

velera

CU GROWTH OUTLOOK 2025

How Gen Z is Driving the Future
of Financial Services and Why it Matters



Table of Contents

[Introduction](#)

01 [The Generational Shift](#)

[Digital is the Default](#)

[Life & Finance Blend](#)

[Financial Exploration](#)

[The Growing Perception Gap](#)

02 [Credit Unions at a Crossroads](#)

03 [The Future of Financial Services](#)

[Personalized](#)

[Embedded](#)

[Empowered](#)

[Authentic](#)

[Immediate](#)

04 [Conclusions](#)

Introduction

Credit unions have developed strategic visions for growth and made strides in adopting digital solutions to meet the needs of their members.

They've invested in the products, but need a deeper understanding of their membership and potential prospects to create clear differentiation, connected and personalized member experiences, and internal efficiencies that lead to growth.

We also know that younger generations (especially Generation Z — a key target for credit unions with an eye on the future) are leading a shift in consumer behavior that will only continue to grow in impact for members across all generations.

Through this year's research, Velera, in partnership with Mastercard, explores how these dramatic shifts in behavior are driving real change across the financial services landscape. To maintain relevancy, credit unions must adapt, evolve and transform their business models to meet these evolving expectations. We specifically focus on Gen Z — the generation of individuals born between 1997 and 2012 — because this emerging cohort is already having an influence on the future of financial services. Our research explores the following questions:

- What are the different generational mindsets and preferences regarding financial services?
- How are financial consumers engaging across the generational and lifestyle spectrum?
- What is the impact of digital transformation on consumer expectations across age groups?
- What are the barriers and motivators for credit union adoption, especially among Gen Z?
- How can credit unions differentiate themselves in a competitive financial landscape?

2025 Key Insights



Financial behaviors and money management are deeply rooted in personal values, shaped by generational priorities.



Gen Z feels uniquely burdened by today's economy; 72% say they face challenges other generations don't.



Today, financial loyalty is shallow. Traditional financial institutions are increasingly viewed through the lens of transactional relationships — places to compare products and rates, rather than sources of financial guidance and advice.



Credit unions must consider how they incorporate innovations like AI to support an overall digital transformation, leading to more personalized member experiences and efficiency.



Community-focused banks and credit unions are valued for personalized service, whereas national banks lead in convenience.



Expectations are high for streamlined digital applications and easy access across all generations. However, while Gen Z is undeniably digital-first, their engagement preferences are more nuanced than a purely online approach.



Gen Z consumers increasingly seek relatable financial advice from digital sources, especially social platforms like TikTok, Instagram and YouTube, over traditional media sources.

01

The Generational Shift

Money behaviors are rooted in personal values and lifestyle aspirations, shaped by generational priorities.



Table of Contents

[Introduction](#)

01 [The Generational Shift](#)

[Digital is the Default](#)

[Life & Finance Blend](#)

[Financial Exploration](#)

[The Growing Perception Gap](#)

02 [Credit Unions at a Crossroads](#)

03 [The Future of Financial Services](#)

[Personalized](#)

[Embedded](#)

[Empowered](#)

[Authentic](#)

[Immediate](#)

04 [Conclusions](#)

The Generational Shift

Consumers’ attitudes, preferences and (most importantly) behaviors are most heavily influenced by their lifestyle choices, which are in turn often shaped by their generational identification.

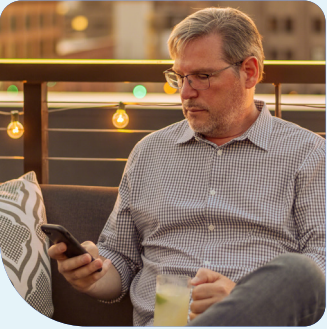
Across generations, consumers express a hyper-awareness of external factors that impact their personal financial picture. What once seemed like a straight line to financial independence is now a moving target.

As they edge closer to retirement, Gen Xers are focused on responsibility, limitations and recalibration. They are continuously thinking about their personal finances, with a focus on stability and long-term planning. They seek personalized, automated financial tools that enable independence while providing guidance and support when needed.

Millennials are concerned with their current financial picture and believe they haven’t achieved a version of “success” promised by prior generations. They are raising families while working multiple jobs and “side hustles” to protect their lifestyles, preserve flexibility and regain control in an uncertain world. They need tools to help with managing money across multiple channels, institutions and apps.

Gen Z came of age during an extended period of economic uncertainty, housing unaffordability and rising costs of living, leading this generation to feel it faces unique challenges that others have not.

Boomers
62+ Years Old
Born earlier than 1964



Millennials
29-45 Years Old
Born between 1980-1996



Gen X
46-61 Years Old
Born between 1964-1979



Gen Z
13-28 Years Old
Born between 1997-2012



Table of Contents

[Introduction](#)

01 [The Generational Shift](#)

[Digital is the Default](#)
[Life & Finance Blend](#)
[Financial Exploration](#)
[The Growing Perception Gap](#)

02 [Credit Unions at a Crossroads](#)

03 [The Future of Financial Services](#)

[Personalized](#)
[Embedded](#)
[Empowered](#)
[Authentic](#)
[Immediate](#)

04 [Conclusions](#)

The Generational Shift

Compared to other generations, members of Gen Z feel less in control of their financial future — yet have more pressure to outperform their parents, who have had their own financial struggles. This leads to an emotional relationship with money, where stress, comparison and a lack of direction often coexist with ambition.

Gen Z’s mindset is largely prevention-focused, and their money behaviors emphasize building toward financial independence.

72%

Feel uniquely challenged

Gen Z feels uniquely burdened by today’s economy — 72% say they face challenges other generations didn’t, and many feel their quality of life lags behind their peers.

Whereas prior generations were more focused on making financial decisions appropriate to each major life stage — from leaving the nest, graduating from college and taking their first job, to buying a home, growing a family and approaching retirement — Gen Z is intent on obtaining the right financial support to achieve their chosen lifestyle.

Gen Z is poised to become the largest, wealthiest cohort in history compared with prior generations at the same stage. [By 2030, Gen Z spending will grow from \\$9.8 trillion annually to \\$12.6 trillion, representing 18.7% of total global spend.](#) This generation is ready to take the reins, and it’s crucial for credit unions to understand the reach and impact it will have on financial services for decades to come.

The following are four key takeaways to help leaders guide their credit union’s strategy for serving Gen Z now and in the future.

Top Five Financial Goals for Gen Z

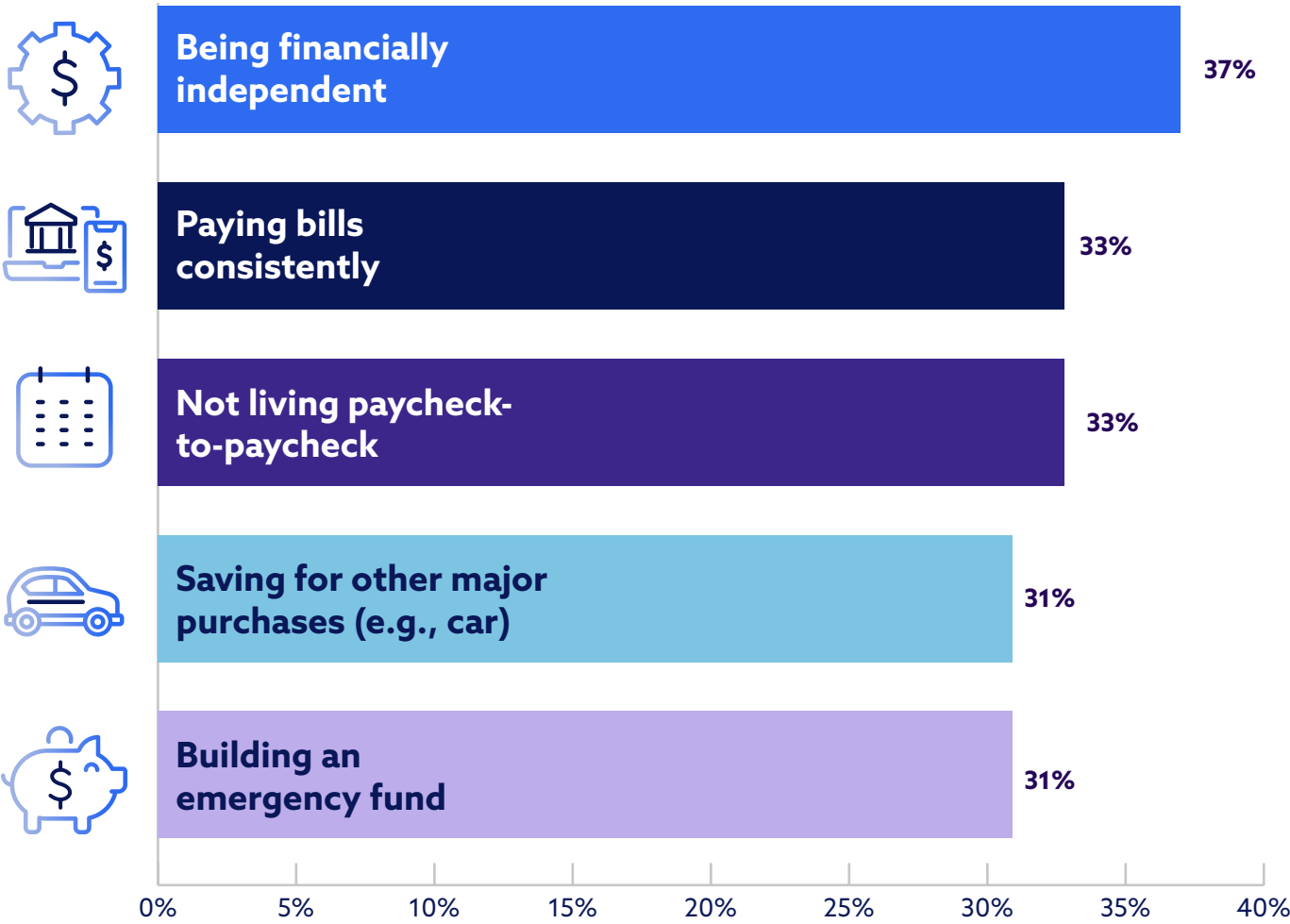


Table of Contents

Introduction

01 The Generational Shift

Digital is the Default

Life & Finance Blend

Financial Exploration

The Growing Perception Gap

02 Credit Unions at a Crossroads

03 The Future of Financial Services

Personalized

Embedded

Empowered

Authentic

Immediate

04 Conclusions

The Generational Shift

1. Digital is the default, and expectations are high.

When it comes to financial tools, a majority of surveyed consumers across generations value digital-first, user-centered experiences.

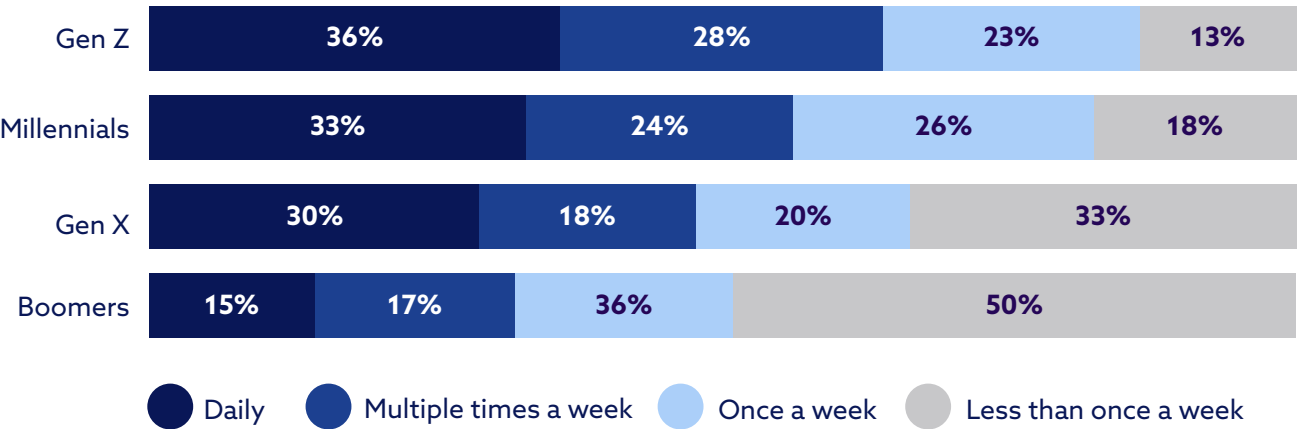
Consumers across all generations find mobile apps essential for daily money management and expect their financial institutions to offer modern digital tools that provide clarity, control and convenience.

Given that Gen Z feels less in control of their financial lives than previous generations, they naturally show greater interest in tech-empowered, self-driven tools that simplify financial management and help them meet their goals. Additionally, this is the first digital-native generation — they’re used to interacting with service providers in an omnichannel environment. They are also quite comfortable transitioning among digital and physical channels of engagement.

While Gen Z is undeniably digital-first, their engagement preferences are more nuanced than a purely online approach. Not only is this generation highly adept at navigating between digital and physical channels, but they also prefer having multiple engagement options and expect a consistent and integrated experience across platforms. They have quickly adapted to short-form video, images and photos that tell a story. Content formats that reflect shorter attention spans are the new default for how younger individuals consume all types of information, including news, education, advice and recommendations.

When addressing questions or concerns or utilizing investment services, respondents were evenly split between preferences for online and in-person formats. Specifically, when receiving financial advice, 28% of Gen Z respondents preferred in-person engagement, 27% expressed no strong preference and a minority (46%) favored online channels.

Digital Banking Frequency



Preference to Conduct Activities Online

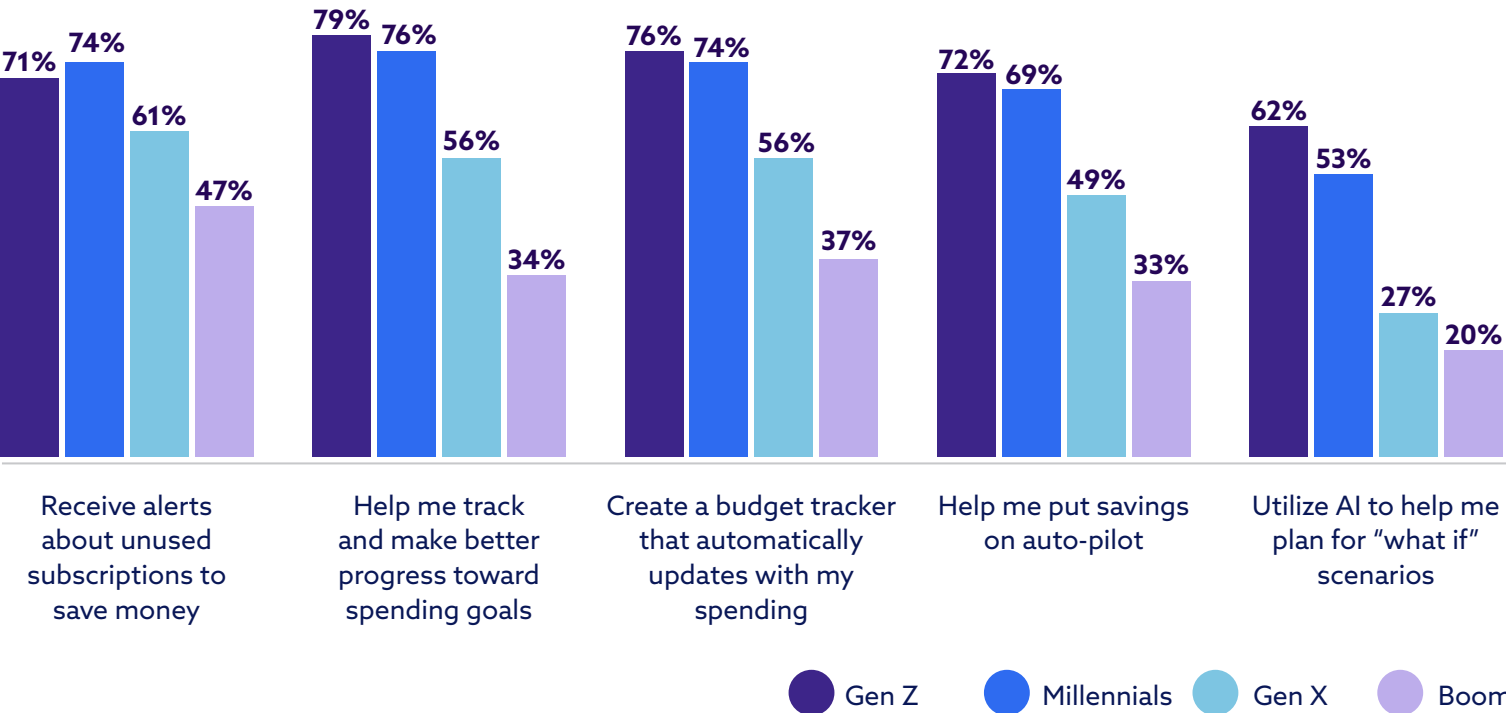


Table of Contents

Introduction

01 The Generational Shift

[Digital is the Default](#)

[Life & Finance Blend](#)

[Financial Exploration](#)

[The Growing Perception Gap](#)

02 Credit Unions at a Crossroads

03 The Future of Financial Services

[Personalized](#)

[Embedded](#)

[Empowered](#)

[Authentic](#)

[Immediate](#)

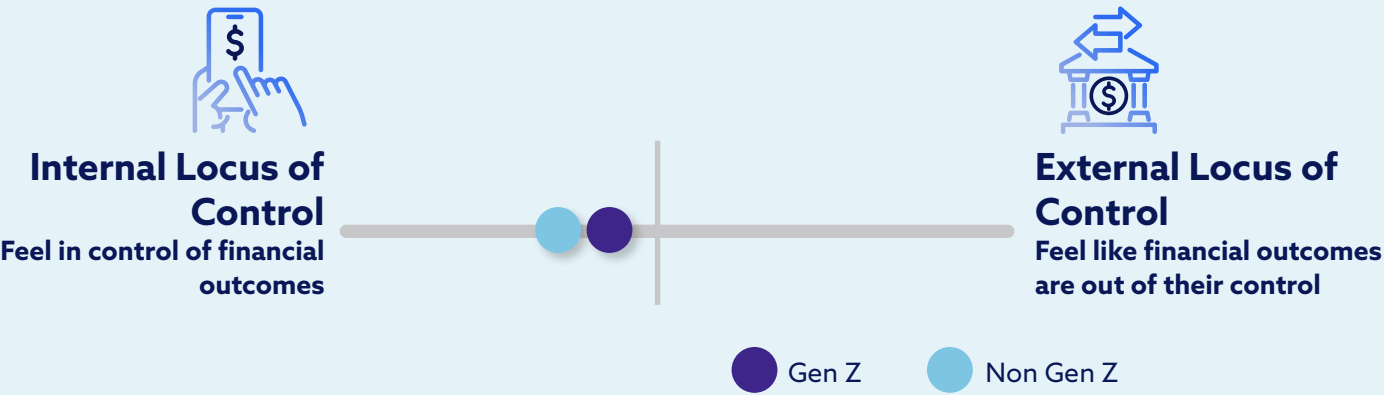
04 Conclusions

The Generational Shift

This omnichannel fluency presents both a challenge and an opportunity for credit unions. To meet Gen Z's expectations, financial institutions must invest in infrastructure that enables fluid transitions between touchpoints, ensuring that data, context and personalization follow the user wherever they go.

Unfortunately, the perceived digital weaknesses of credit unions are dampening growth opportunities among today's financial consumers. Whether this perception is reality is an open question, but credit unions should emphasize their digital capabilities in their messaging, alongside their ability to provide reliable human support for critical service moments. Such moments include incidents of fraud, where the need for responsive, hands-on mitigation and resolution is imperative. Poor member service during these high-stress situations results in a critical decision point for many consumers and may influence their decisions to seek out other financial relationships.

Current Approach to Spending and Financial Decisions



Preferred Form of Engagement Across Key Services

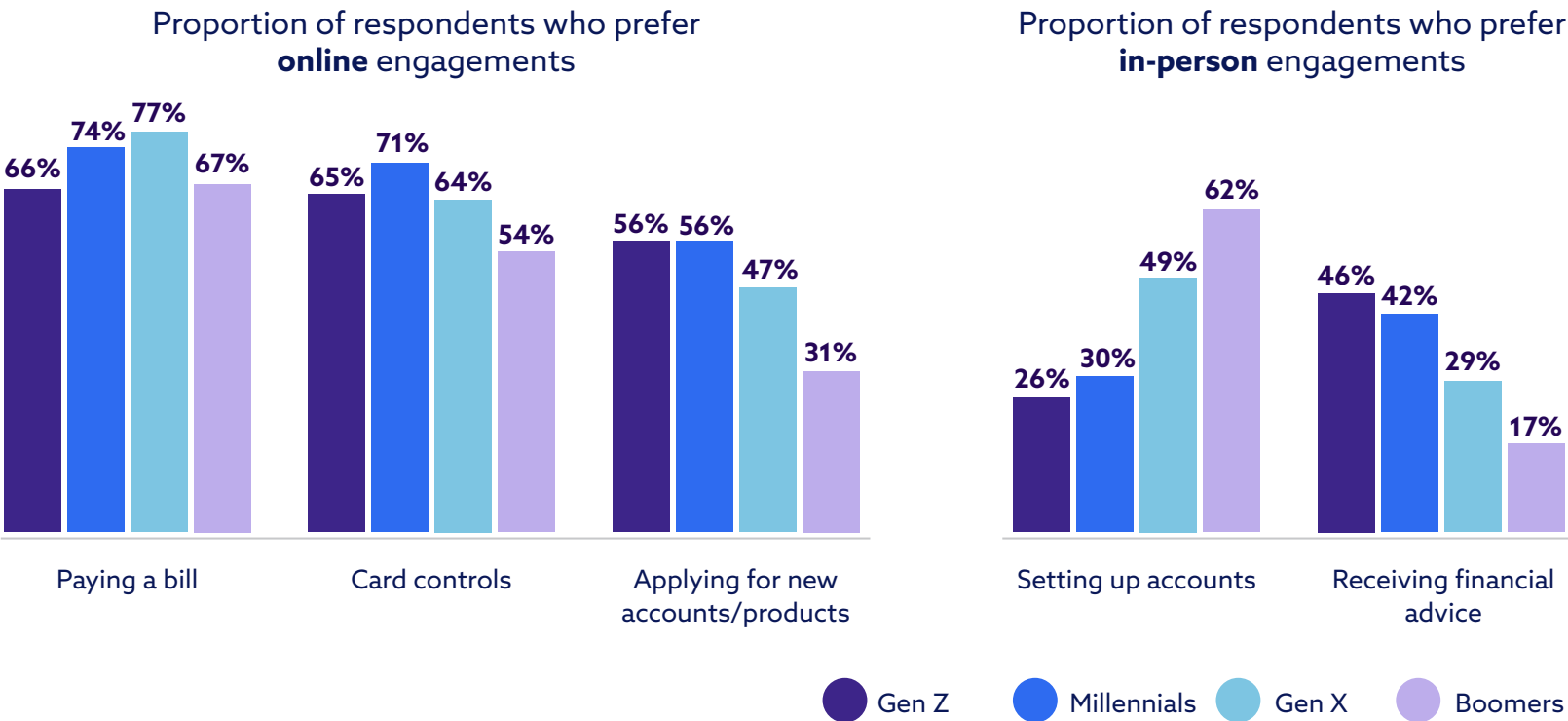


Table of Contents

[Introduction](#)

01 [The Generational Shift](#)

[Digital is the Default](#)

[Life & Finance Blend](#)

[Financial Exploration](#)

[The Growing Perception Gap](#)

02 [Credit Unions at a Crossroads](#)

03 [The Future of Financial Services](#)

[Personalized](#)

[Embedded](#)

[Empowered](#)

[Authentic](#)

[Immediate](#)

04 [Conclusions](#)

The Generational Shift

2. Consumers of all generations increasingly blend financial management with their everyday lives.

Financial influences and beliefs are rapidly evolving. All generations are more engaged in their financial lives than ever before. Many are leveraging the power of the internet to embrace do-it-yourself (DIY) learning and building their own financial curriculum to replace gaps in knowledge from traditional sources like schools and parents. But while Millennials and Gen Xers have turned to personal financial websites as trusted sources of information, Gen Z is pursuing financial wellness by gravitating toward digital influencers (via social media like TikTok, YouTube and Instagram) whose teachings resonate with their beliefs and lifestyle choices.



28% of Gen Z said that they trust social media for financial information and advice.

To connect with members, credit unions must meet them where they are. Increasingly, this is online — via podcasts, digital content and social media, where popular influencers offer common-sense guidance and advice, rather than the canned, product-based solutions they receive from banks and credit unions. Cooperatives must embrace a member-centric approach that projects empathy, authenticity and true engagement.

Empathy is a critical motivating factor for members of Gen Z, who feel they face different financial challenges than their predecessors. As a result, Gen Z seeks financial institutions who not only recognize these unique pressures, but also demonstrate a genuine commitment and capability to guide them toward financial stability and long-term success.

Most Trusted for Financial Advice

Gen Z	
Financial institutions	36%
Older family members	36%
Social media	28%
Family members of similar age	28%
Friends	24%

Millennials	
Financial institutions	41%
Personal finance websites	38%
Friends	34%
Family members of similar age	29%
Older family members	27%

Gen X	
Older family members	44%
Financial institutions	41%
Personal finance websites	35%
Family members of similar age	35%
Friends	21%



Table of Contents

[Introduction](#)

01 [The Generational Shift](#)

[Digital is the Default](#)

[Life & Finance Blend](#)

[Financial Exploration](#)

[The Growing Perception Gap](#)

02 [Credit Unions at a Crossroads](#)

03 [The Future of Financial Services](#)

[Personalized](#)

[Embedded](#)

[Empowered](#)

[Authentic](#)

[Immediate](#)

04 [Conclusions](#)

The Generational Shift

Interestingly, although parents or older family members are seen as trusted sources of financial information and advice, 60% of those surveyed across all generations claim to manage their finances differently from their parents. If anything, young consumers are learning from their parents’ financial missteps, rather than their successes. Instead, Gen Z relies on self-proclaimed financial gurus that make their homes on popular video-first social media platforms. YouTube stands out as the leading social media platform across all generations, but Instagram and TikTok are close followers for Gen Z.

Financial institutions — including credit unions — are still seen as trusted sources, but they need to focus on engaging Gen Z in the compassionate and empathetic ways that resonate for them. All generations value expert voices on social media, but younger members especially want authentic stories from people like them, highlighting the importance of storytelling and authenticity.

Financial institutions are overwhelmingly the top-trusted voices on core financial topics like credit and debt management, saving and investing, as well as budgeting and planning. Credit unions should lean into these topics in their content marketing programs.

Social Media Sources for Financial Information

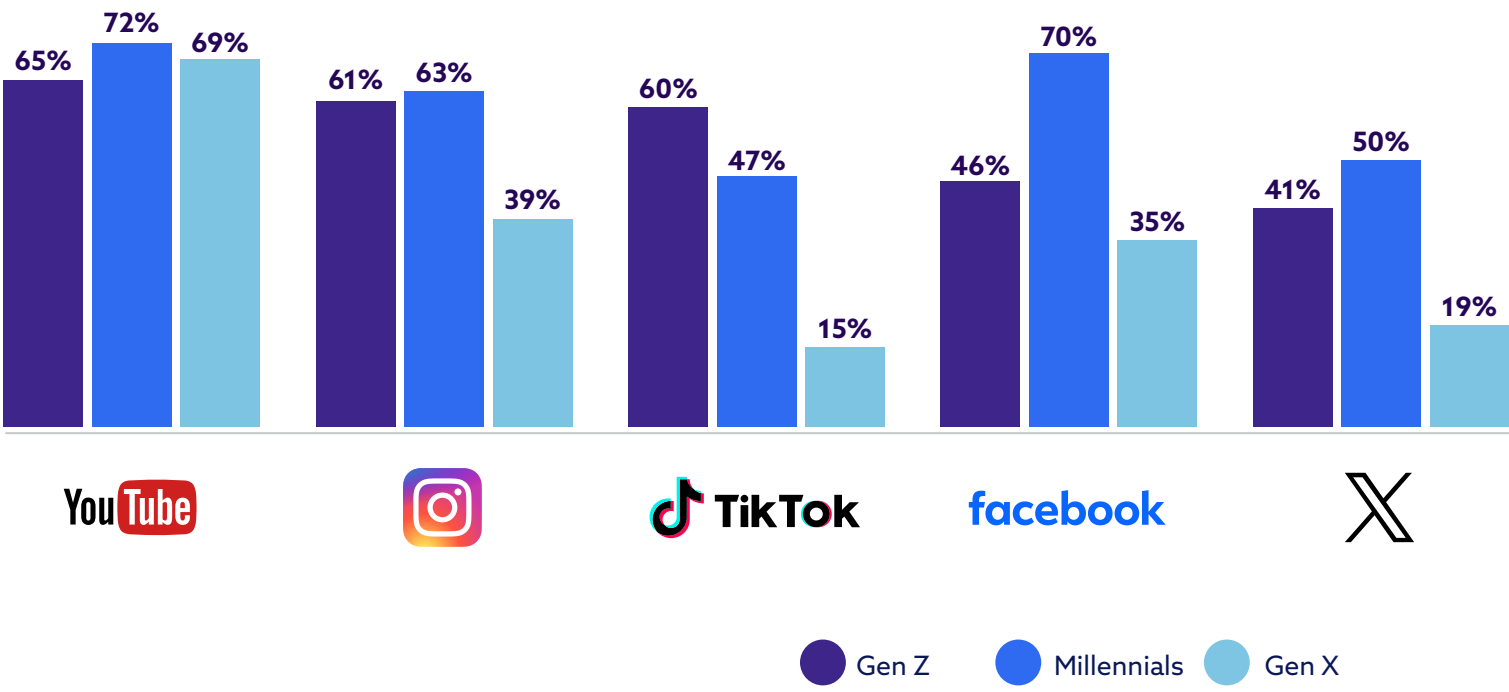


Table of Contents

Introduction

01 The Generational Shift

[Digital is the Default](#)

[Life & Finance Blend](#)

[Financial Exploration](#)

[The Growing Perception Gap](#)

02 Credit Unions at a Crossroads

03 The Future of Financial Services

[Personalized](#)

[Embedded](#)

[Empowered](#)

[Authentic](#)

[Immediate](#)

04 Conclusions

The Generational Shift

3. Gen Z consumers “inherit” their financial relationships, but are prepared to explore alternatives.

When it comes to the banking practices and financial products consumers choose, it’s typical to adopt the relationships passed down from our families. But many young consumers don’t feel an obligation to maintain these relationships. In fact, according to Velera’s Innovation Readiness Research with PYMNTS.com, Gen Z credit union members are two times more likely to consider leaving their credit union than the average member.

Gen Z is more open to exploring unfamiliar and complex financial products than previous generations. They feel comfortable with evaluating multiple options and selecting the combination of providers that best meets their needs.

This generational flexibility and openness to trying something new was observed when respondents were asked for the primary reason they opened a new financial services account in the past three years. Gen X and Millennials are largely set in their ways, and will only switch financial institutions for superior interest rates or if they have concerns around trust and brand reputation.

Current Approach to Spending and Financial Decisions



Table of Contents

[Introduction](#)

01 [The Generational Shift](#)

[Digital is the Default](#)

[Life & Finance Blend](#)

[Financial Exploration](#)

[The Growing Perception Gap](#)

02 [Credit Unions at a Crossroads](#)

03 [The Future of Financial Services](#)

[Personalized](#)

[Embedded](#)

[Empowered](#)

[Authentic](#)

[Immediate](#)

04 [Conclusions](#)

The Generational Shift

Gen Z respondents, in contrast, cite a wide range of reasons for switching accounts, from trustworthiness and brand reputation to promotional offers and superior rates, to better service and recommendations from friends or family. They’re not just shopping for financial products — they’re curating them.

As generative AI continues to evolve and become even more accessible, it will supercharge this behavior. Gen Z is already adopting AI tools to simplify decision-making. 62% of Gen Z respondents are already willing to utilize AI in financial decision making — specifically in “what if” scenario planning.

As AI technologies evolve, they won’t just make it easier to compare financial institutions — they’ll reshape Gen Z’s expectations entirely. AI-powered assistants can surface tailored product recommendations, simulate financial outcomes and provide instant, conversational support. For Gen Z, this level of personalization and responsiveness will become the norm, not the exception.

Credit unions must pay close attention. Generative AI isn’t just a tool — it’s a gateway to deeper engagement with a generation that values speed, transparency and relevance. And Gen Z is prepared to seek out solutions that meet those needs.



62% of Gen Z respondents are interested in utilizing AI to help with “what if” scenario planning.

Top Reasons for Creating a New Financial Institution Account

Gen Z		Millennials		Gen X	
More trustworthy	29%	Better interest rates	35%	Better interest rates	34%
Promotions or offers	26%	More trustworthy	32%	Products that better fit my needs	25%
Recommendation from friends/family	25%	Better brand reputation	31%	Promotions or offers	24%
Better customer service	24%	Better customer service	27%	Better digital interface	20%
Better interest rates	24%	Better digital interface	25%	Lower/fewer fees	19%
Better brand reputation	24%	Recommendation from friends/family	24%	Proximity to physical branch	15%
Lower/fewer fees	23%	Lower/fewer fees	22%	Recommendation from friends/family	15%
Products that better fit my needs	23%	Offers tools to link accounts	22%	Better customer service	11%
Recommendation from social media	21%	Promotions or offer	21%	Offers tools to link accounts	11%
Better digital interface	20%	Products that better fit my needs	21%	More trustworthy	10%

Table of Contents

Introduction

01 The Generational Shift

Digital is the Default

Life & Finance Blend

Financial Exploration

The Growing Perception Gap

02 Credit Unions at a Crossroads

03 The Future of Financial Services

Personalized

Embedded

Empowered

Authentic

Immediate

04 Conclusions

The Generational Shift

4. Gen Z is not attuned to credit unions' traditional differentiators.

Perceptions of financial institutions — and credit unions specifically — are rapidly changing, especially among Gen Z.

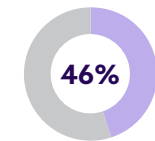
Relative to other generations, Gen Z views all financial institutions as both more profit-driven and more technologically advanced. These perceptions extend to credit unions, although to a lesser extent than all financial institutions. Credit unions also fall behind other types of financial institutions in Gen Z's perceptions of whether they provide good customer service, lower rates/fees, customer-centricity and a community focus.

Where credit unions rise above the pack is in Gen Z's perceptions of whether the financial institution "understands/knows me."

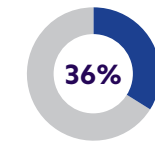
Community-focused banks and credit unions are still valued for their personalized human touch, but national banks lead in digital convenience. From a security perspective, consumers feel their money is safe with the big banks. On the other hand, there is a sense that the major national players are "not on our side."

Newer entrants like digital-only and virtual banks are recognized for making fast lending decisions and being accessible and convenient, but lose points on trust. Across all generations surveyed, credit unions are ranked first in trust, yet perceived to be less accessible and convenient than national, regional and virtual banks.

Perception of Convenience & Accessibility

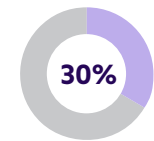


Virtual Banks

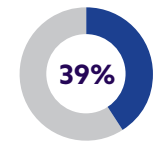


Credit Unions

Perception of Reputation & Trust

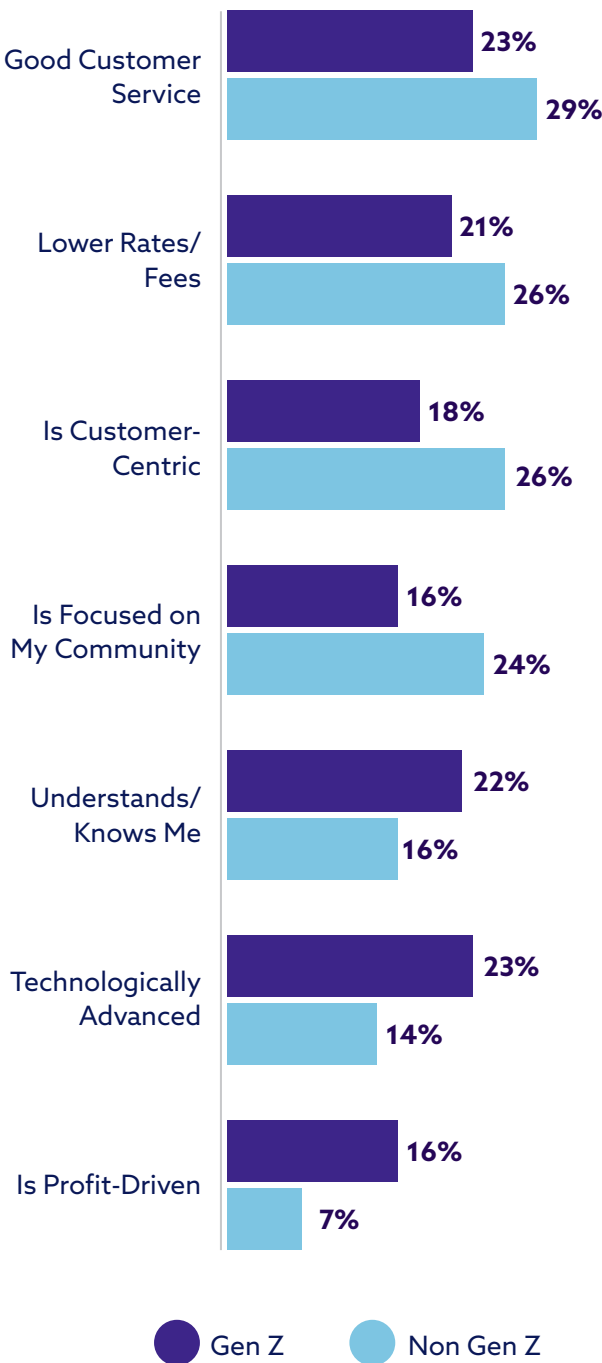


Virtual Banks



Credit Unions

Perception of Credit Unions



Reliability, Service & Trust

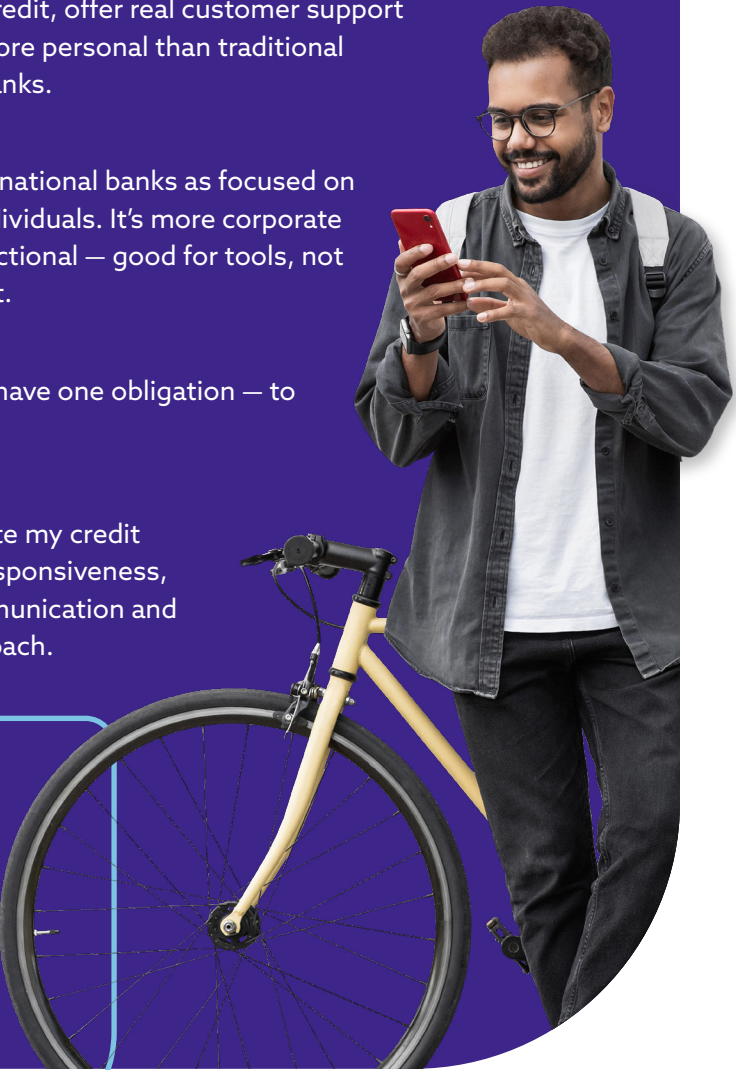
The factors of reliability, service and trust stood out among the qualitative surveys, with the following quotes from respondents being indicative of larger trends:

“ I trust credit unions the most. They’ve helped me build credit, offer real customer support and feel more personal than traditional national banks.

“ I don’t see national banks as focused on helping individuals. It’s more corporate and transactional — good for tools, not for support.

“ They only have one obligation — to be reliable.

“ [I appreciate my credit union’s] responsiveness, clear communication and calm approach.





02

Credit Unions at a Crossroads

Table of Contents

[Introduction](#)

01 [The Generational Shift](#)

[Digital is the Default](#)

[Life & Finance Blend](#)

[Financial Exploration](#)

[The Growing Perception Gap](#)

02 [Credit Unions at a Crossroads](#)

03 [The Future of Financial Services](#)

[Personalized](#)

[Embedded](#)

[Empowered](#)

[Authentic](#)

[Immediate](#)

04 [Conclusions](#)

Credit Unions at a Crossroads

These findings all point toward an inflection point for credit unions. In today's dynamic financial marketplace, it's imperative for credit unions to capitalize on their historic core strengths in service, collaboration and the human touch, while simultaneously evolving to attract, retain and serve Gen Z — alongside all of today's financial consumers.

To succeed in this new environment, credit unions must meet members where they are today — across digital platforms, mobile experiences and in-person interactions — and deliver value in the form of convenience, personalization or financial guidance. This shift isn't only about adopting new technology; it's about reimagining trust and relevance.

Gen Z is already driving these changes in financial services, and it's only going to become more impactful as this cohort continues to mature. Their expectations for seamless digital experiences, personalized insights and authentic engagement will accelerate transformation. However, these demands aren't entirely new. In fact, they've been building for some time.

Revisiting Velera's prior CU Growth Outlook research, in 2021, consumers reported wanting digital engagement. In 2022, that desire for engagement was reflected in a changing definition of trust, which saw financial consumers pivoting away from traditional attributes like safety and security that demonstrate an organization's character, shifting more toward capability, or an organization's ability to deliver personalized engagement when and where a member needs it. In 2023, 45% of consumers surveyed cited engagement as the top driver of relationship primacy.

These were signals of a broader shift in consumer expectations. Gen Z is accelerating shifts that have been underway for years, and their influence will soon dominate the industry.

**Gen Z is
accelerating shifts
that have been
underway for years.**

Excerpt from Velera's 2022 CU Growth Outlook

Banking has been transformed by high levels of product commoditization. The ability for credit unions to provide highly personalized, one-to-one service is becoming increasingly difficult as digital channels become the primary mode of interaction. The result is that the banking relationship has become increasingly transactional and fragmented, leading to an erosion of consumer loyalty to traditional financial institutions.

Delivering the right products and services to meet daily needs rivals data protection, security and personal relationship — which credit unions do very well — as the most important factor when trusting a financial institution.

For credit unions, which have long enjoyed high levels of trust with their members, the time has come to redefine what trust means. To put it another way — credit unions need to reexamine what it now means to be member-centric.



03

What is the Future of Financial Services?

How Gen Z's Expectations
are Redefining the
Financial Landscape

Table of Contents

[Introduction](#)

01 [The Generational Shift](#)

[Digital is the Default](#)

[Life & Finance Blend](#)

[Financial Exploration](#)

[The Growing Perception Gap](#)

02 [Credit Unions at a Crossroads](#)

03 [The Future of Financial Services](#)

[Personalized](#)

[Embedded](#)

[Empowered](#)

[Authentic](#)

[Immediate](#)

04 [Conclusions](#)

What is the Future of Financial Services?

The next generation of financial services is being defined by the priorities, expectations and digital fluency of Gen Z. So, what does this mean for the future of financial services? While we see familiar themes like personalized, embedded, empowered, authentic and immediate, credit unions must look beyond the surface of these terms and understand how Gen Z is reshaping them.

Personalized

Gen Z defines personalization as seamless, intelligent experiences that feel tailor-made for their lifestyle, values and financial goals. Hyper-personalization, in terms of offering true value in the moments that matter, has become table stakes. Consumers expect financial institutions to anticipate their needs and deliver value in the moments that matter — whether it's budgeting help, savings nudges or relevant financial education.

This trend grows increasingly important as generative AI, through popular interfaces like ChatGPT and Google AI, has become an accepted and valued part of everyday life for consumers. These platforms respond in real time, adapt to user preferences and offer relevant insights — setting a high bar for what Gen Z considers "good service."

62% of Gen Z respondents are interested in utilizing AI to help with "what if" scenario planning. However, Millennials also show heightened interest in AI (53%):

“ If I wanted to understand how to invest in a CD, or what the Fed is about to do ... ChatGPT does a good job of laying out the pros and cons. It will tell you, here's a good breakdown. That's how it helps me compare.

— Millennial study participant

Credit unions must seek out ways to personalize their member relationships, even when they are not interacting face-to-face in a branch. For example, users love the ability to customize the way their accounts, services and links display in their financial apps.



Traditional Lens

Personalized greetings —
"Hello Scott!" — and marketing
offers based on limited data or
manual preferences.

Personalized

Gen Z Lens

Experiences that feel tailor-
made for their lifestyle,
values, and financial goals —
without having to ask for it.

"It's like my bank knows me — not just
my balance, but my habits, my goals
and what I care about. It helps me make
smarter choices without being pushy."

Table of Contents

[Introduction](#)

01 [The Generational Shift](#)

[Digital is the Default](#)

[Life & Finance Blend](#)

[Financial Exploration](#)

[The Growing Perception Gap](#)

02 [Credit Unions at a Crossroads](#)

03 [The Future of Financial Services](#)

[Personalized](#)

[Embedded](#)

[Empowered](#)

[Authentic](#)

[Immediate](#)

04 [Conclusions](#)

What is the Future of Financial Services?

Embedded

Embedded finance, to Gen Z, isn't a feature — it's a default expectation. They expect financial services to be seamlessly integrated into their everyday digital experiences, not something they have to seek out separately.

Credit unions must be a constant presence in their members' daily financial lives. No longer can they wait for the member to walk into a branch. It's about being where the member is — positioned to offer the right solution, in the right place at the right time.

One Gen Z study participant shared the story of a positive interaction he had with his small, local credit union — a small auto loan. He raved that they were "very kind," and offered a "small-town flavor." However, he has not had a need to work with them again. If credit unions are not present in their members' daily lives, they will be forgotten.

Capturing daily engagement through payments is a great place to start. Credit unions should also explore partnerships and APIs that allow credit union services to appear where members are already active.



Traditional Lens

Banking was a destination. Consumers visited branches or navigated bank websites to explore services, open accounts or apply for loans. Financial solutions were something you had to seek out.

Embedded

Gen Z Lens

A default expectation that the right financial services will appear at the right time, in the right place — not be something they have to search for.

"If I'm buying something, I want to easily pay and even invest spare change — right there, in the moment. I don't want to open another app or fill out a form. **Just make it smart, fast and aligned with what I care about.**"

Table of Contents

Introduction

01 The Generational Shift

[Digital is the Default](#)

[Life & Finance Blend](#)

[Financial Exploration](#)

[The Growing Perception Gap](#)

02 Credit Unions at a Crossroads

03 The Future of Financial Services

[Personalized](#)

[Embedded](#)

[Empowered](#)

[Authentic](#)

[Immediate](#)

04 Conclusions

What is the Future of Financial Services?

Empowered

In the past, consumers maintained only one or two financial relationships. Today, they have a myriad choices. Their financial lives are increasingly disaggregated, but people desire real control over their finances. All generations today value the tools, transparency and control to confidently manage their money in ways that reflect their values, goals and lifestyles.

“ I really like the Discover app. It’s very useful and easy to use. I can make payments, check my FICO® credit score and see the changes and reasonings. Everything’s very secure as well — like online privacy protection and the ability to freeze my account in case something happens. I even have a spend analyzer, to see how much I spend. It’s kind of like putting Rocket Money into the app as well.

— Gen Z study participant

Credit unions should offer solutions and product features that put control in the hands of consumers and offer them credit access and a path to financial independence. This includes self-driven, fully digital account opening, Buy Now, Pay Later (BNPL) and easy accessibility to a variety of payments alternatives. According to research from PYMNTS.com, Gen Z ranks digital onboarding 78% higher in importance than the average consumer.

“ Last year, I decided to make the switch to Capital One as my main checking and savings account. It offered a high-yield savings account, which I wasn’t previously aware of until I watched a TikTok video. Their rates were much higher, and they offered more flexibility on making simple savings accounts. They also offered an incentive award of \$250 if you deposit a certain amount of money in your checking account.

— Gen Z study participant



Traditional Lens

Consumers had one, maybe two financial relationships. It was easier to manage budgets, goals, etc., because it was all together. But there are a lot more choices now.



Gen Z Lens

Having the tools, transparency and control to confidently manage their money in ways that reflect their values, goals and lifestyles.

“Empowerment means I don’t just use my bank — I understand it, control it and trust it to help me grow.”

Table of Contents

[Introduction](#)

01 [The Generational Shift](#)

[Digital is the Default](#)

[Life & Finance Blend](#)

[Financial Exploration](#)

[The Growing Perception Gap](#)

02 [Credit Unions at a Crossroads](#)

03 [The Future of Financial Services](#)

[Personalized](#)

[Embedded](#)

[Empowered](#)

[Authentic](#)

[Immediate](#)

04 [Conclusions](#)

What is the Future of Financial Services?

Authentic

Financial consumers crave authenticity and want to work with providers that share their beliefs and values. Particularly for Gen Z, the community and social aspects of the tools they use are very important.

Financial consumers are seeking messaging, branding and services that reflect their identity, not generic templates. Gen Z craves authenticity and desires to work with providers that share their beliefs and values. But it's more than community involvement, it's consistency across channels; whether via an app, website or in-person interaction, the experience should feel cohesive and trustworthy.

One common mistake that financial institutions make is marketing to young people solely because they are young. The path to authenticity begins with developing a cohesive strategy, defining a target niche and speaking directly to that audience's needs, pain points and fears. Messages must align with the overarching strategy, and financial institutions must deliver on that promise. Marketing the credit union as convenient and consumer-friendly doesn't hold up when it takes 20 minutes to open an account. Prospective members walk away frustrated, conversion rates plummet and the credit union loses the opportunity to build trust and credibility.

The key lies not only in reaching prospective members where they are today, but showing up in ways that feel natural and relevant. [Joan Opp, President/CEO of Stanford Federal Credit Union](#) says, "A couple of years ago, we rebranded our checking accounts [as] 'spending accounts.' We feel if we are in the front of spend, we have you. But if you're spending out of a Wells [Fargo] or [Bank of America] account, we don't have you."



Traditional Lens

Trust built through long-standing brand reputation and in-person relationships. Values focused on stability, security and institutional legacy.

Authentic

Gen Z Lens

Messaging, branding and services that reflect their identity, not generic templates. Real, consistent experiences across channels that empathize with their needs and goals.

"Authentic means my bank doesn't just talk the talk — it shows up with tools I actually use, values I believe in and transparency I can trust. **It gets me.**"

Table of Contents

Introduction

01 The Generational Shift

[Digital is the Default](#)

[Life & Finance Blend](#)

[Financial Exploration](#)

[The Growing Perception Gap](#)

02 Credit Unions at a Crossroads

03 The Future of Financial Services

[Personalized](#)

[Embedded](#)

[Empowered](#)

[Authentic](#)

[Immediate](#)

04 Conclusions

What is the Future of Financial Services?

Immediate

Consumers continue to prioritize convenience, speed and ease of use. Gen Z desires a real-time, intuitive financial companion that lives in their phone — providing budgeting, investing, saving and borrowing capabilities all in one place.

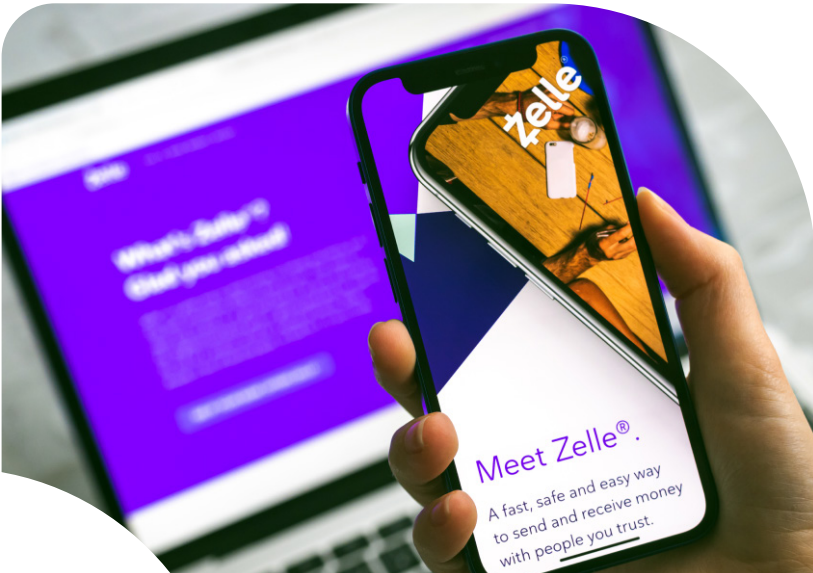
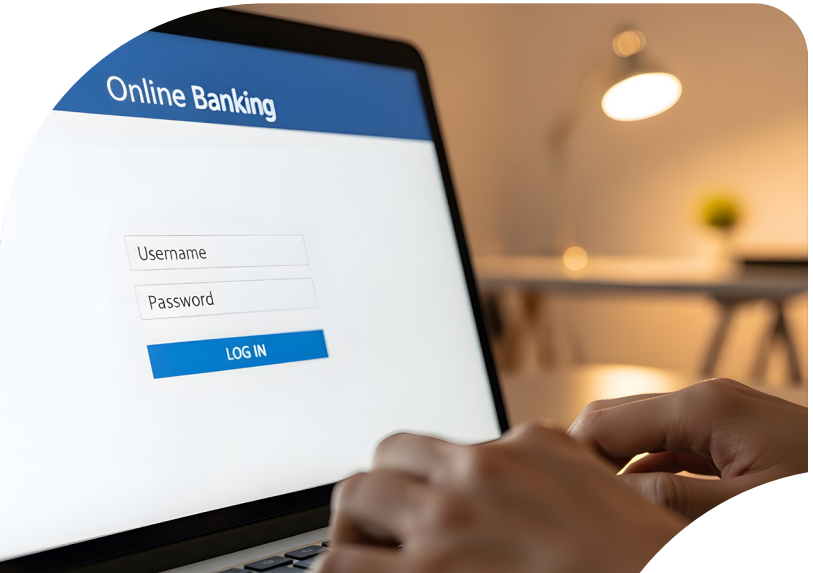
To achieve this goal, credit unions must offer tools that show up when needed — like auto-savings, BNPL and investing through gaming apps. Financial support must be woven into everyday platforms that offer speed and convenience (e.g., instant account openings, real-time payments and predictive suggestions based on user behaviors).

Watch for continued migration to tap-and-go, app-based convenience, enhanced biometric authentication (e.g., Amazon One), instant responsiveness and cross-provider integration.

Gen Z respondents spoke of the drivers for switching to another financial institution, and frustration with inconvenient digital or online tools was at the top of the list.

“ I was using [one bank that] was just very hard to ... log into. I kept forgetting [my login information]. It was such a hassle. And I don't even think they had an app, so I had to use the website. It wasn't convenient for me.

— Gen Z study participant



Immediate

Traditional Lens

Accessing account balances, transferring funds or paying bills via a bank's app or mobile website. Financial service apps are separate from lifestyle platforms — they are faster, but there's still friction (delays, redirects, paperwork, non-real-time).

Gen Z Lens

Real-time, intuitive financial tools that show up when needed. Financial tasks are woven into everyday platforms to offer speed and convenience (instant account openings, real-time payments and predictive nudges based on behaviors).

“It means I **don't have to jump through hoops** to manage my money. It's fast, intuitive and fits into my life — not the other way around.”

04 Conclusions



Table of Contents

[Introduction](#)

01 [The Generational Shift](#)

[Digital is the Default](#)

[Life & Finance Blend](#)

[Financial Exploration](#)

[The Growing Perception Gap](#)

02 [Credit Unions at a Crossroads](#)

03 [The Future of Financial Services](#)

[Personalized](#)

[Embedded](#)

[Empowered](#)

[Authentic](#)

[Immediate](#)

04 [Conclusions](#)

Conclusions

Although Gen Z is currently experiencing its share of economic challenges, it is projected to become the [largest, wealthiest generation in history by 2035](#). As this cohort matures into financial decision-makers, they are shifting the very definition of financial services to reflect the priorities, expectations and digital fluency of Gen Z.

What is the role of credit unions in this future state? How do credit unions respond to changes in consumer behavior to survive and thrive? The solution lies in leveraging credit unions’ natural strengths to compete and grow. These include the cooperative, member-owned business model; outstanding service; low rates and fees; strong community connections; and a consumer-driven mission built on the philosophy of “people helping people.”

These classic pillars represent a great starting point, but credit unions must also invest in digital capabilities to deliver personalized financial wellness solutions, guidance and advice. This is the key to attracting and retaining a new generation of members.

As credit unions navigate this rapidly evolving financial landscape, one truth remains clear: sustainable growth doesn’t happen by chance — it’s the result of intentional strategy, inclusive culture and a relentless focus on member needs. In 2024, Velera’s research highlighted that credit unions clearly understand what is needed to compete in today’s financial landscape. Many have built forward-looking strategies and invested in digital tools to serve their members. Yet despite these efforts, few have achieved the transformative gains they hoped for. The missing piece is often a deeper understanding of their members’ evolving expectations — particularly personalization, engagement and creating seamless, connected experiences.

To future-proof their growth strategies, credit unions must rethink their approach — not just as a technology upgrade, but to build deeper relationships. That means leveraging AI, behavioral insights and personalized experiences to meet members where they are. By aligning their strengths in trust and service with a more modern, insight-driven approach, credit unions can bridge the gap between investment and impact — and better position themselves for relevance and growth in a rapidly changing landscape.

Key Takeaways

1. Understand Gen Z to Build Authentic Engagement

Gen Z is reshaping the future of financial services. To connect meaningfully with this generation, credit unions must go beyond assumptions and invest in understanding this generation’s values, behaviors and expectations.

Authentic engagement starts with empathy and data. By listening to Gen Z and analyzing its preferences and behaviors, credit unions can design experiences that resonate and build lasting trust.

2. Reimagine Digital Engagement as Holistic Member Journeys

Digital transformation is not just about launching new products — it’s about creating seamless, empowering member journeys. The most successful credit unions are “building smarter,” aligning innovation with what members truly value. This means designing digital experiences that reflect the credit union philosophy of people helping people, while delivering personalized, real-time support.

Credit unions must avoid the trap of product-only innovation. Instead, prioritize member-centric design. The question every credit union should ask is: How can we make our members’ experience more personalized, embedded, immediate and authentic?

3. Align Internally — Across Culture, Talent and Processes

True transformation requires internal alignment. Credit unions must evolve their culture and operations to support experience-based engagement rather than product-centric banking. This includes breaking down silos, rethinking success metrics and fostering collaboration across departments.

Equally important is elevating Gen Z talent within the organization. Initiatives like targeted mentorship, leadership development and succession planning are essential to amplify generational voices.

Table of Contents

[Introduction](#)

01 [The Generational Shift](#)

[Digital is the Default](#)

[Life & Finance Blend](#)

[Financial Exploration](#)

[The Growing Perception Gap](#)

02 [Credit Unions at a Crossroads](#)

03 [The Future of Financial Services](#)

[Personalized](#)

[Embedded](#)

[Empowered](#)

[Authentic](#)

[Immediate](#)

04 [Conclusions](#)



Conclusions

Sustainable growth doesn't happen by chance — it's the result of intentional strategy, inclusive culture and a relentless focus on member needs.



Research Scope and Methodology

In partnership with Velera, Mastercard conducted a quantitative survey of 1,500 financial consumers ages 18 and up, with a “boost” given toward Generation Z (18-28 years old), and an even distribution of male and female respondents. A relatively even split of credit union members and non-credit union members were included.

In addition, the research team conducted qualitative surveys of 16 consumers (10 from Gen Z, four Millennials and two from Gen X), consisting of a 90-minute digital interview and a series of 10 separate multi-entry video “tasks” completed over 7-10 days and recorded on the participant’s own mobile device.

About Velera

Velera is the nation’s premier payments credit union service organization (CUSO) and an integrated financial technology solutions provider. With over four decades of industry experience and a commitment to service excellence and innovation, the company serves more than 4,000 financial institutions throughout North America, operating with velocity to help its clients keep pace with the rapid momentum of change and fuel growth in the new era of financial services. Velera leverages its expertise and resources on behalf of credit unions and their members, offering an end-to-end product portfolio that includes payment processing, fraud and risk management, data and analytics, digital banking, instant payments, strategic consulting, collections, ATM and POS networks, shared branching and 24/7/365 member support via its contact centers. For more information, visit velera.com.