

Timely Financial Guidance

Enhancing Customer Loyalty
and Community Prosperity



EVERFI®



Introduction

Many Americans struggle with financial literacy, leading to personal difficulties for a large portion of the population. Now more than ever, there is growing awareness among consumers and in the public and private sectors about mounting debt, a lack of savings, and poor financial outcomes.

As pillars of the communities they serve, banks and credit unions can play a critical role in empowering financial literacy among their customers. By offering “just-in-time” financial education at the point of decision, they can help consumers make better choices about spending, saving, debt, and credit. This offers a win-win for both parties, leading to better financial outcomes for consumers while benefiting banks with increased customer loyalty and a greater share of the wallet.

To capitalize on this opportunity, banks need an infrastructure, system, and process to deliver financial education to the right consumers when they need it the most.

The Growing Need for “Just-in-Time” Financial Education

Despite the perceived advantages and economics in the United States, many Americans struggle with financial education and literacy.

50%

of adults have what is considered to be a decent level of financial literacy¹

2/3

couldn't correctly answer three basic questions about personal finance related to interest, debt, or investing¹

40%

of consumers lack basic financial knowledge on managing debt or building credit according to a study by Capital One Research



A lot of it is generational. People either learned or didn't learn what they know about money and finances from their parents. Unfortunately, the average American today is not doing that well financially, so they don't have a good source of information to pass on.

- **Doug Haehl**

Senior Product Marketing Manager at EVERFI

Not surprisingly, this knowledge gap has contributed to financial struggles in US households, the economy, and the financial system. For example, more than half (56%) of Americans say they don't have enough saved to handle a \$1,000 emergency and would have to use a credit card or borrow from friends or family.² Credit card debt is also rising again and hit a record \$1.17 trillion in late 2024, with more than half of Americans carrying a balance.³ Additionally, the growing terms of car loans, ballooning balances, and temptations to spend more have led many American consumers to fall underwater on their car loans.⁴ Meanwhile, more than half of Americans are falling behind on their retirement savings goals,⁵ and most will never have the funds to stop working.

Fortunately, and even for those scraping by, financial education and a slight change in financial habits can put consumers on better ground. According to one estimate, the average US consumer loses more than \$1,000 annually due to their lack of knowledge about personal finance, adding to more than \$243 billion in losses annually across the country.⁶ Also, nearly half of consumers say they are stressed about money and that it has a negative impact on their mental health.⁷

A Growing Public Focus on Financial Information

While consumers' lack of financial knowledge can be concerning, the good news is that they want and welcome financial education. Many now believe financial education in high school and broader access to financial knowledge can impact financial equality across all demographics and life stages.⁸ Consumers seek information not just on the basics but in many areas, such as saving for college, retirement, starting a small business, and estate planning.

Growing awareness of the issues has changed the tide in recent years. Many high schools now require students to take a financial education class before they graduate, and there are more federal programs to encourage financial literacy. The US Department of Treasury's National Strategy for Financial Inclusion also outlines a comprehensive roadmap for expanding access to financial products and services for all Americans.⁹

Social media has also increased interest in and awareness of financial education

80%

Millennial and Gen Z consumers look to social media for financial advice, with TikTok being the most popular platform (62%)¹⁰

~1/3

of Gen Z say they are influenced by "finfluencers"¹⁰

ONLY 40%

of retail banking customers look to their FIs for financial guidance¹⁰

The growth of digital channels and the ingrained trust in banks means that financial institutions have a prime opportunity to play an influential role in financial education.

"Just-in-Time" Financial Education

There is some benefit to institutions offering archives of articles, guides, and resources about financial topics. Many financial institutions now have content libraries on their websites or other digital resources.

However, to be effective, financial education must be more active, using timeliness, relevance, and engagement to enable consumers to act in their decision-making. "Just-in-time" financial education puts information and education at the point of decision, offering it when it's most relevant, most needed, and most likely to make a difference. For example, just-in-time financial education may reach consumers before they pay off a credit card bill, hit a minimum balance in their savings account, or seek pre-approval on an auto loan. The bank or credit union uses key events or life stages to actively engage the consumer with specific content related to a potential decision they may face.

Most banks already have some form of financial education content. However, it is typically buried on their website, hard to find, and sits passively in the background with limited value. Consumers are unlikely to go looking for it. One research study found that while the impact of traditional financial education courses and programs is limited and short-lived, just-in-time, education enables end users to gain access to timely, practical financial knowledge.¹¹

To be most effective, this content must be specifically purpose-driven and delivered at the right time, said Haehl. Life events can include getting married, losing a job, expecting a child, dealing with a health crisis, or starting a small business. Banks can create libraries of engaging content for various life events or scenarios and then look for triggers on when to reach consumers with the content. This takes financial education from a passive, low-impact initiative to a highly engaging experience that benefits consumers and enables the bank to demonstrate its value as a partner.



There are different triggers and life stages that many people have some outcome around, and that's where we see the true connection to financial education. If you can tie financial literacy to that event, it becomes sticky. That's when you increase engagement and where the relationship grows.

- **Douglas Haehl**

Senior Product Marketing Manager at EVERFI

A Win for Both Banks and Consumers

Financial institutions are well-positioned to lead the charge in financial education because they have open lines of communication, trust, and the experience to lead.

Consumers already hold their banks in a positive light and want them to be stewards of financial advice.

~90%

of consumers are very satisfied with their primary bank and say its customer service is excellent¹²

7 in 10

consumers also say the nation's banks are a source of strength for the economy and that they appreciate the roles banks play in supporting the financial needs of individuals, businesses, and communities¹²

For banks like BMO Financial Group, the 8th largest bank in North America that serves 13 million people, financial education can deepen relationships.



While there are a number of sources for consumers for financial literacy these days, our research does show that consumers are looking to their banks as a trusted source of information.

- **Andy Mathur**

Director of Product Value Proposition and Customer Lifecycle Management at BMO Financial Group

This offers a promising opportunity for bank marketers, starting with checking account holders. On average, customers typically use the same checking account for more than 17 years, making it a primary gateway to banking loyalty and growth.¹³ In a time where every bank is focused on revenue growth in a constrained and competitive environment, making wise choices with limited resources can provide a fast track to higher-margin growth.



Research from PwC shows that bank marketers can generate a 70% return on initiatives that target their existing customers.

Just-in-time financial education transforms routine customer transactions into powerful coaching moments that build customer loyalty and trust. With the right platform and process, banks can embed product offers and incentives directly into the learning experience, enabling them to more effectively tailor their marketing to specific customer needs. Even better is that consumers generally respond well to education and advice—up to three-quarters of consumers who receive financial advice from their financial institutions act on it.¹⁴



If a member is struggling with debt or not being able to pay their auto loan, credit unions can provide financial education tools and resources as well as help the member understand there are safe and reliable options to address their financial challenges. It makes the financial institution more of a trusted resource instead a challenge to avoid.

- Mary Gustafson

VP of Product Marketing at Vystar Credit Union

This makes financial education a win-win for banks and consumers, improving customer financial outcomes while also growing loyalty and share of wallet for banks. There are several ways that financial education benefits both banks and consumers:

Financial Education Turns Every Transaction into a Coaching Opportunity

A just-in-time approach to financial education enables financial institutions to embed product offers and incentives directly into the learning experience at the right time, helping them more effectively tailor their marketing to specific customer needs. This allows them to address consumer issues directly and offer guidance, education, and a solution in one targeted outreach.

Putting easy-to-use financial tools and education in the hands of customer-facing teams enables them to improve their power and effectiveness. Bank staff can use these tools in branches and on the phone to start conversations, deepen connections, and help customers make better financial decisions.

The widespread adoption of mobile has also made it easier to reach consumers than at any point in time.



Reaching Customers

Preferred option for communication

~50%
Mobile app

23%
Laptops

9%
Branches

3%
Phone

Banks that actively tie and deliver their financial education components through mobile can significantly increase the odds of reaching their customers when it matters the most.

Many banks already tie educational outreach to monthly, seasonal, or other timely themes. For example, they may promote awareness around HELOCs during the spring or summer when more consumers seek them. Or they'll run small business content during Small Business Month. However, using data and customized modules takes them one step further, enabling financial institutions to speak directly to individual consumers with their unique needs at precisely the right time.



Customers possess unique characteristics that may not always align with a financial institution's seasonal calendar. For instance, a customer might seek to purchase a new home outside the traditional spring/summer home-buying season. Their timing may not coincide with scheduled outreach efforts. However, providing timely and relevant financial education can foster a sense of appreciation, thereby enhancing engagement and brand loyalty. Customers perceive themselves as individuals rather than mere numbers.

- Douglas Haehl

Senior Product Marketing Manager at EVERFI

Financial Education Increases Share of Wallet

By delivering such education at the moment of consideration, financial transactions become opportunities for personalized coaching, helping financial institution customers understand their options and reach their goals faster while strengthening their loyalty to your institution. For example, a customer nearing their credit card limit could benefit from an article or learning module on credit management or alternative lending options. Meanwhile, a consumer researching auto loans could be sent an article about the car-buying process. On the other hand, a person who is considering opening an IRA may benefit from investing advice.

Financial education is a highly valuable tool for banks seeking to stave off growing competition and increase their share of wallet. Consumers also now have relationships with an average of three financial institutions. While they're mainly loyal to their primary bank, they're willing to move money elsewhere when attractive options are available.¹⁵ More than half of consumers say they have sought a financial product from a company or bank other than their primary financial institutions.¹⁶



Digital has really opened up the competition. What sets banks and credit unions apart nowadays? They all have some sort of checking account, savings account, and loan offerings. It's ultimately that touchpoint engagement that differentiates them.

- **Douglas Haehl**

Senior Product Marketing Manager at EVERFI

Banks can leverage just-in-time financial education as a conversation starter and put themselves in position for the next best relevant product. One survey found that nearly a quarter of consumers open a new financial account annually. Banks that use personalized financial education position themselves to be at the right place at the right time when the customer needs a new product, account, or service.

BMO Smart Progress Initiative

Founded in Montreal in 1817, BMO Financial Group is Canada's oldest bank and the 8th largest bank in North America by assets.

Its **SmartProgress** initiative is a no-fee interactive learning experience that breaks down complex financial concepts. It is available to any consumer and covers topics like investing, retirement planning, budgeting, and credit scores. Consumers can answer questions to get personalized playlists that speak to their specific questions, needs, and goals, said Andy Mathur, Director of Product Value Proposition and Customer Lifecycle Management.

"We saw an opportunity with EVERFI with personalized financial content to meet the people where they are in their financial journey. EVERFI's expertise enables us to meet that program with needs that resonate with a diverse community," he said.

SmartProgress has several channels that appeal to different demographics, including newcomers and immigrants who are new to the country and the Canadian banking system. "It makes a significant difference in terms of their financial knowledge, security, and trust in BMO as their banking partner," said Mathur.

BMO SmartProgress has made a measurable difference in the lives of more than 280,000 users. It has high visibility on the BMO webpage and is distributed with targeted email campaigns sent to millions of customers via social media.

One particular goal has been helping Indigenous communities break the cycle of financial stress and create financial change by allowing learners to relate to their specific needs and financial situation in a personalized way. "We're big on understanding their goals, specifically their financial goals. So we really are personalizing the information based on their goals based on the right moments when they want to achieve their goals. It's about finding that just-in-time momentum when they are at that point in their life," he said.

Financial Education Positions the Brand as a Market Leader

Providing timely and relevant financial education sets an institution apart from its competitors. It demonstrates a commitment to customer well-being and financial literacy, enhancing the institution's reputation and positioning it as a market leader.

Fortunately, consumers also welcome being approached with financial education and advice.

70%

say receiving personalized recommendations and experiences based on their behaviors and interests is essential¹⁷

ALMOST **8 in 10**

banking leaders say personalization leads to increased customer retention¹⁸

The ability to analyze information and offer customers products, services, and information enables banks to highlight themselves as market leaders. In recent years, inflation and rising living costs have only increased the need for banks to deliver financial knowledge and guidance to their customers.¹⁹

Banks also now have more ways to capture and use data. More than half of consumers are already likely to turn to their financial institutions for financial education. Financially literate customers are also more open to guidance, exhibit higher usage in most savings and investment products, and show lower lobby usage levels.²⁰

Financial education can also deepen relationships by better preparing customers for the future or even helping them when they may not initially qualify for a product. For example, Vystar Credit Union, a 70+-year-old credit union headquartered in Jacksonville, FL., offers several products and resources for members who are struggling financially, including counseling, budget help, and loan modification assistance. In the case where a consumer is initially declined for a loan, Vystar can offer them education resources and modules on how to improve their credit or better position them to qualify in the future.



Vystar has helped offer auto loans to more than 6,000 people who were declined by traditional financial institutions.

“We hear stories all the time about our team not just doing the minimum to educate members but going above and beyond and providing them a path to succeed,” said Gustafson.

Good News: Financial Education Drives a Measurable ROI

Just-in-time financial education can lead to better financial decisions by customers, which reduces defaults, improves financial outcomes, and increases customer satisfaction. This, in turn, results in higher retention rates and more profitable customer relationships, ultimately driving measurable ROI for the institution, all while enhancing customers' financial health.

Financial education and financial wellness content can also drive a measurable return on investment as consumers open more accounts and take greater advantage of the bank's products and services. Banks can measure their return in many ways, including inquiries, increased customer yields, debt reduction, or the number of accounts opened.

Haehl notes one significant benefit is that banks gain added trust in the relationship with the customer. Whereas many consumers have a misconception that some banks are seeking to nickel and dime customers with fees, engaging in financial education can demonstrate the bank has a genuine interest in the customer's economic well-being and future.



It's a give and take. You can really drive loyalty when you show your customers it's not just about fees. While the bank may lose some interest when you pay off that loan, they get the opportunity to land an additional loan, HELOC, or something else down the line.

- Douglas Haehl

Senior Product Marketing Manager at EVERFI

According to Gustafson, Vystar measures the performance of its financial education outreach with metrics and KPIs around customer financial health, such as savings growth and debt reductions.

In some instances, Vystar has used gamification and competitions with financial education to spur action. The credit union recently launched the Vystar Savings Challenge, encouraging people to save \$1,000 over three months. It attracted more than 30,000 participants, both members and non-members and served as a powerful tool to disseminate financial education and foster relationships, said Gustafson. As they signed up, participants took part in a financial quiz that measured their financial health and opted them into weekly tips and guidance to address their specific needs.

"Participation opted them into custom emails," said Gustafson. "VyStar sends them weekly tips and advice, such as how to create a budget, how to save more, how to improve their credit scores. It's not long and boring information. It's easy to understand, actionable and helps them achieve their goals."

How Financial Institutions Can Move Beyond Transactional Relationships

Customers now have many options regarding their finances, where they bank, and who they conduct business with. As a result, financial institutions must move beyond being simply transactional and become vested in the goals and outcomes of their customers.

Offering just-in-time financial education throughout customers' life stages enables financial institutions to transform routine transactions into powerful coaching moments while enhancing loyalty and trust and growing the financial institution's share of wallet. By helping consumers understand how to create savings plans, debt repayment programs, and debt consolidation, and reducing late fees, financial institutions prove themselves to be partners in their financial future.

While many banks and credit unions are eager to provide financial education resources to their customers, they often don't know where to start.

One of the most effective ways to provide customers with the education they seek is to deliver small "snackable" personalized interactions from a content library. Topics should include banking basics, income and employment, budgeting, consumer skills, managing credit and debt, financing higher education, and insurance. Banks and credit unions must match the customer's wants and/or needs with vital financial topics to better empower their decision-making, all while increasing engagement and brand awareness.

A strong and effective financial education program requires several components:

- 1 Buy-in and Ownership**
Financial institutions need a team or individual to champion the importance of financial education in the organization. They must make financial well-being a strategic topic for continued growth and identity and a way to differentiate the brand.
- 2 Customer Data**
Whether through account onboarding information, surveys, quizzes, or transaction data, banks should gather relevant information to learn more about customers' financial pictures to help them improve or reach their goals.
- 3 Milestones and Stages**
Banks then use the information to identify when consumers reach new milestones or stages that can call for financial education content. For example, customers seeking an auto loan, overdrawing an account, opening a new savings account, or requesting information on a mortgage are all opportunities to distribute personalized financial education.

4

Financial Content

Banks and credit unions then distribute relevant, bite-sized content through the best channels at the right time. The content library should be current with what matters and content relevant to the FI and its customers.

5

Delivery Channels and Platforms

Banks need platforms and solutions to deliver customized content across the right channels easily. These solutions should also be optimized for the mobile customer experience and allow associates to access information for phone or face-to-face interactions.

6

Means to Measure

To ensure relevance and continually improve performance, banks and credit unions need a way to measure the effectiveness of their outreach. This can include customer feedback and custom KPIs, such as consumers growing their savings accounts, reducing credit card balances, or opening new retirement accounts. They can also measure incentives, brand recognition, and growth opportunities.

Achieving Customer Engagement Through Financial Education

Putting financial education in the hands of consumers before the point of decision enables banks to deepen relationships, increase share of wallet, and find new profit opportunities.

A partner and third-party solutions provider can help banks and credit unions achieve a greater level of customer engagement with relevant, targeted, and timely financial education. Making information available during a specific life stage or when making an important decision improves satisfaction and loyalty while increasing the likelihood of the customer reaching their financial goals.

About EVERFI Achieve

EVERFI Achieve™ is an interactive, mobile-first financial education solution that enables banks and credit unions to deliver personalized financial education to their customers wherever they are. EVERFI Achieve provides an engaging learning experience through interactive modules designed to deliver actionable financial education for customers and their families. These courses can be white-labeled and personalized in the bank or credit union's branding.

EVERFI helps financial institutions of all sizes meaningfully connect with the next generation of consumers through life-changing education that improves financial literacy and builds lasting relationships. At EVERFI, we believe financial literacy is more than just education—it's a powerful tool for helping consumers achieve their financial goals through all stages of life and increasing customer loyalty along the way.

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