

**White Paper:**  
**Empowering Communities, Empowering Individuals**  
**Leveraging CRA for Financial Wellness**



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## INTRODUCTION

Now more than ever, there is a role for financial institutions to provide financial education to help meet the needs of low-income individuals and their families. Given economic imbalances and the increased number of lower-income individuals in the past several years, there is a necessity and an opportunity to keep these individuals educated. The Community Reinvestment Act of 1977 (CRA) has helped make huge improvements in our cities, prompting trillions of dollars of investment in lower-income communities. Recent focus has moved to promoting financial education as a solution to reaching low-income people and having a strategy in place can not only enhance CRA compliance but can also be good for a financial institution's bottom line. The solutions that Enrich offers have been shown to be effective at helping banks educate low-income people and thus better comply with the CRA.

## BACKGROUND ON THE CRA

According to the Federal Reserve, *"the Community Reinvestment Act of 1977 (CRA) encourages certain insured depository institutions to help meet the credit needs of the communities in which they are chartered, including low- and moderate-income (LMI) neighborhoods, consistent with the safe and sound operation of such institutions."*

The CRA requires federal banking agencies to assess an institution's record of meeting the credit needs of its entire community, including low-income neighborhoods. The demand for financial education is noticeable in these communities. Providing practical, actionable financial education facilitates banks to assist these communities in making confident and well-informed financial decisions.

## HAVING A CRA-RELATED FINANCIAL EDUCATION STRATEGY CAN BE GOOD FOR BUSINESS

Here are a few advantages to a financial institution having a financial education strategy incorporated into its business practice:

1. **Opening opportunities to build more responsive customers.** Positive relationships can be fostered by developing a powerful new customer base. Customers can be a part of communities of individuals that are often overlooked by financial institutions.
2. **Education is necessary for communities to know their financial options and to learn how to solve their financial problems.** Through education, customers can help determine their needs regarding products and services. Well-informed customers feel more comfortable asking for products and services. An educated customer is a confident customer.
3. **It can reach large numbers of customers and prospective customers through online financial education.** Online learning platforms can be scaled up to thousands of users.
4. It can enable a bank or credit union to position itself as an authority and therefore to become a market leader.
5. **Empowering a bank or credit union with a marketing and public relations advantage.** Financial institutions can be proactive at addressing the needs of low-income communities, this proactivity may be seen as socially conscious. Not only can a firm thrive, but it can empower the local community.

## HOW FINANCIAL INSTITUTIONS CAN BENEFIT FROM USING ENRICH

Enrich has partnered with banks both large and small for over 15 years to provide online financial education not only to customers and members, but also employees of those institutions. Recipients have been in many income categories, including low-income categories.

Results from pre- and post-testing have shown a marked improvement in financial knowledge, which has been correlated with an increase in referrals to products and services offered by financial institutions.

**Our platform includes courses geared toward lower-income people and what is available to them.**

**The robust library includes topics such as:**

- **Personal finance basics**
- **Allocating your paycheck**
- **Understanding your deductions on your paycheck**
- **How tax withholding works**
- **Renting**
- **Social Security, Medicare, and Medicaid**
- **Paying for healthcare**
- **Payday loans**
- **Identity theft and other frauds**
- **Investment strategies that do not require a lot of money**
- **Putting savings on automatic**
- **Budgeting**
- **Building emergency funds**
- **Credit and getting one's first credit**
- **Dealing with credit problems**
- **Homeownership**
- **Programs that can help low-income people**
- **Avoiding foreclosure**
- **Ways to save money**
- **Ways to watch one's spending**
- **Filing taxes**
- **Debt management**
- **Saving on healthcare expenses**
- **Planning for education**
- **Getting tax credits and deductions for children and other expenses**

## ENRICH'S PLATFORM OFFERS THE FOLLOWING ADVANTAGES:



It can handle a large number of learners, scaling well into the thousands of users.



Content helps customers as well as financial institution employees understand how financial products and services work, while educated employees can be better positioned to answer questions and make referrals.



Online learning can be done from anywhere at any time. Users can take courses while at work, at home, at public computers, or on smartphones.



Customized calls-to-action can help guide customers to specific products and services, adding to the overall ROI of a financial wellness platform.



Its online learning offers pre- and post-testing, personalized learning plans, and interactive tools to measure results.



It helps financial institutions set measurable goals—and setting and reaching goals means being serious about compliance.



The content offers checkups at different stages of learning. These gauge changes in attitude, behavior, and confidence.



The platform keeps millions of data points on participant learning based on the individual's aptitude, behavior, and confidence. This data includes demographic information such as income level, location, age, and more. A program without metrics is not in a strong position to convince regulators that it can do what it promises.



Content is relevant to low-income people. See chart above for examples of content.

## CONCLUSION

Enrich's solutions can help banks remain CRA compliant with their CRA strategies through the advantages noted in our solutions section. Enrich has worked with banks across the nation for over 15 years. We have the largest FINRA-reviewed financial content library and update it annually to ensure it is up to date with all government regulations. Enrich is driven to empower financial institutions by fostering financial literacy among the communities they serve.

Contact us today to learn more about our financial wellness platform, presentations and graphics, and to see how we can help your organization financially educate its employees and the customers you serve. Visit [enrich.org](http://enrich.org) or email [busdev@igrad.com](mailto:busdev@igrad.com).

