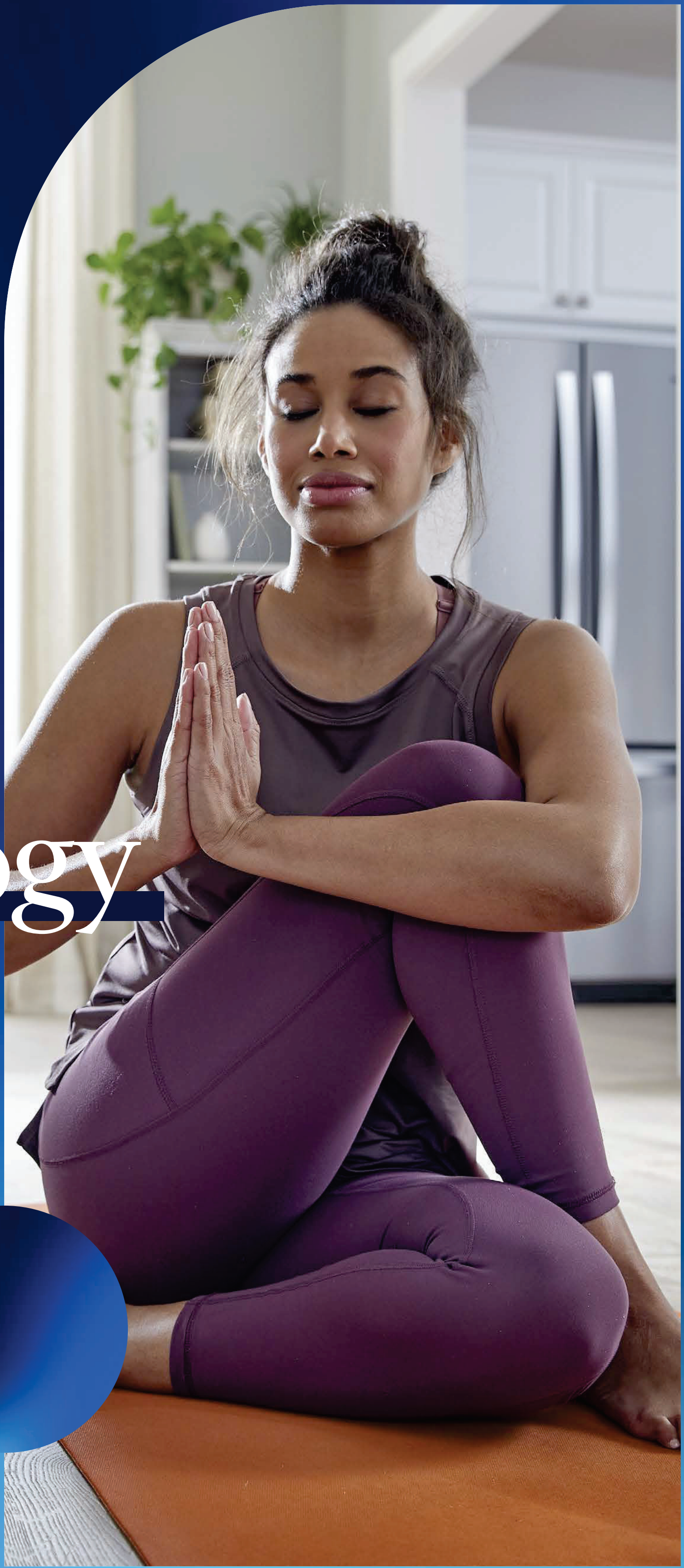
jack henry™

Jack Henry Financial Sentiment Study

Insights to Help Banks and Credit Unions Support Financial Confidence

table of contents

Study Methodology



Study Methodology

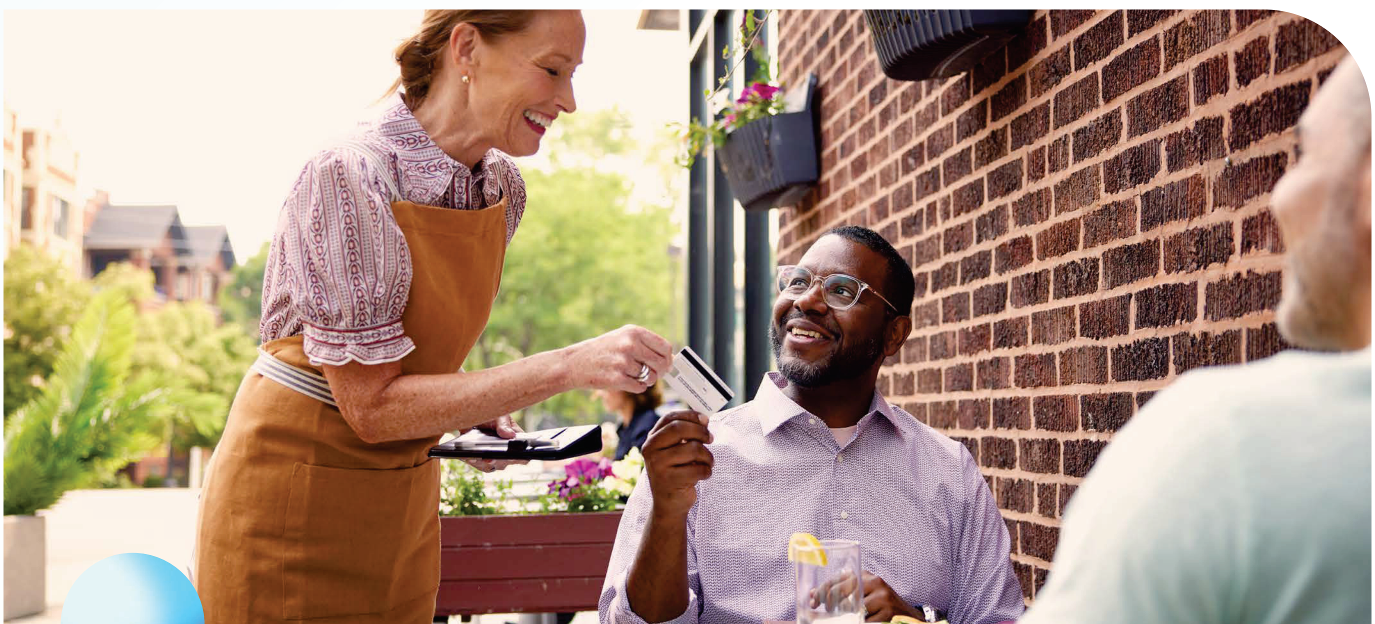
In August of 2024, Jack Henry™ conducted the inaugural "Jack Henry Financial Sentiment" survey – a quantitative survey designed to be carried out annually – to measure how people feel about their financial situations, factors influencing those sentiments, and the effect on accountholder acquisition, retention, and loyalty.

For this first annual survey, 2,340 people were surveyed using the Qualtrics Panel.

The survey targeted two distinct groups: the general population (2,020 people) and 320 small- to medium-sized business (SMB) decision makers/owners. The general population audience comprised financial decision-makers aged 18+, while similarly, the SMB audience included individuals aged 18+ in full-time executive or ownership roles, with organizations primarily having fewer than 50 employees.

Segments within these groups were analyzed to explore behavioral differences across financial products and institutions.

This study is intended to provide community and regional banks and credit unions with insights to better understand and serve current and potential accountholders.



Consumers Surveyed:

2,020 people

18+ years old

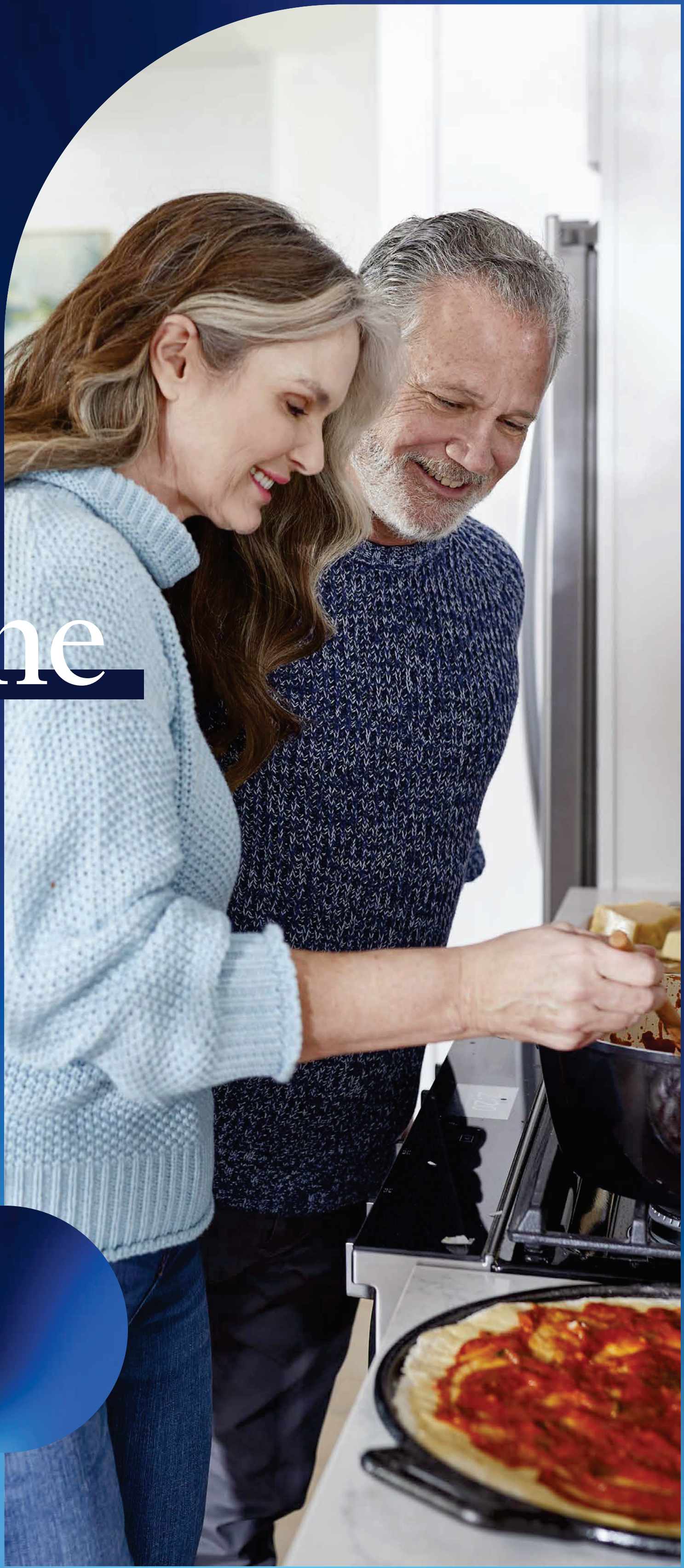
SMBs Surveyed:

320 small- to medium-sized business decision makers

18+ years old

50 employees or less

Cracking the Code for Loyalty



Cracking the Code for Loyalty

Financial confidence is the cornerstone of strong banking relationships.

It's what turns a financial institution from a simple service provider into a trusted partner. When consumers and small business owners feel confident managing their finances, they're not just more likely to trust their financial institution – they're more likely to stick around.

But confidence is delicate. It often wavers during life's big moments, like starting a family, navigating a job loss, or even celebrating milestones.

In these moments, community and regional banks and credit unions have long stood as pillars of trust and stability. But as consumer needs evolve, so must the role of financial institutions. Today's consumers and SMB owners aren't just looking for a safe place to put their money – they're looking for someone who understands their goals, their struggles, and the human story behind every financial decision.

Key Factors in Building Confidence

Financial confidence starts with two main factors. People experience financial confidence when they are:

1. **Knowledgeable:** Being knowledgeable means feeling both informed about money matters and capable of handling day-to-day financial routines like budgeting, investing, saving, spending, and monitoring their money. When people understand how to manage these "money jobs," they feel empowered to make smarter decisions.

2. **Supported:** Confidence is fortified by the relationship with a financial institution. Does the accountholder believe their needs are being met? Do they find their financial institution helpful? These answers can make all the difference. A strong, supportive partnership builds trust and fosters long-term loyalty.

When knowledge and support work hand in hand, financial confidence flourishes – making every financial step a little more secure.

Closing the Confidence Loop

For the most part, people are generally confident in their finances.

Seventy-one percent of respondents feel confident in budgeting and **70% feel confident in spending habits**. However, life events – both challenging and joyful – can disrupt routines and introduce uncertainty.

Over

75%

of respondents reported life events that **disrupted their financial routines.**

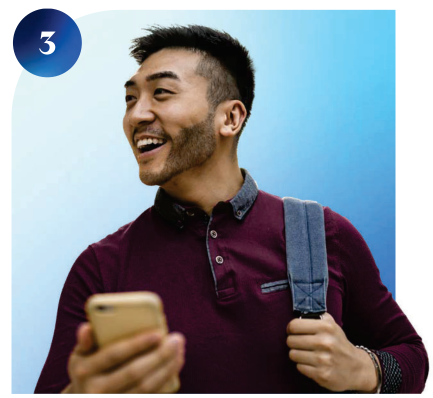
More than 75% of respondents reported life events that **disrupted their financial routines**.

But here's the opportunity: if, in this crisis of confidence, the accountholder turns to their financial institution and finds the guidance and support they need, their confidence is restored – and their loyalty to the financial institution deepens.

Community and regional banks and credit unions can play a vital role in these moments:

Help Accountholders Simplify Financial Management:
Financial routines are essential, yet often fragmented. Tools that centralize and simplify financial management – such as dashboards that link all accounts or apps with personalized budgeting insights – can empower accountholders to take control. Providing clear, actionable guidance ensures these tools are effectively used.

Support During Life's Transitions:
Life events like promotions, health crises, or retirement planning create new financial needs. By proactively offering tailored advice and products (e.g., high-yield savings accounts for growing families or flexible loan options during job transitions), financial institutions can cement their role as trusted advisors.



Rebuild Confidence After Disruptions:
When accountholders face setbacks, their confidence is tested. Financial institutions who offer immediate, empathetic solutions – like financial counseling or flexible repayment plans – can restore trust and strengthen loyalty.

By helping accountholders rebuild their confidence in these critical moments, financial institutions can strengthen relationships and inspire the kind of long-term loyalty that results in **37% more annual revenue** (versus actively disengaged accountholders).[1]

Consumer Findings

Consumer Findings

Consumers face a financial landscape that is both empowering and challenging.

The findings below unpack the behaviors, routines, and stressors shaping their financial lives, offering financial institutions opportunities to enhance their tools and relationships.

But before diving into the statistics, let's explore why they matter: at its core, financial stability is about more than numbers. It's about people.

It's the family juggling bills and trying to save for a child's future. It's the kindergarten teacher recovering from an illness and the delivery driver whose hours were cut. Financial uncertainty doesn't just disrupt budgets – it creates stress, delays dreams, and forces difficult decisions.

Community and regional banks and credit unions like yours have the power to step in during these moments – not just to offer tools, but to rebuild hope.

By understanding the challenges and aspirations of today's consumers, your financial institution can provide the kind of empathetic support that turns everyday transactions into life-changing partnerships.

Consumer Financial Sentiment and Satisfaction

Consumers may feel a sense of stability in managing day-to-day expenses, but the picture changes when uncertainty enters the equation.

For example, **56% of respondents express confidence in paying bills**, yet only **41% feel knowledgeable** about broader financial matters like planning or investing. This gap reveals that while consumers may be managing the present, they're often unprepared for the future.

Moreover, **27% of respondents cited unexpected expenses** as a top source of financial stress.

This aligns with the finding that consumers who are less confident in their financial literacy report higher levels of anxiety. When life throws financial curveballs, consumers look for partners they can trust to provide guidance and clarity.

This represents a crucial opportunity for financial institutions to step in with proactive tools and education.

56%

of respondents express confidence in paying bills

41%

feel knowledgeable about broader financial matters

27%

cited unexpected expenses as a top source of financial stress

Consumer Life Events: Catalysts for Change

Life events, both positive and negative, serve as turning points for financial behaviors:

- **75% of respondents** experienced events that disrupted their financial confidence, such as job loss, medical emergencies, or family milestones.
- Support from financial institutions varies depending on the event. Marriage and promotions saw satisfaction rates of **70%**, while job loss and medical emergencies plummeted to **25% and 35%**, respectively.

These findings suggest that while financial institutions perform well in predictable, positive moments, they often fall short in addressing crises. Proactively addressing these gaps can build deeper, more loyal relationships.

Consumer Goals and Aspirations

Financial goals are deeply personal, often tied to emotional aspirations:

- **24% prioritize overall happiness** and **24% want to better provide for their families**.
- Yet, only **29% of respondents** describe themselves as risk-takers, showing a cautious approach to financial growth.

Understanding these statistics is essential because they represent more than just responses – they tell the story of what people truly value and struggle with when it comes to their finances. Each percentage reflects a person navigating uncertainty or striving for a better future. Community and regional banks and credit unions have a unique opportunity to turn these insights into action by meeting consumers where they are, offering solutions that address both financial gaps and emotional needs.

By aligning product offerings – like low-risk investment tools – with these goals, your financial institution can encourage participation in financial growth opportunities while respecting consumer comfort levels.

24%

prioritize overall happiness and want to better provide for their families

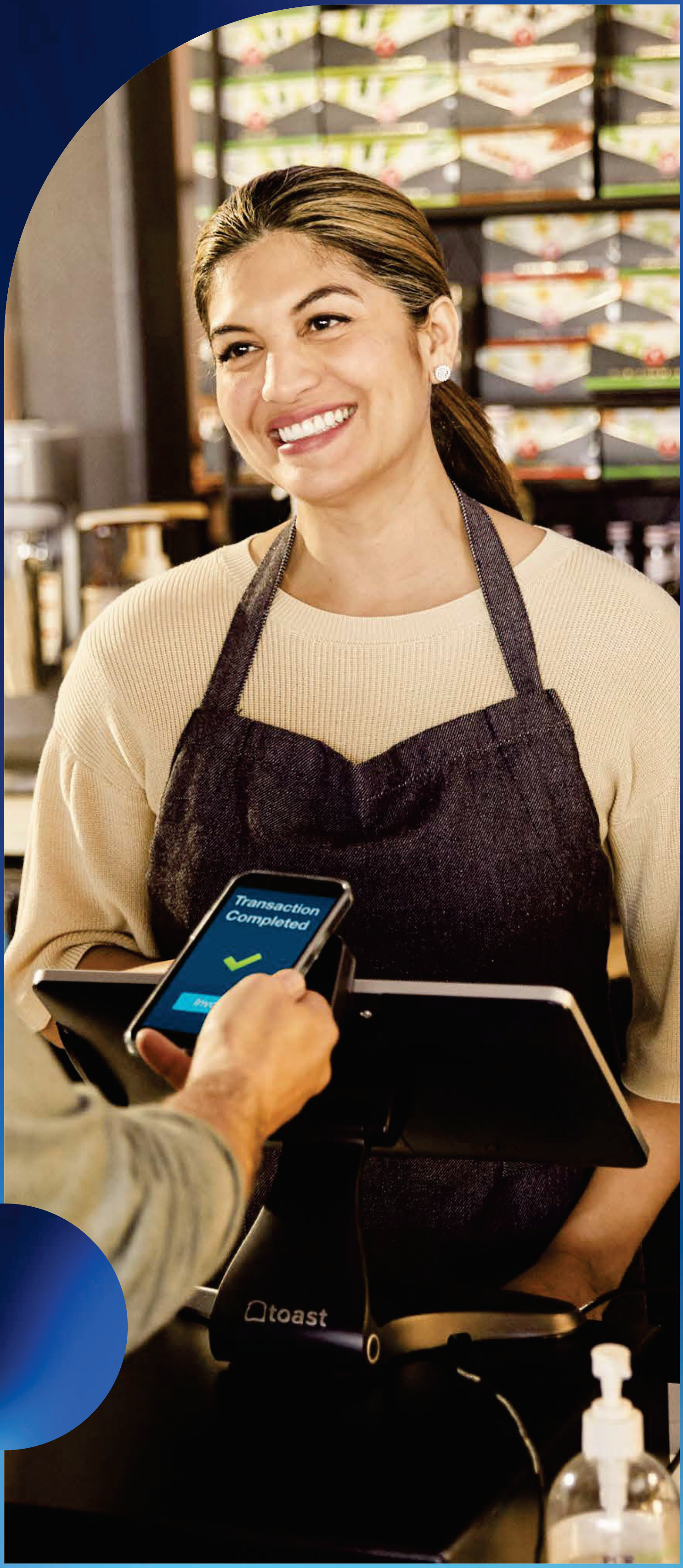
Opportunities for Financial Institutions: Consumers

For community and regional banks and credit unions, the opportunity lies in creating tools and experiences that meet accountholders where they are.

Many consumers struggle with fragmented financial routines – managing multiple accounts, apps, and tools without a central source of clarity. **By offering platforms that consolidate their financial world, you can empower consumers to make informed decisions with confidence.**

Just as importantly, financial institutions should engage during life's pivotal moments: job transitions, health crises, or family milestones. These are the times when 75% of respondents reported disruptions to their financial routines. Financial institutions who offer empathetic, tailored solutions (e.g., flexible savings programs, guided financial planning tools) during these moments solve problems and build lasting trust.

SMB Findings



SMB Findings

SMBs are the backbone of every thriving community.

They create jobs, drive innovation, and spark local economic growth. Every product sold or job created carries a story of perseverance and ambition. Yet, SMB owners face significant hurdles – balancing cash flow, navigating growth, and planning for uncertainty. These challenges are opportunities for financial institutions to step into the role of trusted advisors.

Community and regional banks and credit unions who can offer strategic, proactive support during these transitions will meet SMB needs while deepening community ties. For example, financial institutions who offer easy-to-adopt digital tools or flexible loan options can reduce the administrative burden SMBs face while enabling growth.

The insights below illustrate their priorities and opportunities for community and regional banks and credit unions to step in as strategic partners.

This cautious approach highlights a need for community and regional banks and credit unions to provide clear, actionable guidance that helps SMBs balance growth with stability.

Only
34%
of SMBs feel comfortable pursuing riskier growth strategies.

SMB Financial Sentiment and Satisfaction

While **77% of SMB decision-makers** are confident in managing their finances, this confidence doesn't always translate into growth – since only **34% of SMBs** feel comfortable pursuing riskier growth strategies, such as taking out loans or expanding operations.

SMB Digital Adoption

Digital tools have revolutionized financial management for SMBs, but adoption is uneven:

- SMBs that integrate digital tools report higher satisfaction, yet many still rely on traditional systems.
- The gap in digital adoption presents an opportunity for financial institutions to offer intuitive, accessible solutions tailored to SMB needs.

SMB Priorities and Challenges

SMBs prioritize stability and cost-effectiveness:

- **Low or no fees** were cited as the most critical factor when selecting financial products.
- Many also expressed a need for better support in cash flow management and navigating transitions, such as market fluctuations or seasonal demands.

Opportunities for Financial Institutions: SMBs

Small businesses thrive on adaptability and resilience, but they often face an uphill battle when it comes to scaling operations or navigating financial complexity.

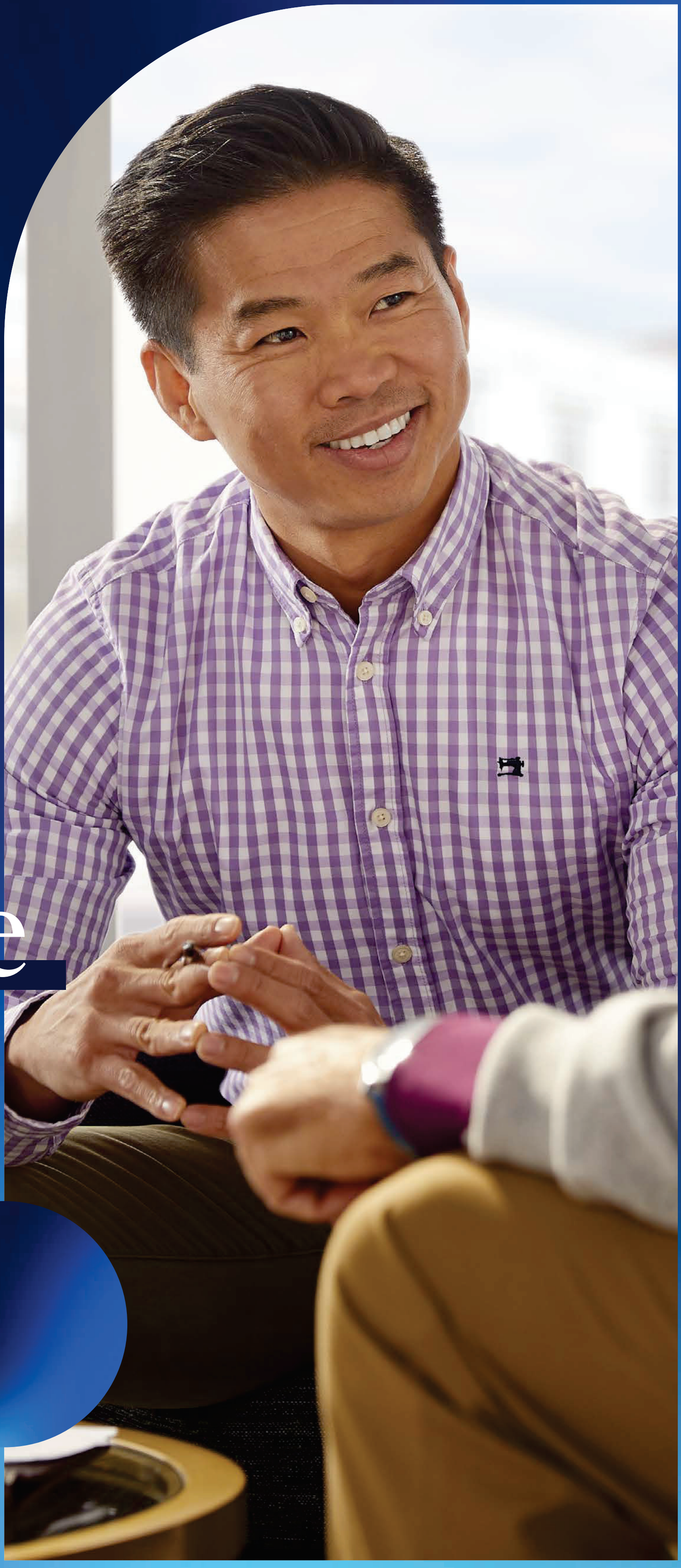
Many SMB owners are confident in their ability to manage day-to-day finances, yet they hesitate to pursue growth opportunities like expanding to new markets or adopting innovative tools. This hesitation seems to stem from a fear of risk and the lack of tailored guidance from financial partners.

Community and regional banks and credit unions have an opportunity to bridge this gap by acting as proactive collaborators.

By offering programs such as growth-planning consultations, dynamic credit options, or insights into industry-specific trends, you can empower SMBs to take bold, calculated steps forward.

Moreover, the uneven adoption of digital tools among SMBs highlights a chance to drive efficiency and streamline operations. Accessible solutions – like automated expense tracking, simplified payroll systems, or instant cash flow alerts – can not only save time but also help SMB owners focus on their core goals.

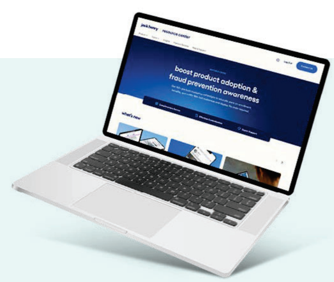
Build Financial Confidence



Build Financial Confidence

Life's challenges are inevitable, but they don't have to erode financial confidence. Community and regional banks and credit unions have the tools, expertise, and heart to guide accountholders through life's uncertainties.

By simplifying financial management, supporting transitions, and rebuilding trust during setbacks, financial institutions can transform transactional relationships into lifelong partnerships.



explore resources

Jack Henry™ is committed to empowering community and regional banks and credit unions with the tools and insights needed to drive growth and trust.

Visit the **Jack Henry Marketing Center** today for ready-to-use campaigns that can increase adoption and usage of the tools your accountholders need most.

Get Marketing Materials

For more information about Jack Henry, visit jackhenry.com.

source

1. Kristin Barry, Nate Dvorak, and Jennifer Robison. From Critic to Coach, Gallup, accessed January 2, 2024.