CFSI Center for Financial Services Innovation

From Buzzword to Business Model: HOW INDUSTRY EXECUTIVES VIEW FINANCIAL HEALTH

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Executive Summary

Over 10 years after the financial crisis, financial institutions are still trying to regain the trust they lost with customers. Despite a booming economy and a bevy of consumer finance innovations, the vast majority of people in the U.S. still struggle with their financial health.[1] Meanwhile, financial institutions continue searching for new ways to engage customers both meaningfully and profitably.

Against this backdrop, some financial institutions appear to have moved from a product-focused orientation to one that places the customer and their financial health at the center. Whether to rebuild trust, deepen customer engagement, or acquire new customers, providers are talking about financial health at industry conferences and in boardrooms. A few are launching initiatives focused on financial health and wellness. "Financial health" seems to be the new buzzword.

To better understand the extent of this focus on customer financial health, the Center for Financial Services Innovation (CFSI) conducted a survey of senior executives at financial institutions. We surveyed 659 C-suite leaders at banks, credit unions, insurance companies, retirement companies, payment networks, credit bureaus, and fintech companies. Real organizational change starts at the top, and the survey was designed to measure how these executives think about their customers' financial health and to determine what changes they have made to their business models – if any – to reflect this focus on improving customer outcomes.

The results show that while improving customer financial health is widely seen as a strategic priority, executives have taken few steps to execute on it. A significant gap remains between awareness and action.

Looking deeper at the data, we found that executives at larger-size institutions, retirement companies, and fintech companies reported doing more to improve customer financial health.

This suggests that larger companies with greater resources may have the advantage when it comes to investing in financial health solutions, and that companies with more niche product suites, such as retirement and fintech companies, may be focusing on financial health as a way to differentiate themselves.

And while financial institutions are offering products to improve customer financial health, there doesn't yet appear to be a direct focus on the customer segments that are struggling the most. This is important when 72 percent of Americans are struggling with some aspect of their financial health,[2] representing a sizable market that may be getting overlooked. There is a tremendous opportunity to deepen engagement with the customer segments who may benefit most from these services and, in turn, reward their providers with increased loyalty and business.

Truly delivering on financial health requires changes in several areas of operations. Institutions will need to design or re-design their **products** (i.e., financial products, services, and tools), their **programs** (i.e., financial advice, guidance, and resources), and their **people and places** (i.e., organizational infrastructure, delivery channels, segment strategies, and employee benefits). Some institutions are doing these things, largely as part of their digital strategies. Ultimately, institutions will have to track and measure the outcomes of their initiatives and hold themselves accountable to those outcomes. In every case, executive leadership is the key to enabling the necessary changes to the business model.

At this pivotal moment for the financial services industry, senior executives have an opportunity to move from viewing "financial health" as the latest buzzword to creating business models that benefit customers and rebuild trust with the institutions that serve them.

[1] U.S. Financial Health Pulse.

[2] "2018 Baseline Survey Results," U.S. Financial Health Pulse, 2018.

Key findings from this report include:

1

Improving customer financial health is a top business priority among senior executives

- More than two-thirds *(69 percent)* of executives surveyed said it was a "strategic priority."
- Similarly, two-thirds *(69 percent)* said it was both "profitable" and "a way to increase customer loyalty." These responses were consistent across the industry segments we studied.

2

Despite high levels of stated commitment to financial health, fewer financial institutions are taking action

- About half *(52 percent)* of executives said that they have launched at least one product or service to improve customer financial health.
- Only 35 percent of executives responded that their institutions are tracking data on customer financial health outcomes.
- One-third *(33 percent)* of executives stated that their companies offer products or services to their own employees to improve their financial health.
- Just 19 percent are reporting customer financial health data at an enterprise level.
- Only a third *(37 percent)* of the respondents reported that their institutions offer low-cost, entry-level transaction accounts, which are particularly relevant for struggling customers.

3

Financial institutions differ by size and segment in their actions to improve customer financial health

- Over 84 percent of medium to large banks survey their customers to better understand their financial health vs. 52 percent of small banks.
- 91 percent of retirement companies and 81 percent of fintechs have an individual or team within their institution with responsibility for customer financial health strategy vs. 75 percent of all other respondents.

Introduction

Over the last decade, U.S. financial institutions have worked hard to regain customer trust and confidence and rebuild their institutional reputations following the 2008 financial crisis.

Many financial institutions, as well as their fintech challengers, have turned to technology to achieve this goal, creating more transparent, customer-centric products and services available online or via mobile applications.

Despite these efforts, however, U.S. customers still have a low level of trust in their financial institutions, with the 2018 Edelman Trust Barometer finding that the financial services industry is the least trusted sector when it comes to customer credibility.[3] In addition, as CFSI's recent U.S. Financial Health Pulse report found, U.S. customers are struggling in all aspects of their financial health – how they spend, save, borrow, and plan.

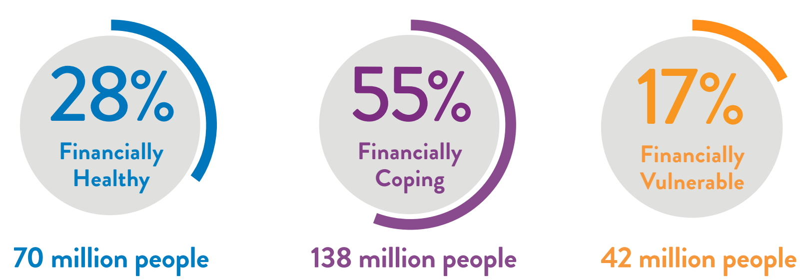
While we know that the causes of poor financial health are complex and diverse, we also recognize that a financial services industry committed to improving customer financial health could have a positive impact on people's lives. With that in mind, CFSI undertook this survey to understand how senior executives at a range of financial institutions think about customer financial health and the changes, if any, to their business models to impact it.

What is Customer Financial Health?

> An individual's ability to have a day-to-day financial system that helps them be resilient and pursue opportunities. This includes the ability to spend, save, borrow, and plan.

The results of our study were both promising and illuminating regarding the future state of financial health. The study deepened our understanding of top executives in the industry, helped establish a baseline for assessing progress over time, and identified key areas for growth and development.

From CFSI's U.S. Financial Health Pulse report, we find that Americans fall into one of three financial health tiers:



This analysis leverages the CFSI Financial Health Score®. Read more about the framework at **cfsinnovation.org/score.**

3 "2018 Trust in Financial Services," Edelman, 2018.

Methodology

The survey consisted of 15 questions and was administered to senior executives over the phone by Beresford Research, a custom market research firm specializing in senior executive and business leader surveys. Respondents were selected to be representative of various industry segments and were assured their responses would be kept confidential.

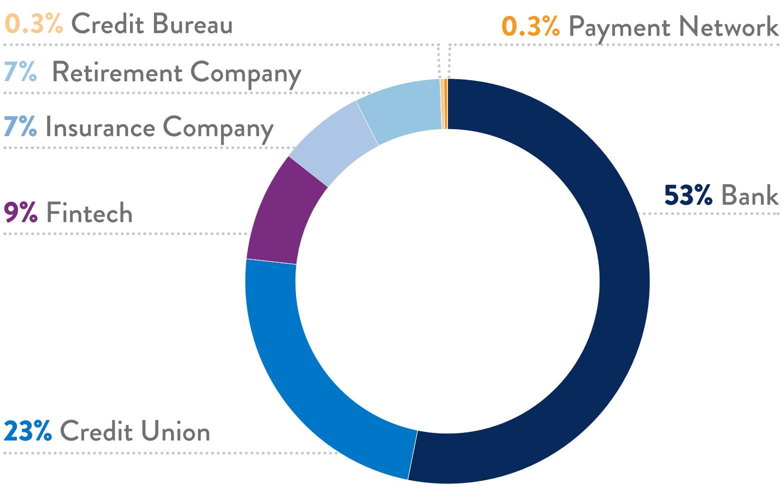
The survey drew a response from 659 senior executives across a wide variety of financial institutions, including by segment (banks, credit unions, fintechs, insurance companies, retirement companies, credit bureaus, and payment networks) and by size (small, medium, large, and extra-large). More details are available in Appendix B.

It is important to note that this report discusses self-reported data by executives who were surveyed on what their financial institutions are doing or planning to do and was not corroborated by any other sources. Therefore, the survey results should be interpreted as indicative of trends and perspectives, rather than direct market intelligence on what financial institutions are offering in the marketplace.

The Respondents

The survey respondents include C-level executives – CEOs, CFOs, CIOs, and CMOs – and their direct reports. For each market segment (banks, credit unions, fintechs, insurance companies, retirement companies, credit bureaus, and payment networks), respondents included at least 50 percent C-level executives.

Survey Respondents by Institution Type



1 Improving customer financial health is a top business priority among senior executives.

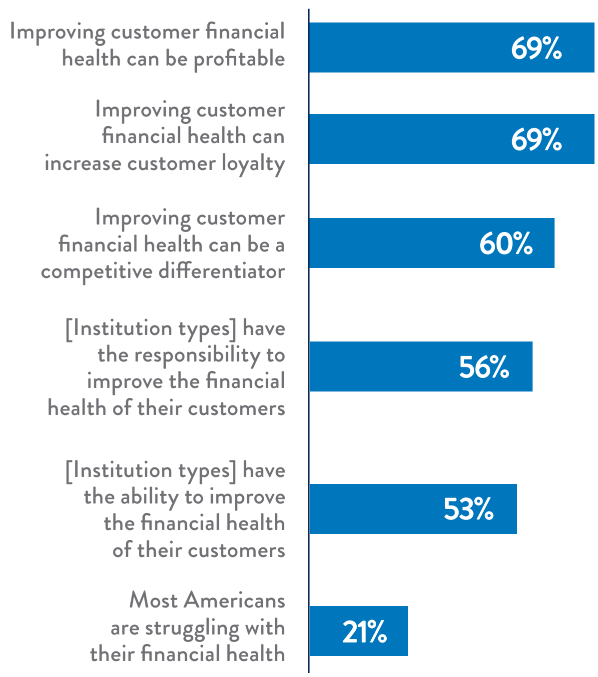
Senior Executive Strategic Priorities
(Considerably/Highly important)

Q5. As you and your colleagues develop strategic plans for your business, how important are each of the following objectives? Please rate each objective using the five-point scale provided. (Top 2-box scores, Considerably/Highly important) (n=659).

The survey showed that senior executives agreed that improving customer financial health is an important strategic priority for their financial institutions. When asked to evaluate 14 potential strategic priorities on a scale of "not at all important" to "highly important," more than two-thirds (69 percent) of respondents agreed that improving customer financial health was a "considerably important" or "highly important" strategic priority for their business. This put improving customer financial health among the top five strategic priorities for an institution, on par with the most pressing current-day business objectives, such as enhancing the customer digital experience, increasing customer loyalty, improving data security and privacy, and enhancing data analytics and capabilities.

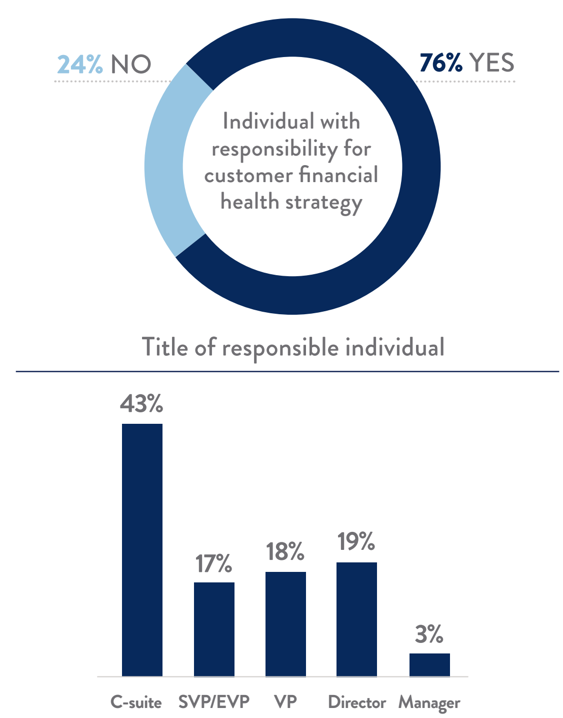
Though improving customer financial health is identified as a strategic priority, only 54 percent of the respondents currently incorporate customer financial health into their strategic plans, indicating a gap between strategic priorities and concrete action.

Executive Perspectives on Consumer Financial Health



Q6. To what extent do you agree or disagree with the following statements about financial health? (Top 2-box scores, Agree/Strongly agree) (n=659).

Responsibility for Financial Health Strategy



And while financial health is still a relatively new concept to the industry, support for making financial health a business priority appears grounded largely in the business case. Our survey found that 69 percent of all respondents agreed that it can be profitable, and a similar percentage felt that it can increase customer loyalty. Three-fifths (60 percent) of all respondents agreed that improving customer financial health can be a competitive differentiator.

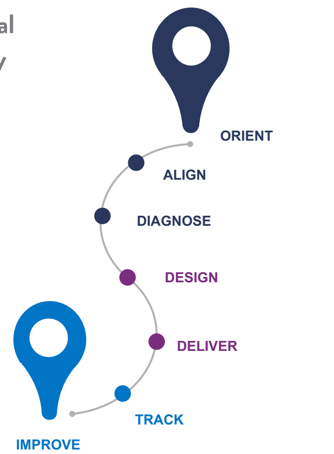
In addition, financial health appears to be more than just a business opportunity for executives; many also see it as the proper role for their institution. More than half (56 percent) of all respondents agreed that "Financial institutions have the *responsibility* to improve the financial health of their customers," and 53 percent of respondents agreed that "Financial institutions have the *ability* to improve the financial health of their customers."

The survey also asked about the executives' perspective on the current state of customer financial health. Interestingly, only one-fifth (21 percent) of executives agreed that "Most Americans are struggling with their financial health." This may indicate that financial institutions do not understand or are not focused on serving struggling Americans. There is more evidence for this later in the report, with few financial institutions providing products and services that are relevant for struggling customers.

More than three-quarters (76 percent) of all respondents have an individual or team responsible for customer financial health strategy at their institution, and of those, 43 percent have someone at the C-suite level with that responsibility.

2 Despite high levels of stated commitment to financial health, fewer financial institutions are taking action.

CFSI's Financial Health Journey



We are just starting to hear about financial health **(5%)** We are actively trying to understand what financial health means for our business **(12%)** We are assessing the financial health of our customers to determine how we can better serve them **(14%)**	**31%** Orient, Align, Diagnose
We are in the development stages for possible products or services designed to improve financial health **(16%)** We have launched at least one product or service designed to improve customer financial health **(16%)**	**32%** Design, Deliver
We have launched at least one financial health product or service **and** we actively track customer financial health outcomes against it **(12%)** We have launched at least one financial health product or service **and** we actively improve our financial health offerings **(23%)**	**35%** Track, Improve

We used the Financial Health Journey framework to analyze how far the executives surveyed have gone beyond treating financial health as a buzzword toward making it a core component of their business models.[4] The Financial Health Journey consists of seven steps – orient, align, diagnose, design, deliver, track, and improve – that provide a roadmap for institutions to integrate financial health into their product and service offerings while creating responsible and sustainable profits over time. Against this framework, executives saw their institutions as split in roughly equal thirds across the early, middle, and latter steps of the journey.

Almost one-third (31 percent) of senior executives stated their financial institutions are in the early steps of the financial health journey. Initial steps include orienting a company around the financial health challenge in America, aligning a company's unique strategy and business model with a focus on financial health, and diagnosing the financial health of a company's customers to identify challenges and opportunities. Roughly another third (32 percent) of executives shared that their companies are at a midpoint in the journey, designing products and services to improve financial health and delivering them to the market.

Finally, just over a third (35 percent) of executives stated that their institutions are on the latter part of the journey, where they are tracking customer financial health outcomes and improving their offerings based on customer financial health data. This is arguably the most important – and most difficult to systematically implement – part of the journey, so it is not surprising that almost 65 percent of executives do not yet see their institutions measuring and iterating on customer financial health.

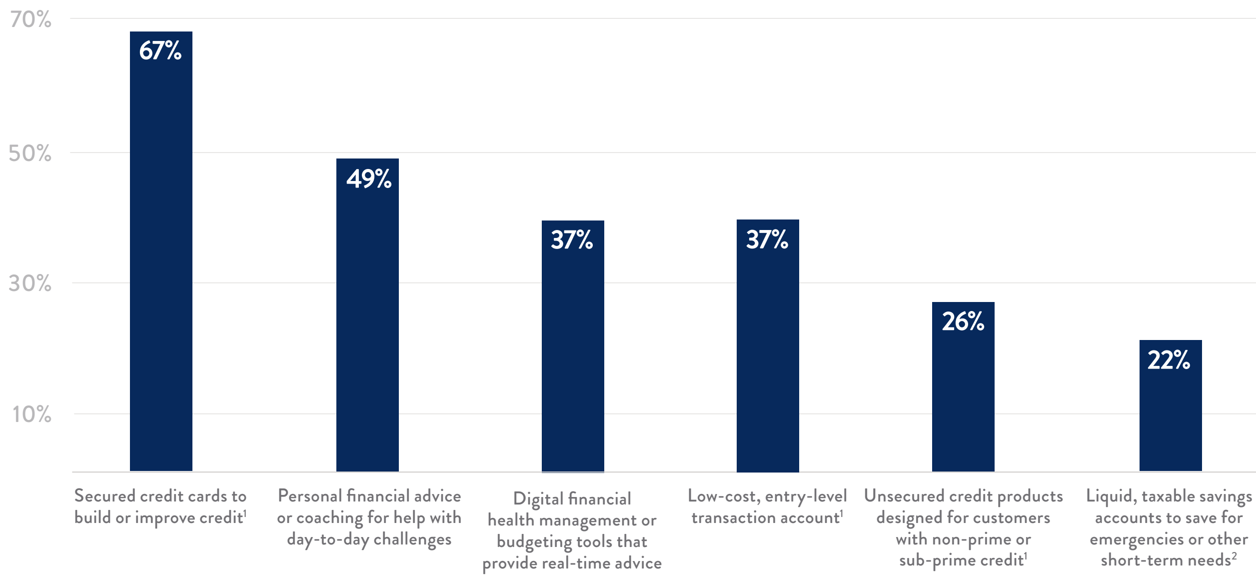
Network Members Go Further Together

> For an institution that is advancing on the financial health journey, it can help to be in the company of like-minded institutions. Members of the CFSI Financial Health Network who get access to cutting-edge research, peer-to-peer best practices, and opportunities for real-time collaboration were further ahead on the financial health journey. Almost two-thirds (64 percent) of CFSI Network members are already on the latter part of the journey (Track & Improve) vs. only 33 percent of non-members.

4 "The Journey to Financial Health: Your Company's Roadmap," CFSI, 2017.

PRODUCTS AND SERVICES
Leaving struggling Americans behind?

Financial Health Products and Services Offered by Financial Services Industry



[1] *This question was only asked to banks, credit unions, and fintech companies* [2] *This question was only asked to retirement companies*

Question: Is your company offering any of the following products, features, or services to customers -- whether directly or through a third party?

While every step of the journey is important, launching financial health products and services is the most tangible and visible part of the process. Well-designed products and services can help people improve their financial health by providing the tools to spend, save, borrow, and plan appropriately. Among the executives we surveyed, however, only 52 percent said their institutions have launched at least one financial health product or service (in contrast to the 69 percent who stated that improving customer financial health is an important priority). The survey also included specific questions on what services and tools are being provided to help customers make better financial decisions.

Questions were asked about specific products and services that are known to impact customer financial health. For example, appropriately designed secured credit cards can be a great tool to build credit history and establish a long-term relationship with customers.

According to the U.S. Financial Health Pulse,[5] the majority of Americans (72 percent) are struggling financially on one or several aspects of financial health, which include the ability to spend, save, borrow, and plan in ways that improve resilience and long-term opportunity. **The survey shows that few institutions are providing products and services that are particularly relevant to financially struggling Americans (i.e., low-cost entry-level transaction accounts or unsecured credit products).**

As financial institutions continue on their financial health journeys, there is a tremendous opportunity to deepen engagement with the customer segments who may benefit most from these services and, in turn, reward their provider with increased loyalty and business.

[5] "2018 Baseline Survey Results," U.S. Financial Health Pulse, 2018.

MEASUREMENT AND ACCOUNTABILITY

Ample room for growth

Looking beyond products and services, the most challenging and important components of the financial health journey require a serious commitment to data collection, measurement, reporting, and accountability. Tracking and measuring changes in customer financial health can help financial institutions identify the most (and least) impactful interventions. Using customer financial health-related metrics as key performance indicators from the employee to the institution level can help align the institution toward advancing this strategic priority.

As noted above, almost 65 percent of the institutions are not yet tracking data that can show whether their initiatives are having any impact on the financial health of their customers. There is clearly significant room for growth with regard to measurement and accountability across the industry.

That said, many executives stated that their institutions have plans to incorporate customer financial health metrics into their institutions' performance tracking systems. If those plans are executed, 70 to 80 percent of financial institutions would be tracking and reporting customer financial health metrics within 12 months. It will be important to see how those plans translate into action over time.

Using Data and Metrics to Improve Customer Financial Health

- **19%** regularly track and report on customer financial health as an enterprise level Key Performance Indicator (KPI)
- **20%** are incorporating customer financial health into their employee performance metrics
- **41%** currently track transactional or account data on their customers to better understand their financial health
- **62%** survey their customers

Financial Institutions Are Employers, Too

> The only place where financial health may be trending more than in financial services is in the employer benefit space, where it is often referred to as "financial wellness." Over half (*54 percent*) of employers currently offer financial wellness initiatives to their employees.[6] These can range from financial planning sessions and 401(k) plans to emergency savings programs and student debt repayment. Ironically, the financial services industry, which employs a significant percentage of Americans, appears to be lagging behind other employers in this regard. According to our survey, only 33 percent of executives said their institutions offer their own employees products or services to improve their financial health.

[6] "2018 Employee Wellbeing Financial Health Survey," Employee Benefit Research Institute.

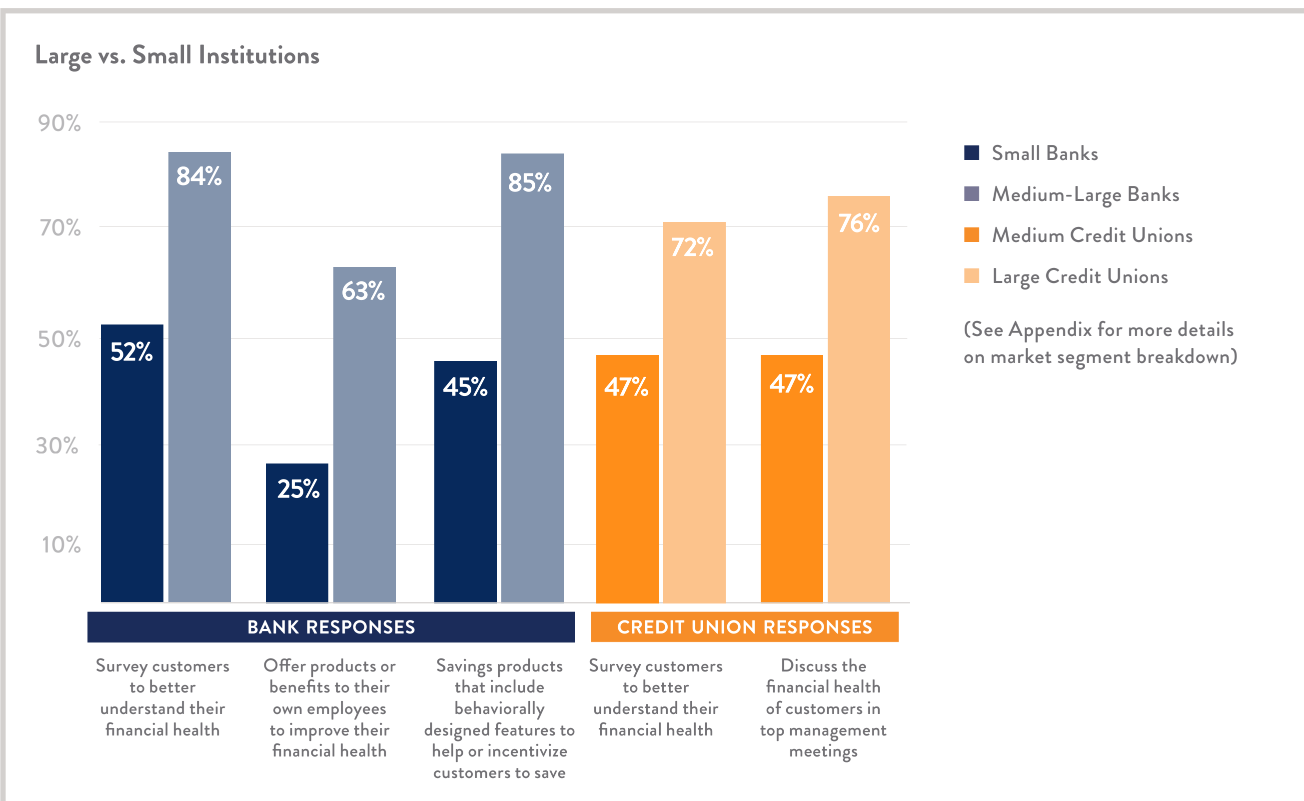
3 Financial institutions differ by size and segment in their actions to improve customer financial health.

Larger companies are doing more to improve customer financial health than smaller companies.

While commitment to financial health was fairly consistent across companies of different sizes, the survey results suggest that large institutions are currently doing more to improve customer financial health. This finding applies across the different segments that we analyzed by size – banks, credit unions, and fintechs. It is also echoed by other studies showing that large banks are able to leverage their large branch networks and digital offerings to provide a better customer experience.[7] Access to resources seems to be a significant determinant in taking action on financial health measures. Executives at smaller institutions with more limited resources can potentially look to partnerships and replicate existing solutions as ways to advance their financial health journeys.

Interestingly, despite the member-focused orientation of credit unions, they were generally no more likely to prioritize or act on financial health than traditional banks. Size of the credit union ultimately was much more significant in determining the likelihood of pursuing financial health.

The survey reveals a similar trend for fintechs as well. For example, nearly two-thirds (63 percent) of executives from large fintechs reported offering digital financial health management or budgeting tools that provide customers with real-time advice vs. just over a third (36 percent) of all other respondents.

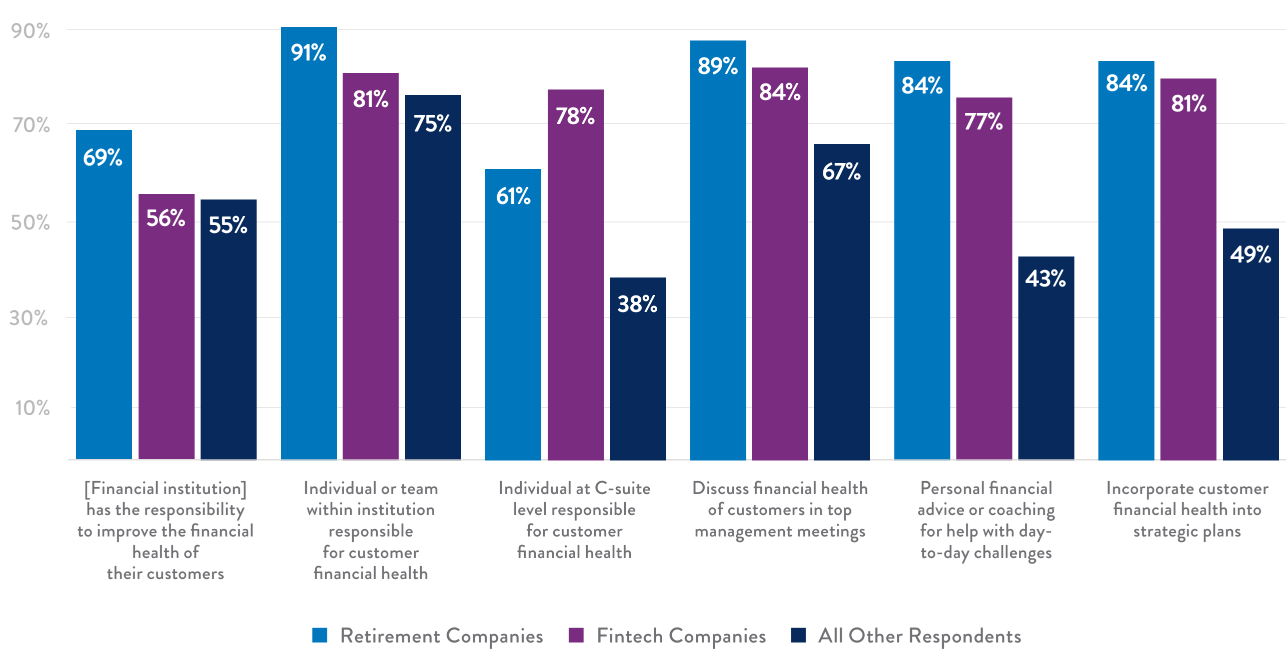


[7] "U.S. Banking Advice Satisfaction Study," J.D. Power, 2019.

Retirement companies and fintechs are doing more than other industry segments to improve customer financial health.

While executives from retirement companies and fintechs prioritized financial health at similar levels to the rest of the industry, they seem to be doing more and having more senior-level engagement on the topic. This may be the result of greater proximity to financially struggling consumers (i.e., soon-to-be retirees or millennials) or greater need within their respective industries to differentiate themselves and deepen their engagement with customers.

Comparing Retirement and Fintech vs. Other Responses



Bridging the Gap

Our survey sought to understand senior executives' perspectives on customer financial health because their leadership and actions will be critical to making financial health a reality. The findings highlight that customer financial health is an important priority, but also that a real and significant gap exists between awareness and action. On one hand, improving customer financial health has clearly become a key element of the consumer-centric focus within the financial services industry. On the other hand, the industry has a long path ahead to translate that commitment into real, measurable action that can have a tangible impact on customers.

Committing to financial health is a long-term orientation. It requires a deep understanding of client needs and challenges, the ability to build and test solutions, and the systems to track and analyze data on whether those solutions are improving financial health so that course corrections can be made.
The executives we surveyed shared ambitious plans for making significant progress over the next 12 months, and it will be critical to watch as those plans unfold. If the financial services industry is to fully regain consumer trust, it will be, at least in part, because senior leaders led their institutions to go beyond using financial health as a buzzword and built business models that impact customers.

Appendix A: CFSI Resources

CFSI Financial Health Score® Toolkit

The CFSI Financial Health Score® Toolkit is designed to help financial service providers, employers, and other organizations diagnose and track the financial health of their customers, clients, and employees. The framework provides a holistic, moment-in-time snapshot of an individual's financial health. It is designed to be simple, straightforward, and easy to use, a resource for companies looking to understand, and ultimately improve, their customers' financial lives.

The CFSI Financial Health Score® Toolkit includes three key components:

> A Survey Guide consisting of eight questions that provide the foundation for the financial health score.

> Scoring Logic to calculate financial health scores and sub-scores for each respondent.

> Benchmarks to help understand how customers are faring compared to their peers.

To learn more about the CFSI Financial Health Score® Toolkit, please visit: https://cfsinnovation.org/score/

To learn about the Financial Health Journey described in this paper, please visit: https://cfsinnovation.org/research/the-journey-to-financial-health-your-companys-roadmap

CFSI Financial Health Leaders

CFSI's Financial Health Leaders program recognizes members who are at the forefront of financial health measurement. Leaders are demonstrating a commitment to measuring the financial health of their customers, employees, and/or clients. In fact, some Leaders are going beyond diagnosing financial health by tracking customer data over time or building the business case for improving financial health.

To learn more about CFSI's Financial Health Leaders, please visit: https://cfsinnovation.org/research/2018-financial-health-leaders/.

CFSI Financial Health Network Membership

Over 160 members of CFSI's Financial Health Network, including financial institutions, service providers, technology innovators, nonprofits and others, are like-mindedly focused on improving the financial health of customers, clients, employees, and communities. To help them along the way, CFSI provides members with access to industry-leading research, peer-to-peer best practices, and real-time collaboration on shared topics of interest.

To learn more about our invitation-only membership, visit: https://cfsinnovation.org/our-network/

Appendix B: Methodology

Background and Approach

This is the first year that CFSI conducted its Industry Survey. The goal was to benchmark how senior leadership in financial institutions think about their customers' financial health and to determine what – if any – action they are taking to improve it.

CFSI partnered with Beresford Research, a custom market research firm specializing in surveying senior executives, to help identify the right market segment to contact, design an effective survey instrument, and field the survey.

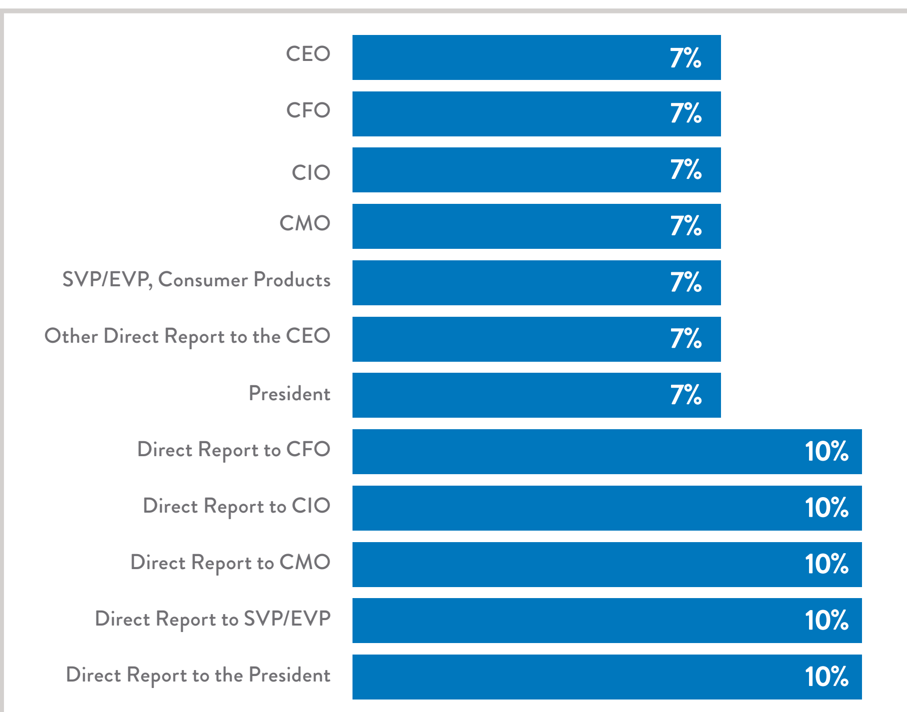
The survey consisted of 15 questions and was conducted over the phone from July - September 2018. In total, Beresford Research spoke to 659 C-suite executives and their direct reports in the financial services industry, including representatives from banks, credit unions, fintechs, payment networks, credit bureaus, retirement companies, and insurance providers.

To ensure unbiased results, all responses were reported in the aggregate, with no identifying information provided to CFSI.

Survey Participants

This survey of banks, credit unions, fintechs, insurance, retirement, payment networks, and credit bureaus consisted of C-level executives – CEOs, CFOs, CIOs, and CMOs – and their direct reports who work in the retail or customer side of the business. For each market segment, respondents included at least 50 percent C-level executives.

1. Respondents by Title



2. Market Share

To determine the appropriate sample size for each sub-segment (such as banks, credit unions, and payment networks), CFSI conducted an industry assessment that took into account the size of institutions in each market segment (in terms of number of companies) and overall economic impact of each market segment (in terms of total market share).

For banks, credit unions, payment networks, and credit bureaus, this consisted of determining the full size and reach of each market segment and then creating clear floors and ceilings for the companies based on asset size. For insurance companies, the focus was limited to auto, life, property, and disability insurance, and focused on targeting the top 50 market drivers. A similar process was established for retirement companies, where the target was the top 50 asset managers, recordkeepers, and brokerage dealers. And finally, for fintech companies, since there is no comprehensive list of U.S.-based fintechs, we targeted all financial technology companies that had a minimum revenue of $50 million or $499 million in dollars raised (as of spring 2018) but did include insurance fintechs (e.g., Oscar) or crypto startups (e.g., Coinbase).

Market Segments	Number of Respondents	Market Share
Banks	**352**	
Extra-Large	3	Over $1T in AUM
Large	17	$100B – $1T in AUM
Medium	73	$10B – $100B in AUM
Small	259	$500M – $10B in AUM
Credit Unions	**155**	
Large	102	Over $1B in AUM
Medium	53	$1B – $500M in AUM
Insurance	**45**	
Life	15	$500M – $9.9B in annual premium revenue
Auto	10	$10M – over $30B in annual premium revenue
Property	10	$10M – $14.9B in annual premium revenue
Disability	10	$10M – over $30B in annual premium revenue

Market Segments	Number of Respondents	Market Share
Fintechs, Payment Networks, and Bureaus	**61**	
Payment Networks	2	$1B – $9.9B in revenue
Credit Bureaus	2	$1B – $9.9B in revenue
Large Fintechs	23	Over $300M in revenue OR over $500M in dollars raised
Medium Fintechs	32	$50M – $349M in revenue OR $50M – $499M in dollars raised
Small Fintechs	9	Under $50M in revenue or dollars raised
Retirement	**45**	
Asset Management	15	$50M – $799.9B in AUM
Recordkeepers	15	$50M – $799.9B in AUM
Broker Dealers	15	$100M – $4.9B in revenue

Appendix C: Select Data Tables

Q5. As you and your colleagues develop strategic plans for your business, how important are each of the following objectives? Please rate each objective using the five-point scale provided. (Top 2-box scores)

	Total	Institution Type					Size		
Considerably/ Highly Important	Total (n= 659)	Bank (n=353)	Credit union (n=155)	Fintech (n=57)	Insurance firm (n=45)	Retirement (n=45)	Small (n=272)	Medium (n=147)	Large (n=150)
Enhancing customer digital experience	72.1%	72.5%	64.5%	80.7%	71.1%	82.2%	70.6%	72.1%	72.0%
Improving customer financial health	69.2%	70.5%	70.3%	64.9%	62.2%	66.7%	65.4%	75.5%	72.7%
Increasing customer loyalty	65.7%	73.1%	67.7%	45.6%	57.8%	35.6%	68.8%	61.9%	75.3%
Improving data security and privacy	65.1%	68.0%	65.2%	63.2%	64.4%	46.7%	65.8%	70.7%	64.0%
Enhancing data analytics capabilities	60.7%	60.1%	60.0%	64.9%	71.1%	51.1%	59.6%	62.6%	60.7%
Regulatory compliance	48.3%	53.8%	56.8%	21.1%	42.2%	17.8%	46.0%	56.5%	55.3%
Exploration of emerging technologies (i.e., AI, blockchain, etc.)	47.8%	55.8%	47.7%	21.1%	48.9%	17.8%	52.2%	51.0%	45.3%
Investing in innovation	47.0%	53.3%	45.2%	38.6%	40.0%	20.0%	47.4%	55.8%	48.0%
Expanding revenue sources	45.8%	50.7%	43.2%	36.8%	42.2%	28.9%	52.6%	46.3%	39.3%
Talent recruitment and retention	38.2%	41.6%	39.4%	24.6%	42.2%	22.2%	41.5%	42.2%	32.0%
Operating cost reduction	36.0%	38.2%	35.5%	26.3%	53.3%	13.3%	43.0%	33.3%	27.3%
Fraud/risk management	34.4%	38.2%	30.3%	28.1%	46.7%	15.6%	40.8%	32.7%	26.7%
Sales origination	32.5%	33.1%	38.1%	21.1%	40.0%	13.3%	37.1%	35.4%	24.7%
Partnering with fintech providers	30.4%	34.6%	27.1%	0.0%	35.6%	6.7%	38.4%	34.1%	16.3%

*PLEASE NOTE: the 'small' category includes the 2 payment networks and 2 credit bureaus but DOES NOT include insurance or retirement firms

CFSI Senior Executive Financial Health Survey, prepared by Beresford Research

Q7. To what extent has your company taken steps to incorporate customer financial health into its overall strategy? For each statement, please select if you:

	Total	Institution Type					Size		
Currently do this	Total (n= 655)	Bank (n=353)	Credit union (n=155)	Fintech (n=57)	Insurance firm (n=45)	Retirement (n=45)	Small (n=272)	Medium (n=147)	Large (n=150)
We discuss the financial health of our customers in top management meetings	69.9%	66.3%	66.5%	84.2%	73.3%	88.9%	58.8%	75.5%	78.7%
We incorporate customer financial health into our strategic plans	54.2%	50.4%	43.2%	80.7%	57.8%	84.4%	51.5%	55.1%	49.3%
We survey our customers to better understand their financial health	62.3%	60.6%	63.2%	56.1%	64.4%	77.8%	51.8%	64.6%	74.7%
We track transactional or account data on our customers to better understand their financial health	40.5%	40.8%	33.5%	35.1%	53.3%	55.6%	37.1%	34.0%	45.3%
We regularly track and report on customer financial health as an enterprise-level KPI (key performance indicator)	18.6%	19.8%	23.9%	8.8%	22.2%	0.0%	15.1%	30.6%	18.0%
We incorporate customer financial health into our employee performance metrics	20.3%	25.5%	16.8%	12.3%	17.8%	4.4%	22.4%	25.2%	16.7%
We offer products or benefits to our own employees for improving their financial health	33.3%	35.4%	41.9%	19.3%	28.9%	8.9%	25.0%	42.9%	48.0%
We use the phrase "financial health" or "financial wellness" in customer-facing marketing to describe our products, services, or brand	36.6%	44.8%	35.5%	19.3%	31.1%	4.4%	45.6%	41.5%	26.7%

CFSI Senior Executive Financial Health Survey, prepared by Beresford Research

Q9. Is your company offering any of the following products, features, or services to customers – whether directly or through a third party? For each statement, please select if you:

	Total	Institution Type					Size		
Currently offer this	Total	Bank	Credit union	Fintech	Insurance firm	Retirement	Small	Medium	Large
This question was asked to all institution types									
Educational content that advises customers on how to improve their financial health	24.0%	26.3%	19.4%	28.1%	17.8%	22.2%	25.0%	29.3%	20.0%
Total	655	353	155	57	45	45	68	43	30
Personal financial advice or coaching for help with day-to-day financial health challenges	48.7%	45.0%	34.2%	77.2%	55.6%	84.4%	45.2%	45.6%	46.7%
Total	655	353	155	57	45	45	123	67	70
Digital financial health management or budgeting tools that provide customers with real-time advice	36.8%	40.5%	32.3%	38.6%	42.2%	15.6%	34.9%	40.1%	42.7%
Total	655	353	155	57	45	45	95	59	64
Recommendations for specific products based on an individual assessment of a customer's financial health	47.6%	46.7%	36.1%	70.2%	48.9%	64.4%	49.3%	45.6%	42.0%
Total	655	353	155	57	45	45	134	67	63
This question was asked to banks, credit unions, fintechs									
Low-cost, entry-level transaction account (such as a check-less checking account or prepaid debit card)	37.0%	37.7%	36.1%	35.1%	0.0%	0.0%	39.9%	38.8%	30.0%
Total	565	353	155	57	0	0	107	57	45
Savings products that include behaviorally designed features (such as prize-linked savings, automatic round-up, or defaults) to help or incentivize customers to save	54.7%	55.5%	58.1%	40.4%	0.0%	0.0%	44.4%	60.5%	67.3%
Total	565	353	155	57	0	0	119	89	101
Secured credit cards to help customers build or improve their credit	67.3%	69.4%	66.5%	56.1%	0.0%	0.0%	63.1%	67.3%	74.7%
Total	565	353	155	57	0	0	169	99	112

CFSI Senior Executive Financial Health Survey, prepared by Beresford Research

Q9. Is your company offering any of the following products, features, or services to customers – whether directly or through a third party? For each statement, please select if you:

	Total	Institution Type					Size		
Currently offer this	Total	Bank	Credit union	Fintech	Insurance firm	Retirement	Small	Medium	Large
This question was asked to banks, credit unions, fintechs									
Unsecured credit products (such as a credit card or installment loan) designed for customers with non-prime or sub-prime credit	25.8%	24.9%	21.3%	43.9%	0.0%	0.0%	23.9%	27.2%	28.0%
Total	565	353	155	57	0	0	64	40	42
Debt consolidation loans for customers who encounter difficulty with repayment	18.2%	17.8%	17.4%	22.8%	0.0%	0.0%	17.2%	21.8%	16.7%
Total	565	353	155	57	0	0	46	32	25
This question was asked to insurance firms									
Bundled products that pair insurance with other types of financial products (i.e., savings, credit, etc.)	60.0%	0.0%	0.0%	0.0%	60.0%	0.0%	0.0%	0.0%	0.0%
Total	45	0	0	0	45	0	0	0	0
Digital guidance that helps customers determine if their coverage is sufficient and appropriate	48.9%	0.0%	0.0%	0.0%	48.9%	0.0%	0.0%	0.0%	0.0%
Total	45	0	0	0	45	0	0	0	0
Advice or incentives to prevent the need for claims (living a healthier lifestyle, using telematics, etc.)	46.7%	0.0%	0.0%	0.0%	46.7%	0.0%	0.0%	0.0%	0.0%
Total	45	0	0	0	45	0	0	0	0
This question was asked to retirement firms									
Tools to help customers pay down debt that is hindering their ability to save for retirement	86.7%	0.0%	0.0%	0.0%	0.0%	86.7%	0.0%	0.0%	0.0%
Total	45	0	0	0	0	45	0	0	0

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Q9. Is your company offering any of the following products, features, or services to customers – whether directly or through a third party? For each statement, please select if you:

	Total	Institution Type					Size		
Currently offer this	Total	Bank	Credit union	Fintech	Insurance firm	Retirement	Small	Medium	Large
This question was asked to retirement firms									
Liquid, taxable savings accounts or 'buckets' that customers can use to save for emergencies or other short-term needs	22.2%	0.0%	0.0%	0.0%	0.0%	22.2%	0.0%	0.0%	0.0%
Total	45	0	0	0	0	45	0	0	0
Tools to help customers with a defined contribution plan or IRA to optimize the decumulation of their assets	86.7%	0.0%	0.0%	0.0%	0.0%	86.7%	0.0%	0.0%	0.0%
Total	45	0	0	0	0	45	0	0	0
This question was asked to retirement firms (and within that, just broker dealers)									
Auto-enrollment as a standard feature of a defined contribution plan	73.3%	0.0%	0.0%	0.0%	0.0%	73.3%	0.0%	0.0%	0.0%
Total	15	0	0	0	0	15	0	0	0
Auto-escalation as a standard feature of a defined contribution plan	40.0%	0.0%	0.0%	0.0%	0.0%	40.0%	0.0%	0.0%	0.0%
Total	15	0	0	0	0	15	0	0	0

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