Fintech Takes Banking

Preparing for Who New England Is Becoming:
Demographic Shifts and the Future of New England Credit Unions

The Run Down

01 Why This, Why Now

02 Slowly and Then All At Once

03 New Kids on the Block

04 What To Do Small ➞ Big

Hi! I'm Kiah

Kiah Lau Haslett

Creator of the Fintech Takes Banking newsletter and host of the Bank Nerd Corner podcast.

Financial journalist for 15 years focused on the decisions that financial institutions executives face and what drives them. Based in Nashville.

Worked at FinXTech/Bank Director, S&P Global Market Intelligence.
Class of 2011, University of Nebraska

What I want you to leave with

- A better understanding of demographic trends in the U.S. and in New England.
- A better understanding of how demographics shows up within your membership.
- A better understanding of the next generation of credit union members.
- A better understanding of how policy can influence any of these outcomes and shape the future.

Why This, Why Now?

- Credit union talent: Retirements will set of succession plans and other workforce planning considerations.
- Credit union growth: The pool of potential younger members is shrinking.
- Credit union products: Older members have different needs than younger members.

Why This, Why Now?

- More broadly, communities you serve may experience shifts in the labor market.
- Population figures show up in a state or city’s tax base, the school system and in other public and government services.
- Census numbers determine federal spending allocation to states and municipalities, as well as the legislative districts and Congressional representation.

"Falling labor force participation restrains economic growth and magnifies fiscal stress."

— Federal Reserve Bank of Boston

What is the relationship between a market's demographics and financial institution growth?

- Market growth — or lack of growth — is unrelated to a bank's pace of organic loan growth.

- There are fast-growing FIs in shrinking markets, there are FI barely growing in fast-growing markets and there is a range in between.

- Caveat: For this analyst, market growth does correlate with quality of loan growth.

“We expected core growth to be tightly tied to the underlying population growth of a bank's footprint, and it just isn't.”

“We have fewer credit concerns for a bank growing closer to its market pace vs a bank in a no-growth market layering on double-digit growth (outside of market share gain stories, of course).”

— Brendan Nosal, Hovde Group

- Market share matters for cost of funds. Higher weighted average market share percentage → lower peak funding costs over the recent rising interest rate cycle. Low market share → generally a higher terminal cost of funds.

- Presence = pricing power

- Potential exception with customer or member niches. Some customer or member niches will come with very low cost, sticky deposits. Some will come with higher deposit costs.

KEY TAKEAWAYS

Takeaway 1: There is no relationship between the growth of a market and loan growth at an institution.

Supporting Takeaway 1

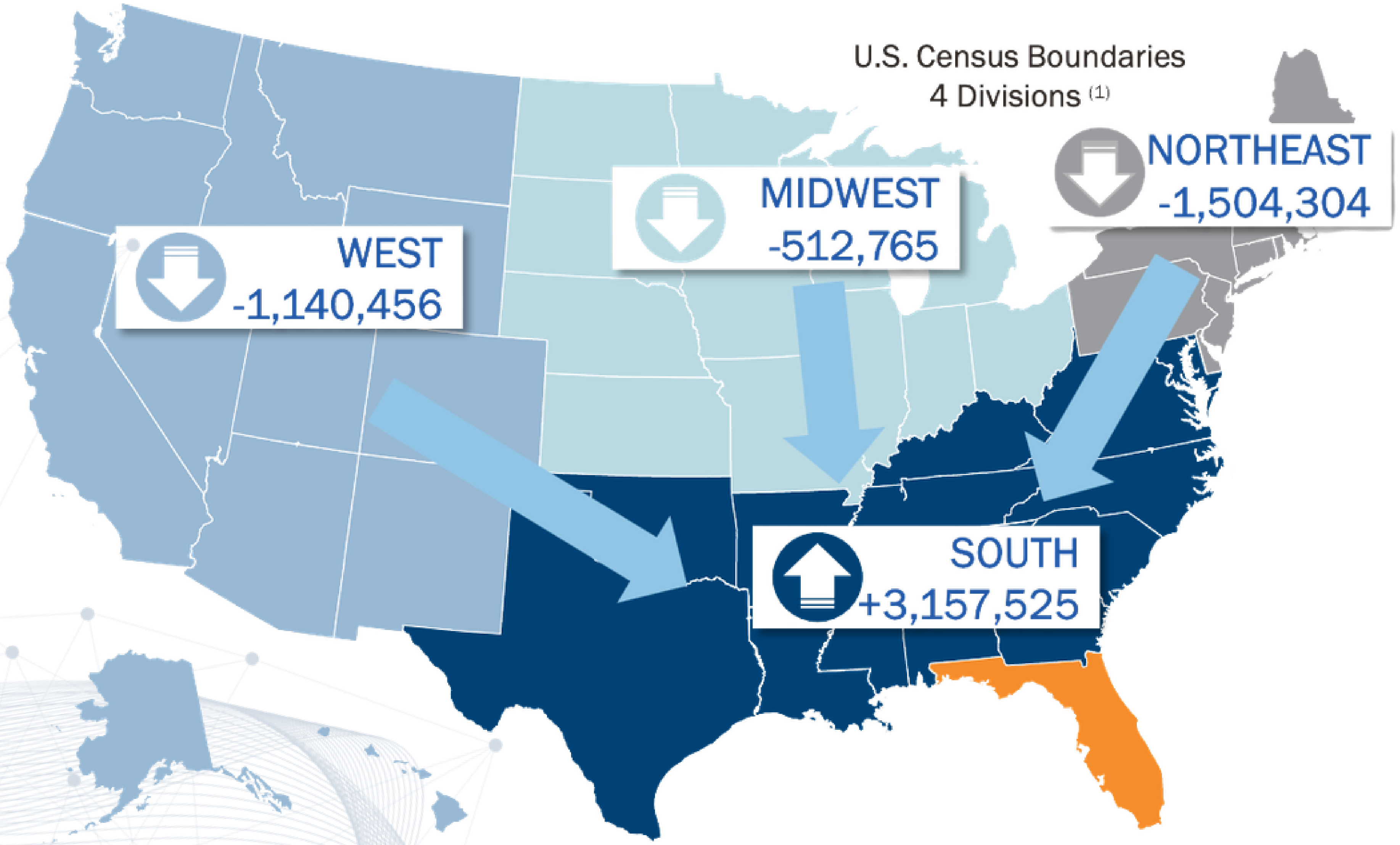
Higher market share, lower cost of funds. Presence is pricing power.

Caveats

Deposit pricing can be tied to niches. Market growth can correlate with quality of loan growth.

Part I:
Slowly and Then All at Once

Florida Leads Population and Income Migration



Top 5 States Net Domestic Migration	
1. Florida	890,348
2. Texas	812,735
3. North Carolina	476,921
4. South Carolina	379,062
5. Tennessee	292,727

Blue highlight indicates Hancock Whitney markets

Fastest Growing Large MSAs (2)

Rank	MSA	Population (MM)	Proj. Population Change (%)	Median HHI ($)	Proj. HHI Change (%)
1	Austin-Round Rock-San Marcos, TX	2.6	9.3	110,379	14.3
2	Jacksonville, FL	1.8	8.8	84,976	9.7
3	Orlando-Kissimmee-Sanford, FL	3.0	8.3	86,099	14.6
4	Raleigh-Cary, NC	1.6	8.3	107,467	13.3
5	Houston-Pasadena-The Woodlands, TX	8.0	7.3	87,067	10.2
6	Dallas-Fort Worth-Arlington, TX	8.6	7.3	96,369	12.8
7	Charlotte-Concord-Gastonia, NC-SC	3.0	7.2	90,596	13.2
8	San Antonio-New Braunfels, TX	2.8	7.1	82,696	12.7
9	Tampa-St. Petersburg-Clearwater, FL	3.5	6.7	82,294	14.8
10	Greenville-Anderson-Greer, SC	1.0	6.7	76,852	14.3

(1) Based on net domestic migration from April1, 2020 to July 1, 2025 per the U.S. Census Bureau
(2) Includes MSAs with total population greater than 1 million
Source: S&P Capital IQ Pro

HANCOCK WHITNEY

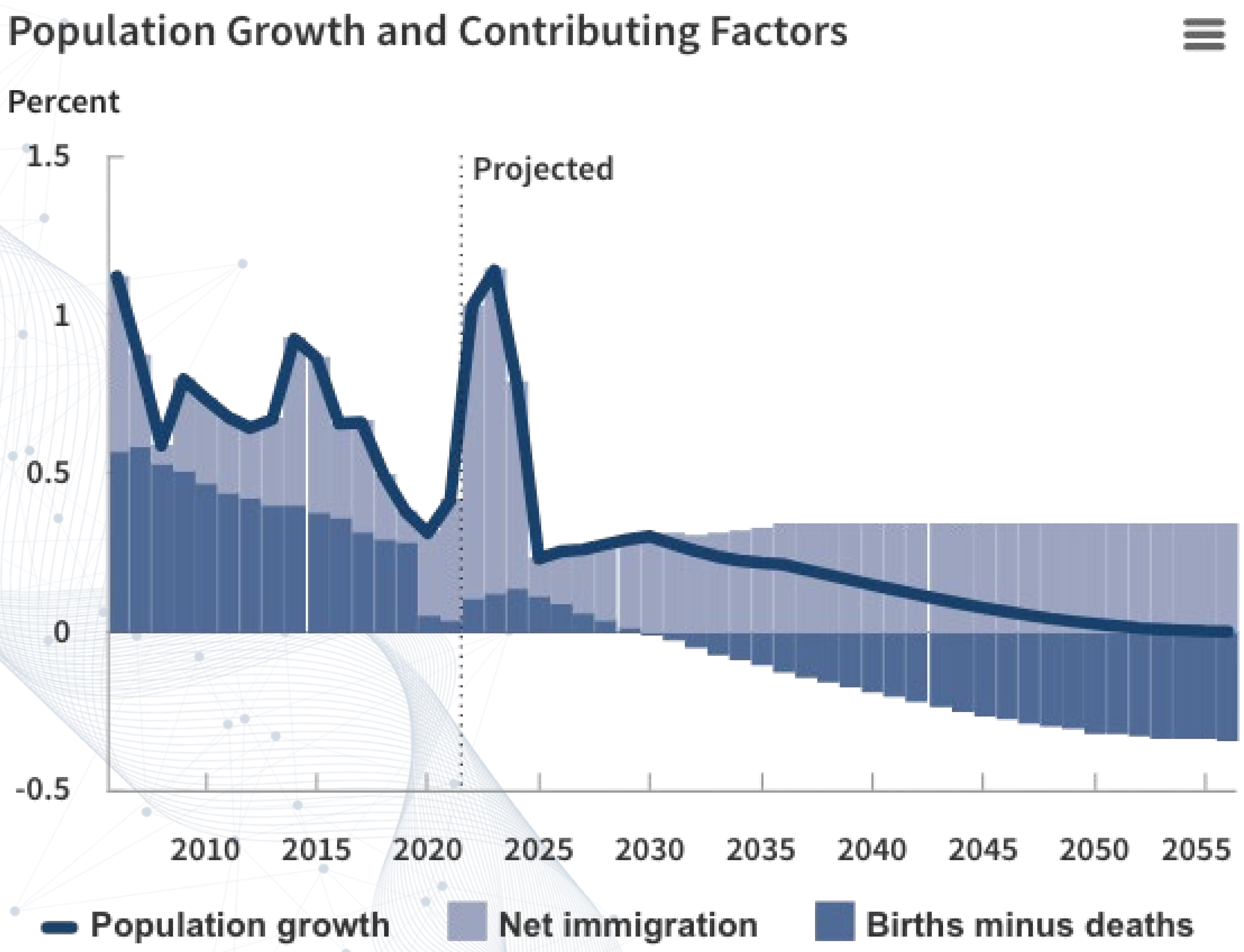
UNITED STATES POPULATION GROWTH

+0.5%

Population growth in the United States has slowed significantly, increasing only 1.8 million, or 0.5%, between July 1, 2024, and July 1, 2025. according to the US Census Bureau.

“With births and deaths remaining relatively stable compared to the prior year, the sharp decline in net international migration is the main reason for the slower growth rate we see today.”

— Christine Hartley, assistant division chief for Estimates and Projections at the Census Bureau



“Birth minus deaths” is projected to be negative after 2035

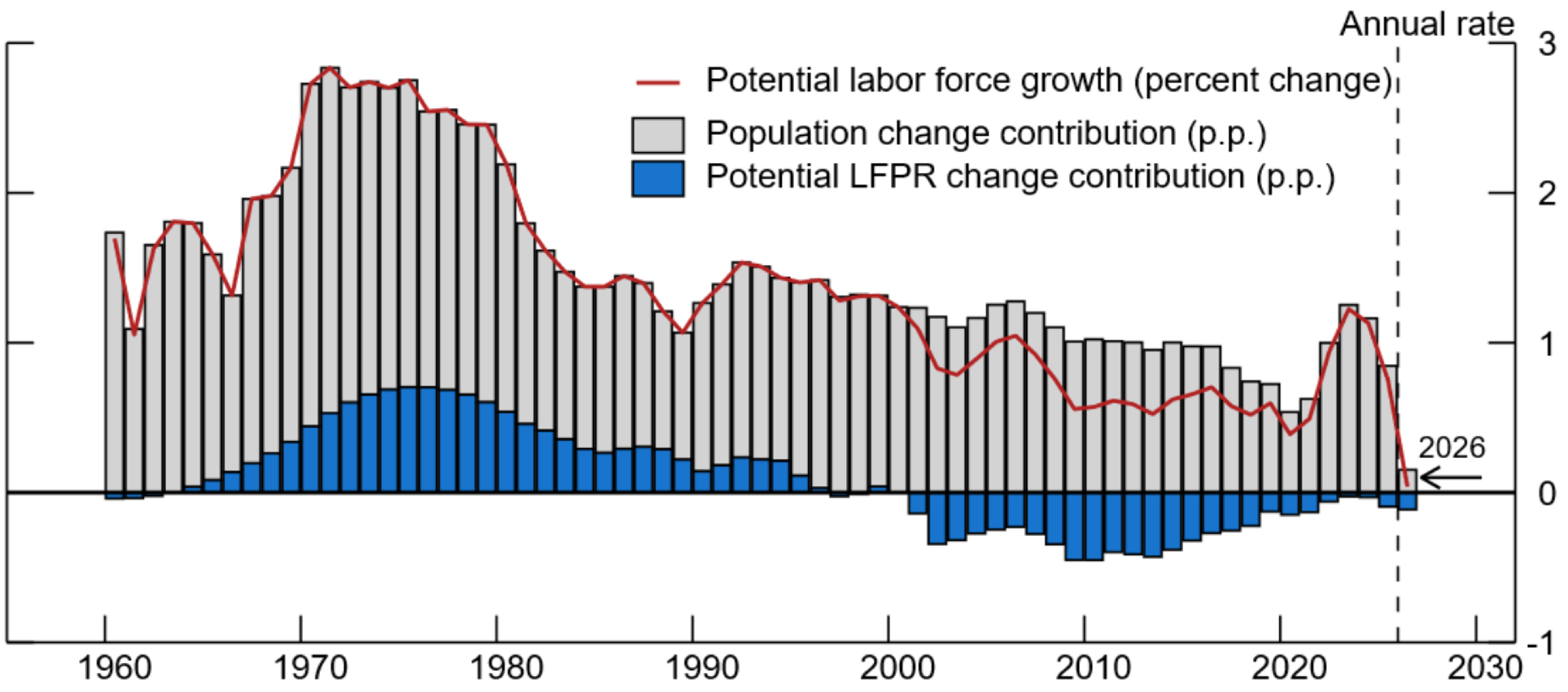
- The Congressional Budget Office projects the country is going to age faster— the demographic of 65+ will grow more quickly than younger groups, raising the average age of the population over time.

- The number of people ages 25 to 54 is projected to increase through 2042 and decrease thereafter. The population aged 24 or younger is projected to decline in each of the next 30 years.

- 2056: total population is projected to stop growing and will begin to shrink. Without immigration, the population would begin to shrink in 2030.

The Future of Labor is 0?

Figure 1. Potential labor force growth and its components



The Future of Labor is 0?

- Labor force growth projected to be slower than the last 10 years, and that labor force will be significantly older.

- “Unprecedented” slowing labor force growth in the U.S. could produce a near-zero jobs number, according to researchers at the Federal Reserve Board.

“Near-zero labor force growth implies that breakeven employment growth (i.e. the pace needed to maintain a steady unemployment rate) would also be near-zero—making negative job growth almost as likely as positive job growth in any given month.

It implies that any growth in potential GDP will need to come entirely from productivity growth. These features would represent a significant shift in U.S. labor market dynamics and the composition of economic growth.”

— Seth Murray and Ivan Vidangos, Federal Reserve Board

KEY TAKEAWAYS

Takeaway 2: The US is aging faster as the 65+ cohort grows faster than younger groups.

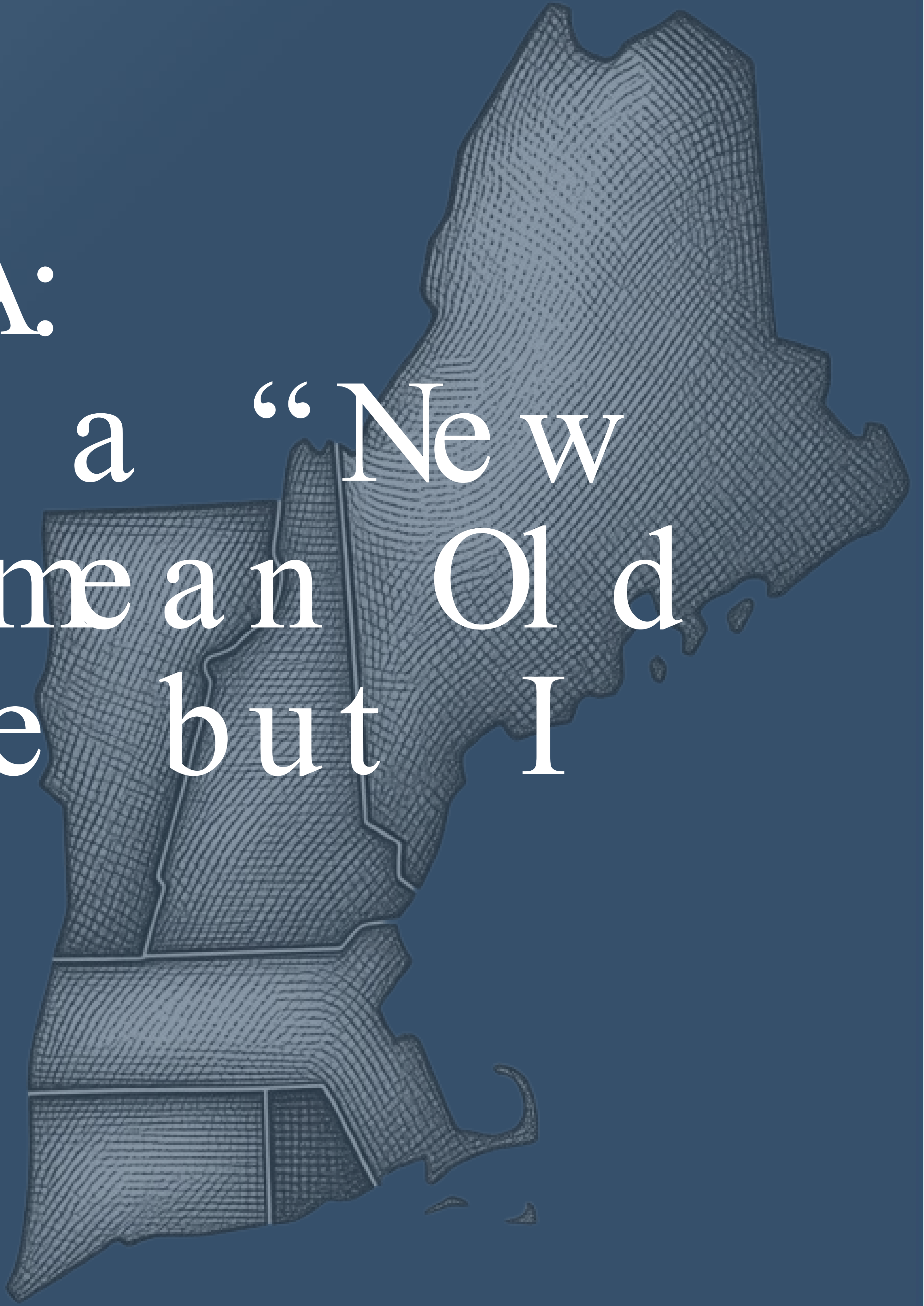
Supporting Takeaway 2

The U.S. population is growing by a declining percentage, and is eventually expected to begin shrinking

Supporting Takeaway 2

A slowdown in the growth of the labor force could eventually produce a jobs number of 0.

Part IA:
I could make a “New England, you mean Old England” joke but I won’t



ORGANIZATION
SNAPSHOT

VERMONT FUTURES PROJECT

A VISION FOR VERMONT'S ECONOMY

ORGANIZATION

The Vermont Futures Project uses data to bring people from different perspectives together for productive discourse aligned towards common goals and values.

MISSION QUESTION

How can we use data to support the evolution of Vermont’s economy towards a thriving future full of opportunity for all?

EXECUTIVE DIRECTOR

Kevin Chu

EXECUTIVE DIRECTOR

“The work we do uses a data foundation — which is often a lagging indicator, recording what has happened and helping us understand how we got here— but at the same time, the word "futures" is forward-looking.

The recent work has focused on what things might look like in 10 or 15 years if current trends hold, and more importantly, if we don't like the direction of those trends, what can we do differently? Data isn't destiny. We can shape that trajectory if we choose to.”

— Kevin Chu, executive director of the Vermont Futures Project

NEW ENGLAND POPULATION GROWTH

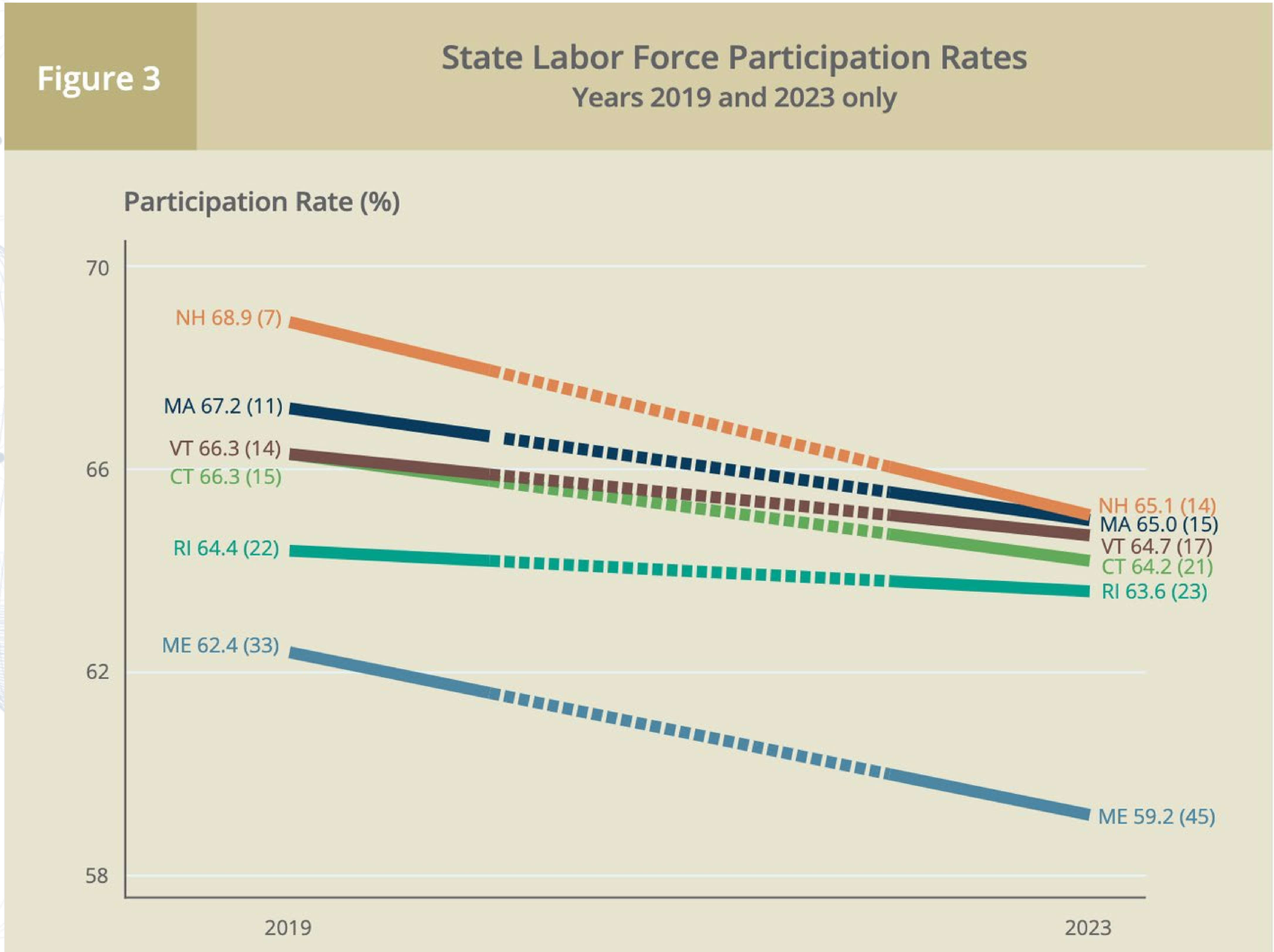
+2.1%

New England's population grew by 2.1%, or 310,000, between April 2020 -July 2025. Entire gain came from a net influx of international immigrants that offset the natural loss of deaths exceeding births and an outflow of residents moving to other places in the U.S.

“States in the region have among the lowest birth rates in the country and the oldest populations. This diminishes the likelihood of significant natural gains because, at best, births are likely to barely exceed deaths. Immigration represents the only likely source of significant population increase for the region. With immigration policies and practices now in flux, New England’s demographic future remains in question.”

— Kenneth Johnson, senior demographer at the Carsey School of Public Policy at the University of New Hampshire

- Maine and New Hampshire had the largest population gains in the region, thanks to residents moving from other states and international immigration.
- Vermont’s modest population gain came from roughly equal domestic migration and immigration.
- The population gains in Massachusetts, Connecticut and Rhode Island were due to a substantial influx of immigrants.



Source(s): Authors' calculations based on US Bureau of Labor Statistics, Haver Analytics.

Note(s): A given number in parentheses represents the rank of a state's labor force participation rate in the given year (2019 or 2023) among the 50 states and Washington, DC.

LABOR FORCE PARTICIPATION RATE

UNITED STATES

-0.5

NEW ENGLAND

-2.3

Share of the population either working or actively looking for work, expressed as percentage points.

"Vermont's population is aging and workers are retiring. What is the pipeline of talent coming into the workforce?

There is a growing workforce gap, where many more people will leave the workforce than enter it. Jobs go unfilled. Essential services are harder to staff.

That can mean cuts to healthcare, education or something as simple as restaurants being open three days a week. When this happens, it pushes prices up."

Kevin Chu

VERMONT'S AGE DISPARITY

ANNUAL EXPECTED RETIREMENTS

17,150

12TH GRADERS

5,300

One stat from Kevin that showed the disparity in Vermont's demographics.

- Population aging and excess retirements made up more than half of this difference between the U.S. and New England's labor participation rate. The rate of individual retiring at ages 60 and 65 in New England is "considerably higher" than it was in 2019. In the U.S., the rate of people retiring in 2023 is the same level they were retiring in 2019.

- There are also weak participation trends among prime-age individuals among less educated men and residents of nonmetropolitan areas.

- A small bright spot: *"Contrary to speculation, rising childcare costs did not hold back the participation recovery in the region relative to the country as a whole."*

KEY TAKEAWAYS

Takeaway 3: New England's population is shrinking and aging faster than the United States.

Supporting Takeaway 3

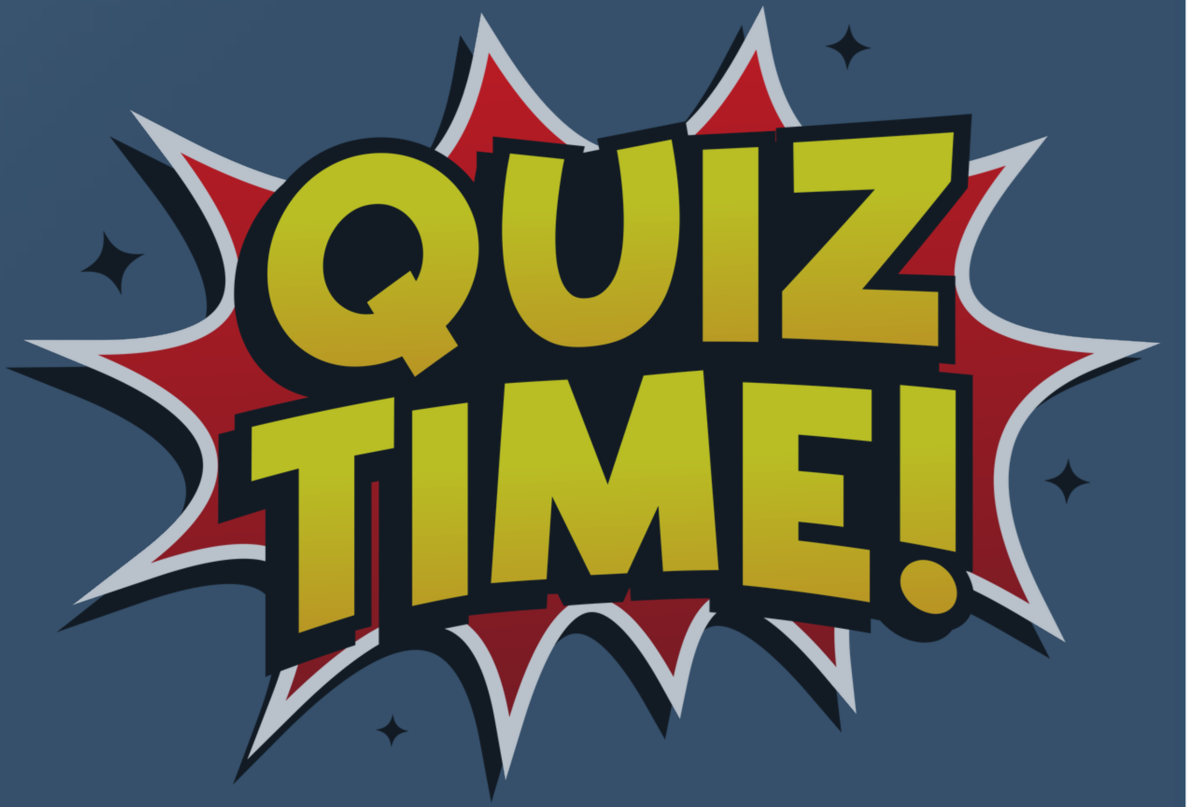
New England's labor force shows similar trends.

Supporting Takeaway 3

Immigration is a major driver in New England's population trends. Changes in immigration policy could further impact future growth.

Part II: The New Kids on the Block

Pop Quiz!



What is the average age of your members and is that changing at the same pace as your field of membership or target market areas?

What is the age distribution of your membership?

CREDIT UNION REVENUE BABY BOOMERS

CREDIT UNIONS

50%+

BROADER FINANCIAL SERVICES

40%

Baby boomers make up a disproportionate amount of credit union members and drive a disproprotionate amount of revenue (above stat). Expected to fall to about 20% between 2025-35.

- Unsurprisingly, credit unions will need to focus on appealing to digitally savvy members. Continued emphasis on digital capabilities AND ALSO cultivating a sense of familiarity and identity within their FOMs.

- This is a $5 billion to $10 billion revenue opportunity for credit unions nationally, McKinsey estimates. But it also is about being around for the next 20 years.

DIGITAL SALES

CREDIT UNIONS

<10%

REGIONAL BANKS

30%+

- Up to 75% of credit unions are estimated to operate on legacy loan origination systems that don’t offer true automation. Manual review makes lending more cumbersome and inefficient. Field of membership and desired risk appetite can make it difficult to update these systems or migrate to new ones.

Source: McKinsey

KEY TAKEAWAYS

Takeaway 4: Nationally, baby boomers make up a disproportionate percentage of credit union members and revenue.

Supporting Takeaway 4

Legacy technology, with added FOM considerations, makes it difficult to have truly automated offerings that appeal to younger members entering their next phases of life.

Gen Z

Born between 1997 and 2012
(if you're bad at math, this range is 14 to 29 year olds)

Let's make some broad generalizations

- The most digitally immersed generation to date (has always had the internet, some always had smartphones)
- Potentially sharply different expectations of financial institutions relative to previous generations.
- Some anxiety about their ability to achieve long-term financial goals and may feel less in control of their personal finances relative to adults in other demographics.

DIGITAL NATIVES

60%

Amount of Gen Z respondents had accounts with an average of two legacy financial institution (banks or credit unions) and two digital wallets, indicating they're more open to having products from multiple financial providers.

Let's make some broad generalizations

- Rising income relative to other generations at similar ages. Some are savers! Expected $85 trillion intergenerational wealth transfer over the next 2 decades.

- Some will come into adulthood along speculative technologies proliferating over mobile channels. Urban Institute found in a survey that 22% of Gen Z respondents reported owning cryptocurrency, 21% were retail investors and 17% engaged in sports betting.

“A 2024 Charles Schwab survey found that the average Zoomer started saving at age 18, younger than other generations had. Nearly half are investing, and most began that before age 20.

… Gen Z households have nearly three times more assets in defined-contribution retirement accounts than Gen X households did at the same age.”

— Faith Hill, “The Sneaky-Saver Generation,” The Atlantic

Americans' Sources of Financial Information and Advice, by Age

*Please indicate which, if any, of the following sources you go to for financial information and advice. Select all that apply.^*

10% 20% 30% 40% 50%

	18-29 %	30-49 %	50-64 %	65+ %
Friends and family	57	50	33	27
Financial websites	42	43	31	23
Social media	42	24	10	4
Banks and credit unions	34	35	31	27
Books	30	26	13	8
Financial advisers and planners	27	40	45	51
Podcasts and webinars	26	27	17	7
Social media content creators^^	23	11	3	1
TV and radio financial programs	17	18	24	18
Workplace financial advice programs	14	16	19	4
Gov't consumer financial resources	14	16	10	7
None of these	10	13	16	21

KEY TAKEAWAYS

Takeaway 5: Digitally native means lots of choice, lots of information and lots of firms competing for their attention and dollars.

Supporting Takeaway 5

This shapes their attitudes toward money, their feelings about it and their response to it.

Heads up: Think about what thoughts and questions do you have for me and each other.

Part III: What to do (Small → Big)

"Focus on delivering a distinctive proposition anchored in tailored products, services, and experiences designed to fit the needs of a specific segment.

Tailoring products and services represents a sizable opportunity for credit unions, as they typically have well-defined focus segments but often lag behind in the customization and differentiation of their propositions for those segments."

— McKinsey & Co., "The digital imperative for credit unions."

- Where we are and where are we going: Audit technology stack, products and offerings to baseline against any institution or company competing for your ideal member: peer credit union, moneycenter bank and fintech.
    - Satisfaction among this cohort does not guarantee retention or loyalty.

- Understand and respond to their questions and anxieties:
    - Grow their confidence and understand their information and media environment. Have a sense of what firms are seeking to take their money, and the message they use to do it.

“Having finance influencers in your ear 24/7 can amplify the turmoil you’re already feeling. … In fact, many young people may have heard so much about how chaotic and terrible the world is in general, and how doomed they are as a cohort, that they have over-indexed on prudence.

“Hypervigilance and nihilism are just two different responses to the same uncertainty: If you don’t know what the future holds, you might scrupulously manage every cent to your name. Or you might laugh darkly, mutter ‘What future?,’ and log onto Polymarket to try to make a quick buck. These are both classic strategies in times of economic strife.”

— Faith Hill, “The Sneaky-Saver Generation,” The Atlantic

- **Deliver differently?**
  - Improve and promote advisory quality in branches, which influences product adoption, cross-sell performance and long-term relationship depth.
  - Maybe also: Consider swapping transaction-volume targets with tracked consultation rates, advice follow-through and product uptake within 90 days of advisory interactions.

KEY TAKEAWAYS

Takeaway 6: Work toward offering the technology, services and capabilities your ideal member needs and your institution is best positione to provide.

Kiah's thoughts on future tech trends in financial services:

Money is moving faster. Members may prefer and assume their accounts are connective (open banking). People always want to feel seen and understood, without always having to explain themselves.

What to do with your existential dread? Labor and workforce policy suggestions

- Promote flexible work options to allow older employees to stay in the workforce longer if they desire.
- Addressing underlying issues holding back participation among shrinking labor groups.
- Policies that attract and retain college graduates:
  - Student loan forgiveness or repayment for taking jobs in certain fields.
  - Free community college.
  - Partnerships between community colleges and area employers that provide students with a career path and maximize employment potential after graduation.

What to do with your existential dread? Labor and workforce policy suggestions

- Policies that reinforce the labor force attachment of women, minorities and foreign-born individuals — groups that strengthen the region's participation recovery and make up a growing share of the region's workforce.
- Policies, programs and business lines that support business formation, entrepreneurship and employment.
    - Startup business loans, technical assistance and advising, helping businesses start but scale up to create employment opportunities.

What to do with your existential dread? Housing policy suggestions

- New England states will need a mix of adaptive housing for seniors that need to downsize and affordable homes for younger buyers and families still participating in the workforce.
- Several programs throughout New England provide funding for low- and middle-income residents to help them pay for housing.
    - There are also policies and initiatives aimed at increasing the housing supply, particularly the supply of affordable and middle-income housing.
        - The Rental Revolving Loan Fund (RRLF) at the Vermont Housing Finance Agency (thanks Kevin!).

What role can credit unions play in economic development and affordable housing?

What to do with your existential dread? An incomplete list of organizations to get involved with:

- Working Communities Challenge, a program led by the Federal Reserve Bank of Boston that promotes collaborative economic development efforts among state governments, nonprofits and private employers in the rural areas of northern New England.
- The Northern Border Regional Commission's Workforce Opportunity for Rural Communities Initiative provides grants to support workforce development in Maine, New Hampshire and Vermont.
- Vermont Futures Project

“Financial institutions like credit unions can play an important role in the education space. There's been plenty of focus on individual financial literacy — helping members understand the implications of their financial decisions. Credit unions have stepped up there.

But there's a next-level role: financial institutions as educators at the community scale. Helping individuals see how they fit into the whole — what trends are happening in the community that we can come together to solve? That community-oriented lens for financial literacy can lead to better decision-making at the city and state legislative level.”

— Kevin Chu, executive director of the Vermont Futures Project

Questions for me and others? Reflections?

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Thank You!