



## The Six Pillars of Automated Saving

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A growing number of neobanks and financial apps are peddling convenient and automated ways to save and invest, breaking dramatically from the banking tradition of treating saving as a do-it-yourself activity. Javelin's analysis of 25 top financial institutions illustrates that banks and credit unions are falling short, with only a handful experimenting with the four primary building blocks of direct deposit, algorithm-driven models, round-up-the-change schemes, and automated-saving rules that incorporate aspects of behavioral finance. Javelin's Six Pillars for Automated Saving report:

- Identifies six principles that are necessary to transform a grab bag of saving tools into a proactive and engaging service.
- Provides a hierarchy of the four primary savings approaches.
- Examines six types of existing and developing tools in the banking tool box that are essential to build a service that guides customers to build sustainable saving and investing habits.
- Highlights FIs and savings apps that demonstrate best practices.

### Key questions discussed in this report:

- Why should automated savings services be a high priority in 2021?
- What can a bank or credit union do to serve the many consumers who aren't sure where to start, rather than the narrow segment of self-motivated do-it-yourself money managers?
- What are the basic building blocks for an automated saving service?
- What features and capabilities must FIs upgrade and integrate to create a successful proactive, advice-driven service?
- What financial institutions and savings apps are doing something noteworthy?

### Digital Scorecards

Javelin's 2020 online and mobile banking scorecards measure nearly 400 criteria at 25 of the nation's largest retail FIs by total assets. Javelin analysts weight individual features based on their strategic value, tactical necessity, and industry and consumer trends, pointing FIs toward strategic opportunities and user experience innovation. Javelin analysts evaluated features and captured screenshots using checking accounts owned internally. Data was collected from February to April 2020. Each financial institution was invited to validate the results and provide feedback.

Consumer data in this report is based on information gathered in a Javelin survey administered online in June 2020 to a random-sample panel of 10,762 consumers. Data was gathered and weighted to reflect a representative sample of the adult U.S. population. The margin of sampling error is  $\pm 0.94\%$  at the 95% confidence level. The margin of sampling error is higher for questions answered by subsegments.

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