

The Cure for Lost Deposits

How Engaged Customers Lead to Higher Deposits and Lasting Relationships

Deposits are the lifeblood of financial institutions. However, they are falling across a majority of financial institutions. In fact, [S&P Global reported the U.S. banking industry's deposits contracted 4.8% year over year](#). From catastrophic bank runs to consumers flocking to new accounts from technology industry giants, what's key to reversing the trend?

The Challenge

A complex set of factors are making it harder than ever to grow and retain deposits. Coupled with increasing demands from consumers for personalized and engaging digital experiences, financial institutions may continue to see declining deposits unless they take action. In fact, today's digital-first consumers are more willing to switch to a new provider than ever before. [Half of consumers have opened a new bank account or considered switching financial providers within the last 6 months](#), according to MX research.

The Solution

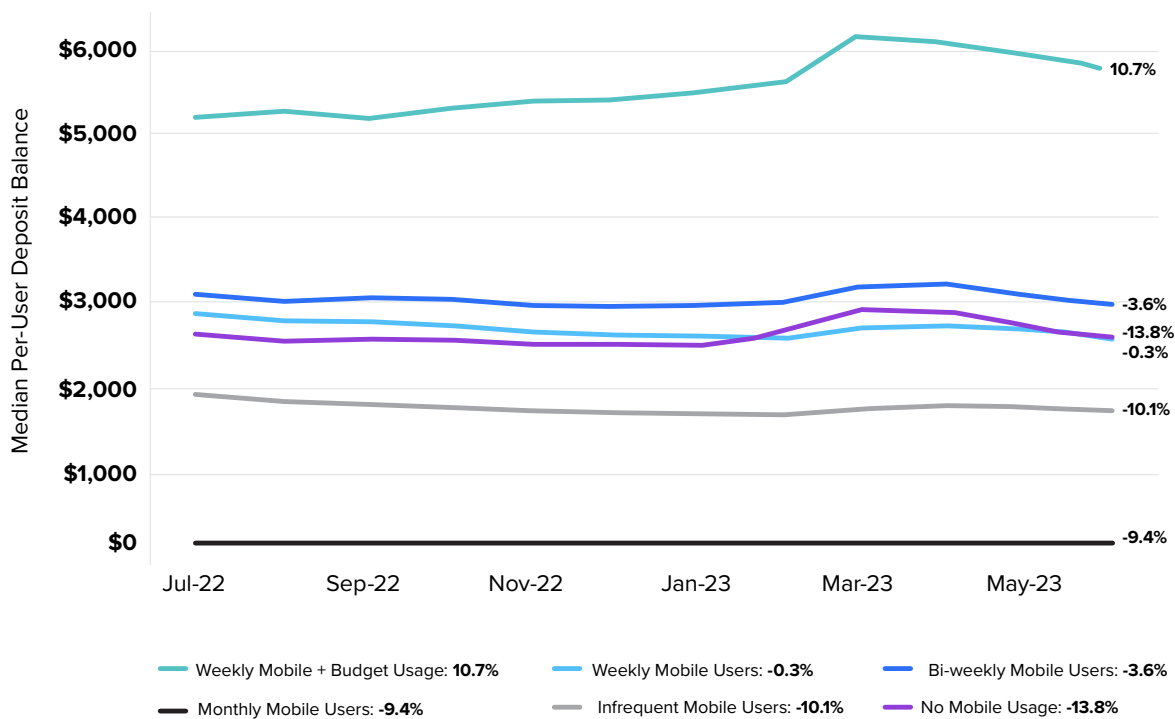
MX looked closely at the behavior of more than 10 million consumers over the past 12 months and found that engagement with financial wellness tools is key to growing and retaining deposits. In fact, the data shows consumers who actively engaged with their digital financial solution consistently outperformed non-engaged users.



Consumers who engage regularly and often with mobile and digital banking services are **more loyal, have less turnover, and maintain higher deposit balances** than less engaged consumers. And, the more they engage, **the greater the positive impact on deposits.**

Consumers who regularly engaged with MX's personal financial management (PFM) features — specifically creating and using budgets — within their mobile banking experiences had the highest deposit levels and grew those balances during the year, even as deposit balances fell for those who didn't engage as often.

Change in Deposit Balances Segmented by Mobile Engagement Level

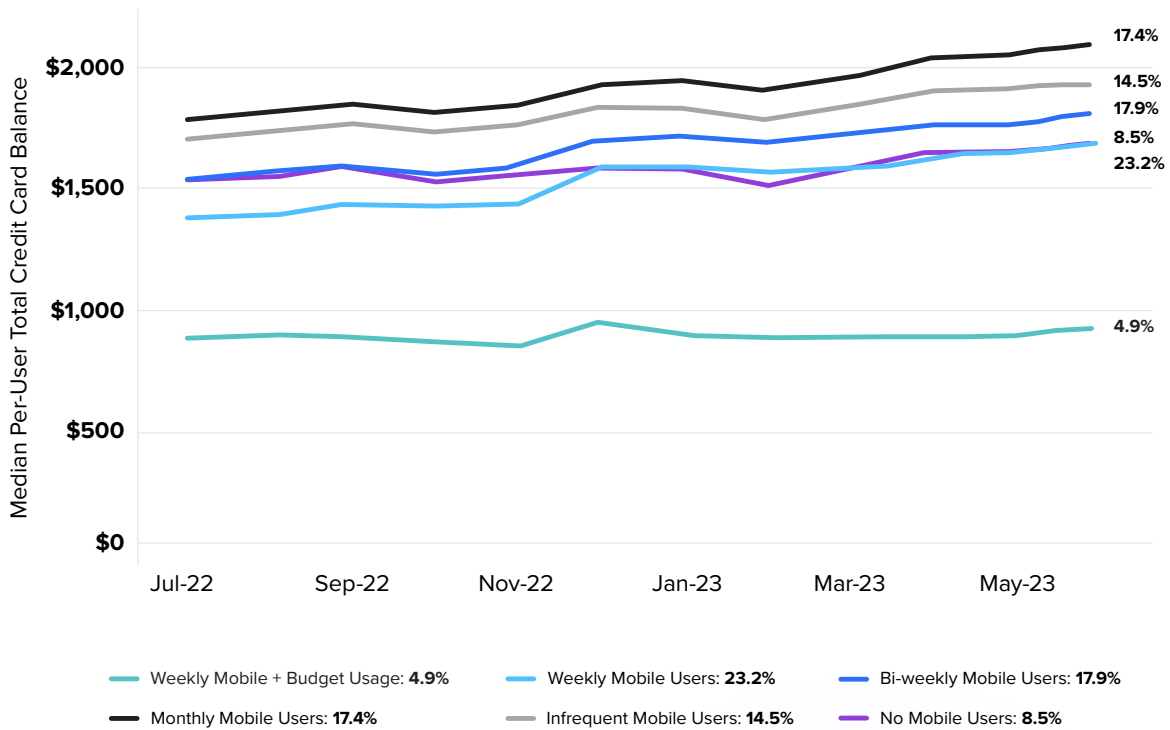


While growing their deposit balances, these users also managed their credit card debt more effectively than others, even during a period of high inflation and increasing consumer debt levels.

These are great examples of how using MX's financial wellness widgets and tools enable consumers to better understand and manage their finances. With the insights generated from these tools, consumers are able to spend less than they earn, build up their savings, and avoid debt — all of which drive improved financial wellness for the consumer and in turn, better outcomes for the financial institution.

Change in Credit Card Balances

Segmented by Mobile Engagement Level



Credit card balances for engaged users are

45%

lower



The First 30 Days are Critical

In addition, our data shows the first 30 days of onboarding a consumer can influence and build long-term digital engagement.

Just look at the stats:

Consumers who interact with PFM tools at least one day during their first month are **176% more likely to be digitally engaged** after one year than those who don't.

Consumers who establish direct deposit during the first 30 days of their banking relationship are **76% more likely to be digitally engaged** a year later than those without direct deposit.

Consumers who connect at least one or more external financial accounts are **48% more likely to be digitally active** a year later than those who don't.

Consumers who make at least one mobile transfer during their first month are **195% more likely to be digitally engaged** a year later than those who don't.

Consumers who log in at least once during their first month are **26% more likely to be digitally engaged** after a year.

For those who log in on at least four separate days during their first month, they are **550% more likely to still be active a year later**.

"While we don't have specific details about each financial institution's onboarding experience, the data clearly shows that efforts to educate and engage consumers are critical to long-term success," said Clint Johnson, Director of Professional Services at MX. "By focusing on customer outcomes and creating personalized, intuitive experiences from Day 1 of the relationship, financial institutions can not only maintain deposits but grow them — even in an increasingly challenging market."

Key Benefits



Deliver personalized data-driven insights to increase customer engagement



Build stronger customer relationships with actionable insights and outcomes



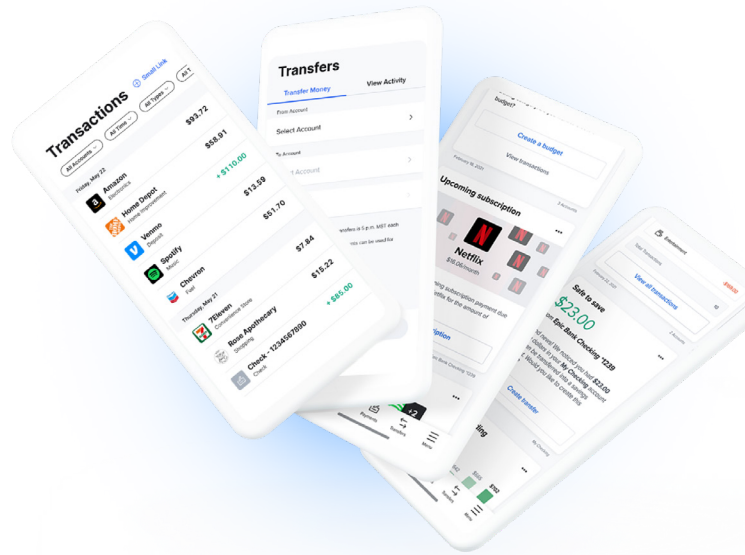
Increase deposits and create long-term loyalty with superior mobile and digital money experiences



About MX Insights

MX Insights delivers a combination of personal financial management, predictive financial guidance, and financial wellness capabilities that help organizations translate data into actionable insights. It enables organizations to gain more value from their data, power the best experiences, and improve engagement so their consumers can become financially strong.

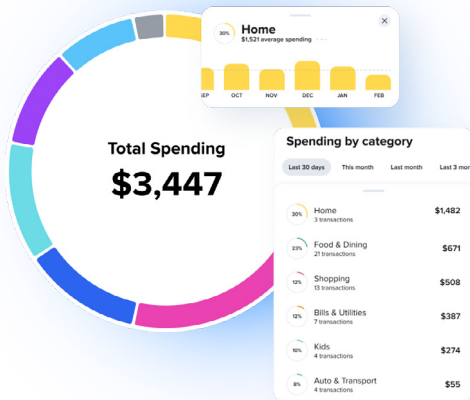
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About MX Mobile

MX offers a fully-featured digital banking platform that empowers financial institutions and fintechs to deliver data-driven, contextual, and personalized experiences.

[Learn More >](#)



About MX Personal Financial Management

MX Personal Financial Management simplifies consumer interactions with their finances from connecting all their accounts in one place, to best-in-class digital money management and notifications capabilities.

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Ready to Get Started?

Learn how MX solutions can improve your digital offering.

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