

2022 saw a great number of entries for our annual scholarship. The Board selected the winners for their thoughtful explorations. We're proud to have the authors as members, and we wish them all the best in their bright academic futures and beyond.

Imagine you are designing financial services for a credit union with your peers in mind. What resources or products would you recommend they use to start building a sound financial future?

Read the winning essays below!

Essay 01

Amongst myself and peers, financial status and stability is something we consider often. As we move towards adulthood and financial independence, there are many things we need to look forward to such as college, housing, career, starting a family and basic leisure. However, just like all things in life, these things cost money and financial preparation. For many teenagers, this process can be very overwhelming and worrisome. Thankfully, there are many ways to make a sound financial future.

For teenagers, the most successful way to have a financial future is to save. Unfortunately, most of us do not find out the importance of saving until it is too late. This is because of irresponsibility, forgetfulness, or simply thinking in the moment and wanting to spend all of your money in the present. Although this can be a disadvantage to financial stability, there are many ways to solve this problem. One way is by saving cents. When money is deposited into or withdrawn from our accounts, the first and only thing we focus on is the amount of dollars, not cents. I think this habit extends beyond my peers too. Look around us. When we see cents they are usually lying around the bottom of your bag, the floor of your car, or behind your bed. We discard them because they seem to lack importance, but over time, they start to add up into a large amount. One penny becomes two dollars, two dollars eventually becomes about 50. These teeny coins that once lacked importance to us have grown into something much larger than we could've imagined without us even noticing. This method of saving could be used as a service for teenagers. When money is deposited into their accounts, the credit union could take the cents, and use it in a separate savings account. Yes, it will start small, but over time it will accumulate to something useful. It also reduces the stress that comes with saving. This tool could also be used for adults or parents who want to get a headstart on saving for their children while they are younger.

When I think about myself and my peers, financial educational resources and workshops will have a big impact on creating long term stability. Resources for teaching teens how to set financial goals, the correct way to save and plan for the future, can be presented online or in webinars. We need to be guided on setting financial goals and what potential financial responsibilities to consider, such as tuition, debt, taxes, credit bills, mortgage, etc. The reason this would help is that we are reminded about finance our whole lives, but with little direction. Just recently, finance was added into the curriculum at my school, and still, it is very limited. Our parents try to teach us about these things, but it can sometimes be hard to comprehend without demonstration or with them not having a full

understanding themselves. Having something being dangled over your head for most of your life, but not having steps, examples, or instruction on how to manage it also plays a large part in the stress teenagers face when it comes to financial planning. To have a credit union, provide information, offer demonstration, and guidance, would be a helpful tool to improve how teenagers view finance and will help them prepare for now and the future.

Essay 02

Few teens understand the importance of financial responsibility because it doesn't affect them day to day. They aren't worried about mortgages, retirement, or taxes. They are more interested in boosting their high scores in Call of Duty than their credit scores for down payments. It's tough, as a result, to think of services that will appeal to a variety of teens and entice them to build a "sound financial future." That said, I think there are some useful methods and tools that can help encourage teens to care about their financial future. A good financial services offering requires a mix of psychology, tech, and social values.

The most important aspect of a financial services product is that it is easy to use and accessible from a mobile device. Most teens can't go a few hours without frantically checking their smartphones. A credit union can use this to its advantage by creating an intuitive and streamlined app that teens can check on the go. The app would teach teens how to save and manage their money by tracking spending and setting realistic goals for the future. Teens, like me, are motivated by reaching these types of goals. The app could send reminders and texts to save and pay monthly bills. Without a goal, financial independence seems daunting. It requires hard work and a path forward. Many of us were raised with the mentality that saving and spending is a soul crushing endeavor. The app will help guide you to financial success.

Another important reason people save is because of encouragement. There are tons of rewards programs in retail stores and restaurants—and these work. I would design a financial product that encourages good savers through incentives. One popular way to boost savings is through "round up" programs, where the amount spent by a consumer is rounded up to the nearest dollar. The difference is deposited into a savings account. This money, when added up, could contribute to paying off college loans, going on a Hawaiian vacation, or paying off a pricey car loan. I tend to neglect spare change because it's practically worthless. But, those pennies can add up. Over time, this money can really help you reach your goals.

Lastly, I think, teens today will be more inclined to use a credit union because they are more socially active than previous generations. Many people my age distrust big companies, like Facebook and JP Morgan Chase. These behemoths are only concerned with boosting the businesses' bottom line. Credit unions, however, are focused on what's important: building communities, supporting local initiatives, and investing in the future. They don't crush customers with high interest rates like other banks and they fund helpful programs. As someone who hopes to study environmental policy in college, I would create a credit union services program that supports local green businesses and eco-friendly investments. My generation faces a climate catastrophe, and this threat could influence our banking choices.

Credit unions can offer a lot to everyone, especially teens and young adults. The financial services resources and products I would recommend would address the psychology behind why young people should want to save and encourage best practices and good

commitments. Many millennials before us weren't prepared for the changing economy and are struggling today. The job market has changed and many can't buy homes. This acts as a cautionary tale for kids my age, who may want to buy their own apartment or start a business in the future. Products I would recommend would be ones that can help make sure kids are prepared for the economic challenges they'll face. I envision a credit union that will help teach teens to be financially responsible and independent by doing everything from creating a great app, using round up programs, and supporting green commerce. This is how we can create change and a generation of financially prepared adults.

Essay 03

As a life-long member of the Congressional Federal Credit Union, if I were to design financial services for a credit union geared towards rising college students, I would center my plans around three personality traits that pertain to second semester high school seniors, specifically confusion, lack of motivation, and needing help with saving money.

Even after four years of high school, my knowledge about financial institutions is fairly limited. Yes, I have been warned about the need to develop a good credit score and the importance of investing for my future, but, in reality, I don't exactly know what any of that means. And yet, I still have a checkbook because I am a legal adult! This is most definitely a shared experience amongst high school seniors; we may be adults, but many of us still lack critical life skills.

With this in mind, my first step towards designing financial services for my peers would involve designing a dynamic, web-based class to teach rising college students about developing good financial habits, including how to budget, save money, develop a high credit score, and utilize tax-deferred and tax-advantaged savings accounts. After completing this class, new members or members just turning 18 would have the opportunity to consult with credit union staff about their specific financial profile and savings goals.

As a whole, college-bound, second semester high school seniors tend to have a declining sense of motivation compared to younger students. As a result, small but important tasks, such as joining a bank, get lost in the mess of procrastinated responsibilities. Regardless, it's important to start taking control of your own finances at this critical juncture. To address this issue, I would create a credit union e-application that allows members to complete all bank related tasks with their mobile telephones. I would also have a no minimum balance policy so that my peers who either don't have a lot of savings or must spend the money they earn quickly would still get into the habit of banking and investing. The more accessible the bank, the more compelling it will be for distracted rising college students with a bad case of Senioritis.

A huge fear of mine going into college surrounds efficient saving and budgeting. To address this issue, I would integrate a budgeting application with good data visualizations into the website to help rising first year college students budget their spending money. I would also create incentives for savings; for example, if a credit union member saves \$100/month over a certain period of time, they could earn gift cards to a range of businesses popular with my demographic, including Starbucks, Dunkin Donuts, Chipotle, etc. Furthermore, I believe that creating a low interest credit card option for rising seniors would be beneficial. They would have the opportunity to start developing a positive credit history without the stress of having to pay exorbitant interest fees should they be unable to pay off their credit card in a given month and forced to carry a balance forward.

Related to this, the last thing that I would do involves developing a small loan program for

college students who may experience a short fall in their incidentals budget at some point during the school year, or who may have an unanticipated expense, like the need to fix a broken computer. These loans would be for up to \$1,000 and could be paid back over time, via direct withdrawals from savings or checking accounts.

The products and services mentioned above would assist in building a loyal and educated customer base with young adults at a pivotal moment in their young lives. Students will not only feel more comfortable and knowledgeable when dealing with their own money, but also will be better equipped to save more and spend what they do have more wisely. And, in turn, the credit union will be able to establish a long term and loyal clientele that becomes more valuable over time as the young adults enter succeeding phases of their lives.