



# Financial Well-Being Institute

by SunTrust Foundation and United Way

July 2015

# Leveraging the Real Moment of Influence

## AND ACCEPTING ITS INHERENT DARK SIDE

### Project Background



United Way Worldwide and SunTrust Foundation have joined forces to create the Financial Well-Being Institute—an organization committed to improving Financial Well-Being through collaborative development and/or distribution of Best-in-Class tools, research, and resources that drive behavior change which positively impacts the lives of people and communities around the world.

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### The Problem with Curiosity

Recognizing the value of time in avoiding and addressing the financial component of crisis, our hope was to uncover opportunities to connect with and influence people far before crisis was even a threat. We hoped we could reach them with education and guidance that would serve to strengthen their financial system, in turn keeping them out of crisis and paving the way to a brighter future and increased financial well-being.

As it turns out, these hopes were not realized. We did not uncover evidence that led us to believe we could consistently reach people proactively and shift their course to avoid crisis. It isn't that they are not thinking about their situations or things they could do to improve their financial state. In fact, there are many topics, many ideas that people are curious about, and they express an interest in knowing more. But when faced with the opportunity to channel their time and energy toward doing so, other more urgent issues take precedence. We simply did not find enough evidence to believe that we could get and keep their attention on a topic they were 'just curious' about.

The problem is that curiosity seems to be too loosely tied to action. We proceed through the course of our day applying only brief amounts of time to thousands of thoughts—fleeting thoughts that dissipate as quickly and easily as they are formed. Being curious about something is not necessarily an indication of mindshare or how time would be spent. Curiosity has the disadvantage of being

trumped by every other idea or issue that brings with it any level of urgency. And we learned in previous research, getting the attention of someone who is generally curious about your content requires endless attempts and a whole lot of luck.




## The Real Moment of Influence


But, where does this leave us? If all signs suggest that we cannot reach them proactively, are we by default stuck with helping people only when they are in crisis?


From previous work completed for the Financial Well-Being Institute, we know people, generally, go into some sort of “holding pattern” when they experience crisis or change. They may not know what to do. Some feel embarrassment. They may let things worsen. For some, the holding pattern may only last a few minutes. For others, they can be paralyzed by the situation. Once things get severe, however, most become motivated and attentive listeners. Suddenly mindshare may be devoted to the issue at hand, other issues are filtered out and there is a laser-like sharpness to their focus.

### Project Background (continued)

As a part of this initiative, the Financial Well-Being Institute commissioned a study to understand how to help people with difficult financial decisions in the moment. We wanted to answer:

 **Question:**  
What does the moment of influence look like?

 **Question:**  
What kind of information helps?

 **Question:**  
How can practitioners help in the moment?

This study consisted of:  
Four two-hour focus groups in Nashville, TN, made up of 18 individuals with household incomes less than 80% of the local median income and varying levels of education.

Study participation by individuals from the following partner organizations: **ClearPoint**

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### Project Background (continued)

Subject Matter Expertise provided by:

**Laura Scherler**, Director of Income Capacity Building, United Way Worldwide

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The downside is that they are already in crisis. By definition we have limited our ability to help or redirect them proactively, limiting any opportunity to come out from the situation unscathed. And, so, the challenge begins: to help address the immediate crisis with the goal of keeping the costs—financial and other—as low as possible, to avoid future crisis and to strengthen their financial system, or their way of handling finances.



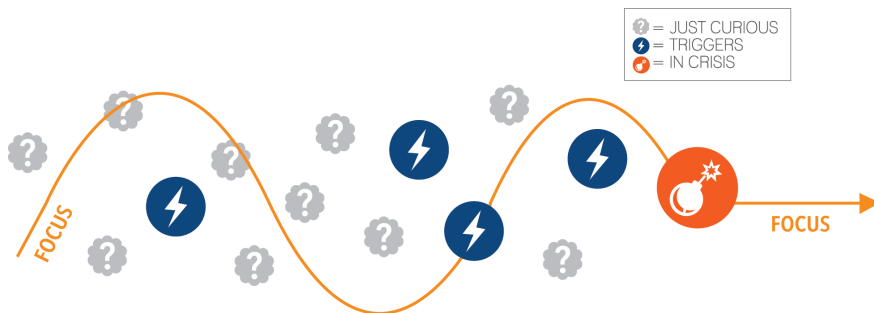
### Moment of Influence – Point of Leverage

Fortunately, we have two factors in particular working in our favor. The first is “triggers”—environmental and circumstantial triggers. In our research, we heard several examples of environmental triggers, such as property tax increases for a locale, a down economy in a particular area, or a glut of a particular labor skill. Everyday messaging, such as television commercials, radio comments or website banners can also act as environmental triggers. We also heard examples of circumstantial triggers, such as business downsizing, a friend’s failing marriage, or an unexpected major expense.

Triggers can increase the odds of effectively getting people’s attention because something or someone has heightened their awareness

of the issue. So, while there is still some skill (and luck) required, reaching people at the right time with the right content, coupled with their heightened focus, might be enough to get their attention.

The second factor working in our favor is “urgency.” With crisis comes a perception of urgency. Urgency brings focus, which in turn raises their awareness of options, and paths to resolution. In short, urgency is the key to real action. If we can create urgency prior to crisis, we may see an increase in action and assist in avoiding crisis altogether. It’s not about fear tactics, though. It’s about understanding what they are likely going through at different points in time and bringing it to their attention in a Just-in-Time manner.



Even with the factors of Triggers and Urgency working in our favor to get people to search for help, we still face the challenge of getting noticed and attended to in the first place. This is where we accept the limitations of crisis. Our most successful path is to capture attention and drive up awareness at the onset of crisis. While this only magnifies our need to be effective in the short time in which we have to do so, it is a viable way to attain (and then retain) the attention of the person in financial crisis.

## The Helping Strategy

Once we have their attention, our job is to meet them where they are, stick with them, provide them with the knowhow they need and guide

### An Example of Triggers and Crisis from Our Study

Jeff received a notification that he was in default of a student loan (a trigger). He did not fully understand the implications of the notification he received. The notification felt like nothing more than an “update.” Being busy with life, he did a minimal amount of research on the notification and then disregarded it. He thought he was freed from paying back the loan without any repercussions. The following April, when he looked forward to receiving a healthy tax return to cover other major expenses, he realized the actual implication. He received another notification that his tax return would be garnished in order to cover the defaulted student loan. What could have been simply a “trigger” turned into a “crisis” that needed to be dealt with. At that point, he took action to resolve the situation. The good news: Jeff was able to renegotiate the terms of his student loan and has now paid it off.



them to resolution. This is our window to prove our effectiveness and gain their trust and move to a more proactive role.



So how do we do this? In many situations, individuals working through crisis are quick to transition to the “winding down” phase as soon as resolution is in sight—they visibly relax because the crisis has been dealt with and they return to past behaviors, even when detrimental to their financial well-being—all of which shows denial of the bigger issues at hand. This is what we need to prevent. When they “wind down,” focus shifts back to meandering, and engagement with us (or any source of content) wanes. With Triggers and Urgency as tools, we can keep their attention and prevent the winding down that too often allows for the next crisis to sneak up undetected.

One way of keeping their attention would be

probing on the following types of expenses. According to research by the Deluxe Collaborative on Demand Creation, most people face these types of expenses on a regular basis, yet they still seem to be surprised when they hit. The research also showed that most people are dealing with one of these types of expenses at all times, even though they consider them “rare”:

- **Seasonal expenses**—recur by season, rather than monthly. Examples: summer or holiday vacation travel, holiday gift-giving, lawn and garden expenses, air conditioning or furnace maintenance, school expenses, even hunting equipment and other seasonally-influenced interests.
- **Episodic expenses**—the circumstance may occur rarely, but the frequency of unexpected expenses is more common than people realize. Examples: repairs (i.e., car, home, computer, appliance), health issues (i.e., eyeglasses, dental work, prescriptions, injuries), helping a friend or family member in need, tax payments and more.

Knowing people regularly face these categories of expenses can help us intelligently and appropriately create urgency prior to crisis. We can raise awareness to these types of issues and, hopefully, get people to take action earlier.

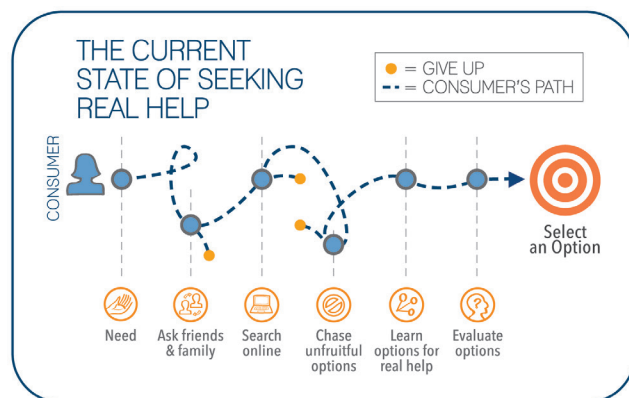
Thus, the opportunity is in sustaining that

attentiveness and easing them onto new issues that haven't yet escalated to crisis—eventually resulting in proactive behavior that keeps crisis at bay.



First, we extend the focus on the current crisis. Consumers who struggle financially very typically hop from one crisis to another. This is caused in part by the makeup of the resolution of the previous crisis. An unexpected car repair is addressed by skipping a month of rent or heat or a credit card payment, which in turn creates vulnerability in a new part of their financial system. Instead of checking the box on the crisis of the car repair, we keep their attention and shift to the new vulnerability created by the resolution. With this approach, we get in front of the skipped payment for example, and tackle it before it has escalated all the way to crisis. These kinds of actions, unlike actions associated with crisis resolution, create feelings of success and control and eventually, hope! With these positive feelings in the lead, we can guide people to the next potential issue, again getting in front of it before it escalates, and eventually shifting them from crisis hopping to a strengthening of their financial system.

There is a catch, though. From prior research focused on how people diagnose and seek resolution to their own financial issues, we learned that even if individuals have had successful past experience with programs and resources, they tend to revert back to Google searches each time they need help. This was counter to our expectations. We expected at least some of the individuals who had success in the past with particular programs or sources to turn to those sources first when faced with a new crisis. However, most didn't. As you would assume, they too turned to Google first, and too often, searches resulted in weak or irrelevant answers, leading them to simply give up. If our formula relies on their returning to our site, we will lose many of them to newly initiated Google searches.



The trick is to stay in their mental space, to have a presence in their daily lives, to be their without-thought-go-to option for guidance. From digital consumer behavior research conducted by Stone Mantel, our research partner on this work, we know that people create organizing structures that

dictate what gets in, gets out and how time is spent during the course of their day. If we want people to rely on us as a source of information and guidance, we have to be inside the organizing structures they create. Simply having a site won't be enough because they will start back at the beginning with a Google search. While it is very possible that we will be found again, it leaves too much to chance. Our plan is to give them reason to bring us in. Here is how we do that:

### 1. Meet them where they are and stay there as long as they need to be there.

We are meeting them at the point of crisis. We meet their crisis with information and answers that help and feel relevant to their unique situation. We stay focused on their situation long enough to bring it through to resolution.

### 2. Shift to the proactive when resolution is in sight.

When it appears that we have addressed the urgency of the issue and controlled the aspects of the crisis that seemed uncontrollable, we skillfully keep their attention by highlighting the vulnerability in the system that has been created. We emphasize the urgency of the issue, leverage triggers to keep the situation top of mind and overall keep them from disengaging and 'winding down.' With attentiveness high and focus sharp, we transition to addressing adjacent issues and highlight the importance of taking action every day.

### 3. Enter their space.

With options such as tailored feeds, apps to

download and text message alerts, we can offer ways to connect that both lead consumers to choose to bring us into their everyday lives and support positive financial behavior. When we, as consumers, trust a source enough to bring it into our intimate circle of resources, we turn to that source without thought, without shopping, without Googling to solve the issue it is equipped to solve. When we are this kind of relied-upon resource for consumers in the financial issues resolution space, we can solve crises, shift thinking and, in the end, change behavior. This, of course, is accomplished only with targeted, helpful content that truly adds value.







## How We Might Have Helped

Brandon was 18 years old when his mother died. She left no plans, no guidance and no money - just his 12 year old sister. Brandon, desperate to keep his sister out of foster care, went through the entire process of learning how to gain custody of his sister. He diligently researched and aggressively fought, all while dealing with the pain of losing his mother.

While he prevailed in gaining custody, he then went into “wind down”. He slowed down, allowed some things to settle and took time – much needed time I am certain, given the trauma of the situation. But if he had someone to guide him – someone who was using our model - that person could have supported Brandon’s need to work through the emotions associated with his mother dying while also shifting some attention to thinking through some of the expenses he would face now that he was guardian to a 12-year old girl.

It has been 8 years since Brandon gained custody of his sister. While he managed his way through the years, he has been through a series of circumstances that have stressed the family, his parenting and

his financial situation. He got deeper and deeper in debt, damaged his credit and dealt with aggressive calls from creditors. He wishes he had planned better – thought through some of the expenses that would come with both everyday life and with raising his sister.

Now 26, one of Brandon’s biggest regrets is that he never invested any money for the long-term. He thought about it, he even read up on it a bit, but investing never made it to the top of the list, it never received the attention he now wishes he had given it.

We could have earned the right to help Brandon by staying focused on his goal of gaining custody, then with success in site, eased him into thinking of some of the expenses he would face and the options available to him. At this point, we would have been a trusted source and we would establish ourselves inside Brandon’s world – as an app, a bookmarked website, an easy call away, a plan to follow and/or tips and reminders through email. We wouldn’t have kept Brandon from feeling the stress of his situation but we could have eased the pain, lessened the debt, and prepared him better for what was to come.

### The Power of Taking Action

Taking action produces feelings of success; small wins that produce feelings of self-satisfaction that create momentum. We've seen this in our previous work, and we saw it again in this research. We have also seen situations in which feelings of competence increase the inclination to take action. In this study, we wondered if we could increase the likelihood to act by encouraging feelings of competence on the front end. In other words, we (subtly and not very scientifically) primed them to feel competent and then observed their participation and whether they took action.

We did not see any consistent effect of our priming. Some who appeared to feel competent took action, others didn't and some who seemed to struggle with the in-person exercises surprised us by taking action to positively affect their financial situation. One theory is that likelihood to take action maps more to personality and whether we are motivated by positive or negative feedback than any kind of priming that might be imposed upon us. For instance, there are those who wait until the scale produces a discouraging number before bringing change to their eating habits. And, on the flip side, some are depressed and too paralyzed to act when the news is negative. Those in the latter group know better than to weigh themselves when all signs suggest the news could be bad but are more than happy to entertain the scale when progress has already been made. We have good reason to believe that the emotions surrounding financial stability

may cause people to behave in a similar manner.

We did see a pattern, however. The individuals who seemed to identify with the scenarios, crises and needs that we presented, took action to a much greater extent than those who understood the situations but did not perceive themselves to be in them. In other words, consistent with our previously stated point of view, those who perceived themselves to be in or near crisis were more focused on taking action. Those who took the least amount of action also appeared to be the least connected to the content.



These findings bring clarity to how best to influence behavior. By meeting individuals at the point of crisis, we can help to minimize the negative impact of the crisis, transition to addressing new vulnerabilities caused by resolution, and get them to take proactive action, which results in positive feeling, which creates momentum and produces hope.

These insights are shaping the way in which we interact with people whose financial systems

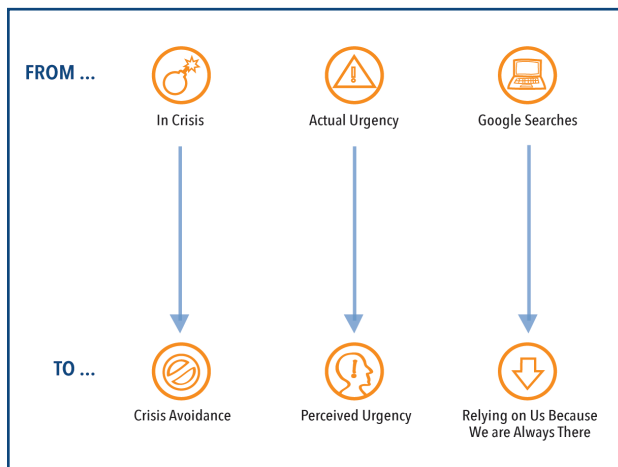
need strengthening. It has caused us to develop an Influence Strategy, depicted below. We will employ tactics that heighten our likelihood to be found when they are in crisis and we will meet them with content and guidance that directly applies to their crisis. We will shift to new content and new guidance only when they are ready to do so but before we have allowed for their perceptions of urgency and sharpness of focus to wane. And, through successful resolution and effective connections, we will shift our interactions from our house to theirs.

## How Can You Immediately Apply These Findings To Your Work?

Our research shows that one strong way to use this strategy is after helping them with the crisis at hand to help them feel at least one small win regarding another issue on the horizon. Case managers should assume—and are probably already aware—that another issue or crisis is

looming for the individual. Train the case managers to move immediately into discussion of other issues upon resolution of the first crisis—before the individual can “wind down.” Help the individual understand that these issues on the horizon can be mitigated by addressing them now rather than later. Then invite the individual to bring you into their space by setting up another time to talk, bookmarking your site, downloading your app or other.

In closing, while capturing people’s attention and driving them to resolution proactively is ideal, it simply may not be the path to action for most people. Executed well, we are encouraged by the potential to help people through crises and keep their attention long enough to transition their focus to subsequent issues. The constant stream of expected and unexpected issues hitting consumers in all phases of life is simply too powerful to be handled on a case-by-case basis with a fire-fighting approach. ■



## Influence Strategy ...

1. Get my attention by focusing on and helping me re-solve the issue at hand.
2. When resolution looks promising, shift to a focus on the impact of the steps I took and how to avoid this situation in the future.
3. Connect this guidance to discussions about getting my financial house in order to support FWB.
4. Establish reasons for me to let you into my world.