The concept of understanding who’s earning or not earning dividends should be at the forefront of what we are doing as cooperative financial institutions to ensure that our members are getting value out of their credit union. It is great that we, as cooperative financial institutions, market that our fees and loan interest rates are lower than traditional banks, but nothing thanks a member more than providing them with cash.

We must hang our hat on the fact that we are returning profits to members and deepening our dependency on the core reason why credit unions exist, and that is to provide value to our members and participants. We must identify how we can coach members that are not earning so that they can earn, and coach members who are earning on how to continue to earn. That is the essence of credit unions as financial cooperatives.

Promoting a sense of savings within a credit union’s membership will lead to the ability for members to make larger purchases and perhaps those members will be more likely to apply for a loan with a credit union once they have a savings balance that is enough for a down payment.

The Who Earned Dividends dashboard will give you the ability to quickly identify dividend activity across your membership.

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PREVIEWING THE WHO EARNED DIVIDENDS DASHBOARD

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Check the back for the top 8 reasons why credit unions should be interested in knowing who is earning dividends.
TOP 8 REASONS WHY YOU SHOULD KNOW WHO’S EARNING DIVIDENDS

1. COACHING MEMBERS FOR HIGHER PARTICIPATION
By identifying members who are not earning dividends, we can coach members to participate at a higher level to ensure that they are seeing a return on their relationship with the credit union. This should be part of the train schedule for credit unions on a semi-frequent basis to ensure that members are aware of their opportunities to earn.

2. HELPING MEMBERS EARN MORE
Identify members who could be earning more in dividends by suggesting an alternative product. For example, a member may be earning 1% on a savings balance when they could be earning 2% on a certificate balance. We can coach members on how to navigate their savings balance to achieve the greatest amount of return. In so doing, you promote a sense that you always have the member’s best interest at heart, and you want them to earn more.

3. EDUCATING MEMBERS ON HOW DIVIDENDS ARE EARNED
Credit unions can coach their members on how dividends are earned. I often speak with consumers (whether they be credit union members or not) and they do not understand the concept of dividends and how they are calculated. By advertising and promoting dividends and how members can earn, we can easily raise the level of advertising that we do collectively as cooperative financial institutions to prove that we are a different type of financial institution.

4. IDENTIFYING OPPORTUNITIES FOR BONUS/PATRONAGE DIVIDENDS
Credit unions can identify opportunities for paying bonus/patronage dividends to members. By studying which members are earning dividends and which members are not earning dividends, it allows a credit union to study which options exist for paying a bonus/patronage dividend and presents the opportunity to reward members who may not otherwise be rewarded.

5. BETTER INFORMED RATE CHANGE DECISION-MAKING
Credit unions can closely monitor how much in dividends are being paid out to members over time. This will be helpful data for credit union management teams and board members to declare rates and perform analytics on which members would earn dividends based on a rate change.

6. REMINDING MEMBERS OF THE VALUE THEY GET BY BEING A MEMBER
Credit unions can remind members of what they are earning by saving money with their credit union. I do not know of any credit union that is promoting dividends any more than that the transactions are posted to members at EOM. If I were a credit union manager, I would be advertising how much I am paying to members. This data is already available on a financial statement, but as a credit union, we can get details by product, etc. that we can promote to our existing and potential members in our marketplaces. We should be telling the world what we are paying to members.

7. DEEP DIVING THE DEMOGRAPHICS OF DIVIDENDS
Credit unions can study/analyze what types of members are earning dividends (age, gender, zip code, etc.). This allows credit unions to isolate who is earning dividends and why. This feeds the education machine and identifies areas of the community where there may be greater opportunities for outreach and increased participation.

8. SHAPING PRODUCT OFFERINGS
Credit unions can identify which products they can potentially increase rates on to shift member behavior and/or retire products that do not pay dividends in favor of products that do pay dividends. If you’re a CU*BASE user, this dashboard will provide the appropriate insight to analyze these details.

HAVE A QUESTION?

CONTACT ASTERISK INTELLIGENCE
6000 28TH Street SE Grand Rapids, MI 49546
(800) 327-3478 x870  ai@cuanswers.com

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