Empowering Gen Z: Banks and fintechs deliver financial education

Let's talk about Gen Z. Banks and traditional financial institutions know the importance of catering to Gen Z to foster long-lasting relationships and power future growth. How do banks attract Gen Zs? It comes down to offering the services and experiences they want.

For many banks, partnering with established fintech companies is proving to be a successful strategy for building a digital presence in the family banking segment that both engages and retains Gen Z customers.

Gen Z is stressed about money and wants more financial education

Greenlight's 2024 national survey on the state of financial wellness among kids and teens revealed that 76% of Gen Z teens are stressed or anxious about money compared with just 31% of Gen Alpha. According to the survey's results, 60% of Gen Z teens report experiencing financial stress on a daily or weekly basis with gas prices ranking as the cohort's top source of concern.

So, teens are asking for help learning about money. Greenlight's survey reports that 75% of Gen Alpha and Gen Z teens want personal finance education. Teens rank parents as their most trusted source for financial education.

And parents know it's important to raise financially smart kids. Many, however, admit they lack the resources to provide effective financial education. According to Greenlight's survey, half of Gen Z teens have turned to social media to learn about personal finance. While they report being concerned about receiving inaccurate financial information from social media, half of Gen Z respondents admit they have taken financial advice from social media influencers.

Families seek help teaching their children financial literacy

Many parents can relate to their children thinking an ATM card is a bottomless source of money. As Head of Strategic Alliances and Campus Banking at U.S. Bank Jen Miller has said, "You don't learn about money at any age by simply swiping a card at a checkout line. That's why financial education is so important."

Parents are looking for ways to teach their children the value of money so they can develop a foundation of financial understanding they can build on for the rest of their lives. Banks and parents recognize that teens need to be engaged in the digital space.

Fintechs help banks provide solutions that teach sound financial habits to families

Partnership services such as Greenlight's Greenlight for Banks allow banks to offer customers and their children a co-branding experience that facilitates financial learning for the whole family. Greenlight's service includes a debit card that more than 6 million families currently use and a financial literacy app built by certified financial education experts. Parents can automate allowance, manage chores, and send money instantly. Teens learn to earn, save, and spend money wisely, with parents monitoring and controlling their activity through the app.

By partnering with Greenlight and offering Greenlight for Banks as a co-branded experience, banks can:

- Deliver financial literacy to families in your community – Developed by the Jump$tart Coalition and Council for Economic Education, Greenlight's financial literacy game Level Up™ teaches smart money habits to the whole family.
- Engage and retain your customers – Build an engaged, loyal customer base and leverage Greenlight's marketing touch points to promote your banking products.
- Acquire the next generation of banking customers – Attract new customers with Greenlight's loved and trusted financial education solution. Provide kids and teens with key financial foundations, then graduate them to an account with your bank when the time is right.

Fintech partnerships take the “technical lift” off banks’ backs

One of the biggest reasons banks choose to partner with fintech companies is that building a financial learning platform in-house takes a lot of time and resources. Even a fast-tracked project can take considerably longer to bring to life than white labeling a solution from an established, credible fintech company.

Partnering with a respected fintech means leveraging knowledge from an experienced company that knows how to navigate technology’s evolving landscape and avoid setbacks that can set your project back. Rather than guess which are the best-in-class tools to boost engagement and create a first-rate financial learning experience, a fintech that’s earned its reputation in the space can do the heavy technical lifting for you.