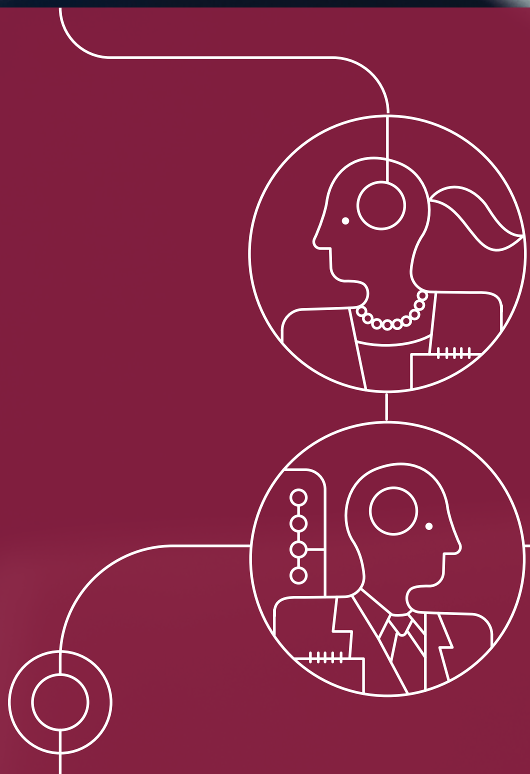
EVERFI
FINANCIAL EDUCATION

The Untapped Market:
Using Workplace Banking as a Retail Channel



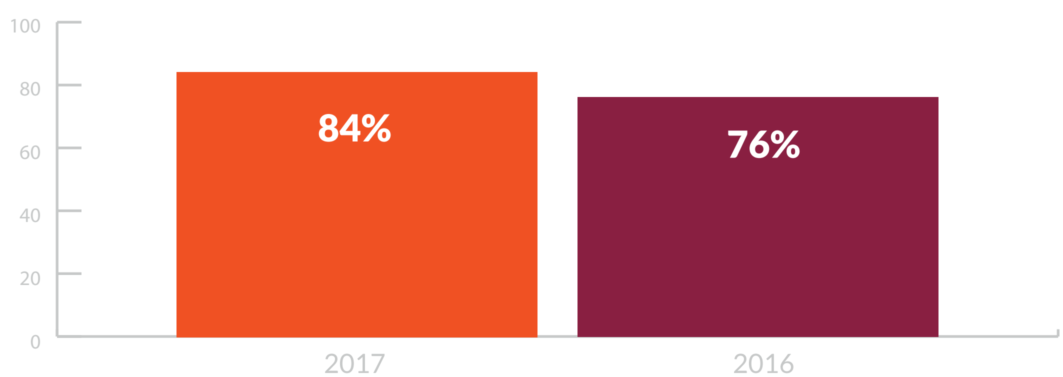
How can your financial institution compete for retail consumers in this crowded playing field? A recent study by EVERFI points to a way forward. In a survey of over 700 participants, relationship-based (vs. transaction-based) banking resulted in greater satisfaction with and higher confidence in financial institutions. Consumers who experienced relationship-based banking also used more products than those whose experience was solely transactional.[1] The takeaway is that consumers respond powerfully to relationship-focused banking. But how can your financial institution reach new consumers and build relationships when less of them are heading into branches?

Introducing Workplace Banking Programs

The answer is to meet consumers where they already spend much of their time: at work. By partnering with businesses located in their geographic footprint, your financial institutions can build relationships at scale while meeting the needs of employees.

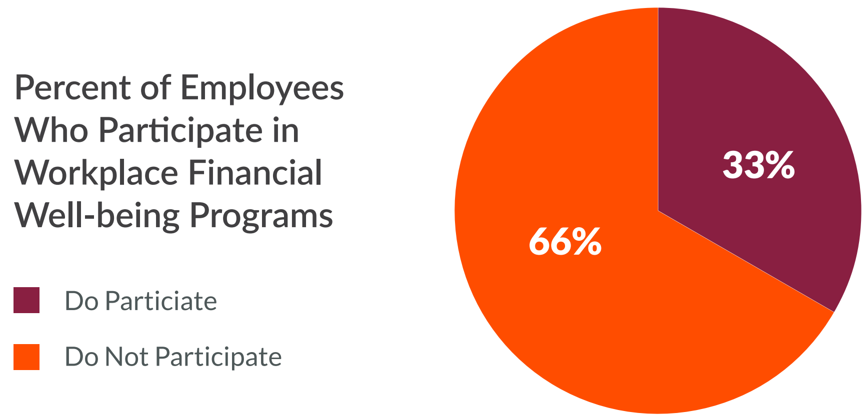
A survey from Fidelity Investments and the National Business Group on Health last year found that 84 percent of U.S. companies were offering some form of financial security programs to their employees as part of their holistic well-being strategies, up 76 percent from the previous year.[2] The problem is that these workplace well-being programs currently have low levels of engagement, with only one third of employees participating in these programs according to a Bank of America Merrill Lynch 2018 Workplace Benefits Report.[3]

Percent of U.S. Companies Offering Financial Security Programs to Their Employees



1. Keating, Ashley. Parker, Bridget. "The Secret to Consumer Loyalty: Relationship Banking." EVERFI. April 2018.
2. Fidelity Investments, National Business Group on Health. Making Well-Being Work: Ninth Annual Employer-Sponsored Health and Well-Being Survey. April 2018.
3. 2018 Workplace Benefits Report. Boston: Bank of America Merrill Lynch, 2018. Web.

Percent of Employees Who Participate in Workplace Financial Well-being Programs



Reports state that one of the reasons employees may not be being utilizing the programs-despite needing and wanting them-is because they are currently misaligned with the employees' priorities. Having a solution that not only helps them with budgeting and saving, but also long term goals such as how they are tracking for retirement with the ability to measure their progress would offer real benefits to partner businesses and their employees. Since most companies are providing these tools on their own, this would be a perfect opportunity for your financial institution to offer a more robust, scalable solution that helps companies round out their own offerings at no cost to them, and at the same time helps establish your financial institution as trusted partner through the partnership with the company. It would also grow your brand recognition since you are offering education that meets the needs of the employees and helps them better their financial outlook.

Currently, most financial institutions don't have workplace banking programs. But, with the proliferation of digital and mobile channels, it's never been easier to connect with businesses and their employees, especially with a majority of companies trying to offer financial education but it not being used. And, with branch visits and the number of branches declining, workplace banking programs can also help your financial institution extend your footprint—even to areas without local branches.

In this paper, we'll outline five steps for developing workplace banking programs and describe the benefits of building these banking relationships within this relatively untapped market.

Five Steps to Creating a Workplace Banking Program

Create Relationships With Businesses

The first step to think about is the relationships your financial institution has already built with companies and how a workplace banking program could expand your partnerships with them. Financial education would be an added benefit to your already strong partnership. Set up an appointment with the company decision makers who you have already been in contact with and see if they can connect you to a benefits coordinator, human resources manager, or even the business owner, depending on the size of the company—and explain the added benefits you can now deliver. See how they respond to your new offerings and then take it to other businesses that have not wanted to work with you in the past.

Businesses are always on the lookout for employee benefits to differentiate themselves from other employers, and many of them will jump at the chance to round out their benefits packages with additional value-adds—especially if they can do so at low or no cost.

Free financial education programs can make a big impact at early stages in the relationship or can help grow your current partnerships. They won't cost the company anything because you are sponsoring, and neither they nor their employees are required to commit to your services or products. But an educational value-add can go a long way to establishing familiarity and trust, especially since more employees are looking to their companies to help them plan for their financial futures. It also helps them understand the products and services your financial institution offers and how using them would have long term benefits.

To generate further buy-in from partner stakeholders, be sure to make them aware of how financial wellness increases productivity. A 2017 PricewaterhouseCoopers study showed that nearly half of all workers with financial worries both miss work and are less productive at work—and the same is true of nearly two-thirds of millennials. By some estimates, this translates to more than $3 million in lost productivity per year for a business with 10,000 employees, plus an additional annual $166,000 in finance-related absences.[4]

4. https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/financial-health-boosts-productivity.aspx

Create Customized Promotions for Your Partners

As you establish a relationship with your new business partners or grow your current relationships, you can begin spelling out the value you bring to the table and customize your offerings based on feedback they give you. For example, companies with younger workforces may be more interested in auto and home loans—and educational programs that explain them—than in retirement accounts. Businesses in tech regions, like Silicon Valley, may be interested in trendier offerings, such as goal-based savings apps—especially if they're tied to higher-yield accounts.

The more you learn about your partners, the easier it will be to tailor your discounts, rates, educational programs, and other offerings to their employees' needs. This creates a win-win-win: Your partner gets to advertise impressive new benefits to their workers; employees are able to take advantage of education and great deals; and your financial institution can attract new consumer account-holders at scale.

Use Digital Tools to Scale

Digital tools like online and mobile learning modules make it easy to scale financial education programs to meet the needs of even the largest business partners. In fact, when paired with the right technology, financial institutions may find themselves easily outperforming their goals. One case is a partner of EVERFI who uses online financial education. This credit union set an initial goal of partnering with 12 area businesses, but within six months had achieved way beyond their goals, deploying nearly 50 programs for partner companies.[5]

This scalability makes the programs cost effective as well—allowing you to offer them without cost for your partners. And these free financial education programs can make a big impact at the early stages of your business partnerships. While they cost the partner business nothing, they help you establish trust with the company and also introduce consumers to the financial concepts and services you offer—which can make them more engaged account-holders in the long run.

5. https://thefinancialbrand.com/66026/banking-work-office-remote-branches/

Offer In-Person Workshops

Once you've established a relationship with the partner agency, you may want to begin offering in-person workshops or lunch-and-learn sessions. These don't scale as easily as digital courses—but they don't have to. Smaller groups, where your representatives have more time with each attendee, allow you to make a personal connection, while the face time lets you take a deeper dive into financial topics. To increase workshop ROI, collaborate with partner agencies ahead of time to identify groups of employees who might be interested in specific topics. For example, millennial groups might be interested in learning about consolidating student loans or first-time mortgages, while more senior, career-track employees might want to learn about retirement planning and financial investing.

To determine the topics you offer to on-site learners, monitor who's completing your online courses to see which topics are in demand, as well as any blind spots in employee learning where you can spend more time. Employers can also do a quick poll of their workers or can check with HR to see which questions are being asked over and over. Last, be sure to capture the contact info of attendees for follow-ups. If they were interested enough to take part in a lunch-and-learn, they may soon be ready to move forward with a related service.

Take It to the Community

The more involved your financial institution is in your community, the more you'll stay top-of-mind for consumers. And by adding a workplace banking program to your outreach efforts, you'll be magnifying your branding impact—at work and out in the community.

Once you have a workplace program in place, it's easy to adapt it for other groups. Leverage your success by extending your learning programs to schools, community centers, and parent organizations. Remember, too, that your community engagement doesn't have to be separate from the business partnerships you develop. Form deeper relationships with your workplace banking partners by co-sponsoring charitable events that align with both your missions. It's probable that many of their employees will be like-minded, sharing the values of their employers—and your participation with help you forge a deeper relationship with them as well.

Setting—And Meeting—Realistic Goals

One final note about workplace banking programs: be realistic about the results.

The company you partner with may have 1,000 employees, but they aren't all going to immediately sign up for checking accounts. Look at it this way: an average branch only generates between 20 and 30 new accounts each month. If you can spend a couple of hours hosting a learning event to gain two or three additional account-holders each month, you're growing your sales by around 10 percent. And that's *per business partner*—remember a partner of EVERFI's above, who set expectations at a dozen partners and now has 50 business banking programs in the works? Imagine that 10 percent growth multiplied by 50 partners.

That's *well* worth the investment.

To learn more about increasing your financial institution's share of wallet, building workplace banking programs, and creating account-holder engagement with financial education, contact EVERFI today at 202-871-9292 or visit everfi.com/fined.

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