

THE HUMAN EDGE IN AN AI WORLD

AI WILL CHANGE **HOW** WE WORK.

PURPOSE WILL DEFINE **WHY** WE WORK.

IMPACT OF AI ON CREDIT UNIONS

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AI is rapidly reshaping financial services, and credit unions are in the middle of the biggest operating-model shift since online banking. The stakes are not just “tech adoption.” The stakes are member trust, cost-to-serve, speed-to-yes in lending, fraud resilience, and whether the cooperative model stays meaningfully differentiated in a fintech-shaped marketplace.

Credit unions that adopt AI with strong governance will become faster, more personalized, and more resilient while reinvesting efficiency gains into member value. Those that delay will face widening experience gaps versus banks and fintechs that are already building AI-first service, risk, and decisioning capabilities.

1. Member Experience & Relationship Banking

Member expectations are now digital-first.

Younger generations overwhelmingly manage finances through mobile apps rather than branches (Gen Z 64%, Millennials 68% in one large U.S. banking methods survey).

24/7 intelligent service, without losing the human touch

AI assistants can handle routine questions instantly while routing complex or emotionally sensitive issues to humans. This isn't about removing people, it's about elevating staff to higher-trust conversations and reducing friction in everyday support.

Personalization that feels like a relationship, not a sales funnel.

Credit unions can use AI to anticipate needs (life events, cashflow stress, refinancing opportunities) and deliver proactive, mission-aligned financial guidance. The kind of support fintechs promise, but credit unions can deliver with genuine trust.

Digital feature adoption is rising inside the CU ecosystem.

In digital banking performance metrics, mobile deposit adoption moved from 52% (2023) to 54% (2024).

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IMPACT CONTINUED

2. Operational Efficiencies

AI reduces manual work in the back office.

Document processing, onboarding, dispute workflows, and internal knowledge search are prime for automation. That matters because credit unions are facing margin pressure while also needing to modernize digital experiences.

AI improves productivity where it matters most: support + service.

In a large-scale study of customer support, access to generative AI increased productivity by ~14% (issues resolved per hour), with the biggest gains accruing to less-experienced workers. That's a major credit union advantage: faster ramp times, better consistency, and more capacity without sacrificing quality.

System-wide scale makes these gains meaningful.

Federally insured credit unions reached \$2.31T in assets and \$1.65T in loans in 2024. Even small percentage improvements in efficiency and service capacity become strategically significant at that scale.

3. Lending, Risk & Financial Inclusion

Faster decisions + better consistency.

AI can accelerate underwriting and improve decision consistency by analyzing more variables faster (income volatility patterns, employment stability signals, repayment history patterns). This helps reduce cycle times while improving risk controls.

Financial inclusion aligned with the cooperative mission.

Responsible models can incorporate expanded data sources to help creditworthy members who may be disadvantaged by traditional scoring alone, but only with strong governance and compliance discipline.

Risk and fraud are not optional conversations anymore.

Global payment card fraud losses were \$33.83B in 2023.

The broader message for credit unions: fraud is industrialized. AI isn't just a growth tool, it's a defense tool.

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IMPACT CONTINUED

4. Strategic Shifts in the Credit Union Industry

Consolidation is continuing.

The number of federally insured credit unions declined to 4,331 in Q3 2025 (down from 4,499 in Q3 2024).

Consolidation typically increases pressure to scale operations, modernize faster, and differentiate the member experience.

Member growth remains strong, expectations rise with it.

NCUA reported membership at 142.3 million in 2024, and 143.8 million by Q2 2025 for federally insured credit unions.

More members = more service demand + more digital interactions + more fraud surface area.

The credit union advantage is trust + purpose.

Credit unions are member-owned and mission-driven, but “mission” only differentiates if it’s felt in the member experience and culture, not just stated. AI amplifies whatever already exists: clarity or confusion, purpose or drift.

Think: organizations that failed to adapt to the market shift — not because they lacked resources, but because they lacked urgency and alignment.

SYNOPSIS

AI will transform credit unions from primarily transactional financial institutions into proactive, member-centered ecosystems powered by data and automation. Early adopters will strengthen trust, lower cost-to-serve, and expand capacity while reinvesting gains into member value. Late adopters will compete in a marketplace where experience expectations are set by AI-forward fintechs.

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KEY CURRENT STATISTICS & TRENDS

1. Market Size & Investment Momentum

The AI-in-finance market is projected to grow from \$38.36B (2024) to \$190.33B by 2030 (30.6% CAGR), reflecting rapid investment across fraud detection, underwriting tools, virtual assistants, and governance/risk/compliance solutions.

Another major research estimate projects AI for financial services reaching \$123.2B by 2032.

What this means for credit unions: your competitors (banks + fintechs + vendors) are building AI into the financial stack whether you choose it or not.

2. Credit Union System Scale & Performance Signals

Federally insured credit unions (2024):

- 142.3M members (up 3.1M in 2024)
- \$2.31T assets
- \$1.65T loans outstanding

Q2 2025 (federally insured):

- 143.8M members
- \$2.38T assets

3. Digital Behavior & Experience Expectations

- Mobile banking is the primary banking method for Gen Z (64%) and Millennials (68%).
- In a digital banking metrics report, mobile deposit adoption increased to 54% in 2024.

Translation: “human touch” still matters, but it must be delivered inside a fast, frictionless digital experience.

4. Fraud & Security Reality

- Global payment card fraud losses: \$33.83B (2023).
- Fraud pressure is pushing financial institutions toward AI-enabled monitoring, anomaly detection, and faster response cycles.

5. Workforce & Productivity

- Generative AI assistance increased customer-support productivity by ~14% in a large-scale field study.
- Implication for credit unions: faster training curves, better consistency, and more time for high-empathy service.

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FORECASTS & WHAT'S COMING

1. AI becomes embedded, not optional

AI is moving from pilot projects to embedded capability across: member service, underwriting, fraud, compliance monitoring, and internal operations. Market forecasts show steep growth through 2030+.

2. Consolidation increases the need for scale tools

With federally insured credit unions declining to 4,331 by Q3 2025, many institutions must scale service and modernization efficiently — AI-enabled workflows are becoming a “scale lever.”

3. The winning model is human + AI, not human vs AI

- AI will handle speed, pattern recognition, and repetition. Humans will handle trust, judgment, empathy, and meaning — which aligns perfectly with the credit union mission.
- IMPLICATIONS FOR THE CREDIT UNION INDUSTRY
- Lower cost-to-serve through automation of repetitive workflows
- Higher member satisfaction through personalization and faster resolution
- Stronger fraud defense with AI-enabled monitoring and anomaly detection
- Faster employee ramp time and higher productivity in service roles
- Competitive pressure from AI-forward fintechs and big banks building AI into every layer of the experience
- Greater need for purpose-centered leadership so technology amplifies trust rather than eroding it

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WHAT DOES THE FUTURE HOLD FOR CREDIT UNIONS

AI is transforming financial services by automating tasks, reshaping roles, and raising expectations. And with that comes uncertainty. People are asking: what's left for me?

The answer is purpose.

AI can optimize decisions, but it cannot create meaning. It cannot build belonging. It cannot replace trust. Credit unions were built on a cooperative promise: people over profit. That promise becomes even more valuable in a world where everything feels automated.

In the age of AI, efficiency is the machine's edge.

Purpose is the human edge.

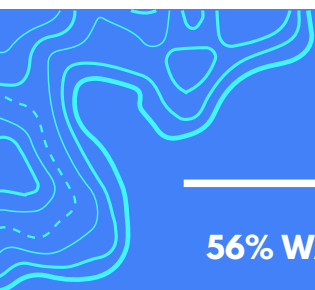
GENERAL STATS ON EMPLOYEES & AI

56% WAGE PREMIUM FOR AI-SKILLED WORKERS

14% AVERAGE PRODUCTIVITY BOOST FOR SUPPORT AGENTS USING AI ASSISTANTS

15% GAIN IN OUTPUT PER HOUR BY CUSTOMER SUPPORT AGENTS USING GENERATIVE AI

≈ 33% MORE PRODUCTIVE IN HOURS USING GENERATIVE AI



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THE GOOD NEWS

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WORKPLACE STATS

Purpose centered organizations grew 14x faster than the SMP 500 over a 17 year study.

Purpose is a key driver for younger generations, with 86% of Gen Z and 89% of Millennials finding purpose important for job satisfaction

While 79% of business leaders believe purpose is crucial for success, only 34% say their company has a defined purpose. Furthermore, only 15% of frontline employees and managers feel they are truly living their purpose at work



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STATS: INDIVIDUALS WITH PURPOSE

**52% LOWER RISK
OF STROKE AND
HEART DISEASE**

**63% LOWER
RATES OF
ANXIETY AND
DEPRESSION**

**LIVE UP TO 7
YEARS LONGER**

**EARN ON
AVERAGE
\$21,000 MORE
PER YEAR**
