



FinHealth MAP

Maturity Assessment Program

Building a Business Strategy
for Financial Health Impact

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MAP AT-A-GLANCE

To make the business strategy of financial health more understandable, practical, actionable, and sustainable, the Financial Health Network developed a model for building these strategies – the FinHealth MAP.

The Maturity Assessment Program (MAP) is a framework for companies to identify ways they can mobilize internally to increase their impact on the financial health of those they serve. The FinHealth MAP describes the core components of a financial health strategy (pillars), the process through which companies mature across the components (phases), and the areas of a company that should be involved (functions).



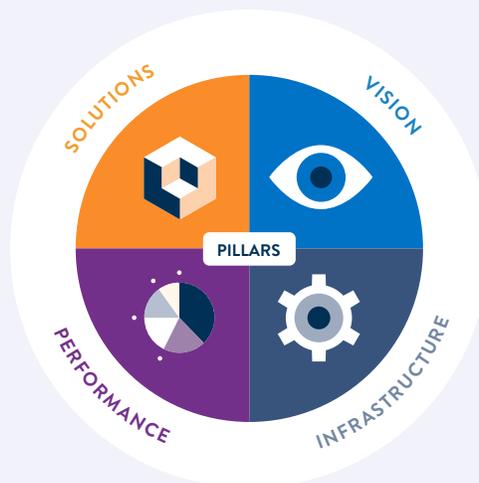
Pillars

The Common Elements of a Mature Financial Health Strategy

For each of these pillars, we outline the key activities that should exist within an organization to increase impact and sustainability.

Delivery of solutions that will support and improve financial health for all

Accountability to design solutions that deliver financial health impact



Understanding of and commitment to sustainable financial health impact

Existence of resources, capabilities, and structures to support financial health impact

Using the FinHealth MAP

This paper details each pillar and phase, providing case studies that highlight how a number of organizations are progressing toward financial health maturity. Companies looking to expand their financial health impact can begin by assessing themselves against this model. By identifying strengths and weaknesses against these pillars and within functions, businesses can build roadmaps to optimize financial health impact in ways that fit their organizations. The Financial Health Network recognizes that each company approaches its financial health strategy with unique circumstances that will influence how it views success and informs its path to reaching it. As such, the FinHealth MAP does not describe a singular roadmap. Rather, it highlights opportunities for improvement, which a company can assess and prioritize in developing a roadmap that best fits its organization.

The Financial Health Network can assist companies with this process through its tools and services, including the [FinHealth Score[®] Toolkit](#) and [consulting services](#). We look forward to working together to improve financial health for all.



INTRODUCTION

A Call to Action from Consumers, Employees, and Communities

The COVID-19 pandemic and related economic crisis have brought focus to the frailty of financial health in America and the need for financial institutions to provide support. With unemployment skyrocketing and people depleting retirement and emergency savings to cover lost wages, consumers, employees, and communities are looking to their financial institutions for help. Suddenly, financial health support is no longer a “nice-to-have” business strategy, but a critical path to maintaining the stability of individuals and businesses.

But while this global crisis has highlighted financial health vulnerability, the financial health crisis in America is not new. Lost jobs, little to no savings, and high healthcare bills have been an ongoing reality for many. According to the 2020 U.S. Financial Health Pulse® Survey, more than two-thirds of people in America were Financially Coping or Financially Vulnerable as of August 2020. These individuals are struggling to spend, save, borrow, or plan in ways that allow them to be resilient and seize opportunities over time.

Prior to the pandemic, those people needed the support of their financial institutions too. In the Financial Health Network’s 2019 survey of industry executives, more than two-thirds (69%) of executives surveyed said financial health was a “strategic priority.” And yet, action by financial institutions to impact financial health has been limited, with only 16% having launched a product to improve financial health.

Consumers are asking for – and are in need of – more support. According to the 2019 U.S. Financial Health Pulse® Survey, 80% of customers expect their primary financial institutions (PFIs) to help them improve their financial health, yet only 14% “agree strongly” that their financial institutions actually deliver. Furthermore, that study finds that customers who believe their financial institution cares about their financial health are more likely to have longer, more valuable relationships with their institutions. Financial institutions are missing the opportunity to drive growth for their businesses while better supporting their customers.

CUSTOMERS WHO THINK THEIR PFIs SUPPORT THEIR FINANCIAL HEALTH ARE:

SATISFIED

3X more likely to be “very satisfied” with their PFI

LOYAL

3X more likely to recommend their PFI and over **2X** more likely to continue their relationship with their PFI over the next five years

PROFITABLE

5X more likely to report interest in purchasing additional products and services and are more likely to hold products and services beyond core checking and saving products

Financial health is not unlike the risk management transformation prompted by the 2008 financial crisis, or the more recent move to digital transformation driven by changing consumer expectations of convenience and access. These transformations required a holistic approach – coordinating changing goals, perspectives, and processes across business units. Transforming a business to make a real impact on financial health is no different.

To support financial institutions working to transform and sustain their financial health efforts, the Financial Health Network has developed the FinHealth MAP, a maturity model and assessment program. Generally, a maturity model is a tool to assess the current effectiveness of a system and give direction on what capabilities are needed to improve performance. These models are used across disciplines, such as Six Sigma and software development, and focus on delivering actionable insights and tactics for improvement. The FinHealth MAP takes this focus as well. To do this, it looks at companies' internal capabilities and processes, as well as the delivery of solutions to their customers, employees, and communities, and provides an aid to understand and benchmark how organizations can increase financial health impact.

DEVELOPING THE MAP

The Financial Health Network looked at its financial services Members and the industry as a whole to identify the pillars of an effective financial health strategy – one that can deliver positive financial health outcomes for a business's customers, employees, and communities. An aggregation of the spectrum of in-market and advanced practices, this model describes an aspirational vision for how financial services organizations can progress to maximize impact on financial health. Through this, the model makes continuous improvement toward this goal understandable and accessible.

The Financial Health Network partnered with six Member financial institutions to help develop and test the model. While all are engaged in financial health impact, they are in various phases of strategy development and have taken different paths to their current state. They are highlighted in this paper as examples of the model in action. While these organizations are noted for their activity in an individual pillar, it is important to note that their phase in one pillar is not necessarily indicative of their maturity across all pillars of the model.

These companies have also provided proof of this model's effectiveness. For instance, some are exploring how financial health scores correlate with key business metrics, such as lifetime customer value, creditworthiness, and profitability, sharing early findings that indicate positive relationships. Others noted how branding and marketing around consumer financial health have proved powerful tools for connecting with consumers and improving engagement.



What Is Financial Health?

Financial health comes about when an individual's daily financial systems help them build resilience and pursue opportunities over time. Financial health can be measured as a composite score of a person's financial life, whether they are spending, saving, borrowing, and planning to achieve financial health.

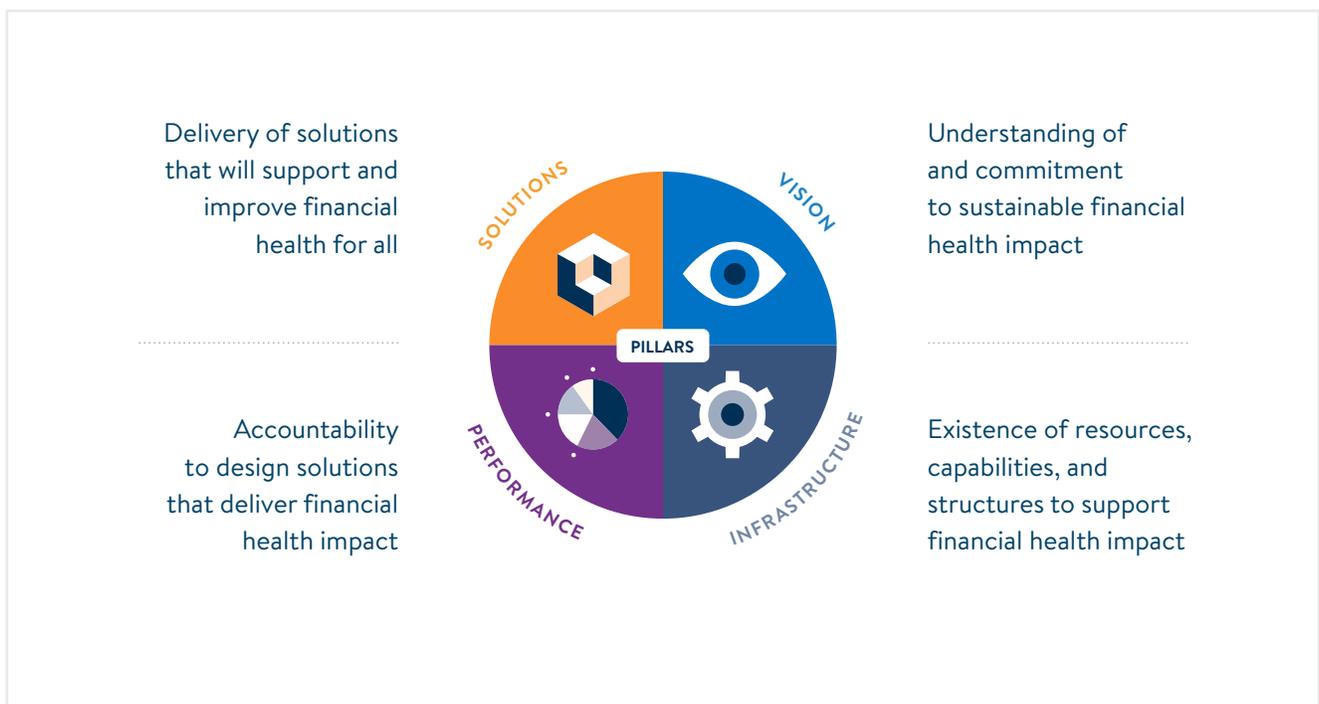
THE FINHEALTH MAP

The FinHealth MAP outlines the pillars for operating a financial institution that impact financial health, and the phases through which companies progress to optimize their impact. As such, it is meant to act as a guide for these companies to identify ways they can mobilize internally to increase their impact on the financial health of those they touch. Here, we describe the core components of a financial health strategy (pillars), the process through which companies mature across the components (phases), and the areas of a company that should be involved (functions).

Pillars

While every company's path to and vision of success will be personalized to its brand, its people, and its culture, we have found the core components of an impactful financial health strategy to be consistent.

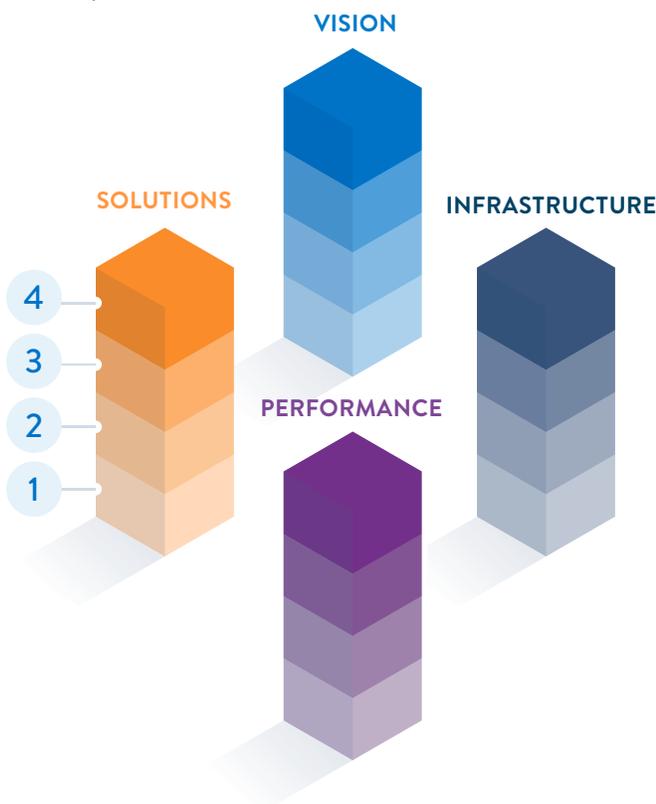
These pillars work best when coordinated, each informing and supporting the others to make financial health impact efficient and effective. A strong vision can create focus, infrastructure can speed analysis and development, performance can give drive prioritization and continuous improvement, and ultimately, solutions improve financial health.



Phases

Our research shows that companies may span multiple phases at once, depending on their goals, resources, and overlapping initiatives. For example, a company may have an extensive Vision for the financial health impact it wants to have on its community and ensures financial health is widely understood by its employees, but is only beginning to build Performance and explore measuring the financial health of its customers. Therefore, to provide more action-oriented guidance, we apply these phases to each pillar independently.

Progress against this model requires gaining both depth of functionality and breadth of influence. For example, a company at the Initiating phase of Infrastructure may involve one product team experimenting with a lightweight CRM system. Conversely, the Optimizing phase of Infrastructure may involve groups from across the company inputting financial health data into a robust CRM system.



- 1 **Initiating** One or more functions of the company is exploring investment in or development of a financial health strategy. Pockets of experimentation may exist.
- 2 **Mobilizing** Initiatives become bolder, and change agents seek broad executive engagement. Experimentation becomes intentional as financial health becomes a strategic priority.
- 3 **Integrating** The company systematically uses financial health as a basis for improving outcomes for people as well as the business.
- 4 **Optimizing** Financial health becomes a way of doing business across all areas of the company. Processes and solutions are innovative and adaptive to continuously improve financial health for all.

Functions

An important aspect of maturity is the breadth of financial health across a company. In many companies, financial health may start with a change agent or a single siloed team. In companies operating more advanced financial health strategies, financial health will be coordinated across multiple functions, creating an enterprise-wide strategy. In financial services, the key functions to involve are:

Customer Experience

The channels and experiences through which consumers engage with an organization can impact financial health. Whether online, mobile, phone, or in person, each touchpoint should support and encourage financial health.

Marketing

Communications and brand management are an important part of delivering on the ability to improve financial health. Communicating how your organization can deliver better financial health outcomes to customers, employees, and communities is vital to the success of a financial health strategy.

Community Engagement

Whether it's CRA, CSR, ESG, Community Development, or philanthropy, giving back to an organization's community is an important function. Aligning community benefits around financial health can also have a positive add-on effect with the other functions.



Product Management

The products and services a financial services organization offers are core to its ability to impact financial health. Each of these tools has its own effect on financial health. That effect is understood, measured, and managed to ensure positive customer outcomes.

Human Resources

The role of human resources in advancing financial health is multifaceted. Delivering financial health benefits and services to employees is good for employees and can positively affect job performance and their ability to impact customer financial health. HR is also integral in shaping incentive structures, communications, and culture that can drive deep focus on financial health across an organization.

Using the FinHealth MAP

The ultimate goal of the FinHealth MAP is to help companies identify opportunities to adjust their internal processes and grow their financial health impact. To do this, companies can first assess themselves against the model using the framework provided.

While the model is intended to provide a “north star,” the Financial Health Network recognizes that each company approaches its financial health strategy with unique circumstances that will influence how it views success and informs its path to reaching it. As such, this model does not describe a singular roadmap. Rather, it highlights opportunities for improvement, which a company can assess and prioritize in developing a roadmap that best fits its company.



Using This Model in Financial Services and Beyond

In this paper, the Financial Health Network focuses on financial services companies, including banks, credit unions, loan originators, fintechs, insurance, and investment companies. The model can be applied more broadly across industries, however. In initial research, the pillars hold true when looking at employers, as well as in healthcare and higher education. For example, non-financial services organizations may be focusing on the financial health of their workforce, including (but not limited to) understanding the financial health of workers, aligning benefit and compensation solutions to meet those needs, designing employee experiences that help drive optimal utilization of solutions to improve financial health, and measuring over the long term how the financial health of the workforce changes and hopefully improves in light of these interventions.

FINANCIAL HEALTH STRATEGY CASE STUDY

The Importance of Financial Health in Navigating Through Crises

PayPal

Over the last few years, PayPal has implemented assessments and initiatives throughout the company to support financial health, advancing along the MAP across all four pillars. In doing so, PayPal has helped its employees, customers, and communities prepare for and navigate through economic challenges and crises like the COVID-19 pandemic.

In 2017, PayPal created an Employee Relief Fund to help **employees** in case of an unforeseen, life-altering personal hardship or financial shock. The company saw an increasing number of urgent requests from employees for help with everyday events, however, like an unexpected medical bill or car repair. The following year, PayPal surveyed a large sample of hourly and entry-level employees and found that nearly two-thirds were running out of money between paydays.

To address these needs, PayPal went through a process to determine how much employees needed to earn to be financially secure. At the core of this evaluation was Net Disposable Income (NDI), which is the amount of money left after paying taxes and necessary living expenses. PayPal targeted a minimum NDI of 20% and made a number of adjustments to help reach this goal, which included reducing the cost of healthcare benefits, distributing stock awards to all employees regardless of level or tenure, raising wages where needed, and implementing personal financial education and counseling. These changes helped strengthen their employees' financial resiliency, which has been particularly important given the challenges and uncertainties that the COVID-19 pandemic has created.

At the earliest stages of the crisis, PayPal also deployed solutions to address the acute needs of vulnerable **customers**. For example, the company made the decision to allow business customers to push back repayments on business loans and cash advances at no additional cost, and waived fees for instant withdrawals from business accounts. In addition, PayPal worked with the federal government, including the SBA and the IRS, to help small businesses access loans through the Paycheck Protection Program and allow people around the country to receive their Economic Impact Payments directly into their PayPal Cash Plus accounts using direct deposit.

To address broader **community** needs during the pandemic and fight economic inequality, PayPal committed \$530 million to support Black and minority-owned businesses in June 2020. In addition, PayPal launched a fundraising campaign to support organizations that are educating the public on COVID-19, helping to prevent new infections and assisting with recovery. PayPal has covered all transaction costs for donations, ensuring that 100% of each gift made is available to charities.

Such solutions and practices help PayPal continue to build its financial health brand and deepen its relationships with stakeholders as they navigate the COVID-19 crisis.



Understanding of and Commitment to Sustainable Financial Health Impact

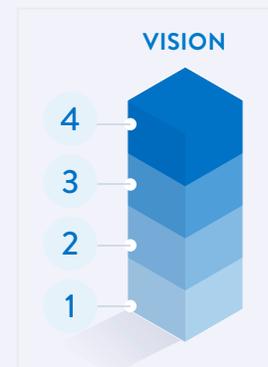
A clear, strong vision focuses a company's resources, rallying employees to take action daily and be proactive in supporting the mission. This creates a culture of financial health impact across functions that makes achieving financial health impact more efficient over time. There are four key activities that companies should focus on as they build a Vision for financial health impact:

- > Have a financial health strategy that is linked to the company's mission and values.
- > See financial health as a value driver for the business and have a business case for financial health impact.
- > Ensure widespread understanding of and commitment to the financial health vision among employees across functions.
- > Have organizational leadership actively promote financial health impact internally and across the industry.



Phases of Vision

Where do you stand?



1 Initiating

- One or more change agents for financial health may exist at any level within the company, in any function, and are actively engaging others to gain buy-in for a financial health strategy.

2 Mobilizing

- Organizational leadership is engaged in the development of a financial health strategy.
- Key stakeholders in one or more functions see financial health as a strategic priority and value driver for the organization.

3 Integrating

- The organization has defined financial health and documented its health strategy.
- Financial health is part of a broader mission, vision, and values statement for the organization. Most employees across functions are aware of and understand the financial health strategy.
- Organizational leadership actively promotes a culture of financial health impact within the organization.

4 Optimizing

- Employees across all functions understand the financial health strategy.
- The organization broadly views financial health as a critical driver of growth and sustainability.
- There are communications, training, and/or other support mechanisms in place to ensure that employees understand this strategy, including information in job descriptions and codes of conduct.
- Organizational leadership publicly supports financial health, encouraging the industry to innovate to improve financial health for all.



CASE STUDY IN FINANCIAL HEALTH VISION

Vision Phase:

Mobilizing

REGIONS

The importance of financial health evangelists was a common refrain among companies we spoke with for this paper. **Regions Bank** has two key financial health change agents in the customer experience team. Believing that financial health could be a potential differentiator for how the bank engages with customers, as a first step, they worked with their market research team to deploy the Financial Health Network's survey questions to better understand their customers' financial health. Their measurement efforts have informed the work of the customer segmentation, product development, and channel strategy teams. In addition to convincing the bank to measure the financial health of its customers, the change agents have brought the concept of financial health to other parts of the bank, including their partners in product development, retail banking, community development, and human resources.



CASE STUDY IN FINANCIAL HEALTH VISION

Vision Phase:

Optimizing

LendingClub

At **LendingClub**, the vision for financial health is defined, documented, and understood across the functions of the company. At the leadership level, it is seen as a competitive advantage and path to sustainable growth and profitability. Financial health is viewed as core to LendingClub's business model – a way to reduce defaults and improve loyalty, and the basis for a conversation with customers about providing services that could help them.

The company recently engaged in a strategic shift to help support this vision. In part, this involved changing its internal language: Customers who were previously called "visitors" are now "members;" instead of focusing on individual "products," the business is now building a cohesive "platform," combining products and features designed to help members improve their financial health. While these may seem like small changes, they are impacting the way employees think about their business and how they engage with customers. Now there is enough understanding of the vision across employees, and momentum from both the "top" and "bottom," that meetings about financial health occur independently of any centralized or directed task. The path forward for LendingClub's vision is to further ensure coordination as it finds its way into all corners of the company.

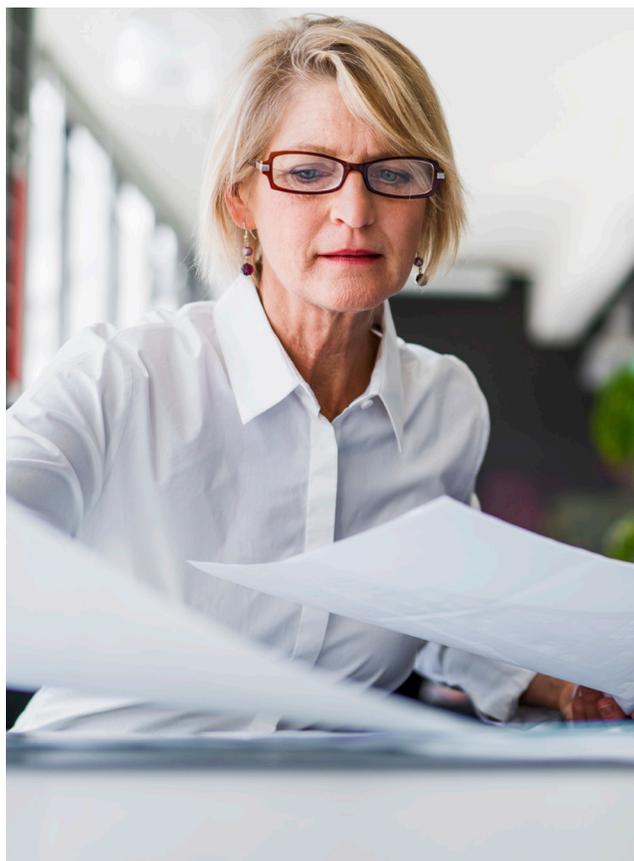
PILLAR 2: INFRASTRUCTURE



Existence of Resources, Capabilities, and Structures to Support Financial Health Impact

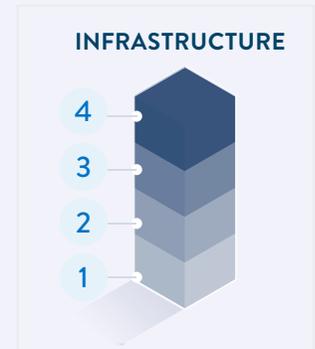
Whether at the start of a transformation or when optimizing impact, infrastructure is critical. Without the thought leadership of people to drive action, data to inform decision-making, and technology and processes to enable execution, impact efforts cannot flourish across functions. There are three key activities that companies should focus on as they build the Infrastructure for financial health impact:

- Commit resources, people, and dollars to financial health impact and ensure they work in a coordinated, consistent way across the company.
- Make technical systems and skills sets available to collect and derive insights from financial health-related metrics.
- Align investment models and compensation structures of the functions with financial health impact.



Phases of Infrastructure

Where Do You Stand?



1 Initiating

- While not formally connected to a financial health strategy and/or not cross-functional, people or dollars in at least one function are directed at financial health initiatives.
- Limited technical systems and skill sets (capabilities) are in place that could support an advanced financial health strategy, such as CRM systems, data analytics, agile development, and behavioral economics practices. Some may be supporting experimentation, but they are not necessarily interoperable across functions.
- Collaboration and transformation are bounded by limited information-sharing and coordination across functions.

2 Mobilizing

- Organizational resources, funding, and/or people, take on official titles or roles to support financial health either in one function or as a cross-functional team.
- Some advanced capabilities are available to support a financial health strategy; some are supporting financial health initiatives.
- Financial health impact is a component of investment decisions for some functions of the company.

3 Integrating

- Financial health leadership has a mandate, breadth of influence, and necessary resources to have an impact across all functions and is actively working to coordinate them.
- Capabilities are in place and expanding to support the financial health strategy.
- Employee and vendor compensation structures in one or more functions are aligned with financial health impact.
- Financial health impact is a key component of investment decisions for the company.

4 Optimizing

- Organizational resources supporting financial health span all functions.
- Financial health impact is a mandate for all functions, so that the company may no longer require an official title or role to drive the strategy on a daily basis.
- Advanced capabilities are in place, expanding, and actively supporting the financial health strategy, including CRM systems, data analytics, and agile development.
- Incentive structures in all functions are aligned with financial health impact.



CASE STUDY IN FINANCIAL HEALTH INFRASTRUCTURE

Infrastructure Phase:

Mobilizing



Recently, **Wells Fargo** created a position for a head of financial health. The role leads a team that works with all other functions of the bank and is responsible for partnering with philanthropy to create a cohesive vision and an integrated enterprise strategy for improving the financial health of its customers. The bank's leadership team supported the development of this team after seeing a number of successful financial health initiatives. These included:

- Conducting financial health conversations that have resulted in personalized plans for more than 50,000 customers who contacted its specially trained phone bankers since the start of 2015.
- Improving credit transparency by providing 70 million customers free access to their FICO® Credit Score.
- Providing an online financial health resource featuring easy-to-follow guidelines to help people on their financial health journey.
- Introducing predictive banking for all consumer deposit customers – an in-app feature that provides customers with personalized insights into their spending and savings, and guidance to help them improve their financial health.

Under the leadership of the financial health team, Wells Fargo can now build initiatives like these into a broader, more holistic financial health strategy.



CASE STUDY IN FINANCIAL HEALTH INFRASTRUCTURE

Infrastructure Phase:

Optimizing



CommonwealthBank

Over the last few years, **Commonwealth Bank of Australia (CommBank)** has developed successful digital consumer financial health solutions thanks to its investments in financial health data analytics infrastructure. This success began with an internal champion in a key function – product management – who secured leadership's understanding of the business case for financial health, leading to crucial resource allocations. With these resources and under the guidance of this change agent, CommBank built a multidisciplinary task force that included a strong data analytics team and behavioral scientists, in addition to product managers and marketing content specialists.

This team is deployed to various product groups across the organization, integrating financial health insights into product roadmaps and performance management. The team works closely with the product group to identify a key customer financial health need using research and transactional data analysis, helps develop a solution concept using its behavioral scientists' expertise, and then selects a test scenario for that solution's impact. This team has also helped spearhead early research into the business case for financial health by examining the correlation between customers' financial wellness scores and key business metrics. While this research is forthcoming, such an effort is designed to help CommBank develop clear advantages over the rest of the market by leveraging consumer data to anticipate risk and design better solutions earlier.

PILLAR 3: PERFORMANCE



Accountability to Diagnose Financial Health, Design Solutions, and Deliver on Financial Health Impact

With any company initiative, like expanding to a new customer segment or reducing loan charge-offs, it is important to understand the current state of the problem, have a goal, and be able to track progress toward that goal. Financial health should be no different. A financial institution must measure the financial health of its stakeholders to identify and prioritize needs, design solutions to solve for those needs, measure impact of those solutions on both stakeholders and the business, and continuously improve to meet their impact goals. There are four key activities that companies should focus on as they build Performance:

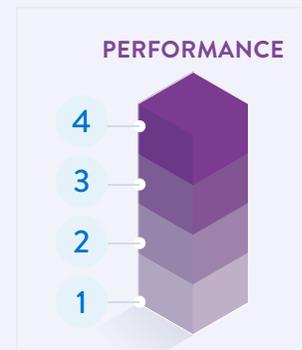
- Measure financial health using surveys and/or transactional data and disaggregate the data to understand the financial health of different groups.
- Design, test, and iterate on solutions using financial health data and indicators.
- Measure the financial health impact of solutions using financial health metrics and benchmarks.
- Set goals for financial health impact and hold the company accountable to meeting those goals across functions.

▲ Measuring Financial Health

Financial health is a composite measurement of a person's financial life. Unlike narrow metrics like credit scores, financial health assesses whether people are spending, saving, borrowing, and planning in a way that will enable them to be resilient and pursue opportunities over time. The Financial Health Network has developed resources and tools, such as the [FinHealth Score Toolkit](#) and benchmarks from the [U.S. Financial Health Pulse® Survey](#), to help companies measure financial health through the use of surveys and transactional data. [Learn more about financial health measurement on our website.](#)

Phases of Performance

Where Do You Stand?



1 Initiating

- Financial health measurement is being explored or has been done in the past, but not recently updated.
- Functional teams may be exploring transactional data to diagnose financial health or develop segmentation models.

2 Mobilizing

- At least one function has measured financial health recently, but it is not integrated across multiple functions.
- Financial health data is being leveraged on a limited basis to inform the design of solutions.

3 Integrating

- Financial health of large portions (if not all) customers and employees is measured in an ongoing way and the data is being disaggregated in order to understand the financial health of different groups.
- Financial health data is being used in a systematic way to diagnose financial health and inform the design of solutions, across multiple functions.
- Financial health metrics are available to all relevant departments, while protecting consumer privacy.
- Financial health metrics and benchmarks are used to set goals.

4 Optimizing

- There is a multi-year financial health measurement strategy to track changes over time.
- Financial health data is used to inform the design of solutions across all key functions.
- The financial health impact of solutions is measured and used to continuously improve offerings.
- Financial health metrics and benchmarks are used to set goals and prioritize initiatives across solutions, functions, and at the enterprise level.
- Company and employee incentives are tied to performance against financial health goals.



CASE STUDY IN FINANCIAL HEALTH PERFORMANCE

Performance Phase:

Optimizing

B|E|C|U

BECU has been developing its own financial health score to measure member financial health, using the transactional data it has available. The company looks at metrics such as savings balances, credit utilization, FICO, and deposit inflows and outflows, among other data. BECU adds this data to a dashboard on a monthly basis, and it is reviewed by its Financial Health Council, as well as product and marketing teams. In addition to the financial health score, BECU has been exploring the underlying drivers of its financial health score. The company develops these key performance indicators (KPIs) for products, programs and experiences to help guide improvement in both financial health and business performance. For example, for a savings program, BECU might look at:

- Rate of enrollment by Financially Vulnerable and Coping members
- Savings balances within 90 days of enrollment, with particular focus on Financially Vulnerable and Coping members
- Total dollars saved via the program
- Maintained Net Promoter Scores (NPS) scores

While occurring across deposit, lending, and digital products and programs, BECU has not yet implemented this measurement and KPI structure for employee financial health.

Currently, incentives are aligned to the broader goals of member engagement and solving member problems. While financial health is a component of these, there is an opportunity to align goals and incentives, both at the company and product level, to specific financial health-related KPIs more directly.





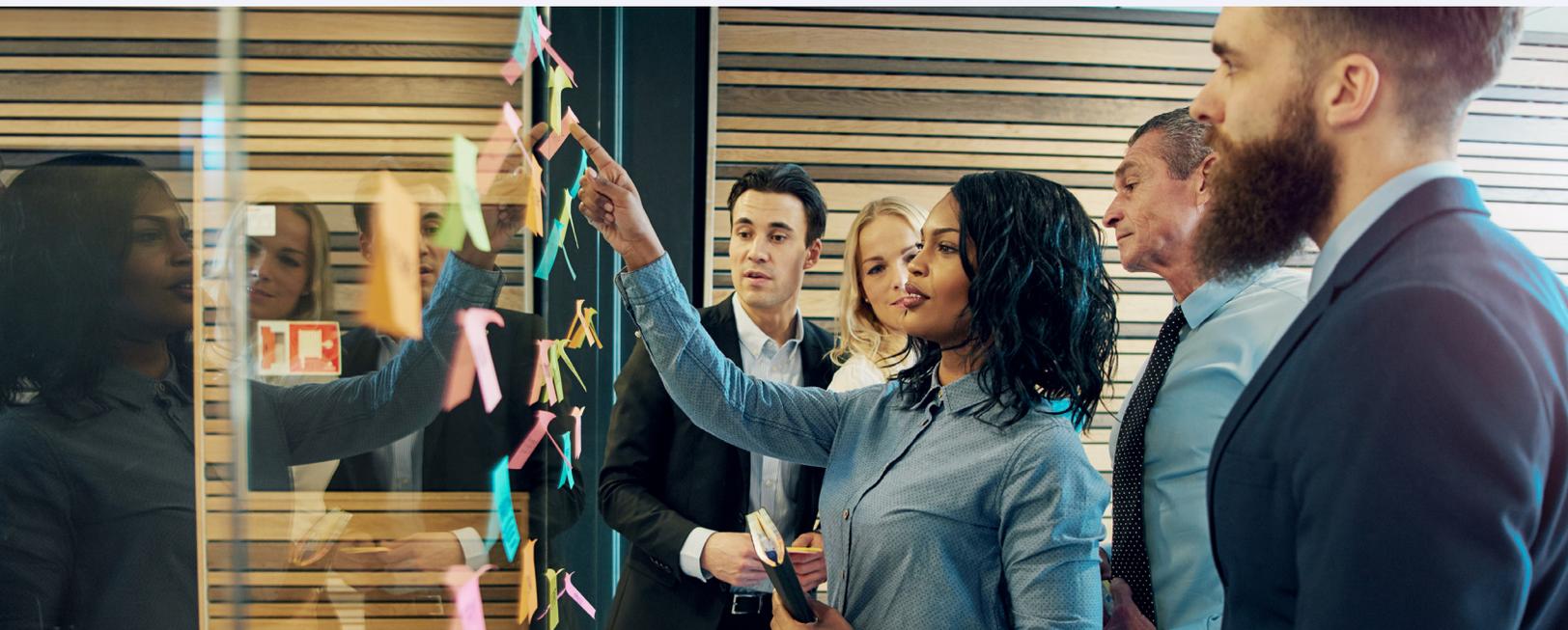
CASE STUDY IN FINANCIAL HEALTH PERFORMANCE

Spotlight on Financial Health Leaders

The **Financial Health Leaders** program recognizes Members of the Financial Health Network who are at the forefront of financial health measurement. In 2019, 36 companies – “Leaders” – completed the program, collectively measuring the financial health of over 8.3 million people. Leaders who completed the program used surveys, transactional data (observed data such as a checking account, payroll, credit cards, and others), or a combination of the two types of data to collect results. Of these, 56% of Leaders collected survey data, 22% used transactional, and 22% collected a combination of the two.

One 2019 **Financial Health Leader** uses member performance management to design better products. For over three years, the institution has been using standard survey questions from the FinHealth Score Toolkit, along with additional sentiment questions to measure the financial health of both customers and employees. This has allowed the institution to collect data and segment by behaviors and characteristics, as well as factors like anxieties and stressors. Recently, the institution compared the financial health of its own customers with the financial health of similar market segments in its region. They found that FinHealth Scores for both customers and the general population slightly decreased, scoring lowest in the Save and Plan categories. The data also revealed that individuals who set goals with a financial analyst or planner scored higher in all four financial health categories (Spend, Save, Borrow, Plan), leading the institution to conclude that its customers had clear needs that could be better met.

In response, the institution developed a goal-setting tool in online banking; new savings products, including top-up savings and an emergency savings account; and financial advisor tools to support client conversations. Moving forward, the institution will use this data to set future targets for financial health scores. Establishing benchmark metrics will be particularly important for evaluating the impact of these initiatives in the future and determining if these new products are moving the needle and having the desired impact.



PILLAR 4: SOLUTIONS



Delivery of Solutions that Support and Improve Financial Health for All

While the other pillars address the internal processes that make financial health impact efficient and effective, ultimately a financial health strategy will only positively impact a company's business and its stakeholders if it translates to delivering solutions successfully to end users. It is important for financial institutions to consider the financial health impact of each product and service, both individually and collectively. For example, supporting financial health is not just about offering an emergency savings tool. One must look at how that product is marketed and serviced, and how employees are incentivized to onboard customers. While we expect every financial institution to differentiate itself through its products, services, and benefits, there are core elements that will help ensure these solutions impact financial health positively:

Examples of Industry Best Practices

The Financial Health Network's [Compass Principles](#) provide guidelines for companies to take a proactive role in delivering financial services that are safe and actively contribute to improving people's lives.

The Financial Health Network's [Consumer Data Sharing Principles](#) are a guide to the financial services industry in delivering a data-sharing ecosystem that is secure, inclusive, and innovative.

When developing solutions for employees, companies should look to the Good Jobs Institute's [Good Jobs Scorecard](#), which provides guidance on how companies can create conditions for employees that drive motivation and engagement.

JUST Capital identified key issues the American public believes should be top priorities for companies. These include nine [worker issues](#) and seven [community issues](#), which they use as part of their evaluation and ranking of America's top public companies.

The Institute for Advertising Ethics' [Principles and Practices For Advertising Ethics](#) outlines eight principles for ensuring that all forms of communication do what is best for the consumer and the business.

- Do no harm by following all applicable regulatory guidelines, providing transparency and privacy to the end user, and providing solutions that do not impact financial health negatively.
- Ensure all existing solutions are high quality, guided by industry best practices across functions.
- Provide inclusive and equitable solutions for demographically and financially diverse populations, especially in times of crisis or financial hardship.
- Provide solutions that address holistic financial health needs across spending, saving, borrowing, and planning, whether through direct offerings or partnerships.
- Leverage behavioral economics principles to design solutions that proactively support financial health.

Phases of Solutions

Where Do You Stand?



1 Initiating

- Solutions that have a negative impact on financial health are being actively identified and assessed across functions.
- Solutions for financial hardship and crisis are being actively assessed.
- Financial health solution pilots may be underway.

2 Mobilizing

- Any solutions that had adverse financial health impact have been remediated or are in the process of remediation.
- Existing solutions are being assessed and improved to meet industry best practices.
- Solution sets are being assessed to identify any gaps in meeting financial health needs.
- Behavioral economics principles are being leveraged on a limited basis to design solutions.
- Solutions for financial hardship and crisis are being improved or expanded.
- Multiple pilots, scalable solutions, and/or partnerships targeted at financial health are in market.

3 Integrating

- All solutions follow industry best practices.
- Solution sets meet holistic financial health needs, whether delivered directly or through partnerships.
- Behavioral economics principles are being used in a systematic way to diagnose financial health barriers and design solutions across multiple functions.
- Solutions are being explored or piloted for demographically and financially diverse populations.
- Multiple solutions and/or partnerships targeted at financial health are in place at scale.

4 Optimizing

- Financial health solutions are innovative and a point of differentiation for the organization.
- Solutions are in place to actively support the financial health of demographically and financially diverse populations.
- Behavioral economics principles are used to design a holistic experience, looking at behaviors across touchpoints and solutions to determine how to best to support financial health.



CASE STUDIES IN FINANCIAL HEALTH SOLUTIONS

Solutions Phase:

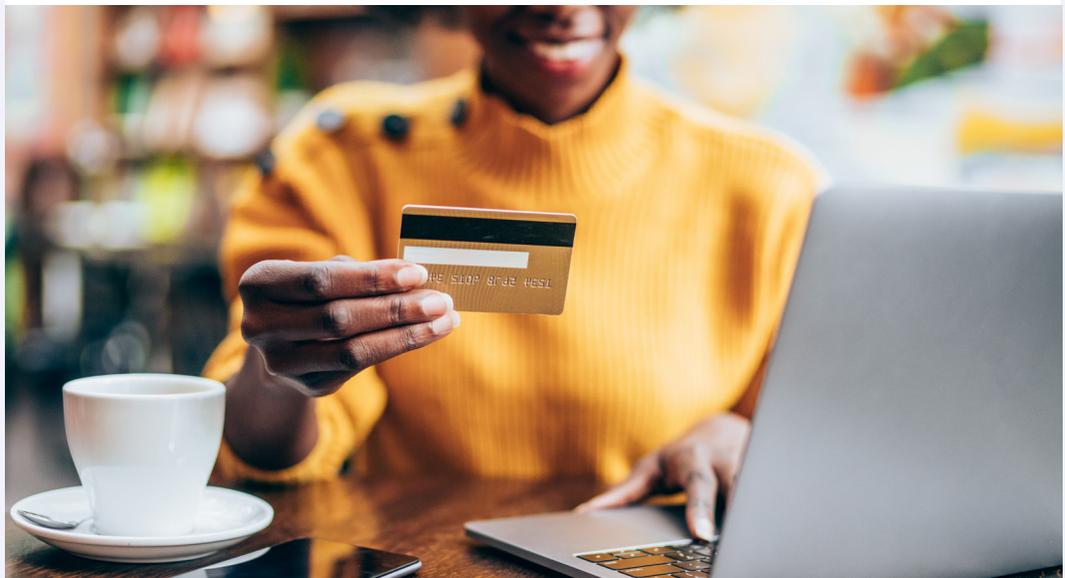
Mobilizing



Coast Capital Savings has put customer experience at the forefront of its strategy. In 2011, Coast Capital Savings launched The Where You're At Money Chat, a one-on-one, in-branch conversation with an advisor to discuss how to manage, save, grow, and protect an individual's finances. Its site also has useful content on topics such as setting up budgets and automating savings. Today, the credit union is working to expand the reach of this program and content through a highly interactive digital experience. The improved tool is multifaceted. In addition to a financial health assessment that aligns with Financial Health Network methodology, it will capture goals, give members actionable advice to help improve financial health, increase member engagement, and make Coast Capital Savings a place members look to as a partner in their financial lives.

The institution's human resources department has been focusing on financial health-related solutions for employees, such as ensuring bonus payout before the retirement savings plan deadline and paid time to talk to a financial planner.

An Imagine Canada Caring Company and a Certified B Corporation in recognition of its social performance, Coast Capital Savings invests 10% of its bottom line in the community, with a focus on youth-centric organizations, programs, partnerships, and events.





CASE STUDIES IN FINANCIAL HEALTH SOLUTIONS

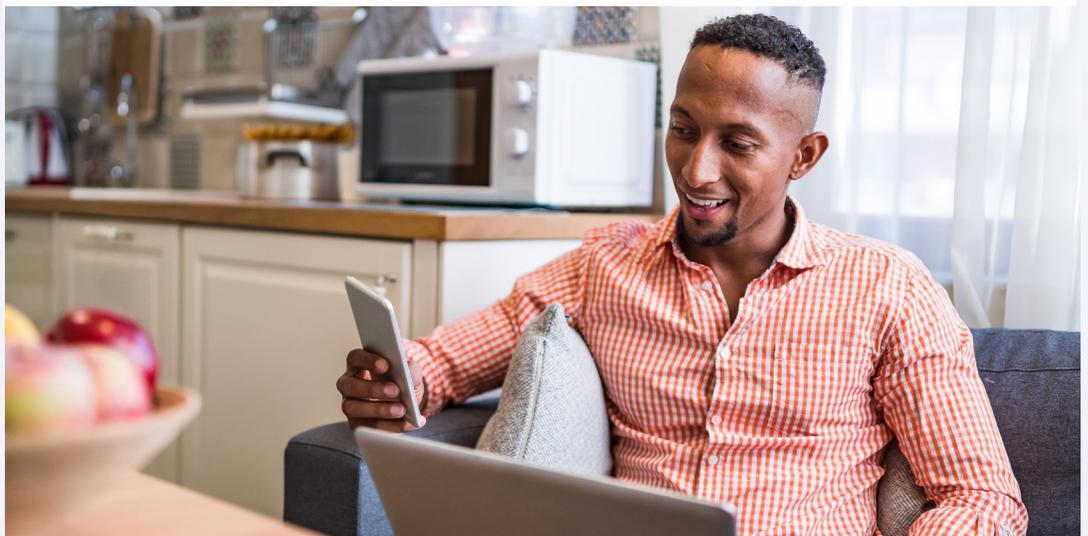
Solutions Phase:
Integrating



CommonwealthBank

In 2017, **Commonwealth Bank of Australia's** user research showed that customers were struggling to keep track of everyday spending; small expenditures were adding up and impacting long-term financial health. The bank saw an opportunity to promote its clients' success by encouraging positive consumer behavior through intelligent product design and communications. Accordingly, the digital team launched Spend Tracker, a product to ease these challenges, and a Transaction Notification tool in the CommBank credit card customer app. As of 2018, more than 3.5 million customers have used Spend Tracker, and 3.1 million have used Transaction Notifications. The bank also extended the tools to 2.8 million debit card customers and continues to enhance these products as more detailed research comes in. For instance, it recently added a feature to notify customers when they have insufficient funds to meet upcoming payments.

Similarly, CommBank has made marketing efforts, advertising its credit cards with strong transparency and disclosures that allow consumers to compare credit cards more effectively. These efforts have led to better outcomes for the firm and for its customers. More specifically, research in partnership with Harvard Business School found that providing transparency into an offering's trade-offs had an insignificant effect on acquisition rates, but did impact customers' selection decisions and fostered a higher quality service relationship with the bank in terms of engagement and retention. More specifically, prospective customers who experienced transparency and subsequently chose to open an account had monthly spending that was 9.9% higher, and cancellation rates that were 20.5% lower. Additionally, the probability of making late payments declined among the customers who experienced greater transparency.





CONCLUSION

While there is no one-size-fits-all path to advancing through the FinHealth MAP, achieving financial health impact does not need to be a journey into the unknown. There are common elements for success. This model brings those together into a framework designed to make progress on financial health understandable, practical, and actionable.

Companies looking to expand their financial health impact can begin by assessing themselves against this model. By identifying strengths and weaknesses against these pillars and within functions, businesses can build a roadmap to optimize financial health impact in ways that fit their organizations. The Financial Health Network can assist companies with this process through its tools and services, including the [FinHealth Score Toolkit](#) and [consulting services](#).

As a next step, the Financial Health Network will continue to refine the FinHealth MAP by testing it further with companies from across industries. We will then develop benchmarks for the financial services industry by conducting an industry assessment. We are also developing a self-assessment tool for companies to get a view of where they map against the framework by answering a number of specific questions about their company. Additionally, we will look to identify further proof of this model's effectiveness in driving positive outcomes for both companies and individuals.

A mature financial health strategy that delivers impact requires strong vision, investment in infrastructure, performance management, and delivery of high-quality solutions, all executed in coordination across the company. For many, this will require a transformation mindset and strategy. This is the transformation that the customers, employees, and communities of financial services companies want and need. This is the transformation that will build valuable, sustainable relationships and businesses. Financial services companies must hold themselves accountable to supporting the needs of consumers and prioritize investment in this transformation.

APPENDIX

Seven Member financial institutions helped to develop and test the FinHealth MAP model.



BECU is one of the top five financial cooperatives in the United States. Based in Washington state with more than 1.2 million members and \$22.2 billion in assets, the credit union performs one-on-one financial health checks with members as part of its commitment to improving their financial health.



Coast Capital Savings is Canada's largest credit union by membership. Owned by its 593,000 members, Coast Capital Savings offers banking and investment services digitally across Canada, and through its 52 branches in British Columbia. Coast Capital Savings has a history of introducing innovative products to help its members achieve financial well-being, including The Where You're At Money Chat, its signature financial health assessment tool.



CommonwealthBank

CommBank serves 17.4 million people and is the main financial institution for one in three Australians. Its purpose "is to improve the financial well-being of our customers and communities." CommBank's commitment to financial well-being extends beyond its customers through a partnership with the University of Melbourne "to develop and analyze scale measures of the financial well-being of CommBank's customers and Australians generally."



LendingClub is America's largest online marketplace connecting borrowers and investors. In addition to providing debt consolidation and credit card consolidation loans aimed at helping borrowers pay off debt faster, it is also focused on improving members' relationships with credit.



PayPal is an open digital payment platform that is committed to democratizing financial services and empowering people and businesses to join and thrive in the global economy. Over the last few years, PayPal has implemented financial health assessments and initiatives throughout the company. The Financial Health Network and PayPal have worked together to develop and deploy a measurement framework and identify additional opportunities to improve the financial health of PayPal's customers and employees. The collaboration between the organizations helped inform the development of the FinHealth MAP.



With \$129 billion in assets and approximately 1,500 banking offices and 2,000 ATMs, Regions serves customers across the South, Midwest, and Texas. Regions serves un- and underbanked consumers through its Now Banking products. The bank also actively measures the financial health of its customers and associates with the Financial Health Network's FinHealth Score® Toolkit.



Wells Fargo & Company is a community-based financial services company with \$1.9 trillion in assets, 7,400 locations, and more than 13,000 ATMs. The bank provides its customers with personalized support and online and mobile resources to improve their financial health.



The Financial Health Network is the leading authority on financial health. We are a trusted resource for business leaders, policymakers, and innovators united in a mission to improve the financial health of their customers, employees, and communities. Through research, advisory services, measurement tools, and opportunities for cross-sector collaboration, we advance awareness, understanding, and proven best practices in support of improved financial health for all.

For more on the Financial Health Network, go to finhealthnetwork.org and join the conversation online:

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FinHealth MAP

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