

The Future of Finance: Experience Reimagined

NELSON | INSIGHT SERIES



Post-Pandemic Financial Wellness

The COVID-19 pandemic has reframed how many consumers assess their financial standing. With an increase in job fluctuation, economic instability, and personal stressors, its no surprise that attitudes toward spending, saving, and considering our personal finances has rapidly evolved over the last year.

NELSON spotlights five changing consumer behaviors that are impacting the financial services sector and how brands can better position themselves for the future.

TRENDS TO WATCH

1



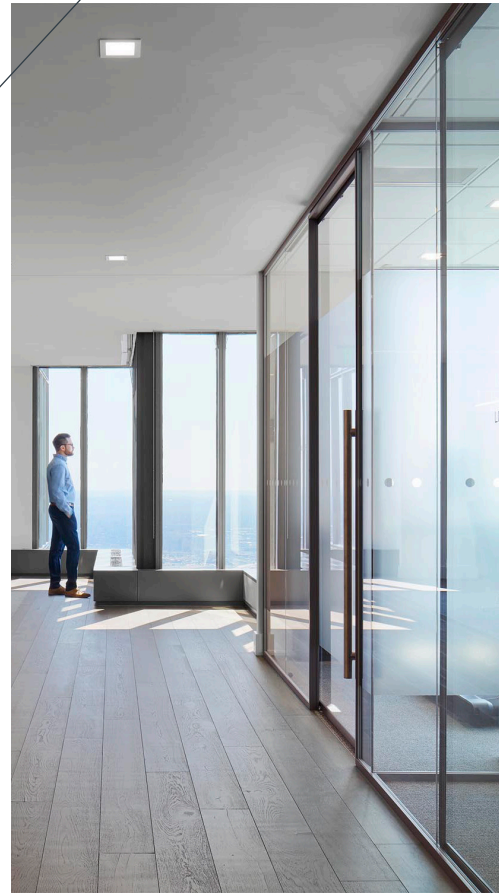
FREELANCE
FLEXIBILITY

2



THE 'RECESSIONAL'
GENERATION

3



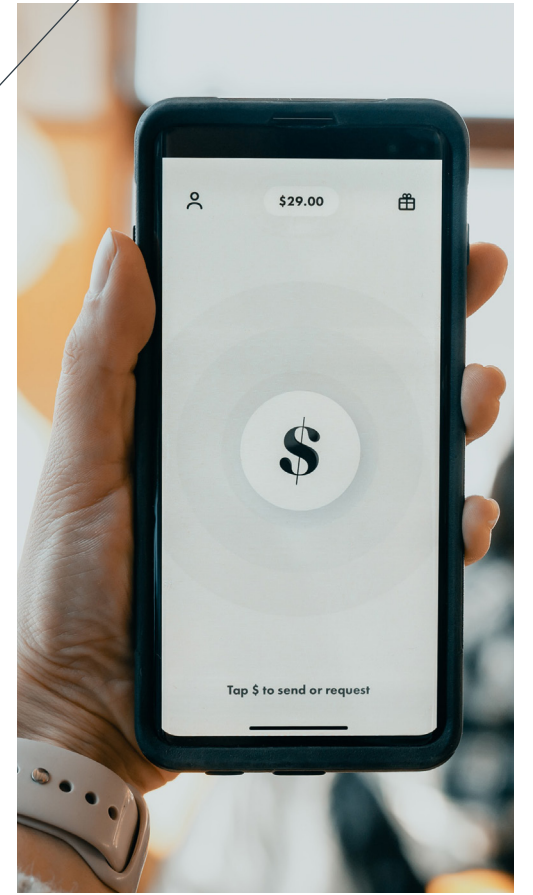
FISCALLY FUELED
ANXIETY

4



RIPE FOR
RETIREMENT

5



SMART
SPENDING



1

FREELANCE FLEXIBILITY

The increase in remote work paired with the shifting job market has created a surge in freelance employment. Younger generations, who represent nearly 36% of the US workforce, are looking for more autonomy and flexibility from their employers but still need a financial foundation to support their growing work style. Financial service companies can better position their brand for the future by offering app-based payment programs, resources to raise start-up capital, or environments where entrepreneurs can set-up shop.

86%

of banking executives globally think it's important for consumers to influence the personalisation of user experience.

(Stylus)



INNOVATION IN ACTION CAPITAL CAFÉ, BY CAPITAL ONE BANK

Capital Café, by Capital One Bank, is a community workspace that curates inspiration to help consumers reach their financial goals. Financial well-being is better with everyday well being – utilizing this space allows you to achieve both. By holding inspiring events with in-person ambassadors and money coaches, Capital Café connects customers' finances to their goals and dreams through free coaching appointments. Community space with local food and beverage is offered to registered nonprofit, alumni and student group meetings. The Café allows Capital One Bank to position itself as an expert in financial well-being in an open and organized space with personalized action plans to help each consumer reach their goals.



2 /

THE 'RECESSIONAL' GENERATION

Millennials and Gen Z, who were more likely to work in sectors that shut down due to COVID-19, now face a daunting job market. With entry-level jobs declining by 73% from December 2020 to May 2020, these younger generations are going to face a long road toward financial stability. Brands that invest in solutions and resources for young job seekers now will see their efforts pay off in the future if they are able to create loyal, life-long customers.

“Molded by the pandemic, emerging professionals acknowledge volatility as a lifelong expectation, and are now embracing adjusted life trajectories.”

-Alan Dandron, NELSON Worldwide



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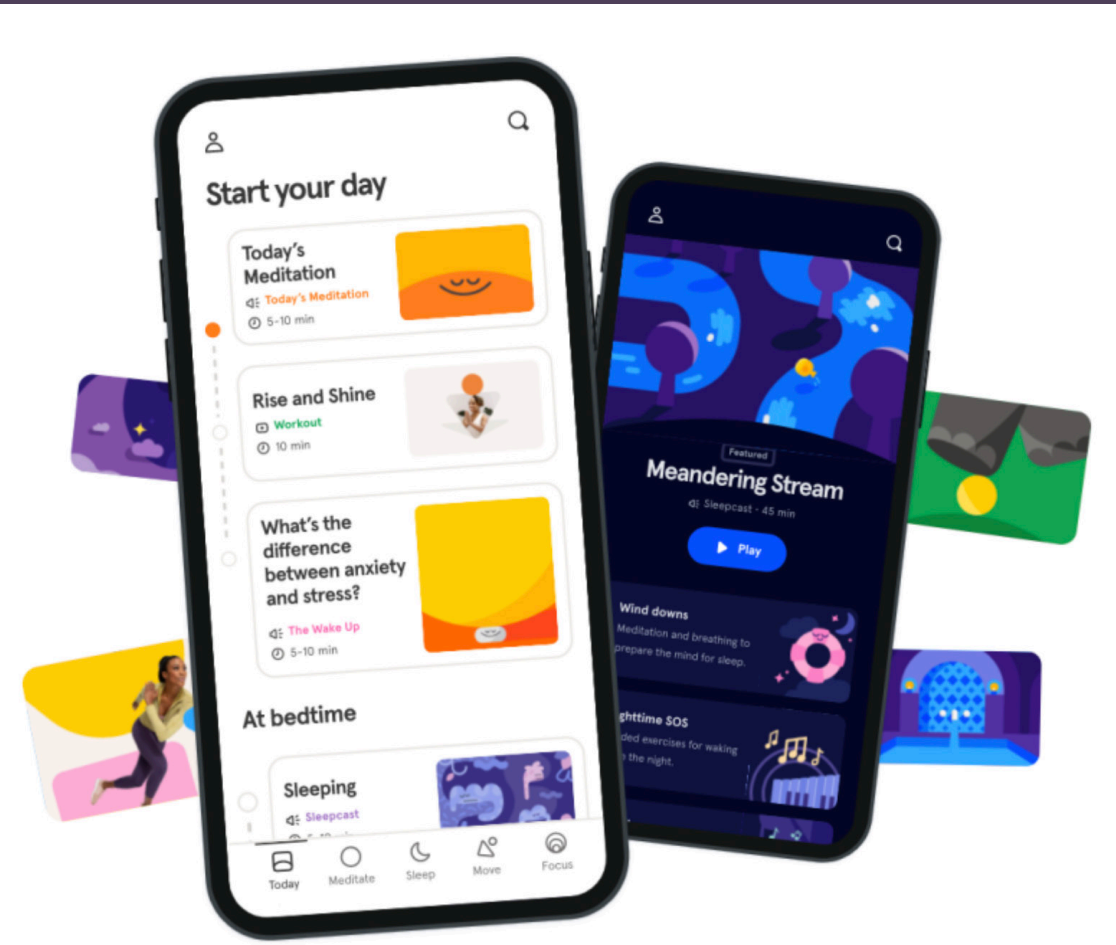
FISCALLY FUELED ANXIETY

There has been no shortage of anxiety and stressors in the past year and half, and finances are no exception. When these stressors are compounded by personal health and safety concerns, increased political tensions and an unstable economy, anxiety can become overwhelming. Brands that prioritize the consumers' need for positive self-care and mental wellness will find a unique opportunity to differentiate themselves in the industry. Providing resources that support rather than stress, from financial therapy to mediation apps, consumers are looking for a psychological boost.

40%

*of Gen Z and millennials
experience anxiety about job
or income loss.*

(Stylus)



INNOVATION IN ACTION HEADSPACE

Wellness in the workplace is key to help ease workers' mental stress. Mindfulness app Headspace launched 'Be Kind to Your Mind', a call-to-action for employers to provide a tool for mental wellness. The campaign acts as a reminder for brands to support their workers year-round, not just during unprecedented times.



4

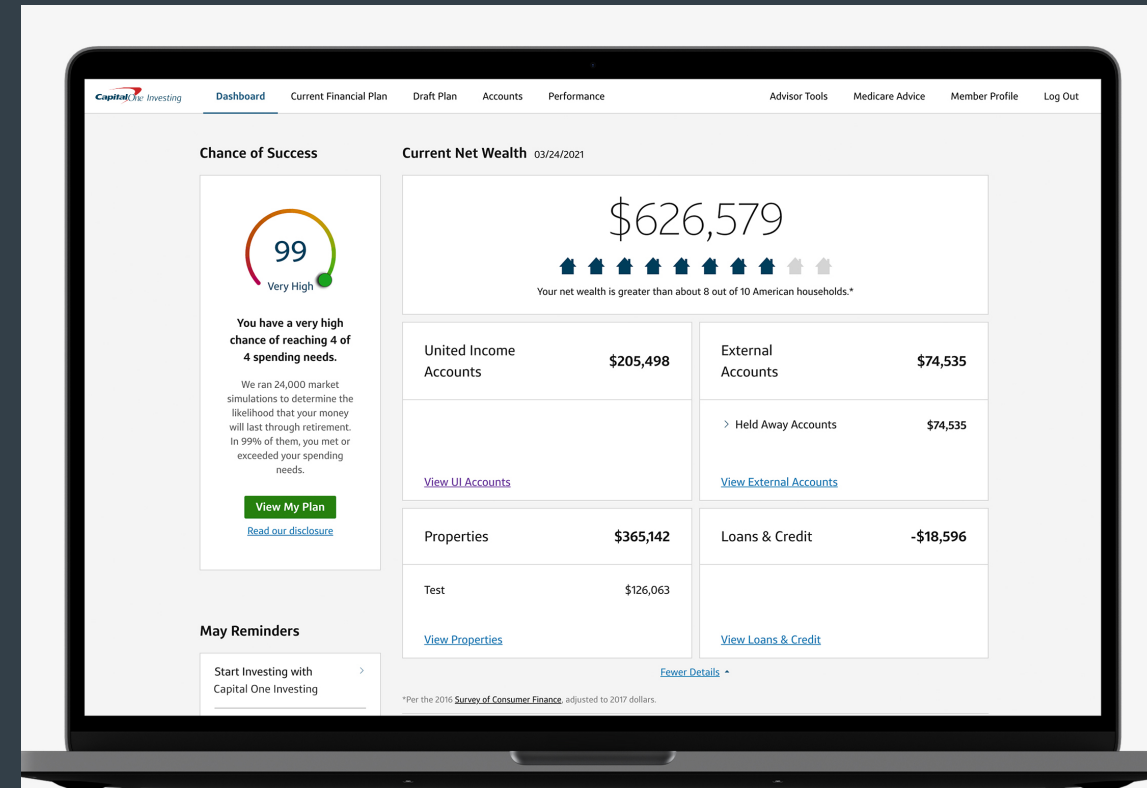
RIPE FOR RETIREMENT

The pandemic was not only financially challenging on younger generations, but also forced more Boomers to retire than ever before. This shift has created a crucial opportunity for banking brands to create seamless digital solutions for consumers looking to transition to pension plans. The key will be user-friendly offerings, to provide this traditionally digital-adverse generation with successful remote offerings.

73%

Almost three-quarters of Americans now see fintech as the 'new normal'.

(Stylus)



INNOVATION IN ACTION UNITED INCOME

United Income, a US fintech start-up, has curated a digital financial advice for retirees or people approaching retirement to help with financial management. The platform offers holistic financial planning and investment management and creates personalized projections based on spending habits. These functions appeal to financial empowerment for seniors by allowing a more active approach to aging.



5

SMART SPENDING

Last year's stay-at-home orders increased the demand for seamless digital financial experiences across demographics, creating a rich opportunity for banking brands. Brands must start leveraging AI technology to offer smart solutions that provide users with personalized plans based on their historical spending patterns. These customized digital offerings can help with overspending, credit scores, or saving for personalized future goals - helping consumers get back on track to financial success post-pandemic.

“The pandemic has brought a greater focus to holistic wellness - mental, physical, but also financial. Consumers are seeking resources to reframe how they think, feel, and behave with money. They are not just seeking advisors anymore, they want financial therapists.”

-Scott Hierlinger, NELSON Worldwide

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