

# CUFINHEALTH™

**Our Shared Journey:  
Improving the Current and Future State of  
Consumer Financial Well-Being**



# CUFINHEALTH™



**Brenton  
Peck**

*Financial Health  
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**Fiona  
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The Financial Health Network is a trusted resource for business leaders, policymakers, and innovators united in a mission to improve the financial health of their customers, employees, and communities. We envision a future where all people, **especially the most vulnerable**, have the financial systems they need to be resilient and thrive.



**Financial Health**  
comes about when  
your daily systems help  
you build resilience  
and pursue  
opportunities.



## THE REALITY

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—○ **\$13.3 trillion**  
total household debt

—○ **\$6.8 - \$14 trillion**  
retirement savings deficit

—○ **\$1.5 trillion**  
student loan debt





## U.S. FINANCIAL HEALTH PULSE

A groundbreaking  
research initiative  
that provides an  
ongoing snapshot  
of the financial lives  
of people in America.

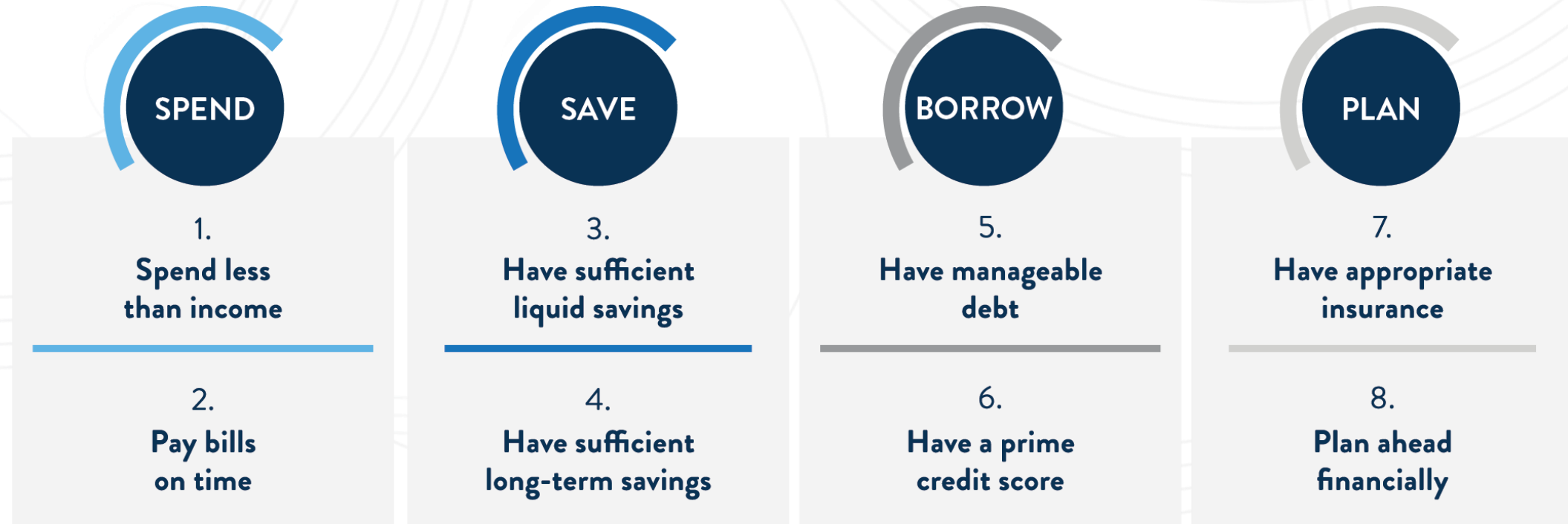


## OUR FUNDERS



## OUR PARTNERS

# Financial Health Framework



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**FinHealth  
SCORE™**



# Interpreting FinHealth Scores™

**Financially  
Vulnerable**

**Financially  
Coping**

**Financially  
Healthy**



**0 - 39**

**40 - 79**

**80 - 100**

# Only 29% of Americans are Financially Healthy.



17%

Financially  
Vulnerable

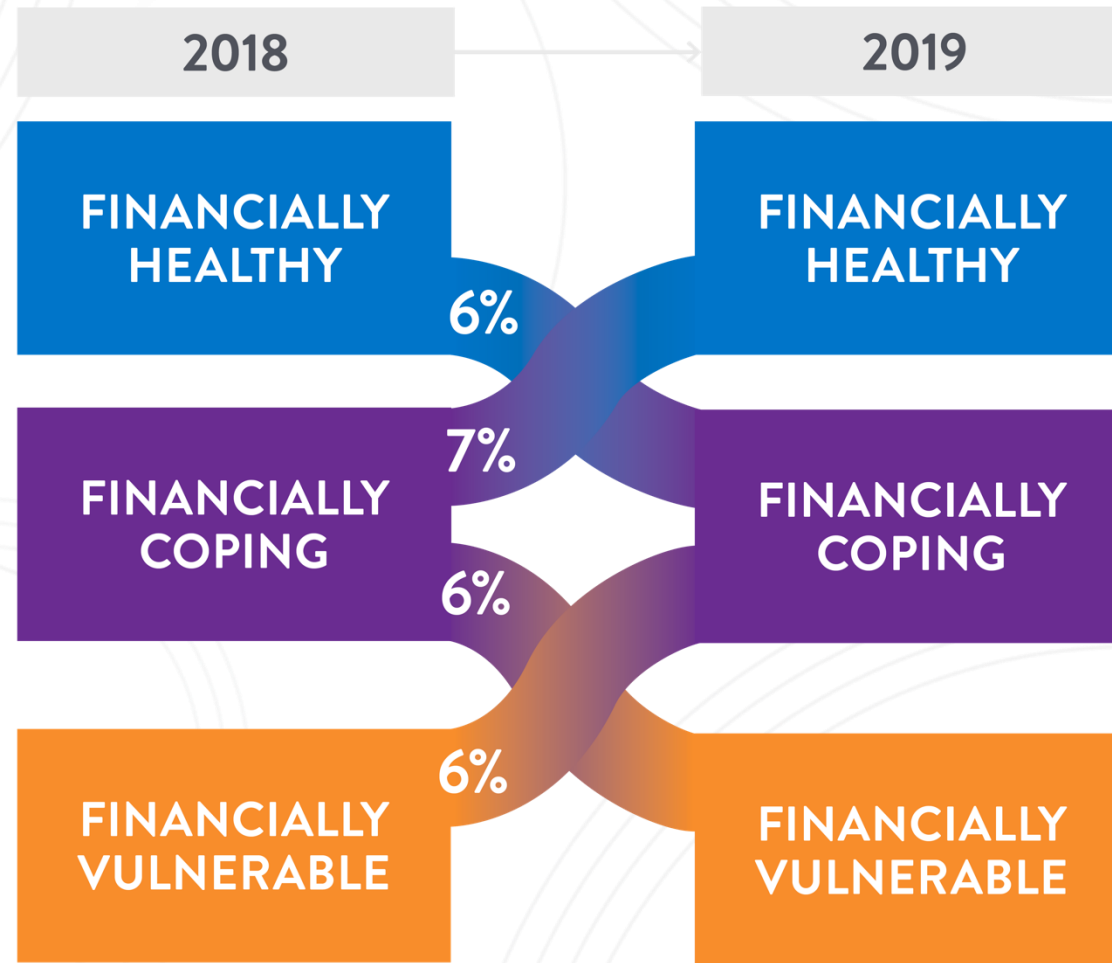
54%

Financially  
Coping

29%

Financially  
Healthy

# Nearly a quarter of people (24%) changed financial health tiers over the course of a year.



# Income ≠ Financial Health



15%

of people with household  
incomes less than  
**\$60,000**  
are **Financially Healthy**



48%

of people with household  
incomes of at least  
**\$100,000**  
are **Financially Coping**  
or **Vulnerable**

# Thank You!

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Brenton Peck

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 /FinancialHealthNetwork

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# Pathways to financial well-being

National Credit Union Foundation | April 21, 2020

Janneke Ratcliffe, Assistant Director

Office of Financial Education



# Disclaimer

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This presentation is being made by a Consumer Financial Protection Bureau representative on behalf of the Bureau. It does not constitute legal interpretation, guidance, or advice of the Consumer Financial Protection Bureau. Any opinions or views stated by the presenter are the presenter's own and may not represent the Bureau's views.

This document was used in support of a live discussion. As such, it does not necessarily express the entirety of that discussion nor the relative emphasis of topics therein.

for consumer financial products and services and that markets for consumer financial products and services are fair, transparent, and competitive.

(b) OBJECTIVES.—The Bureau is authorized to exercise its authorities under Federal consumer financial law for the purposes of ensuring that, with respect to consumer financial products and services—

(1) consumers are provided with timely and understandable information to make responsible decisions about financial transactions;

(2) consumers are protected from unfair, deceptive, or abusive acts and practices and from discrimination;

(3) outdated, unnecessary, or unduly burdensome regulations are regularly identified and addressed in order to reduce unwarranted regulatory burdens;

(4) Federal consumer financial law is enforced consistently, without regard to the status of a person as a depository institution, in order to promote fair competition; and

(5) markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.

(c) FUNCTIONS.—The primary functions of the Bureau are—

(1) conducting financial education programs;

(2) collecting, investigating, and responding to consumer complaints;

(3) collecting, researching, monitoring, and publishing information relevant to the functioning of markets for consumer financial products and services to identify risks to consumers

# Understanding Financial Well-being

# What is financial well-being?

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	Present	Future
Security	Control over your day-to-day, month-to-month finances	Capacity to absorb a financial shock
Freedom of choice	Financial freedom to make choices to enjoy life	On track to meet your financial goals



# Find your financial well-being score:

The image shows two overlapping screenshots of the CFPB's Financial Well-Being questionnaire. The top screenshot displays the landing page with the CFPB logo, navigation links (Consumer Tools, Practitioner Resources, Data & Research, Policy & Compliance, About Us), and a search bar. The main heading is "Find out your financial well-being" with a subtext: "Answer ten questions to measure your current financial well-being and see steps you can take to improve it." Below this, it explains how the questionnaire works and provides a link to "See how your score compares to other U.S. adults from our national survey." The bottom screenshot shows the results page. It features a "Back to the questionnaire" link, the CFPB logo, and navigation links. The main heading is "Your financial well-being score". It states: "You've taken a good step in understanding your financial picture. Your financial well-being score is calculated based on the answers you gave. Review your score and your answers below and think about whether you want to take action and make improvements. Our tools and resources can help. You can return and retake the questionnaire to see if you are able to answer the questions differently next time." Below this, it shows "Your result" with a horizontal bar chart. The chart has a scale from 40 to 70. The user's score is 51, and the U.S. average is 54. The chart is color-coded: orange for scores below 50, green for scores above 50. To the right of the chart, there are links for "Print" and "Save as PDF". Further right, there are sections for "LOOKING FOR MORE HELP?" (with links to Debt collection, Student loans, Credit reports and scores, Credit cards, and Mortgages) and "ABOUT THIS QUESTIONNAIRE" (with a link to See more background). At the bottom, there is a "LEGAL DISCLAIMER" section.

CFPB Consumer Financial Protection Bureau

QSearch Submit a Complaint

Consumer Tools Practitioner Resources Data & Research Policy & Compliance About Us

## Find out your financial well-being

Answer ten questions to measure your current financial well-being and see steps you can take to improve it.

Here's how it works:

Answer the questions and get your score. You won't be asked about any personal financial data—it's not that kind of questionnaire. [See how and why we developed it.](#)

Review steps you can take if you want to be able to answer the questions differently.

See how your score compares to other U.S. adults from our national survey.

**We never collect or store the answers you provide. [See how your privacy is protected.](#)**

Part 1: How well does this statement describe you or your situation?

I could handle a major unexpected expense

This statement describes me ☐ Completely ☐ Very well ☒ Somewhat ☐ Very little ☐ Not at all

I am securing my financial future

This statement describes me ☐ Completely ☒ Very well ☐ Somewhat ☐ Very little ☐ Not at all

## Your financial well-being score

You've taken a good step in understanding your financial picture.

Your financial well-being score is calculated based on the answers you gave.

Review your score and your answers below and think about whether you want to take action and make improvements. Our tools and resources can help. You can return and retake the questionnaire to see if you are able to answer the questions differently next time.

[Print](#) [Save as PDF](#)

### Your result

Your score: 51 [More score comparisons](#)

U.S. average: 54

Financial well-being score

40 50 60 70

LOOKING FOR MORE HELP?

You can further explore the tips, tools, answers, and resources in our Consumer Tools section, including:

- [Debt collection](#)
- [Student loans](#)
- [Credit reports and scores](#)
- [Credit cards](#)
- [Mortgages](#)

ABOUT THIS QUESTIONNAIRE

CFPB researchers developed the questionnaire and a way to score it, as a tool to help measure your current financial well-being—that is, how well your current money situation is providing you with financial security and freedom of choice, today and for the future.

[See more background](#)

LEGAL DISCLAIMER

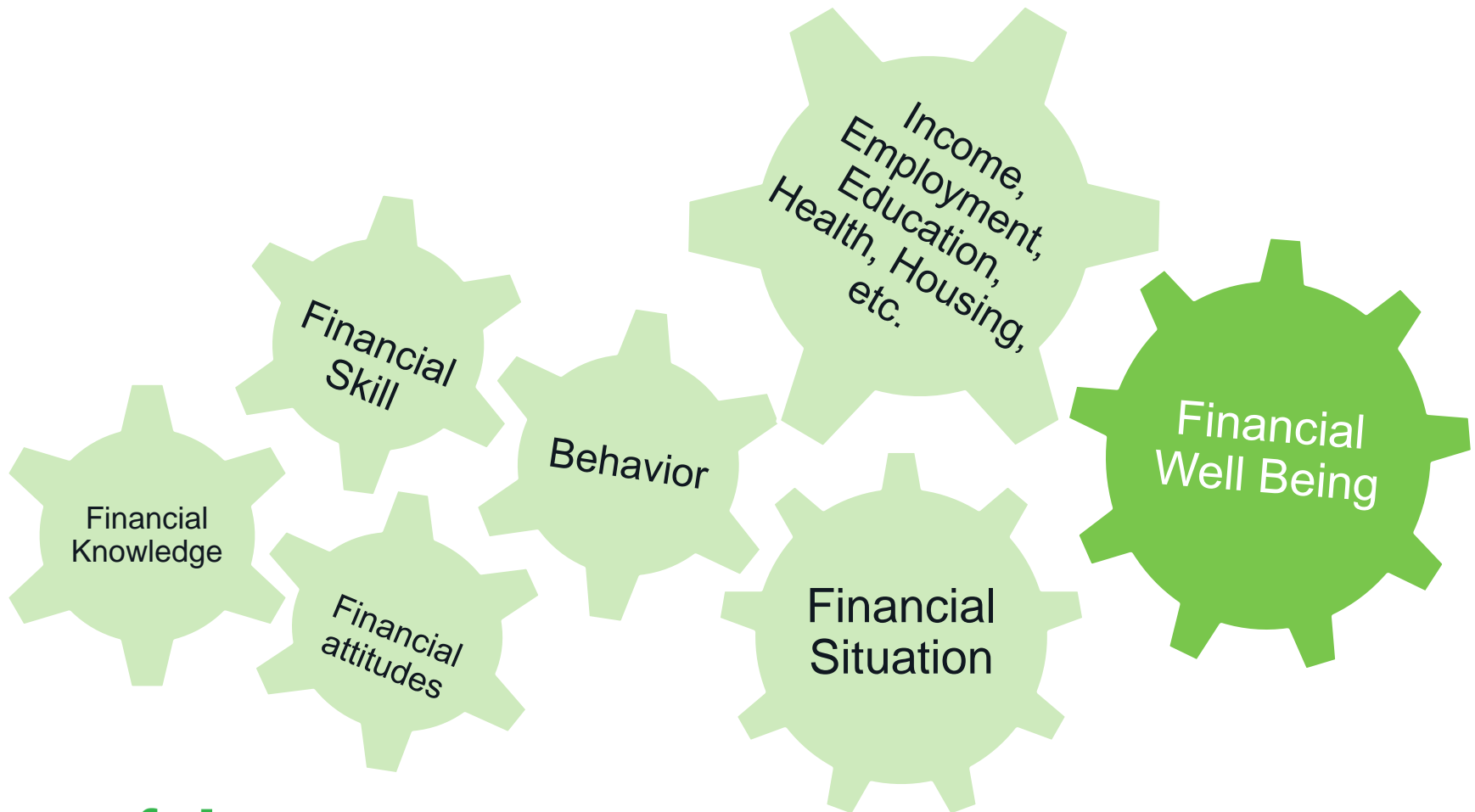
The content on this page provides general consumer information. It is not legal advice or regulatory guidance. The CFPB updates this

[consumerfinance.gov/consumer-tools/financial-well-being/](https://consumerfinance.gov/consumer-tools/financial-well-being/)

VERY LOW 0-29	LOW 30-37	MEDIUM LOW 38-49	MEDIUM HIGH 50-57	HIGH 58-67	VERY HIGH 68-100
People in these ranges tend to experience the following:					
<ul style="list-style-type: none"> <li>Just 5% are certain they could come up with \$2,000 for an emergency.</li> <li>Most (82%) sometimes or often experience food insecurity or food hardship.</li> <li>Almost all (96%) find it somewhat or very difficult to make ends meet.</li> </ul>	<ul style="list-style-type: none"> <li>Few (23%) habitually save and only some (38%) have more than \$250 in liquid savings.</li> <li>Just 12% always stay on budget.</li> <li>Nearly half (45%) have experience with debt collectors.</li> </ul>	<ul style="list-style-type: none"> <li>Most (60%) have minimal savings of \$250 or more, but only 30% have \$2,000 or more.</li> <li>Almost all (80%) find it somewhat or very difficult to make ends meet.</li> <li>Some (32%) have had a credit application rejected or are concerned about credit rejection.</li> </ul>	<ul style="list-style-type: none"> <li>More than half (55%) have automated deposits into a savings or retirement account.</li> <li>A minority (32%) always pay off credit cards in full.</li> <li>Few (16%) sometimes or often experience food insecurity or hardship.</li> </ul>	<ul style="list-style-type: none"> <li>The vast majority (81%) are certain they could come up with \$2,000 for an emergency.</li> <li>Just 35% always stay on budget.</li> <li>Very few (6%) have experienced a credit rejection or are concerned about credit rejection.</li> </ul>	<ul style="list-style-type: none"> <li>Most have high levels of savings; 80% have \$10,000 or more in liquid savings.</li> <li>The majority (69%) make automated deposits into a savings or retirement account.</li> <li>Most (81%) have health insurance.</li> </ul>

# What contributes to financial well-being?

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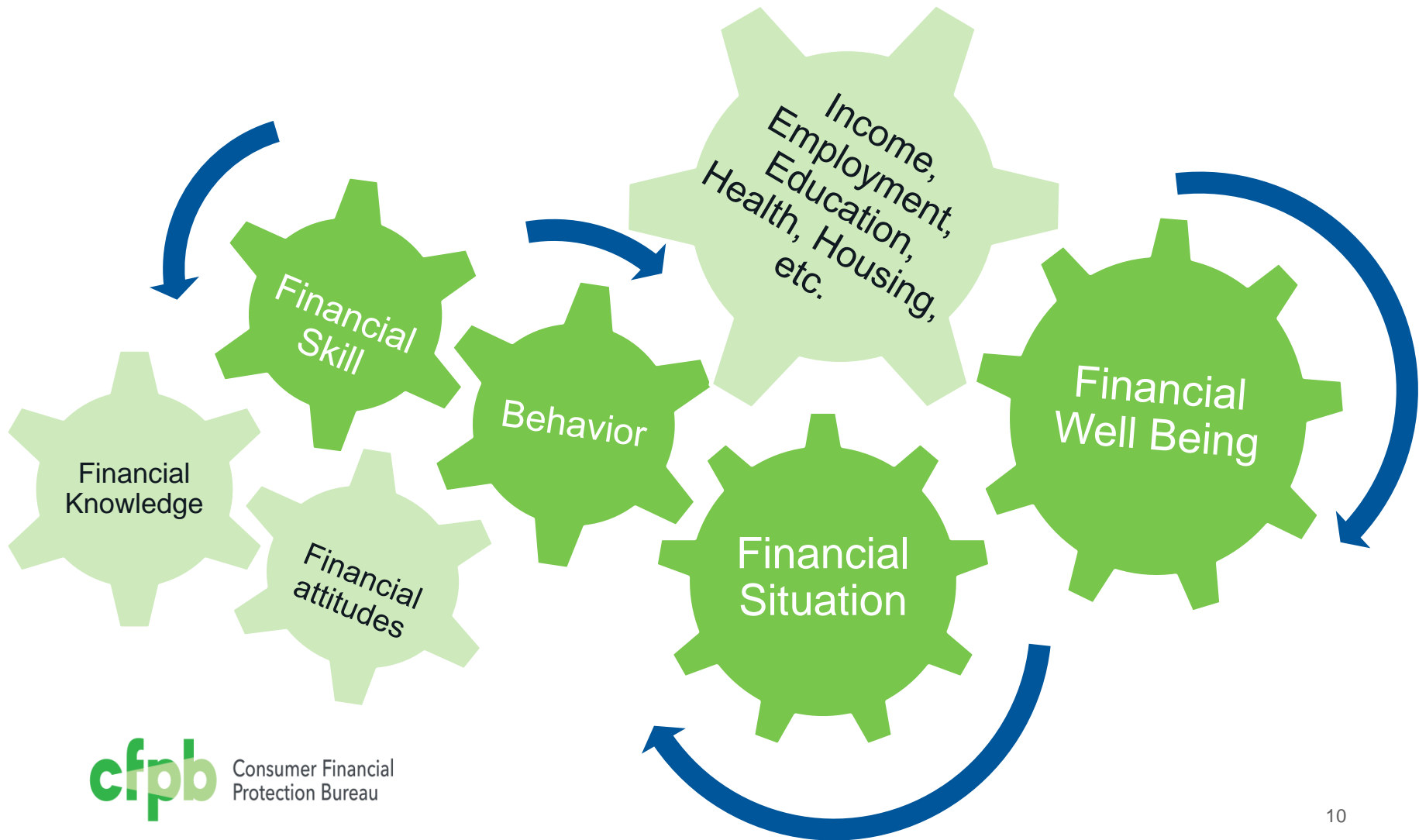


# Improving Financial Well-being

The role of financial education

# Financial education as a pathway to financial well-being

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# Financials skill as a pathway to financial well-being

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## Knowing ***how to***:

- ✓ **Ask:** Find reliable information to make financial decisions.
- ✓ **Plan:** Process financial information to make financial decisions.
- ✓ **Act:** Execute financial decisions, adapting as necessary to stay on track.

# Savings as a pathway to financial well-being

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	Present	Future
Security	Control over your day-to-day, month-to-month finances	Capacity to absorb a financial shock
Freedom of choice	Financial freedom to make choices to enjoy life	On track to meet your financial goals

# There is a liquid savings shortfall

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- To cover a \$400 emergency expense, 39% would borrow or sell something, or simply would not be able to cover it (Federal Reserve SHED 2018).
- Only 49% report having 3 months of emergency funds, with big gaps by age, income, education, and degree of income volatility. (FINRA FinCap 2018).
- 48% said they did not have a habit of saving (CFPB Financial Well-Being 2016).

## Call to Action

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“When I saw that statistic and heard ... about the gravity of the situation, it led me to believe that we at the CFPB needed to take a leadership role in helping to improve this situation and to empower consumers to build more liquid savings.”

*- CFPB Director Kathy Kraninger*

# Protecting Financial Well-being

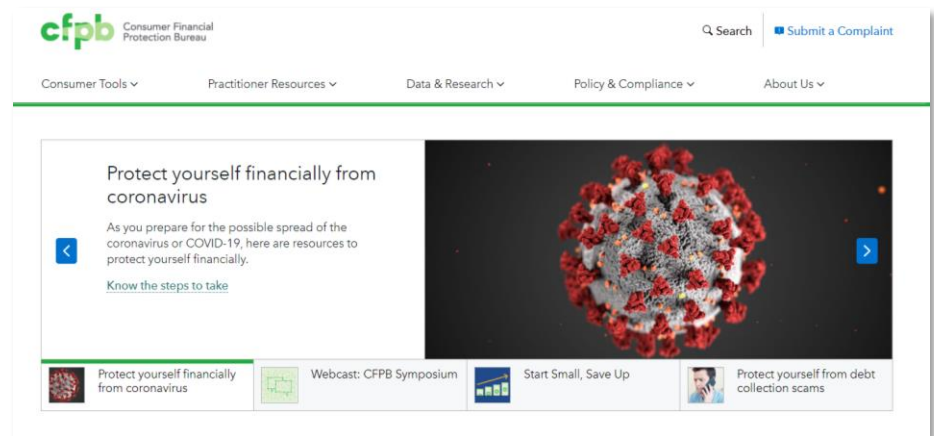
Coronavirus resources



# Commitment to supporting consumers

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The CFPB is committed to providing consumers with up-to-date information and resources to protect and manage their finances during this difficult time and as the situation evolves.



# ConsumerFinance.gov/coronavirus: a hub for critical content

- ConsumerFinance.gov
- Resources in English and Spanish
- Check back for updates

The screenshot shows the CFPB website with a header in English and Spanish. The main content area is titled "Protecting your finances during the Coronavirus Pandemic". It includes a paragraph stating the CFPB's commitment to providing up-to-date information and resources. Below this, there are sections for "Explore resources" with links to "Consumers" and "Financial resources from other government agencies". A "Latest article" box highlights a piece about "Beware of scams related to coronavirus". A table titled "Financial resources for consumers" lists updates from 3/27/2020, covering topics like "Beware of scams", "Student loans", and "Tips for financial caregivers". The right sidebar contains "FEDERAL CORONAVIRUS RESOURCES" with links to the White House Task Force, CDC, and USA.gov, followed by "FURTHER READING" with a newsroom link and "RELATED RESOURCES" with a link to the CFPB blog.

Protecting your finances during the Coronavirus Pandemic

The CFPB is committed to providing consumers with up-to-date information and resources to protect and manage their finances during this difficult time as the situation evolves.

Federal, state, and local governments are working to respond to the growing public health threat of coronavirus, or COVID-19.

Communities continue to announce the temporary closure of businesses, schools and other public facilities or events. While these actions are necessary steps to help reduce exposures, it may bring financial uncertainty for many people who could experience a loss of income due to illness or workplace closures.

The CFPB and other financial regulators have encouraged financial institutions to work with their customers to meet their community needs.

Explore resources

Consumers [Financial resources from other government agencies](#)

Latest article: Beware of scams related to coronavirus

Learn how to recognize and prevent fraud and scams during the coronavirus pandemic. [Read in English](#)

Financial resources for consumers

If you are facing financial difficulties as a result of the pandemic, we have resources to protect and manage your finances.

LAST UPDATED	DESCRIPTION
3/27/2020	<b>Beware of scams</b> Recognize and prevent fraud and scams during the coronavirus pandemic. <a href="#">Read in English</a>
3/27/2020	<b>Student loans</b> Federally-held student loan payments are postponed and interest has been waived. Learn what that means for your loans. <a href="#">Read in English</a>
3/20/2020	<b>Tips for financial caregivers</b> Learn about ways to connect with someone whose money you help manage while observing virus prevention tactics like social distancing and quarantines. <a href="#">Read in English</a>

[View more](#)

[Ver página en español](#)

**FEDERAL CORONAVIRUS RESOURCES**

**White House Coronavirus Task Force**  
Information about COVID-19 from the White House Coronavirus Task Force in conjunction with CDC, HHS, and other agency stakeholders. [Visit coronavirus.gov](#)

**Centers for Disease Control and Prevention**  
The latest public health and safety information for United States consumers and the medical and health provider community on COVID-19. [Visit the CDC COVID-19 page](#)

**USAGov**  
Information on what the U.S. Government is doing in response to COVID-19. [Visit usagov/English](#) [Visit usagov/Spanish](#)

**FURTHER READING**

**Newsroom**  
**Federal Agencies Encourage Banks, Savings Associations, and Credit Unions to Offer Responsible Small-Dollar Loans to Consumers and Small Businesses Affected by COVID-19**  
MAR 26, 2020

**CFPB Provides Flexibility During COVID-19 Pandemic**  
MAR 26, 2020

**Media Advisory: Consumer Financial Protection Bureau Resources for Consumers During COVID-19 Pandemic**  
MAR 24, 2020

[View more](#)

**RELATED RESOURCES**

[About the CFPB](#)  
[Our blog](#)

# Topics: A growing list of information

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- ✓ Protect yourself financially
- ✓ Protecting your credit
- ✓ Submit a complaint if you're having a problem with a financial product or service
- ✓ Dealing with debt: Tips to help ease the impact
- ✓ Tips for financial caregivers; Resources for parents, teachers, youth
- ✓ Student loans
- ✓ Be aware of scams
- ✓ Mortgage relief options & video on how forbearance works
- ✓ A guide to COVID-19 economic impact payments
- ✓ Financial resources from other federal agencies

*If you have trouble paying bills, or loans, or paying on time...*

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- ✓ **Contact your lenders, loan servicers, and other creditors.**
  
- ✓ Be prepared to explain:
  - Your financial and employment situation
  - How much you can afford to pay
  - When you're likely to be able to restart regular payments
  - Be prepared to discuss your income, expenses and assets

# *Protecting your credit during the coronavirus pandemic*

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- ✓ Get a copy of your credit report.
- ✓ If you can't make payments, contact your lenders. Get confirmation of any agreements in writing.
- ✓ The CARES Act places special requirements on companies that report your payment information to credit reporting companies.
- ✓ Routinely check your reports and report and dispute inaccurate information.
- ✓ *Use the CFPB's step-by-step guide to dispute that information:*

**[ConsumerFinance.gov/coronavirus](https://consumerfinance.gov/coronavirus)**

# Coronavirus and dealing with debt

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- ✓ If you have a debt in collections, you can work with collectors to identify a realistic repayment plan.
- ✓ **Know your rights.** The Fair Debt Collection Practices Act (FDCPA) says that a debt collector is not allowed to use unfair practices in trying to collect a debt
- ✓ **Settling your debt.** Consider all your options, including working with:
  - ✓ a nonprofit credit counselor
  - ✓ negotiating directly with the creditor or debt collector yourself.
  - ✓ Warning: Debt settlement may well leave you deeper in debt than you were when you started.
- ✓ *Resources for contacting and negotiating with debt collection companies:*

[Consumerfinance.gov/consumer-tools/debt-collection](https://consumerfinance.gov/consumer-tools/debt-collection)

# *Student Loan Repayment Options*

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- ✓ If your loan is held by the **federal government**, your payments are postponed with no interest until September 30, 2020.
- ✓ For **other kinds of student loans**, contact your student loan servicer to find out more about your options.
- ✓ *What you need to know about student loans and the coronavirus pandemic:*

[ConsumerFinance.gov/coronavirus](https://ConsumerFinance.gov/coronavirus)

# *Mortgage payment options*

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For many homeowners with mortgages, there's help, but first assess your situation.

- If you **can** pay your mortgage, pay your mortgage.
- If you **can't** pay your mortgage, or can only pay a portion, contact your mortgage servicer immediately.

Coronavirus Aid, Relief, and Economic Security (CARES) Act relief options for homeowners with *federally backed mortgages*:

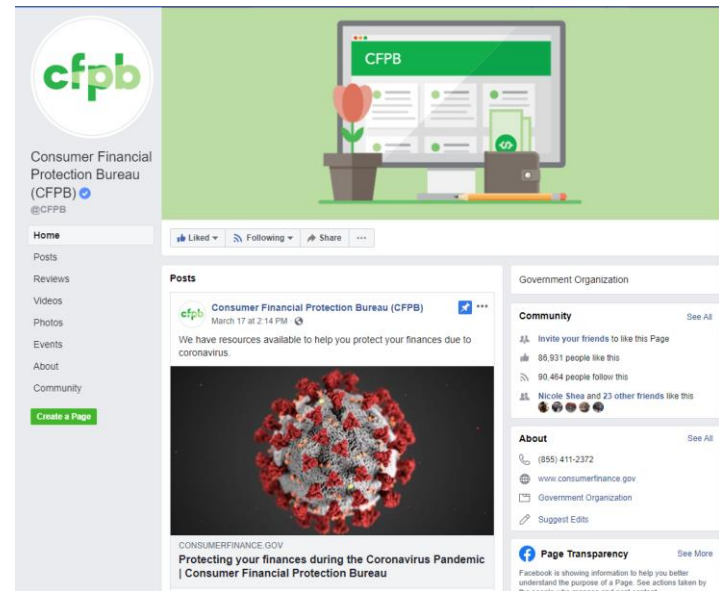
- Foreclosure moratorium
- Forbearance



- CFPB Website <https://www.consumerfinance.gov/>
  - ✓ Answers to common money questions
  - ✓ Financial well-being scale and how to use it:  
<https://www.consumerfinance.gov/practitioner-resources/financial-well-being-resources/>
  - ✓ Special resources for protecting finances from Coronavirus impact: [ConsumerFinance.gov/coronavirus](https://www.consumerfinance.gov/coronavirus)
  - ✓ Join the CFPB FinEx network:  
<https://www.consumerfinance.gov/practitioner-resources/adult-financial-education/>

# Social media

- Facebook:  
[facebook.com/CFPB](https://facebook.com/CFPB)
- Twitter: @CFPB
- YouTube:  
[youtube.com/cfpbvideo](https://youtube.com/cfpbvideo)



# A GLOBAL THINK TANK DEDICATED TO DELIVERING DATA-RICH ANALYSES AND EXPERT INSIGHTS FOR THE PUBLIC GOOD

[www.jpmorganchaseinstitute.com](http://www.jpmorganchaseinstitute.com)

#JPMCIInstitute

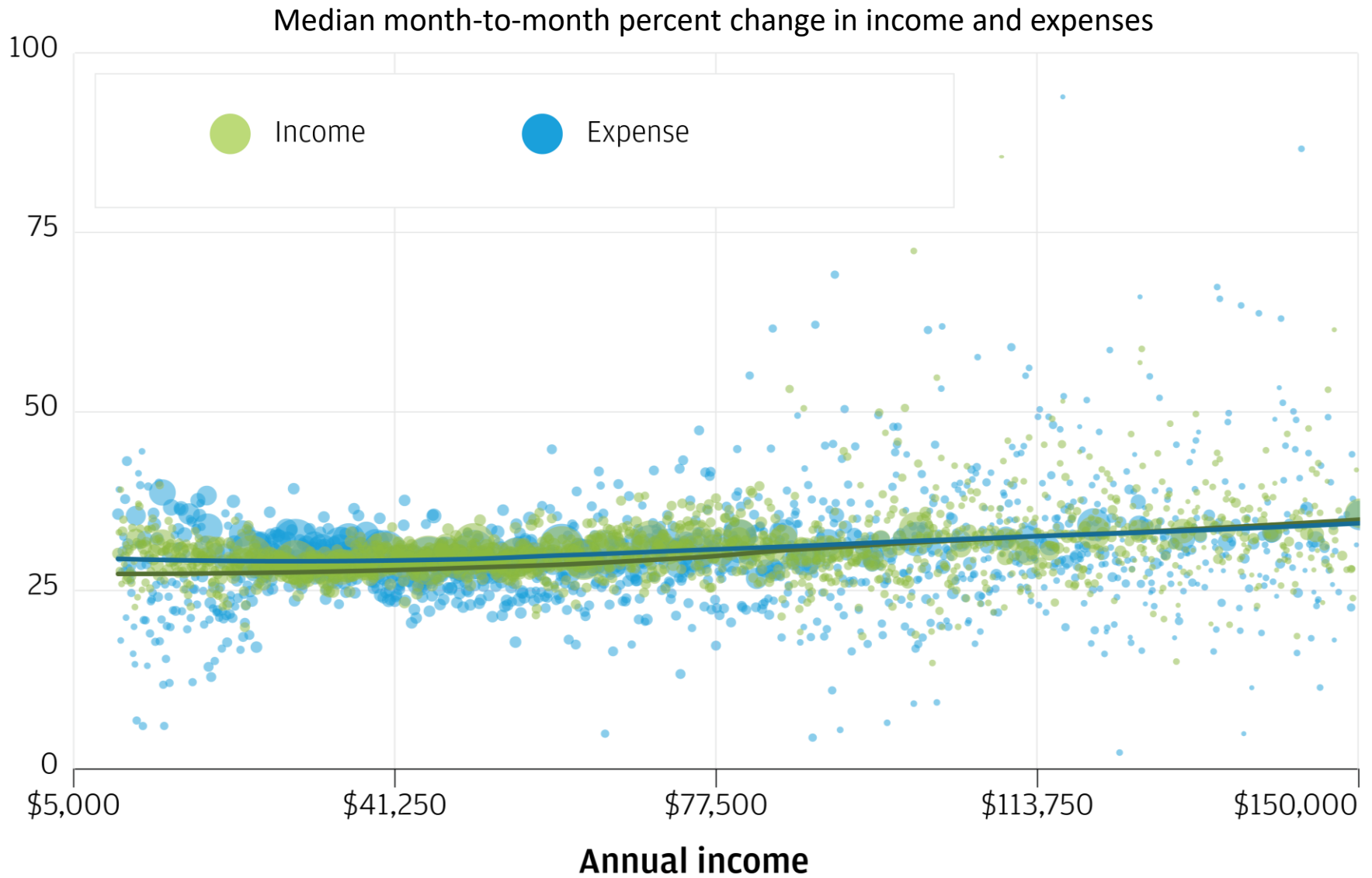
@FionaGreigDC

JPMORGAN CHASE & CO.

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INSTITUTE

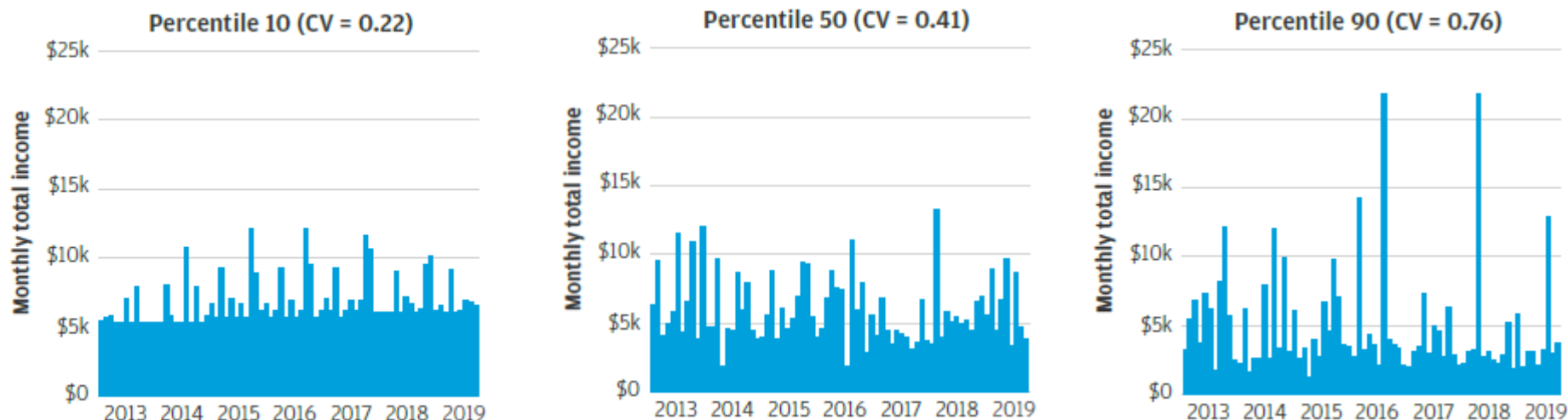
Families experience high income and spending volatility on a month-to-month basis.



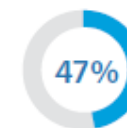
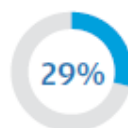
Source: JPMorgan Chase Institute

There is wide variation in the levels of income volatility families experience, both across families and also for a given family over time.

Illustrative monthly income patterns for families at different points of the volatility distribution



Probability of staying in the same quintile year-on-year

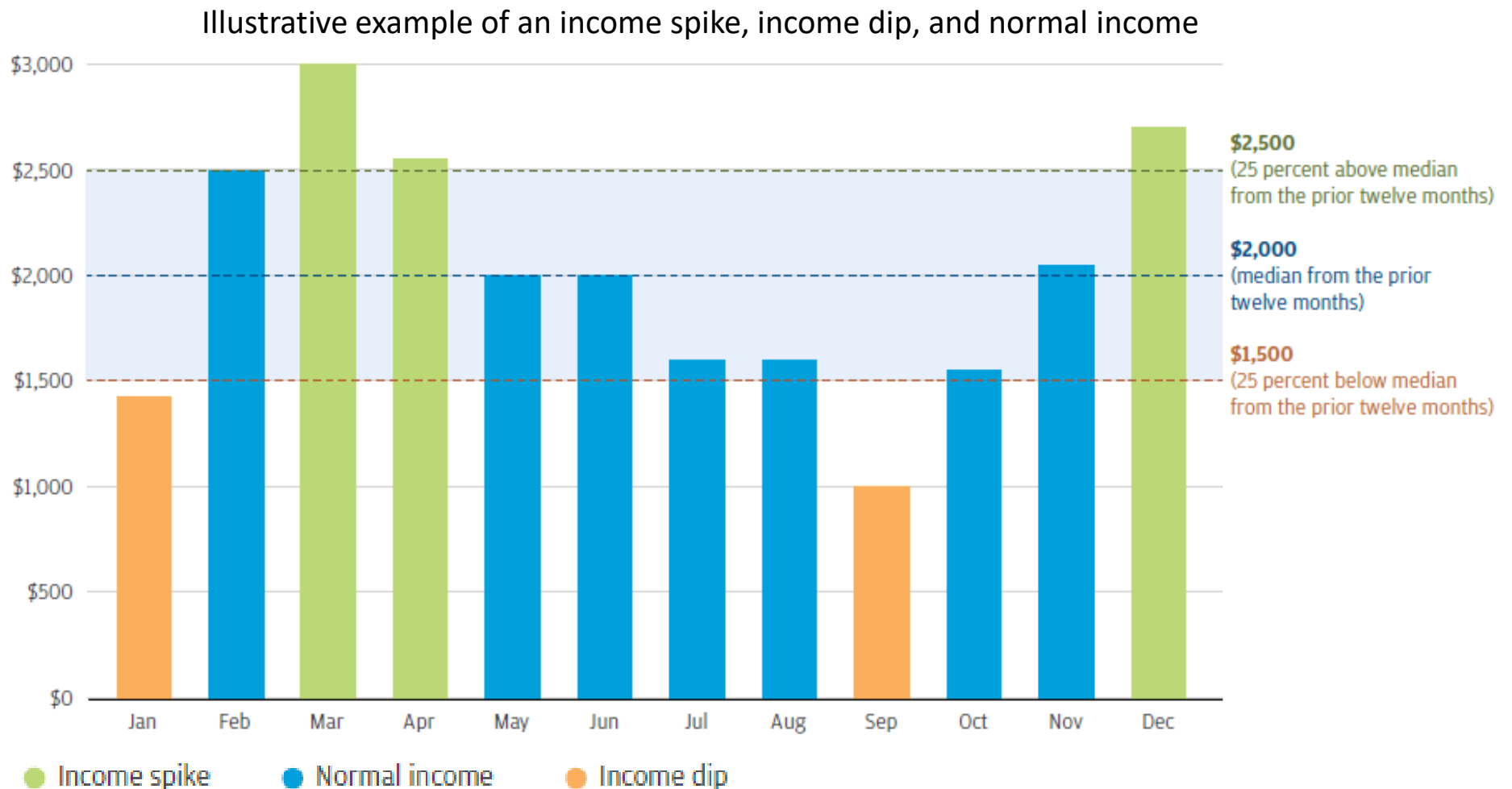


Notes: (1) For each hypothetical income pattern we show, we do not reflect actual account holders' cash flow patterns. We multiply each family's monthly incomes by a random scaler between 0 and 1 that is undisclosed. (2) Coefficient of Variation (CV) thresholds shown in Figure 7 are calculated as the average of yearly CV at the individual level. In prior charts, including Figure 6, CVs are measured at the family-month level.

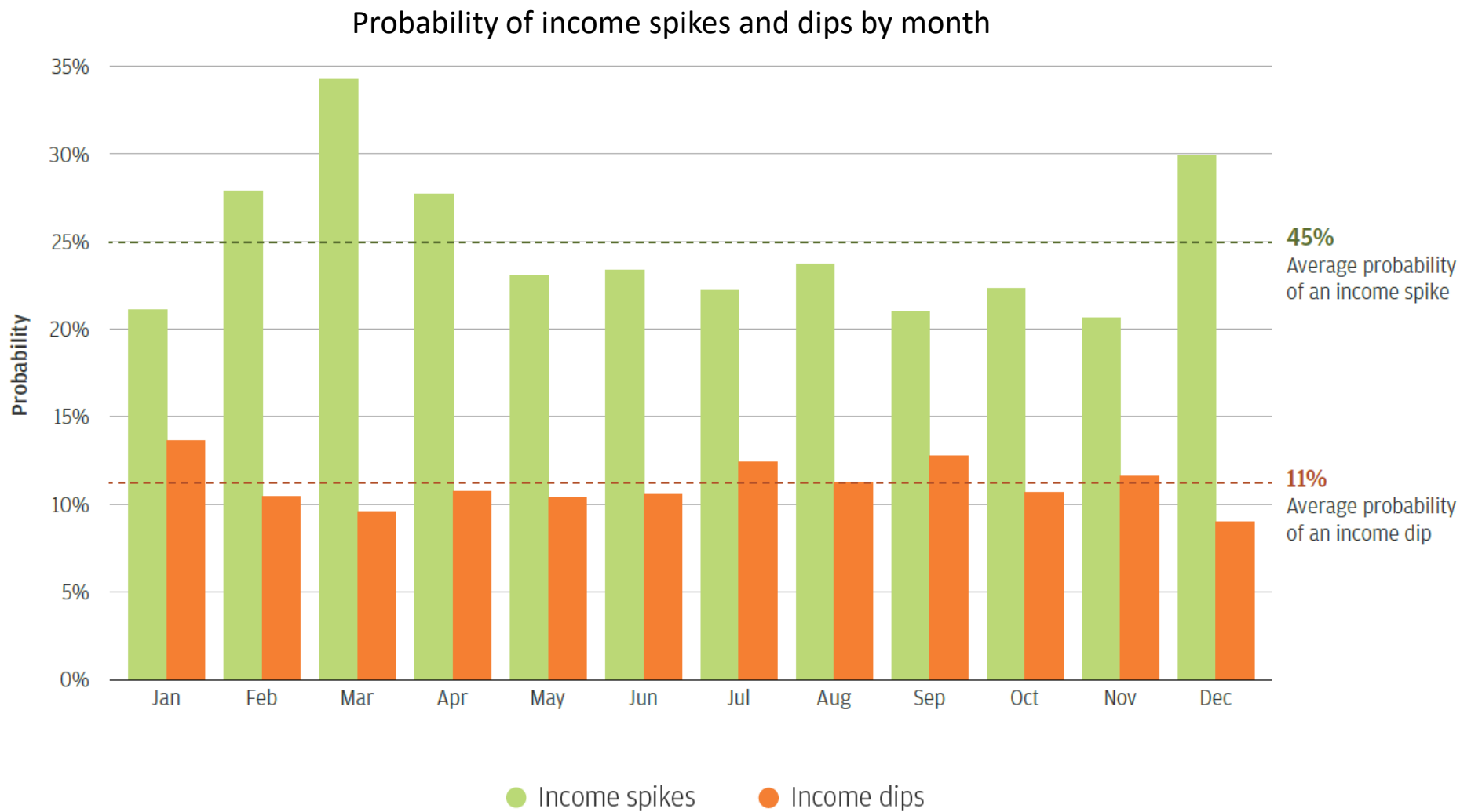
Source: JPMorgan Chase Institute

## Families experience large income swings in almost five months out of the year.

Income spikes and dips are swings that are more than 25% above or below the prior year median.

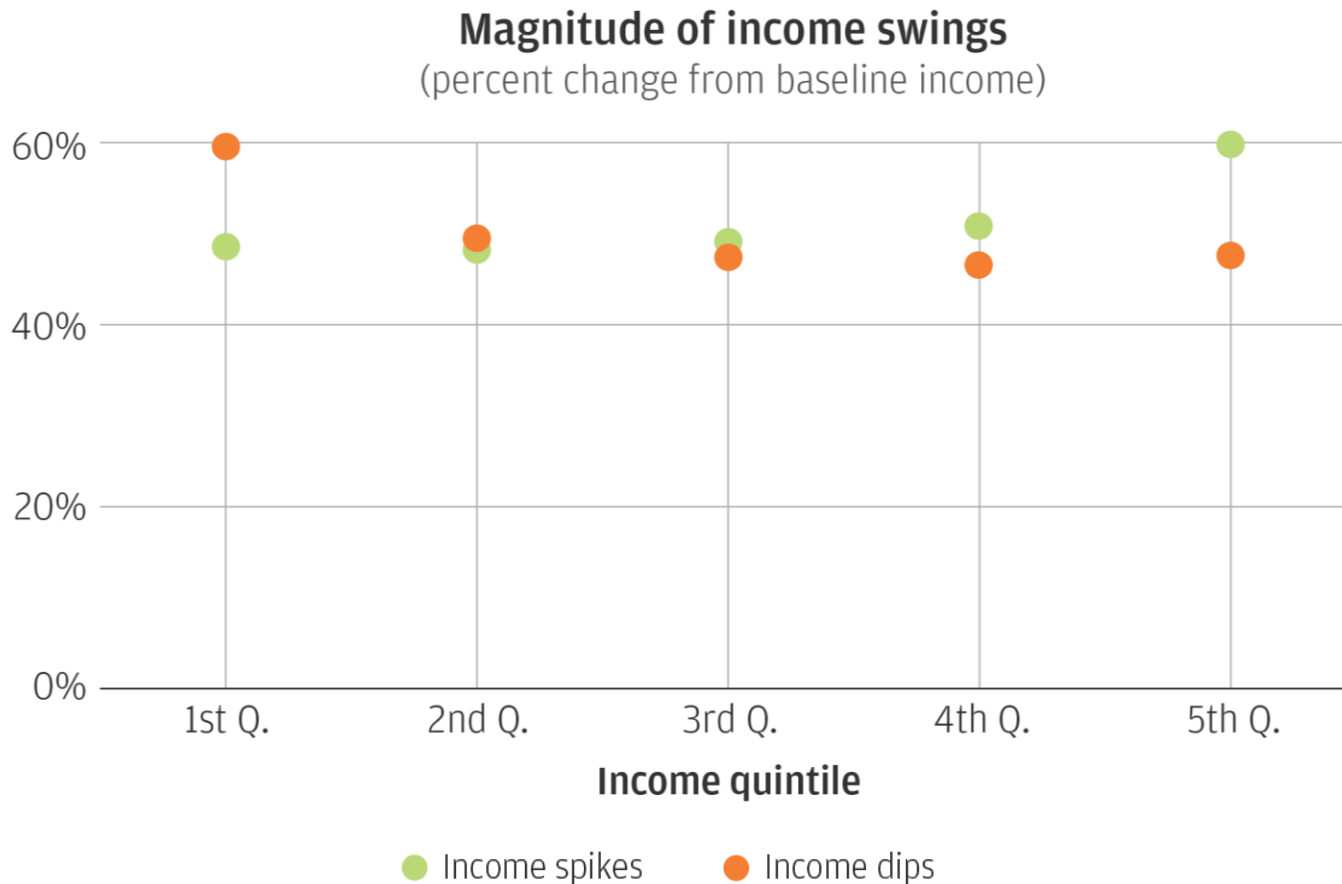


Income spikes are twice as likely as income dips and most common in March and December.



Income volatility is greatest amongst the young and the high income. However, downside risks, in terms of the magnitude dips, are greatest among low-income families.

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Note: Income quintile ranges: Quintile 1: < \$29K, Quintile 2: \$29K-\$43K, Quintile 3: \$43K-\$61K, Quintile 4: \$61K-\$95K, Quintile 5: >\$95K.

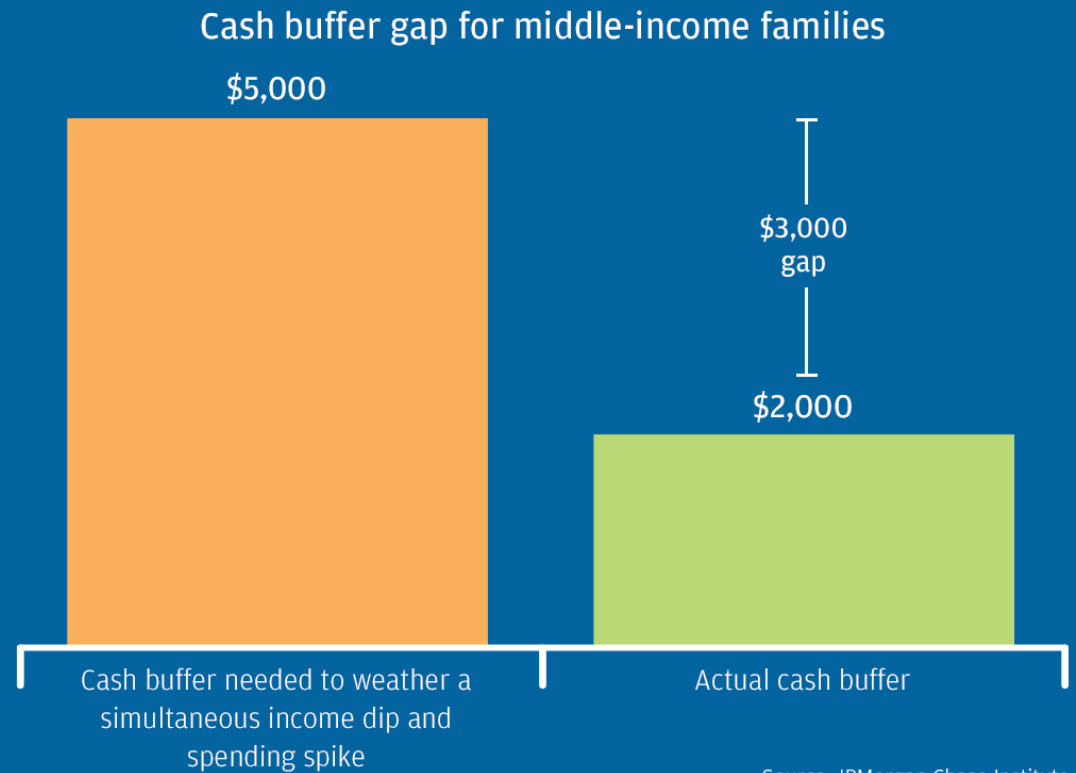
Source: JPMorgan Chase Institute



Middle-income families need \$5,000 to weather a simultaneous income dip and expenditure spike, but typically had only \$2,000.

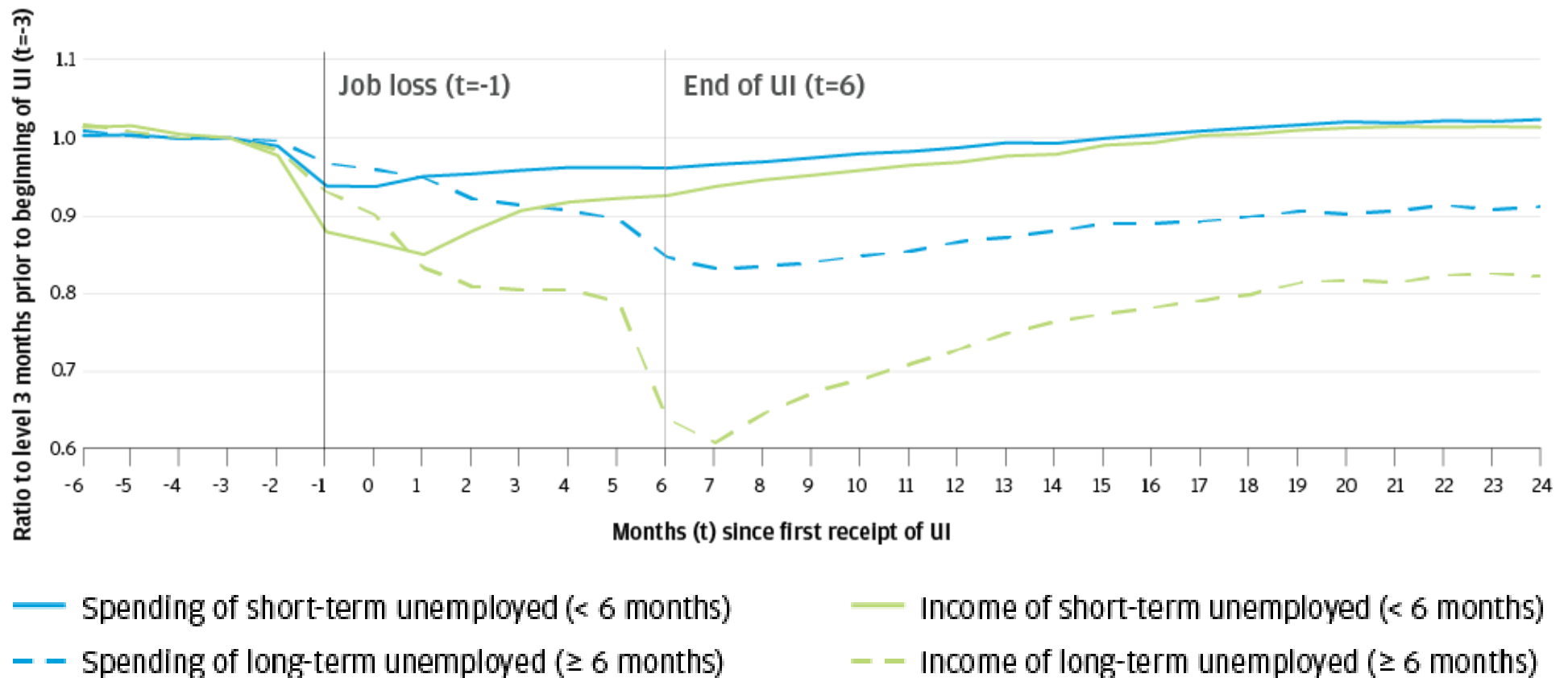
## Families need roughly six weeks of income as a cash buffer

Families need roughly six weeks of income to weather a simultaneous income dip and spending spike. For middle-income families that is \$5,000, but the typical family only has \$2,000, leaving a cash buffer gap of \$3,000.



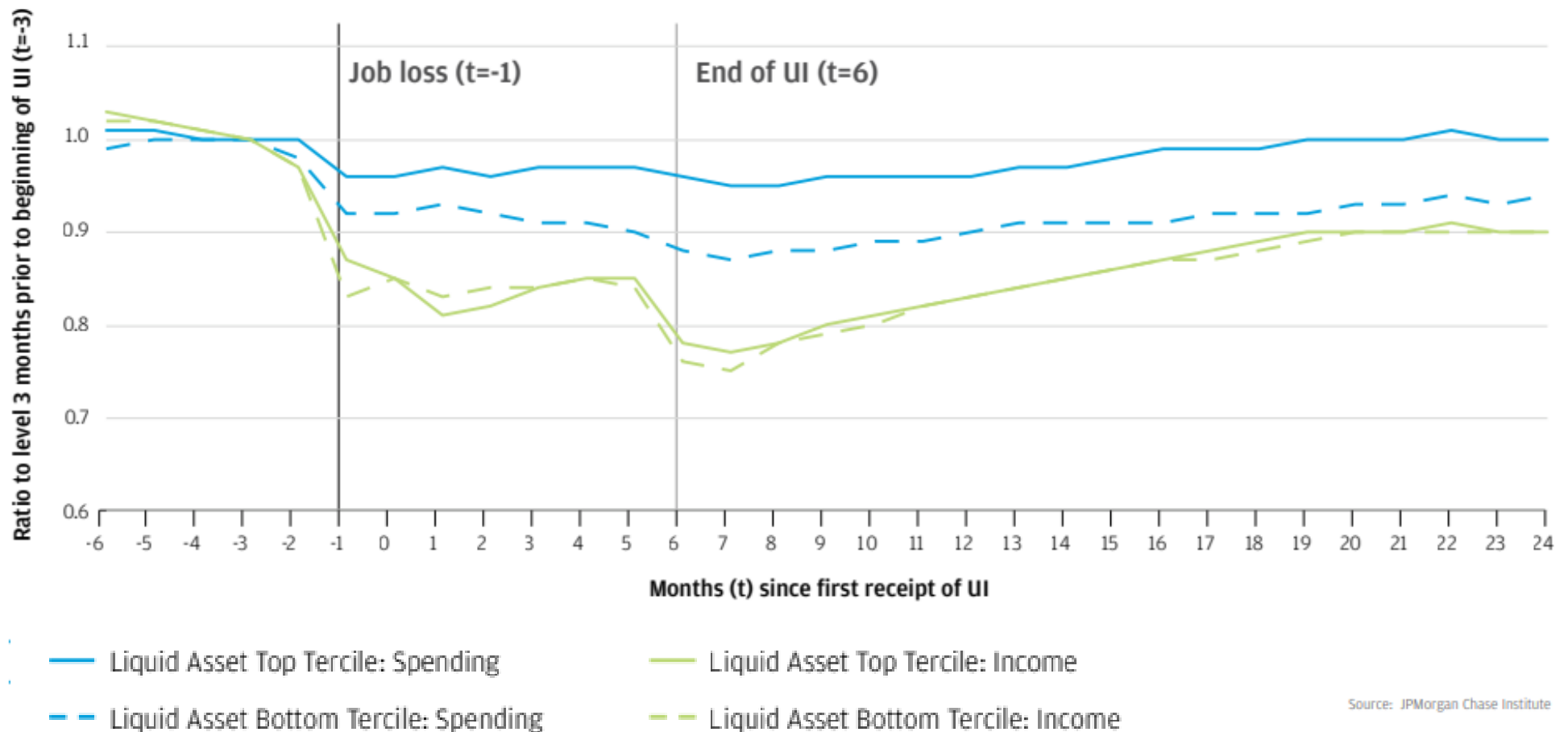
## Involuntary job loss: Income and spending recover within 18 months for the short-term unemployed but remain depressed for the long-term unemployed

Income and spending among Unemployment Insurance recipients who find a job within 6 months versus exhaust UI benefits



## Involuntary job loss: Families with low liquid assets cut their spending the most upon job loss and when UI benefits run out

Income and spending among Unemployment Insurance recipients, by top and bottom tercile of liquid assets

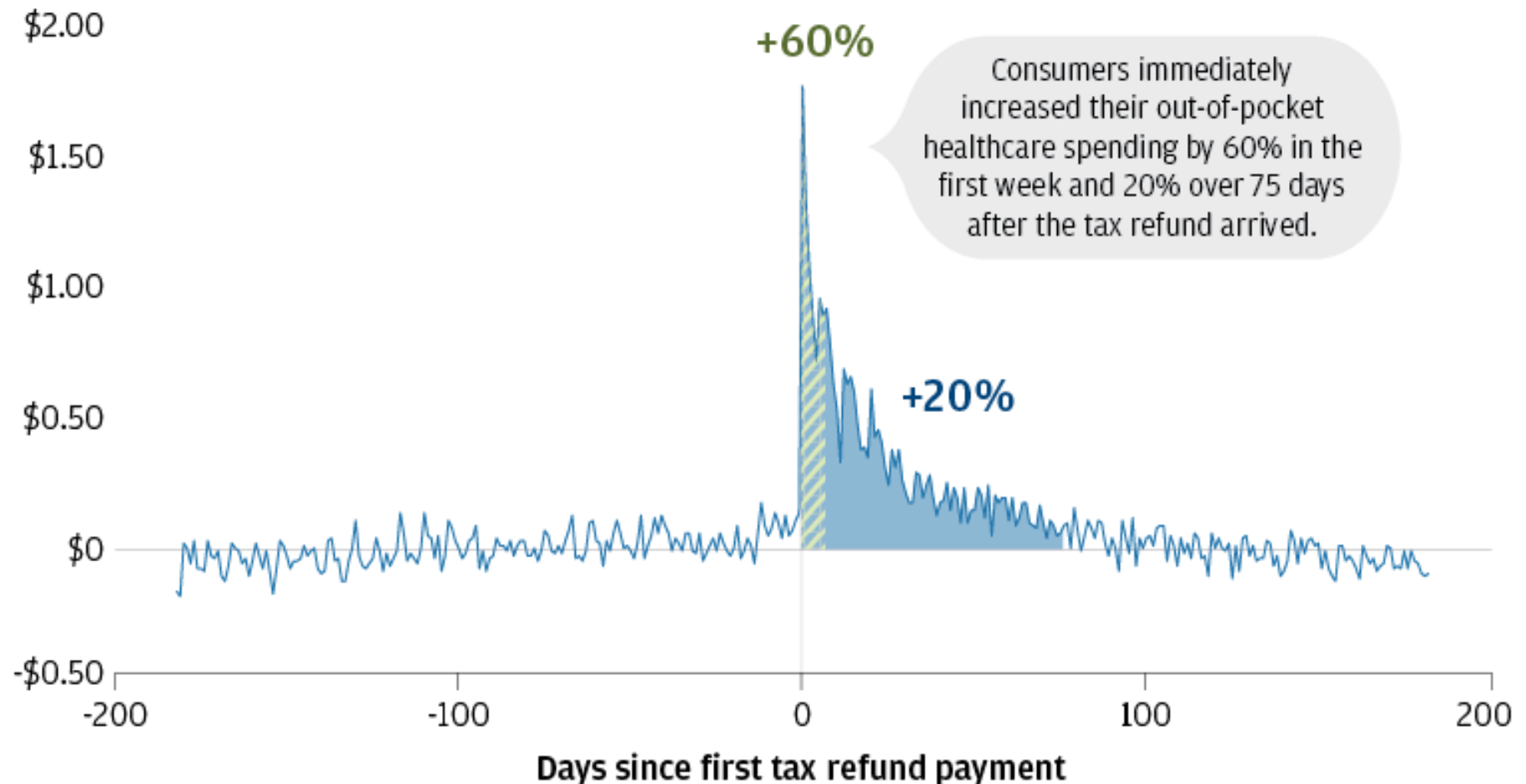


**Tax Refunds (and Stimulus Payments?):** Out-of-pocket healthcare spending increases when people receive their tax refund, especially among families with limited liquid assets.

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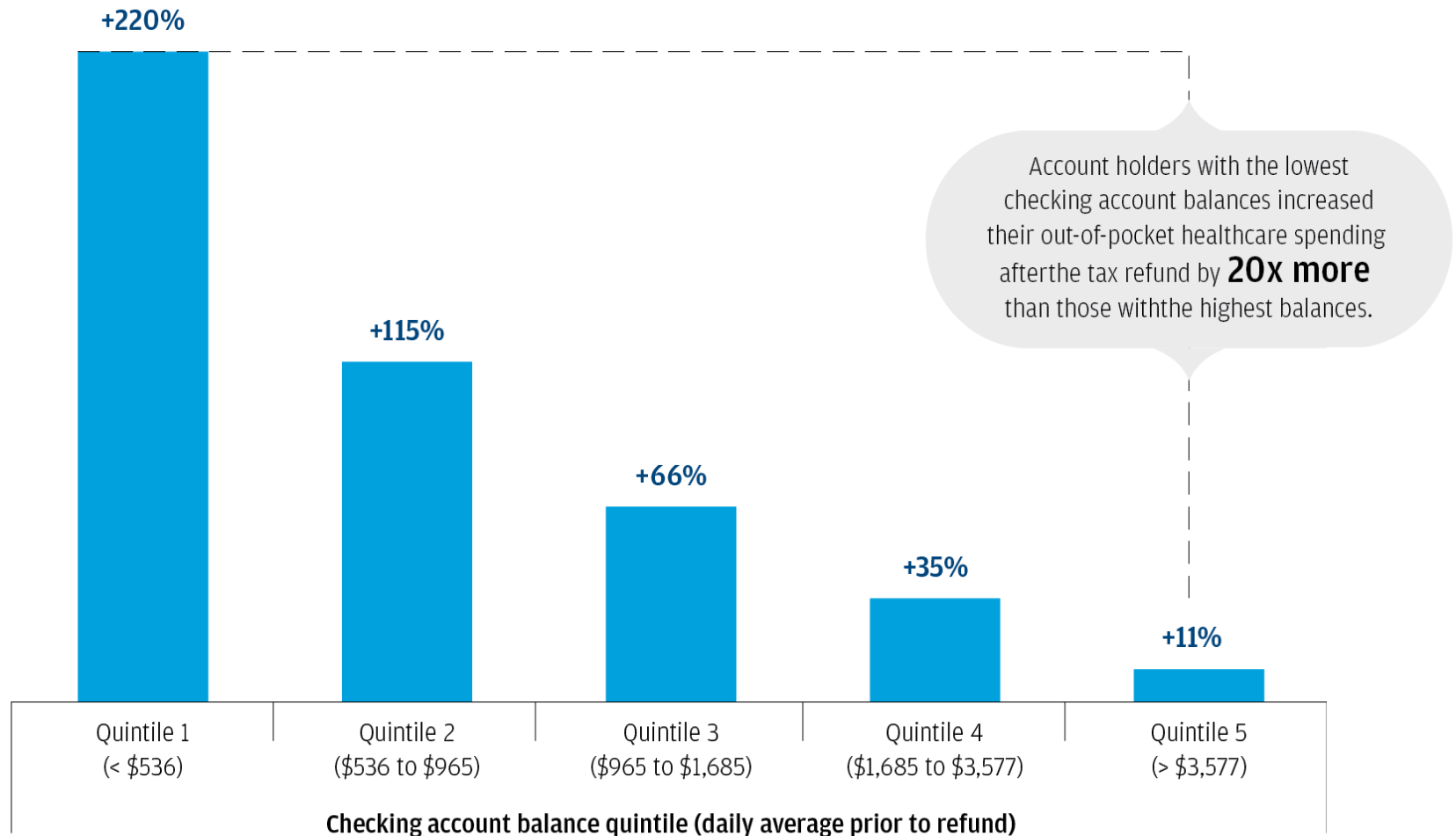
### Out-of-pocket healthcare spending per account per day

(Difference from average during 6 months leading up to refund)



## Tax Refunds (and Stimulus Payments?): Out-of-pocket healthcare spending increases when people receive their tax refund, especially among families with limited liquid assets.

Increase in out-of-pocket healthcare spending in the week after the arrival of the tax refund



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#JPMCIInstitute

@FionaGreigDC

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INSTITUTE



# **IMPROVING THE CURRENT AND FUTURE STATE OF CONSUMER FINANCIAL WELL-BEING**

Actionable Insights from Filene

Paul Dionne

## Filene Research on Financial Well-being

- \* For up-to-date resources specific to COVID-19, refer to Filene's Resource Hub  
[filene.org/resourcehub](https://filene.org/resourcehub)
- \* The Case for Workplace Financial Well-being: The View from Credit Unions  
[filene.org/480](https://filene.org/480)
- \* Pathways to Financial Well-being: Qualitative Findings from the Reaching Minority Households Incubator  
[filene.org/500](https://filene.org/500)
- \* Center of Excellence for Consumer Financial Lives in Transition [New!]  
[filene.org/learn-something/lives-in-transition](https://filene.org/learn-something/lives-in-transition)



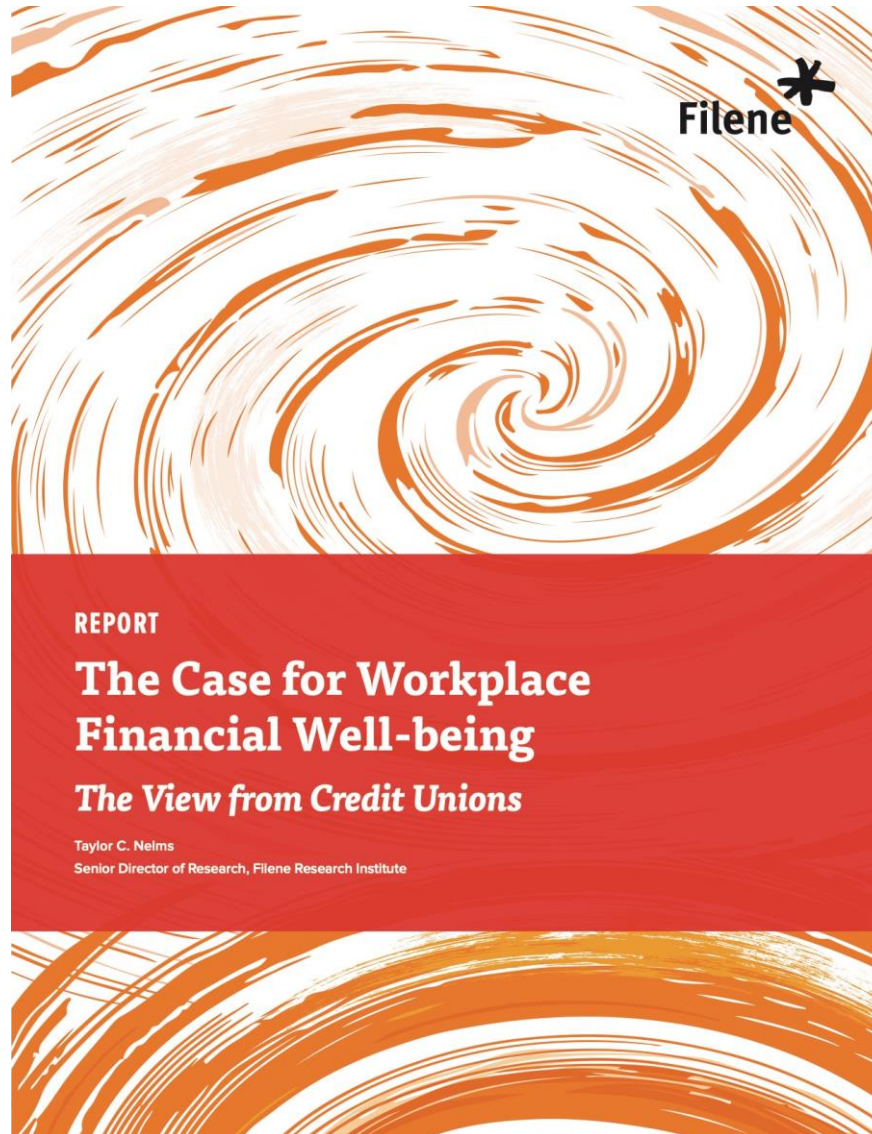
AT FILENE, WE →

THINK  
FORWARD

SO WE CAN →

CHANGE  
LIVES





# THE CASE FOR WORKPLACE FINANCIAL WELL-BEING

More than **50%** of  
workers experience  
**FINANCIAL STRESS.**



## FINANCIAL STRESS IMPACTS



Physical Health



Emotional Health



Productivity

**HOLISTIC FINANCIAL WELLNESS PROGRAMMING** can lessen the burden and counter productivity impacts.

REPORT

# Pathways to Financial Well-being

## *Qualitative Research Findings from the Reaching Minority Households Incubator*

Denali Dasgupta  
Independent Researcher

George Hofheimer  
EVP, Chief Research and Development Officer, Filene Research Institute

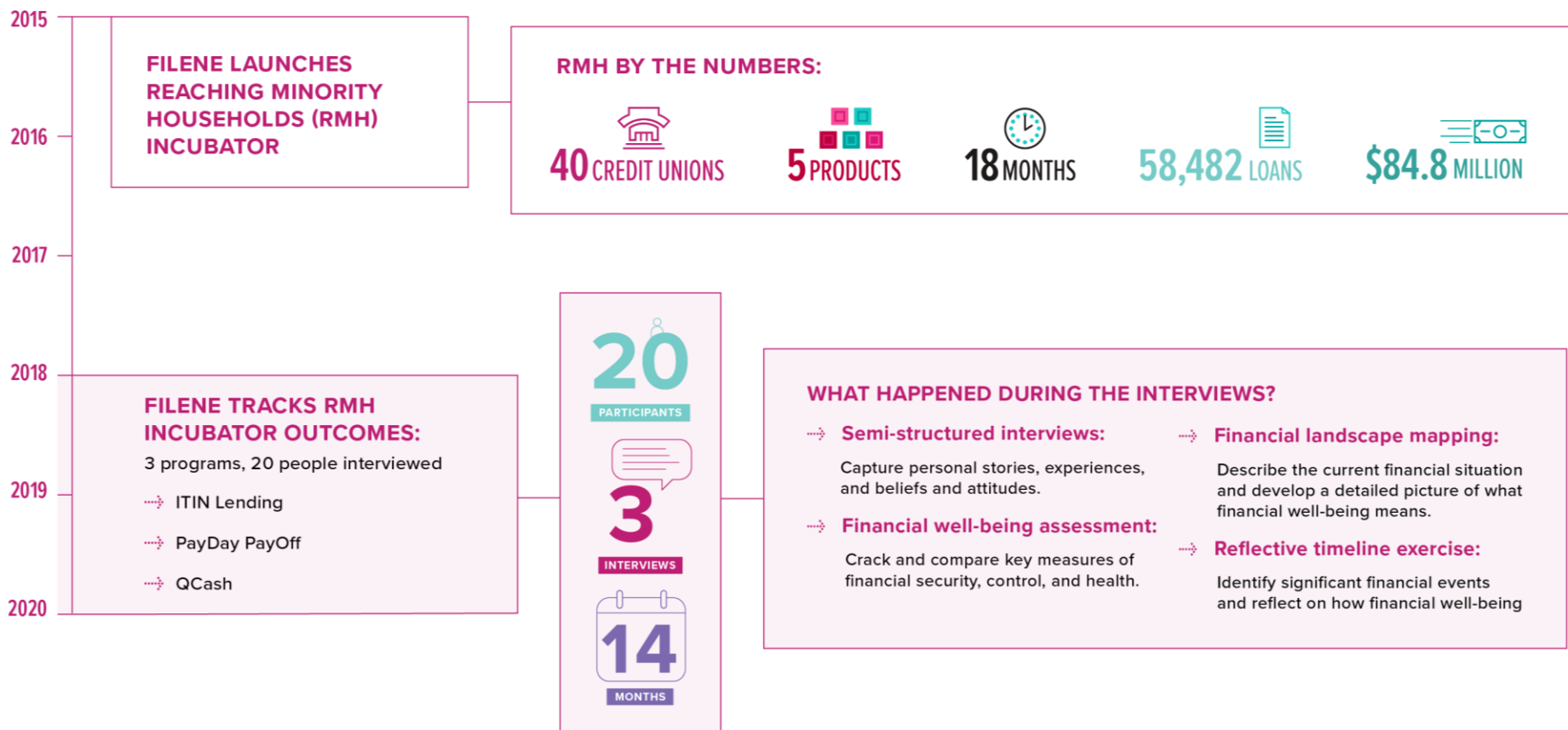
Adam Lee  
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Research Project Associate, Filene Research Institute

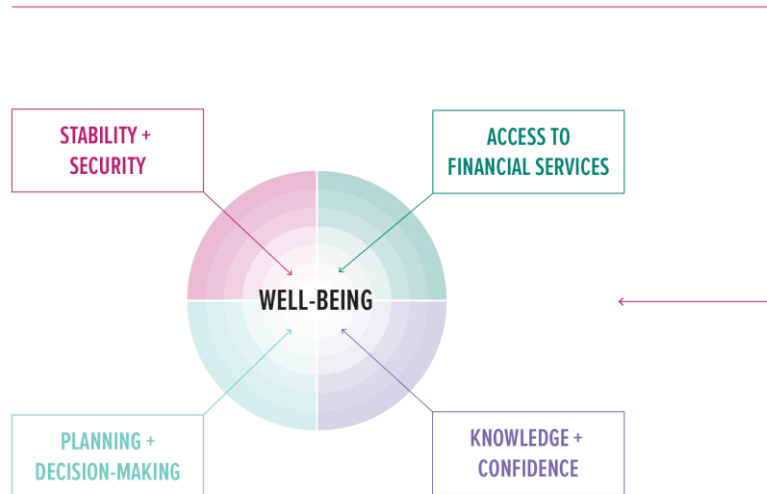


# BACKGROUND: REACHING MINORITY HOUSEHOLDS INCUBATOR



# PATHWAYS TO FINANCIAL WELL-BEING

Filene tracked the outcomes of three lending programs through the lives of 20 people who participated in the Reaching Minority Households (RMH) Incubator. We share the experiences of those individuals which show the promise and limits of financial inclusion initiatives. Their stories also inform how financial institutions can better support consumers through the **Pathways to Financial Well-being Model**.



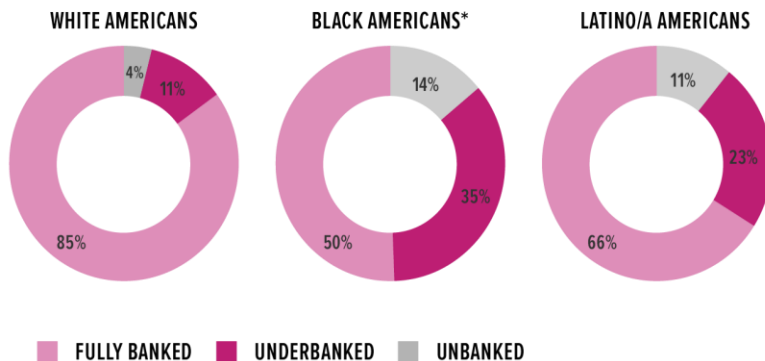
## Key Takeaways

- Providing basic access to financial services is important but ultimately insufficient for financially vulnerable consumers to achieve financial well-being. **RMH programs were most valuable and impactful when they were embedded in institutional relationships rather than being strictly transactional.**
- Financial well-being is complex, **financial inclusion must be supported by other interventions** targeting stability + security, planning + decision-making, and knowledge + confidence.
- **Creating long-term impact requires converting short-term gains** into strategies and supports to realize long-term financial goals and provide equitable pathways to financial well-being.

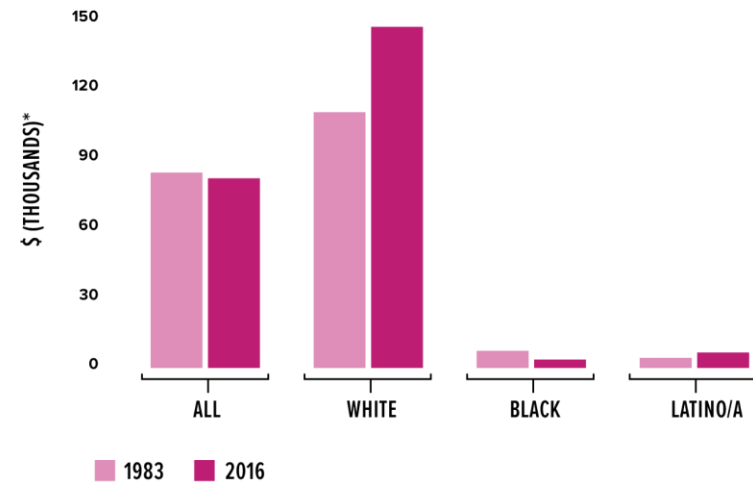
# THE CHALLENGE FOR HOUSEHOLDS OF COLOR

Millions of people in the U.S. struggle to pay their bills, save for the future, and have access to affordable financial services. These challenges are **exacerbated** in households of color, particularly for Latino/a and Black residents.

## BANKING STATUS<sup>1</sup>



## MEDIAN WEALTH BY RACE/ETHNICITY<sup>2</sup>



<sup>1</sup> Federal Reserve Board. 2019. "Report on Economic Well-Being of US Households."

<sup>2</sup> Collins, Chuck, et. al. 2019. "Dreams Deferred: How Enriching the 1% Widens the Racial Wealth Divide." Institute for Policy Study. <https://ipsdc.org/racial-wealth-divide-2019/>

## SHORT-TERM IMPACT

### MEETING IMMEDIATE FINANCIAL NEEDS

- Short-term emotional payoff:  
**Increased confidence and optimism.**
- **Convenience, ease of use, and speed.**
- **Relationships matter.**  
Participants valued programs more when viewed in the context of a broader financial journey.

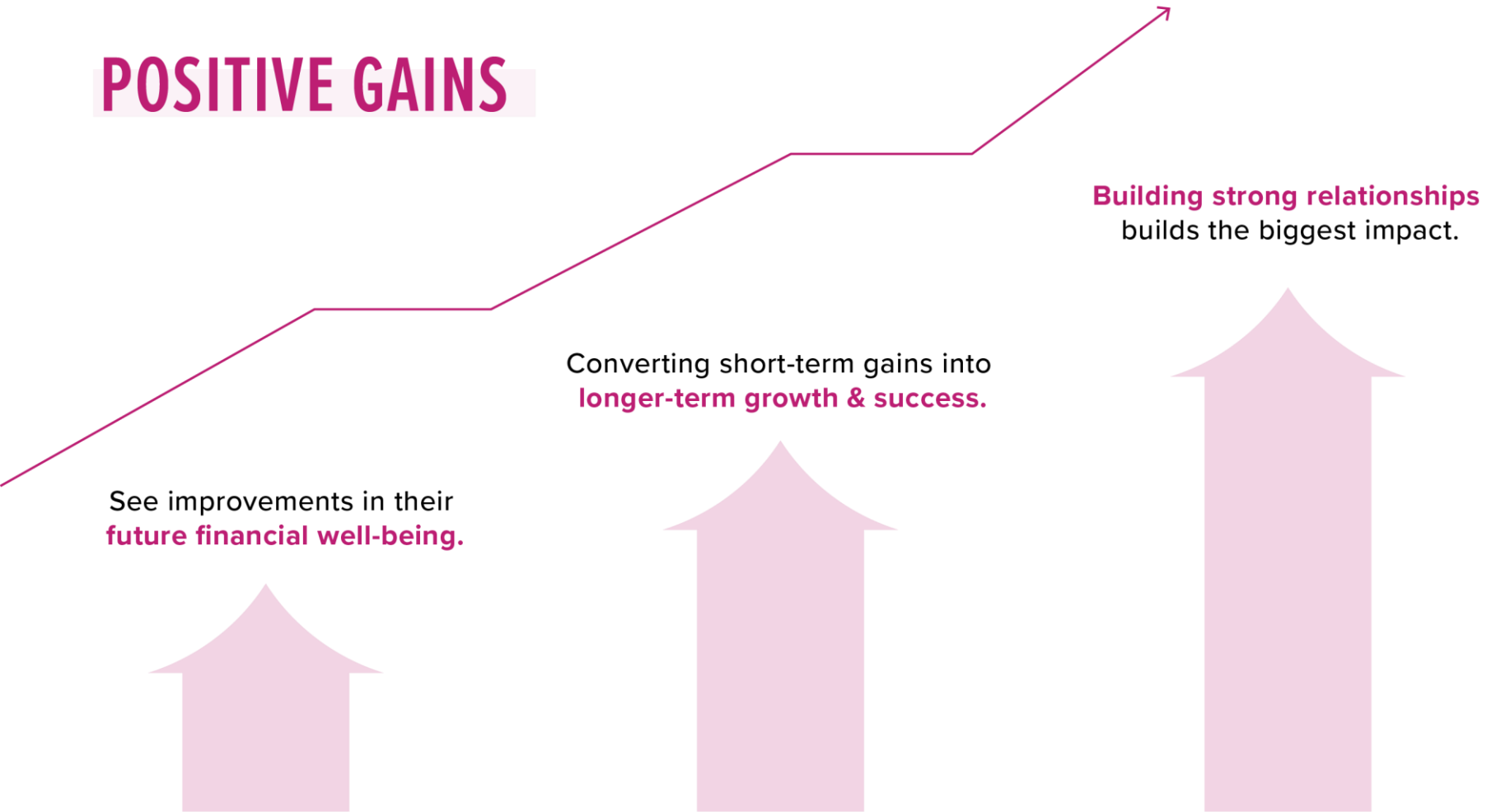
### MISSED OPPORTUNITIES

- **The dead zone** during loan repayment.
- **External factors** had an impact on perceptions.
- **Short-term knowledge outcomes** were fleeting.



## LONG-TERM IMPACT

### POSITIVE GAINS





# THE BOTTOM LINE



# ADOPTING NEW ROLES: Service Provider, Coach, Advocate



## SERVICE PROVIDER

- Offer affordable, reliable, useful products and services designed to improve financial well-being.
- Design service delivery methods that are clear, culturally competent, and responsive.
- Emphasize judgement-free service delivery.
- Do not assume that consumers have extensive prior knowledge or positive experiences with the finance system.
- Provide clear links for consumers between the use of products and services and financial well-being outcomes like increased security through savings or improved credit scores.



## COACH

- Embed advising or counseling in service delivery that improves consumer knowledge, confidence, and decision-making.
- Offer practical, time-bound advice with milestones and regular touchpoints.
- Anchor guidance in consumers' own financial goals and perceptions of what constitutes well-being.
- Always try to understand the “why” behind consumers' financial needs and asks.
- Provide support to consumers to map out medium- and long-term plans to achieve financial goals and well-being targets.
- Improve income smoothing and similar approaches that decrease financial vulnerability by increasing capacity to absorb financial shocks.



## ADVOCATE

- Raise awareness of the challenges and experiences of your consumers to strategic partners and external stakeholders.
- Develop and use standing in the community to build targeted long-term partnerships (for referrals in and referrals out).
- Support diversity, equity, and inclusion efforts through external-facing communications and internal organizational practices.
- Participate in community conversations to dispel myths about financially vulnerable populations.
- Measure outcomes and share program impact and operational data with regulators, legislators, and decision-makers to shape financial regulation and policy, as well as policy outside a financial institution's typical sphere of influence: housing, food insecurity, domestic violence, incarceration, immigration, and so on.

## GET STARTED NOW

- Credit unions play a critical role in growing **stronger communities.**
- **Build a win-win:**  
Serve vulnerable populations and grow financially.
- **Create trustworthy, enduring relationships**  
with vulnerable populations.





CENTER OF EXCELLENCE FOR

## CONSUMER FINANCIAL LIVES IN TRANSITION



FELLOW

Dr. Lisa Servon  
*University of  
Pennsylvania*

### CENTER FOCUS

*Strengthen credit unions' capacity to adapt to consumers' changing financial lives and livelihoods as they face new forms of economic struggle and financial fragility.*

### RESEARCH ACTIVITIES

- **Study how individuals and families earn**, save, spend, borrow, invest, and give across their lifecycles.
- **Prepare credit unions for an increasingly diverse consumer base** characterized by heightened fragility by building a playbook to better serve consumers' changing needs and expectations.
- **Identify new markets** such as households and communities of color, veterans and military families, students and multigenerational families, etc.
- **Investigate the future of work and business services**, from the independent workforce to new forms of small-business entrepreneurship.
- **Explore** how social media, mobile phones, and other new technologies are changing how people make and manage money.

### SPONSORS





**THINK FORWARD. CHANGE LIVES.**

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