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COUNTERPUNCHES *for Cyberattacks*

Fraud is getting worse. How can CUs avoid a nightmare scenario?

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LET'S CONNECT

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INSTAGRAM: tawitham

YOUR THOUGHTS

HOW DOES YOUR CREDIT UNION KEEP ALL EMPLOYEES ENGAGED?

>> Email your answer to **theresa@cues.org**.

Does Your CU Have *Hybrid Work Norms?*

I started telecommuting in 2004 when I moved away from Wisconsin and the CUES headquarters. Not long after, CUES fully embraced flexible work, and soon many more employees were working full-time from their homes.

At that time, it was hard to imagine how a credit union could ever make remote work, well, work for them on a large scale. Now, while bosses and employees argue about getting back to the office, it does seem like remote work is still not for every position or every company. But then I had an eye exam, and the doctor was on Zoom!

When I made my annual appointment, the receptionist asked if I would mind coming on the doctor's work-from-home day. Not at all. That sounded interesting! This is how it worked: A technician was in the room and did some of the tests and photos. Then the doctor and I spoke through Zoom, and she controlled the lens machine remotely, flipping between options A and B, etc. It was very easy, very smooth and very fast. Plus, my new glasses are working great. (Even though, sigh, they're progressives.)

Now, this was not a fully remote office, of course. Someone had to be there in person to check me in and set up the machines. But I left thinking, "If an eye doctor can work from home, why not a teller with the right technology?"

When credit unions were forced to embrace remote work during COVID-19, many thought it would be a short-term solution. But three years later, most of you are still embracing flexible work arrangements.

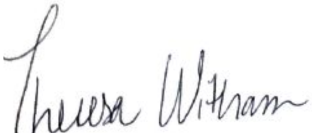
In CUES' latest credit union talent development survey (out this month!), 81% of respondents told us they employ remote workers. This includes fully remote employees and arrangements in which some or all employees work remotely part-time. In the 2022 survey, 87% of credit unions said they employed remote workers; in 2021, 80%. That's quite a contrast from early 2020, right before COVID-19 hit, when only 26% of credit unions reported using remote workers.

That is a big cultural shift in such a short time, and it's perfectly normal to be still navigating the challenges. Now is a good time to ask yourself: Do our hybrid work norms help or hinder our retention efforts? That is the question we ask in an article of the same name on our award-winning website (*cumanagement.com/0823hybrid*).

Workplace "norms provide a framework for employees to understand what is considered acceptable or appropriate behavior in the workplace. They contribute to creating a cohesive and harmonious work environment, promoting consistency, cooperation and productivity. Norms can influence how employees interact with one another, how conflicts are resolved and how tasks are approached," explains Lin Grensing-Pophal, SPHR, a contributing writer and HR consultant.

Hybrid workplace norms could include things like guidelines for communication channels, response times and preferred methods; virtual meeting etiquette; and availability and core working hours. Not establishing norms for hybrid work can lead to higher turnover. According to Gartner, it's 12% more likely that employees will leave if you don't have the right setup.

Read more at *cumanagement.com/0823hybrid* and let me know how your credit union handles hybrid workplace norms.



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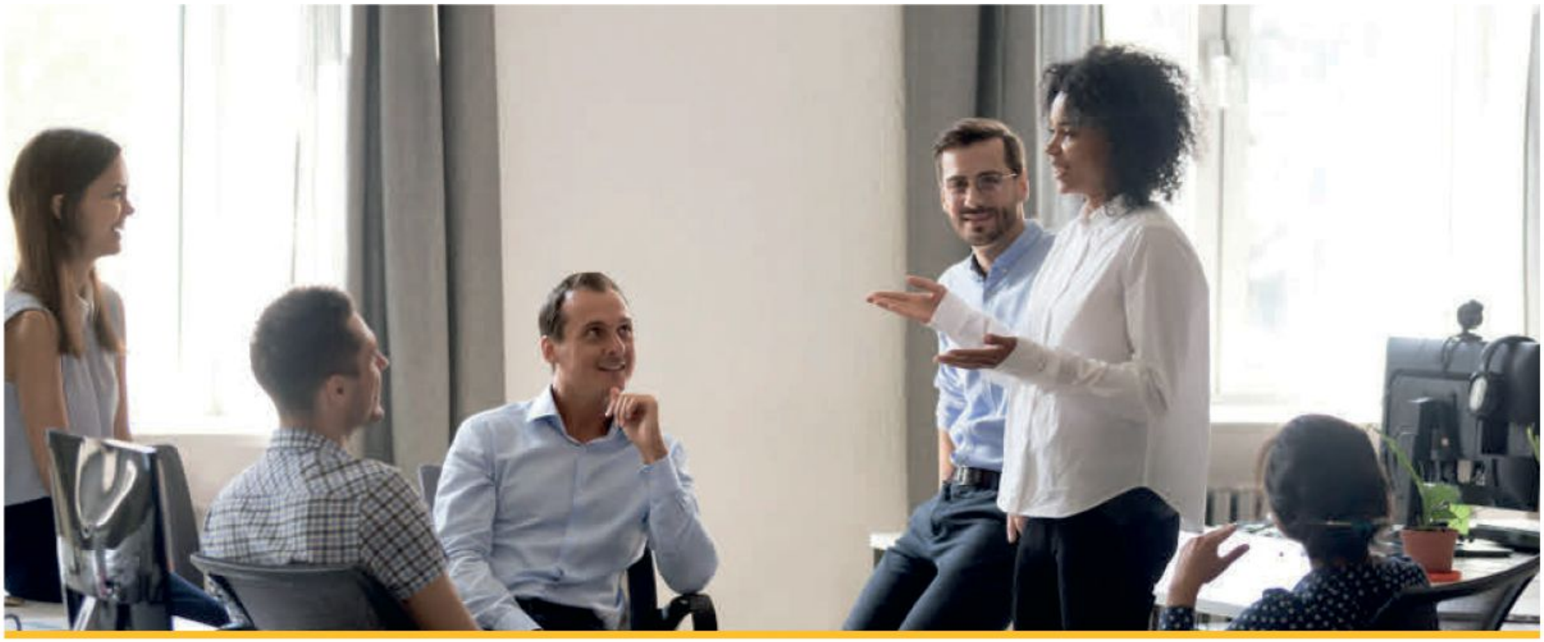

Cuna Mutual Group Executive Benefit Solutions

What's next for your credit union's top talent?

New ebook explores market realities reshaping succession plans

Workforce winds are changing on a dime. That's making it harder than ever to design a plan for the future of every credit union's leadership. To help, we've assembled a new ebook, **6 market realities impacting credit union leadership continuity**.

A collection of new and emerging trends reshaping the succession planning landscape, the ebook is designed to help your credit union imagine new possibilities for leadership continuity.

The content is designed to inspire enhanced strategies for recruiting, rewarding and retaining the people who make the credit union movement special.

DOWNLOAD:

6 market realities impacting credit union leadership continuity

For more information on funding employee and executive benefits, call the Cuna Mutual Group Executive Benefits Team at 800.356.2644 Ext. 665.1035.

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Expanding *Impact*

NEW CEO HEATHER McKISSICK, I-CUDE, AIMS TO BUILD BIG ON CUES' SOLID FOUNDATION.

Take one look at Heather McKissick's career journey, and it's easy to see that all roads led her to this moment.

With experience that includes teaching at the university level, leading organizational development for a nonprofit healthcare system, serving as CEO of Leadership Austin (*leadershipaustin.org*), and most recently as an executive vice president at $4 billion University Federal Credit Union (*ufcu.org*) in Austin, Texas, McKissick has dedicated her professional life to developing leaders and strengthening communities.

Now, in her role as the new CEO of CUES, McKissick is excited to put her skills and experience to work serving members, driving growth, expanding impact and building on the organization's track record as the go-to source for innovative leadership development for credit unions.

When selected for the position, McKissick noted how honored she is to lead an experienced and dedicated professional staff and work with a board of directors that represent enormous collective wisdom in the industry.

"I'm standing on the shoulders of board members, staff members and respected leaders like John Pembroke, whose heart, soul and talent have elevated CUES to be a premier organization," McKissick says.

"My mission is to honor what's come before me, strengthen what everyone already loves about CUES, and develop new strategies that expand our work in leadership development and member service," she adds.

McKissick is looking closely at ways to increase strategic partnerships to enhance member service and member benefits and weave CUES more strongly into the credit union universe through enhanced collaboration.

She also recently earned the prestigious International Credit Union Development Educator (I-CUDE) designation (*doglobalgood.org/icude*). The program is offered in partnership with several international DE programs to credit union leaders who have demonstrated a certain level of international development experience.

That experience has shaped her perspective on what's possible in terms of CUES developing leadership talent worldwide.

"I'm inspired by the exponential difference CUES can make in the lives of credit union members, employees and communities in North America and around the world by empowering and equipping credit union leadership," McKissick says.

As new CEO, McKissick is deeply committed to the long-term success of CUES' programs, such as Directors Conference, CUES Symposium and the CEO Institutes. In addition, she's excited to set the tone and vision for enhanced program, product and consulting options.

"The right leadership will power mission-driven growth and sustainability in credit unions across the globe. CUES is uniquely suited to develop those leaders," says McKissick. "That's what makes the future of CUES so exciting."

MORE FROM McKISSICK

Addressing Talent Challenges Requires a Holistic and Innovative Approach (*cumanagement.com/0823holistic*)

The House That Credit Unions Built (*cumanagement.com/video050321*)

Meet *McKissick*

- **Family:** Husband of 27 years Innes Mitchell; two kids, a daughter in college and a son in high school
- **Hometown:** Dallas
- **Current town:** Austin, Texas
- **Favorite fandom:** Star Trek
- **Favorite food:** Super spicy, especially Indian
- **Favorite musicians:** Prince and the Police (She has guitar picks she caught at these concerts!)
- **Hidden superpower:** '80s pop culture trivia

Cornerstone
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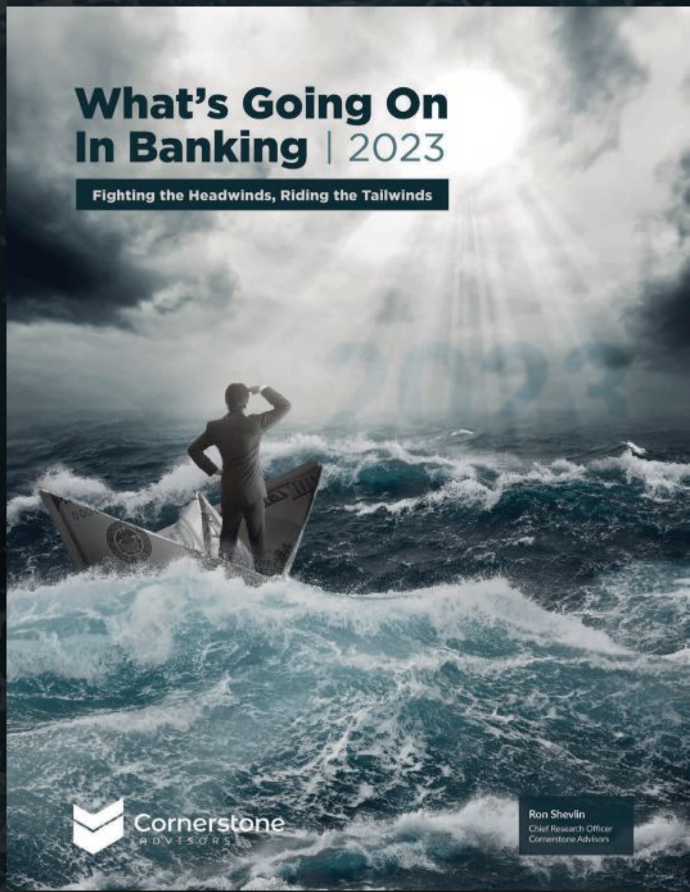
Explore the latest banking and fintech trends across 300 community banks and credit unions surveyed by Cornerstone Advisors.

Key Findings in the Report

- The interest rate environment was the most frequently cited top concern for banks and credit unions in 2023.
- The percentage of executives concerned about cost of funds jumped to more than 43% for 2023, from just 8% last year.
- Banks' concerns over small business deposits soared to 72% from 41% in 2022. For credit unions, retail deposits topped the list, skyrocketing from 18% in 2022 to 70% in 2023.



To download the What's Going On In Banking 2023 report, please scan the QR code or visit the link below.

WWW.CRNRSTONE.COM/WGOB2023

Counterpunches *for Cyberattacks*

FRAUD IS GETTING WORSE. HOW CAN CUs FIGHT BACK AGAINST A NIGHTMARE SCENARIO?

BY RICHARD H. GAMBLE

The stand-off between credit unions and fraudsters is no longer a stand-off. The fraudsters are winning. "Fraud is growing rapidly," reports Al Pascual, senior principal and enterprise solutions lead at credit reporting agency TransUnion (*transunion.com*), Chicago. "The situation is unstable. Financial institutions are always on their back foot, reacting to the new threats that keep coming."

Those threats are growing. Card fraud in the U.S. was up 35% in 2022, reports Nicole Reyes, director of fraud prevention at CUES Supplier member Co-op Solutions (*coop.org*), Rancho Cucamonga, California.

"There's been a real shift to digitization in the landscape post-pandemic," Reyes notes. "We're moving to digital payment operations, and so are the fraudsters. They're usually a step ahead of everyone, so the industry is often playing catch-up."

There are plenty of horror stories in the person-to-person payments world, for example, where fraud losses run five to eight times higher than credit card losses, according to FrankonFraud (*tinyurl.com/fonf-p2pfraud*).

"Fraudsters love P2P," Pascual notes. When conning victims, "they once used gift cards to monetize their scam, but merchants got wise, so now they're using P2P payments."

Adding fuel to the fraud, cyberattacks occur every 39 seconds, reports Robyn Marsi, former director of risk services and technology at CUES Supplier member Lynx Technology Partners (*lynx.com*), New York. Humans are usually the weak link. And according to a study by Black Kite (*blackkite.com*), she notes, 86% of CUs have at least one employee with credentials for sale on the dark web. (*Editor's note: Marsi left her role at Lynx Technology Partners after this interview was conducted.*)

But such statistics are unreliable because so much fraud goes unreported. FIs are very sensitive about their reputations. "It's definitely an iceberg situation," Marsi says. "The problem almost certainly is larger than we know."

That may be about to change. Starting in September, the National Credit Union Administration will require all CUs to report fraud loss incidents within 72 hours (*tinyurl.com/ncua-fraudrpt*).

WHY CUs ARE LOSING

Why are credit unions and banks losing the fraud battle?

• **Technology, especially generative AI, has handed fraudsters powerful new tools**. Artificial intelligence has transformed phishing attempts, for example, from crude to sophisticated, notes Karen Postma, managing VP/risk analytics and fraud services at CUESolutions provider PSCU (*pscu.com*), St. Petersburg, Florida. "They can be a lot more personalized and credible." Trusted voices can be used during phone scams, for instance.

• **Consumer demand for convenience is shifting payments to less secure networks**. P2P fraud is up because FIs lack visibility into both parties, notes Kimberly Sutherland, VP/fraud and identity strategy at LexisNexis Risk Solutions (*risk.lexisnexis.com*). Consumers love P2P because it's quick and cheap, but fraudsters see it as an easy way to sweep up a lot of small-dollar transactions.

• **Consumer protection regulation is shifting liability from consumers to financial institutions.** Regulations like CC—the Expedited Funds Availability Act and Check 21 (*tinyurl.com/ncua-regcc*)—are increasing risk on the receiving end, Pascual points out. Traditionally, CUs worried about fraudsters taking money out of their members' accounts. Incoming deposits were mostly not a potential liability and thus not a priority. Reg CC, since 2019, has put more fraud-prevention responsibility and liability on the receiving FI.

• **Ransomware attacks are real and underreported.** They are growing with generative AI, says Patti Reid, VP/fraud product strategy at CUES Supplier member Fiserv (*fiserv.com*), Brookfield, Wisconsin. "It's scary and hard to gauge because many of the attacks are not reported." But regardless of the lack of reporting, she knows of CUs that have been hit with ransomware attacks.

One of credit unions' most important fraud-fighting tools has been time—time between when the fraud was initiated and when the fraudster got the money and was gone. Now time is running out.

As more real-time or near-real-time payment networks gain share, fraud risk goes up—a lot, Reyes says. "The faster the money moves, the harder it is to stop fraud."

That's particularly bad news for financial institutions, Pascual explains, because courts and regulators are stepping up efforts to force FIs to make consumers whole. "Educating members is not nearly enough now," he notes. "The owners of Zelle (*zellepay.com*) see what's coming (*tinyurl.com/zellefraudvscams*)," he says.

"We haven't seen anything like this in quite a while," Pascual reports. Smaller CUs might want to be prepared for the risks before deciding to offer Zelle or Venmo, he suggests.

P2P networks are a weak link, Marsi agrees. "I would never join one," she adds.

Nevertheless, P2P payments have become so popular that CUs have to accommodate members, Postma says. P2P fraud is growing, but FIs have otherwise had brakes to tap—time delays as the payments clear over debit and credit card rails.

> **"Fraudsters love P2P. … They once used gift cards to monetize their scam, but merchants got wise, so now they're using P2P payments."**
>
> – Al Pascual

Those brakes came off this summer with the introduction of FedNow, which put P2P payments on real-time rails and giving financial institutions virtually no time to detect and block fraudulent transactions, she reports.

"It will be instant, and it will be new, with no history, no knowledge base of fraud activity," she points out. And the transaction limits will be higher. The FedNow Service (*frbservices.org*), launched in July, could carry transactions up to $100,000.

So, what playbook will CUs use to connect to FedNow? "I think a lot will start by electing to receive only, not send and receive," Postma predicts. "Credit unions will start with receiving, which carries less risk, before opening the floodgates. That way CUs can watch, see what to expect and learn before they take the plunge."

WHEN FRAUD IS A BUSINESS

That sounds relatively easy. What's hard is that credit unions are welterweights fighting a determined heavyweight adversary that thinks like a businessman instead of a criminal. "Cybercrime is a sophisticated business," Marsi explains. "The criminals are rational and very ROI-driven.

"They'll spend money to make money. They don't give up easily. They'll attack where their success rate is low if just a few big scores will make it profitable."

Fraudsters now are sophisticated and interconnected, Sutherland agrees, and once a vulnerability is found, word spreads quickly and attacks mount, sometimes within hours. That creates waves that may target certain geographies, certain industries or particular financial institutions.

What has happened to brute force attacks is revealing. They have become intelligent, Postma explains. Ten years ago, they would come in as massive waves that were fairly easy to detect and head off with thresholds and triggers, she explains. Now fraudsters can employ differentiating data like card issuance and expiration dates to craft attacks that come in as ripples that are hard to detect and prevent, she illustrates.

By combining human and artificial intelligence, fraudsters are also finding leaks in financial institutions' authentication programs. As FIs step up authentication with one-time passcodes, fraudsters have learned that they can trick consumers with fake authentication messages, intercept passcodes or hack into the online exchange of messages to get access to accounts, Reyes explains.

Generative AI is having a huge impact on member authentication as well, Reid notes. Fraudsters now are using it to clone biometric data and pass authentication tests, she reports. "It has surged in the

past six months. We're seeing deepfake attacks that use voices and images as well as text. The avatars are becoming real."

Generative AI like ChatGPT (*openai.com/chatgpt*) can make phishing very convincing. ChatGPT can now help fraudsters create individualized messages that look just like legitimate messages a credit union might use, she adds. Fraudsters are leveraging AI and bots quicker than credit unions are, and that gives them one big phishing license.

When members get a phone call from their credit unions about an account and the voice sounds familiar thanks to generative AI tools, their impulse is to cooperate, Reid says. "We see it every day. It's a natural reaction."

Or there's the old "Grandma, I'm in trouble and need money" scam, which used to work once in a while. Now the phone caller can know the grandson's name and circumstances and actually replicate his voice.

That sounds like a lot of work to con one grandma out of $1,000, but it really isn't, Postma says. "Our voices are in a lot of databases due to voice biometrics. They're on the dark web. It's not hard to link data to include voice. Then tying it to family members is not a huge leap."

Account takeovers using synthetic ID are a major headache for financial institutions, Marsi reports. For example, fraudsters can collect enough legitimate information to populate a credit card application. They succeed often.

Criminal access to a mobile banking app, Marsi points out, can allow the fraudster to change a phone number, ask for a travel exception or change a debit PIN. "None of those activities will look suspicious in itself," she says, but if there's a combination, look out.

A DARKER DARK WEB

The dark web is loaded with personal, confidential information, Marsi says. Credit unions have started hiring firms to search the dark web to find what confidential data there applies to their CU and members. Finding out what data has been compromised has some value, but it's hard to trace where the data came from.

The exercise could be futile. "The dark web is so deep," notes David Glaneman, Lynx manager of risk services, "that you probably won't find what you're looking for."

All of this increasingly intelligent fraud is spurring account takeovers, which now don't stop with the takeover of one account but could include all of a member's accounts.

A card compromise, for example, could lead to a home equity line of credit takeover, Marsi notes. The HELOC could have a zero balance, but the fraudster could tap it and drain away the funds. Or they could intercept a mortgage closing wire, she illustrates. "Those things are happening a lot," she observes.

Ransomware attacks are a huge threat but one that many small organizations think they will avoid by flying under the radar. Unfortunately, easy access to technology for fraudsters means ransomware is a threat for every organization, Marsi insists, and small CUs are wrong to think that size makes them immune.

Furthermore, many credit unions that do protect against ransomware attacks are less prepared than they think. "We do ransomware tabletop exercises," Marsi reports, "and their defenses fall apart in a real test."

There are rumors that some financial institutions keep cryptocurrency accounts so they can pay ransoms quickly if attacked. Glaneman hasn't see that in his practice. "They never mention it," he says of his clients. Besides, crypto holdings would be one of the first assets hackers would be likely to grab, he warns.

Increased regulation isn't necessarily helping, since financial institutions have to comply but the criminals do not. The Consumer Financial Protection Bureau (*consumerfinance.gov*) is preparing to shift liability for fraud losses from consumers to financial institutions—even when the victims are negligent or complicit. Fraudsters know that as consumers learn they are less liable, they likely will be less diligent, Reyes suggests.

COUNTERPUNCHES

That's the bad news. But credit unions are resilient, highly intelligent and equipped with sophisticated prevention strategies. So what's happening with the counterpunches?

Credit unions are fighting back with training and testing—and consequences, Marsi says. Fraud preventers are being held to a higher level of accountability. "Some credit unions are testing

"We're seeing deepfake attacks that use voices and images as well as text. The avatars are becoming real."

– Patti Reid

MORE ON FRAUD

How to Avoid Identity Fraud Nightmares (*cumanagement.com/0823nightmares*)

Helping Older Members Avoid Fraud (*cumanagement.com/0723elderfraud*)

Tech Time: How to Enhance Fraud Mitigation While Ensuring a Seamless Member Experience (*cumanagement.com/0623techtime*)

Investment and Imposter Scams: What They Are and What to Do About Them (*cumanagement.com/051523blog*)

Podcast: Fraud Prevention Is a Member Service (*cumanagement.com/podcast115*)

Members-Only Video: Internal and External Fraud (*cumanagement.com/video072023*)

First Line of Defense™ (*cues.org/firstline*)

employees with robust phishing mock attacks, and those who fail face discipline and punishment, up to being discharged," she reports. Several FI executives have been fired after ransomware attacks, she notes, and it's becoming more common to deny bonuses due to lax security practices.

"No credit union can be 100% secure," Marsi concludes, "but if a CU is not up to speed, responsible parties will discover job insecurity."

Such behavioral biometrics as keystroke dynamics still work, Sutherland notes. The big shift to mobile banking has put a premium on data around device-centric behavior.

Among fraud-prevention weapons, financial institutions now rank behavioral biometrics second only to risk engines and ahead of third-party identity verification, credit bureau scoring, device ownership and history verification, she reports.

Behavioral biometrics involve looking at how a person interacts with his or her device—when and where they use it, how they hold it, speed of entry, number and type of keying errors, etc. Users have a pretty reliable "fingerprint," Sutherland says. And, of course, behavioral biometrics test for whether it's a human or a bot interacting with an app, she adds.

One notable behavior: When a member applies for a mortgage, Sutherland explains, he or she is typically inexperienced and navigates the different fields slowly, sometimes pausing and coming back. A fraudster is experienced, efficient and likely to zip through the process quickly.

Stopping fraud, of course, requires layered security. "It has to be multifactor," Marsi insists, as no single factor—thumb prints, iris scans, voice identification—is reliable on its own.

"You need knowledge-based authentication on top of biometrics on top of behavior identification, and you need it across all accounts." Unusual behavior on a debit card needs to put all accounts on alert, and that has to happen quickly, she explains.

"Connected intel across all channels is critical, especially when facing generative AI," Reid adds. It's member surveillance, seeing every one thing a member does, seeing every two things, then three things, and evaluating the connection and identifying anything suspicious, she explains, and doing it in almost real time through a fraud detection system.

Little things also count, like capturing license plate images at drive-up lanes. Whenever a fraudulent transaction is connected to a particular license plate, that plate is entered into a data base and other branches can be on the lookout for it, Pascual explains. Such information could be shared with collaborating financial institutions, especially those in the same area.

High-tech detection is transforming fraud prevention, but physical, in-person detection still matters. LexisNexis Risk Solutions helped block one large fraudulent mortgage settlement transaction for hundreds of thousands of dollars, Sutherland recounts.

It occurred when the fraudster finally had to walk into a bank branch and present physical identification. He used a fraudulent driver's license, and a branch employee using the company's TrueID authentication solution detected the fraud, called police, and the perp was arrested.

COUNTERATTACKS

Fraudsters have embraced AI—but now maybe financial institutions are preparing to strike back. There are rumors that leading FIs, law enforcement and fraud-prevention vendors are experimenting with "shift-left" strategies to head off fraud attacks, Pascual explains. This means they're "evolving from a more reactive to proactive stance by looking for indicators of suspicious activity or fraud before an adverse event can or does occur."

Criminals in the digital world are building networks, planting malware, lining up resources and planning attacks, Pascual continues. It's not easy or cheap, but there are ways to anticipate attacks before they occur. The criminals are dissecting their targets. There are efforts now by major players (the good guys) to dissect their dissecting and get ahead of the fraud instead of being reactive, he reports.

"The good guys could use intel to find out who will be targeted. They could see what information has been compromised. They could detect criminal probing. When the first attempt is made on a particular target, they might know immediately whether it's a good or a bad actor."

Richard H. Gamble *writes from Grand Junction, Colorado.*

Jill Ruggles

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Look Inward, *Serve Outward*

EMBRACE THE CREDIT UNION PHILOSOPHY WHILE MAKING A POSITIVE SOCIETAL IMPACT.

BY FELICIA HUDSON HANNAFAN

Many people wonder if the U.S. Supreme Court's June 29 decision to strike down affirmative action in college admissions will ultimately impact corporate diversity, equity and inclusion initiatives, including credit union DEI initiatives. But for the moment, many CUs have kept DEI as a focus and are continuing to roll out new efforts.

STARTING WITH AN INWARD FOCUS

Sheila Milton, VP/diversity, equity and inclusion at $5 billion UW Credit Union (*uwcu.org*), Madison, Wisconsin, says the CU started its DEI journey in 2015 by focusing "more inward, building on our cultural competency and understanding of DEI and really focusing on changing our minds so that we could think and do things differently.

"This awareness-building and commitment started at the top," she says. "We believe that DEI is a journey without a finish line."

UWCU has empowered its employees to start employee resource groups to support and celebrate various areas of diversity. According to the CU's website, it has six ERGs: Black Excellence, Green Team, Helping Young Professionals Engage, Raices Latinx, Sexuality and Gender Alliance, and the Women's Initiative Network.

"About half of our employees are involved in at least one employee resource group," Milton details. "It (having ERGs) has helped to create an inclusive environment where people belong."

The fact that UWCU had previously identified DEI as one of its embedded values has been helpful.

"We use those (values) to hire people and as part of our performance review process," Milton says, noting that the CU's hiring plan includes steps to ensure diverse new hires can thrive. This includes having performance reviews and looking to ensure there are opportunities for upward mobility.

"We're ... tracking talent mobility of our employees of color and our white employees with a goal over time to have no gap in the career development rates between the two groups," Milton says. "We're working to make sure our hiring and promotion practices are equitable."

Milton says the use of bias interrupters, or tweaks to basic business systems that prevent implicit bias,

"I believe the most impactful thing we can do is play our part in breaking generational poverty or, as our foundation likes to say, creating generational wealth."

– Jared Freeman

assists UWCU staff members in checking their own biases during the recruiting process.

As an example of such a bias interrupter, she cites the CU's intentional hiring process and use of data. "We have diverse hiring panels," she says. "Then we use data to see who's applying, getting hired and getting promoted."

LEARNING AND CELEBRATING

CUES member Lindsay Taplin, AVP/DEI at $1.1 billion Seattle Credit Union (*seattlecu.com*), Seattle, says her organization's commitment to DEI is so deep-rooted, unwavering and foundational to its purpose that it established a dedicated team to build and execute a comprehensive DEI strategy. The CU also has created an internal DEI advisory board.

"Comprised of employees elected by their colleagues and compensated for their service, the advisory board ... [provides] guidance [to the leadership team and their own departments] on incorporating diverse perspectives, addressing community needs, and shaping our products and services," Taplin says. "By providing dedicated resources and empowering employees to actively contribute, we ensure that DEI remains a priority and drives our organizational culture."

Taplin adds that Seattle CU fosters an inclusive workplace culture by celebrating differences as often as possible.

"We ... recognize certain dates through ... Café Prosper, a virtual (for now) coffeehouse space [on Microsoft Teams] for open dialogue, education and sharing of experiences. It encourages employees to come together [quarterly] and exchange perspectives in a supportive environment that fosters learning, empathy and collaboration among colleagues from different backgrounds. Attendance varies, but we usually see between 50 to 100 employees."

The CU also has five employee resource groups: AAPI ERG, Black Banking Network, Latinx ERG, Pride ERG and Womxns Allyship. These groups provide a supportive space for members to connect, collaborate, advocate for their group and share understanding through allies and often partner with the DEI advisory board.

Additionally, the CU has implemented a core curriculum of required DEI training for all employees. This includes a new workshop topic every six months. The topics covered in the first year were unconscious bias and understanding race in the workplace. Next up is sexual orientation, gender identity and expression.

"We [also] invite guest speakers, experts and thought leaders to share their insights and expertise on DEI-related topics," Taplin says. For example, "we had a speaker the Friday before Martin Luther King Jr. Day for a session titled, 'Keeping the Dream Alive,' to discuss ways we can proactively support the work of Dr. King. We had a professor from the University of Washington join us in June for a session titled 'I'm Coming Out: LGBTQ Community, Policies & Wealth' ... about the history of Pride celebrations, the laws and policies around sexual identity, and how legal and financial institutions affect finances for LGBTQ people."

To assess its progress and identify areas for improvement, the CU uses an annual DEI employee engagement survey and employee listening sessions, Taplin says.

The survey assesses employees' perceptions and experiences about DEI at the CU and provides quantitative metrics that help measure progress over time, while the employee listening sessions provide a forum in which employees can share their thoughts, experiences and suggestions through open and candid discussions.

"We started in 2020, so this was our fourth year," Taplin explains. "We use a third party to deliver the survey anonymously. The listening sessions are conducted over MS Teams, ... and participants are randomly selected. This year we did three sessions with about 10 employees in each session.

"We gain qualitative insights that complement the survey data, which helps us obtain a holistic view of our progress and areas for improvement," she continues. "This data-driven approach allows us to identify trends, patterns and specific areas where we can enhance DEI efforts. An example of this is low survey scores around access to DEI training opportunities. Because of those scores, we implemented our biannual DEI workshops and Café Prosper events. The year after executing these, we saw survey scores jump 60% on that survey question."

FIRST WHITE MALE CEO!

CUES member Jared Freeman, CCE, president/CEO at $625 million OnPath Federal Credit Union (*beonpath.org*), Metairie, Louisiana, says DEI has always been in the fabric of the culture of the CU.

"We're a minority depository institution, which means over half of our membership and over half of our board are made up of minorities," he says. "That's just who we are. And my board has been very intentional for many years about making sure that our board reflects our membership."

Notably, Freeman points out that he is the first white male to lead the CU. "My board and I strongly believe that DEI is not a buzzword," he says. "It's the core of what I believe credit unions have been about since their existence.

"Many people don't know this," he continues, "but greater New Orleans is the largest Honduran area outside of Honduras. We have a huge, growing Spanish-speaking population. We've worked hard to make sure that we're able to serve them. The city proper, New Orleans, has been a cultural melting pot forever."

Inclusion is so ingrained in OnPath FCU that education for the board and the staff became a priority. Freeman says the education journey began about two years ago with the board bringing in a legal team to do a bias assessment for staff and baseline training on DEI and the issues surrounding it.

Freeman says the assessment didn't identify much bias about age, race, gender or sexual orientation, perhaps at least in part because 88% of OnPath FCU's staff members are minorities. However, the bias was heavy toward areas of operation and perceived status.

"I found this so interesting," he says. "It was back office versus front office or branches in different geographical areas."

The assessment was the impetus for Freeman and other executives at OnPath FCU to form a DEI council of approximately eight to nine employees selected by their peers. By design, there are no executives on the council, but it does have an executive sponsor as a resource.

"A lot that came out of that study is what the council has been focused on, really trying to improve engagement amongst groups," Freeman says. "It's helped our employee engagement overall," including greater understanding and clarity about back-office and front-office roles.

"People realize that the back-office folks aren't just eating potato chips with their feet kicked up," he says. "And front-office people are in the trenches with our members daily … that's really hard."

Freeman celebrates that the CU's DEI council was staff- rather than executive-driven.

"I only attended a meeting once or twice when they invited me to make it a safe space for them to articulate all their opinions unencumbered. They formed a charter, a mission and a road map, then presented to our board in January of this year what they had learned, their charter and their strategic road map for the next three years. It was good for our board and them to have that exposure."

Freeman says the DEI council has created a newsletter, hosted birthday celebrations for residents at Pontchartrain Health Care Center and held a fundraiser that enabled donating more than 60 rain ponchos to the homeless. The council also held a bowling/music hall mixer to promote team engagement.

Freeman and all key executives have earned certificates from the Diversity, Equity and Inclusion Cornell Certificate Program in partnership with CUES.

"Last year, … we concluded that partnering with Cornell through CUES was the most promising option for us" because it offered a credit union-specific certificate, Freeman says.

FINANCIAL INCLUSION FOR THE COMMUNITY

Looking at financial services through a DEI lens is crucial for ensuring equitable access for historically marginalized groups and underserved communities.

"Financial literacy is crucial to creating informed and empowered residents," Milton says. "We regularly host free community seminars tackling anything from budgeting to becoming a homeowner. And we really focus those efforts on underserved populations."

She adds that UWCU offers members and nonmembers complimentary, confidential, no-obligation credit consultation.

Taplin says Seattle CU has implemented community advisory councils composed of credit union representatives, community leaders and advocates, to foster meaningful dialogue, understand community needs and provide accessible financial services.

"These councils serve as a platform for open and collaborative discussions between Seattle Credit Union and community representatives," she explains. "By actively soliciting input and involving stakeholders in the decision-making process, we ensure that our products and services are tailored to meet the needs of the communities we serve. This feedback-driven approach allows us to continuously improve and refine our offerings, ensuring equitable access for everyone." Some product examples are the CU's individual taxpayer identification number products, citizenship loans, interest-free products and credit-building products."

The CU also participates in community events.

"By being present and engaged in these spaces, we can directly interact with community members, listen to their concerns and address their financial needs," she says. "We collaborate with local organizations and nonprofits to provide financial education and resources to underserved populations, equipping them with the knowledge and tools to make informed financial decisions."

Freeman says that as a low-income designated credit union, a community development financial institution and an MDI, OnPath FCU was able to partner with Inclusiv (*inclusiv.org*), an organization that helps low- and moderate-income people and communities achieve financial independence through CUs, to offer ITIN-based lending.

"We've been in it and lending for a couple of months, and it's been great," he says. "The partnership with Inclusiv solidified that because Inclusiv will act as an investor."

Freeman is currently highly focused on OnPath FCU's strategic goals for the newly rebranded OnPath Foundation (*tinyurl.com/*

Steadfast Under *Some Pressure*

The Supreme Court's June 29 decision to strike down affirmative action in college admissions is just one example of how diversity, equity and inclusion has become political.

"It will be important for credit unions and their leadership to remain steadfast, knowing this is the right thing to do," says Angela Russell, chief diversity officer at CUESolutions provider TruStage (*trustage.com*, formerly CUNA Mutual Group), Madison, Wisconsin, and host of the Black Oxygen podcast (*madison365.com/blackoxygen*). "Working on DEI isn't political and should not be inherently political. It's about creating better and brighter financial futures for people left out of the financial services system. That will be really important if we can remain steady despite the political noise."

Fortunately, Russell says, credit unions don't have to do DEI on their own.

"It depends on what's happening in their local community, but the No. 1 thing is to develop allyships, so they don't feel alone," she advises.

"We believe that DEI is a journey without a finish line."

– Sheila Milton

onpathfoundation), which focuses on education, homeownership and entrepreneurship.

"I'm very passionate about this," he says. "I believe the most impactful thing we can do is play our part in breaking generational poverty or, as our foundation likes to say, 'creating generational wealth.'"

Another way the CU pursues this aim is by supporting education of various kinds.

"We've already launched our educational scholarships," Freeman says. "It was really important for us that it wasn't just traditional four-year schools, but also trade schools, community colleges or vocational schools."

ENGAGING MEMBERS, COMMUNITY

Community engagement is also at the core of UWCU. In 2021, it created the UW Credit Union Fund for Racial Equity (*tinyurl.com/uwfund*) with United Way (*unitedwaydanecounty.org*). The CU invested more than $1.5 million in organizations that remove barriers for people of color by creating financial stability and closing the education achievement gap in Milwaukee and Madison, Wisconsin.

Although launching the entrepreneurship initiative is one of OnPath FCU's three goals to build financial literacy, Freeman says it goes hand-in-hand with community outreach.

"I believe that venturing into entrepreneurship will be incredibly exciting for us," he notes. "It perfectly aligns with our credit union's strategic goals to support small businesses through initiatives such as providing grants and organizing competitions that promote and nurture entrepreneurial endeavors."

Freeman anticipates OnPath FCU supporting small businesses with digital marketing and communications through its advertising agency and credit union service organization, 3131 Media (*3131media.com*).

"There are small businesses that remain unaware of the numerous growth opportunities available to them," he says. "We are privileged to have exceptional talent, and we are committed to giving back by assisting them in developing strategies related to customer acquisition, branding, digital strategy and media. I am excited about the prospect of empowering these businesses and contributing to their success."

Formerly a member of the CUES marketing staff, **Felicia Hudson Hannafan** *is a writer based in Chicago.*

MORE ON DEI

CUES DEI Resource Center (*cues.org/dei*)

CU Management magazine's DEI collection (*cumanagement.com/diversity-equity-and-inclusion*)

John Pembroke Catalyst for Change Award (*cues.org/catalystaward*)

Aligning DEI Strategy *With Business Goals*

Laura Sehres, VP/diversity, equity and inclusion at CUESolutions provider PSCU (*pscu.com*), St. Petersburg, Florida, says that DEI strategies should be aligned with business goals—and can promote better business outcomes.

"DEI is closely tied to both the employee and member experience," she says. "As more credit unions optimize their organizational cultures for psychological safety and conscious inclusion, they are fostering workplace environments where employees feel a sense of trust and satisfaction, which in turn contributes to positive member experiences and loyalty.

"Ensuring all employees feel valued and included can also enhance innovation and the retention and mobility of diverse talent," she continues. "By integrating DEI principles across operations, credit unions build employee and member experiences that drive better business outcomes."

Sehres adds that measuring and assessing progress will also be critical to creating successful DEI strategies.

"To inform specific DEI strategies, credit unions are actively seeking ways to measure the success of their current initiatives and hold themselves accountable," she says. "It is increasingly common for credit unions to evaluate relevant employee experience survey data, assess the diversity of the leadership bench and analyze the mobility of diverse talent, including hiring, promotion and attrition. Credit unions are leveraging these types of analyses to understand progress and identify key areas for growth."

Up Close and *Personalized*

PERSONAL FINANCE MANAGEMENT DASHBOARDS HAVE COME A LONG WAY. CUs SHOULD KNOW WHERE THEY'RE HEADED TO BEST SERVE MEMBERS.

BY CELIA SHATZMAN

When Mint hit the scene in 2006, it changed the personal finance world completely. For the first time, people could see *all* of their finances in one place, from the balance in every checking and savings account to their mortgage, car payments, student loans and credit cards. The OG personal finance dashboard completely revolutionized the budgeting space for consumers.

"Mint made a splash because they were the first fintech at scale to create a savings and budgeting experience that took client engagement away from the financial institution," says Jamie DelMedico, VP/consumer bill pay at CUES Supplier member Fiserv (*fiserv.com*), Brookfield, Wisconsin. "Mint's primary value proposition was creating a 360-degree view of assets and liabilities through financial data aggregation."

While it may seem like Mint created the concept of personal finance dashboards, internet banking executive Brian Abele, former general manager for CUES Supplier member iuvity (*iuvity.com*), Miami, points out that there were actually more primitive solutions available in the '90s. (*Editor's note: Abele left his role at iuvity after this interview was conducted.*)

"There were desktop applications that were loaded locally, like Microsoft Money and Intuit Quicken, which were the first step of being able to provide tools that allowed consumers to be able to better manage their finances, transfer money between their accounts, pay bills and conduct management of their funds," Abele says. Intuit purchased Mint in 2009 and sold Quicken in 2016.

"Things really started to change when the onset of digital banking kicked up on the internet," he adds. "A lot were early-stage ones that were more concerned about replicating exactly the way those initial applications functioned."

But the idea of digital, online solutions designed around personal finance management, or PFM, sparked the next evolution of dashboards. "The folks at Mint did a phenomenal job of creating engagement with direct-to-consumer models that were very foreign to the way in which banks and credit unions typically had been operating," Abele says.

"Mint made a splash because they were the first fintech at scale to create a savings and budgeting experience that took client engagement away from the financial institution."

– Jamie DelMedico

For example, Mint would provide information about upcoming transactions with proactive messages sent out ahead of time. "It was revelatory in the sense that it became less of a static one-way method of managing funds," Abele says. "It became more of a two-way [street] through these personal financial management tools."

DATA DECODER

Now, everything is centered around data. "Personal financial dashboards are not effective if they don't have the right type of data," Abele says.

The dashboard data paradigm has evolved from simple aggregation across different financial institutions to an expansion of that data itself, spanning far beyond bank accounts or credit cards to investments, different types of loans and even cryptocurrency. In addition to improving the aggregation, analysis is provided on that data to give financial health insights to consumers, which has been a huge step.

For instance, initially, a list of transactions were displayed on PFM sites, and it was often up to the user to manually classify each one as a bill from going out to dinner or a mortgage check. Now all of that categorization takes place automatically based on data from merchants or through AI or machine-learning tools.

The improvement and accuracy of categorization over time "has been incredible," Abele says. "It creates a freedom for the consumer to focus more on those deeper insights. ... Now those categories kick in, and you can begin to establish patterns of spending, so that the next level of data insights can be garnered around what to do with the categories of transactions that you have initiated."

That makes it much easier to see if you're spending too much money on takeout or if your 401(k) isn't growing. Many personal finance dashboard tools can perform that type of analysis and provide insight for users by garnering information, allowing users to set goals or limits, and identifying trends that can be put forward to the consumer to help inform decisions.

"It's making it easier for the consumer to manage their finances because the heavy work is being done by the finance tools," Abele says.

LOOK OUT FOR NICHES

Personal finance dashboards are also increasingly designed to serve niche groups of consumers.

Take the gig economy, for example. Niche fintechs are meeting those gig workers where they are with tailored PFM tools.

"More and more, the younger generations are working in the gig economy, and they have a range of unique challenges in managing their finances," DelMedico says. "PFM providers are creating experiences to help gig workers have a holistic view of their income and manage their cash flow.

"As an example, they are aggregating data from time and attendance systems and payroll providers at an employer or through direct integrations with the Uber Eats and Lyfts of the world, where the worker can see shifts worked, rides completed, meals delivered, etc."

DelMedico notes that many people drive for both Uber and Lyft, for example—plus they might have other gigs too, so they have multiple income sources to manage. "These apps aggregate all of that for them and provide visibility to upcoming gig income versus planned or predicted expenses," he explains.

"The PFM provider can see bills being paid ... and apply analytics to identify potential cash flow shortfalls and help that user bridge the gap," he adds. "This gives the PFM provider the ability to drive unique revenue streams. A gig worker might not get paid for two weeks, so they might have a short-term cash flow shortfall and the PFM provider can offer early access to wages for a set fee or at a favorable interest rate."

While these new, niche dashboards bring plenty of advantages to the consumer, they're not necessarily advantageous to credit unions. "The more apps that come out and that people use, it takes the mindshare away and ultimately detracts from credit unions," DelMedico says. "A lot of these apps are also enabling payments as well. If your credit union is where you have your savings account, but all the data ultimately flows into a third-party app, you have less and less reason to engage with that credit union. As consumers engage less with a credit union, that credit union has fewer opportunities to cross-sell."

DEEP IMPACT

The evolution of personal finance dashboards has impacted credit unions in a number of ways.

"In the past, CUs were forced into what their digital banking provider provided off the shelf for them; they were oftentimes stuck with a single way of being able to do personal financial management," Abele says. "Today, when credit unions have the right type of digital platform in place, the concept of open banking kicks in, and the ability to leverage fintechs, like a Monarch (*monarchmoney.com*) or a Simplifi (*quicken.com/simplifi*), and incorporate that into the experience becomes all the more powerful."

Credit unions have always been known for focusing on the member experience, and one way to achieve this is to find the best personal finance tools to deliver valuable insights to their members. "APIs (application programming interfaces) are a much more strategic part of how the aggregation takes place with personal financial tools," Abele says. "When credit unions offer some of these newer platforms to their members, they're getting more accurate and secure data that is not being scraped from third parties."

> **“Personal financial dashboards are not effective if they don’t have the right type of data.”**
>
> – Brian Abele

Though they may not be table stakes yet for financial institutions, more credit unions are beginning to offer these types of dashboards within their digital banking offerings.

“When you take a step back and look at what credit unions have available, there are a lot of great options out there,” Abele says. “We recently announced a partnership with a company called MX (*mx.com*) that offers a comprehensive PFM platform. It provides data aggregation, categorization and visualization of the data.

“What’s important with solutions like MX is not just the ability to see all that information, but also being able to take action,” Abele adds. “What’s valuable for credit unions is being able to know that their members might have an account at a different institution than the credit union. If they have a competing product, they want to be able to cross-sell it.”

To make the most of that data to drive better results for themselves, Abele notes, credit unions can ensure they market to their members and, for example, provide a better rate on a car loan versus what that member has currently at another institution. CUs should take advantage of that complete view by offering the best options and products possible for their members.

Another way credit unions can optimize personal finance dashboards is by using them as a jumping-off point to provide content to members, he suggests. For example, CUs can share tips on how to improve credit scores as well as explain why it’s important to do so, such as making the member a better candidate for loan approval. CUs can then offer relevant loan products to that consumer.

“It’s all a virtuous cycle,” Abele says. CUs can see improvements in member financial health through the data. The data, in turn, can help create cross-sell opportunities for the credit union. “They can provide these services in a way that’s a seamless experience. These days, consumers are very smart about figuring out who has things cobbled together versus who has things well-integrated. A seamless user experience is critical to creating good adoption.”

FOCUS ON FEATURES

As PFM dashboard capabilities become more advanced, it’s important for credit unions to keep up with the trends so members don’t seek solutions elsewhere. Account aggregation is expected at this point. Transaction categorization should be automated with an ability to tailor and change spending analysis, and tools for setting up recommendations on basic budgeting and goal tracking should also be included.

Abele believes goal tracking can be a differentiator for credit unions. “It goes back to the days when local branches would be able to talk to members about what was happening, because they’d come in on a regular basis,” he says. “The conversation that would happen was ‘We’re going on vacation in nine months, but we aren’t sure we’re going to be able to afford it.’ Those conversations aren’t happening anymore. ... Now you can turn that into a goal that can be tracked through a personal financial tool. Then you can allocate money toward it” and set up alerts and notifications as you meet goals or get off track.

A major reason personal finance dashboards exist is to help people save money. Incorporating specific elements designed to assist with saving—and reducing spending—will grab most members’ attention. DelMedico cites using transaction analytics for subscriptions as a great example. With so many digital subscription services out there, it’s easy for people to lose track of what they’re paying for.

“You’re starting to see a lot of third-party fintech apps, like Truebill (now Rocket Money, *rocketmoney.com*), that are surfacing subscriptions that a consumer may have for Spotify, Apple Music, Pandora—all your media streaming services—and serve it up to the consumer to say ‘you could save money if you got rid of two of your music streaming services,’” DelMedico says. “The ability to see how much money they’re paying on those, and then ultimately access a link to disable or terminate certain subscriptions as well is a new and emerging use case. That’s more important as banks and credit unions are thinking about ways to partner on personal financial management.”

If your credit union already offers a PFM dashboard to members, it’s still important to maintain the element of personal connection by providing an instant and easy way to connect with a member service rep.

“At the end of the day, people want to have a human touch,” Abele says. “As many insights that can be garnered from data and all those other great tools out there, they still want to know there’s a person at the other end. One of the most effective ways in which personal financial dashboards can be introduced is by providing a much clearer way for them to connect with a human to follow through” with transactions or asking how best to reach a personal finance goal.

That means integrating engagement tools that allow for audio or video calls or a live text chat. “You can pick up a conversation midstream with secure messaging while browsing any of the things

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> **"What's valuable for credit unions is being able to know that their members might have an account at a different institution than the credit union. If they have a competing product, they want to be able to cross-sell it."**
>
> – Brian Abele

MORE ON FINANCIAL HEALTH

Focus on Mobile Engagement This Financial Literacy Month (*cumanagement.com/0423mobilelit*)

The Importance of Improving Your Members' Financial Health (*cumanagement.com/0423finhealth*)

Inside Marketing: Help Members Improve Financial Health Through Digital Engagement (*cumanagement.com/0223insidemarketing*)

Tech Time: Attracting Younger Members With Digital Wealth Management (*cumanagement.com/1022techtime*)

Empowering Young People's Financial Futures Through Adulting 101 Game (*cumanagement.com/1022adulting101*)

that are tied to a digital engagement tool," Abele says. "That creates more of a human touch. That will also drive more engagement with personal financial dashboard tools, because there are going to be times members look at it and they'll have questions."

DelMedico suggests that larger credit unions even consider building their own personal finance dashboards and apps to ensure they can provide or integrate with in-demand features. They can reach out to a fintech provider for direct integration of their services. The first thing to do, he advises, is pick up the phone and call an account manager "about what options I might have that are easy installs within that digital banking application."

FUTURE-PROOFING FINANCES

As much as personal finance dashboards have advanced since the '90s, that transformation will likely be even more accelerated in the near future. "Like with most of the industry, it's all about AI and machine learning and what more can be incorporated into that to create better experiences," Abele says. The personal finance data available to members through their credit unions is already robust. "But it can also be complemented with additional data that can then create even more interesting experiences."

Abele predicts that in the not-too-distant future, PFM dashboards will further streamline the process of taking an insight and turning it into an action, whether it's opening and savings account or purchasing a money order. Dashboards may automate some of these actions or simply reduce friction. "Sometimes the streamlining is ... just a prefilled form," he says. "Or it's an open dialogue to a video conference with a service representative."

As the gig economy continues to grow, DelMedico believes that predictive analytics and advisory experiences for cash flow will become more prevalent and important to members.

"In some ways, the industry has done a good job at providing visibility to how members are spending their money but probably hasn't done a great job in providing true predictive analytics, triggers and notifications to a consumer," he says. A major milestone will be when financial institutions can look at the last two years of a consumer's transactions, accurately predict where there might be a cashflow shortfall and have a channel to provide that information with enough warning for the consumer to take action on it—as well as give advice on what steps to take.

"What is the recommendation from that personal financial management app on how to take action?" DelMedico muses. "Should they move money from their high-yield savings account to cover the shortfall? Is there a short-term lending opportunity that can be provided from that credit union to solve the gap? What are the different proactive ways that credit unions can actually help that consumer make a decision? Consumers need smarter recommendations going forward."

As technology evolves, Abele predicts PFM dashboards will become more and more personalized. The more member insights and information that becomes available, the more credit unions can streamline and customize the finance management experience for them, only highlighting data and information that's relevant to them. For example, instead of hundreds of transactions that appear in their default dashboard, it will be whittled down to targeted suggestions they can consider.

"It [will make] the experience a lot simpler and easier for the members," Abele says, whether such personalization is achieved using machine learning or some other type of data analytics solution down the road.

In the meantime, credit unions should be taking advantage of what personal finance dashboard solutions have to offer their members in the here and now. "The evolution of personal finance dashboards means there's a great opportunity for credit unions to find what's next and delve into interesting new concepts and ideas," Abele says. "It's exciting to think about."

Celia Shatzman *has penned stories on topics ranging from beauty to fashion, finance, travel, celebrities, health and entertainment.*

CUES Member Appreciation and Awards

October 19, 2023

Award Finalists Announced

OUTSTANDING CHIEF EXECUTIVE

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Affinity Plus FCU
Golden 1 CU
Kinecta FCU
OnPath FCU
Spectra CU
VyStar CU

EXCEPTIONAL LEADER

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Special Report: Boards

Credit Union Management

SEPTEMBER 2023

GOVERN WITH CONFIDENCE

Credit unions and boards share a dual responsibility for new director orientation.

Better Board *Orientation*

ORGANIZATIONS AND NEW DIRECTORS BOTH HAVE IMPORTANT WORK TO DO.

BY TARAS NOHAS, CMC, MBA, ICD.D, CCD

I recently joined two not-for-profit boards and appreciate how important it is to ensure that I understand my role and am prepared for what lies ahead. But it's also important that the organizations on whose boards I serve help prepare me for my board role. All of this points to the key role of board member orientation.

THE NEW DIRECTOR PROCESS

My first step before joining the boards was to research the organizations I wanted to be involved with. I looked at whether the vision, purpose and values were aligned with my values and expectations. I also tried to understand the type of boards I was applying for—governance, operational, advisory—and what the role would involve. What was the time commitment and how often did the board and its committees meet? Most importantly, I had to ask myself if I had the skills and experience that the organization was seeking. Some organizations choose potential directors for character and then train for the competence required.

The two organizations I joined approached new director orientation somewhat differently. One held a formal board orientation session led by the executive director prior to the first board and committee meetings. The second invited me to observe a board meeting and the strategic planning session before the board orientation session. Both approaches can work; however, my preference was taking part in the orientation session prior to the first board meeting, as this gave me more confidence and the ability to contribute immediately.

GET THEM READY TO PARTICIPATE FULLY, FASTER

Once you are a successful candidate, what's next besides showing up to meetings? Be prepared.

Board orientation is an important part of helping new board members gain a foothold and understanding and enables them to contribute much more quickly to the discussions taking place at the board table. A thorough orientation includes a review of the board policies, strategic plan, code of conduct and regulatory environment; understanding the board committees; and meeting the other directors and key senior management to better understand their roles and responsibilities. Assigning an experienced buddy or mentor to a new board member can also be quite beneficial, especially when questions arise between meetings.

A comprehensive new director orientation is important for several reasons:

1. Familiarization with the CU. Orientation provides an opportunity for new directors to get to know the CU's vision, purpose, values, goals and strategic plans. It helps them understand the organization's history and culture and how it operates.

2. Understanding board roles and responsibilities. Orientation helps new directors understand their roles and responsibilities as board members. This includes understanding their fiduciary duties, legal responsibilities and expectations for ethical behavior.

3. Building relationships. Orientation also provides an opportunity for new board members to meet other directors and executives. This helps build relationships and establishes a shared understanding of the organization's goals and objectives.

4. Improving board effectiveness. A well-designed orientation can help new board members become effective contributors more quickly. By understanding the CU's culture, goals and strategic plans, new directors can participate in strategic discussions and decision-making more confidently.

5. Compliance. New directors need to understand such compliance issues as regulatory requirements, financial reporting and conflict of interest policies.

In summary, a well-planned approach to director orientation is important because it provides new board members with the knowledge and skills needed to effectively serve on the board and support the organization's mission and goals.

Taras Nohas *is principal and senior consultant at TN Governance and Strategy* (tngovernanceandstrategy.com)*, Edmonton, Alberta.*

MORE ON BOARD ORIENTATION

Credit Union Board Mentorship Guide (*Download from the mycues.cues.org membership dashboard*)

Director Onboarding Tool Kit (*cues.org/director-onboarding-tool-kit*)

Welcome to Credit Union Leadership Guide (*cues.org/welcome-credit-union-leadership-guide-download*)

CUES Emerge 2023 *Final Five Announced*

Jana Chamberlin

Jayde DelGado

Antionette Morton

Katrina Otto

Avi Poje

CUES and partner Currency are pleased to announce five finalists have been selected to compete to be named the 2023 CUES Emerging Leader. Thirty-six up-and-coming professionals took part in the program; 30 self-selected into the competition phase to have their submitted business cases reviewed by a panel of judges. The five judges reviewed all entries and identified the top five finalists to participate in the online pitch show, powered by Currency (*currencymarketing.ca*). The Final Five are:

- Jana Chamberlin, instructional design manager, Northwest FCU, Herndon, VA;
- Jayde DelGado, branch manager, Harborstone CU, Lakewood, WA;
- Antionette Morton, accounting manager, Educational Systems FCU, Greenbelt, MD;
- Katrina Otto, director/HR and development, Members Choice CU, Houston; and
- Avi Poje, training and education manager, Hughes FCU, Tucson, AZ.

"A record breaking 120 applicants threw their hat into the ring for the 2023 CUES Emerge program," says Heather McKissick, CUES' president/CEO. "The 36 selected to participate created intriguing business cases for the judges, who indicated the race to the Final Five was very tight. The five finalists were handpicked for their compelling proposals addressing challenges that many credit unions share."

"We appreciate this partnership with CUES and applaud the cohort of credit union professionals who threw themselves fully into the program; this was a great group of young professionals," says Tim McAlpine, Currency's president. "We had insightful discussions during the educational sessions, and the Mastermind sessions helped deepen the learning and broaden the scope of knowledge for all participants."

The five finalists will take to the virtual stage and present their business cases during a live online pitch show on Oct. 4. Tune in to hear from these talented leaders and support their journey (*cuesemerge.com*). Following the live show, the judges will select the Top Three, and the ultimate 2023 CUES Emerging Leader will be named. All members of the Top Three will receive a tiered educational package plus a leadership assessment and coaching to support continued development and growth within the industry.

CUES Emerge was created to offer free professional development to the industry's up-and-coming leaders. Participants who complete the course work and business case earn the Certified Credit Union Manager designation in recognition of their commitment to their career, credit union and the industry.

Learn more and follow along with the next stage of the competition at *cuesemerge.com*.

Plan Your CU's *2024 Development*

CUES has released its 2024 Learning & Events Calendar (*content.cues.org/mypd*) and other tools to help credit union industry professionals solidify their career goals for the coming year.

"Professional development efforts work best when you plan and strategize; it's not something to leave to happenstance," says Christopher Stevenson, CAE, CIE, SVP/chief learning officer. "That said, creating a personalized development plan doesn't have to be intimidating. CUES has many simple steps you can take now to make the most of your efforts.

"Once you have your budget allocated and your calendar blocked, you can fill in the gaps and supplement your learning with online, low-cost or free resources, many of which are available to CUES members," Stevenson adds.

Find the professional development planning resource at *content.cues.org/mypd*.

Online Learning

CUES Virtual Classroom sessions and all program playbacks are free to CUES members. Learn more at *cues.org/events*.

SEPT. 12
CUES Virtual Roundtable: Emerging Leaders Community

SEPT. 13
Harvard ManageMentor Facilitated Discussion: Leading People

SEPT. 14-21
Board Liaison Workshop

SEPT. 20
RealTalk! Session 3: From the Brink of Burnout

SEPT. 20
Virtual Classroom: Stress Better and Avoid Burnout

OCT. 10
CUES Virtual Roundtable: Board Liaison Community

OCT. 12
Virtual Classroom: Ethics: How CU Board Members Use AI the Right Way

OCT. 19
Member Appreciation & Awards Event 2023

AD INDEX

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LEARNING & EVENTS **CALENDAR**

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FEATURED EVENT

Execu/Summit®

Jackson Hole, WY • March 10-15, 2024 • cues.org/ES

Execu/Summit is a unique, can't-miss event for industry leaders wanting to set themselves and their credit union up for success! The event's distinctive schedule bookends educational sessions around free time for networking and exploring the beautiful scenery. Take your organization's performance to the next level by diving into key topics, such as using collective intelligence to build teams of problem solvers, leadership effectiveness, preparing for shifts in lending, digital disruption and more.

SEPTEMBER 2023			
Supervisory Committee Development Seminar	Hyatt Regency Savannah	**Sept 6–7**	cues.org/SCDS
Director Development Seminar	Hyatt Regency Savannah	**Sept 6–8**	cues.org/DDS
TalentNEXT	Hyatt Regency Savannah	**Sept 10–12**	cues.org/TalentNEXT
DECEMBER 2023			
Directors Conference	Hyatt Regency Maui Resort & Spa Maui, Hawaii	**Dec 10–13**	cues.org/DC
JANUARY 2024			
Symposium	Grand Hyatt Baha Mar Nassau, Bahamas	**Jan 28– Feb 1, 2024**	cues.org/SYMP
MARCH 2024			
Execu/Summit	Snake River Lodge and Spa Jackson Hole, WY	**March 10–15, 2024**	cues.org/ES
APRIL 2024			
CEO Institute I: *Strategic Planning*	*The Wharton School* University of Pennsylvania	**Apr 7–12**	cues.org/INST1
CEO Institute: *FinTech*	*Cornell Tech* Roosevelt Island, New York, NY	**Apr 15–19**	cues.org/Fintech
CEO Institute III: *Strategic Leadership Development*	*Darden School of Business* University of Virginia	**Apr 28 – May 3**	cues.org/INST3
MAY 2024			
CEO Institute II: *Organizational Effectiveness*	*Johnson School of Management* Cornell University	**May 5–10**	cues.org/INST2
UPCOMING ONLINE PROGRAMS			
RealTalk! Session 2	*Dear CU Leaders:* *We're here, but not for long.*	**Aug 16, 2023**	content.cues.org/RealTalk
Board Liaison Workshop		**Sept 14, 19 & 21, 2023**	cues.org/BLW
School of Business Lending™		**April 1– Oct 31, 2024**	cues.org/SOBL

Dates and locations are subject to change. For pricing options, visit ***cues.org/Events.***


(Bahama)
Blue Sky Thinking
CUES Symposium
January 28 – February 1, 2024
Grand Hyatt Baha Mar | Nassau, The Bahamas
Transform Your Top Team into a Dynamic Duo!
Now more than ever, having a CEO/board chair team that works in harmony is vital to the future of your credit union. Don't miss the industry's only event focused on strengthening this partnership!
This specialized conference is highly interactive, providing opportunities for your top team to share ideas, problem solve, and develop plans ready to take home and implement immediately.
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3 Dimensions of *Organizational Climate*

BY LESLEY SEARS

Culture is a word much bantered about in organizational and talent development settings. It refers to deep-seated organizational traits rooted in the work and priorities of the organization's founders. In contrast, climate is what everybody experiences at work every day. It's the interactions between people. It's the feeling you get when you're working at a credit union.

Culture could take a decade to really shift. Climate, in contrast, is easier to repair every couple of years. If you have good focus and understand what you need to focus on, you can really shift the climate in amazing ways.

To help you better understand your climate and how you might want to shift it, let's talk about the first three of the nine dimensions of climate that are present in every workplace. I'll give you some perspective on how to assess how you're doing on each. You can learn about two more online at *cumanagement.com/073123blog*, and I'll cover the other four dimensions in my August Purposeful Talent Development blog post.

1. Challenge and involvement. This is just what it sounds like. Get a read on how this dimension is at your credit union right now by asking yourself: Are we challenged? Are we involved? Do our team members feel like they are working toward our bigger purpose? When you have good challenge and involvement, people feel motivated, energized and committed to making contributions. If challenge and involvement are lacking, you might see reduced interest in professional development. If you think you're lacking a bit here, make sure your team members understand the credit union's vision and goals.

2. Trust and openness. How much do your people trust each other? How much emotional safety do they feel? When you answer these questions, you need to consider your leadership peers, middle managers, front-line folks as well as hybrid and remote staff. When your trust and openness score is high, your people will not only trust each other but count on each other to be there when needed. They also will demonstrate sincere respect for one another. If you notice that employees are suspicious of other team members, try giving people a voice. If they have a voice, they will be much more committed to the work at hand.

3. Playfulness and humor. Playfulness and humor are among the most obvious byproducts of a healthy workplace climate. Look around. Are your people laughing about appropriate things with each other and able to have strong enough relationships that they can be humorous with one another and not have fall out from it? Remember, it's not just your employees that will feel this one. Members will, too. If you want to promote this dimension, consider designating places for sharing jokes or funny stories, and encourage silly times. Provide time for team building; the more your team enjoys working together, the more lighthearted the climate will be.

Lesley Sears *is VP/talent development consulting at CUES and leads CUES Consulting (*cues.org/cuesconsulting*), which provides talent strategy support to credit unions of all sizes.*

Read about two other dimensions and leave a comment at cumanagement.com/073123blog.

"As we in the credit union movement approach the planning season for 2024, creating a talent development strategy that encompasses these three dimensions (skills, issues and relationships) will provide our organizations with a broader vision and equip our people with resilience, adaptability, insight, responsiveness and a people-focused mindset."

Heather McKissick, I-CUDE, *CEO of CUES, in "Addressing Talent Challenges Requires a Holistic and Innovative Approach":* cumanagement.com/0823holistic

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