



Designing Digital Financial Advisory Tools

for Low- to Moderate-Income Older Adults

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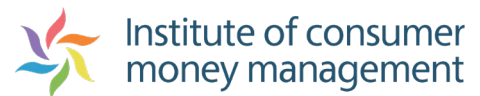


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At a Glance

Digital financial advisory tools can support individuals with their personal financial goals and decisions. Very few tools currently cater specifically to the financial needs or experiences of low- to moderate-income (LMI) older adults, however. As these adults approach retirement, it is increasingly difficult for them to plan and prepare financially for their lives in old age.

In this qualitative research study, we aimed to understand the financial advising needs of LMI older adults and to identify design features that providers can implement to support LMI older adults in successfully adopting and using digital financial advising tools as they approach retirement. Based on learnings and insights directly informed by LMI older adults, we found that:

LMI older adults view retirement as a dynamic state, not a predictable, stable period of time.

LMI older adults need support with both short- and long-term planning horizons.

Some perceive financial advice as a limited, out-of-reach resource.



We provide three key recommendations and tangible examples to incorporate in digital financial advising tools to better support LMI older adults and their financial advising needs.

01

Provide social and emotional support.

- Celebrate a user's progress
- Incorporate human touch points at crucial moments like onboarding
- Provide additional financial support with a chatbot that is transparent about its functions and limitations

02

Help LMI older adults overcome concerns that financial advising isn't for them.

- Allow users a preview of the tool's value proposition and functionality prior to signing up
- Include a series of questions during onboarding about the financial health needs of the user to create a personalized experience
- Preview the tool's dashboard
- Leverage familiar organizations to distribute the tool

03

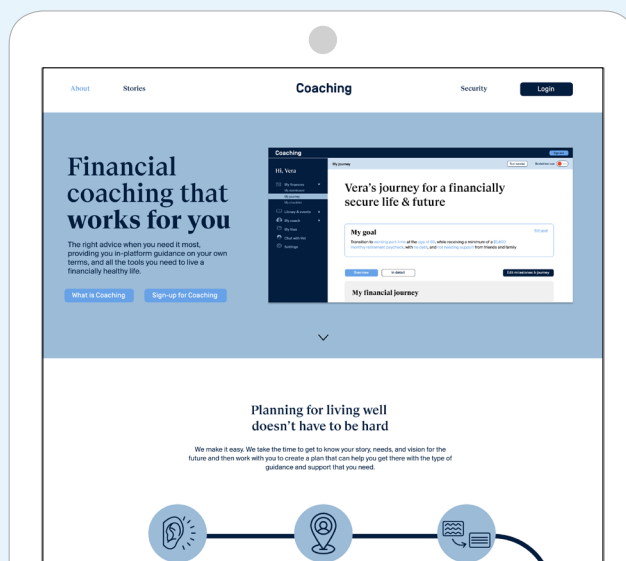
Address evolving and diverse financial needs holistically.

- Give users the ability to address their financial health in multiple areas that are timely for their circumstances
- Provide curated content and tools that align with the user's interests and multi-faceted financial health goals

SEE IT IN ACTION

We created a prototype of a digital financial advising tool based on user feedback from our research to help illustrate how innovators can incorporate the report findings into their product design. To view a video of the prototype, go to FinHealthNetwork.org.

These learnings and design recommendations reflect the perspectives and feedback shared directly from participants in this study. This report features images of a digital financial advising prototype to serve as a tangible example of how financial institutions, nonprofits, and innovators can more effectively support the financial health of older adults through digital financial advising tools. We encourage organizations offering financial advice to leverage these insights when designing, enhancing, or evaluating digital financial advising tools for this population.



Introduction

It is increasingly difficult for older adults to plan and prepare for their lives in old age. Low- to moderate-income (LMI) adults, in particular, are even more financially stretched to reach retirement and maintain the quality of life they envision for themselves in their later years.

LMI older adults, focused on staying afloat while living paycheck to paycheck, are often unable to adequately plan or prepare financially for life in their retirement years. Some are forced into early retirement because of unexpected changes in health, employment or family circumstances, resulting in lost time to continue preparing financially for retirement, while also balancing additional expenses. Others experience the reverse, where unexpected circumstances are so burdensome that they are unable to retire at the age they envision and are forced to prolong their working years.

Financial advice is one type of resource often used to support one's immediate and long-term financial goals and can take several different forms:



a one-on-one financial counseling session to build a budget, a dedicated person overseeing multiple areas of one's financial life, a digital tool to help plan for long-term financial goals, or a combination of these options.¹

Apart from the delivery format, financial advice provides personalized information about actionable steps that individuals can take to improve their financial health, and financial advising tools provide an opportunity for users to execute that advice and directly take action or build positive financial behaviors. Personal financial advisors are often considered resources for older adults to get support in planning their retirement years and managing their finances during that period.

¹ *"Building Your Business Case for Financial Health: Providing Guidance and Support to Increase Customer Well-Being," Financial Health Network, November 2019.*

However, current financial advising options are not viable for many LMI older adults. Some financial advisors are too expensive for LMI individuals or are perceived as a limited resource focused on wealth management, rather than more immediate financial health needs. While many organizations have made technological efforts to increase access to financial advice at a lower cost digitally, many digital financial tools are not specifically designed with older adults in mind. In previous research, the Financial Health Network found that the design of fintech tools is an important factor in whether they appeal to and are used by older adults.² There is limited information, however, about how digital financial advisory tools, specifically, can be designed to effectively serve a population of LMI older adults.

For this research, we conducted a qualitative study with older adults to identify their financial advising needs and to test a prototype of a digital financial advising tool inspired by these insights. We focused on LMI older adults between the ages of 50-64 with annual household incomes under \$82,000, many of whom are nearing retirement or have retired early, to learn about their retirement preparedness, existing financial barriers, and preferences for financial advice.

In this report, we share three key learnings and insights about the financial advising needs of LMI older adults approaching retirement, including direct quotes from study participants. We also offer three design recommendations for providers to incorporate when designing a digital financial advising tool for LMI older adults, utilizing the mock tool used in the study. Institutions that serve LMI older adults, such as banks and credit unions, nonprofit organizations, and fintech developers, can use these insights and recommendations to build tools that holistically address the financial

advising needs of older adults. Providers with existing services and tools, such as financial coaching sessions or digital financial tools, can also use these recommendations to ensure these services are effective and inclusive of this population's needs.



² *"Fintech Over 50: Designing for Low- to Moderate-Income Older Adults," Financial Health Network, May 2020.*

METHODOLOGY

For this research, we worked with Dalberg Design, a design and innovation firm that uses human-centered design. The research design team conducted individual and small-group interviews with 40 participants between ages 50-64 from across the country with annual household income under \$82,000. Though we conducted these interviews remotely because of the ongoing COVID-19 pandemic, this format enabled us to capture a geographically diverse group of participants. The research design team used a video platform to conduct individual and small-group video interviews, share their screens to display iterations of the prototypes, and facilitate discussions for participants' reactions and feedback (reference Appendix A for further details). Participants represented diversity by gender, household size, and represented low-to moderate-income levels (reference Appendix B for further details). Participants shared details of their current financial lives, existing financial barriers, and future financial aspirations. They also evaluated and prioritized financial topics, delivery channels, and the features that would best support their financial advising needs. The design research team then took these insights and designed a mockup of a digital financial advising tool, prioritizing features that addressed participants' financial and technological concerns related to using a digital tool. They iterated on this mockup based on direct feedback from participants about its concepts and features.

To identify gaps in the market for our primary research to fill, we scanned several dozen financial advising tools to explore digital financial advising

tools available to LMI older adults. We included a tool in our assessment if it was available digitally; was interactive and personalized; and provided guidance on spending, saving, credit and debt management, or planning for the future.

We included tools that were offered on a website, app, or both, but excluded fully in-person offerings. We considered a tool interactive and personalized if it required information from the user, such as one's preferences, assets, and goals, and provided personalized content or recommendations based on the information the user provided.

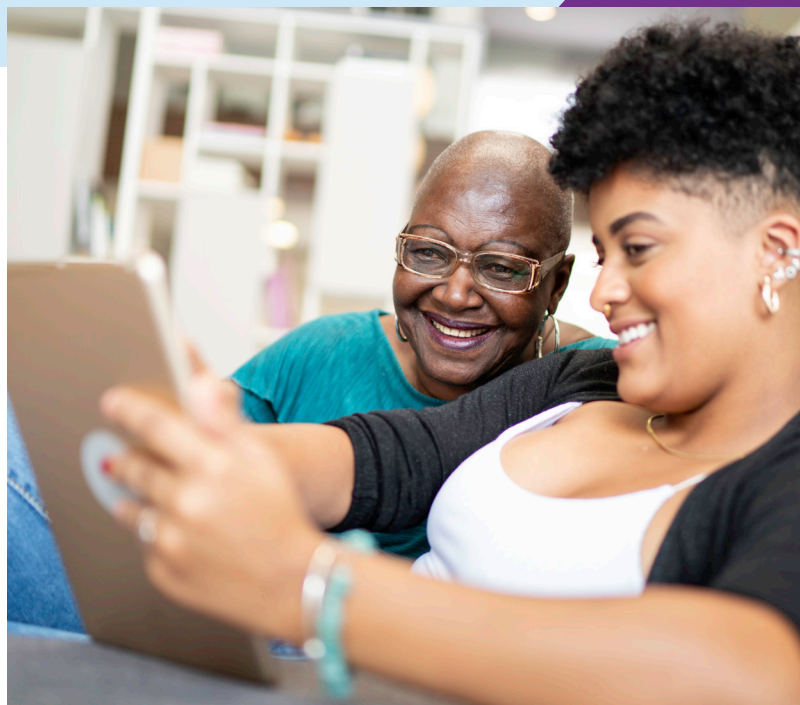


Opportunities to Support LMI Older Adults Holistically with Digital Financial Advising Tools

Many LMI older adults struggle with various financial health challenges, including meeting their short-term financial needs, ensuring adequate insurance coverage, and planning for retirement.³ To understand how the market is serving this population's needs for both short-term and long-term planning, we scanned several dozen financial advising tools.

We found consumers could access digital advising tools from various types of organizations, including banks, investment and wealth management institutions, fintechs, and nonprofit organizations. A few nonprofit organizations offer financial coaching services directly to consumers, while others work in partnership with financial institutions or employers to supplement their services and benefits with financial coaching.

A majority of financial advisors in the analysis presented advice in a hybrid format of digital and human touch points, blending videos, chatbots, and algorithm-based advice with a live person's support. Several others provide fully digital services (e.g., robo-advising). Some solutions have financial barriers that are difficult for LMI consumers, such as minimum required investment amounts or management and investment fees.



Despite the volume of different digital financial tools available, very few of the tools we examined connected multiple financial needs on a single, holistic platform. Nearly all tools that we considered supported savings efforts, and a few targeted planning, credit and debt management, or spending needs. Thus, providers have an opportunity to support the financial needs of LMI older adults more effectively by developing solutions that connect multiple financial health components for holistic support. These solutions could address both the short- and long-term financial needs of LMI older adults, and reduce financial barriers for LMI older adults to engage with digital financial tools.

³ "Fintech Over 50: Designing for Low- to Moderate-Income Older Adults," *Financial Health Network*, May 2020.

Research Insights: Understanding Financial Advising Needs

Many financial advisory tools are not designed to serve the financial needs and preferences of LMI older adults. Often, they neither provide a holistic platform that connects various financial needs nor adequately address the financial challenges that LMI individuals may experience. To better understand their financial needs, we conducted individual and small-group interviews about participants' financial lives, relationship with fintech, and prior experiences with financial advice. Organizations that provide financial advising services can benefit from these insights to more effectively serve the LMI older adult population by understanding how LMI older adults think about retirement, as well as the role financial advising plays in achieving their goals.



Three main themes emerged from these conversations:

Retirement is a dynamic state, rather than a predictable, stable period of time.

Support is needed for both short- and long-term planning horizons.

Financial advice is perceived as a limited, out-of-reach resource.

01

LMI older adults view retirement as a dynamic state, not a predictable, stable period of time.

Retirement is often portrayed as a worry-free, leisurely time of life with minimal financial challenges. Many LMI older adults have experienced shifts in their social, economic, and health conditions that have inhibited their ability to achieve their financial aspirations, however.

These may include divorce, difficulties finding work because of disabilities, or unexpected health challenges. For some, these circumstances have not only limited their ability to prepare for the future by saving or investing, but also have created a sense of increased uncertainty about what their future financial needs might be.

Several participants in the study were anxious that these unpredictable circumstances would cause additional financial strain on their households. They feared experiencing medical challenges, needing to be financially responsible for other family members, or having a disability. Some participants discussed adjusting to an even more financially conservative lifestyle to prepare for unforeseen circumstances, while others expressed uncertainty about their ability to retire at all.

Retirement today is an unpredictable, dynamic phase of life, as opposed to a fixed, settled period. It is no longer a single milestone reached at a certain age, but a long life stage influenced by the ability to prepare for years in advance. The financial needs of LMI older adults during this phase of life simply cannot be predictably managed on a fixed income or with fixed expenses. Rather, they anticipate having evolving financial needs as they approach old age. Digital financial advisors that serve the needs of older adults will therefore need to include support with planning for retirement years, a more holistic approach to managing various aspects of their financial lives, and strategies that help achieve their desired quality of life in old age.

“As I age, I’m always worried about my health. What am I going to be able to do [if my] mobility starts to go downhill?”

SMALL GROUP PARTICIPANT, JUNE 2020

02

LMI older adults need support with both short- and long-term planning horizons.

Just as our circumstances impact the quality of life we experience in our youth, quality of life in old age also differs for individuals based on their life circumstances. Some LMI older adults in our study felt prepared for this chapter, are able to manage unexpected circumstances that may arise, and have actively worked toward their vision of retirement. Others shared that they live paycheck to paycheck, focus on making ends meet, and feel anxious about not having enough resources and support to retire in the way they envision.

“We have a little leftover some months and then other months, you know, it gets eaten up and you have to go with whatever you have left and catch-up.”

ANTHONY, ALABAMA, JUNE 2020

We encountered LMI older adults with different levels of financial stability. Some appeared to be financially resilient and were able to pursue their financial goals and opportunities, such as investing over time. These individuals had previously engaged with financial products and services, and were comfortable with both financial language and financial concepts. Because of this level of experience and engagement, their priorities revolved around growing wealth and planning for the future. Others struggled with a few areas of their financial lives, but not all. These individuals have used a few financial products and services over time, but were not fully confident they were on the right track.

Another group of LMI older adults we spoke with struggled with nearly all areas of their financial lives. Before planning for the future, they faced several short-term financial challenges. Many of these individuals had bank accounts and retirement accounts, but had not engaged with many other financial tools or services. They also found the idea of financial advisors to be intimidating, and therefore preferred digital tools with a stronger human support system to build their financial skills and support their financial lives.

Understanding the broad range of financial needs and preferences within this population provides an opportunity for organizations supporting them to facilitate both short- and long-term planning needs, particularly for individuals with pressing financial health needs.

03

Some perceive financial advice as a limited or out-of-reach resource.

In this study, nearly half of the LMI older adults had previously engaged with a financial advisor, and one-third of participants were currently using a financial advisor. Despite this level of engagement, many LMI older adults believed that financial advising wasn't feasible or appropriate for them. Some worried that their overall income was insufficient to benefit from a financial advisor, based on the assumption that advisors only assist clients with wealth management and asset growth. While some participants had positive experiences with their financial advisors, some, based on past experiences, worried that many advisors were more interested in commissions than the participants' financial needs. Others thought that financial advisors provided limited or basic financial services that they already were managing themselves,

such as improving credit scores or budgeting. Because of this perception, they felt that using an advisor was unnecessary, which created a barrier to engage with resources that could positively impact their financial health.

“ Well, if I could afford it I'd sit down and talk to a financial planner but right now if I paid the financial planner I wouldn't have anything left to plan with. He'd have all the money and I'd still be sitting here...”

ANTHONY, ALABAMA, JUNE 2020



Design Recommendations: Designing a Digital Financial Advising Tool for LMI Older Adults

This section provides three key recommendations to incorporate in digital financial advising tools to better support LMI older adults and their financial advising needs. We also discuss and illustrate key features for digital financial advising tools to incorporate to support LMI older adults, and preview elements of the prototype developed based on our research.

Providers of digital financial advice should help LMI older adults:

Feel emotionally and socially supported in their financial preferences and goals

Overcome the anxieties that financial advising isn't for them

Holistically address diverse individual financial needs with a tool that evolves as their financial needs change



01

Provide social and emotional support.

Because of the dynamic nature of both retirement and life approaching old age, LMI older adults need emotional and social support in multiple facets of life, including their financial lives. As part of the exercise to design a digital financial advisory tool, the design team asked participants to describe their ideal financial advisor. Many described an ideal advisor who embodied a sense of comfort, understanding, patience, and empathy, as well as someone who established a sense of familiarity and rapport.

Our research identified specific features that help LMI older adults feel socially and emotionally supported in their financial preferences and goals. For example, participants felt emotionally supported when their financial progress and achievements were recognized and celebrated as steps toward greater financial security. Providers can recognize and celebrate progress and achievements with interface animations, games, and celebratory language.

“ I would want [my financial advisor] to be an expert on my generation, knowing about what’s going on for people in my age range and being in tune with what my world is like, where I’m coming from and the kind of person that I am.

MONICA, WASHINGTON, JUNE 2020

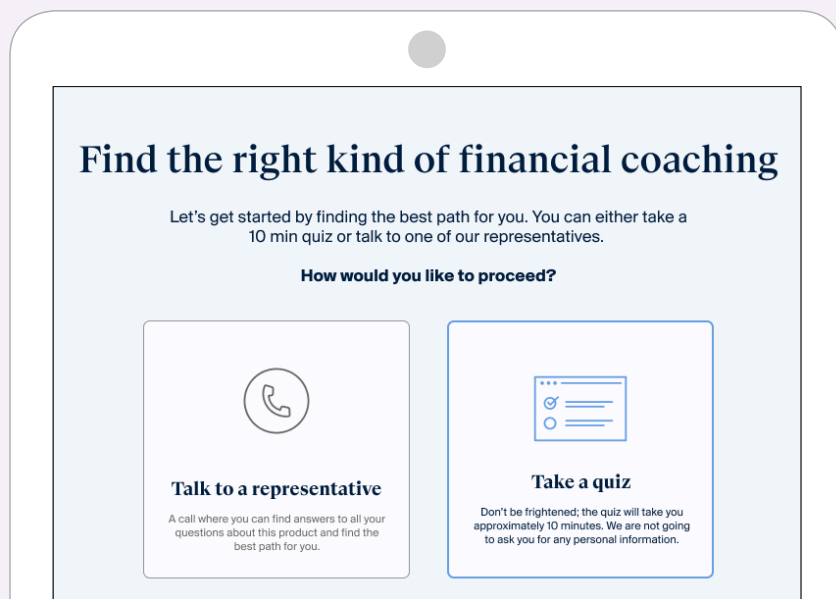
LMI older adults also felt supported when digital advising tools **integrated human touch points for a personalized onboarding experience**, as well as when human channels are available to troubleshoot challenges. Many older adults have lived through the rapid development of technology and have had to undergo constant upskilling as technology has become a predominant part of managing our lives. Though most study participants had engaged with technology, such as desktop computers, laptops, and smartphones, many were hesitant to use technology for managing their finances. Prior research from the Financial Health Network identified that many LMI older adults fear they have inadequate skills to use the digital tools or that they would be victims of fraud with their personal financial information.⁴ Incorporating human touch points can lower these barriers and is particularly crucial during the onboarding process, where LMI older adults can access support as they become acclimated to the product and assess whether the tool can support their financial needs.⁵

In Figure 1, we illustrate how a digital financial advisor can provide an option to talk to a representative during onboarding as an alternative to inputting information online. This option can be embedded into any portion of an onboarding flow, such as before a user provides personal information, on a screen where the company encounters questions from customers more frequently, or at the end of onboarding when a user begins using the digital financial advisor.

⁴ “Fintech Over 50: Designing for Low- to Moderate-Income Older Adults,” *Financial Health Network*, May 2020, p.5.

⁵ *Ibid.*

Figure 1. Options to Onboard Independently vs. with Live Support



Integrating human touch points as opposed to all-digital support at certain points can also provide emotional support as LMI older adults navigate unpredictable challenges in the years before retirement. In addressing challenges, such as illness, loss of loved ones, changes in marital status and/or difficulties finding or maintaining a job, LMI older adults expressed interest in assistance from a human that understands their financial situations and shows empathy when assisting them. This insight highlights an opportunity to provide a similar level of support for users through a digital product that can address these emotional needs, such as by adapting its tone and language as it provides financial advice.

Another feature that can support LMI older adults is a chatbot. Though some participants preferred speaking to a live person over a chatbot for support, many were open to engaging with a chatbot for simple tasks, which creates a channel for more immediate support for simple financial questions or recommendations. Many older adults were also open to using a chatbot financial assistant when its specific capabilities were clearly explained and its purpose is transparent. In particular, chatbots that are available 24/7, answer simpler financial questions, provide educational resources, and quickly perform calculations can support the various financial preferences and goals of LMI older adults. The chatbot can provide validation or course-correction recommendations through on-demand and customized expertise. Figure 2 illustrates a conversation between Vera, the digital tool user, and Pat the chatbot.

Pat is clearly introduced as a chatbot and a digital financial assistant. It has the ability to answer financial questions, address questions about the digital platform, share financial resources and tools needed, and perform simple calculations. In the example below, Vera asks Pat about her mortgage interest rate, how to lower this rate, and how to set a spending goal. Pat is able to share relevant information and resources on demand.

Figure 2. Conversation with a Chatbot Financial Assistant

Chat with Pat

Pat 6:34 pm

Hi Vera, it's a pleasure to meet you! I'm Pat, your **financial assistant**. I'm a chatbot, but you can talk to me like you would a person. **What can I help you with today?**

(For example, you can ask for me questions about your finances, for help using your financial tools and dashboard, or request a call back from one of our financial coaches.)

Listen to Pat

0:25

Vera 6:35 pm

Hi Pat, I have a question about my mortgage.

What's the interest rate?

Pat 6:37 pm

Vera, I'm seeing that your mortgage rate is currently set to 3.58%

Listen to Pat

0:25

Tips by Pat

Your credit score has improved in the last 6 months, and you may now be eligible to refinance your mortgage, which would lower your interest rate, saving you money and helping you pay off your house sooner.

Let me know if you want to know more about your mortgage and available options.

Vera 7:03 pm

I'm spending more than I want to... I was looking at my dashboard and saw I can set a specific spending goals. How does that work?

Pat 7:05 pm

Nice! It sounds like you found an excellent opportunity to improve your finances.

Setting specific spending goals for all major categories of your expenses can help you estimate and set a realistic monthly budget. Having these clear spending goals can help you track your spending throughout the month and identify areas where you can reduce your spending.

To set a spending goal name, the spending category, such as "restaurants," and set a monthly budget for how much you want to spend each month. You can also choose to receive alerts when you are close to your limit or have overspent. You can also look at how your spending in each category has changed over time.

Here is a short video on how to set a spending goal and use your spending planner tool.

Top spending categories

Food

\$1,000

Transportation

\$800

Utilities

\$600

Health

\$500

Entertainment

\$400

Bottom spending categories

Transportation

\$400

Food

\$300

Utilities

\$200

Health

\$100

Entertainment

\$100

DESIGN RECOMMENDATIONS

13

LMI older adults are more comfortable with chatbots that support and augment human interactions, rather than replace them. While many expressed comfort with a chatbot that has a name and a personality, many are simultaneously less enthusiastic about chatbots disguised as humans and expressed displeasure that these types of arrangements eliminate in-person support. Rather, providers should **be transparent about the chatbot's functionality and limitations**. For example, the chatbot may not be able to provide advice in a complex financial situation. In these instances, human support would be more helpful than a chatbot, and pairing a chatbot with actual human interactions may be the optimal combination to support LMI older adults emotionally.

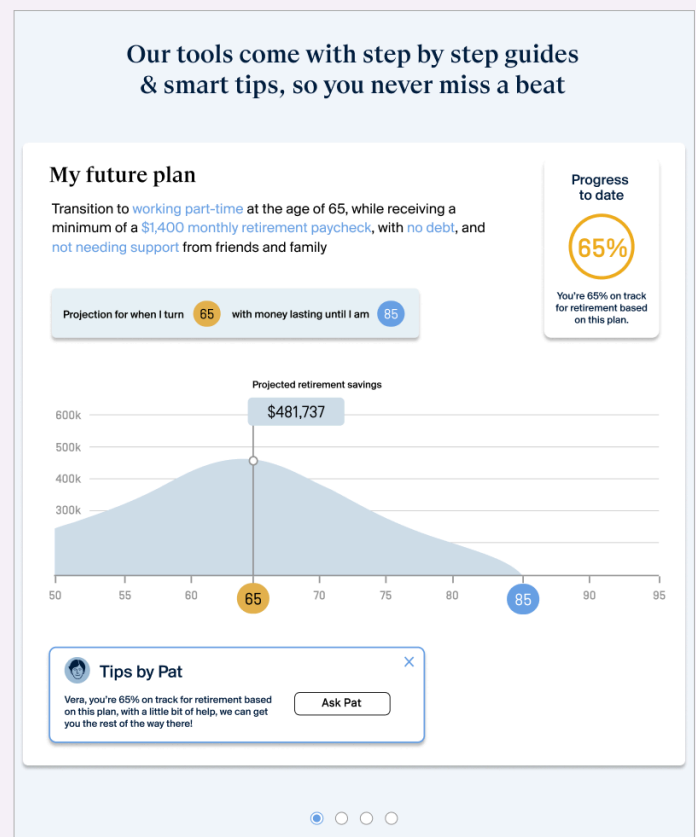
02

Help LMI older adults overcome concerns that financial advising isn't for them.

Many LMI older adults believe that financial advising is not for them because they associate financial advising with wealth-building and asset management. For this reason, many are unlikely to consider traditional financial advisors as relevant and appropriate resources for their other financial needs, such as retirement planning, preparing for unexpected financial situations, or managing income volatility. Additionally, many tools do not present the full value of their functionality before users are required to sign up, limiting the information LMI older adults have to gauge how relevant and appropriate the tool is for their evolving financial needs. To overcome these concerns, effective digital financial advising tools for LMI older adults should allow and encourage users to preview and test various functions of the tool to build confidence in their relevance and usefulness.

While some design best practices suggest minimizing the volume of information shared upfront, older adults in this study were more comfortable exploring the tool when they could **preview the tool's value proposition from the outset, explore its functionality, and build comfort with the tool before making a formal commitment**. For example, Figure 3 displays an example snapshot of a user's retirement savings projection connected to debt goals, the user's progress toward a retirement savings goal, and options to explore additional resources via the tool's chatbot. This preview lives on the tool's website, allowing LMI older adults to preview several of the tool's features and assess how the tool can cater to their unique needs prior to signing up.

Figure 3. Previewing the Digital Financial Tool



Additionally, a web-based digital financial advising tool can **encourage “test drives” of other features on the product’s homepage**, such as completing a product relevance assessment to view topics that can be addressed in the tool, or exploring a tool’s dashboard to preview the tool’s features.

A product relevance assessment provides users insight to help evaluate if the product is appropriate for them. Most LMI older adults are skeptical when engaging in new financial services and need advice to gauge the relevance and appropriateness of the new service or tool.

A relevance assessment can help users understand what to expect, and what their experience will be like when engaging with the tool. Figure 4 shows an example of a relevance assessment — a series of questions to provide information on what stage of life the user is in and what financial topics are of interest at that point in time. This completed assessment (Figure 5) triggers financial content, tools, and recommendations specific to the user’s interests and goals.

Figure 4. Financial Assessment

The figure displays two screenshots of a web-based financial assessment tool interface. Both screenshots feature a navigation bar at the top with links for 'About', 'Stories', 'Coaching' (highlighted), 'Security', and a 'Login' button.

Top Screenshot: Which stage describes where you are in your financial life?
The question is followed by the instruction: "Select all the options that apply; we will ask you some follow up questions per option of interest". Below the question are four selectable options, each with an icon and a brief description:

- Just getting started** (Icon: Clock): You've never really made a financial plan or successfully put into action, beyond managing the day to day
- Managing debt** (Icon: Bomb): You're dealing with debt and need to get it under control before you can really start planning
- Approaching retirement** (Icon: Target): You're nearing retirement age and want to understand how to live well and securely as you get older
- Dealing with life's curveballs** (Icon: Rocket): You're dealing with unexpected financial challenges like unemployment, healthcare expenses, or divorce

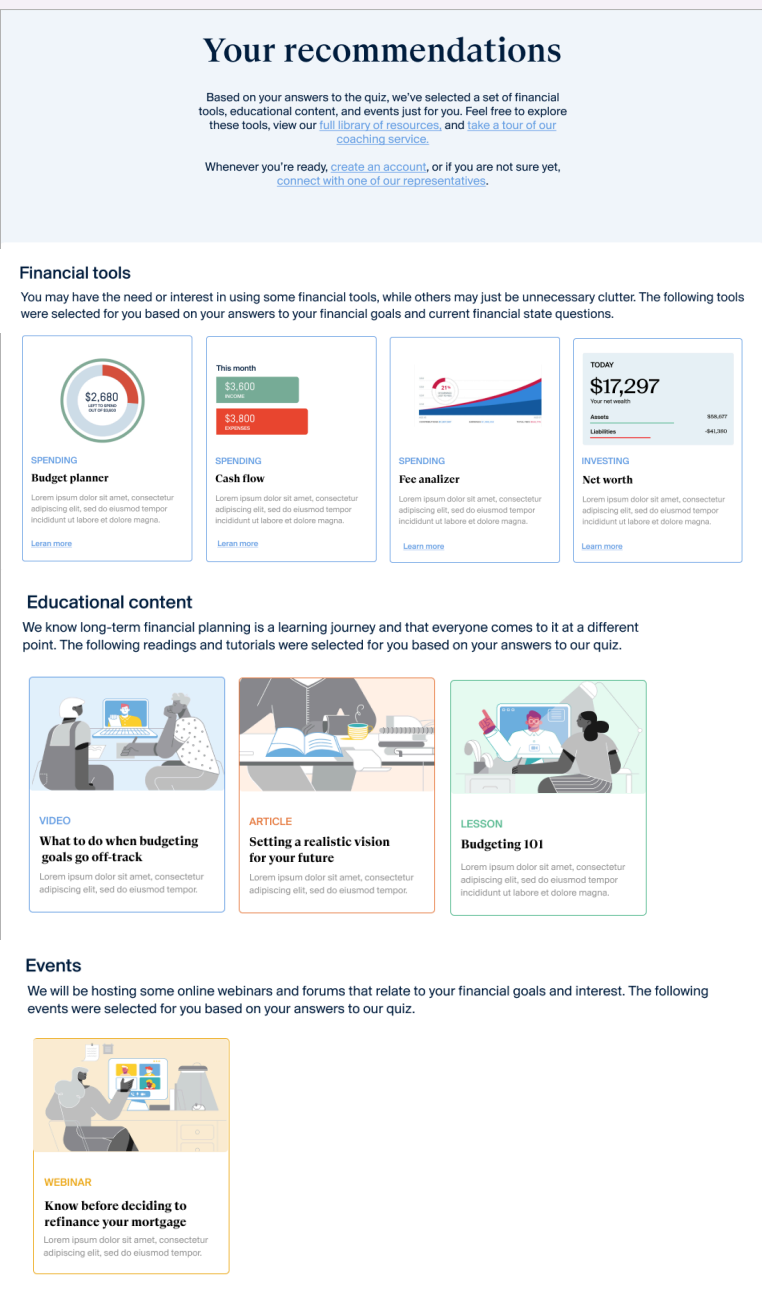
At the bottom of the selection area are 'Back' and 'NEXT' buttons.

Bottom Screenshot: What would you like to explore with a financial coach?
The question is followed by the instruction: "Select all the options that apply; we will ask you some follow up questions per topic of interest". Below the question is a grid of 12 selectable topics:

Income stability	Savings	Taxes	Credit score
Medical expenses	SSN benefits	Budgeting	Emergency funding
Insurance	Property	Debt management	Investing

At the bottom of the selection area are 'Back' and 'NEXT' buttons.

Figure 5. Recommendations Generated from the Completed Financial Assessment



This provides a preview of what the product can offer, the customized recommendations that it generates, and a deeper sense of relevance for an LMI older adult. The assessment can take the form of an online quiz or be part of an onboarding process with live support. Users can view recommendations independently on the digital financial advising platform or review and discuss them during the onboarding process. Ultimately, a product relevance assessment can help LMI older adults preview topics covered, explore the types of financial advice provided, and build confidence that the digital financial advising tool they preview is truly relevant for their needs.

Previewing a tool's dashboard can also build confidence for LMI older users that financial advising is useful for their needs. The dashboard functions as a snapshot of one's goals and progress, and an available resource to learn more. For several participants, the dashboard was a critical feature to understand the tool's depth, as well as ease of use. The dashboard allowed them to view how they could use the tool to connect various financial components quickly and easily, access relevant resources, and view their personal progress toward financial goals.

Lastly, leveraging organizations that LMI older adults already know is crucial to building trust and confidence when adopting a new digital financial tool. Many participants were more willing to learn about and engage with a new digital financial tool when the tool was supported by a recognized, familiar, and accessible financial institution or organization, such as a local financial institution or nonprofit.

When unfamiliar sources provided and distributed digital tools, many participants stated they felt skeptical about using and trusting a new tool. Partnerships between recognized financial service providers and accessible local organizations may serve as a strong distribution source to scale engagement with a digital financial tool.

03

Address evolving and diverse financial needs holistically.

The Financial Health Network’s financial health framework includes four components: spend, save, borrow, and plan (see Figure 6). Our research finds that most in-market solutions do not connect multiple components of one’s financial health on a single platform. Rather, many target specific needs, leaving users on their own to connect facets of their financial lives for current and evolving circumstances.



Figure 6. Four Components of Financial Health Framework



LMI older adults may benefit from services that understand their individual financial context and offer tailored financial plans that evolve with their needs over time. These services can be most impactful when they support users to take action, respond to progress, and evolve in their recommendations so that users can build positive financial habits and behaviors over time. In addition, by responding to older adults’ evolving needs, the financial advising tools maintain their relevancy to different financial circumstances. For instance, many LMI older adults are focused on their day-to-day financial needs, while others are focused on long-term wealth management and growth.

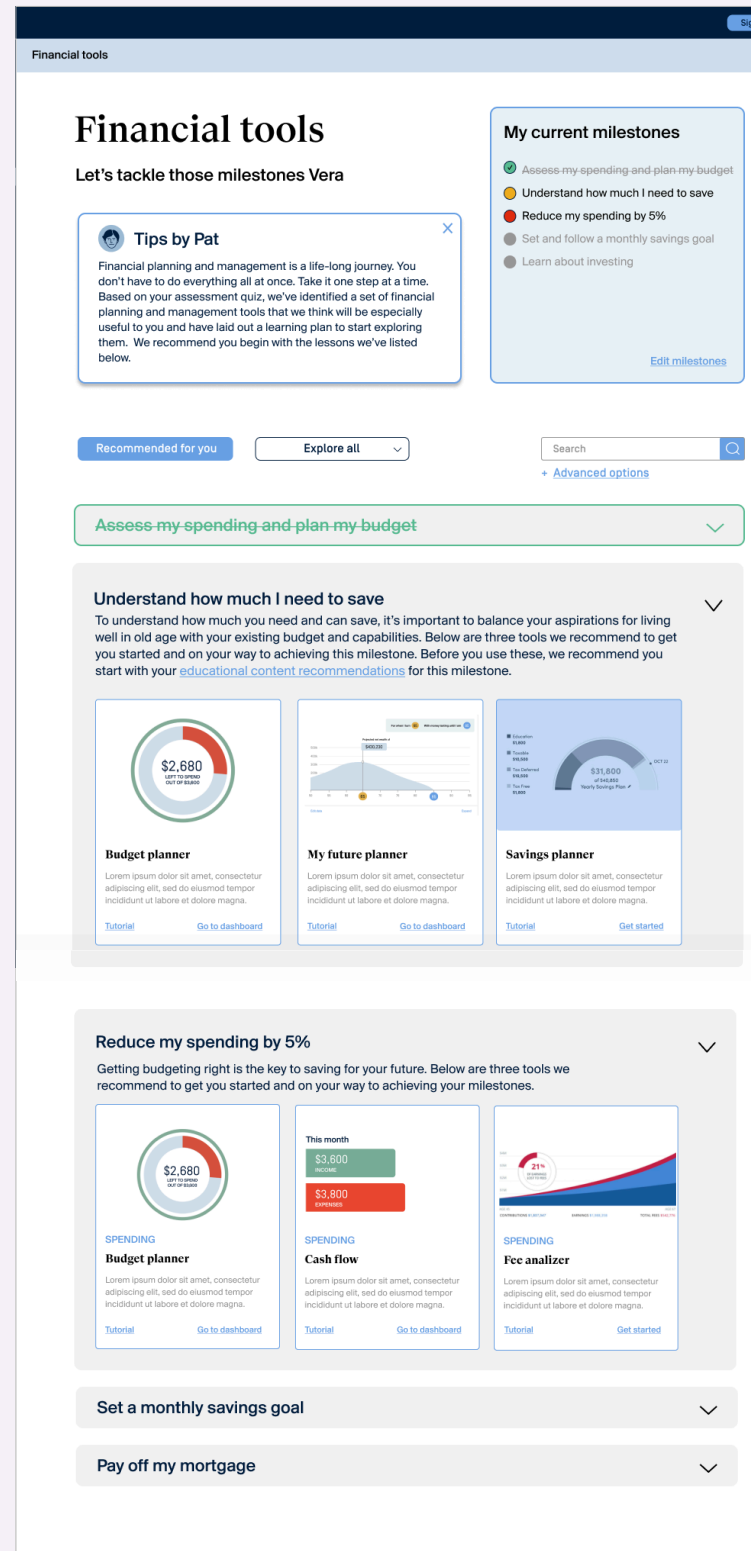
By conducting a relevance assessment, as previously discussed, and providing access to pertinent financial health content and tools, providers can better understand LMI older adults financial goals and where they need support. In particular, **providers can give users the ability to engage in financial health on multiple timely and appropriate topics.**

The relevance assessment may indicate that an individual has multiple financial health challenges to address. Based on those needs and individual preferences, a digital financial advising tool could recommend prioritizing certain aspects of financial health in the near term and addressing other ones in the future. For example, an individual may be struggling with income stability, debt management, and a low credit score. A digital financial advising tool could recommend ways to boost or smooth income, and manage debt in the short term. It could include functionality to execute on those recommendations and take concrete steps toward improving that individual's finances. It might connect to initial steps to improve credit score, enabling the user to address financial challenges holistically.

Providing curated recommendations that match the user's multi-faceted needs, such as financial content and tools that align with the user's interests and financial health goals, also helps holistically address the financial needs of LMI older adults. Since the components of one's financial life are interdependent, a challenge in one area often impacts other financial areas. For example, in Figure 7, we illustrate how users can explore curated recommendations for both current and relevant future needs across multiple financial health areas. These recommendations are generated based on the needs and goals identified in the relevance assessment.

By providing recommendations to address multiple financial needs, providers can support users to be better positioned to manage their financial lives holistically, rather than as independent factions of their lives.

Figure 7: Curated Recommendations for a User's Multifaceted Needs



Conclusion

These recommendations can be utilized to design new, innovative tools for LMI older adults or to ensure the effectiveness of existing financial services and tools. As technology continues to evolve at a rapid pace and LMI older adults increasingly experience challenges as they approach retirement, financial service providers and technology innovators have the opportunity to design effective tools at scale, and ensure this population can address their financial health needs and prepare for quality of life in old age. Additionally, as more older adults have gained experience with digital connections and digital financial management in the midst of the COVID-19 pandemic, the timing is ripe for innovation with tools that build on those skills with appropriate support.

This research contributes key considerations and provides concrete illustrations for digital providers, yet additional research questions remain. Designers, innovators, and providers will have important decisions to make along the way to ensure these considerations both sync with their overall experience and serve this population. In particular, designers should explore the following:

Which financial areas are LMI older users comfortable engaging digitally, and in which areas do they require more human support?

Many older adults preferred having information upfront about the digital financial tool under consideration. What is the optimal amount of information to provide to older adults during early usage, without reducing conversion rates?

What marketing and acquisition considerations can support LMI older adults' needs? For example, to what extent should digital tool features be made available to preview in pre-adoption phases, rather than made available as a premium feature?

As designers, innovators, and others utilize these insights and design recommendations, we encourage organizations to ensure LMI older adults' voices remain part of the process, whether through surveys, focus groups, or rigorous UX testing. Their perspectives and contributions remain vital to closing gaps and seizing impactful opportunities.

EXPLORE RESOURCES

To further engage with this work or view the full clickable prototype of the digital financial advising tool, contact **Farah Manjiyani** or **Stephen Arves**. You can explore a preview of the digital financial advising tool prototype [here](#).

You can explore our related research, especially **Redesigning the Financial Roadmap for the LMI 50+ Segment** and **Fintech Over 50: Designing for Low- to Moderate-Income Older Adults** to learn more about the financial lives and challenges of older Americans.

Appendix A

Methodology for Design Research

STAGES OF RESEARCH

To inform the insights and design recommendations for a digital financial advising tool in this report, we conducted qualitative research in June through July 2020, with 40 low- to moderate-income participants between ages 50–64. Our research was conducted in two phases: understanding the financial lives and financial advising needs of older adults, and presenting a digital financial advising tool to older adults for feedback. The learnings in this report reflect what we learned from the participants with whom we engaged. While our sample includes representation for various dimensions (race, geography, region, education level, digital literacy, age, gender), these learnings do not represent all LMI older adults. Appendix B provides additional detail about the participants in our research.

We partnered with Dalberg Design, a design and innovation firm that specializes in human-centered design, to recruit and remotely interview 40 individuals. Interviews were conducted in a mix of 16 individual and seven small group discussions across the two phases of research.

PHASE ONE

Phase One focused on understanding older adults' financial lives, relationship with technology and fintech, if and how they've prepared for retirement, and their experience with financial advice and coaching.

- Participants were asked a series of questions to understand their backgrounds and relationship with technology.
- Participants described their current financial lives, future financial aspirations, barriers they've experienced, and retirement preparedness levels. The research team captured these insights on a digital canvas and virtual sticky notes, and participants were able to view and confirm their thoughts by watching the team capture notes through Zoom screen share.
- Participants were presented with a series of digital cards that shared various financial services, features, and advisor characteristics. They selected cards with features and services that they would/wouldn't use, and characteristics they like/didn't like.
- Participants were presented a mockup of a financial advising tool prototype. Participants reacted to features and designs that resonated with them, and ones that made the mockup less appealing.
- Participants crafted their ideal financial advisor by reflecting on personality traits, the organization distributing the tool, type of advice, and general sentiment when engaging with an advisor. Participants responded to a series of prompts, and reacted to various adjectives to describe an advisor's persona.

PHASE TWO

Phase Two focused on understanding which elements should be incorporated into a digital financial advising tool to better support LMI older adults and their financial advising needs.

- Participants crafted their ideal home page for a financial advisory service by identifying their preferences and priorities for the type of information that was most important to them when initially learning about a product.
- Participants evaluated an introductory video concept, responding to video mockups that integrated their needs and preferences addressed in Phase One. They shared their openness to the idea, what they liked or disliked about the video concept, the reactions to the specific content it covered, and its use of language.
- Participants evaluated an intake form and recommendations page concept, responding to screen mockups that integrated Phase One learnings.
- Participants evaluated a dashboard account profile concept, responding to screen mockups that reflected learnings from Phase One. Participants shared their preferences for its functions and information architecture, the specific content it covered, and its use of language.
- Participants shared their ideal user journey when engaging with a financial advisory service by identifying their preferences and priorities for the type of information and human interactions most vital to them.

Appendix B

Participant Characteristics

The research design team interviewed 40 participants who were based across four geographic regions and 21 states in the United States.

Age 50 - 64

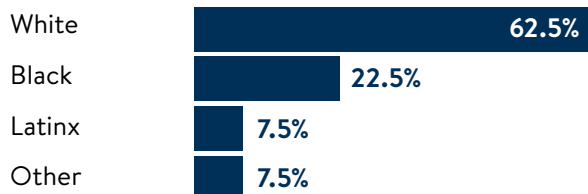
Household Size 2 - 6 people

Annual Household Income Between Less than \$30,000 and \$71,000 - \$81,999

Gender



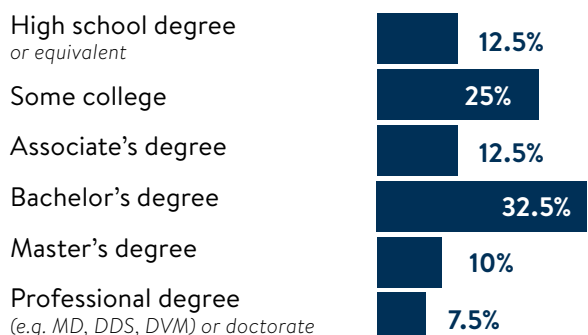
Race



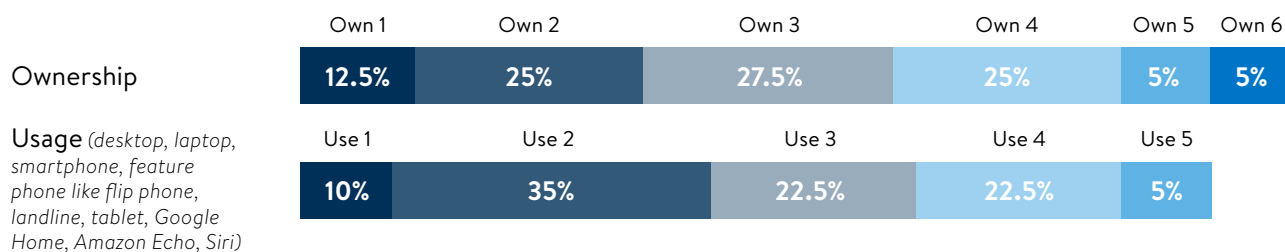
Engagement with a Financial Advisor



Education Level



Digital Technology





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