

Future Proofing Your Membership: A Governance Approach

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Future Proofing Your Membership: Reflections

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Gen Z

Bias

Global Learnings

Reimagine

Future Proofing Your Membership: Governance, Risk & Foresight

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**Over 11 million credit union members
in Canada** CCUA, 2025



**59% of credit union members are over
the age of 55** Ipsos, 2021

Canada's productivity gap is lagging its peers

OECD, 2025

Demographic shifts (aging population and immigration restrictions) affect economic output

CCUA, 2025

There is a perceived tech skills gap across the sector

Future Finance (UKRI & ESRC), 2024

FinTech is targeting credit union membership base

Future Finance (UKRI & ESRC), 2024

Operational inefficiencies make it hard for small/medium credit unions to scale

Future Finance (UKRI & ESRC), 2024

Readiness of legacy systems to protect against fraud and cybercrime impacts trust

Future Finance (UKRI & ESRC), 2024

Are expectations and habits across generations different?

Asked how they would invest \$100K ...

Statista, 2022

**Nearly 50% of baby boomers and older
would invest in stocks** Statista, 2022

53% of Gen X would invest in stocks

Statista, 2022

**63% of millennials would invest in
stocks** Statista, 2022

81% of Gen Z would invest in stocks

Statista, 2022

What's different about how generations invest or bank?

Baby boomers are retired or close to retirement, so less risky with their investments

Pew Research, 2022

**Gen X are in their prime earning years
and more likely to take greater risks to
get higher returns** CNBC, 2018

Gen X also have comparatively higher levels of debt and assets

Statistics Canada

Millennials have higher median net worth compared to Gen X at the same age

Statistics Canada, 2019

**Millennials are more comfortable using
digital investment tools, including
gaming and social media** Accenture, 2017

Gen Z use computer-generated investment guides

Pew Research, 2019

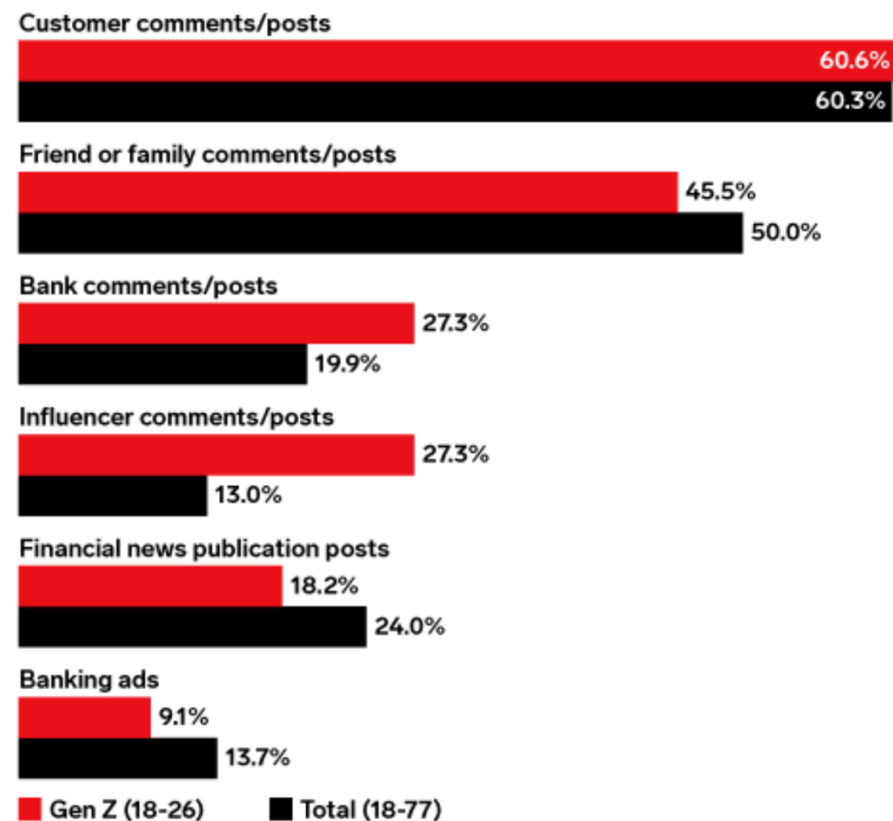
**Gen Z like stocks and cryptocurrencies,
and less keen on mutual funds** Motley Fool, 2021

Gen Z are also more likely to use apps

Motley Fool, 2021

Most Trusted Sources of Banking Information on Social Media According to Gen Z vs. Total Banking Consumers in Canada, Nov 2023

% of respondents



Note: Gen Z n=33; total n=146; among those who use social media to look up banking-related information, Q: "Which sources on social media do you trust the most for banking-related information? Select top 2."; cross-generational data is the averages of Gen Z, millennial, Gen X, and baby boomer responses
Source: Insider Intelligence | eMarketer Survey, "Canada Banking Consumer Habits," Jan 2024

What about socially responsible investing?

**Two-thirds of baby boomers surveyed
were somewhat or not at all concerned
about the environment and social
issues**

Stanford University, 2022

Two-thirds of millennial and Gen Z surveyed were very concerned about the environment and social issues

Stanford University, 2022



What about homeownership?

**70% of Gen Z and Millennials believe
buying a home is out of reach** Ipsos, 2022

**58% of Gen Z and Millennials still hope
to buy a home** Scotia Housing Poll, 2024

Demographic Shifts & Governance Risks

What are some strategic risks?

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What are some financial and operational risks?

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Strategic Foresight and Innovation

Foresight Tools for Boards

- ☐ Scenario planning (baseline, digital disruption, slow growth)
- ☐ Horizon scanning
- ☐ Strategic risk register
- ☐ Decision frameworks for key technology investments

Innovation Governance Questions

- ☐ How is innovation and your dynamic risk appetite aligned?
- ☐ What is your approach to the member experience journey?
- ☐ What does your AI governance oversight look like?
- ☐ How are you thinking about open banking?

Board Dashboard: KPIs to Watch

- ❑ Member NPS by cohort
- ❑ Acquisition & churn rates by age group
- ❑ Member lifetime value & cross-sell ratios
- ❑ Digital onboarding completion rate
- ❑ Technology incident frequency & recovery time

Understanding the VUCA framework

The term VUCA
originated in the
late 1980s

**VUCA was how the U.S. Army
War College described the
world after the Cold War given
geo-political unpredictability**





VOLATILITY



UNCERTAINTY



COMPLEXITY



AMBIGUITY

Volatility

- The speed and magnitude of change in the external environment creates volatile conditions
- Leaders are faced with unpredictable conditions that can change rapidly
- Factors that contribute to volatility include:
 - Economic fluctuations
 - Technological advancements
 - Political instability

Uncertainty

- The lack of predictability about the future
- Leaders experience difficulty in anticipating outcomes or events with confidence
- Factors that contribute to volatility include:
 - Shifting market trends
 - Regulatory changes
 - Unforeseen events such as natural disasters or wars

Complexity

- The nature of challenges and issues are interconnected, which may not be immediately apparent
- Leaders face a multitude of situations that can be difficult to understand comprehensively
- There are multiple but interrelated stakeholders that can influence outcomes
- Changes in one area can have an impact on the broader system

Ambiguity

- There is lack of clarity and there are incomplete or contradictory information
- Leaders find it challenging to make sense of the situation
- There may be no clear cause-and-effect relationships
- When faced with ambiguity, leaders and organizations have difficulty in predicting outcomes or determining the best course of action

The **VUCA** framework is a useful tool for understanding and navigating the challenges of a constantly evolving environment.

It can help with developing adaptive and resilient approaches to decision-making when faces with unpredictable situations.

Board Scenario Exercise

Board Scenario Exercise A: Attracting and Retaining Younger Members

Your credit union is experiencing slower growth among Millennials and Gen Z members, creating a long-term risk to membership sustainability and relevance. The Board recognizes that strategic governance decisions are critical to align policies, culture, and resources with evolving member expectations.

Scenario:

The CEO presents the following challenges:

- Slower membership growth among younger demographics.
- Underutilized digital engagement platforms.
- Limited community outreach and financial education programs.
- Modest marketing budgets for younger members with limited ROI tracking.

The Board must decide how to act strategically to mitigate risks and secure long-term relevance, while overseeing resources, policy alignment, and performance measurement.

Board Scenario Exercise A: Attracting and Retaining Younger Members

Discussion Questions:

- What are the strategic considerations for the board as you look to prioritize attracting and retaining younger members?
- What KPIs and reporting frameworks will you use to monitor performance and ROI?
- How does long term sustainability due to member attrition affect your risk profile? What are your mitigation plans?

Board Scenario Exercise B: Balancing Generational Shifts

Your credit union is experiencing a generational shift: older members are aging out while younger generations are growing but have distinct financial needs and engagement styles. The Board recognizes that balancing multiple generations is critical for membership growth, financial health, and community relevance.

Scenario:

The Board faces several challenges:

- Diverse generational needs and expectations.
- Legacy programs favor older members, while new initiatives target younger cohorts.
- Budget decisions are needed for technology, education, and community programs.
- Reporting on generational engagement, satisfaction, and retention is limited.

The Board must strategically balance policies, resources, and culture to sustain growth and inclusivity.

Board Scenario Exercise B: Balancing Generational Shifts

Discussion Questions:

- What are the strategic considerations for the board as you look to address generational shifts?
- What KPIs and reporting frameworks will you use to monitor performance and ROI?
- How does long term sustainability due to generational shifts affect your risk profile? What are your mitigation plans?

Breakout Groups

Exercise A Discussion

Exercise B Discussion

Wrap Up