



Today's Unpredictable Economy Creates a Teachable Moment

business customers digital banking customer experience

Summary: With inflation high and credit use rising, your customers may be more open to learning about sound financial practices. Community financial institutions can capitalize on these teachable moments by offering financial wellness education through an app, in a virtual classroom, or in-person.

Teachers are familiar with the concept of “teachable moments”. They occur when circumstances conspire to open minds to new ideas. For example, finding a caterpillar munching on a milkweed plant may create an opportunity to explain the life cycle of a butterfly or moth to a child. Similarly, 2020’s pandemic-related layoffs and furloughs created an opportunity to teach adults about building emergency savings accounts.

Recently, financial markets and fiscal events have created a wealth of teachable moments. Consider the housing market from 2021 to present — home prices rose at record levels, pushed higher by bidding wars, and mortgage rates reached historic lows. Then mortgage rates [spiked at the beginning of 2022](#), while home prices gradually declined. Now, the housing market is appearing to cool off, and prospective home buyers, especially first-time purchasers, are left with a lot of questions, like whether they can afford a mortgage, or if now is even a good time to purchase.

What customers are wondering

Although no one wants to see an unstable economy, unforeseen trends like high inflation or wild price swings in the housing market create opportunities for community financial institutions (CFIs) that are armed with plenty of advice. Educational offerings, one-to-one meetings with advisors, and even webinars can be leveraged to provide customers the information they need. Guidance for customers about the housing market may include information about supply and demand, market cycles, and the advantages of borrowing from CFIs.

Other opportunities are related to financial well-being. During the first six months of 2022, [almost one of five Americans who live paycheck to paycheck spent more than they earned](#). Shockingly, this group includes 30% of people who earn more than \$250K a year. Many of these Americans have begun to drain their savings, some even relying on revolving credit card debt to meet monthly expenses. As a result, customers may be eager to learn how to more effectively manage their finances through the current inflation market.

More recently, many student loan borrowers had some, or all, of their student loan debt forgiven. While some of these customers may be looking to redirect the money they typically spend on their loan repayments to investments or savings accounts, others may be tempted to splurge or stretch their budget further, unaware of wiser alternatives. A quick conversation with these customers could help prepare them for a healthier financial future.

Financial education initiatives

CFIs can capitalize on these circumstantial teachable moments brought on by fiscal events by offering financial wellness education through a mobile app, via virtual classroom, or during in-person meetings. If your CFI

doesn't have a financial wellness curriculum, don't worry — many organizations offer tools and resources that support financial wellness education that you can share with your customer base.

Here are a few **organizations that offer financial education resources** that you can leverage to help your customers:

- **The Federal Deposit Insurance Company.** The [FDIC's Money Smart program](#) was created to help people improve their financial skills and build positive banking relationships. The program's tools include games that help teach concepts related to earning, spending, saving, borrowing, and protecting assets.
- **The Federal Financial Literacy and Education Commission.** [FLEC's MyMoney website](#) offers curricula, train-the-trainer guides and videos, resources for virtual classroom sessions, and adult learning materials on topics such as credit, consumer resources, making big purchases (like a home), and banking.
- **The National Association of State Treasurers.** [NAST's financial wellness program](#) includes a speaker's kit with presentations, a speaker's guide, worksheets, and other resources, as well as a conference-in-a-box that provides support for planning and delivering a financial wellness event for employees, retirees, and their families.

Finding ways to entice customers to take advantage of these financial education offerings have prompted some organizations to [incentivize customers to improve their financial literacy](#). CFIs can offer small rewards to customers who attend free seminars, read online articles, or engage with an app for the first time.

Now is a great time to assess your community's financial literacy, identify key issues based on the current economic environment and other major finance-related events, and offer timely information that can help customers improve their financial health and well-being. The current market situation, though unstable, can help CFIs build strong bonds with customers by providing customers educational tools to improve their financial lives and setting them up for financial success, no matter what the market looks like.

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ECONOMY & RATES

Rates As Of: 10/04/2022 05:40AM (GMT-0700)			
Treasury	Yields	MTD Chg	YTD Chg
3M	3.46	0.13	3.40
6M	3.97	0.05	3.78
1Y	3.95	-0.06	3.57
2Y	4.07	-0.22	3.33
5Y	3.83	-0.26	2.56
10Y	3.61	-0.22	2.10
30Y	3.68	-0.10	1.77
FF Market	FF Disc	IORR	
3.08	3.25	3.15	

SOFR	Prime	OBFR
3.00	6.25	3.07

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