

# Goalsetter: The family finance platform for an enhanced credit union experience.

Credit unions can partner with Goalsetter, a leading family finance & education app, to meet a growing need for age-appropriate financial education resources. Financial education is widely considered an essential component of family banking, and is becoming increasingly important in our complex financial ecosystem. Credit unions are losing members to digital players, and should look to interactive, personalized financial education solutions to not only deepen existing relationships, but to also help acquire new members across age groups.



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Parents and kids both need and want to increase their financial aptitude and abilities in a world where old rules no longer apply



## **SITUATION**

With countless economic shocks over the past decade, including the Covid crisis, historic inflation levels, soaring college debt, and growing income inequality, financial conversations and concerns have touched large swaths of American households - and multiple generations of family members - in an unprecedented fashion.

Coupled with the explosion of financial products available today, thanks to the growing popularity of fintechs and the rise of new financial technologies, both adult and teenage consumers are faced with an overwhelming number of options in an increasingly complex financial ecosystem. Navigating this fast-evolving and ever-changing landscape has made it all the more important for consumers to remain financially savvy. However, there are significant barriers that both current and future consumers face:

87%

of teens lack knowledge on money management

80%

of parents feel as though their children<sup>1</sup>, are not adequately educated on financial matters.

79%

of those aged 15 to 17 do not have a savings account.<sup>2</sup>

50%

of parents in the US are not confident in their personal financial literacy.

## **PROBLEM**

These low levels of financial education, and a rapidly changing financial ecosystem, pose an urgent problem for credit unions, many of whom are seeing their market share challenged and future growth increasingly stymied by digital players offering products and services tailored to specific audiences - including the next generation of financial services members.

## **SOLUTION**

This is where specialized B2B-focused personal finance fintechs, such as Goalsetter, can help. By partnering with Goalsetter, banks and credit unions can offer market-leading, interactive, and age-appropriate tools & resources to boost both account engagement and financial literacy levels amongst existing customers, and to attract future members early in their financial journeys.

## FINANCIAL EDUCATION AS A NEED

Financial Education is one of the most sought-after resources from both parents and kids – and they want it from financial institutions that they know and trust

Parents find themselves at the forefront of guiding the next generation, with kids indicating that they want to get their financial education from them. But given that parents grapple with feeling inadequately prepared to provide the necessary financial support their children seek, they are looking for support from their financial institutions to bridge the gap.

**The #1 place that Gen Z turns for financial education/advice is their parents.<sup>3</sup>**

**The research data<sup>3</sup> further reinforces this demand:**

79%

of parents want help teaching their kids about financial education.

91%

of parents indicate that they are interested in using a finance app for their kids.

71%

of parents want their family finance app to be offered by their existing financial institution and integrated into their bank accounts.

Beyond bolstering their kids' financial knowledge, almost 40% of parents (38%) rely on tools, services, and information provided by banks and credit unions for their own financial education<sup>4</sup>. This data emphasizes the need for credit unions to pursue comprehensive solutions that cater to the entire family, recognizing that parents also require support, not just the children.



## FINANCIAL EDUCATION AS ENTERTAINMENT

### What families are getting from their Financial Institutions today is not meeting their expectations - either for themselves or their kids

Of the general population respondents surveyed, more than 50% of parents (55%) do not have access to or are unaware of financial education resources for either themselves or their children. 40% of parents are less than satisfied with the financial education resources offered to them, with the percentage climbing to over 50% (53%) when asked about the resources available to their children.

For those already accessing financial education content, either through their financial institution or a third-party app, the limited availability of interactive, multi-media material is a major pain point. According to the 2022 Raddon Survey, videos are the second most preferred source for financial advice after family members, particularly among the Gen Z population. A lack of the right resources, made available in the right format, is driving user dissatisfaction, and limiting customers' ability to become more financially literate.

#### Features that are most important to parents in a Financial Education Tool

Easy-to-use mobile app and user-friendly interface

64%

Offer features for saving, setting goals, investing, etc. for the whole family

62%

Affordable price

42%

Offers financial education content for the whole family

34%

#### How Gen Z Prefers to Learn About Personal Finance

Conversation with an adult

45%

Independent online research

38%

Entertaining videos

29%

## FIs need to do more in the realm of financial education to keep up with competitive and compelling financial education apps

With parents reliant on banks and credit unions for their own financial education, it is critical that financial institutions help deliver a strong educational experience to prevent negative associations being formed with the FI's brand overall.

The gap in financial education resources is pronounced when considering children. Over a third of parents aren't aware of financial education content available for their children, with a similar proportion claiming that the resources had not been developed with their children's ages in mind, and as such were not relevant or timely<sup>6</sup>. The interest in closing the financial education gap extends to teens as well. A study by ABA Bank Marketing reveals that 73% of teenagers express a desire for more financial education<sup>7</sup>, indicating a readiness among young consumers to actively bridge the knowledge gap.

Today, many credit unions are endeavoring to offer more robust interactive financial literacy tools for both members and their children. Members are urging their credit unions to "make the education more innovative" and to offer "tools that are age appropriate." Even when credit unions do offer such resources, they are not effectively integrated into and promoted within the user's core banking experience. One respondent mentioned that they were "sure that our bank offers financial education, but I am unaware of it."

The challenge incumbent financial institutions are facing in offering interactive, digital capabilities is compounded by the fact that fintechs are rapidly gaining market share. The share of new checking accounts opened at fintechs grew from 36% to 47%, at the expense of large national banks, which saw their share decline seven percent to 17% of all new accounts opened.<sup>8</sup> Before existing members who regard credit unions as a reputable source of information look elsewhere for educational resources, credit unions should enhance their own offerings, and seek to keep the members who have placed their trust in them, within their ecosystem.



**To strengthen their competitive standing and enhance their relevance, incumbent financial institutions (FIs) can signal their intent to serve both current and future members by addressing a key need: offering an interactive set of family finance tools, coupled with integrated financial education, to help members and their kids navigate an increasingly complex financial system.**



## **FINANCIAL EDUCATION AS A GROWTH DRIVER**

# Credit unions are uniquely poised to leverage financial literacy as a key growth driver

Educational resources and features promoting financial literacy should be added to credit unions, toolboxes not only to encourage informed behavior from members, but also to boost member retention, growth, and increased lifetime value.



### **Attract Next Generation Members Early**

Over 50% of respondents (52% still bank with the financial institution where they opened their first checking or savings account<sup>9</sup>, highlighting the importance of the first relationship in dictating the direction of a member's financial journey. Given that the overall lifetime value of a member could be at stake, credit unions should prioritize building relationships with children and teenagers early.



### **Be The Financial Institution Of Choice**

More immediate benefits also exist for credit unions who bolster their educational offerings. Over 50% of all respondents (55% currently without access to specialized educational resources stated that they would consider opening a new account if stronger financial literacy tools were offered to them and their families<sup>10</sup>, underlining the ability of such offerings to draw in new members.



### **Reduce Risky Customers**

Financially savvy members are also less risky for the credit union. Parents feel that poor financial education levels are "one of the biggest issues facing our country." Members mentioned that they had not been aware of basic concepts, such as credit card APRs, in high school and believe that their financial institutions can help prevent their children from becoming "as incompetent" as they feel. Such knowledge gaps lead to members spending beyond their means, neglecting their credit score, and deprioritizing savings, ultimately increasing their risk profile to their bank or credit union.<sup>11</sup>

**BUILD OR BUY?**

# Credit Unions should leverage partnerships to offer the most relevant tools for their members

While the need for and benefits of educational resources are clear, it is hard to find a financial institution that has effectively developed and deployed an interactive and member-specific educational experience, and even more rare to find one that meets the needs of the entire family. Given that credit unions need to focus on optimizing their core products, such as checking accounts and loans, it comes as no surprise that there are limited resources available for financial literacy-related features and capabilities. Moreover, given the effort required to build and continuously update interactive and compliant educational resources in-house, it can be a steep ask for credit unions to divert the required resources to develop and maintain a best-in-class offering, particularly if they are a small or mid-sized player.



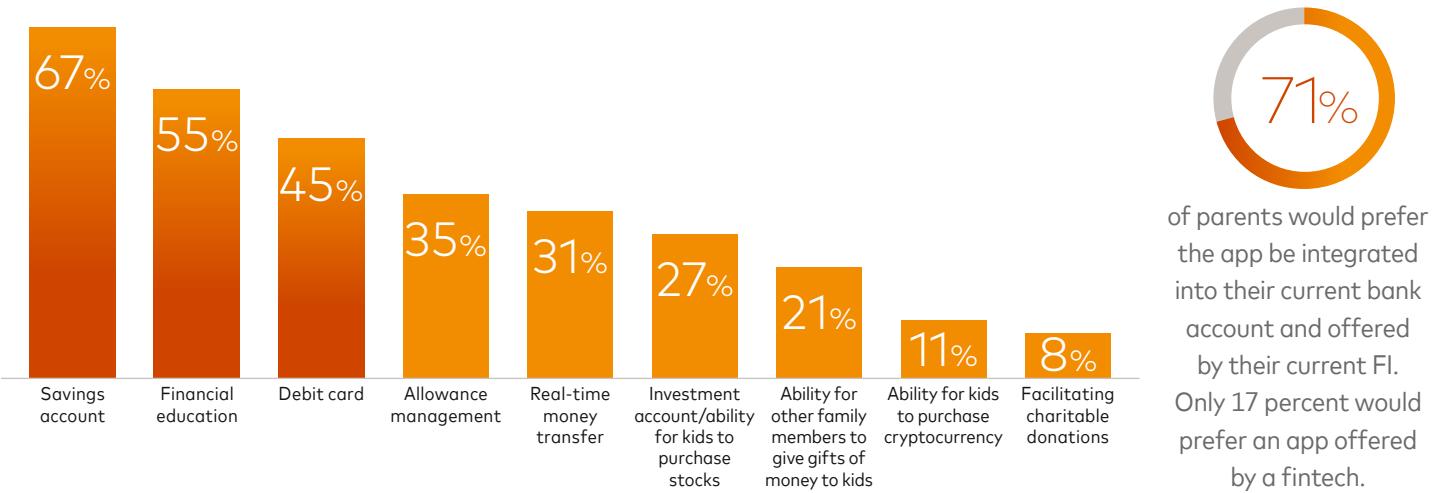
**"Parents are looking to financial institutions to provide financial education during the impending wealth transfer from Baby Boomers to younger generations. This poses a challenge for financial institutions to adapt their delivery methods to resonate effectively with the younger generation."**

– Kent Lugrand, CEO of InTouch CU

This is where a partnership with a specialized provider of family finance and educational capabilities can make all the difference. Credit unions can work with third-party providers, such as Goalsetter, to offer a truly differentiated set of capabilities for their members and their families, today. Credit unions can rest easy, knowing that they are delivering a premier experience, in line with all regulatory requirements, without placing too much of a burden on their own employees and strategic roadmaps.

## Savings Accounts, Financial Education and Debit Cards Lead the List of Desired Features

Most Desired Features of Apps for Kids' Finances (Top Three Selected)



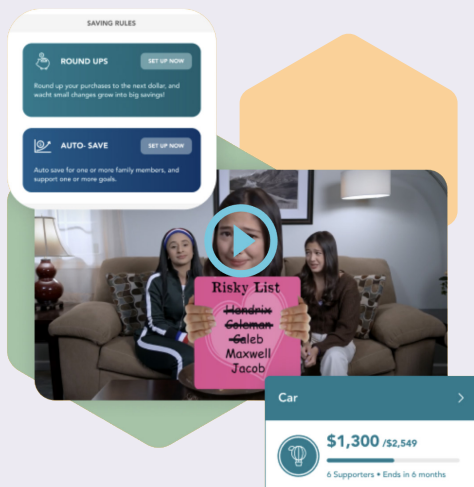
Source: Gen Z and Their Parents: Preparing for the Financial Future, 2022, Raddon Research Insights



## THE CASE FOR GOALSETTER: FEATURES AND BENEFITS

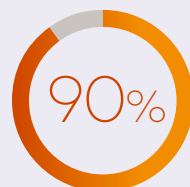
# How Goalsetter is partnering with Credit Unions to help

Goalsetter's integrated feature set offers users a highly interactive and personalized experience

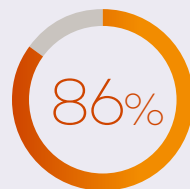


### Robust Feature Set With Engaging Game-Based Education:

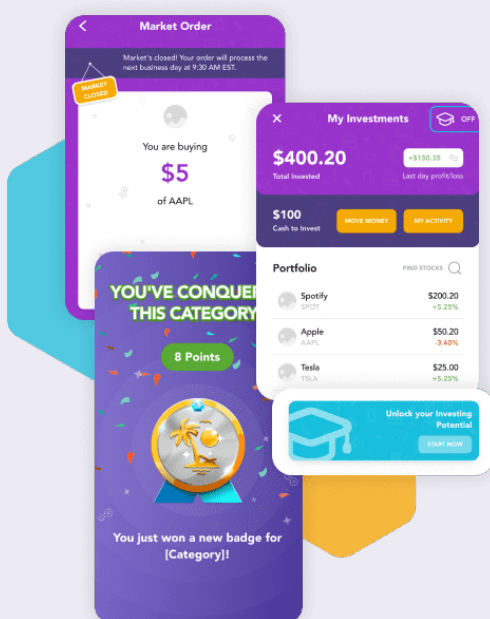
Members are seeking comprehensive solutions that offer resources and features, spanning education, saving & investing as well as goal setting, with close to 50% of general population respondents (46%) citing these features as a key factor in choosing a financial education tool<sup>12</sup>. Goalsetter shines in this regard, with close to 65% of its users (63%) highlighting the breadth of functionality as a primary reason for selecting the app<sup>12</sup>. Satisfied users see Goalsetter as "a robust platform that incorporates what it would take 3+ apps to do individually".



Around 90% of users found the goal-oriented savings account and learning milestone-based debit card spend controls to be amongst the most valuable features of the Goalsetter offering<sup>12</sup>.

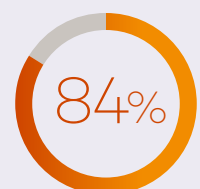


The quizzes and videos covering financial education topics followed closely, with 86% of respondents resonating with the feature<sup>12</sup>.

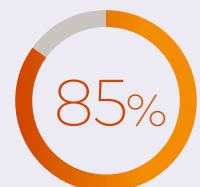


### Interactive And Engaging:

Members, especially the younger generation, desire interactive and engaging financial education content, with the video format being particularly popular. A study highlighted that, after learning from family, video format resources, for example social media, ranked second as the most preferred method of learning among Gen Z and their parents.<sup>13</sup> Goalsetter addresses this need effectively by offering a set of relatable, informative, and entertaining video courses focused on crucial financial topics, as demonstrated in a BlackFriars Research study where 84% of respondents provided positive feedback after watching the video content.<sup>14</sup> Some respondents celebrated the fact that "The format is like TikTok."



84% of respondents had positive feedback about Goalsetter's video content.



85% customer satisfaction rating among Goalsetter users.



## User-Friendly And Family-Friendly App:

Even the most advanced solutions are only as good as the user interface & experience they are encompassed within. Over half of the general population respondents (56%) felt as though an easy-to-use mobile app was key in any financial education tool, making it the most important consideration in choosing a provider. With its family-friendly user interface, incorporating meme-based quizzes and readily accessible spend controls, Goalsetter is particularly lauded by customers for its user-friendly interface. Nearly 65% of Goalsetter users (64%) highlighted the ease of use the mobile app<sup>12</sup>, which is an area where financial institutions have historically struggled to meet their members' / customers' expectations. One respondent emphasized this, claiming that the "simple interface is very easy to understand and to manage especially for working parents". However, according to a 2023 J.D. Power study, regional banks in particular are struggling to compete in terms of their banking app offering, with several struggling to get past basic transactional features<sup>15</sup>.

### Good for kids, and parents too.

Credit unions can broaden their relationships with existing members by doing a better job educating them. For instance, 30% of adult respondents using the Goalsetter app have explored a new financial product that they were previously unfamiliar with thanks to the educational content offered<sup>10</sup>, with investment vehicles (e.g., stocks, bonds) generating particularly strong interest.

30%

of adults have explored a new financial product thanks to Goalsetter's educational content.

75%

of adults said Goalsetter helped them to improve their own best practices with money.





### Affordable And Accessible:

The affordability of the financial education tool is also top-of-mind for respondents and was cited as the second most important consideration in selecting a product, amongst parents. Goalsetter's offering is perceived as being fairly priced, with over 40% of users (43%) highlighting its affordability as a key reason for choosing the product<sup>16</sup>.

### I am a Goalsetter customer because:

I want to set my children on a path to financial independence as they grow up

94%

I want to teach my children the importance of saving and investing

91%

I want my child to learn about budgeting and finances as part of their early experiences with money

90%

I want parental control tools to monitor and manage my children's financial activities

83%

I want to promote frank financial conversations with my child

79%

I want financial education content to be integrated with my banking app and debit card

57%

I want to enhance my own understanding of personal finance concepts

52%

I didn't want my child to have a regular debit card; I want financial education to be an integrated part of the debit card

48%

I want to learn about new financial products and services

44%

## CONSUMER IMPACT

# Goalsetter users report significant improvements in literacy for the entire family

### Not Just Financial Education, Financial Strength

The strong product offering developed by Goalsetter has yielded significant benefits for users. 75% of adult respondents said Goalsetter has helped them to improve their own best practices with money.<sup>16</sup> The results are equally compelling for children – 2 out of 3 parents (65%) using Goalsetter felt more confident that their kids were now equipped to make informed financial decisions<sup>15</sup>. Consumers even claim that Goalsetter has “changed our whole perspective on how to manage money with our children”.

### Inspiring Families Of Savers

The ability to instill saving habits in their children is one of the areas in which Goalsetter is particularly strong, with features such as round-ups and goal-oriented saving targets leading 84% of Goalsetter users surveyed to agree that the app has helped their children make progress towards, or completely achieve, an interest in saving<sup>16</sup>. Younger users of Goalsetter develop a positive mindset around saving, and take a genuine interest in their finances, with some children “asking everyday how their money is doing”. The benefits are not limited to the children – parents also leverage Goalsetter for their savings goals, such as “for vacations or Christmas gifts”.

### Creating Next-Generation Investors

Around 50% of Goalsetter users (52%) surveyed agree that the app has helped their children make progress towards, or completely achieve, an interest in their investment journey. And many have felt empowered to take a leap themselves due to the app<sup>16</sup>. One parent mentioned that they were able to start investing as Goalsetter made it “less overwhelming” while another was grateful that their “family has started investing in the stock market due to our connection with Goalsetter.” Parents are also impressed at the progress their kids are making, celebrating “significant strides in learning how to invest” and being pleasantly surprised that their kids “even have ideas about stocks they would like to invest in”.

### Stimulating Family Finance Conversations

Ultimately, parents play an outsized role in driving positive educational outcomes for their children, so it is essential that any tool or resource helps promote open conversations. Consumers using Goalsetter have found that they can “talk about money and finances like we talk about the weather”, with almost 90% of users (88%) citing open and honest financial conversation with their child as a key value driver of Goalsetter<sup>17</sup>. By demystifying confusing financial concepts, Goalsetter can help families set better goals collectively, and seek out the appropriate products and services from their financial institutions to do so.

2/3

of parents using Goalsetter felt more confident that their kids were now equipped to make informed financial decisions

84%

of Goalsetter users surveyed agree that the app has helped their children make progress towards, or completely achieve, an interest in saving

52%

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## Partner Impact

# Credit unions trust Goalsetter to help reimagine their user experience

Goalsetter is a trusted partner for credit unions, employers, financial services operators, and schools. What draws these partners to Goalsetter? A best-in-class product offering that enables partners to own their customer and member relationships.

Aside from being able to offer a highly personalized educational experience, augmented with robust payment, savings and investment capabilities, Goalsetter also meets stringent regulatory and compliance standards, mitigating risk to its financial institution partners. Additionally, Goalsetter consumers and their families are exposed to an engaging digital experience that is directly linked to the actions they take within their banking app, offering a level of interaction that is hard to come by in existing bank and credit union mobile apps. Goalsetter also believes in empowering its credit union partners to take advantage of all user touchpoints, enabling them to understand their customers and members like never before. Unlike other family finance apps on the market, Goalsetter allows credit unions to own their customer / member deposits on the app, giving them unfettered access to customer behavioral data.



**"Younger people today are very digitally focused. We like Goalsetter because it is all digital, and offers gamification throughout the app"**

– April Clobes, CEO of Michigan State University Federal Credit Union

Moreover, companies are eager to boost their brand affinity, even with those who may not currently be customers, and credit unions are no different. With the younger generation on the cusp of becoming new banking members, it is critical for credit unions to distinguish themselves, in an increasingly crowded market. With an 85% customer satisfaction rating amongst existing users, there is a high likelihood that the strong positive associations enjoyed by Goalsetter also translate to the credit unions offering it.

## About Goalsetter

Goalsetter is a market-leading B2B family finance & education solution that credit unions can offer to their members. As a leading family finance app, Goalsetter offers a unique, education-centric spending, saving, and investing experience, through a financial literacy curriculum delivered via age-appropriate gamification tools and pop-culture-centered content. The comprehensive platform encompasses a financial app tailored for the entire family, encompassing savings accounts, a debit card, investment accounts, and engaging financial education resources suitable for the family. Already in market with a proven, scalable platform, an 85% customer satisfaction rating among its end users, and live B2B financial institution partners, Goalsetter is a trusted brand, with high customer satisfaction for its interactive suite of tools and resources. Customers primarily choose Goalsetter to set their children on a path to financial independence as they grow, and because they want to teach their children the importance of saving and investing.





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1. Goalsetter x Mastercard Financial Literacy Survey, 2023: A survey of over 600 parents across the US was conducted to better understand concerns and preferences related to financial education for parents and their children. A range of respondents were invited to participate, including Goalsetter customers, those using generic educational resources, and those who are not using any educational resources, to identify key pain points that financial institutions and their partners can help address.
2. Fiserv, 2023
3. Raddon Research Insight, 2022
4. Goalsetter x Mastercard Financial Literacy Survey, 2023
5. General population respondents are defined as US parents with a child between 5-18
6. Goalsetter x Mastercard Financial Literacy Survey, 2023
7. ABA Bank Marketing, 2021
8. How Fintechs Are Dominating New Checking Account Openings, 2023, Forbes
9. Goalsetter x Mastercard Financial Literacy Survey, 2023
10. Goalsetter x Mastercard Financial Literacy Survey, 2023
11. Recommendations for Improving Youth Financial Literacy Education, Brookings Institute, 2018
12. Goalsetter x Mastercard Financial Literacy Survey, 2023
13. Raddon Research Insight, 2022
14. Blackfriars Research, 2023
15. J.D. Power 2023 U.S. Banking Mobile App Satisfaction Study
16. Goalsetter x Mastercard Financial Literacy Survey, 2023
17. Goalsetter x Mastercard Financial Literacy Survey, 2023