Panel 4: Sustaining Customer Relationships

MR. MILLER: So, welcome back everybody. Thank you. Our next panel is called Sustaining Customer Relationships.

The moderator of this panel is Daniel Dodd-Ramirez. He's the assistant director of the Office of Financial Empowerment at the Consumer Financial Protection Bureau which we heard something about this morning from Michael Barr.

Daniel's office focuses on the specific opportunities and challenges of low-income and economically vulnerable consumers.

As many of you know Daniel previously served as the executive director of Step Up Savannah in Savannah, Georgia, a poverty reduction initiative founded by the city and the chamber of commerce there.

Daniel has appeared before our Advisory Committee on Economic Inclusion a number of times. We appreciate that.

One change to your program I want to make note of for you. Rey Ocanas from BBVA was scheduled to present on this panel.

Unfortunately he contacted us yesterday afternoon, I think it was right after we got the word that the SWAT team was going to be out, to tell us that the was ill and unable to travel. So we're sorry for that.

But joining the panel in his place will be Janet Gordon. She's at the far end. Janet is the associate director of community affairs here at the FDIC.

And let me just say I really appreciate her willingness to sit in and contribute to this panel at the last minute.

So Daniel, let me hand it over to you. Thank you.

MR. DODD-RAMIREZ: Great. Good afternoon.

So, I have a chance to moderate this panel. I'm very excited to be here today.

And let me just say quickly that I'm not going to moderate like Jonathan Mintz moderated the last panel.

There will be no attempt at jokes. Although if I had his wit maybe I would.

But trying to get remarks cleared through the CFPB and having jokes be scrutinized by a couple of hundred lawyers is not an easy thing, especially when your boss is in the room. She's no longer here so I probably could have gotten away with it.

But I am very excited about the panel today, especially in this context of economic inclusion and bringing consumers into the financial mainstream.

I want to thank you very much, all of my colleagues at FDIC for putting on this important conference, and for the important work that you all do every day to help the nation's most vulnerable consumers.

I think this is really great timing here with this panel. We talked about partnerships this morning and we know how critical partnerships are for the work that we're all doing.

And now this sustaining customer relationships. And the panel afterwards is going to be focused on growing those customer relationships. It's a lot of really good thinking about how all these link one to the other.

We know that when we're looking at customer relationships partnerships is really key, and engaging families where they are, building relationships with them where they are, and understanding those unique needs is absolutely critical and paramount. So I really appreciate the thought that was put into these panels and how they really do link with one another.

As the chairman has already said we know from the FDI surveys about half of the unbanked households in the U.S. have had past banking experiences.

For a variety of reasons they exited the banking system, some voluntarily and some involuntarily.

The most commonly cited reasons they gave, and this has already been spoken a little bit about today, according to the most recent FDI survey were that they don't have enough money to keep an account, they want to avoid a bank to maintain their privacy, they frankly just don't trust banks, they believe bank account fees are too high, and they believe that bank account fees can be unpredictable.

But just as importantly as why people don't have or want bank accounts is what they want out of an account.

The FDIC research also sheds light on some of the ways the banking system may attract the unbanked back into the banking system, including helping to ensure expedited access to their funds, the ability to check their balances more frequently, low-cost services, the use of mobile platform to capture increasing smartphone use which was talked about also by our lunchtime speaker.

The reasons cited in the FDIC unbanked survey associated with the cost relative to the amount of funds they have on deposit suggests that many consumers are making informed decisions that but a relatively short-term perspective.

They may not see the value in having an account to make basic transactions, especially when the costs of maintaining that account can be opaque, inconsistent and often delayed.

Alternative financial services may be more expensive, but their appeal is that the price is transparent, the cost is in many cases known at the time of transaction, and for people operating with low and inconsistent balances greater certainty about how much money they have at any given moment may trump the promise of lower cost and greater convenience.

For some they may be more attracted to alternative providers because they are more conveniently located, have close relationships with clients and are established providers in the community.

Allow me to go off script for a moment. This morning there was a lot of talk about sustainability in the face of vulnerability.

And it made me think a little bit about growing up in central Maine raised by a single mother who was living here, came here from living in Colombia, an immigrant family.

And we were raised by her. She was working in a wool mill. We received food stamps.

I remember we had a bill at the general store that we could -- she could charge milk or she could charge things to and every week she would pay it.

We depended on food stamps. I remember we used layaway plans. Anybody remember layaway plans? And she would use those layaway plans really thinking about what she needed.

She counted her pennies. And she really set money aside on a regular basis thinking about unexpected or expected, anticipated family expenses like snow tires for the car so she could get back and forth to work.

And it was really hard with limited income and three children, and certainly not all the obstacles that we see in the financial marketplace today, and certainly not all the predatory practices either. But we were able to get by.

But really this whole idea of really planning for unexpected expenses, and really dealing with thinking about how to smoothen her income and set money aside, all these things were really critical to us.

We've seen that timely information is key for consumers with low or fluctuating account balances.

For example, one of my team members helped run a low-income credit union for several years, and he reported that for many of the previously banked customers who became new members of the credit union the most common communication they had was to check their current balance either by phone or through the ATM, and sometimes this occurred more frequently than once a day.

As was mentioned I used to run a non-profit in Savannah, Georgia. We ran the local Bank On initiative.

And I'm still impressed with the amount of time the 20 or so financial institutions put into thinking about how to better serve the underserved.

I also remember moving testimonies from customers who had deep relationships with individuals at credit unions and banks.

And it went far beyond a simple transactional relationship. In many cases people were getting encouragement and support about their finances from staff.

And I do agree with what Denise was saying earlier about there is a lot of turnover within financial institutions, but there's also a lot of people that do stick and have really deep relationships with customers.

I also, since I'm here at the FDIC I also remember the strong commitment by the FDIC, in particular Tom Stokes, the regional manager from Atlanta who allowed his team, Penny King and many other community affairs people to come out to support that Bank On initiative.

It was really critical for the work that we were doing.

On this panel we're going to hear from three experts who are going to talk about steps they've taken to enhance customer experiences.

I'm going to give them a chance to give some introductory remarks. Feel free to blend in some jokes if you'd like to.

And then we're going to invite the audience to pose your own questions and your own comments.

So let's go ahead and start with Katy.

MS. DAVIS: Hi, everyone. Katy Davis from ideas42. Very excited to be here and part of the conversation.

Leigh, Janet and I have been practicing a slapstick routine luckily or unluckily for Daniel. So if you see us pulled offstage with a cane you'll know why. Don't be alarmed.

So I'm going to start off by talking a little bit about ideas42. We're a non-profit behavioral design firm.

Our mission is to take the insights from the behavioral sciences world, that's social psychology, cognitive science, behavioral economics and related disciplines, and apply those insights in the real world to design solutions for real world problems.

Often these end up being the sort of sticky social problems where traditional solutions have not -- gotten us maybe part of the way there, but not all the way there.

We have research roots. We were founded by two behavioral economists and a psychologist who wanted to do more than publish journal articles.

They wanted their research to really be reaching practitioners who could put it into practice. So we maintain roots with the academic world through our advisory council who help set our strategic direction.

We also have a wider network of academic affiliates whom we'll bring in on particular projects so that we can leverage their expertise.

And yet most of our staff are actually practitioners who have experience implementing things in the real world and are familiar with the many challenges that arise there.

Consumer finance has really been at our core from the very beginning. It's near and dear to our hearts.

We've branched out quite a bit in recent years to education, health, criminal justice, energy and the environment.

And we work around 60 percent based in the U.S., 40 percent internationally.

And the way we work, because we are a non-profit we're typically grant funded. But we actually do our work through our partners.

So we partner with non-profits. Many of those names on the screen will look familiar to you. There are a few here in the room today.

We work with government agencies at the federal, state, and local city levels. And we also work with private sector businesses including many credit unions and financial providers when we have a common goal of social impact.

And the way we work with these partners is a process we call behavioral diagnosis and design where we'll tackle a particular problem, try to understand what are the psychologies at play and what are the contextual factors that are shaping people's mental reactions and behaviors.

We'll design to solve those problems, and then we'll try to test it using rigorous research methods to see if we had the impact that we expected.

And then of course we try to share those insights with the field.

I wanted to end on a note that was not about ideas42, but was about something more interesting which is humans.

Many of you have probably seen this slide before. We show it quite a bit. I think it perfectly encapsulates something about human beings.

Coming here today I optimistically packed my gym clothes and my gym shoes. I did not make it that far. These gentlemen in the photo actually made it much farther. They made it all the way to the gym. They seem to have their towels in hand.

And yet you might wonder do they actually want to exercise. Right? Maybe they're already sweaty. I hope so.

So, this is the funny thing about humans is often we do have good intentions about what we should be doing, but it's often these contextual features around us that end up shaping our behaviors, and can actually end up interrupting those intentions sometimes.

Where an escalator is placed versus a staircase actually has impact on what those outcomes look like.

So this means that as designers it's actually good news because it means that the programs we design, the products and services we design, and the way we design them can actually have quite a bit of impact on what people end up doing.

So I'll pause there and hand it over to Leigh.

MS. PHILLIPS: Thank you very much. So, hi everyone. It would help if people who run organizations that focus on technology could use basic technology like turning on the microphone. Thank you, Janet.

Oh, and there's a sign there too. So humans also don't read signs apparently, or follow instructions. But we do make jokes.

MR. DODD-RAMIREZ: That was really good, actually.

MS. PHILLIPS: Thank you very much. So, I'm Leigh Phillips. I'm the CEO of EARN. I know many of you from this role, but also from my former role as director of the San Francisco Office of Financial Empowerment, some work I had the privilege to be involved with for over a decade.

I took the helm at EARN about 18 months ago so it's still a relatively new job for me, and learning lots from many of you in the room.

But there's been a lot of changes at EARN over the last few years and I'm really excited to tell you a little bit about how things have been going for us, and then to have this conversation about customer and consumer engagement.

So many of you, most of you if you do know EARN probably know the organization from being one of the largest and best known providers of matched savings accounts, individual development accounts and children's savings accounts.

The organization back in 2001 was actually created to bring asset-building programs to scale.

There have been so much promise and so much evidence coming from our friends at looks like CFED about the impact that savings has on low-income people, not just in their day-to-day finances, but also in their long-term prospects.

And so EARN was really designed to bring those ideas to scale.

Over the first kind of decade or so of our existence we thought we did a pretty good job. Became one of the largest IDA and child savings providers in the United States under the leadership of our founding ED Ben Mangan.

Within that time we helped over 6,000 people save $7 million of their own money. And these are folks living primarily in the Bay Area. So making about $21,000 a year, but still able to save over $100 a month on average towards their dreams and goals.

So we thought that was pretty good and pretty impressive, but at the same time I know that we've all been talking and thinking a lot about wealth, and income, and equality in this country.

And I think never perhaps before have these issues been more at the forefront.

Within that the shocking statistic that half of the people in this country don't have four or five hundred bucks. So very basic levels of financial instability.

And this was true as well for the clients we were seeing at EARN. So people were coming onboard, saving in their IDAs, but the number one reason people did not complete the program was because of an unforeseen emergency, most often a car repair which forced them to withdraw.

So the organization really started to think about the connection between short-term financial resilience and long-term asset accumulation, and really start to take a different look at this problem.

Of course being in the Bay Area and close to Silicon Valley it was hard for us to not think about such a big problem without thinking if a technology-based solution really could be developed that would help us tackle this.

So over the last 18 months at least since my time at EARN we've actually been focused on launching a new product which helps people establish a habit of saving through their phones, and to do that across the United States.

So our mission of course is still heavily focused on helping families to save and ultimately do better financially.

But now we're focused a little bit more, or much more on flexible savings. So helping families save their first $500.

We're committed to using principles of user-centered and human-centered design, and we're actually working with ideas42 to help us get better at doing that.

So, first and foremost we're designing, testing, rolling out these user-centered programs to support and encourage consistent savings. And I'll tell you a little bit more about the first program that we've launched to do that.

Second, we talked a lot today about partnerships. But really when we're talking about partnerships we're talking about integration. How do we bring more services together to better serve more people in ways that work for them.

And again, if you've ever been involved in running a matched savings program, an IDA, a CSA or anything else you will know that the operations of these programs are very complicated, and there are very few tools, technology or otherwise, or products in the market that help us actually bring savings programs out into the market. So that's another issue that we're looking at at EARN.

And of course as a non-profit our ultimate goal is to generate the data and the research and the insights to drive effective policy change. And that's another way that we can all get to scale.

So, this is a little bit about what we've been doing very briefly. There's other slides in your packet that have different screenshots than these.

So what we launched back on October 1, 2016 is a program called Starter Savings. It's a completely mobile-based program.

You sign up on your phone, on your computer, on your tablet. It's pretty simple to qualify. You have to live in the United States. You have to have an email address. You have to make 80 percent of area median income or below and our system is engineered to critical that based on your zip code. And that is kind of basically it.

So, we often get asked how people hear about the program which functions and you start to save. You link your account. You start saving and you earn cash rewards for saving small amounts of money.

So the first step is hearing about the program. We have more than 70 non-profit partners across the United States. We are able to tag their users and give reports to them on the savings performance of their clients which is a pretty cool new innovation.

But we've also been really thinking about how we again reach people at scale. We tried traditional Facebook advertising and other things and it really didn't work much at all.

What has worked for us especially well is partnerships with other digital and online influencers, whether or not those are financial bloggers who have large followings of people online, or most successful for us was actually running advertisements within other apps that are aimed at this target population.

The one we are using here as an example is an app called FreshEBT that helps people manage their food stamp balances. And if you haven't checked that out you really should because it's a very, very cool program.

So, once you learn about the program you join and you sign up on your phone. It takes about five minutes.

And then we use a type of technology called data aggregation which is apparently more complicated than using this microphone, but I will try and explain it to you.

And so a data aggregator is the technology that powers things like Mint.com, Digit, Even, most of the financial applications out there.

And what that allows us to do is connect our service to the banks and credit unions across the country that people are using.

So another big innovation that we've been able to bring to the field is the idea that people can save in the account that they use, in the account that works for them. They don't have to go and open a specific account in order to use this program.

So you bring your own savings account. You go to our platform. You put in your online banking credentials. You get connected to the EARN platform. You start saving and earning rewards.

So we reward savings gains of $20 a month. So when you start we get a baseline of what the balance was in your savings account. And if you have a gain of $20 in a month we will give you a $10 reward for doing so.

Again, we're looking at the premises that we're building our programs around. I think that the asset-building and financial capability field have done a really good job of proving these points.

Low and moderate income households will save when they can save, when given the right incentives and tools to do so. I believe we know that to be true.

The act of savings is transformative beyond just finance. Over the 10 or more years of tracking data we've actually found increased confidence not just in finances, but in the way people feel about their lives, the way people feel about their families and their futures more broadly.

We've also found that small amounts of savings can build lasting resilience and stability. And I'm sure everyone here has read the great work coming from the Urban Institute showing that relatively small amounts of savings, $250 to $750 are very impactful in preventing evictions, people falling behind on payments, or people being forced to rely on public benefits in the event of a job loss.

So we're trying to bring all of these concepts to scale with this relatively simple design.

So what that graph says is that over the last six months we have reached over 4,000 savers in all 50 states across this country.

And if you consider that in the 10 years prior we served 6,000 people and we think 4,000 in six months is a pretty great achievement.

If we were looking indeed at this wonderful slide you would actually see another number, and that number reflects our members.

We are recruiting, people are joining our platform at the rate of about -- that's a different slide but I'm just going to keep going -- at the rate of about 1,000 a week.

And so it's always the people that talk about technology that have this.

I'm just going to not use that word anymore. So apparently technology is not the solution. I was wrong.

(Laughter.)

MS. PHILLIPS: That's it, we've overwhelmed the system. That's what's happened.

So, if someone with a remote control can go back one slide that would be a little bit helpful.

I think Jonathan's doing this.

MR. DODD-RAMIREZ: You can't rehearse this.

MS. PHILLIPS: He does try and make me laugh when I'm on panels so this is a pretty good way of doing it.

So, 34,000 members. That's the number that I'm trying to say. That's what I've been trying to say for the last five minutes.

So, folks are signing up online all across the country. We're extremely excited about the growth and the results to date. We think we're on track to sign up at least 50,000 members onto this platform by the end of this year and hopefully have over 5,000 or more active savers.

And I know in the discussion we can talk a little bit more about what that means.

We are also doing a lot of work with partner organizations. So we're using our technology to fuel other -- whenever I say the word technology. You couldn't make this up. Am I going to become a YouTube sensation through this amazing presentation?

MR. DODD-RAMIREZ: I hope somebody is filming it.

MS. PHILLIPS: Apparently somebody is.

MR. DODD-RAMIREZ: Okay. Should we go on?

MS. PHILLIPS: Yes. So, the last thing I will say is that we've been working with partners across the country to launch custom programs built on our technology platform.

So we just launched a project with NeighborWorks America who are providing a 2 to 1 match to folks in affordable housing across 17 sites.

We're in the third year of a pilot with Levi Strauss who are doing dollar for dollar matching for their hourly wage employees.

We have a randomized controlled trial we're working on with the Stanford School of Medicine looking at the health-wealth connection, and a two generational project through the Oakland Promise.

So I just wanted to illustrate a little bit of some of the innovation that we're doing and how we are powering that innovation through a word that begins with T which I am no longer going to say.

MR. DODD-RAMIREZ: I think we can guess what that word is.

MS. PHILLIPS: Thank you.

(Applause.)

MR. DODD-RAMIREZ: Very good. Thank you. I want to thank Janet again for stepping in here. Janet, if you could talk a little bit about what you do here at the FDIC for folks that don't already know.

MS. GORDON: Well, first of all I didn't have talking points so I didn't have to clear them.

MR. DODD-RAMIREZ: And you're not going to have any technology problems.

MS. GORDON: My boss is in the room. But the most important thing is that the team at the FDIC who serves in Community Affairs, key members of that team are also in the room and they're really the people who on the ground work very hard to facilitate partnerships like the ones represented by the kinds of people who are in the room today.

And really Community Affairs does two very important things to promote economic inclusion.

The first is we -- you've probably heard the words Money Smart, www.fdic.gov/moneysmart to be exact.

We create free curricula for everyone from pre-K to what we call older adults. Now many of us fit in that category.

But the important thing is that there's something for everybody in the curricula and the financial education tools that the FDIC creates, often in collaboration with many partners.

We do focus groups. Some of you in this room have helped us with those focus groups of trainers and of learners.

Some of you do piloting of our tools. And we cannot deliver financial education in all of your communities. We make it available and we train trainers, and those trainers are emissaries of all of our partnership efforts into communities and schools.

So, I have to take this opportunity to thank those of you who are supporting Money Smart. There would be no Money Smart without many of our partners.

Which leads us to one of the other things we do is promote partnerships across the country. We have staff in all of our regional and two of our area offices. Some of our staff hide out in field offices.

And I have to say that that team is the one working as technical assistance resources to many partnerships across the country, working with financial opportunity centers, working with Bank Ons, working with asset-building coalitions.

I have to say that the strategy behind our work is also important to us. We focus on five opportunities. See, I've made Mark smile because the five opportunities are sort of our core grounded set of opportunities that reflect what we call a progression of economic inclusion from financial education, being aware of financial opportunities and financial goals, to the next step which is opening an account, a savings account, a transaction account, learning how to interact with a bank, hopefully having a good experience with the service provided.

The next rung on the ladder is credit and savings. We've all heard about volatility. We've all heard about cash cushion today. So, credit and savings is the third rung.

And we include access to financing for housing and home ownership.

And then finally, access to financial services for small businesses.

So we see all of those things. You can make it a rainbow. You can make it a ladder.

But we see all of those things as interconnected which is why the diversity of partners in this room today is so important to us because you can connect actually across some of the rungs, all of the rungs, one of the rungs, but all the people in this room are helping us work through building relationships between low and moderate income people, diverse low and moderate income, connections to economic and financial inclusion through all those various access points. So I just want to express appreciation for that. Thank you.

The one thing I want to do is ask the team from the regions, the eight Community Affairs managers as well as the two managers of our Money Smart team to raise their hands. I would like for you to see them.

(Applause.)

MS. GORDON: And they are the ones you should really talk to. And their names and addresses are all online.

MR. DODD-RAMIREZ: Great. Thank you very much, Janet.

Thank you all for those introductory remarks. Clearly this panel brings a wealth of experience and expertise. So we're focused here on supporting consumer control and success to support sustainable customer relationships.

A thread running through these opening remarks has been learning from customers.

So I'd like to see if any of you can share with us an example of how insights from consumers changed something you did, or something a partner did to better address customer's needs.

Would you like to start, Katy?

MS. DAVIS: Sure thing. So a big part of our work is relying on customer insights, both from customers and about customers, and using that diagnosis or discovery process to inform what we end up designing.

So to share an example we've worked for many years with Alliant Credit Union based in Chicago.

They came to us with a particular problem where they had rolled out a new mobile check deposit app and they were very puzzled why many of their consumers continued to use those old channels of going into the branch and depositing in person, or even mailing it in.

Only a very small percentage of their customer base started adopting this app when it was released despite some communications efforts to tell everyone about it.

So they thought there might be a couple of things driving this.

One was maybe it's comfort with technology. Maybe there are folks who simply aren't comfortable with using mobile services. Maybe the older folks haven't yet adopted their smart phone technology to the extent that they should.

Another thought was maybe it's a trust and security issue. People don't feel comfortable depositing their checks using this app.

So we started doing a few things. One was looking at data on actual use of these services.

And what we found was there was no breakdown by age based on who was adopting mobile check deposit.

Secondly, we found there wasn't even a correlation with who was using online banking. So it seemed unlikely that it was a comfort with technology issue.

And when we started doing interviews with consumers and doing some focus groups a couple of themes emerged.

One was that a lot of folks knew about it, they just hadn't tried it yet. And it was much easier to keep using the channels they were familiar with.

They were used to going into the branch on Saturday. They were used to mailing it in when they walked to work and dropped it off in the mailbox.

So a lot of them were interested in it, but hadn't taken that step yet.

Other folks had tried it, but it hadn't worked. And it usually was user error issues because it was kind of a tricky app to use.

So when we were designing we thought well, maybe this is actually an action problem. Maybe we need to help people overcome that hurdle of using the app for the first time.

And what we designed was a little welcome kit. It was basically the gentlest way you could get someone to try out a mobile app.

It had some simple language around what the app was, highlighting that many customers were starting to use it, thousands of customers were trying it, so some social norms language in there.

And then we had a five dollar welcome check to get people to be incentivized to try it out that first time.

And then we also included a little placemat with three-step instructions on exactly where you're supposed to put the check down. It had a little frame, the three steps of how to take the picture properly, make sure that it went through, and then advising you on what to do with the check afterwards which we also discovered was an area of concern from consumers.

So we found with this welcome kit it did increase. We did a randomized controlled trial and found that it increased mobile check deposits by about 40 percent, switching from other methods.

But interestingly we also found that it increased the total volume of checks deposited. So for Alliant this was huge because it meant that they were actually capturing larger share of wallet from their customers who might have been depositing those checks somewhere else.

So we find that these ways of engaging with consumers, whether it's looking at concrete data on how people are engaging, or talking with them directly can often help us question those assumptions we have at the outset that may or may not be true.

MR. DODD-RAMIREZ: That's a great example. Thank you very much.

We know especially as the lunchtime speaker was talking about rural areas, if there's an internet signal there how critical something like that is, if roads are iced or whatever to be able to --

MS. DAVIS: Small hassles.

MR. DODD-RAMIREZ: Yes. And we know how critical time is too for low-income families.

Leigh, would you like to talk to us?

MS. PHILLIPS: Yes, that's right. I think actually from both of those points.

The first time we ever put all of our programming online was actually with a prior program because we heard that from consumers that they would prefer to be able to sign up for programs online because of time.

So, we had a beta version of our Starter Savings program that we ran for just over a year. And there was a couple of things that we learned there that we decided to change when we launched the new version that rolled out on October 1 of 2016.

So, the program again is you sign up, you save $20 a month in your own account and we view that activity and reward you with $10 a month in rewards.

In the first version of the program if you made a withdrawal from your savings account you lost your rewards and had to start over.

And given that we're trying to have a goal-based program focused on consistency we have learned that the monthly requirement was better at turning people into lifelong savers than just focusing on saving amounts of money. So we wanted to replicate that behavior.

But what we started to hear from consumers and from users was I made it to month 4, something happened. In one case a woman told us that she had to move house.

I had to move house. I took the money out of my savings account and I had never before had money in an account that I could use to pay for something. And that felt really good.

Then I lost all of my rewards and had to start over and that felt really bad.

So in the new product we've changed two things.

First off if you need to use your savings you don't get penalized for that. You just won't receive a reward that month. But if you do have a net gain in savings of $20 you'll continue to receive rewards.

The second big change was looking at, again, the ill-fated graph that I showed that had this number of what we call members trending really high at about 34,000 people in six months, and then this other number of savers that was at about 4,000 people over six months.

And that was because in the old program you used to have to link an account before you could even get into the product to see it.

We've discovered that people like to look at things. They like to look at things, they like to get to know the organization a little bit better. And this proved to be the case with an app as well as anything else.

And so now you can sign up. You can take the survey. You can register with your email address. And that's what those many thousands of people have done.

So that allows us to build trust with people over time. It also allows us to learn more about folks.

So a lot of them aren't saving because -- we support 15 banks and credit unions on our platform right now. We have a running list of 220 others that people are requesting be added to the platform. So that's one change.

We're hearing from people that don't have accounts. We're hearing that people are opening accounts in order to join the program. So that's all good news.

But what this is allowing us to do by letting people get in the door first is to have a connection with them and to be able to provide a better range of services.

MR. DODD-RAMIREZ: That's great. Thank you.

Janet, do you want to speak to this? I've got another question if you'd like to lead on this one?

Okay. So let's ask this one last question and then we'll open it up to the audience, and if there aren't any questions I've got some other ones here. But start thinking of some questions, please.

The second question that I'll ask Janet to answer first. Some themes that we've seen associated with underserved consumers are the needs for convenience, control, affordability and how to address the volatility they experience with their income and their expenses.

So, how have these themes come through in your engagements with consumers?

MS. GORDON: So, I think it's an interesting question. Although I'm not routinely working directly with consumers it happens that I was at the same meeting that Naomi talked about earlier with the National Disability Institute yesterday.

And the release of the report on the fact that many, many people with disabilities are unbanked or underbanked at a much higher rate than the population as a whole, and even similar low-income populations without a disability.

So, this household survey discussion also had a reactor panel of organizations and individuals with a disability who've had banking experiences.

So they actually were reporting on their experiences with banks.

And certainly the things that are important generally to consumers that Daniel talked about, that were talked about really all day are certainly similarly critical for people with disabilities.

First of all, financial knowledge that facilitates real world goal-setting and real world action. So, making that education really actionable and really tailored to what's relevant.

Products that are transparent and meet their needs like our safe accounts, like the small dollar credit that is designed to help them improve their housing, to make it more adaptable to meet their needs, things like that.

Technology. Technology is a real support and assistance for people with disabilities from a range of perspectives.

I watched my father who was blind go from little records to at the end of his life reading and recording using much more sophisticated and adaptable technology.

All those things help. But at the end of the day they need to have experiences that reinforce trust, and that experience includes walking into the branch and being accepted with respect, and having no gotcha moments with their products, reliable customer service.

It comes down to whether you're young, old, or have a disability, having that experience that tells you that you are valued as a customer.

So that was some of the feedback I got just yesterday. It was easy to remember it. And I think it goes across all of our customers. They want to have that kind of experience with a bank.

MR. DODD-RAMIREZ: Thank you, Janet, that's great. Would either of you like to add something here?

MS. PHILLIPS: Yes, absolutely. So, one of the many great things about technology is that it allows people to take action more instantaneously.

So people can actually act at the moment when they are thinking about doing something. I'm sure Katy has more to add about those types of ideas.

So you're looking at something already on your phone. You see an ad for something on an app you're already using, and you can push the button and be signed up within five minutes for something else.

I think that that's really powerful, and it speaks to convenience and also taking advantage of people's intention in that moment.

Saving money is one of those things that like exercise we all want to do more of tomorrow. Allowing people to do that today I think is really important and powerful.

It also means that we get a lot more real-time data. So we're looking at real-time account activity through this product.

We know where people are coming from. We know where they're banking. We know how much they're saving.

We have so much more information that we can piece together to try and deliver services that are more geared towards serving people with the products and services they need.

MR. DODD-RAMIREZ: That's great. I want to congratulate you on getting through two talking moments without any technology problems. Using the word technology. So you can feel more confident next time. Katy?

MS. DAVIS: Sure, I'll add just a couple of points.

So, adding to Leigh's point about convenience. Technology introduces all these new ways of operating with less hassle.

But it can sometimes also introduce new hassles. So if you think about the need to download an app, the need to go find your password, or reset your password. These really small steps that we think should be insignificant could actually cause huge drop-off when we're designing in that online environment.

And then I think there's a tension. So it's tempting because of that to make everything completely hassle-free. To take that to its extreme would be automating everything. There are a variety of products that actually all the activity happens on the back end. As a consumer I don't need to pay attention, I don't need to engage.

On the other end of the spectrum you have things that require more effort and attention, but give the consumer more perceived control.

And we heard earlier today from Rachel who mentioned consumers at the lower end of the spectrum often object to that automation because it feels risky. It feels threatening when I know I might get hit with an overdraft fee if that transfer is going to go through.

So I think to resolve that tension there is sort of a happy medium somewhere in the middle where you can incorporate that element of ease and automation, but also attract the consumer attention at the right time and give them a moment to intervene.

So you could imagine an automated savings transfer that's click to confirm, or click to cancel where it will still go through and you just have to click to initiate it, or you have to click to make sure that it goes through.

So yes, I think that it also ties in with the affordability piece in terms of having control over whether those fees are incurred or not.

Daniel, you already talked a little bit about this, that it's not a cost calculation necessarily.

It's also as a consumer do I feel like I'm making a choice about incurring this fee, and do I know how much it's going to cost.

So I think all three of these ideas are intertwined, and it requires a little bit of balance when you're designing around them.

MR. DODD-RAMIREZ: Excellent. Great. Let's go ahead and open it up for members of the audience to ask questions.

MR. GILMORE: Hi, Brian Gilmore from Commonwealth. We're a Boston-based non-profit.

And savings and engaging savings products is something that's really core to the mission of my organization as well.

And I know that our financial institution representative isn't on the panel, but I was just curious if you all could speak to how you're bringing financial institutions into particularly the sort of engaging savings product conversation.

In our travels not all financial institutions are excited about small dollar savers. So just sort of how have you interfaced with financial institutions, how do we get them onboard to say savings is something that should be core to their mission that is also fun and exciting, and driving the kind of behavior changes that we're hoping to see.

MR. DODD-RAMIREZ: That's great. And you just basically took my third question. That was perfect. Would anybody like to address that?

MS. GORDON: I'll take a quick answer. We just completed something that other people have talked about which is our youth savings pilot.

And as part of that we have a whole set of resources online where there's a roadmap to get financial institutions engaged with savings for young people.

MyPath folks have talked about already, but also we want to recognize the Council of State Bank Supervisors which worked with us to catalogue the current status of custodial and non-custodial account requirements.

We have a link to that on our website as well so that we're trying to reduce barriers and encourage savings habits at an early age.

MS. PHILLIPS: So it's a really great question, and I would say that you are correct that large numbers of small dollar accounts for low-income people aren't necessarily seen as a particularly attractive product from a business perspective.

So one of the things I think that we've been able to solve for is to allow a more I guess in some ways passive relationship with financial institutions.

We don't work with any one in particular. Right now we have 15 on our platform through a third party service.

So that allows people to go and bank with a bank or credit union of their choice that they're familiar with without us actually having to ask for anything special from the financial institution.

So we think that there's some great promise there.

We also -- seeing that you, Brian, are from Commonwealth it's a good time for me to mention that we're trying to figure out what the real role is for non-profits in this financial technology space, and as such have formed a group that Commonwealth is a member of along with EARN, the Mission Asset Fund, MyPath, Financial Clinic, and the Federation of Community Development Credit Unions, non-profit leaders in financial technology to actually unearth and answer some of those questions to support each other as we grow our work.

But also to make sure that low-income consumers remain -- that they have a voice in the emergence of these new technologies, that they're not being left behind again.

And so I think that that group is doing great work to really make sure that low-income consumers can also participate as these new technologies come about.

MR. DODD-RAMIREZ: Thank you. Let's go ahead and take another question.

MR. BLOWER: Brad Blower, American Express.

What do you do in those instances to find out when a customer has changed their behavior about why they've changed their behavior. What kind of life event has led to that.

And how do you benefit from those teachable moments with your customers, and not creep them out because you're asking very personal questions.

(Laughter.)

MS. PHILLIPS: I do try not to creep people out.

So, again thinking about this is -- people sign up for our program and not all of them are ready to save. Sometimes they have had a life event.

And one of the things that we're learning particularly from users who have come from that partnership we have with FreshEBT, so people who are currently using food stamps, is that they may have suffered a recent job loss or income dip that is now the reason why they're using food stamps.

And they joined EARN as an aspiration, that they're aspiring to get back.

So what we're looking to develop now is more of a voice and a way of communicating with all of those members to further build trust, to provide helpful information and content both about personal finance and about consumer rights.

But also to let people know that this is very difficult. People are struggling right now. It's not easy for everybody to find $20 to put away every month.

And to acknowledge that. And to be able to support people with other tools and resources that may be useful to them in a hopefully useful, non-creepy way.

MS. DAVIS: I would just add that in addition to customer interviews and focus groups it's really helpful to also be regularly collecting administrative data that can paint a fuller picture of the consumers' lives.

So, asking people why they did something in qualitative interviewing techniques doesn't always give you the information you want to know, both because sometimes people want to please the interviewer, and also because sometimes they don't have great insight into why they did something.

So often asking what and how questions as opposed to why questions can be a good way of getting a glimpse into someone's life without seeming too invasive, and also getting more helpful answers about what's actually going on.

MR. DODD-RAMIREZ: Janet, do you want to add anything? No? Great. Maria, do you have a question?

MS. JARAMILLO: Yes. Maria Jaramilla from the CFPB.

And I wanted to ask you if you have used best practices or strategies to engage customers that have limited English proficiency, or if you're seeing institutions have strategies for that.

MS. DAVIS: I'll just add an example from the international realm.

So this isn't limited language fluency, but limited literacy. We've actually done a lot of work using imagery and in particular using comics or drawings to convey different types of information.

So we found that depending on the context it can be really helpful to find someone in the community who's an artist and find ways of people to express something to the community, or express something about the program in a non-written format.

MS. GORDON: I can just say briefly that -- and I see Keith looking at me -- when we do focus groups, for example, connected to our qualitative research on mobile financial services we have done some primarily in Spanish.

We are working currently to refocus and redefine our Money Smart for adults tools. And we're really looking at how we can reconfigure it to be more friendly for people with diverse learning styles.

And also we expect to pilot it in a way that will give us feedback from diverse community and other organizations.

MR. DODD-RAMIREZ: Leigh, would you like to add anything?

MS. PHILLIPS: I would say just similar to what Katy had said, using more visuals, video.

In the beta year we had English and Spanish. We're endeavoring -- with the new product right now it's in English, but we'll be working to get other languages added this year.

MR. DODD-RAMIREZ: So, I've got one last question here.

On the flip side I wonder if there's anything you'd like to say about the limits of technology and the benefits of engaging with consumers directly.

MS. DAVIS: Sure. I mean, I think I've touched on a little bit about the sorts of hassle factors that can appear that are unintended.

I do think that there is something about human relationships that transcends technology. But I don't think that means they have to be mutually exclusive.

So we've seen a lot of instances where someone already has a relationship with an organization and there are ways to bring that organization into the technology to reinforce it.

There's been some work in the international realm around people's relationships with loan officers at micro lenders.

And just including the name of someone's loan officer in a text message makes them more likely to repay their loan than folks who just got a generic message.

Making proactive calls before someone goes into a situation of financial distress also results in more responsiveness and better repayment than folks who are only reached out to after they're already in that state of distress.

So I think there are -- when those relationships matter there are light touch ways of bringing it into technology and making it more scalable.

MR. DODD-RAMIREZ: That's great. That's a great answer.

MS. PHILLIPS: It's something that was very concerning to us going from being a direct service organization working locally to now being a 100 percent technology-driven organization working essentially nationally.

But we're still seeing the same kind of results that we were seeing before.

I will say that referrals that have come through partners actually perform and convert to savers at much higher rates than people that find the program directly.

And those who come from some of those custom partnerships that I mentioned again are converting and saving at high rates.

So we're keeping an eye and monitoring some of that.

With technology in general like anything it's not the silver bullet, it's just a tool to help you to do things and try things more effectively.

I will kind of restate that we have to keep an eye on whether or not a lot of the technology products being developed today really do consider the needs of diverse consumers.

A lot of the products that we see at least where we're located are very much focused on high net worth Millennials. And so I think that's something that we need to have a voice in as well as to make sure that we're still making sure the products are developed for people who need them.

MR. DODD-RAMIREZ: Great. Thanks, Leigh. Janet, do you want to have the last word?

MS. GORDON: Sure. We do have a computer-based instruction set of tools for Money Smart. But we find that even those tools are often intermediated by partners.

So, a partner may refer a client to use the website, and then recollect them at the end to understand what they learned and to apply it to their goals.

So I think it's probably not an either/or situation, that technology supplemented by humanity and even introduced and mediated by humanity is probably essential as we all migrate to new things that some of us have better success with than others.

MR. DODD-RAMIREZ: Great. Thanks for wrapping us up. And please join me in thanking our panelists.

(Applause.)

MR. MILLER: Thank you very much, Daniel, panelists and for humanity. That was a great closing.

Again, thank you, Janet, especially for stepping in on such short notice.