



Promoting Employee Financial Health With a Mobile App

A STUDY WITH UNIVERSITY FEDERAL CREDIT UNION

AUTHORS



Heidi Johnson
*Director, Behavioral Economics,
Financial Health Network*



Necati Celik
*Senior Associate,
Financial Health Network*

ACKNOWLEDGMENTS

Many Financial Health Network staff members contributed to this work, including Marisa Walster, Beth Brockland, and Rob Levy. This work was completed in partnership with Monica Muñoz Andry, Lima Islam, and Scott Derber at University Federal Credit Union (UFCU).

This report also benefited from the external review of MetLife Foundation and UFCU.

This report is made possible through the generous support of MetLife Foundation, a founding supporter of our financial health work. All opinions are those of the Financial Health Network and not our funders or sponsors.



The FinHealth Impact Lab

The Financial Health Network helps companies incorporate behavioral science principles into their product design and rigorously test the financial health impact of their products. This research was conducted through the FinHealth Impact Lab, a program available exclusively to Financial Health Network Members, which supports a select group of companies developing and testing innovations to improve financial health.

The FinHealth Impact Lab is generously funded by MetLife Foundation. Learn about the financial health solutions identified through the program at finhealthnetwork.org/research/financial-health-impact-lab-innovation-highlights.

Contents

At a Glance	2
SECTION 1 Study Background: Providing UFCU's Financial Wellness App to a Low- to Moderate-Income Workforce	3
SECTION 2 Who Chooses To Use an Employer-Provided Financial Wellness App?	6
SECTION 3 Which Financial Wellness Content Did Employees Seek?	9
SECTION 4 Designing a Workplace Financial Health Program for Engagement	11
Appendix	12

AT A GLANCE



INNOVATION

This study examines **employee engagement with PlanU, a financial wellness app created by UFCU**, as the credit union rolled out the app to workers at a local Austin-area employer as part of an employee financial wellness program.

KEY STATS

01

Nearly 1 in 3 employees in the Financially Vulnerable tier **downloaded and registered** for PlanU.

02

Employees ages 50-64 were **more likely to try PlanU** (12% registered for the app) than younger employees; the youngest employees (ages 18-24) did not use the app at all.

03

More PlanU users **opened savings accounts** (10 users) than engaged with educational content connected to financial health goals (six users).

TAKEAWAYS

01

Employer-sponsored digital financial wellness programs **appeal to Financially Vulnerable and Coping employees.**

02

Employers can reach employees over 50 with digital financial wellness offerings, defying stereotypes about older adults' engagement with digital tools.

03

Financial wellness providers should offer **in-app access to financial products or tools** for users to take action toward their financial health goals.

SECTION 1

Study Background: Providing UFCU's Financial Wellness App to a Low- to Moderate-Income Workforce

Financial concerns can be one of the top sources of stress for workers and impact their productivity on the job. In the Financial Health Network's 2019 [survey of employees](#) at midsize and large U.S. firms, 2 out of 3 workers with incomes under \$60,000 said their finances cause them stress.

Seventy-eight percent of employees with high financial stress said that stress impacts them at work; furthermore, 74% of workers said it's important for an employer to offer financial wellness benefits to support their financial health. Employers are increasingly recognizing the importance of supporting their employees by providing financial health benefits that can reduce financial stress.

As a component of its employee benefits package, Goodwill Central Texas partnered with Texas-based credit union UFCU to provide financial wellness programming to 340 Goodwill employees at its headquarters (non-field staff) in summer 2021. These employees were primarily in the Financially Coping financial health tier (63%),

facing challenges with some areas of their financial health (see Financial Health Tiers below).¹ The majority of employees (58%) had incomes under \$45,000 per year (see the [Appendix](#) for more employee characteristics). About 1 in 4 employees were already UFCU members when the financial wellness program launched.



Financial Health Tiers

UFCU uses the Financial Health Network's FinHealth Score[®] to identify employee financial health tiers. The FinHealth Score is based on a series of survey questions and ranges in value from 0 to 100. Individuals with a score under 40 are categorized as Financially Vulnerable, individuals with a score between 40 and 79 are categorized as Financially Coping, and individuals with a score of 80 or above are categorized as Financially Healthy. View the full survey questions and detailed methodology at finhealthnetwork.org/score.

¹ See *Implementation Tip: Measuring Employee Financial Health* on page 6 for UFCU's approach to measuring the financial health of Goodwill employees.

UFCU's financial wellness program for Goodwill employees included a series of program orientations and information about UFCU services, such as checking and savings accounts, but **the program cornerstone was providing Goodwill employees with access to PlanU**, its new financial wellness mobile app. PlanU includes educational content aligned with the Financial Health Network's four pillars of financial health (Spend, Save, Borrow, and Plan). PlanU users who are UFCU members can also open a new savings account within the app and set up automated transfers to the savings account from another UFCU account.

UFCU provided **large incentives** for Goodwill employees to engage with PlanU: Employees who downloaded the app and registered were entered into a drawing for one of two \$250 Visa gift cards. Additionally, UFCU incentivized setting up automated savings transfers with a raffle to win a \$1,000 Visa gift card. Offering raffles with large prizes can be highly motivating, as people focus on the large dollar amount.

For employers and providers who offer employee financial health benefits, it's important to ensure those benefits meet employees' financial health needs and to understand how employees engage with their benefits. The Financial Health Network's FinHealth Impact Lab team partnered with UFCU to explore how Goodwill employees engaged with PlanU during the seven months after it was introduced.



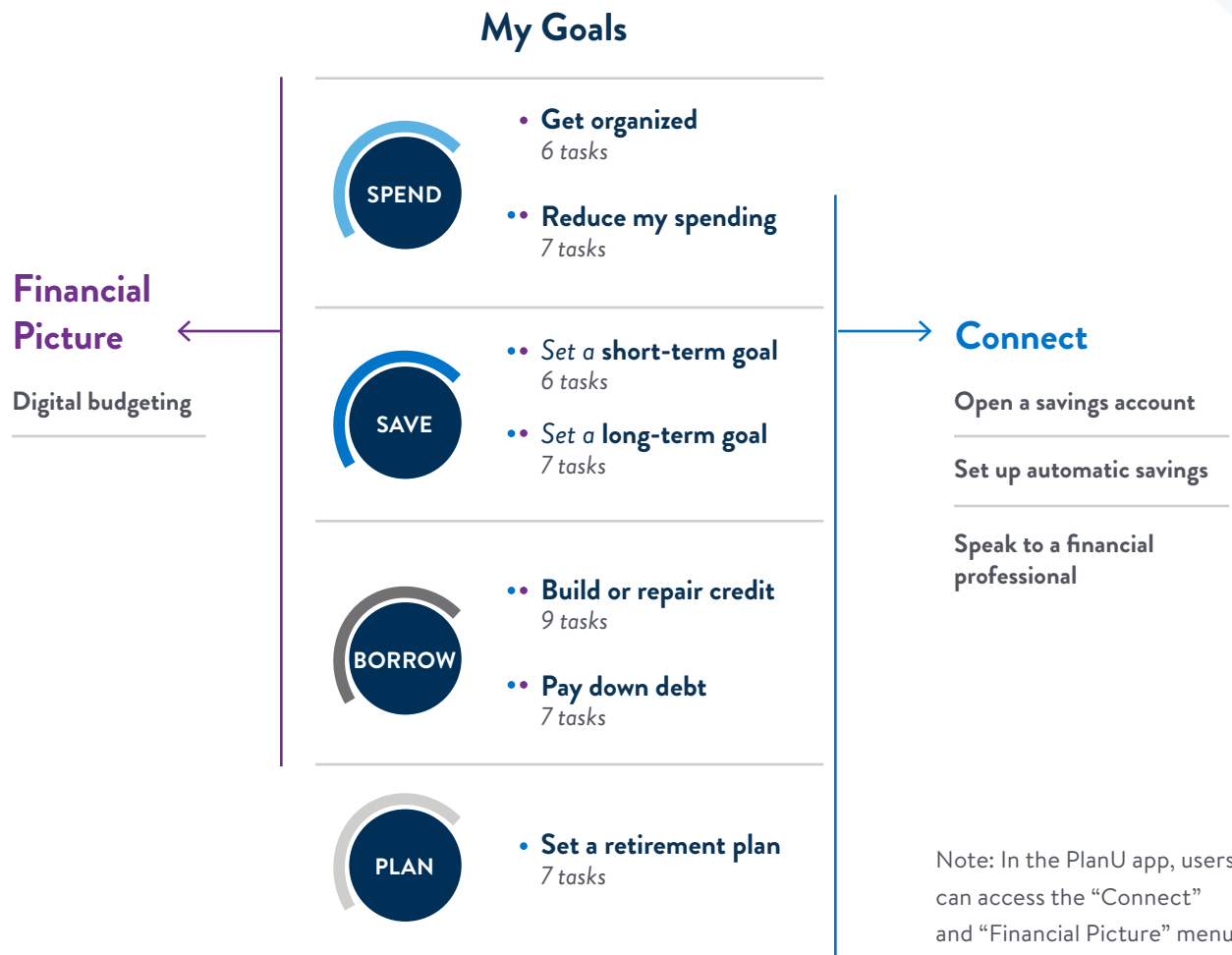
PlanU: A Mobile App Financial Wellness Tool

UFCU's PlanU mobile app connects users with resources, tools, and guidance to put them in control of their financial health. Its key features include:

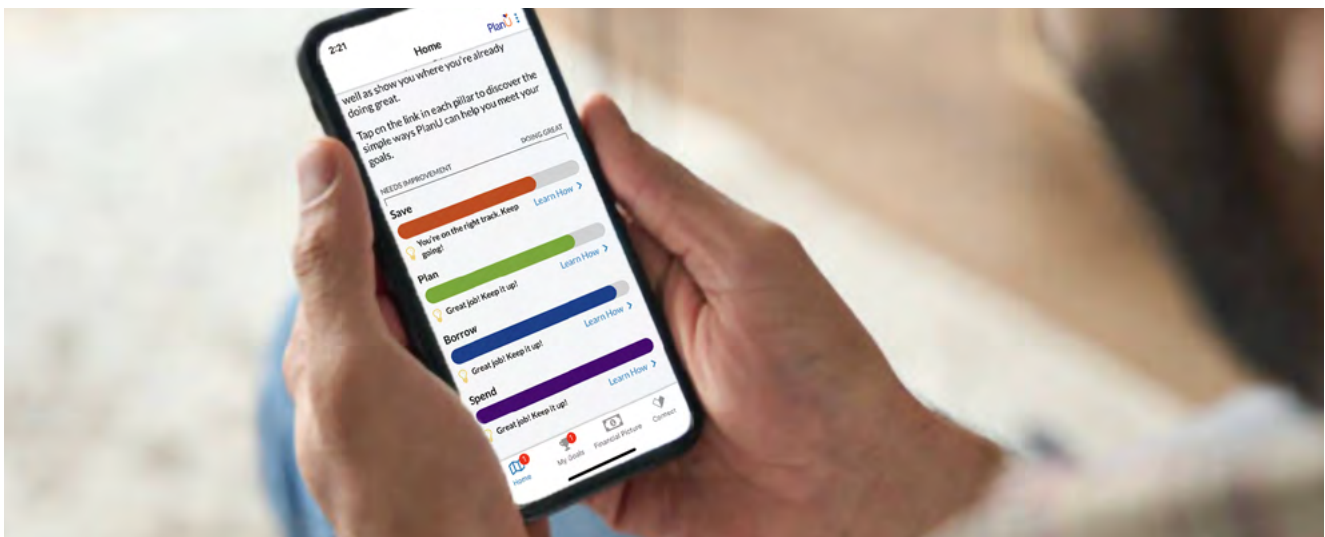
- A quiz identifying priority areas for financial health improvement, leveraging the Financial Health Network's FinHealth Score methodology.
- The ability to create a digital budget in the Financial Picture tab.
- Guidance and content organized by goals connected to each pillar of financial health. Users can achieve a goal by completing tasks, such as reviewing related educational content, within the app.
- The opportunity to open additional savings accounts (in-app for UFCU members only).
- Automated transfer setup for recurring deposits to a new or existing UFCU savings account.
- Appointment scheduling with a UFCU certified financial health advisor.

See Figure 1 on the next page for a diagram of content and user flow in the PlanU app.

Figure 1. Content and user flow in the PlanU app.



Note: In the PlanU app, users can access the “Connect” and “Financial Picture” menus either directly or through engaging with different tasks under “My Goals” menu.



SECTION 2

Who Chooses To Use an Employer-Provided Financial Wellness App?

Among Goodwill employees eligible to register for PlanU, about **1 in 10** (9%, or 32 out of 340 employees) **downloaded the app and registered** within seven months. This strong engagement was driven primarily during the first few weeks, when employees who registered were eligible for a Visa gift card drawing and as UFCU reinforced the availability of PlanU in its employee PlanU program orientations. The significant share of Goodwill's workforce that tried PlanU in this period may reflect the effectiveness of using a raffle to incentivize participation.

To determine which types of employees were most interested in a digital financial wellness app offered through their employer, we explored how employee registration for and usage of PlanU differed among employees according to their salary, gender, age, and UFCU membership status. We also explored differences in registration rates for employees with different levels of financial health, as measured through a survey UFCU administered prior to program launch.

Implementation Tip: Measuring Employee Financial Health

Employers have a range of options for measuring the financial health of their employees to understand their financial challenges and design relevant solutions. To gain insights into the financial health of Goodwill employees prior to the launch of UFCU's financial wellness program, UFCU partnered with Goodwill to deploy [Attune](#), a financial health assessment tool built on the Financial Health Network's FinHealth Score measurement framework.

Employers can access the survey questions and the logic used for building the FinHealth Score in a publicly available [FinHealth Score® Toolkit](#). Employers can also leverage various employee data points, such as requests for pay advances, 401(k) withdrawals, or insurance enrollment, to begin exploring the financial health needs of different segments of their workforce. The Financial Health Network's [Employer FinHealth Toolkit](#) offers recommendations and tools for employers to start measuring the financial health of their workforce.

Financially Vulnerable Employees Sought Support

PlanU may have appealed more to **employees who needed greater support** with their financial health. Among the 30% of employees who completed the financial health assessment, close to 1 in 3 employees whose responses identified them as Financially Vulnerable registered for PlanU. The participation rate for Financially Vulnerable employees (31%) was higher than the rates for Financially Coping (13%) and Financially Healthy (19%) employees. Although these differences are not statistically significant due to small sample sizes, they suggest that PlanU may have appealed more to employees who could benefit from its features the most.²

Higher App Registration Correlated With Increased Income

An employer that designs and targets financial wellness benefits based on income without directly measuring employee financial health might overlook the financial vulnerability of higher-paid employees. We found that **salary-based PlanU registration rates reveal a different pattern than financial health-based registration rates**. Very few employees with salaries less than \$30,000 a year used PlanU, while registration rates for employees earning at least \$30,000 a year were significantly higher (13%*). This illustrates how **financial health and income don't always overlap**. In fact, only 30% of Goodwill's Financially Vulnerable employees earn less than \$30,000 a year.

Financial Wellness Apps Can Reach Older Employees

Employers can successfully reach older employees with digital financial health tools. Counter to stereotypes about age and digital engagement, no employees ages 18-24 tried PlanU, while employees ages 50-64 registered at the highest rates of any age group (12%*). This demonstrates that digital approaches to engaging employees in their financial health can be relevant for a broad range of employees.

While we expected that tech-savvy younger employees would be more interested in using a financial health app, employees in the youngest age group had other characteristics that were associated with lower engagement. The majority of employees ages 18-24 (86%) have worked for Goodwill less than a year, and nearly 70% make less than \$30,000 a year. Understanding how to best engage more recently hired and lower-income employees could help to enhance the design of financial wellness programming for younger employees.



² Employees who did not participate in the financial health assessment prior to program launch were less likely to register for PlanU (6%*) than employees who participated in the assessment (17%). Nonparticipants were also more likely to be 24 years old or younger and to earn less than \$30,000 per year compared with participants.

* $p < 0.05$

PlanU Appealed Equally to Employees by Gender

Across each of the employee characteristics that we considered, **gender had the least connection to PlanU engagement**. Men and women registered for PlanU at similar rates and had similar levels of engagement with the content.³ The ages and salaries of men and women at Goodwill were also relatively consistent, which may indicate a similarity in financial health needs that translated into their engagement with PlanU.

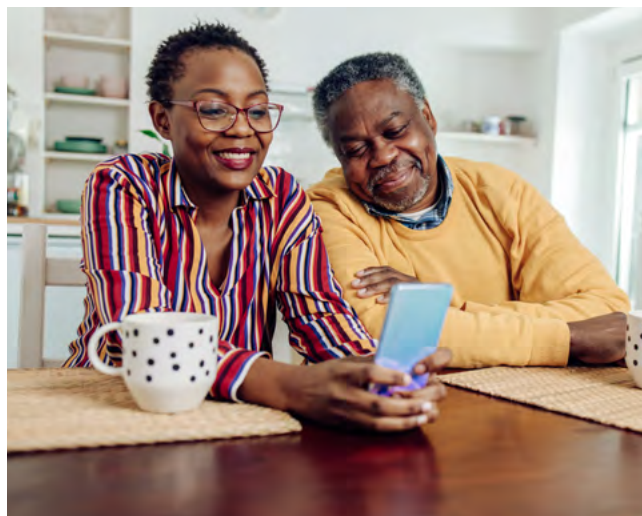
Established Trust Drove Greater Initial Participation

When offering employee financial health solutions, employers can overcome uptake barriers by **partnering with a financial health provider that workers trust**. About one-quarter (22%) of Goodwill employees offered UFCU's financial wellness programming were UFCU members. Members were twice as likely (16%*) to register than nonmembers (7%), perhaps due to greater familiarity with and trust in UFCU.

Although they registered at a lower rate, nonmembers were equally engaged with the app compared with members. Approximately one-fifth of each group (20% of members and 18% of nonmembers) completed at least one task in the app. This suggests that financial wellness providers should prioritize initial introductions to a new user population and find ways to increase familiarity and trust, as UFCU membership was not related to ongoing app engagement.

Financially Coping Employees Engaged Most With the App's Content

Understanding which employees find the most value in financial wellness app tools can help target communications and enhance the app's design and features to serve all employees. We found that app engagement patterns differed from app registration patterns. While Financially Vulnerable employees had the highest PlanU registrations, PlanU users who were Financially Coping at the time they registered and completed the in-app financial health survey were most engaged with the app's content. PlanU has 52 tasks users can complete in connection with seven financial health goals (see [Figure 1](#)). More Financially Coping employees who registered for PlanU completed tasks (33%) than Financially Vulnerable (17%) and Financially Healthy (0%) employees.



³ The data we received included a binary definition of gender identity. However, as an organization committed to diversity, equity, and inclusion, we are well aware of the limitations of this and strive to use a more inclusive definition of gender identity in our work where it's possible.

* $p < 0.05$

SECTION 3

Which Financial Wellness Content Did Employees Seek?

Tools To Start Saving Were Most Popular

Employees seized the opportunity that PlanU offered to open savings accounts. Of 32 employees who registered for PlanU, about **a third (10 employees) opened a new savings account**. Additionally, four employees who registered for PlanU set up automatic savings transfers.

UFCU's generous incentives, with a \$1,000 prize pool drawing for one employee who set up automated savings transfers, may have motivated some employees to open accounts and set up automated savings. However, savings account opening was not itself directly incentivized, and less than half of all users who opened new accounts set up automated transfers that would make them eligible for the gift card – indicating that this feature may have been connected to employees' intrinsic financial goals.

PlanU users' interest in savings is also reflected in their savings behavior after they registered for the app. When UFCU's financial wellness program launched in June 2021, members who registered for PlanU did not have meaningfully different balances in their UFCU savings accounts compared with nonregistered members (the median savings account balances for each group were \$95 and \$10, respectively). Seven months

later, however, **employees who registered for PlanU had significantly increased their balances at the median**. Among employees who were UFCU members when the app launched, the median savings balance for those who registered for PlanU was \$855* seven months later, while the median balance for members who did not register was \$30. Saving may have been a priority for employees who registered for PlanU and sought opportunities to act toward their goals.



* $p < 0.05$

Implementation Tip: Deciding How High To Make Savings Suggestions

For financial health providers that offer automated savings transfers, suggesting a savings amount to consumers can help them decide how much to save and to increase follow-through with setting up savings transfers. Deciding on a savings suggestion can be complicated, however. A high suggestion could discourage prospective savers, while a low suggestion might anchor savers on an amount that is less than they otherwise would have saved.⁴

UFCU and the FinHealth Impact Lab tested a low savings anchor (\$10 biweekly) against a higher savings anchor (\$60 biweekly) by providing each suggestion within the app to a randomized subset of Goodwill employees. Two users from each savings anchor group enrolled in automated savings. The two savers who saw a \$10 biweekly suggestion set up automated transfers for \$26 biweekly, on average, while the two savers who saw the \$60 biweekly suggestion set up transfers for \$48 biweekly, on average.

These results indicate that **higher savings suggestions might be beneficial**, but the number of users participating in automated savings through PlanU are too few to be conclusive. Financial health providers offering savings opportunities should **suggest various savings amounts** to see how they influence users' decisions about whether and how much to save.

Financial Educational Content Had Lower Traction Compared With Direct Action

Employees may have found PlanU features that enabled them to directly take action toward a financial health goal to be the most appealing and relevant. Users' higher interest in opening savings accounts contrasts with their lower engagement with app content, despite the lower user effort required to engage with the educational content. Overall, more users opened an account and/or set up automatic transfers (10 people) than completed a task in the app (six people). Among the 10 users who opened savings accounts in the app, only two engaged with the app's content connected to short-term savings.

Of the four financial health pillars (Spend, Save, Borrow, and Plan), **users focused on the Save and Borrow pillars** represented in the content of PlanU. Among the 32 employees who downloaded and registered with PlanU, five users completed at least one task under the Save pillar, and two users engaged with the Borrow pillar. The goal with the most engagement was short-term savings, with five users making a commitment.

⁴ See the FinHealth Impact Lab's report *Targeting Small-Dollar Savings Suggestions to Low-Balance Customers for an example of the challenges of savings suggestions and anchoring*.

SECTION 4

Designing a Workplace Financial Health Program for Engagement

UFCU's programming for Goodwill employees affirms that **workplace financial health benefits can reach some of the employees who have the greatest need for finhealth support**. Financially Vulnerable employees were more likely than their colleagues to try PlanU, and Financially Coping employees engaged with the app the most. We also learned that a digital financial wellness tool does not preclude engagement for older adults, as employees ages 50-64 were more likely than employees under 25 to try PlanU.

When designing digital financial wellness tools, providers should connect their tool to products and services that enable consumers to act on the financial advice they receive. We found that PlanU users were more interested in taking steps like opening a savings account than in reviewing content within the app. Although enabling these steps requires more effort from the user and the provider, it can be worthwhile to help consumers execute on their financial goals.

Implementation Tip: Preparing for Technical Challenges

Creating more opportunities for users to act can entail significantly higher technical complexity and effort, which financial health providers must plan for as they develop new financial health solutions. To facilitate account opening, for example, UFCU needed to configure the PlanU app to integrate with account origination workflows. UFCU found it difficult to reduce friction in the process for nonmembers, who needed to open their UFCU account outside the app. To enable users to identify and select accounts for automated transfers, PlanU needed to access information about UFCU members and their accounts. While integrating disparate systems can be challenging, PlanU user behavior indicates that this can be an important investment, as users gravitated toward action.

Appendix

Table 1. Demographic characteristics of employees invited to participate in the financial wellness program.

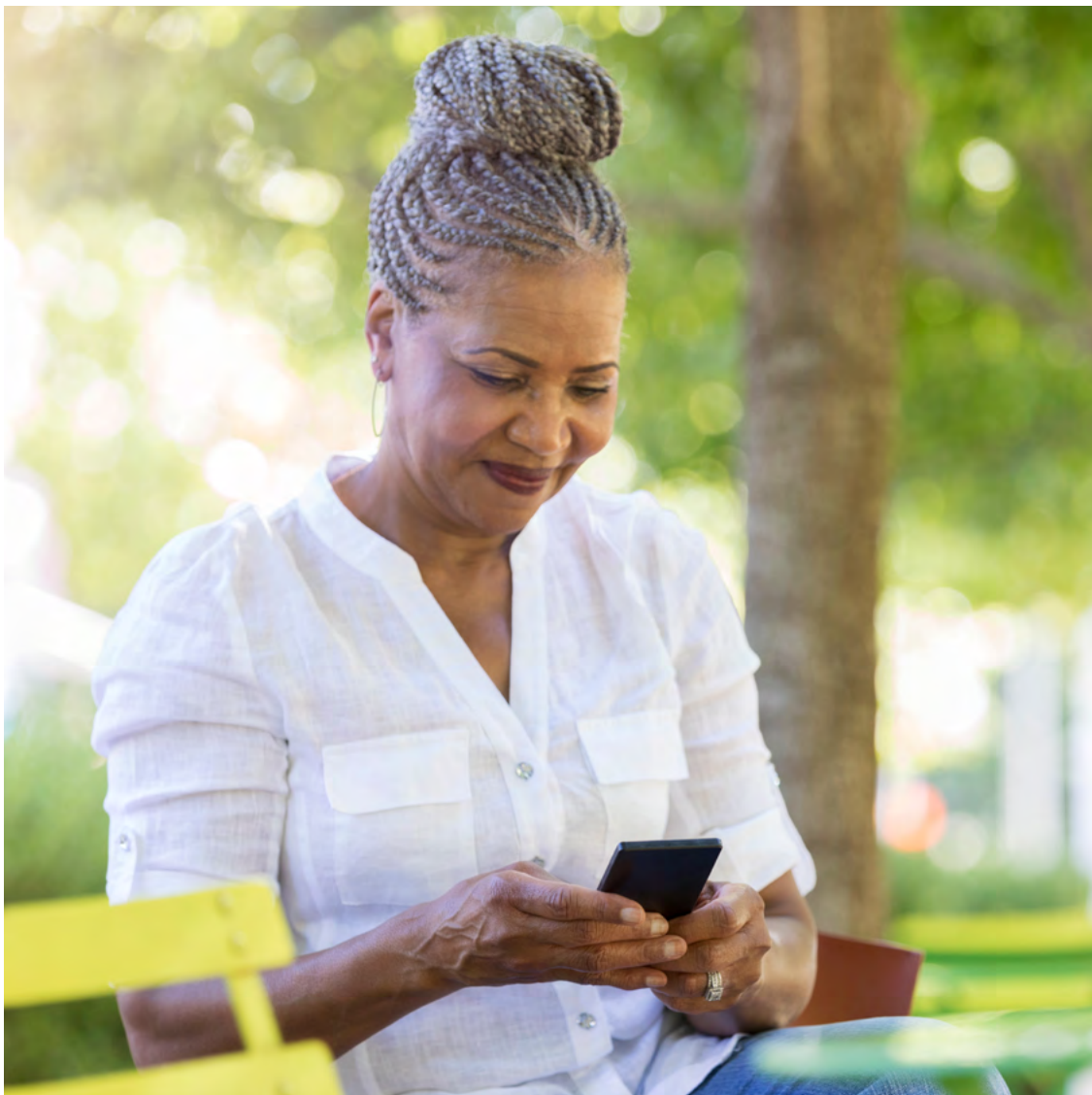
Age			Salary		
		Obs.			Obs.
18-24	13%	43	<\$15,000	11%	36
25-34	30%	101	\$15,000-\$29,999	16%	56
35-49	34%	116	\$30,000-\$44,999	31%	106
50-64	19%	66	\$45,000-\$74,999	33%	112
65+	4%	14	\$75,000+	9%	30
Gender			Financial health tier		
Women	61%	209	Healthy	8%	26
Men	39%	131	Coping	19%	63
			Vulnerable	4%	13
			Unknown	70%	238
Tenure			Membership		
<1 year	36%	122	UFCU nonmember	72%	245
1-2 years	35%	118	UFCU member	28%	95
3-4 years	12%	40			
5+ years	18%	60			
Total		340	Total		340

Table 2. Savings account balances of employees who were UFCU members at the financial wellness program launch.

Savings balance		Obs.
\$5 or less	27%	26
\$5-\$499	32%	30
\$500-\$2,499	16%	15
\$2,500+	16%	15
Unknown	9%	9
Average balance	\$1,425	86
Median balance	\$22	86
Total		95

Connect With Us





To connect with us about your financial health innovation, or to learn about the Financial Health Network's other research into financial health solutions, visit finhealthnetwork.org/behavioral-insights.





The Financial Health Network is the leading authority on financial health. We are a trusted resource for business leaders, policymakers, and innovators united in a mission to improve the financial health of their customers, employees, and communities. Through research, advisory services, measurement tools, and opportunities for cross-sector collaboration, we advance awareness, understanding, and proven best practices in support of improved financial health for all.

For more on the Financial Health Network, go to finhealthnetwork.org and join the conversation online:

-  @FinHealthNet
-  FinancialHealthNetwork
-  Financial Health Network
-  Financial Health Network
-  FinHealthNet

Financial Health Network

135 S. LaSalle, Suite 2125, Chicago, IL 60603 | 312.881.5856

© 2022 Financial Health Network. All rights reserved.