

Empowering Elderly Clients (EEC) Initiative

Empowering our loved ones with safe and accessible financial services

Meet the team



Alexa Piekarski

M.S. in Management Candidate,
May '23

B.S. in Psychology from Kent State
University, May '22



Eva Nikolai

M.S. in Business Analytics
Candidate, May '23

B.B.A. in Marketing from Kent State
University, May '22

Banking in the Digitized World

Mrs. Spainermen, an 81 year old, upper east side resident and Chase Bank customer, has recently been widowed. Upon her loss, she received an inheritance of several hundred thousand dollars. Along with the tragic death of her spouse, Spainermen's memory and health have been rapidly declining.

These circumstances made Spainermen particularly vulnerable to digital criminals.

When an online gift card request was presented to her, she willingly purchased \$2,500 worth of gift cards. Within 2 weeks, Spainermen was scammed into wiring **\$600,000** to an online fraudster.



This is, unfortunately, a true story. With the rapid increase in the digitization of society, stories like Mrs. Spainermen's are becoming increasingly all the more common.

The Problem

Since COVID-19, over

70%

of US citizens have made or received digital payments.

US citizens over 60 accounted for over

\$1.7B

in fraudulent charges for 2021.

According to Pew Research Center, over

73%

of seniors 65+ said they need help using new devices.

Our mission is to combat financial exclusion among elderly customers by proposing a customer education initiative to help them navigate digital banking services confidently and safely. Additionally, for the aging population, decreased mobility limits their ability to conduct financial services as they once used to. While fintech offers many benefits, including automation and reduced reliance on intermediaries, it currently is not inclusive enough for those lacking technology skills, which brings the potential for fraud. Banks must take responsibility for ensuring their customers are well-educated and equipped to manage their finances digitally while protecting against risks.

Therefore, the *Empowering Elderly Clients* initiative by Chase will aim to bridge this gap and empower Chase's aging customers to take advantage of the benefits of digital banking.

The Solution

EEC implementation will include:

- 1. Development of the *Chase AI Bot*:** The *Chase AI Bot* is a video/chat AI bot that combines 'ID.me' and 'ChatGPT' technologies with Chase online banking to create a safe and easy digital banking experience. The bot verifies the identity of each user before completing transactions and responds to their requests in real-time, providing personalized assistance as if they were having a conversation with a Chase associate. This empowers elderly clients by giving them increased accessibility to the app while reducing their need to navigate the app themselves. The AI Bot provides simplified instructions and prompts to help users most effectively meet their banking needs, making banking more accessible to those who may struggle with technology or mobility. With 24/7 availability, the Chase AI Bot is a convenient and personalized solution for users to feel more in control of their finances from anywhere.
- 2. Self-Reflection Surveys:** As part of the EEC launch, on Day 1, we will ask participants to self-report their comfort level with Chase online banking technologies and technology overall. On Day 100, we will ask participants to re-report their comfort levels using Chase banking technology. In addition to these surveys, we will gather annual feedback from Chase customers over the age of 65 to track their comfort level using Chase banking technology and identify potential indicators for when this customer range may begin to require more personalized assistance. These surveys will provide valuable insights to identify where Chase can improve their education and accessibility features for online banking.
- 3. Golden Years Ambassadors:** As part of our EEC implementation plan, we propose the creation of a cost-effective "Golden Years Ambassadors" program. The program will train college interns to become ambassadors who will provide in-person education to elderly customers at retirement homes, helping them navigate digital banking services confidently and safely. The ambassadors will also foster a sense of community by organizing fun events like Bingo nights and staying afterwards to provide support and answer questions. This will enable Chase to develop stronger relationships with this customer base while providing much-needed support to elderly customers who may be vulnerable to fraud and financial exclusion.

ID.me



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The Solution

Stakeholders:

The EEC Initiative has several key stakeholders, including Chase Bank employees such as the HR training team, interns for the *Golden Years Ambassador* program, and the *Chase AI Bot* development team. Other stakeholders are competitors in the banking and financial institutions market, the pilot market in New York City, and the families of the elderly Chase customers who will use the EEC initiative. Chase's pilot market will be in New York City, specifically targeting its current customers aged 65 and older who live in the city and its retirement communities. The city's characteristics make it an ideal location for the pilot launch, as it is a walking-intensive city with over 1.1 million citizens aged over 65 and hundreds of retirement facilities. Being home to Chase's headquarters also means that the EEC key development team can work hands-on through any issues that may arise during the launch. The families of elderly Chase customers who will utilize the initiative are also stakeholders, as the success of the EEC program could alleviate some of the financial responsibilities currently placed on

Resources:

The creation of the Chase AI Bot will require significant time, man power and money. We believe the planning of development of the initiative will take approximately 6 months, and the launch on our NYC consumers will take another 6 months to 1 year to evaluate. From market research, we estimate spending approximately \$300,000 on the development of the Chase AI Bot. This money will go towards funding our team of expert developers as well as the creation of the innovative technology. Additionally, we will need to budget for the materials and training to roll out EEC and the Golden Years Ambassadors. By utilizing interns for the Golden Years Ambassadors, this is one cost-effective way to launch the program while also avoiding legal liability as they are hired employees. We also need to allocate a team of existing Chase employees to track the progress and acceptance of our EEC initiative, to train our Golden Year Ambassadors, and to manage potential issues that arise.

EEC reinforces the value of ***diverse, equitable, and inclusive communities*** by:

The EEC's ability to provide additional support to aging customers and financial institutions can help reduce the barriers to accessing financial services, thereby promoting financial inclusion. This would not only benefit seniors, but also financial institutions by expanding their customer base and increasing customer satisfaction.

Boldness of the Solution

How is EEC unique and innovative?



Increases Chase's Environmental Social and Governance (ESG) commitments

Provides value to an overlooked community

Currently, voice services exist in the online banking community. Integrating the video security feature with the AI Chatbot experience while giving the appeal of a live conversation is new. Also, alleviates some issues of privacy/legality as the chat-bot is not a human employee

How does EEC improve existing solutions?



The increased support to this community provides convenience and the ability to manage their finances from anywhere

Advanced technology like *ID.me* will reduce fraud and improve overall security and theft concerns

Creates opportunities for more personal relationships, which builds trust

Feasibility of the Solution



It is a common misconception that the elderly population (65+) are not capable of learning new technologies. Our solution is specifically designed to empower them to do just that. With a lifetime of experience and knowledge, this generation has adapted to numerous changes over the years. We believe transitioning to digital banking is simply another challenge can be overcome with the proper guidance. We value the intelligence and capabilities of older individuals and are committed to providing them with the necessary tools and resources to manage their finances online with confidence and accuracy. Through the reduction of errors and delays, and improving the processing of accounts, we can benefit all stakeholders, including our older customers who have traditionally been underserved in the digital banking space. Overall, we are confident that EEC will be widely accepted due to the significant benefits it offers.

EEC Acceptance:

Our solution is supported by evidence that key stakeholders and decision makers will find the EEC initiative favorably, particularly for Chase Bank, as they are held liable to pay for portions of fraudulent charges. Moreover, the initiative benefits the elderly community and their families by increasing accessibility and alleviating the financial burdens that fall on family members. The article featuring Mrs. Spainermen highlights her daughter's desire for assistance in detecting the fraud, emphasizing the need for accessible solutions.

Primary Challenges of EEC:

In implementing the EEC initiative, challenges Chase may encounter include costs and legal limitations. Regarding costs, financial institutions may be hesitant to invest in new initiatives due to budget constraints and the overall costs to launch. To overcome this challenge, we will emphasize the long-term ROI our proposal can bring to both Chase and the country as a whole, by improving efficiency and reducing fraud, which can ultimately maintain and expand Chase's customer base and improve their bottom line. Legal limitations also pose a challenge, such as regulations surrounding data privacy and security. For this reason, we will work closely with legal experts to ensure our proposal is fully compliant with all relevant banking laws and regulations.

Feasibility of the Solution: Timeline



The estimated timeline of the pilot EEC program from start to finish is a little over 2 years. This timeline will consist of these 4 main stages, each of which will have overlapping steps.

Metrics of Success

Key Performance Indicators will include:

Self-Reflection Surveys: We will utilize self-reflection surveys of our participating EEC Chase customers to evaluate our customer's comfortability using digital banking services and technologies before the EEC initiative and services and again after participating in the EEC initiative for 100 days. We also will continue to collect these self-reflection surveys following the 100-day mark annually, to gather data on customers comfortability with our technologies and to identify potential indicators of their increased risk for fraud and/ or indicators of when to begin steering them towards specific services.

Digital Adoption: We will track the change in adoption and engagement with Chase's online technologies following the launch of the EEC program. We will also observe the frequency of attending Golden Year Ambassador workshops to evaluate their effectiveness in increasing the understanding of technologies among our 65+ customers.

Return on Investment will include:

Decreased Fraud Expenses: While the creation of the Chase AI Bot and overall implementation of the EEC will be expensive, it is nothing in comparison to the price that Chase will have to pay in the future if they continue to allow for the uneducated and unsafe banking use of their elderly customers. In the case of Mrs. Spainermen, she alone lost \$600,000 and Chase fell responsible for refunding her a large portion of her losses. The potential to mitigate fraud risk as well as improving the safety of the older generation makes the ROI very strong.

Increased Usage of Chase Banking Services: Improving elderly customers' understanding of how to use Chase's online banking services will result in increased investments, leading to the success of their institution. Therefore, we will track the increase in adoption and usage of Chase's online banking platforms following the launch of the EEC program.

Scalability of EEC implementation:

Pilot, Improvement, Expansion: After launching the pilot program in NYC, we will use the feedback and results to improve the EEC initiative for the use on the rest of Chase Bank communities. As the frequency of Chase physical locations will vary depending on the location, the results of the pilot will be crucial to make the necessary changes for the different regions to follow, such as Indiana that only has 183 Chase Banks.

Connection to Mendoza

“The primary function of commerce is service to mankind. Business has a code of ethics based very largely on divine principles. When this code is followed, commerce can and does advance civilization”

The introduction of the *Empowering Elderly Clients* initiative advances Mendoza’s founding principles by creating meaningful and positive change for our elders. Currently, digital banking is driving the industry and becoming the primary mechanism for managing finances. EEC enables the elderly community to engage with financial technologies by offering more accessible services while simultaneously increasing their education of technology and safeguarding their finances. By implementing additional forms of support for aging customers, financial institutions like Chase can mitigate online banking challenges and grow the good in business for all members of their community.

The EEC initiative ***integrates financial and ethical considerations*** to streamline digital banking for an often overlooked community. These strategies not only reduce unnecessary losses to banks and individuals, but also improve the safety of the elderly population through increased awareness of safe digital practices and access to secure banking services.

A photograph of four diverse older adults (two men and two women) gathered around a tablet. A man on the left, wearing glasses and a green shirt, holds the tablet. A woman in the center, with short grey hair and a white cardigan, points at the screen. To her right, another woman with white hair and a blue shirt is smiling. On the far right, a man with white hair is partially visible. They are all looking at the tablet with interest. The background is a softly lit indoor space with a lamp and curtains.

Questions?