

# BFA FINNSALUD

THE EXPLORATORY PHASE



## WHAT WAS THE PROJECT ABOUT?

Exploring the **financial health measurement framework** from the perspective of credit unions and their members in light of four elements:

### Day to day management

The ability to manage household finances to cover daily expenses within an income cycle.



### Building resilience

The capacity to prepare for and overcome financial shocks.



### Achieving goals and opportunities

The capacity to plan, achieve goals and seize opportunities.



### Perception of control

The degree of control and trust that people have over their finances and their ability to influence their financial situation.



## THROUGH AN ITERATIVE PROCESS OF:



### Qualitative research with credit unions' members

**27**

In-depth interviews

**2**

Municipalities



### Statistical analysis of customer portfolios

**336,758** Members

**712,924** Savings accounts

**54,854** Savings transactions

**839,711** Loans

**6,956,885** Loan payments



### Profitability analysis of possible financial health initiatives

**38**

Interviews with credit union staff.

Development of a financial model to measure the profitability of financial health initiatives at the product level.



### Analysis of digitization opportunities for credit unions

Validation of digital channel use cases within the financial health framework.

Optimization of operations with improvements in loan conditions and other service offerings.

## WHAT DID THIS LEAD US TO IDENTIFY?

Member behaviors and habits that show how they use credit unions' offerings related to managing daily finances; building resilience; achieving goals and feeling in control; and what the credit union can do to improve them.

Transactional behaviors related to savings and credit that are likely indicators of members' financial health in one or more of the framework pillars.

Opportunities to increase product portfolio profitability that were not inconsistent with promoting members' financial health.

The need to adopt lean methodologies that focus on the client to ensure the success of digitization initiatives.

This project showed that there is much to explore in measuring people's financial health in a way that leads institutions to improve product offerings sustainably. We will be creating a digital, open code tool to measure financial health. We will share it broadly as we seek to improve the financial health of the Mexican population.

