures a smooth transition during leadership changes and minimizes disruptions to operations. Regularly update succession plans to align with evolving business goals and industry trends.
3. **Cross-training and Job Rotation:** Foster a culture of cross-training and job rotation to expose employees to different facets of operations. Encourage staff to undertake stretch assignments and explore roles outside their immediate expertise. This broadens their skill set and fosters collaboration and adaptability within the team.
4. **Mentorship and Coaching:** Establish formal mentorship programs pairing experienced leaders with emerging talent. Encourage regular feedback and goal setting to support growth and development and provide external coaching and mentorship opportunities to offer fresh perspectives and insights.
5. **Promote from Within:** Encourage a culture that values internal talent and promotes from within whenever possible. Credit unions demonstrate their commitment to employee development and retention by offering advancement opportunities to deserving employees. Internal promotions also foster loyalty and motivation among staff, contributing to a positive organizational culture.

Building bench depth is essential for credit unions’ long-term success and sustainability, so executives can ensure they have a talented pool of individuals ready to step up and lead the organization into the future. 



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Leveraging Rookie Smarts

Maximizing the Potential of Young Credit Union Professionals



Miguel Gonzalez
Communications Writer
Cornerstone League

With their digital prowess and fresh outlooks, young professionals aren't just walking through the doors of credit unions—they're ready to knock those doors down and reshape how things are done. It's undeniable that harnessing new talents' fresh perspectives and dynamic energy isn't just beneficial; it's imperative to bringing about a new era of growth and innovation. This new era, marked indelibly by the vibrant energy and spirit of young professionals, is helping leaders make strides in how we approach professional development and organizational involvement.

At the heart of this transformation is a group of individuals with unique approaches to progress that can help credit unions leverage rookie smarts to propel themselves—and the organization—into the future. Among them stands Kobey Mabry, a commercial loan officer at Red River Credit Union, whose journey encapsulates the essence of youthful vigor and the transformative impact it can have within the credit union world. Through his eyes and the insights of

This pursuit of understanding reveals a critical facet of young professionals' value: their role as catalysts for continuous improvement and innovation.

“Give them opportunities to take on some challenges and responsibilities to see if they’ll step up to showcase their skills and creativity.”



Kobey Mabry
Red River FCU

visionary CEOs, we explore how the infusion of young professionals into the credit union movement is more than a trend—it’s a logical evolution that can sustain and invigorate the community-focused ethos that credit unions prioritize.

The Inquisitive Mind of a Young Professional

Mabry’s journey within the credit union industry is a testament to the power of curiosity. From the outset, Mabry approached his role with a thirst for knowledge that went beyond what his job description required.

“Early in my career, I was eager to ask questions and keep learning more about my credit union,” he said. “I was always interested in learning how things worked, even if it didn’t have anything to do with my specific role, because I knew I could use that information to help any members or colleagues down the line.”

This pursuit of understanding reveals a critical facet of young professionals’ value: their role as catalysts for continuous improvement and innovation. By delving into the hows and whys of operations, Mabry exemplifies how young credit union employees can bridge gaps and foster collaboration across departments.

Immersion into the Credit Union World

For Mabry, the 2017 Cornerstone Young Professionals Conference was a watershed moment. Describing it as “an eye-opening and educational experience,” he explained the conference’s role in deepening his appreciation for the credit union difference.

“Going into the conference, I didn’t know what the League offered, so stepping out of my comfort zone and learning new things helped me gain a newfound interest in the

overall role of credit unions, the philanthropy behind it, and the credit union difference,” Mabry said.

This annual gathering, far from being a mere networking event, is an incubator for the credit union movement’s future leaders. Here, young professionals like Mabry gain insights into the industry’s challenges and opportunities, and they forge connections that bolster their careers and the movement at large.

“By putting myself in these immersive environments, such as the Young Professionals Conference, I learned that I was working for something more, not just a local credit union,” he said. “Once I learned what YP Advisors were, I knew I wanted to apply to establish a YP presence in my community.”

Not long after his first Young Professionals Conference, Mabry applied and successfully became a YP Advisor in 2018.

A Spark of Inspiration: Advocacy and Engagement

Another facet of Mabry’s professional evolution can be seen in his embrace of advocacy. Understanding the legislative and regulatory environment is crucial for anyone in the credit union industry, but for young professionals, it represents an opportunity to champion the causes close to their hearts.

“Not long after becoming a YP Advisor, I was invited to attend Crash the GAC,” he said. “I didn’t know what I was getting myself into, and then suddenly, we were going to all these conference sessions; we’re learning about the legislative arm of credit unions, the delicacy of the industry, and why it’s important for young people in the industry to carry the movement forward.”

Mabry’s proactive stance on engagement highlights the importance of young professionals in driving the credit union movement’s advocacy efforts, ensuring it remains responsive and resilient over time.

Identifying and Fostering Young Talent

It’s undeniable that credit union CEOs have unique insights that can benefit others within the industry who are also on the quest to harness the full potential of credit union young professionals. Christopher Bower, CEO of Endurance Credit Union in Duncan, Okla., emphasized the significance of curiosity and a willingness to learn as critical indicators of a motivated young professional.

“Qualities to look out for when trying to identify motivated individuals within credit unions are things like asking questions, being receptive to mentoring, and how their goals align with the credit unions,” said Bower.

He suggested that a credit union’s culture can significantly influence the development of its young professionals, adding, “Give them opportunities to take on some challenges and responsibilities to see if they’ll step up to showcase their skills and creativity.”

Jason Peach, CEO of West Community Credit Union from O’Fallon, Mo., speaks to the strategic importance of creating an environment that supports professional growth.

“Identifying staff motivated to contribute at a high level, in addition to helping the credit union and our members, is always a strategic priority for us,” said Peach. “As CEO, my role today is to ensure we have a very supportive culture. When someone expresses that they want to grow as a professional in the credit union industry, our role is to ensure the organization provides them with a way to navigate that path.”

The future of credit unions is bright, driven by the passion and innovation of emerging leaders.





Deonne Christensen, CEO of Mazuma Credit Union from Kansas City, Mo., shares the practical approach her credit union is taking to leverage the unique perspectives of young professionals.


“We’ve taken topics we want to learn more about and provided them to our emerging young professionals who’ve wanted opportunities to present and collaborate with others,” said Christensen. “We developed this process thanks to an instance where a rookie presented information in a way that was different from how one of our more tenured executives would have, which provided us with the benefit of learning about a relevant topic from a fresh perspective.”

This method showcases the reciprocal benefits of nurturing young talent, which enriches the credit union’s collective understanding of critical issues and empowers young professionals with presentation and collaboration opportunities.

Pushing the Movement Forward

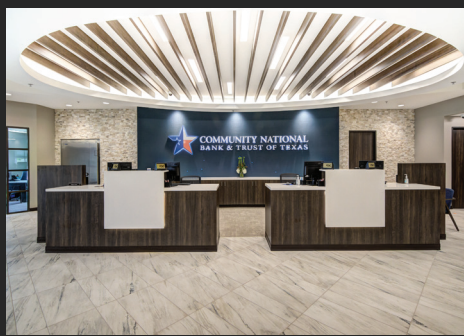
Young professionals not only bring new ideas and energy but also play a key role in ensuring the credit union movement remains relevant and responsive to the needs of its members. Through mentoring, providing professional development opportunities, and valuing fresh perspectives, credit union CEOs can help cultivate a new generation of leaders poised to carry forward a legacy of

community service and financial empowerment.

The future of credit unions is bright, driven by the passion and innovation of emerging leaders. The combined insights of Mabry and seasoned CEOs underscore a collective vision for the future; one where young credit union professionals are empowered to contribute, grow, and eventually lead the movement. 

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Generation Next:

15+ Tips to Attract Younger Members



Kimberly Cockrill
Senior Writer
Cornerstone League

In the dynamic landscape of the financial services industry, understanding and adapting to the unique characteristics of each generation is crucial for credit unions aiming to attract younger members. From Baby Boomers and Generation X to Millennials and Generation Z, each cohort comes with distinct attitudes toward technology, money habits, and financial values. (See our sidebar, *Understanding the Generational Landscape*.)

Demonstrate your commitment to sustainability through eco-friendly practices and green initiatives.

Integrate popular peer-to-peer payment options to simplify fund transfers.

The following 15 tips consider generational differences for credit unions to attract and build meaningful connections with emerging Gen Z and Millennial (Gen Y) demographics.

1. **Embrace Digital Accessibility:** Create a seamless online and mobile banking experience. Prioritize features like mobile check deposits, e-statements, and real-time transaction alerts. For Gen Z, ensure a visually appealing and intuitive interface that aligns with their tech-savvy preferences. Protect their data and make authentication easy.
2. **Tech-Savvy Services for Financial Wellness:** Integrate cutting-edge technology into your services, such as AI-driven chatbots and budgeting apps. Provide virtual financial advisors for instant assistance. Host online workshops on digital security, cryptocurrency, and personalized financial planning to engage Millennials and Gen Z in their financial wellness journey.
3. **Sustainable Banking Initiatives:** Demonstrate your commitment to sustainability through eco-friendly practices and green initiatives. Showcase these efforts in marketing materials and online platforms to resonate with environmentally conscious Millennials and Gen Z.


4. **Leverage Social Media Engagement:** Actively maintain a presence on social media platforms. Share informative content, financial tips, and updates on community involvement. For Gen Z, explore platforms like TikTok and Instagram for visually appealing, shareable short-form videos.
5. **Community Involvement and Social Responsibility:** Participate in local events, sponsor community projects, and align with social causes. Engage with influencers and creators who reflect the diversity of your target audience. For Gen Z, your marketing campaigns should emphasize social responsibility, inclusivity, and sustainability.
6. **Flexible Loan Options and Transparent Fee Structures:** Design loan products with flexible terms and competitive interest rates. Clearly communicate fee structures, avoiding hidden charges. Provide transparent information through visually appealing infographics and shareable content.
7. **Collaborate with Local Businesses:** Form partnerships with local businesses for joint promotions and discounts. For Millennials and Gen Z, prioritize collaborations with brands that align with their values, such as sustainability and ethical practices.

Establish comprehensive online financial education hubs with interactive modules and webinars.

8. **Peer-to-Peer Payment Integration:** Integrate popular peer-to-peer payment options to simplify fund transfers. Educate members, especially Gen Z, on the secure use of these services within the credit union's platform.
9. **Customizable Account Packages and Gamified Saving Platforms:** Allow members to personalize their account packages and offer gamified elements within the online banking platform. For Gen Z, introduce augmented reality features or challenges that make saving more engaging.
10. **Student Loan Assistance Programs:** Develop programs to assist with managing and repaying student loans. Collaborate with educational institutions to extend resources to Millennials and Gen Z, acknowledging their unique financial challenges.
11. **Inclusive Language and Marketing:** Use inclusive language and diverse imagery in marketing materials. For Gen Z, engage with influencers who represent a variety of backgrounds and experiences.
12. **Financial Wellness Challenges and Loyalty Programs:** Create financial wellness challenges with rewards to encourage positive financial habits. Develop loyalty programs that offer digital rewards, exclusive access to online events, or partnerships with popular online brands.
13. **Virtual Financial Education Hubs:** Establish comprehensive online financial education hubs with interactive modules and webinars. For Gen Z, utilize visually engaging content, short videos, and gamified quizzes to enhance their self-paced learning experience.
14. **Socially Responsible Investment Options:** Introduce investment options that align with socially responsible and ethical principles. Use visually appealing graphics and infographics to highlight the positive impact of these investments.
15. **Instant Issuance of Debit Cards and Virtual Events:** Enhance the appeal of instant issuance by incorporating customizable digital debit card designs. Organize virtual events tailored to the interests of younger members, fostering a sense of community and engagement.

Bonus Tip: What's in a Name?

A strategic rebranding initiative can assist credit unions in attracting members, particularly the younger demographic. A name communicates crucial messages to potential members on multiple levels. Rebranding offers a significant opportunity to realign the credit union's identity, messaging, and appeal, better resonating with modern consumers' evolving preferences and expectations. Outdated legacy names that depict locality or demographics served will impede a credit union's endeavor to appeal to new, younger members who seek contemporary, pertinent, and digitally oriented alternatives. An effective name should convey its core function of providing financial services and encapsulate how it operates: smarter, faster, and friendlier.

By implementing these tips, credit unions can create a more attractive and accessible environment for Millennials and Gen Z, fostering lasting relationships with these demographics. As the financial landscape continues to evolve, credit unions that adapt to the needs and preferences of younger generations will position themselves as trusted partners in their financial journeys. 

Understanding the Generational Landscape

Baby Boomers (Born 1946–1964)

Boomers, often characterized by their post-World War II birth surge, are a generation that witnessed significant societal and economic changes. As they approach retirement, Boomers prioritize financial security, homeownership, and traditional banking methods. Comfortable with technology but not digital natives, they appreciate face-to-face interactions and hold more conservative views on debt.

Generation X (Born 1965–1980)

Gen X, the “latchkey generation,” grew up amid economic uncertainty and the rise of technology. This cohort values financial stability and often approaches investments with a pragmatic mindset. They were early adopters of online banking but appreciate a mix of digital and in-person services. Gen Xers tend to be entrepreneurial, seeking financial independence through diverse income streams.

Millennials (Born 1981–1996)

Millennials, shaped by the digital revolution and the 2008 financial crisis, prefer experiences over material possessions. They are tech-savvy, value sustainability, and embrace digital banking and frictionless experiences. Millennials often explore alternative income streams and prioritize financial education. Debt-conscious due to experiences with student loans, they are known for their brand loyalty and commitment to social causes.

Generation Z (Born Mid-1990s to Early 2010s)

Gen Z, true digital natives, has grown up surrounded by smartphones, social media, and instant access to information. Pragmatic and value-conscious, Gen Z seeks authenticity in products and services. They prioritize online and mobile banking, value financial independence and personalized, frictionless experiences, and exhibit an entrepreneurial spirit from a young age. Protect their data and make authentication easy.

Generation Alpha (Born from 2013 Onward)

Generation Alpha is still in its formative years, so their attitudes and behaviors are still evolving. However, these youngsters are growing up in a world where technology is ubiquitous and deeply integrated into daily life. From smartphones and smart homes to artificial intelligence and virtual reality, they are surrounded by advanced technologies from the very beginning. Seeing what they prioritize and value concerning money matters will be exciting.





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Building Bridges:

Creating Pathways for Young Professionals



Nora Revie
Social Media Manager
Cornerstone League

Young professionals want to learn, continually evolve, and build upon their knowledge.

Today's workforce boasts a rich tapestry of generations: Baby Boomers, Gen X, Millennials, and Gen Z. This diversity of perspectives and experiences is truly something to celebrate. And it's essential that every generation feels heard and represented. For the purposes of this article, however, we will look at our next-generation leaders, commonly known as young professionals.

Visualize the employees at your credit union. Now, think about how many of them would be categorized as young professionals, typically those under 40.

Question 1: How many young professionals work at your credit union?

Question 2: What does your credit union do to support and encourage their professional development?

If you find yourself unable to answer both questions—*yes, both!*—it might be an opportune moment to explore strategies aimed at not only attracting and engaging young professionals, but also boosting their value. How can you do that?

To find out what resonates most with this generation, we spoke with Cornerstone League Young Professional Advisors Kobey Mabry, Dawn Johnson, Jessica Cranke, and Sophie Freeman.

Growth—and More Growth!

Young professionals want to learn. They want training. They want to continually evolve and build upon their knowledge.



Kobey Mabry, CCUFC, is a commercial lending officer at Red River Employee Federal Credit Union based in Texarkana, Texas, with \$1.3 billion in assets and more than 117,500 members. Mabry confirmed that young professionals crave growth; however, they are constantly trying to shake the misconception of the “participation trophy” stereotype. In his conversations with peers, he found they seek growth above all else—not recognition or accolades.

“Making strides to reach goals and make an impact is what brings us to the office every day,” said Mabry. “Trust your younger talent, and you’ll see that, together, we can carry initiatives beyond the horizon.”



Dawn Johnson is a marketing assistant at Fort Worth City Credit Union in Fort Worth, a \$303 million credit union with over 15,000 members. Always on the lookout for ways to improve her skills, Johnson said, “I believe every moment is an opportunity to learn and grow.”

One caveat: staying motivated and focused on continuous learning can be taxing.

Sometimes a simple sentence can change the trajectory of a career.



Jessica Cranke, CRU, is a mortgage closing coordinator at TTCU Federal Credit Union, a not-for-profit with \$2.5 billion in assets and 154,580 members. She shared that establishing a daily routine prioritizing well-being and mental health has been key to her professional growth.

“Rather than comparing myself to others, I try to focus on measuring my progress against my past self,” said Cranke. “I aim to be adaptable by adjusting my goals and strategies according to the situation. When faced with setbacks, I approach them with self-compassion, viewing each challenge as an opportunity for learning and growth.”

Guidance and Mentorship

When Cranke is unsure of her next step, she seeks advice and endorses mentorship for any professional, especially YPs. She noted that her former mentor’s insights, advice, and knowledge helped her navigate personal and professional challenges and boosted her confidence.

Mabry emphasized the importance of seeking a mentor as a valuable opportunity to gain fresh perspectives and leverage external experiences to enhance their lives or circumstances.

“Everyone has someone they look up to or admire, whether it be a professional or personal contact,” said Mabry. “Find someone that makes you a little uncomfortable or vulnerable; this is where the growth happens!”

Sometimes a simple sentence can change the trajectory of a career.

A credit union's youngest employees can be its biggest assets and champions in the communities it serves.



“A piece of advice I received from a previous supervisor is ‘assume positive intent,’” said Sophie Freeman, member experience director at Rave Financial, a Beaumont, Texas-based credit union with over \$1 billion in assets and 75,000 members. “Assume that others are making the best decision they can. Assume that all others are coming from a good place.”

Freeman notes that this requires trust, but it has given her a positive mindset that keeps her powered through changes and helps her problem-solve.

“When I was just a few years into the credit union industry, my boss gave me the advice that I had to be more open-minded about people,” said Johnson. This insight helped her gain perspective and give grace to those she initially thought were lackluster.

Mabry’s words of wisdom, “You are where you are for a reason,” came from Tammy Passafiume, CEO of Diamond Lakes Credit Union.

“While it seems like such a simple phrase, I have relished that conversation ever since,” Mabry said. “I have applied Tammy’s advice while reflecting on every aspect of my life. I think it’s difficult sometimes to see your own growth, personal or professional, until you’ve made it through a season and look back on it and understand that you’re better because of it.”

Cranke embraces “failure as a stepping stone to success.” She understands the importance of learning from mistakes and becoming more resilient, viewing challenges as opportunities for improvement.



“By following this advice, I have learned to be more adaptable and innovative and have a willingness to take calculated risks to advance my personal and professional development.”

Community Involvement

A credit union's youngest employees can be its biggest assets and champions in the communities it serves. Their energy and passion fuels new connections between a credit union and other credit unions, local businesses, community partners, and future members.

Mabry, Johnson, Cranke, and Freeman lean into organizations that make a difference in their communities. They have served or are currently serving as Cornerstone Young Professional Advisors in Cornerstone League's five-state region.

Cranke is a steering committee member for TTCU Young Professionals, holds a council position for her credit union's DEI initiative, TTCUnity, and serves as a committee member for the Tulsa Sister Society. Outside of work, Cranke is an auxiliary member of the Combat Veterans Motorcycle Association.

Mabry served as the YP associate director of the Cornerstone League Board of Directors and on the events committee for the Greater Texarkana Young Professionals.

“Participating in the planning and direction of the League's initiatives has expanded my knowledge and understanding of the democratic process to operate a five-state league,” said Mabry. “It has been a thrill to get to know League staff members and fellow board members and to witness their influence and leadership to drive growth and longevity for the League.”

Johnson is a board advisor to the Fort Worth Chapter of Credit Unions and serves on the Fort Worth Chamber of Commerce Board.

Freeman serves as the PAC and training coordinator for the Sabine Chapter Board of Directors and on the America's Credit Unions Operations and Member Experience Council. She's also involved with the Southeast Texas Young Professionals.

Empowered credit union young professionals can strengthen and propel their credit unions into a thriving future. Credit unions need only invest in their people, from mentorship to ongoing training to engagement opportunities.

The future is now. Are you elevating the next generation of leaders in your credit union? 



Certainty in Uncertain Times



Asset & Investment Management, Millennium Corporate Credit Union

Since 2022, we have witnessed an inverted yield curve where shorter-term bonds yield higher returns than longer-term bonds. History tells us the appearance of a yield-curve inversion typically precedes a recession. Economists' predictions of when the recession would appear are all over the place, along with projections as to when the Federal Open Market Committee will react. There is even talk that this could be one of the very rare times the recession never materializes. The uncertainty will certainly present challenges in determining and staying on course.

This most recent inversion stems primarily from the Federal Reserve's actions in hiking rates, impacting shorter-term yields the most. The Fed increases rates to slow down the economy and to reduce inflation. Inflation peaked at 9.1% for the 12-month period ending 2022 but has since dropped to 3.4% as of the end of December 2023 (*Gross Domestic*).

The Congressional Budget Office states that "interest rates rose in 2023 as the federal funds rate increased to its highest level since 2001. In CBO's projections, that rate begins to decline in the second quarter of calendar year 2024" (*Ready*). The Fed's clear focus remains on combating inflation, implying potential rate cuts in 2024.

Inflation peaked at 9.1% for the 12-month period ending 2022 but has since dropped to 3.4% as of the end of December 2023 (Gross Domestic).

The market is grappling with questions about the quantity and basis points of each cut once the Fed initiates reductions. While the exact timing of these cuts remains uncertain, adopting a laddered investment approach puts your credit union in a strategic position, regardless of the Fed's actions in 2024 and beyond.

The Laddered Investment Approach

A laddering investment strategy is a fixed-income investment strategy that involves spreading out investments across a range of maturity dates so that investments mature at staggered intervals. Depending on the size of the credit union and your loan-to-share ratio, you can build a portfolio of instruments that ideally have maturities at regular intervals throughout the life of the portfolio.

Those who have established ladders have adeptly navigated fluctuations in interest rates with resilience and adaptability.

Despite potentially sacrificing short-term yield initially, the laddered approach offers control over a consistently yielding portfolio throughout its lifespan. Credit unions of varying sizes can implement this strategy based on their loan-to-share ratio. The higher the loan-to-share ratio, the shorter the ladder. Those who have established ladders have adeptly navigated fluctuations in interest rates with resilience and adaptability. A dependable cash flow generated from this strategy enables meeting member needs without resorting to higher-rate borrowing.

We conducted an analysis using the World Interest Rate Probability measure, and our findings indicate that although it may take time to surpass the overnight rate in 2024, by year's end, you will already be in a favorable position. Given the elevated rate environment, this presents an opportunity to build a strong ladder with higher-than-average yields.




The Barbell Strategy

Alternatively, you might consider adopting a barbell strategy. This approach involves investing in higher-yield, short-term instruments while offsetting these positions with longer-term instruments to secure yield throughout your portfolio's duration. By employing the barbell strategy, you can cover both ends of the yield curve and ensure liquidity for your credit union when necessary. While we advocate for a ladder to ensure a consistent cash flow, a barbell strategy provides some of the ladder's benefits while keeping additional liquidity accessible for short-term needs.

Asset and Investment Management

Uncertainty is the one constant currently in the market. Recession? Rate cuts—When and how much? One thing is certain, though: AIM, the Asset and Investment Management service at Millennium Corporate, is an impartial resource that can help you work through this challenging investing environment. Our team of financial analysts has over 65 years of combined experience, specializing in supporting credit unions with their investment needs.

If you require assistance selecting the most suitable strategies for your credit union, understanding investment terms, various types of securities, and yield tailored to your specific balance sheet needs, don't hesitate to contact AIM. AIM also offers ALM analysis and reporting that forecasts potential returns in diverse rate environments with varying strategies, providing insight into what your returns might resemble. 

For assistance structuring your investment ladder, contact an AIM financial analyst at aim@aimcusolutions.org or call 855-552-8474.

“Gross Domestic Product, Fourth Quarter and Year 2023 (Advanced Estimate).” Bureau of Economic Analysis. 15 Jan. 2024.

Ready, Dan. “The Budget and Economic Outlook: 2024 to 2034.” (2024). *Congressional Budget Office*. Feb. 2024.

A barbell strategy provides some of the ladder's benefits while keeping additional liquidity accessible for short-term needs.

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