

A hand holding a pen over a calculator and coins on a desk. The background is a blurred office setting with a desk, a calculator, and several coins scattered on the surface. The lighting is warm and focused on the hand and the objects on the desk.

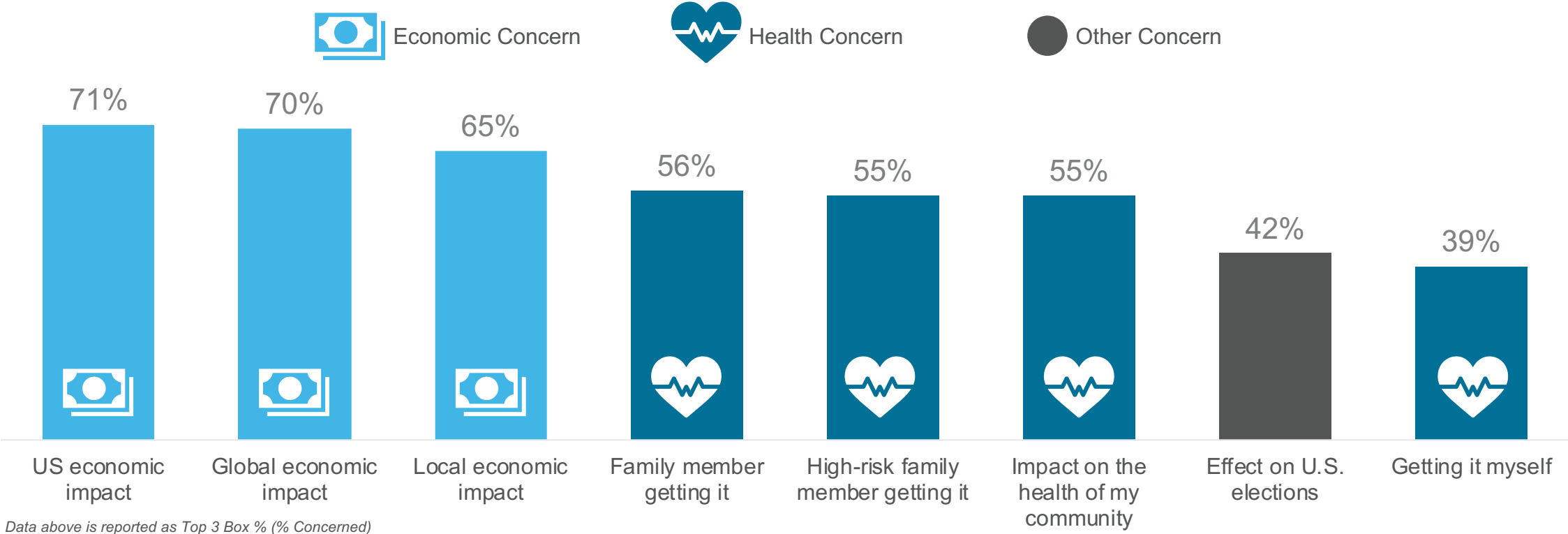
Financial

SERVICES INDUSTRY IMPACT OF COVID-19

INSIGHTS FROM SECONDARY DATA

APRIL 14, 2020

THE ECONOMIC IMPACT OF COVID-19 IS CAUSING MORE CONCERN THAN ARE HEALTH IMPLICATIONS, LEADING TO SHIFTS IN FINANCIAL BEHAVIORS



There is concern for **what exactly will change and for how long**. As we continue to live with restrictions, many economic realities will also emerge.

SOURCE: March 2020 Burke, Inc. Omnibus Study
 MR -20.2 What is your level of concern about the following?

THE UNCERTAINTY SURROUNDING COVID-19 IS DRIVING CONSUMERS TO ADAPT THEIR BANKING HABITS TO THE CHANGING ENVIRONMENT

COVID-19 is affecting consumers' banking / personal finance behaviors in three fundamental ways:

01

Greater reliance on digital banking and contactless payment methods

02

Adoption of more conservative approaches to managing personal finances

03

Investment behaviors increasingly driven by fear and uncertainty



01

GREATER RELIANCE ON DIGITAL BANKING AND CONTACTLESS PAYMENT METHODS

CONCERN OVER THE SPREAD OF COVID-19 IS LEADING CONSUMERS TO BANK DIGITALLY DUE TO CONCERNS OVER VISITING LOCAL BANKS

WHAT'S HAPPENING?

INCREASE IN DIGITAL BANKING

- As the United States goes into lockdown mode for an extended period of time, consumers will have to **adapt their banking habits** to become more **digital**.
- To better understand consumer behaviors during the COVID-19 pandemic, Lightico conducted a survey of 1,000 consumers and found some interesting **shifts in consumer banking habits** driven by the pandemic...

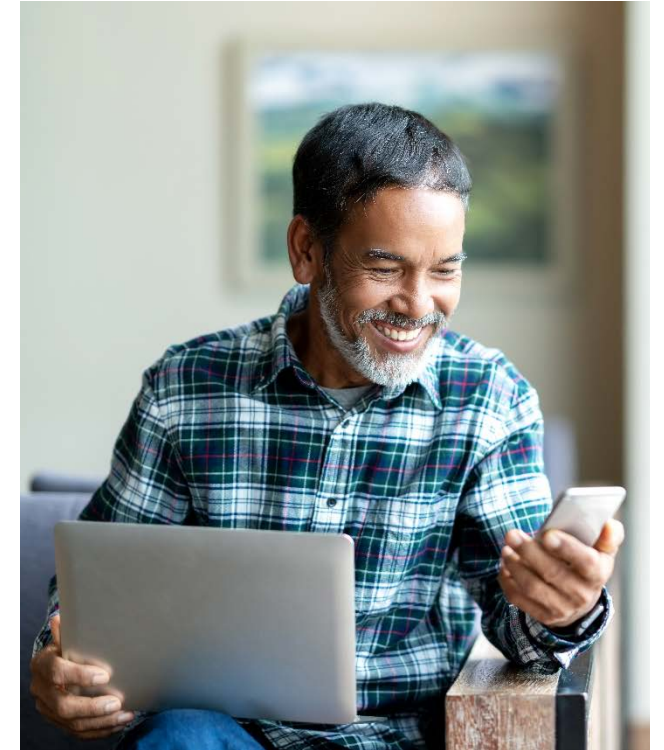
82%

are concerned about visiting their local bank because of COVID-19.

63%

are more inclined to try a new digital app or website for banking than prior to COVID-19.

- Many key banks, including Ally, Capital One, Chase, Fifth Third, and PNC Bank, are **encouraging customers to access their banks' websites or mobile apps** for faster responses to concerns.



“Sources:

CNBC, “Electronic payments look more appealing as people fear cash could spread coronavirus”, <https://www.cnbc.com/2020/03/16/electronic-payments-look-more-appealing-as-coronavirus-spreads.html>

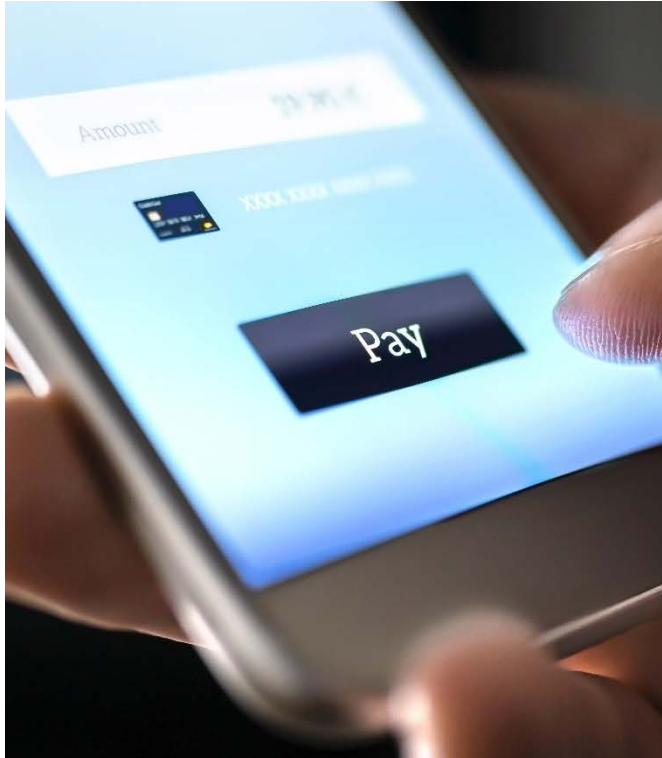
CBS News, “Paper money shunned due to coronavirus”, <https://www.cbsnews.com/news/cash-paper-money-coronavirus-covid-19/>

Banking Dive, “Banks need to push digital offerings during COVID-19 pandemic, experts say”, <https://www.bankingdive.com/news/banks-need-to-push-digital-offerings-during-covid-19-pandemic-experts-say/574395/>

Lightico, “Impact of COVID-19 on Consumer Banking”, https://info.lightico.com/hubfs/Consumer_Survey_Impact_of_COVID-19_on-Consumer-Banking.pdf”

COVID-19 IS ALSO LEADING CONSUMERS TO CONSIDER CONTACTLESS PAYMENT OPTIONS TO PREVENT SPREAD OF VIRUS VIA CASH PAYMENTS

WHAT'S HAPPENING?



GROWTH IN USAGE / ACCEPTANCE OF “CONTACTLESS” PAYMENT OPTIONS

- A growing number of businesses and individuals worldwide have **stopped using banknotes** in fear that physical currency could be a vector for the coronavirus.
- Banks in China were actually **ordered to disinfect cash** before issuing to public, while South Korea **banned cash** for an extended period of time. India, Indonesia, and Georgia are **moving towards contactless payment methods** as measures to avoid exchanges by paper.
- In the U.S., the Fed has **increased the minimum holding period** to 10 days as a “precautionary measure.”
- Many local restaurants across the country including, “The Purple House” (Maine), “Zoe Food Party” (California), and “Dick’s Drive-In” (Seattle), are asking customers not to pay with cash if possible. In addition, Open Books, a non-profit bookstore in Chicago, sent an email to customers asking them not to use cash.

Sources:

CNBC, “Electronic payments look more appealing as people fear cash could spread coronavirus”, <https://www.cnn.com/2020/03/16/electronic-payments-look-more-appealing-as-coronavirus-spreads.html>

CBS News, “Paper money shunned due to coronavirus”, <https://www.cbsnews.com/news/cash-paper-money-coronavirus-covid-19/>

Eater, “Restaurants are Encouraging Cashless Pay in Attempt to Limit Exchange of Germs”, <https://www.eater.com/2020/3/12/21177059/restaurants-encourage-cashless-payments-because-coronavirus-covid-19-outbreak>

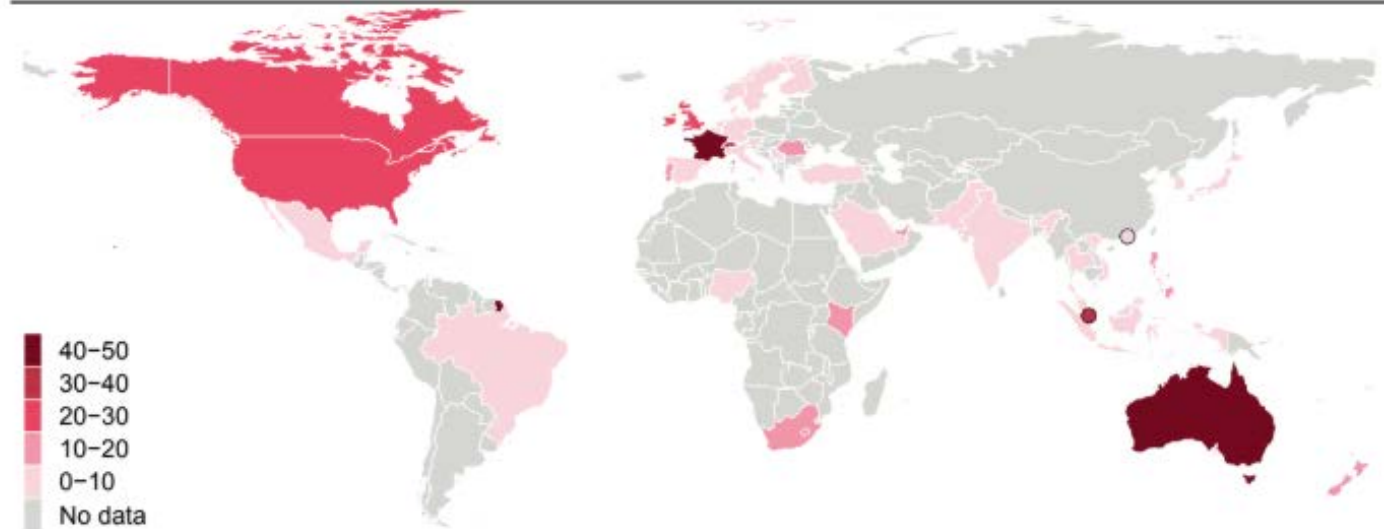
CONCERNS OVER THE SPREAD OF COVID-19 THROUGH CASH IS MOST PREVALENT IN NORTH AMERICA, AUSTRALIA, AND PARTS OF EUROPE

- Concerns are growing regarding the transmission of COVID-19 through cash transactions, particularly in Australia, North America, parts of Europe, and South Africa (shown in Graph 2).
- These concerns are leading some businesses to decline currency, while several countries have urged their citizens to stop using banknotes all together.
- With so much concern regarding cash circulating worldwide, there is opportunity for contactless payment options to grow in relevance into the future.

Average of search intensity related to Covid-19 and cash use

Interest by country

Graph 2



The black circles represent Hong Kong SAR and Singapore. The boundaries and names shown and the designations used in this map do not imply endorsement or acceptance by the BIS. Data accessed on 21 Mar 2020. Data resulting from an average of the Google search query intensity for the five searches "Cash Covid", "Coin Covid", "Cash virus", "Coin virus", and "Cash corona" and for the last 30 days, by country. Data are not available for several countries where Google is not widely used.

Source: trends.google.com; authors' calculations.

Sources:

CNBC, "Electronic payments look more appealing as people fear cash could spread coronavirus", <https://www.cnbc.com/2020/03/16/electronic-payments-look-more-appealing-as-coronavirus-spreads.html>

CBS News, "Paper money shunned due to coronavirus", <https://www.cbsnews.com/news/cash-paper-money-coronavirus-covid-19/>

AS CONSUMERS BECOME MORE DIGITAL, BANKS NEED TO STRENGTHEN THEIR ONLINE PRESENCE AND ADAPT TO CHANGING DEMANDS

WHAT ARE THE IMPLICATIONS?

IN ORDER TO EFFECTIVELY PREPARE FOR THESE SHIFTS IN CONSUMER BEHAVIORS, BANKS NEED TO...



ADJUST TO BRANCH CLOSURES

- Banks may have to rely more heavily on customer service centers to provide consumers with help they need.
- Promote cashless transactions (e.g., real-time transfers, remote deposit capture) more prominently on marketing screens at ATMs and on digital sites.
- Consider adjusting fees for non-bank customers' use of ATMs.



SOLIDIFY ONLINE PRESENCE

- Reassess policies that prohibit the establishment of a new checking or savings account without branch engagement.
- Simplifying the digital relationship establishment process by removing steps and improving customer-facing design.
- Convert back-office operations to support new digital relationships using digital technologies and seamless integration.



ADAPT TO “CONTACTLESS” PAYMENT OPTIONS

- Be prepared for a potential dip in usage of cash.
- Be sure to effectively prepare for a rise in demand for usage of “contactless” payment.
- Find ways to ensure contactless payment options are just as secure as other payment options.

Source:

PwC, “How retail banks can keep the lights on during the COVID-19 crisis – and recalibrate for the future” <https://www.pwc.com/us/en/library/covid-19/coronavirus-impacts-retail-banking.html>
The Financial Brand, “COVID-19 Provides Opportunity for Digital Transformation” <https://thefinancialbrand.com/94700/covid-19-digital-banking-transformation-opportunities/>

BANKS ARE STEPPING UP COMMUNICATIONS WITH CUSTOMERS REGARDING THEIR DIGITAL CAPABILITIES

INDUSTRY RESPONSE

EXAMPLES OF BANKS ENCOURAGING MOBILE/ONLINE USE...

- **Capital One** is strongly encouraging customers to use their digital tools and other resources for self-service banking and 24/7 account access.
- **Chase** and **Citigroup** have reminded their customers about the digital services available amid the outbreak.
- **Keystone Bank** is encouraging its customers to download its mobile app to deposit checks, transfer funds, and pay bills.



CHASE



- **Discover** is encouraging customers to use their mobile app to monitor and manage account activity.
- **PNC Bank** has greatly enhanced its information available online specific to the coronavirus, adding content and contact information that addresses personal banking customers, small business clients, corporate and institutional clients, branch and ATM availability, and bank from home services.
- **Fifth Third Bank** is inviting customers to bank anytime, anywhere via either the mobile app or online.
- **Ally Bank** is strongly encouraging customers to utilize its online self-service access and mobile apps to avoid longer wait times.

DISCOVER



Source:

Forbes, "List of Banks Offering Relief to Customers Affected By Coronavirus", <https://www.forbes.com/sites/advisor/2020/04/03/list-of-banks-offering-relief-to-customers-affected-by-coronavirus-covid-19/#7d6191694efa>
Banking Dive, "Banks need to push digital offerings during COVID-19 pandemic, experts say", <https://www.bankingdive.com/news/banks-need-to-push-digital-offerings-during-covid-19-pandemic-experts-say/574395/>

02

ADOPTION OF MORE CONSERVATIVE APPROACHES TO MANAGING PERSONAL FINANCES

COVID-19 HAS MADE DISPOSABLE INCOME A LARGER CONCERN FOR CONSUMERS AND PLACED LIQUIDITY PRESSURE ON BANKS

WHAT'S HAPPENING?

RISE IN UNEMPLOYMENT

- Since the onset of the pandemic, unemployment has grown as businesses are forced to close doors.
- In some states, high volume of filings for unemployment outpace even the toughest weeks during the Great Recession.

LESS DISPOSABLE INCOME

- As unemployment rises, disposable income will fall, leading to less spending and more conservative approaches to handling finances.
- This could lead to consumers' savings accounts being emptied, certificates of deposit being withdrawn early, and a rise in unpaid debt.
- This not only impacts the unemployed but also those in wealthier class levels who may be experiencing pay cuts or dramatic losses in their retirement accounts, prompting more conservative approaches for ongoing use of funds.

LIQUIDITY PRESSURE

- As consumers begin to feel the pressure of less disposable income, banks may start to feel some pressure on their liquidity buffers, prompting some difficult balance sheet decisions.



Sources:

PwC, "How retail banks can keep the lights on during the COVID-19 crisis – and recalibrate for the future" <https://www.pwc.com/us/en/library/covid-19/coronavirus-impacts-retail-banking.html>

WXYZ Detroit, "Whitmer: COVID-19 unemployment filings exceed those during height of Great Recession", <https://www.wxyz.com/news/coronavirus/whitmer-covid-19-unemployment-filings-exceed-those-during-height-of-great-recession/574395/>

BANKS NEED TO BE PREPARED AS CONSUMERS CUT BACK ON THEIR SPENDING AND ENGAGE IN MORE CONSERVATIVE APPROACHES WITH THEIR FINANCES

WHAT ARE THE IMPLICATIONS?

IN ORDER TO FIGHT THE IMPACT OF COVID-19, BANKS NEED TO...

- Use data available to **identify which consumers may need help** and which might be able to ride out this crisis.
 - If possible, offer some sort of customer relief and remediation beyond what is mandated.
 - Specialize relief and remediation based on customer segments – to provide the help they need.
- Monitor **deposit fluctuations**.
- Evaluate **client refinancing** deals against your balance sheet strategy.
- Engage your credit risk with accounting teams to **determine how increases in expected losses will affect earnings**.
- Look for opportunities to **refinance existing debt** or raise new funding at attractive rates.
- **Revise any planned capital actions**, given changes to buyback strategies, dividends, and new balance sheet forecasts.
- Show **empathy** to consumers while still making **sound banking decisions**.
 - Acknowledge COVID-19 and find ways to help consumers build brand loyalty, without making decisions that could in the long run come back to haunt the liquidity of the bank.

How can banks effectively show empathy through messaging to consumers?

SEE NEXT PAGE 

Sources:

PwC, "How retail banks can keep the lights on during the COVID-19 crisis – and recalibrate for the future", <https://www.pwc.com/us/en/library/covid-19/coronavirus-impacts-retail-banking.html>

EMPATHY IS KEY TO A BANK'S REPUTATION AND BUILDING AWARENESS IN THIS NEW LANDSCAPE

KEY FACTORS FOR BANKS COVID-19 MESSAGING

IN ORDER TO FIGHT THE IMPACT OF COVID-19, BANKS NEED TO...



ISSUE A STATEMENT

- If your bank hasn't already done so, put out a statement regarding COVID-19 if your customers are in any way impacted by the virus.
- Use this communication as a means to communicate tips and best practices, health advice and critical information if qualified to do so.



BE EMPATHETIC

- Customers are experiencing a lot of fear and anxiety in their lives right now, so be sure your brand messaging is empathetic and sensitive to those challenges.
- Gear messaging towards how your company plans to ease these daily challenges and combat COVID-19.



BUILD AWARENESS

- Now is the time to build messaging around trust and support. Focus on building awareness of your brand, not converting sales.
- Tailor messaging to fit customers' needs, empathize with their struggles and communicate how your company is helping.

Sources:

AdRoll.com, "COVID-19 Messaging Dos and Don'ts", <https://www.adroll.com/blog/marketing/COVID-19-messaging-dos-and-donts>

A NUMBER OF TOP BANKS IN THE INDUSTRY HAVE ALREADY TAKEN PROACTIVE STEPS TO LESSEN THE IMPACT OF COVID-19 ON CUSTOMERS

INDUSTRY RESPONSE

LIST OF TOP BANK RESPONSES TO COVID-19...



- **Ally Bank:** Ally Bank is waiving fees related to expedited checks and debit cards, overdrafts and excessive transactions on savings and money market accounts. Ally is also allowing home and auto loan payments to be deferred for up to 120 days. Lastly, Ally is strongly encouraging customers to utilize its online self-service access and mobile apps to avoid longer wait times.



BANK OF AMERICA

- **Bank of America:** Customers who need help making credit card or mortgage payments can now apply for a payment deferral online. Bank of America also announced additional support on a case-by-case basis, including...
 - For consumer and small business deposit accounts, customers can request refunds of overdraft, insufficient funds and monthly maintenance fees.
 - Customers can also request to defer payments and refunds of late fees on their small business loans.
 - On auto loans, personal loans, mortgages and home equity loans, customers can request deferral of payment with those payments added to the end of the loan. So long as clients are up-to-date, no negative credit bureau reporting will be made.



- **Capital One:** Encouraged customers to access their accounts with the bank's digital banking tools, including online and app access. Customers facing financial difficulties are urged to contact the bank directly through one of its many customer support lines. All customers will be eligible for assistance, which will vary on the type of product they have and their individual needs...examples include minimum payment assistance, deferred loan assistance, and fee suppression.

Forbes, "List of Banks Offering relief to Customers Affected by Coronavirus (COVID-19)", <https://www.pwc.com/us/en/library/covid-19/coronavirus-impacts-retail-banking.html>

A NUMBER OF TOP BANKS IN THE INDUSTRY HAVE ALREADY TAKEN PROACTIVE STEPS TO LESSEN THE IMPACT OF COVID-19 ON CUSTOMERS

INDUSTRY RESPONSE (CONTINUED)

LIST OF TOP BANK RESPONSES TO COVID-19...



- **Chase:** Says it will “continue to adapt” to the changing coronavirus situation. On March 19th, Chase temporarily closed approximately 20% of its branches to help ensure the safety of customers and employees. Chase encourages customer to utilize the tools available on the Chase mobile app and at chase.com.
 - Individuals affected by COVID-19 are told to call the number on the back of their credit / debit card for assistance.



- **Citibank:** Effective from March 9th – May 8th, Citibank customers can contact the bank for assistance with:
 - Waivers on monthly service fees, for both regular and small business customers.
 - Waived penalties for early CD withdrawal, for both regular and small business customers.
 - Fee waivers on remote deposit capture for small business customers.
 - For small business customers, bankers available after hours and on weekends.
 - Some credit card customers may be eligible for collection forbearance programs.



- **Discover:** Discover has a page dedicated to helping its customers understand the impact of COVID-19 and emphasizing that their 100% U.S.-based Customer Service team is available to help. FAQs outline key questions that may be of concern to its customers.

Forbes, “List of Banks Offering relief to Customers Affected by Coronavirus (COVID-19)”, <https://www.pwc.com/us/en/library/covid-19/coronavirus-impacts-retail-banking.html>

A NUMBER OF TOP BANKS IN THE INDUSTRY HAVE ALREADY TAKEN PROACTIVE STEPS TO LESSEN THE IMPACT OF COVID-19 ON CUSTOMERS

INDUSTRY RESPONSE (CONTINUED)

LIST OF TOP BANK RESPONSES TO COVID-19...



FIFTH THIRD BANK

- **Fifth Third Bank:** Customers are invited to bank anytime, anywhere via either the mobile app or online. Temporarily, branches are open by appointment only, with drive-through service available for simple transactions. Fifth Third's website states that "Special policies are in place" to help address COVID-19-related hardship related to auto loans, credit card balances, and loans secured by real estate. Customers must contact Fifth Third to participate.
 - Available relief includes payment deferrals of up to 90 days with no late fees during the deferral period on vehicle payments and waiving the monthly payment requirement on consumer credit cards for up to 90 days with no late fees. Mortgage and home equity programs offer up to 180-day payment forbearance with no late fees. Repossession activity on vehicles and foreclosure activity is suspended for the next 60 days.



- **Huntington Bank:** Beginning in March 2020, Huntington suspended charging late fees on consumer loan payments (through the end of April), will not initiate new repossession actions relating to financed vehicles, RVs, or marine craft (through end of May) and will suspend foreclosure actions on residential properties (through end of May).



- **PNC Bank:** As of March 27, PNC Bank has greatly enhanced its information available online specific to the coronavirus, adding content and contact information. To receive faster response time, PNC encourages customers to contact the bank online to discuss hardship postponement of payments for up to 90 days on auto loans, unsecured installment loans or lines of credit and student loans.

Forbes, "List of Banks Offering relief to Customers Affected by Coronavirus (COVID-19)", <https://www.pwc.com/us/en/library/covid-19/coronavirus-impacts-retail-banking.html>

A NUMBER OF TOP BANKS IN THE INDUSTRY HAVE ALREADY TAKEN PROACTIVE STEPS TO LESSEN THE IMPACT OF COVID-19 ON CUSTOMERS

INDUSTRY RESPONSE (CONTINUED)

LIST OF TOP BANK RESPONSES TO COVID-19...



- **TD Bank:** In order to better accommodate older customers and those most at risk of COVID-19, TD Bank has designated the first hour of its full-service store operations and customer appointment bookings for serving those clients.
 - Customers who have a TD personal, auto, mortgage, home equity loan or line of credit, TD Fit Loan, or TD Bank, N.A. Visa credit card, the bank can help with deferment of payments and waiving certain late fees.



- **US Bank:** Encouraging customers to utilize its digital banking features, including its mobile app, online banking or banking by phone. Any U.S. Bank customer who has been financially impacted by COVID-19 and needs immediate help is invited to call the U.S. Bank Assistance line. A few examples include...
 - Mobile check deposit limits have been raised for personal banking customers.
 - Reduced pricing on certain smaller personal loans and a Visa card with a 0% intro APR on purchases and balance transfer for 20 billing cycles.



- **Wells Fargo:** Customers experiencing hardship from the coronavirus can call to speak with a trained specialist about their options. These options include suspension of residential property foreclosure sales, evictions and involuntary automobile repossessions. The company is also offering fee waivers, payment deferrals and other expanded assistance for credit card, mortgage, small business and personal lending customers who contact the company.

Forbes, "List of Banks Offering relief to Customers Affected by Coronavirus (COVID-19)", <https://www.pwc.com/us/en/library/covid-19/coronavirus-impacts-retail-banking.html>

03

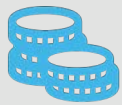
INVESTMENT BEHAVIORS INCREASINGLY DRIVEN BY FEAR AND UNCERTAINTY

FEAR IS DRIVING INVESTORS TO TAKE ACTION TO PROTECT THEMSELVES, WHICH IN TURN LEADS TO MORE MARKET UNCERTAINTY

WHAT'S HAPPENING?

INCREASED WITHDRAWAL OF INVESTMENTS

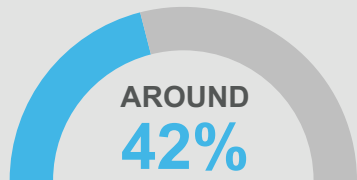
As the economy continues to tumble during the pandemic, more people are tempted to withdraw their investments.



March was a month of intense volatility as pronounced sell-offs wiped out as much as **\$24 TRILLION** in global stock market cap from equities' peak to their last lowest level.

STUMBLING STOCK MARKET

As more people elect to withdraw their investments from the stock market, the more the situation worsens.



of the working-age population with a full-time job has a 401(k) or similar plan, and those funds are overwhelmingly invested in stocks (US Census Data).

When the stock market fell 7.6% on March 9th, the average person became poorer by \$5,682. As retirement accounts such as 401(k)s take a hit, consumer spending will become more closely monitored.

Source:

Reuters, "Coronavirus fears hit the market hard. How much did ordinary Americans lose?", <https://www.reuters.com/article/us-health-coronavirus-stocks-retail-expl/explainer-coronavirus-fears-hit-the-market-hard-how-much-did-ordinary-americans-lose-idUSKBN20Y1BZ>
Markets Insider, "Investors are pulling an unprecedented amount of money from the market as coronavirus rages.", <https://markets.businessinsider.com/news/stocks/coronavirus-economic-impact-record-stock-market-bond-fund-outflows-recession-2020-3-1029017359>

INVESTMENT MANAGERS NEED TO BE PREPARED TO CURB INVESTOR ANXIETY AND HELP THEM STAY IN THE MARKET FOR THE LONG HAUL

WHAT ARE THE IMPLICATIONS?



- As more funds are taken out of the stock market, the **more unstable the market becomes**.
- Companies once being invested in are working with fewer funds, which can in turn lead to **more layoffs** and **higher unemployment**.
- **Investment managers need to adapt** and provide clients with the help and assurances they need...
 - Investment managers may need to consider how to **reposition investment portfolios** and **reassure investors** that the firm is managing through the volatility professionally in tighter time cycles.
 - Focusing communication around the idea that **this is only temporary** – that in every situation in which the markets have fallen historically, they have always come right back. Emphasizing that although these are stressful and new waters for a lot of us, it is not driven by financial instability, rather a virus that will be contained.
 - **Providing customers with a sense of optimism** as progress is being made on three key fronts...monetary, fiscal, and medical.
 - Consider **careful steps**, folks with well-balanced and diversified portfolios should avoid making any changes and look out for any opportunities to snap up shares of strong companies at attractive prices.

Source:

Deloitte, "COVID-19 and the investment management industry", <https://www2.deloitte.com/fr/fr/pages/covid-insights/articles/covid-19-investment-management-industry.html>

Barron's, "Wealth Managers Urge Calm Amid Market Storm", <https://www.barrons.com/articles/wealth-managers-urge-calm-amid-market-storm-01584450416>

ACROSS THE COUNTRY, INVESTMENT FIRMS ARE FORCED TO ADAPT TO THE CHANGING ENVIRONMENT

INDUSTRY RESPONSE



- **Charles Schwab** is mandating that staff in critical roles where working from home is not an option – network operations, cybersecurity and trading, to name a few – would have to continue working on-site.
 - Every Schwab employee below the officer level will also receive a \$1,000 spot bonus.



- **TD Ameritrade** temporarily closed its network of 2,560 branch locations on March 20th. A final wave of employees transitioned to work-from-home the following week.
 - TD Ameritrade also launched a Coronavirus Continuity Webcast Series, which is an on-demand virtual learning tool for advisors that tackles business continuity planning and managing stress as well as understanding the virus and its impact.



- As of March 13th, all **Fidelity Investments** employees who are able to work remotely were instructed to do so. Fidelity has placed secure drop boxes at Fidelity Investor Center locations for services that can't be completed digitally or over the phone, including: paper check deposits, new account paper applications, and completed paperwork.



- **Merrill Lynch** closed its San Francisco offices after the city's shelter in place order, even though the order exempted banking and financial services.



- **Wells Fargo** is implementing work-from-home policies for most of its employees who do not interact with customers or are able to work remotely. Branch employees, call center and operations center employees and their managers are among those considered essential and continue working on-site.

Source:

City Wire USA, "How Schwab, Fidelity and Pershing are reacting to the pandemic", <https://citywireusa.com/registered-investment-advisor/news/how-schwab-fidelity-and-pershing-are-reacting-to-the-pandemic/a1339421>

LOOKING AHEAD: TOWARD A “NEW NORMAL”?



Digital forms of banking are likely to become a more standard option for consumers across demographics going forward. As consumers remain at home, they will need to adapt their banking habits to meet their needs and prevent the spread of COVID-19. Previous barriers to consumer usage of such apps will be broken down as they will have no other choice for fulfilling their banking needs.

Relevance of “contactless payment” options will likely grow in the U.S. as Americans fear the spread of COVID-19 via cash transactions. Having already become heavily implemented in other countries like China and India, this shock to the financial system could very well force consumer adoption of this new method of payment.

Customers will likely have higher expectations for faster and easier access to banking tools, more targeted outreach from banks to meet their specific needs, and will require more advice and empathy from banks on a regular basis.

For a time, consumers will be more conservative with their finances, stocking up on goods and pulling funds from bank accounts to make ends meet while their disposable income falls. Helping consumers through these difficult times via different assistance packages and effective empathetic communication is key to maintaining their loyalty in the long run.

Investors will be hesitant to leave their funds in the stock market temporarily. Investment firms will need to keep a pulse on their clients and help them make sound investment decisions during these uncertain times. Helping them navigate through a challenging time such as this is sure to yield long-term loyalty.

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