



Increasing Finance App Usage - How to Respond

by [Steve Brown](#)  [fintechs](#) [mobile apps](#) [payments](#)

Summary: About 50% of people use at least two finance apps, according to Mambu worldwide research. So, how can community financial institutions keep their customers engaged with such a plethora of apps? Understanding app usage and what your customers are looking for in finance apps will put you on the right path to respond to the plethora of finance apps.

In 1883, James Ritty and John Birch patented the first cash register. The idea started when Ritty, a salon owner, was captivated by a device that counted the rotations of the propeller when traveling on a steamship and thought it could help his business. These days, financial apps have mostly taken over that job and then some.

Keeping up with the times, many community financial institutions (CFIs) are providing a banking app for their customers. But, that may not be enough for some customers. Many bank customers are using third-party financial apps, a trend that the pandemic has only exacerbated. Understanding the information behind finance app usage can be critical in effectively interacting with customers today, and in the future.

Many financial institutions (FIs) have no desire to be in the business of helping people budget, one of the mainstays of many third-party finance apps. But CFIs are in the business of relationship management and care about their customers in a different way than most FIs. For this reason, we know you want to help customers with their financial fitness, by offering accessibility to the tools and services they need to conduct their financial lives. Showing customers and prospects that you care about the totality of their financial health — and offering them ways to easily interact with your institution while they take care of these needs — is vital these days.

What the data shows

Consider these figures during the pandemic. According to research by Mambu on a worldwide basis, 50% of surveyed people noted they were using two or more finance apps, with almost 20% using at least five financial services apps. A mere 18.5% (or less than 1 in 5) did not have any financial apps at all.

What the most popular finance apps offer

Some of the best personal finance apps include Acorns, Unifimoney, Mint, Stash, and Personal Capital, [according to a review by Money Under 30](#). There are apps for everything from budgeting to investing to controls for over-spenders. Some apps cost money, but many are free to use and available to help people in all aspects of their financial lives.

There's also growing adoption and usage of micropayment apps like Venmo, Zelle, and PayPal, especially among younger consumers, according to a recent study by Verint. While 39% of millennials and Gen Xers use these apps more now than in 2020, baby boomers remain wary and are less likely

to trust these apps, and 46% of baby boomers don't use these apps at all.

The trust factor

Certainly, trust in financial apps remains a hurdle for many older customers, but this may be slowly changing. CFIs can't assume that older customers won't ultimately be comfortable using all types of third-party financial apps. As far as your younger customers, understanding their tie to financial apps is crucial to keep their attention, since app trust is not a hurdle for them.

How should CFIs respond?

For starters, CFIs need to understand the deep tie many bank customers have to third-party apps. The movement toward open banking is only going to propel this further.

CFIs will want to consider seeking to participate in **third-party platforms** through the use of APIs and other partnerships, all the while ensuring that customer data remains safe and secure. It's a good idea to ask your core provider about possible options. Just recently, Jack Henry integrated with Akoya LLC to allow more than 400 banks and credit unions using the core provider's Banno Digital Platform, to securely connect with fintechs and data aggregators.

Still, CFIs have a responsibility to help customers protect their financial data. We've seen several institutions **balancing the importance of these apps on their websites with a message of caution** for customers to protect themselves. With the continuing rise of open banking, it becomes increasingly important for your customers to understand the security risks. Offering education on this and the ways to protect themselves on your website are a couple of great approaches to help.

It may not be easy to navigate the vast array of finance apps to understand which direction to go. Yet, one thing is sure, 50% of people are using at least two of these apps. Continue to engage customers and show that you care about their overall financial health and your customers will reward you. That may sound simple, but it is not necessarily easy. So, dig in and do the work.

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ECONOMY & RATES

Rates As Of: 06/24/2021 08:44AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.05	0.04	-0.04
6M	0.05	0.02	-0.04
1Y	0.08	0.04	-0.02
2Y	0.27	0.12	0.14
5Y	0.91	0.11	0.55
10Y	1.50	-0.10	0.58
30Y	2.10	-0.19	0.45

FF Market	FF Disc	IOER (Interest on Excess Reserves)
0.10	0.25	0.15
SOFR	Prime	OBFR (Overnight Bank Funding Rate)
0.05	3.25	0.08

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