

Data Makes a Difference — Improving Member Financial Health

MX Reveals Customer Financial Strength Scores for LGFCU

Local Government Federal Credit Union is a not-for-profit credit union based in North Carolina. Its mission is to support those who work for and in local communities — including local government employees, volunteers, fire, rescue EMS workers, and local families.

The Challenge

Improving member financial health is the highest priority for LGFCU, but it needed better data to measure financial health and empower members to become financially strong. Before providing the tools for empowering financial health, LGFCU needed a system that could precisely identify the financial health score for each member.

The Solution

LGFCU turned to MX's professional services team to develop Financial Health scoring from member data. MX provided a study and analysis of 86,000 members using a financial health survey* to assist LGFCU in understanding its members' financial health. *The survey was based on research from the Financial Health Network and provided an overall health score to each LGFCU member who completed it.

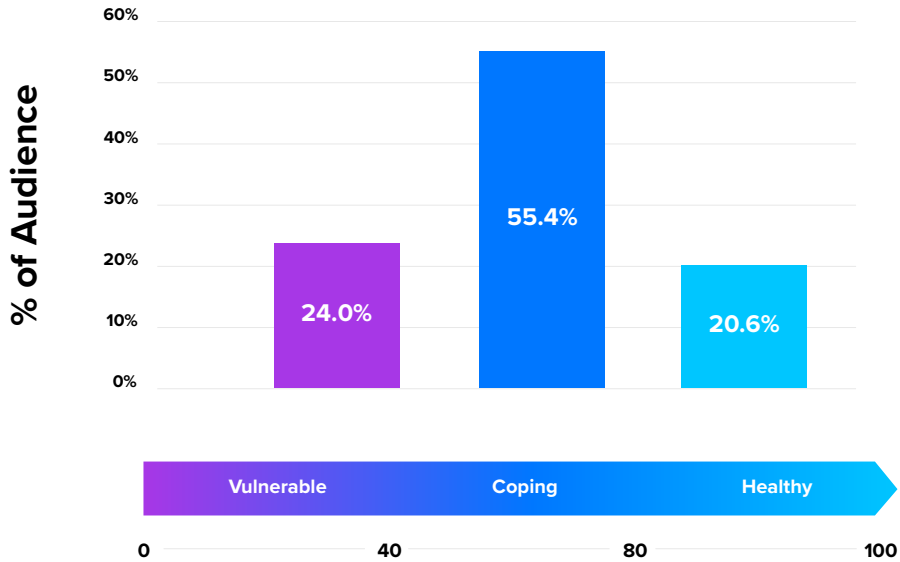
The study gave the necessary insight into how LGFCU could positively affect the financial wellness of its members. From the results, LGFCU was able to score its members into three separate categories:

- 21,000 Members Vulnerable: Financial health scores between 0-39 are considered Financially Vulnerable. These members are struggling with all, or nearly all, aspects of their financial lives.
- 48,000 Members Coping: Financial health scores between 40-79 are considered Financially Coping. These members are struggling with some, but not necessarily all, aspects of their financial lives.
- 17,000 Members Healthy: Financial health scores between 80-100 are considered Financially Healthy. These members are spending, saving, borrowing, and planning in a way that will allow them to be resilient and pursue opportunities over time.



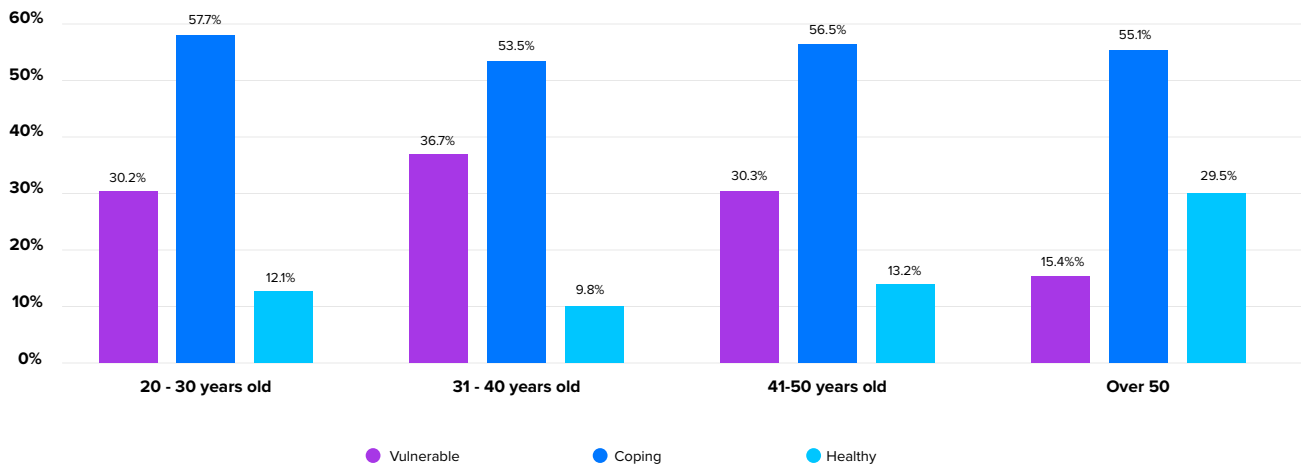
Survey Method

Distribution of Health Scores



Age and Financial Health

% of each health category



MX was also able to identify metrics for spending behaviors, borrowing profiles, income versus savings, and insurance coverage planning. Interestingly, the study found no correlation between age or income and the composite financial health score of the member. Even when members were older or made more money, they were still at risk to have poor financial health. While many institutions tend to categorize members using these two factors, the data shows that they aren't strong indicators for an individual's real financial health.

We knew that taking on a task this big would require in-depth research. We'd have to get to know our members on a different level, and it would be difficult to quantify.

Sharon Krizic

Senior Vice President, Financial Wellness, LGFCU

With industry-leading data insights from MX, LGFCU was able to measure member financial health and identify members who were financially vulnerable, coping, and those thriving. With these new insights, LGFCU can now precisely assist members—no matter where they are on their journey to financial strength.



Key Benefits



Improving customer experience



Using data to better understand customer needs



Identifying personalized messages based on persona



About MX Customer Analytics

MX's Customer Analytics combines aggregated, discovered, and enhanced transaction data in a single place with pre-built dashboards to provide actionable insights and segmentation.

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