

Financial Health

create long-term success with a comprehensive financial health strategy

Empower Your Accountholders to Reduce Fragmentation, Build Resilience & Improve Their Financial Well-Being

Community and regional financial institutions – skilled at forging deep connections with accountholders and providing services tailored to meeting individual needs – are uniquely positioned to help address another challenge: financial health and wellness.

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What Is Financial Health?

Financial health refers to the state of an individual's personal finances and considers the totality of an individual's financial life: whether they are spending, saving, borrowing, and planning in ways that will enable them to be resilient and pursue opportunities.¹ For community and regional financial institutions, developing and implementing an enterprise-level financial health strategy is critical to serving the evolving needs of today's accountholders. Financial institutions should be the go-to resource for financial health information for their accountholders, and a financial health strategy ensures that there is a plan in place to meet accountholders in their moments of need.



the need to support the financial health of your accountholders

Building relationships is what community and regional financial institutions do best, and that's what differentiates your institution from larger, more impersonal competitors and makes you uniquely qualified to guide and support your accountholders with the right tools, education, and technology to embark on their personal journeys toward financial wellness.

Financial institutions in the United States – once the financial lifeblood of Main Street America – still play a significant role in the nation's economy. From helping accountholders save for retirement and providing funds for a first home, to donating funds and volunteer support to community non-profits and processing billions of dollars of Paycheck Protection Program (PPP) funds that kept businesses afloat during the pandemic – banks and credit unions are valuable to their communities. Yet there is a growing financial health crisis in the country, and community and regional financial institutions have the opportunity

to step up and address the crisis head-on by helping their accountholders improve their financial health.

According to Financial Health Network, 80% of consumers want their financial institution to help them improve their financial health, but only 14% feel that their credit union or bank is actually helping. Similarly, Accenture found that in 2020, only 29% of consumers trusted their financial institution “a lot” to look after their financial well-being, down from 43% just two years prior, in 2018.² That's a significant gap between what consumers expect and what they're getting – and it represents a huge opportunity for community and regional financial institutions to create innovative, specialized products and services to bridge that gap.

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As of May 2021, 66% of Americans were not considered financially healthy when measured using criteria established by Financial Health Network. With a full two-thirds of Americans struggling to spend, save, borrow, or plan in a way that creates opportunities for financial success, banks and credit unions can address the financial health crisis while reducing financial fragmentation. You can begin in your own community by providing tools and information that create resilience for your accountholders.

financial fragmentation

What is financial fragmentation and why is addressing it so important? Financial fragmentation occurs when an individual's financial resources are distributed over several disparate locations. For example, it's not uncommon for today's consumer to use 20 to 30 different financial apps, services, and providers. The resulting financial fragmentation makes it increasingly difficult for even the most conscientious consumers – and for you as a financial institution – to understand their full financial picture and achieve financial resilience.

Beyond the growing number of financial providers, the sheer volume of electronic money movement continues to increase over time. According to the Atlanta Federal Reserve, U.S. consumers made an average of 68 monthly payments in 2020. With digital payments being the leading type of financial transaction by far, it's the fundamental component of financial management. Ensuring that your accountholders can send and receive money on specified dates – or in real time – can improve cash flow, eliminate late fees or service charges, and protect and improve credit scores.

In addition to empowering success by giving accountholders full visibility into their finances in a single location and providing money-management

tools, financial institutions are charged with protecting and safeguarding accountholders' wealth and financial data. Fraud prevention and education remain a critical focus for all financial institutions, as scammers continually hone their craft to defraud consumers and businesses alike. Having the right risk and fraud solutions on your side will increase consumer confidence, prevent costly losses for your institution, and help accountholders avoid financial stressors.

Ultimately, financial health is achieved by establishing good spending, saving, borrowing, and planning habits. As the go-to financial services provider in your community, your mission is to:

- Help accountholders improve their economic well-being through financial health technology and services.
- Leverage open banking rails to address financial fragmentation by empowering accountholders to gain a full picture of their finances in a single location.
- Secure accountholder data using comprehensive risk and fraud prevention tools, reducing monetary loss and system disruptions.
- Provide enhanced cash flow opportunities for your accountholders through modern payments and borrowing solutions.



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what we offer

To create opportunities for financial success for your accountholders, it's essential to leverage technology and the open banking ecosystem to empower your accountholders to build long-term resilience and reach their financial health goals. Jack Henry™ can help.

● Financial Health Solutions

We're committed to strengthening people and communities with technology and resources that educate, engage, and inspire. Our solutions help your accountholders spend wisely and securely, save purposefully, borrow sensibly, and plan strategically to achieve and maintain financial health.

- **Personal Financial Management** – Help accountholders identify and reach their financial goals by providing key insights into their day-to-day and long-term financial activities with integrated personal financial management capabilities. Use account data and insights to present applicable and appropriate offers, increasing your share of wallet and reducing attrition risks.

- **Financial Health Measurement** – Providing metrics and benchmarks helps increase awareness of baseline habits - the first step toward actionable change. Help accountholders create opportunities for quantifiable improvements in financial health and encourage behavioral adjustments that contribute to improvements over time.
- **Faster Payments** – Accountholders want anytime, anywhere access to their funds – and we help you reinvent your payments strategies and modernize your platform to meet this strong and growing demand for real-time payments. Our real-time payments capabilities empower you to expedite funds availability for your accountholders, moving money quickly and securely in their moments of need.



our solutions

help your accountholders spend wisely and securely, save purposefully, borrow sensibly, and plan strategically to **achieve and maintain financial health.**



We provide

powerful technology



and capabilities to help you better detect, mitigate, and prevent risks so that your accountholders can **safely and securely manage their financial transactions.**

- **Financial Crimes & Fraud Risk** – Our specialized insight and expertise can help your institution manage the threat of complex financial crimes by identifying and preventing fraud before it occurs in real time, keeping the assets and identities of your accountholders protected.
- **Information Security & Technology** – One of the key challenges financial institutions struggle with is mitigating information and network security risk, and in today's complex cyber threat environment, traditional protection measures alone may leave you – and your accountholders – vulnerable to internal and external threats. We provide powerful technology and capabilities to help you better detect, mitigate, and prevent risks so that your accountholders can safely and securely manage their financial transactions.

To best support your accountholders' pursuit of financial health, your institution must provide technology solutions that enable people to better understand and proactively manage their money. Coupled with education, effort, and resources, you can help your accountholders build near- and long-term financial stability and security.



summary

Jack Henry, a trusted and well-rounded financial technology provider, strengthens the connections between people and their financial institutions through technology and services that reduce the barriers to financial health. Let us help you streamline and simplify the process of building a financial health strategy for your institution so you can focus on what matters most: empowering your accountholders to become financially healthy.

create limitless possibilities

Learn how Jack Henry's technology and solutions can help you implement a financial health strategy.

For more information about Jack Henry, visit jackhenry.com.

sources

1. Andrew Dunn, Thea Garon, Necati Cellik, and Jess McKay. *Financial Health Pulse: 2021 U.S. Trends Report*, Financial Health Network, accessed March 16, 2022.
2. *2020 Accenture Global Banking Consumer Study*, Accenture, accessed May 26, 2022.