



Physically Fit Bank Customers Are Fiscally Fit Too

business customers customer retention

Summary: Research has found that people who take care of themselves physically, are also more financially fit. Having all-around healthy bank customers can increase a community financial institution's profitability. So, we bring you three examples of financial institutions that are incentivizing their customers to stay physically fit and financially healthy.

According to Freeletics, 74% of Americans say they used at least one fitness app during the COVID quarantine and Harrison Co. reported that 40% of survey respondents had never exercised at home before the pandemic. Americans were definitely exercising more as they were limited by their activities. Let's hope that trend for fitness continues.

Evidence is growing that the better a customer takes care of their physical health, the better they take care of their financial well-being too. Of course, this can also bode well for their financial institution; so much so that some institutions are now offering customers rewards and other perks for exercising, under the assumption that healthier customers are more profitable.

Indeed, according to the Financial Health Network's US Financial Health Pulse: 2019 Trends Report, individuals whose physical health had improved over the prior year had also raised their FinHealth Score by 1.8 points on average. The network's scoring is based on eight metrics, including the percentage of income a person saves and their credit score. On the flip side, individuals who had experienced a decline in physical health also saw a decrease in financial health — in fact, a 3.5-point decline on average in FinHealth Scores for people aged 26 to 49.

Here's what we found some financial institutions are doing to incentivize customers for healthier behaviors, which may give you some good ideas on how to increase your customers' financial fitness too.

1. **A bank in South Africa** offers customers rewards for meeting physical activity goals they set for themselves within the bank's app. The more they exercise, the faster they can be eligible to receive gym subsidies, flight discounts, and even a free Apple Watch or iPhone 12. Customers with mobility issues can earn points by getting annual physical and dental checkups. This bank also rewards customers for "spending responsibly." If customers meet money goals they set for themselves within the bank's app, they are entitled to reimbursements for buying healthy food at participating grocers, partial reimbursements on health insurance provided by the company, higher interest rates on their bank savings accounts, and lower interest rates on their credit cards. Some of these may be easier to do than others, but interesting ideas nonetheless.
2. **A bank in India offers** customers a wristband fitness tracker that's also a digital wallet. The more steps a customer walks, the more calories the tracker records, which then translates into more points they can redeem for discounts at participating vendors. This is also an interesting idea, which could be a draw, especially for younger, active bank customers.
3. **A fintech in CA** offers people the ability to earn financial rewards if they link the fintech's app to their Apple Watch, Garmin, or Fitbit "and get moving." The more segments an individual logs of 150+ minutes of elevated heart rate per week, the more points they can earn. By linking either their credit card or their debit

card to the fintech's app, they can receive discounts on purchases or even gift cards at participating vendors. This year, the fintech also plans to launch "the first-ever health and wellness credit card" that will reward users for their physical activity by giving them discounts when they use the fintech's card at participating vendors.

This is still a new trend. Yet, it is one that may catch on. Community financial institutions (CFIs) may want to keep an eye on it and consider following suit by offering rewards to customers for exercising. To make it easier, you can partner with a fintech to help measure activity, as well as manage rewards. You will likely get healthier customers in return, who will also be more financially fit, enabling them to spend more responsibly, save more, and pay their bills on time — all of which make them better and more profitable customers for you!

OUTSOURCE ALM SERVICES AND REST EASY

Regulators have raised the bar on [interest rate risk and liquidity analysis](#). We can help you effectively manage your ALM and give you back some precious time. To see how easy it can be & get expert help, contact us today.

ECONOMY & RATES

Rates As Of: 04/09/2021 03:26PM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.02	-0.01	-0.07
6M	0.03	-0.02	-0.06
1Y	0.06	0.00	-0.04
2Y	0.16	0.00	0.04
5Y	0.87	-0.07	0.51
10Y	1.67	-0.08	0.75
30Y	2.33	-0.08	0.69
FF Market	FF Disc	IORB	
0.07	0.25	0.10	
SOFR	Prime	QBER	
0.01	3.25	0.06	

Copyright 2021 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.