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Banking Inclusion at Work

How Workplace Banking Can
Boost Financial Wellness



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Commonwealth is a national nonprofit building financial security and opportunity for financially vulnerable people through innovation and partnerships. Black, Latinx, and women-led households disproportionately experience financial insecurity due in large part to longstanding, systemic racism and gender discrimination. Addressing these issues is critical to Commonwealth's work of making wealth possible for all. For nearly two decades, Commonwealth has designed effective innovations, products, and policies enabling over 2 million people to save nearly \$8 billion in savings. Commonwealth understands that broad changes require market players to act. That's why we collaborate with consumers, the financial services industry, employers, policymakers, and mission-driven organizations. The solutions we build are grounded in real life, based on our deep understanding of people who are financially vulnerable and how businesses can best serve them. To learn more, visit us at www.buildcommonwealth.org.



The Banking Inclusion Initiative, launched in 2021, is Wells Fargo's 10-year commitment to help more people who are unbanked gain access to affordable, mainstream accounts and provide easier access to financial education and guidance. The initiative primarily focuses on Black and African American, Hispanic and Native American/Alaska Native, who account for half of the 5.9 million unbanked households in the U.S.

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Executive Summary

At first glance, the latest [FDIC National Survey of Unbanked and Underbanked Households](#) findings are encouraging: rates of un- and underbanked households reached historic lows after trending downward for the last decade. Yet, a lack of access to quality banking remains a problem for nearly 25 million households—6 million of which don't have any bank account, while an additional 19 million still rely on alternative financial services. This is especially true for Black, Hispanic, and American Indian or Alaska Native¹ households, and those living on low incomes. For many of these households without full access to banking, barriers related to accessibility, trust, and providing value are most important to solve.

As banks explore new and existing strategies to meaningfully advance banking access for all income groups and close the racial wealth gap, Commonwealth conducted a landscape analysis and original research including interviews with 13 subject matter experts from banks, fintechs, credit unions, and employer benefits, on the opportunity in the workplace to advance banking access. We also brought our key learnings from our work with [employers](#), [retirement recordkeepers](#), and other [workplace benefits providers](#).



Three key bankable moments found during these interviews included:



New employment



Salary increases



Paydays

This report summarizes Commonwealth's research and insights pointing to the workplace as a promising channel to expand access to banking and financial wellness for un- and underbanked workers. It also includes design insights for banks and other workplace financial wellness providers to develop high-quality financial wellness solutions in the workplace.

Key Takeaways



THE WORKPLACE PRESENTS A KEY BANKABLE MOMENT TO ADVANCE FINANCIAL WELLNESS.

[Research](#) shows that employees look to employers for supporting their financial wellness needs. Each payday offers an opportunity for active engagement with workers, including the ability to automate decisions, making it a powerful moment to advance financial access. Research also indicates high levels of employee trust in workplace benefits offered by employers.



THERE IS A GROWING DEMAND FOR WORKPLACE FINANCIAL WELLNESS SOLUTIONS.

Worker financial wellness is one of the [top concerns](#) for both companies and their workers. There is a growing recognition of the business case of worker financial security—hiring, talent retention, and productivity. The pandemic and response to racial equity movements of the last several years have further created a unique window of opportunity for the workplace to become a channel for financial wellness. Workers are expecting more from their employers, and after the U.S. labor market's "[great reshuffle](#)," employers are actively prioritizing financial wellness and [racial equity](#) to attract and retain workers.



IN A CROWDED VENDOR LANDSCAPE, FINANCIAL INSTITUTIONS HAVE A UNIQUE OPPORTUNITY TO MEET UNMET FINANCIAL WELLNESS NEEDS.

Growing employer demand has led to a supply-side response with a range of providers offering different financial wellness benefits—banks, credit unions, recordkeepers, payroll providers, student debt providers, financial coaching organizations, fintechs, etc. Research and industry partnerships show that employers considering adding these benefits typically find it easier to partner with their current vendors. Financial institutions have the opportunity to utilize existing relationships with corporate clients to expand into the financial wellness benefits space as recordkeepers and payroll providers are already doing.



THERE ARE DIFFERENT BUSINESS MODELS FOR WORKPLACE BANKING AND FINANCIAL WELLNESS IN THE MARKET, OFFERING FINANCIAL INSTITUTIONS CHOICES IN HOW THEY OPERATE.

Financial wellness-focused workplace banking programs have taken on many different forms, from holistic banking solutions to partnerships with fintechs and recordkeepers to actionable financial insights integrated with workplace benefits. Leveraging their core strengths and understanding their customers' needs underlies each of these innovative business models. Financial institutions have an opportunity to explore models that suit their contexts and goals, and can start small through manageable pilots with an employer who is an existing client, or with banks' internal workforce.



OPERATING EFFECTIVELY IN THE WORKPLACE REQUIRES FINANCIAL INSTITUTIONS TO OPERATE AS A BENEFITS PROVIDER.

This means recognizing that providers should meet the needs of two critical stakeholder groups: employers and workers. Benefits teams at employers are typically the key stakeholder, and they are seeking solutions that provide value and impact to their workers and are well-utilized (highlighting the importance of centering program design around workers), and provide business value to the employer return on investment, often including impact on hiring, retention, and productivity.



EMPLOYERS WANT SOPHISTICATED BENEFITS PROVIDERS THAT ADVANCE WORKER FINANCIAL WELLNESS.

Benefits leaders are solving for their employees' financial wellness, not banking access and inclusion. Commonwealth identified the following strategies to meet the needs of employers:

- Lead with and solve for financial wellness, as opposed to merely focusing on banking inclusion and/or account opening;
- Report on impact and return on investment, particularly in a tightening budgetary environment;
- Prioritize ease of implementation (e.g., payroll integrations, safe and secure data sharing, employee communications, relationship management for HR and payroll teams, etc.); and
- Connect to diversity, equity, and inclusion (DEI) goals of employers, particularly as employer interest and focus on this increases. A key early opportunity that some recordkeepers are already working on is connecting impact measurement and data reporting with a DEI lens.



WORKERS' NEEDS MUST BE CENTRAL TO WORKPLACE BANKING PROGRAM DESIGN.

Addressing the financial needs of un- and underbanked workers would be the greater measure of these programs' success. Financial inclusion and wellness for many of the millions of U.S. households who lack access to quality banking will depend on solving issues of accessibility and trust, and providing meaningful value. Strategies identified to meet the needs of workers include:

- Aligning benefits offerings with workforce needs, intentionally solving for barriers around product design, accessibility, cost, user experience, account portability, and customer support; and
- Creating inclusive marketing and engagement programs, focused on relational strategy and incorporating inclusive content, language, and distribution channels.

Introduction

Lack of quality banking is a problem for 25 million households in the United States—6 million unbanked households don't have a checking and/or saving account, and an additional 19 million underbanked households, despite having an account, [still rely on alternative financial services](#), including payday lenders and new fintech apps.

Although the most recent numbers of people who are un- and underbanked living in the U.S. are the lowest on record, high levels of inequity persist. Seventy percent of the unbanked population are households of color. Black, Hispanic, and American Indian or Alaska Native¹ households, as well as women of color, have the highest likelihood of being unbanked, with [nearly 36% of Black Americans being un- or underbanked](#). There is a strong relationship between earning a low income and being un- or underbanked, as roughly [half of unbanked households are living in poverty](#).



About half of unbanked people previously held a bank account, and **1 in 10** of the unbanked held a bank account within the last year.

About [half of unbanked people previously held a bank account, and 1 in 10 of the unbanked held a bank account within the last year](#), suggesting that the un- and underbanked problem is not only a question of awareness or education but also of value and utility. Barriers to becoming banked also include high fees, a lack of transparency, language barriers, and distrust from past harmful practices and anticipated discrimination, such as [redlining](#).

Many of the un- and underbanked turn instead to alternative financial services such as payday lenders and check cashers that offer clear terms and accessible experiences despite typically having a higher cost. As a result, unbanked workers [could spend an additional \\$40,000 over the course of their working life](#) on high fees and expenses at check-cashing counters and payday lenders.

As the COVID-19 pandemic highlighted and exacerbated economic inequality, it also altered the way people in the U.S. manage their finances by [accelerating digital adoption of financial services, including fintechs](#). In fact, 59% of Americans now use more apps to manage their money than before the pandemic, yet significant [gaps remain](#) in the availability of products and services that meet the needs and expectations of underserved groups. This report highlights an opportunity for banks and other financial institutions to increase accessibility and provide meaningful financial solutions that meet financial wellness needs through workplace benefits.

The Importance of Bankable Moments

The latest FDIC data highlighted the importance of bankable moments. About one third of recently banked individuals [said starting a new job contributed to their decision to open a bank account](#). Commonwealth continued the research into bankable moments in the workplace to better understand the opportunity to advance banking inclusion and financial wellness, and to identify potential opportunities for banks and other financial institutions to address lack of qualifying banking access through the workplace for those roughly 25 million households.

Commonwealth conducted research and in-depth interviews with 13 subject matter experts, including workplace benefits providers, large employers, banks, credit unions, fintechs, and financial equity-focused nonprofit organizations. These interviews were conducted from January to April 2023. Our findings demonstrate that there are clear opportunities for banking institutions to increase financial wellness and drive business value, but this will require them to rethink their role as workplace benefit providers.

Financial Wellness in the Workplace:

An Opportunity for Banking Providers

Growing Demand Among Employers

Worker financial wellness is one of the [top concerns](#) for both companies and their workers, and recent research shows that there is [meaningful and growing demand](#) for high-quality financial wellness solutions from employers due to the increased focus on improving employee financial wellness. In 2022, [97% of employers felt responsible for their workers' financial wellbeing](#), up from 41% in 2013. Furthermore, employers are increasingly recognizing the [business case for worker financial wellness](#), and banking institutions have the opportunity to be their partners in this pursuit. [Eighty-four percent of employers say offering](#) financial wellness helps increase retention, and financially-secure workers are also [more productive and are less likely to miss work](#).

Industries with high turnover rates such as construction, food services, and retail [tend to have the largest number of workers who are not using direct deposit](#), which suggests higher rates of workers being un- and underbanked within these fields. These workers may largely be part-time workers with seasonal variation in hours. The workplace is a promising channel to connect workers with banks—specifically in these high turnover industries, where employers are keen to save the money spent on physical checks.

Employers in our research indicated that it is generally easier to work with existing vendors to offer these financial wellness solutions, which is likely to benefit banking institutions that have existing relationships with employers, potentially through other departments like treasury and finance.

Connection to Payday

Receiving a paycheck is a key and recurring financial moment for workers. The payday connection creates an opportunity for automation, which is a [preferred attribute](#) and [proven to be effective](#).

ADP, the leading payroll provider in the country, demonstrated the [promise of this payday connection](#). As part of BlackRock's Emergency Savings Initiative, ADP in collaboration with Commonwealth, offered a high-quality emergency savings option² on their Wisely® paycard³ and digital account, which resulted in [increased savings of over \\$1.5 billion](#).

Additionally, during times of promotions and raises, moments of compensation change have proven to be a related key moment when [workers focus on their finances](#), with 62% of workers indicating that they would like assistance from an employer to help them use this extra money to strengthen their finances.

Workplace Trust, Credibility, and Visibility

According to a [recent Edelman study](#), 78% of employees trust their employer and 69% of employees believe the people they work with are a significant source of community in their life. Employer endorsements of workplace benefits provide valuable credibility and visibility to a workplace banking program, according to the subject matter experts interviewed for this project. However, this endorsement alone does not necessarily lead to high employee uptake. Employers and benefit providers must design a workplace banking program that meets the needs and preferences of their workforce.

Workplace banking programs also benefit from direct access to employers' workforces. By serving the un- and underbanked in those workforces, banks can simultaneously advance equity and inclusion goals and create long-term banking relationships in an underserved market. Banking institutions can benefit from existing employer-worker relationships via benefits communications, onboarding processes, and payroll moments, which provide recurring touchpoints for customer engagement (workers, in this case) in a way that directly fits into workers' current financial lives.



The Competitive Landscape of Workplace Financial Wellness

Given the business case for workplace financial wellness, many types of organizations offer financial solutions through the workplace, including banks, credit unions, retirement recordkeepers, payroll providers, student debt providers, financial coaching organizations, fintechs, etc. Employers often work with benefits consultants, who are close advisors to benefits leaders on the different benefits offerings and process of vendor selection. Banking institutions should map this landscape of providers, particularly within the context of potential employer clients, to understand gaps and opportunities.

When considering vendors, employers find it easier to partner with existing vendors as it minimizes the contracting and due diligence-related processes. Many workplace solution providers are responding to this trend—retirement recordkeepers are expanding their services to include, among others, student debt related benefits (e.g., [Fidelity](#), [Vanguard](#)), and [emergency savings solutions](#) (e.g., [Fidelity](#), [Voya](#), [T. Rowe Price](#)). Payroll providers are offering financial wellness solutions like emergency savings and other tools like earned wage access (e.g., [ADP](#), [Gusto](#)). Fintechs are also competitive players in this space, offering a variety of financial wellness solutions including emergency savings (e.g., [Sunny Day Fund](#), [SecureSave](#)) and student debt related benefits (e.g., [SoFi](#)).

Credit unions frequently provide holistic workplace banking programs. They have developed highly customizable offerings by adjusting membership requirements to accommodate employers with a multi-regional or national presence. This includes creating custom products to match the needs of specific workforces, including workers living on low and moderate incomes (LMI), and having a convenient physical presence at the workplace. While not many financial institutions offer workplace banking solutions, some examples of these programs include workplace banking accounts offered by PNC, financial education programs offered by [PNC](#) and [Truist](#) (Momentum), two-day early pay access offered by [Capital One](#) and [Fifth Third Bank](#), and paycard solutions offered by [U.S. Bank](#). In our interviews, however, subject matter experts noted that several large national banks have scaled back, pivoted toward higher wealth workers, or shut down workplace banking programs in recent years, primarily citing challenges with customization, privacy, scalability, and account values. Early research also points to the checking account-first and/or financial literacy drives-first approach that banks have traditionally taken, as opposed to meeting workers' needs within the workplace context. This report summarizes key elements of well-designed workplace banking and financial wellness programs.



Workplace Banking Models in Action

The business model for workplace banking programs varies based on the goals and capabilities of each financial institution. Below, we highlight models found in our research.

Holistic offerings

Holistic offerings enable expanding relationships with workers by offering a robust workplace banking solution. This may begin with checking, savings, coaching, and/or credit solutions but allows for relationship growth into personal or auto loans, mortgages, etc., after a worker has already become a customer.

BCU offers checking accounts, credit products, and impact metrics in offices located on site to provide important financial tools to employees and to demonstrate value for employers. BCU's partnership with employers like Target, UnitedHealth Group, and others demonstrates how this model can create strong relationships with employees, support employers' financial wellness goals, and provide the financial institution with new channels for consumer growth.

Partnership with fintechs and benefit providers to provide underlying account services

Partnership or Banking-as-a-Service (BaaS) models can help banks build on their core capabilities, and leverage existing relationships of the benefit providers.

Banks like Fifth Third Bank and Evolve Bank & Trust are underlying account providers for workplace solutions like ADP Wisely® and Sunny Day Fund, and are demonstrating this model's effectiveness. These banks are able to provide valuable backend banking services, such as card management, fraud protection and risk management. This partnership allows workplace benefit providers to focus developing on core competencies.

Partnership with existing benefit providers to integrate add-on banking solutions to supplement existing benefit offerings

Partnership with existing benefit providers allows banks to offer more holistic solutions from providers who have already designed quality products.

Millennium Trust, a financial services company, has provided Voya, a leading retirement recordkeeper, with [emergency savings fund solutions for their workplace providers](#). This partnership enabled Millennium Trust to provide an out-of-plan savings offering for Voya customers to help Voya create a more holistic offering for employers. Additionally, Millennium Trust is able to focus on their benefit offering and utilize Voya's expertise and existing relationships with employer partners.

Integrative offerings that connect with the broader benefits suite of employers

Given the wide range of existing workplace benefits programs, instead of leading with more products, banks can also [act as the "connective tissue"](#) by simplifying coordination among the existing host of employer benefits, adding value that was not included in previous workplace banking programs with large banks.

[Morgan Stanley at Work](#) recognized the opportunity to act as the "connective tissue" between typically disconnected workplace benefits. They offer a custom financial coaching and planning program, with intuitive digital tools, that provides workers with actionable recommendations to existing workplace benefits that best support their financial needs, wherever they are on their financial journey.



Operate as a Benefits Provider

To be a successful channel for improving financial inclusion and wellness, banking institutions must understand workplace financial wellness through the lens of a benefits provider to serve the needs of their two key stakeholders: employers (specifically, benefits teams) and workers. While banks may already have relationships with treasury and finance departments at employers, connecting with key benefits decision-makers in the workplace context requires the adoption of a benefits provider mindset, which will make banking institutions more desirable in this crowded space.

Employer Needs

To make workplace banking programs attractive to employers, banks must understand the needs, priorities, and considerations of their key stakeholders: HR and benefits leaders. We identified four recommended strategies:

1. Lead with Financial Wellness
2. Report on Impact and Return on Investment
3. Prioritize Ease of Implementation
4. Connect to Diversity, Equity, and Inclusion (DEI) Goals

LEAD WITH FINANCIAL WELLNESS

A 2022 HR professionals survey found that [52% of respondents said non-retirement financial benefits](#) were “very important” or “extremely important.” [Financial wellness is a key priority](#) for employers thinking about their workplace benefits, while banking access by itself was not a priority. Workplace banking should be positioned as a means, not the end, toward greater financial wellness. Banking institutions should demonstrate how their workplace banking program can increase workers’ financial wellness by helping them manage monthly expenses, short-term and long-term savings, unplanned expenses, retirement, and more.

Our research consistently identified [emergency savings](#) as a leading benefit priority, which is top of mind for employers after the pandemic, inflation, and the passage of SECURE 2.0, which included [workplace emergency provisions](#). Our research identified other workplace banking solutions that will appeal to employers, including:

- Checking accounts with better terms (e.g., no fees and minimum balance requirements);
- Credit products with discounted rates;
- Actionable financial coaching;
- Payroll cards (particularly in industries with high turnover and more part-time workers);
- Small-dollar personal loans; and
- Health Savings Accounts (HSAs).

REPORT ON IMPACT AND RETURN ON INVESTMENT

Access to banking has improved markedly through wider banking inclusion initiatives such as [Bank On](#), but achieving true financial inclusion for un- and underbanked workers will require workplace banking programs to take a [holistic focus on quality outcomes](#). HR professionals consistently express a strong interest in seeing positive financial impacts on their workforce and a desire to better understand how the benefits they offer match worker needs. There is often also a mismatch between worker needs and workplace benefits. Banks can meet both demands by understanding worker needs, and measuring and reporting on key outcomes; for example: savings, credit access, credit scores, and actionable coaching.

Employers have limited benefits budgets and need to establish the business case and show the return on investment (ROI) for benefits. Employers are [primarily concerned with recruiting and hiring, worker retention, and productivity](#), especially for the lowest wage workers. Banking institutions can demonstrate the value of the workplace banking programs by working with employers to track and report the impact of their programs on these key metrics.

One way to do that is through dashboards that are easy to access and use, through an employer login or email updates, showcasing key metrics around take-up and engagement with different banking solutions. One subject matter expert referred to the types of financial wellness assessments and trackers that demonstrate this impact as “table stakes” for any successful workplace financial wellness program. Some workplace banking programs offer this through [employee financial wellness assessments](#) with scores that can be tracked over time, while others provide [calculators](#) to translate employee outcomes into employer ROI.



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REDUCE OR MINIMIZE TIME AND COST REQUIREMENTS

Benefits teams are often capacity-constrained and greatly value ease of implementation—upfront, as well as ongoing. Strategies to ease implementation include:

- Data feeds and payroll integration
 - Build simple data feeds that easily integrate with existing employer systems. Payroll integration simplifies this data sharing, and unlocks opportunities to simplify employee user experience with product sign-up and ongoing engagement.
- Employee communication campaigns
 - Employers look to their vendors to provide marketing materials that they can deploy. [Research shows](#) that workers prefer multi-channel and frequent communications. Banking institutions can work with employers to co-build communications plans and/or campaigns strategically (i.e., channels, timing, frequency, roles), and provide different types of materials for the campaigns (e.g., emails, flyers, mailers, digital signage for physical locations, intranet banners). Employers may deploy the materials directly, or adapt them to their context, so materials should be designed accordingly.
- Support for incentives
 - Recent [research](#) has shown that offering incentives, even small ones, can be an effective strategy to increase employee uptake in workplace emergency savings solutions. Offer incentives (ongoing and/or ad hoc, as feasible) to drive enrollment and engagement.
 - Build data and reporting feeds in a way that supports employer-offered incentives.
- Ongoing relationship management
 - Employers expect workplace benefit vendors to provide relationship management beyond simply offering a benefit. For example, recordkeepers typically provide client relationship managers and communication specialists who support companies on an ongoing basis with identifying and implementing ways to enhance engagement. These services are greatly valued by benefits leaders. Banking institutions should assign a relationship manager to collaborate on financial wellness, or at the very least, a responsive point of contact to support with issue resolution.

CONNECTING WORKPLACE BANKING METRICS TO DIVERSITY, EQUITY, AND INCLUSION (DEI) GOALS

Financial insecurity, including lack of quality banking solutions, disproportionately impacts women, Black, and Latinx workers. As companies prioritize DEI goals and financial wellness, banking institutions can create workplace banking solutions designed to address some of those goals. By doing so, banking institutions can help employers respond to this important equity issue and demonstrate their industry leadership by connecting DEI goals with financial benefits.

One employer we interviewed described collaborating with their recordkeeper to understand financial wellness with an equity lens. We found that leading recordkeepers including [Fidelity](#) and [Voya](#) are already working on this, and have publicly announced their plans to conduct similar analyses. Institutions offering workplace banking programs can similarly work with employers to collect and analyze data necessary to understand how their programs can be structured to address issues of equity and inclusion in financial services.

Worker Needs, Wants, and Aspirations

In addition to responding to employer needs and positioning themselves as workplace benefit providers, banking institutions also need to deeply understand and respond to the needs of the workers who will be utilizing the benefits. We identified two recommended strategies:

- Align Benefits Offerings with Workforce Needs
- Create Inclusive Marketing and Engagement Programs



ALIGN BENEFIT OFFERINGS WITH THE WORKFORCE NEEDS

There are many existing initiatives to get people banked, yet millions of people living in the U.S. are still un- and underbanked, in part due to the lack of a strong value-add, both real and perceived. For workplace banking programs to be successful in closing the banking gap, banking institutions must carefully consider the make-up of a workplace and be available and accessible to all workers: full-time and part-time, salaried and hourly, and gig and contract workers. Workplace banking offerings to non-traditional workers, such as gig and contract workers, could be especially innovative due to their income volatility and traditional lack of workplace benefits. Further work is needed to understand the gig platform landscape and the unique financial wellness needs of those benefits leaders and [non-traditional workers](#).

Workers have many unmet needs, including [access to emergency savings accounts, and access to credit](#). Our research identified that many workers do not take advantage of workplace financial wellness programs. There may be several reasons for this:

- Are workers aware of the benefits?
- Are the products explained in an easy to digest way, and in multiple languages?
- Do the product offerings align with the needs of the workers?
- Are the product features accessible and inclusive?
- Are there associated costs and/or fees?
- Is the sign-up process convenient?
- Is there adequate customer service support, and is it available outside of working hours or shift times?
- Is the solution portable?

Institutions offering workplace banking must consider all of these potential barriers when developing their programs and can work with employers to assess which barriers may be most prominent for a particular workforce. Beyond looking at take-up and engagement data, surveys, in-depth interviews, focus groups, and co-design exercises can all be effective tools to engage workers in this process.

Institutions can develop effective workplace banking by [designing worker-centered solutions](#) that meet employee needs. Again, this requires understanding the unique needs of each employers' workforce, and modifying the programs accordingly. For example, a credit union we interviewed created a workplace program that offered a provisional checking account and actionable financial coaching focused on credit building to workers who were formerly incarcerated, had prior adverse banking relationships, and/or were credit invisible. While this offering may not be necessary for all employers, it is an example of how banking institutions are well-positioned to respond to complex employee needs through customizable solutions.

CREATE INCLUSIVE MARKETING AND ENGAGEMENT PROGRAMS

When supporting employers with benefit communications materials, workplace banking providers should create clear, easy-to-understand, relevant, respectful, and inclusive messaging that resonates with workers. Workplace banking providers should consider creating [materials available in multiple languages](#) and materials for different communication channels to make solutions accessible to a wider audience.

Privacy and security are central to establishing and maintaining trust both in financial services and in the workplace. Institutions must work with employers to clearly communicate to workers that a workplace bank account is the workers' own portable and private account, and their employer does not have access to their individual account. While a majority of workers report trusting their employer, that trust cannot be assumed to extend to an employer having insight into a worker's personal finances.

[Consumers prefer relational banking](#) as opposed to transactional banking, so marketing and engagement strategies for workplace banking programs must gain worker trust by building and investing in relationships with workers. Workplace banking programs can do this by leveraging existing employer initiatives like benefits ambassadors, business resource groups, and other relational initiatives that utilize community elements of the workplace. Workplace banking programs should be designed for ongoing worker engagement, as opposed to one-time efforts, such as an in-person "checking account opening" campaign without follow-up. Our research identified that past campaigns of this kind led to further worker dissatisfaction and a feeling of disconnectedness with banks. By taking a relational and continuous approach to marketing and engagement, workplace banking programs have the opportunity to develop long-term customer relationships with workers that may outlast their employment at a company.

Consumers prefer relational banking as opposed to transactional banking, so marketing and engagement strategies for workplace banking programs must gain worker trust by building and investing in relationships with workers.





Beyond Traditional Workplace Banking Models

Although there are many moving pieces to building a workplace banking program, banks and benefits providers can explore various models and consider opportunities to start with small, manageable pilots with an employer; for example: offering a high-demand product like a liquid emergency savings solution for workers of an existing client. This can include a test of product-market fit, communication, incentives, impact measurement, client relationship management. Working with an existing client can simplify the internal compliance process for banks in some cases, reducing the time to market.

Banks can also explore running in-house pilots with their own workforces to further contain the learning scope. Commonwealth has partnered with banks and other financial institutions on running such pilots to draw learnings and inform scale rollouts. One benefits leader we interviewed also recommended hiring benefits experts to help develop the strategy in a more thoughtful and expedited manner.

Finally, as banks identify creative ways to support credit unions and [Minority Depository Institutions \(MDIs\) who are already serving un- and underbanked populations](#), some banks may find that they can create positive impact by exploring ways to support their workplace strategies.

Conclusion

Workplace banking can be an effective channel for providing quality banking and financial wellness solutions for some of the roughly 25 million households in the U.S. who are un- and underbanked. Employers are increasingly recognizing financial wellness as a key workplace need, and banking institutions are well positioned to address this need because they have qualifying solutions and relationships with employers.

Workplace benefits is a competitive landscape with many players, and so workplace banking providers need to set themselves apart. To successfully offer workplace solutions, banks and other providers need to operate like a benefits provider, which means solving for the needs of employers and the needs of workers.

Commonwealth identified the following strategies to meet the needs of employers:

- Lead with financial wellness;
- Report on impact and return on investment;
- Prioritize ease of implementation; and
- Connect to DEI goals.

Strategies identified to meet the needs of workers include:

- Aligning benefits offerings with workforce needs; and
- Creating inclusive marketing and engagement programs.

There are opportunities to start small through manageable pilots with an employer who is an existing client, or with banks' internal workforce.

This workplace banking opportunity will allow banking providers to deepen relationships with employers and create long-term relationships with workers, all while helping to address the lack of access to quality banking solutions and tools to build financial security for millions of un- and underbanked households.

We are actively engaging with innovators, fintechs, financial services firms, industry experts, employers, and policymakers. To learn more about how your organization can partner with us to discover new data, receive expert insights, and strategize to improve financial security and opportunity, contact Charvi Gandotra, Director, at info@buildcommonwealth.org. We look forward to working together towards a more equitable financial future for people living on LMI.

Endnotes

¹ The terminology used here reflects the Race/Ethnicity characteristics data captured in the FDIC national survey and does not necessarily reflect Commonwealth's chosen terminology.

² Amounts transferred to your savings envelope will no longer appear in your available balance. You can transfer money from your savings envelope back to your available balance at any time using the myWisely app mobile app.

³ The Wisely card is a prepaid card, references to digital accounts are referring to the management and servicing of your prepaid card online digitally or through a mobile app. The Wisely card is not a credit card and does not build credit.



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