



## Credit union membership: Why life stage matters

Understanding the concerns, priorities and behaviours of younger credit union members as they go through common life transitions.

**The Canadian Premier Credit Union Member Survey indicates members today are concerned about money, and presents opportunities of how credit unions can help.**

New research conducted by Canadian Premier through KWP Consulting in 2020, finds that many credit union members aren't prepared to cover emergency expenses and are struggling to cover basic monthly expenses. Forty-two percent constantly worry about money and 53% wish they had a better financial safety net.

The survey sheds light on how credit union members currently feel about credit unions, the protection products they offer, and the opportunities for credit unions to alleviate member anxiety by supporting their members' financial well-being.

## What we learned

### Credit union members are stressed about money

More than a quarter of credit union members surveyed say they're unable to cover an emergency expense of \$500 or more and would struggle to cover everyday expenses.

#### Percentage of respondents who agree with the statements:

26%

"I have not saved enough to cover an unexpected expense of \$500."

28%

"It is a struggle to cover basic monthly expenses like rent/mortgage, groceries and utilities."

30%

"I am worried I could lose my job."

An even larger percentage of respondents say they worry about money and wish they had a better financial safety net.

#### Percentage of respondents who agree with the statements:

53%

"I wish I had a better financial safety net."

42%

"I constantly worry about money."

### Younger generations face the greatest financial anxiety

A closer look at the demographic breakdown of respondents shows that the life stage of a member matters. Questions about how worried members are about their financial situation, their attitudes toward credit protection and loan products, and how often they use these types of products all varied based on age group. It's important to note that while we use generational labels, the research shows behaviours and attitudes are driven by different life stage events within age groups.

**Financial worries were most pronounced in younger generations, especially millennials, and to an even greater extent, Gen Z.**

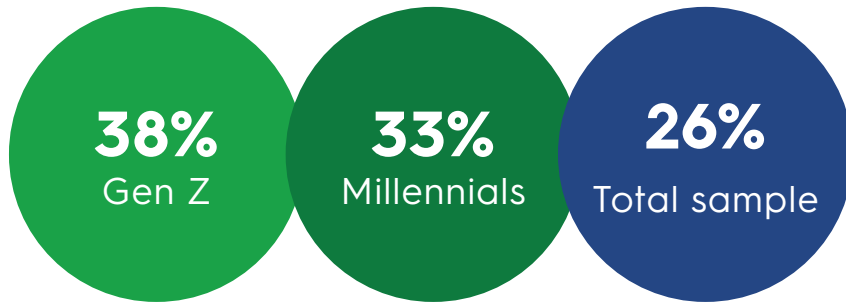
### The generations defined:

- Gen Z: born 1997-2012
- Millennials: 1981-1996
- Gen X: 1965-1980
- Boomer: 1946-1964
- Silent: 1928-1945

Source: Pew Research Center

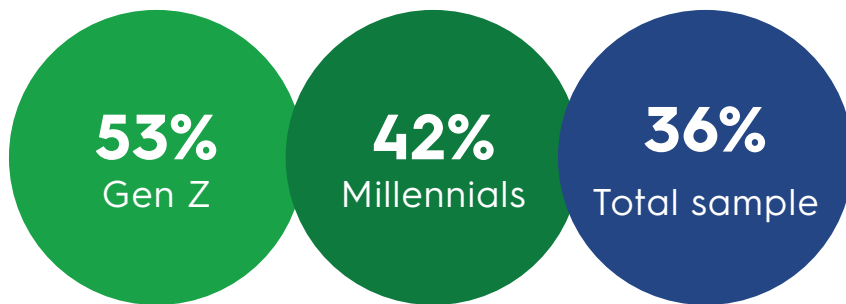
**Percentage of respondents who agree with the statement:**

*"I have not saved enough to cover an unexpected expense of \$500."*



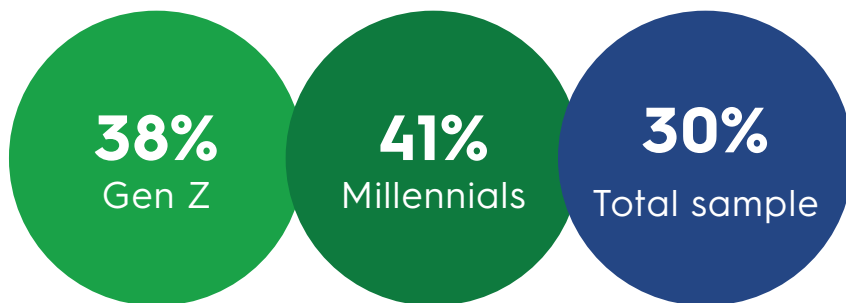
**Percentage of respondents who agree with the statement:**

*"I don't have insurance or enough savings to cover me if I were unexpectedly ill or hospitalized."*



**Percentage of respondents who agree with the statement:**

*"My family would not be able to cover my funeral and financial obligations if I were to die unexpectedly."*

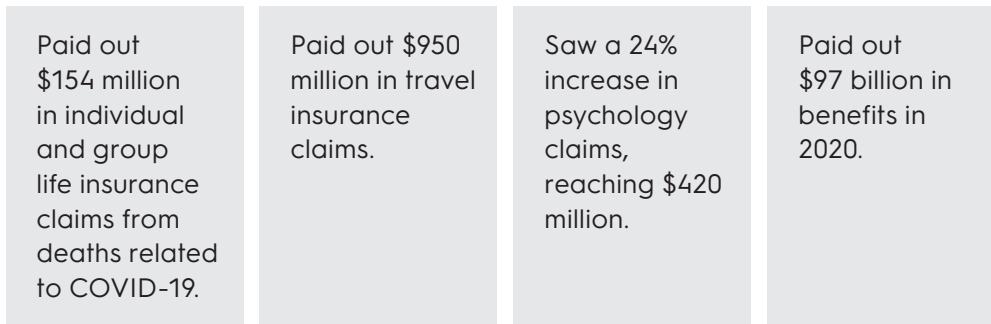


Millennial and Gen Z respondents were less confident than other age groups that they're saving enough to meet their long-term financial goals. These two groups are also more interested in having a better safety net.

These findings underscore the worries that many younger credit union members face today and shed some light on untapped opportunities to ease their concerns with protection solutions.

## The COVID-19 effect

Many consumers may be feeling additional stress due to today’s macro environment, and especially the impact COVID-19 has had on their lives. According to the Canadian Life & Health Insurance Association (CLHIA), in 2020, Canadian insurers:



*The average life insurance protection per household in Canada is \$442,000, up from \$432,000 in 2019, showing growth in life insurance ownership over the past year.*

Source: [“Canadian Life and Health Insurance Facts,”](#) CLHIA, 2021 Edition.

## Insights and opportunities driven by data

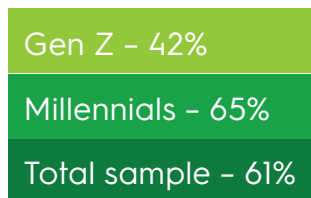
### Insurance protection products

Our survey uncovered interesting patterns around younger members’ attitudes toward insurance protection products and insurance ownership.

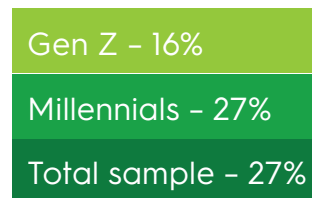
**Gen Z was less likely than other age cohorts to have insurance coverage to help with the unexpected. The use of insurance protection products starts to increase with millennials.**



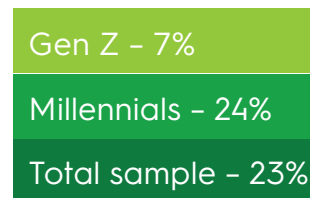
Life insurance



Critical illness insurance



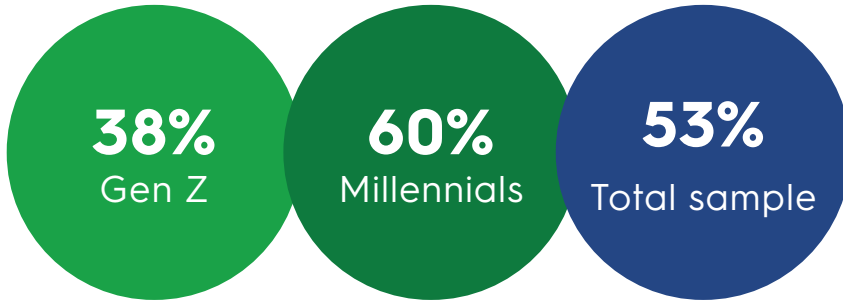
Disability insurance



Millennials also have more favorable attitudes toward the peace of mind and value these products provide.

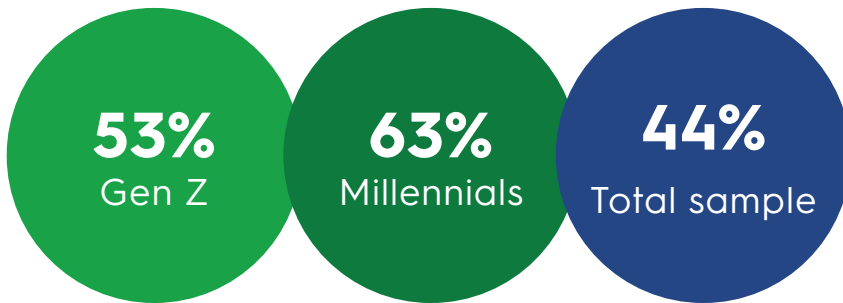
**Percentage of respondents who agree with the statement:**

*"Insurance policies are easy to acquire."*



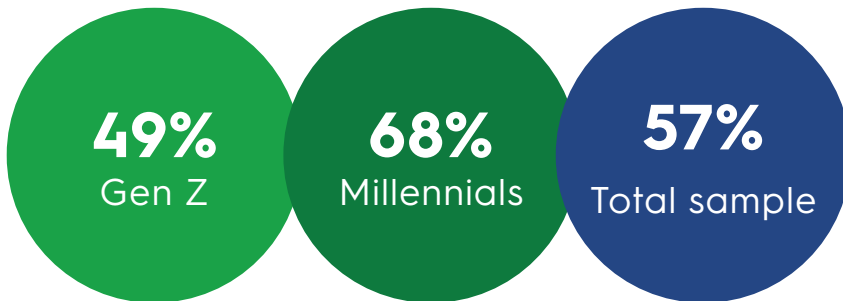
**Percentage of respondents who agree with the statement:**

*"Considering their cost, insurance policies are a good value."*



**Percentage of respondents who agree with the statement:**

*"Insurance provides me peace of mind."*



## Loan products

Use was highest among Gen Z and millennials for most loan products. Mortgage ownership peaked with millennials and student loans were highest among Gen Z.



### Residential mortgage

Millennials – 79%

Total sample – 60%



### Student loan

Gen Z – 73%

Total sample – 29%

## Key insight: Financial burdens peak in earlier life stages

As they take on additional responsibilities, members' financial burdens increase, along with their need for protection. Many face a slew of financial anxieties as younger adults, but gradually transition to a period of greater financial security – and fewer financial worries – later in life.



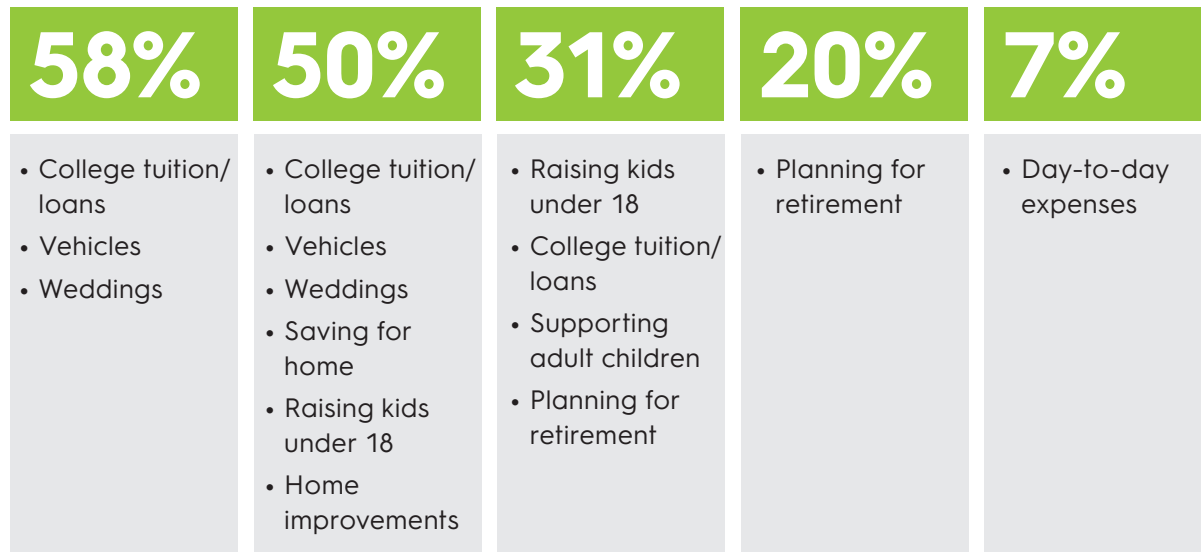
AGE 18



AGE 75+



### Financial responsibilities



### Recommended action

Focusing on common life milestones provides an opportunity to customize offerings and marketing messages, making them relevant to members' financial needs at any given life stage. This may be especially valuable when building relationships with younger members, who have high use of loan products plus a desire for greater financial security.



## What this means for credit unions

### A key opportunity: Attracting younger members

The data uncovered in our survey, combined with feedback from credit union executives (on page 9) reveals opportunities to address some of the toughest challenges facing credit unions today, while also helping to relieve anxiety and provide peace of mind for credit union members.

Credit union executives consistently say one of their priorities is to acquire new members, especially younger generations. According to the World Council of Credit Unions, the average age of credit union members in Canada is 53, compared to age 47 in the United States, United Kingdom and Australia. This indicates there's a need and an untapped opportunity to attract newer and younger members into the Canadian credit union market.

Source: ["International Lessons for Young Adult Membership Growth: Technical Guide,"](#) World Council of Credit Unions, January 2015.

### The challenge: Winning them over

However, attracting younger consumers may be challenging, according to our survey results. Younger survey respondents have distinctly lower affinity (Net Promoter Scores) for credit unions than older generations. This is important because Net Promoter Scores measure loyalty and how likely members are to refer products and services to others.

### Suggested action: Targeted messaging

Leveraging these survey insights from Canadian Premier will help credit unions better understand the fears, desires and attitudes of younger members. Credit unions can then create strategic and tailored messaging to address the concerns and financial goals of their members.

NOTE: Net Promoter Score (NPS) is based on responses to the question *How likely are you to recommend your credit union to a friend or family member?*  
NPS = Promoters (9-10 on a scale of 10), less detractors (0-6).



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#### Credit Union NPS:

Silent Generation = 38  
Baby Boomers = 31  
Gen X = 16  
Millennials = 15  
Gen Z = 2



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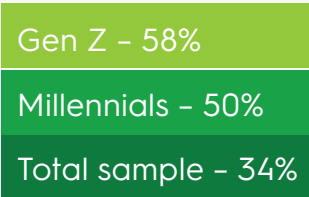
## Missed opportunity? Younger members show an interest in credit protection products

When we asked members about their interest in these specific protection products, both Gen Z and millennials had a significantly higher level of interest than their older counterparts.

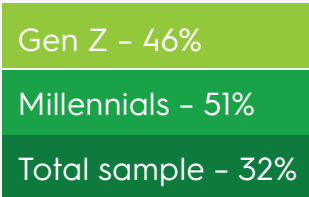
**Percentage interested in:**



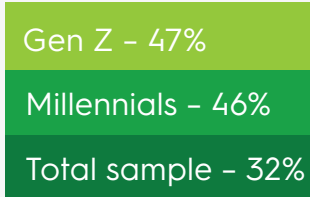
**Personal loan/line of credit insurance**



**Mortgage insurance**



**Credit card balance insurance**



**Conclusion**

Our research shows that when younger members carry debt, they have gaps in coverage. Also, younger members would like to have greater confidence to meet their financial obligations and are interested in creditor protection products. An opportunity exists for credit unions to meet this need and provide them with greater peace of mind by offering protection products.

NOTE: Total % includes rating of 4-5 on a 5-point interest scale. The question was asked only of those who don't currently own the products.

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## What we heard from credit union executives

In addition to keeping a pulse on the needs, behaviours and attitudes of credit union members, Canadian Premier is committed to keeping up to date on industry trends. As a separate engagement, we called upon KWP Consulting – the third-party, strategic business management firm leading the study – to interview credit union executives about marketplace trends and the biggest challenges they face today.

### These were their top challenges:

1

#### Attracting younger members

Not surprisingly, executives expressed the need to grow membership, specifically among younger consumers. Credit unions are keenly aware of the challenges of attracting younger, digitally savvy consumers who are also being aggressively targeted by big banks, non-traditional banks, and fintechs/insuretechs.

2

#### Finding new growth opportunities – delivering value

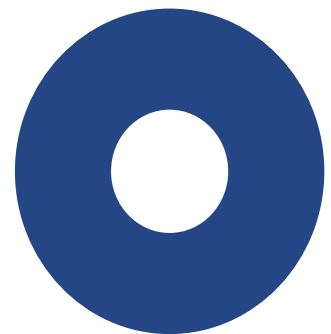
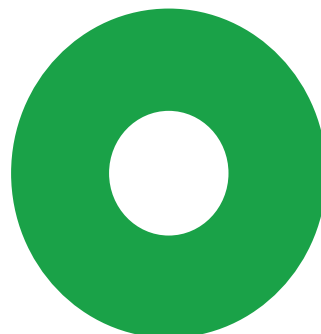
Credit unions are constantly looking for ways to innovate, in order to attract members with new offerings, contend with competition, and find new sources of revenue. Some have diversified into adjacent offerings like insurance or financial planning and advice. Most are thinking about consolidation, but their perspective depends on the size and health of the business; stronger credit unions are seeking smaller credit unions to acquire, while others are worried about being acquired themselves.

3

#### Identifying resources to support and enable new opportunities

All credit union executives spoke about the challenge of competing priorities with increasingly limited internal resources. They look to their partners to help identify key opportunities in the marketplace, and to help them implement the solutions to seize them.

Canadian Premier sponsors this type of proprietary research with executive leaders specifically with the goal of understanding, empathizing and working alongside our partners to find growth opportunities that benefit all of us.



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## Methodology

To better understand the financial needs, behaviours and interests of credit union members, and opportunities to design products and solutions to best meet their needs, Canadian Premier Life Insurance Company engaged an independent business management and research firm, KWP Consulting, to conduct an online survey of credit union members. A total of 434 qualifying respondents completed the survey. Participants represented a broad spectrum of age groups and were split evenly among men and women. They reflected the Canadian population (with the exception of Quebec), with about 40% residing in Ontario and 12-14% from each of the other provinces.

All survey participants:

- Were at least 18 years old and financial decision makers
  - Belonged to a credit union or owned a credit union product
  - Obtained a personal loan, line of credit, mortgage or home loan, or credit card from their credit union within the past two years
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## Meeting members' unmet needs

Canadian Premier is committed to understanding the challenges both credit unions and their members face. With these survey insights, we gained a deeper understanding of credit union members' attitudes, desires and behaviours. Most importantly, we learned how members' needs change by life stage and how a deeper understanding of life transitions – particularly those of younger members – can be used to customize messaging to better resonate with key audiences.

Canadian Premier's optional credit protection products are available at credit unions through our distribution partner Valeyo. For more information, please visit [valeyo.com](https://www.valeyo.com).

To learn more about Canadian Premier and our products, please visit [canadianpremier.ca](https://www.canadianpremier.ca).



**Canadian Premier Life Insurance Company**  
[canadianpremier.ca](https://www.canadianpremier.ca)

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