

# Financial Institutions — AND — Customer Loyalty:

THE VALUE OF  
INVESTING IN YOUR  
COMMUNITY

Financial Institutions And Customer Loyalty: The Value Of Investing In Your Community, a PYMNTS and Elan collaboration, is based on findings from a survey of 2,504 U.S. consumers conducted from April 28, 2022, to May 4, 2022. We asked about charitable giving in their hometowns and how it affects the establishments with which they do business, including banks and other financial institutions. The sample was census-balanced to the U.S. population.



# Financial Institutions AND Customer Loyalty:

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## Table Of Contents

**Introduction** ..... 2

**Part I:**  
The link between charity and local  
businesses ..... 4

**Part II:**  
How charity and customer satisfaction  
intertwine ..... 10

**Conclusion and methodology** ..... 16

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collaboration with Elan Financial Services, and PYMNTS is grateful  
for the company's support and insight. [PYMNTS.com](#) retains full  
editorial control over the following findings, methodology and  
data analysis.

# Introduction

Consumers tend to like where they live and demonstrate their affinity by supporting local charities and businesses. Data in this report shows that these two types of support often overlap: the stronger a consumer’s support for charity, the greater their patronage of local merchants and restaurants. Almost 90% of consumers who donated a significant amount of money to charity also bought meals at local restaurants, whereas only 81% of consumers who did not contribute to charity or volunteer ate at local restaurants.

Those consumers who are strong supporters of charitable organizations often prefer to do business with establishments that support local charities, particularly with financial institutions (FIs). PYMNTS’ data finds that an FI’s lack of support for local charities can persuade one-third of customers to move their accounts elsewhere, and the age groups most impacted by charity participation are bridge millennials and millennials.<sup>1</sup>

These are just a few of the key findings in Financial Institutions And Customer Loyalty: The Value Of Investing In Your Community, a PYMNTS and Elan collaboration. We interviewed 2,504 U.S. consumers from April 28, 2022, to May 4, 2022, about charitable giving in their local areas and how it influences their decisions about where to do business, including the banks and other FIs at which they keep their accounts.

**This is what we learned.**

1. PYMNTS divides consumers into the following generational cohorts: Generation Z consumers are 25 years old and younger; millennials, 26 to 41; bridge millennials, 34 to 44; Generation X, 42 to 57; baby boomers, 58 to 76; and seniors, 78 and older.



**PYMNTS’ data finds that an FI’s lack of support for local charities can persuade one-third of customers to move their accounts elsewhere.**



PART I:

# The link between charity and local businesses

**Consumers feel strong connections to their local communities, and many contribute time and money to support local charities.** Data shows that 74% of consumers donated money to charity in the past year, and 42% volunteered their time.

Consumers who volunteered with charities tend to be more generous with their charitable donations than the 58% of consumers who did not volunteer. Of the consumers who gave their time to charity, 32% donated more than \$1,000 in the past year. Three-fifths of consumers who did not volunteer their time donated some money to charity. Charitable giving is a useful metric because it correlates to support for local businesses: Those who donate to charity tend to be more likely to use local FIs and service providers such as doctors, lawyers, accountants and financial planners.

On average, consumers donate \$980 annually to charity, but most of these funds come from a relatively small number of consumers. Twenty-six percent of consumers give nothing, and 56% contribute less than \$1,000 each year. Just 18% of all consumers donate more than \$1,000. Forty-three percent of consumers’ charitable donations are given to groups within their local communities.

Millennials and bridge millennials perform volunteer work 13 times a year on average, exceeding other age groups’ frequency. Baby boomers and seniors are the age group least involved in their local communities, as they volunteer with charities just six times a year. The two generations that lead in giving time also give more funds on average than other age groups. Bridge millennials donate an average of \$1,132 a year, the most of any age group. Millennials are not far behind, donating a yearly average of \$1,112.

Higher-income consumers — those earning more than \$100,000 annually — send 49% of their charitable contributions to local organizations, leading all others. Data shows that consumers earning \$50,000 to \$100,000 a year keep 43% of their charitable contributions local and consumers who earn less than \$50,000 contribute 36% of their charitable gifts close to home.

**TABLE 1:**  
Rates of volunteering and charitable giving

Share of consumers who do volunteer work and contribute to charity, by demographic

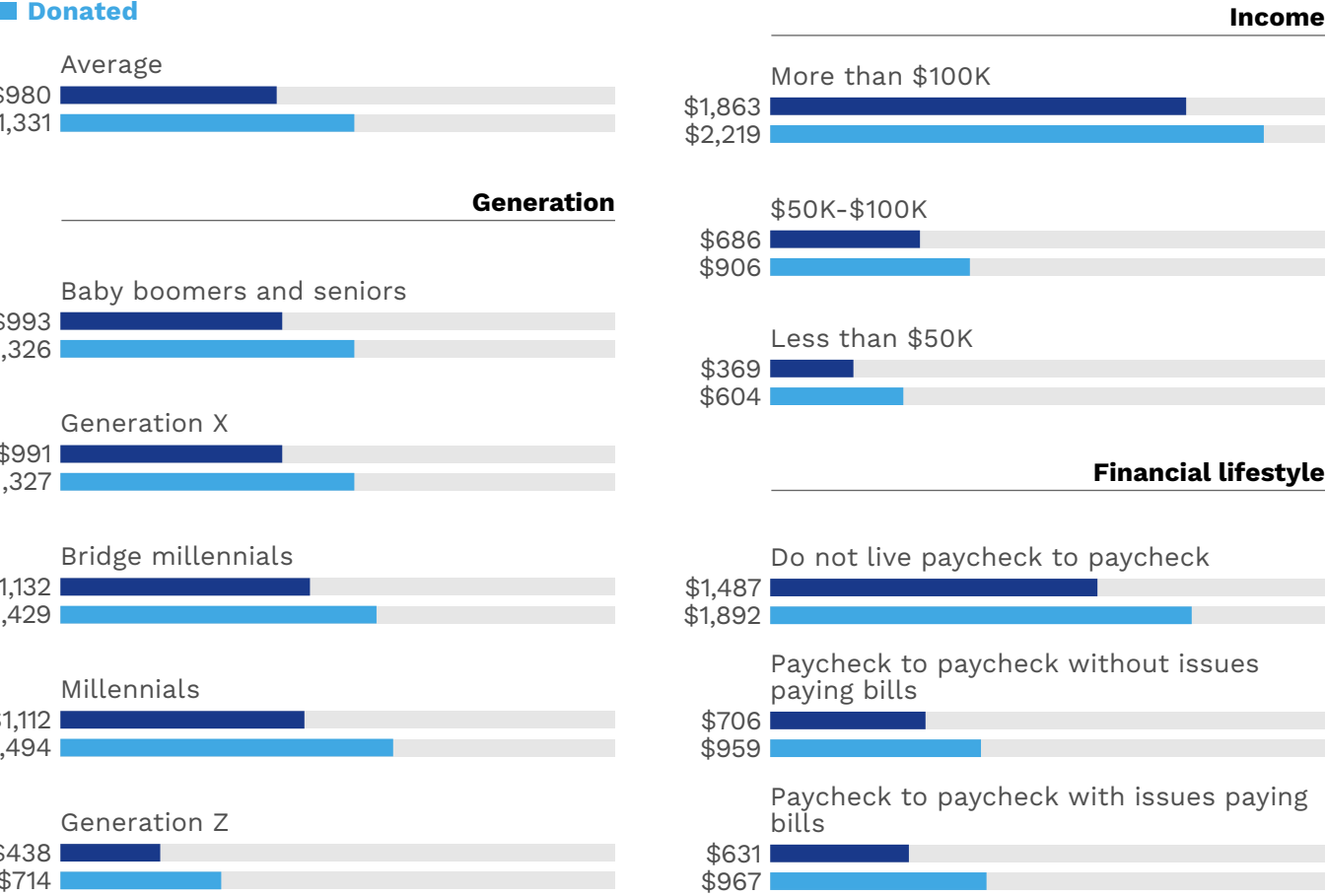
TABLE 1: Rates of volunteering and charitable giving  Share of consumers who do volunteer work and contribute to charity, by demographic			Volunteer				Complete Sample	Did not donate		Less than \$1,000		\$1,000 or more			
			Did not volunteer				57.9%	—	23.3%	—	29.7%	—	4.8%		
			Once a month or less				28.2%	—	2.4%	—	19.6%	—	6.2%		
			More than once a month				13.9%	—	0.6%	—	6.2%	—	7.1%		
Generation			Complete Sample	Did not donate		Less than \$1,000		\$1,000 or more		Did not volunteer		Once a month or less		More than once a month	
Baby boomers and seniors			38.4%	—	36.6%	—	39.0%	—	38.9%	—	45.2%	—	31.3%	—	24.4%
Generation X			27.8%	—	26.6%	—	27.7%	—	29.7%	—	26.3%	—	31.0%	—	27.2%
Bridge millennials			19.2%	—	15.1%	—	19.2%	—	25.1%	—	15.5%	—	22.0%	—	29.1%
Millennials			26.0%	—	25.3%	—	25.7%	—	28.2%	—	22.3%	—	28.7%	—	36.3%
Generation Z			7.8%	—	11.5%	—	7.6%	—	3.2%	—	6.2%	—	9.0%	—	12.0%
Income			Complete Sample	Did not donate		Less than \$1,000		\$1,000 or more		Did not volunteer		Once a month or less		More than once a month	
More than \$100K			34.0%	—	20.7%	—	31.7%	—	60.4%	—	27.4%	—	41.4%	—	46.5%
\$50K–\$100K			32.3%	—	29.7%	—	35.7%	—	25.9%	—	32.5%	—	31.7%	—	32.8%
Less than \$50K			33.7%	—	49.6%	—	32.6%	—	13.6%	—	40.1%	—	26.9%	—	20.7%
Financial lifestyle			Complete Sample	Did not donate		Less than \$1,000		\$1,000 or more		Did not volunteer		Once a month or less		More than once a month	
Do not live paycheck to paycheck			37.2%	—	30.2%	—	35.4%	—	52.9%	—	36.0%	—	38.8%	—	38.6%
Paycheck to paycheck without issues paying bills			41.0%	—	41.1%	—	44.0%	—	32.0%	—	41.4%	—	42.7%	—	35.9%
Paycheck to paycheck with issues paying bills			21.8%	—	28.7%	—	20.7%	—	15.1%	—	22.5%	—	18.5%	—	25.5%

Source: PYMNTS.com  
Financial Institutions And Customer Loyalty, July 2022  
N = 2,504: Complete responses, fielded April 28, 2022 – May 4, 202

**FIGURE 1:**  
Charitable contribution  
amounts

Consumers' average contribution to charity, by  
demographic

■ Whole sample  
■ Donated



Source: PYMNTS.com  
Financial Institutions And Customer Loyalty, July 2022  
N = 2,504: Complete responses, fielded April 28, 2022 – May 4, 202



Consumers who donate money to local charities tend to spend more money with local businesses, especially local FIs and professional service providers.

Supporting charities financially in the community corresponds with frequenting nearby for-profit entities. PYMNTS’ data shows that 88% of consumers who donated a significant amount of money to charity without volunteering their time bought meals at local restaurants. Eighty-one percent of consumers who did not donate money to charity or volunteer their time spent money with local restaurants, a share that is high but pales in comparison. Similarly, 82% percent of consumers who made charitable contributions did business with merchants in their localities; just 72% of consumers who made no contributions of money or time to charity did business with local merchants.

These disparities are significantly greater when it comes to doing business with local FIs and service providers. Fifty-three percent of consumers who donated a significant amount of money and volunteered a significant amount of time to charity did

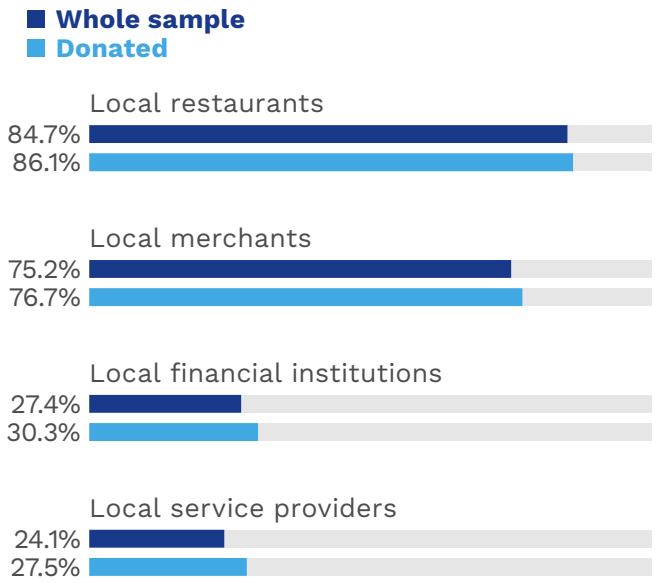
business with local FIs, yet just 20% of consumers who did not contribute money or time to charity did business with local FIs. The split for doing business with service providers in their communities is also stark: 42% for charity contributors and 13% for those who forgo charitable giving.

Volunteer work seems to be a less reliable indicator of a consumer’s patronage of local businesses. In some instances, the consumers who do volunteer work with charity are less frequent customers of local restaurants and merchants than the consumers who donate neither time nor money.

For example, 72% of consumers who donated nothing and did no volunteer work patronized local merchants, whereas 64% of those who volunteered a significant amount of time and donated a significant sum of money to charity did the same.

FIGURE 2A: Business implications of charitable involvement

Share of consumers who purchased goods or services from local establishments

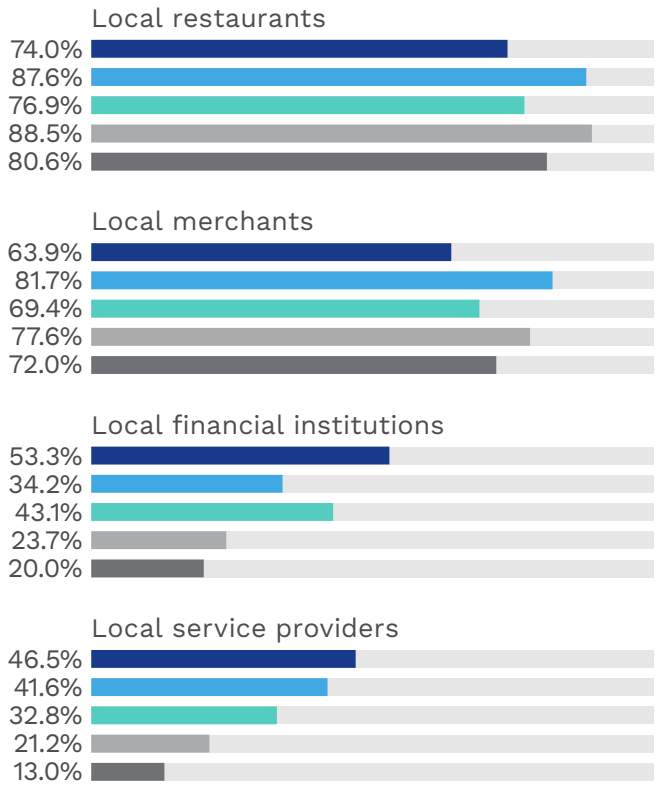


Source: PYMNTS.com  
Financial Institutions and Customer Loyalty, July 2022  
N = 2,504: Complete responses (navy blue); N = 1,840: Respondents who donated (sky blue); fielded April 28, 2022 – May 4, 2022

FIGURE 2B: Business implications of charitable involvement

Share of consumers who purchased goods or services from local establishments, by charitable contribution

- Volunteered significant time and donated significant money
- Donated significant money
- Volunteered significant time
- Volunteered some time and donated some money
- Neither volunteered nor donated



Source: PYMNTS.com  
Financial Institutions And Customer Loyalty, July 2022  
N = 2,504: Complete responses, fielded April 28, 2022 – May 4, 2022

## PART II:

# How charity and customer satisfaction intertwine

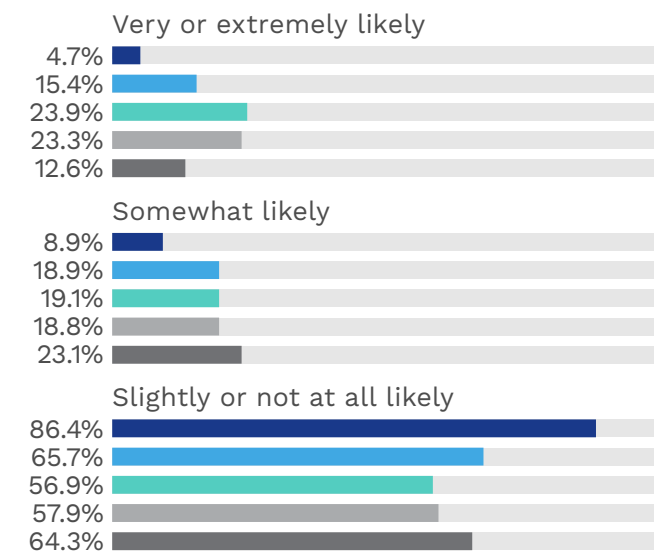
**Bridge millennials and millennials are notably likely to switch accounts to FIs that donate to local communities.**

We find that 43% of bridge millennials and 42% of millennials would move their accounts over to FIs that charitably support their local communities. The readiness to switch FIs because of a bank or credit union's support for local charities is less pronounced among other age groups. For example, just 14% of baby boomers and

seniors would switch FIs, and 29% of consumers overall are likely to do the same. Among consumers who have donated to local charities, the share that is likely to switch is somewhat higher, at 32%.

**FIGURE 3:**  
Readiness to switch FIs

Share of consumers who would switch their primary FIs based on their charitable support, by generation



Source: PYMNTS.com  
Financial Institutions And Customer Loyalty, July 2022  
N = 2,504: Complete responses,  
fielded April 28, 2022 – May 4, 2022

■ Baby boomers and seniors  
■ Generation X  
■ Bridge millennials  
■ Millennials  
■ Generation Z

**For this study, PYMNTS sorted consumers into five categories based on their spending habits and credit card usage.**

**“Did not use credit cards”** describes consumers who do not use or do not have credit cards.

**“Nonrevolving low spenders”** describes consumers who spent less than \$1,000 on their credit cards in the month prior to the survey and paid their balances in full at the end of the month.

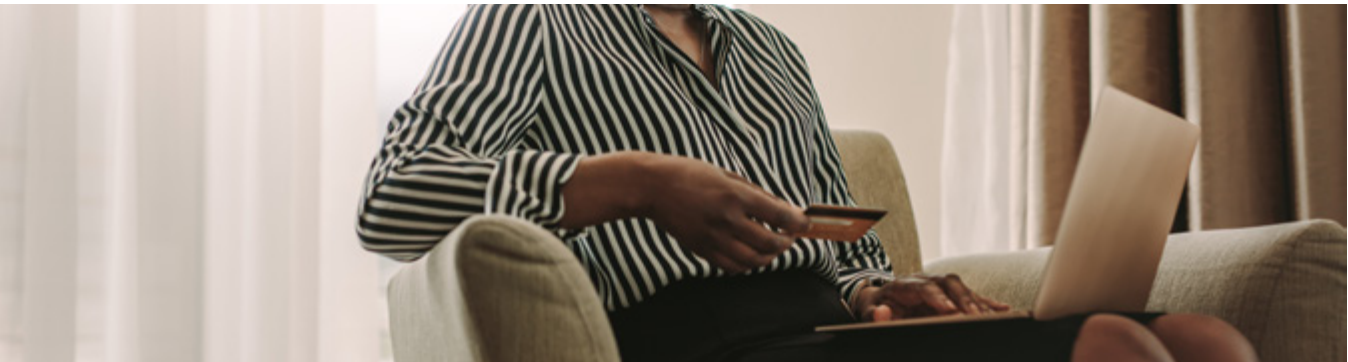
**“Revolving low spenders”** describes consumers who spent less than \$1,000 on their credit cards in the month prior to the survey and revolve their balances.

**“Nonrevolving spenders”** describes consumers who spent more than \$1,000 on their credit cards in the month prior to the survey and paid their balances in full at the end of the month.

**“Revolving spenders”** describes consumers who spent more than \$1,000 on their credit cards in the month prior to the survey and revolve their balances.

We found that the consumers who spend the most on their credit cards each month tend to be more involved with their local communities and exhibit a greater interest in their FIs' involvement with and support of community organizations. For these consumers, the interest in an FI's community involvement is great enough to influence where they keep their accounts.





Consumers who spend more money with their credit cards are more ready to move their accounts to FIs that support local charities.

High credit card spenders, a valuable cohort of consumers, are the most likely to switch to an FI that donates more to local charities. Thirty-seven percent of consumers classified as nonrevolving spenders and 42% of revolving spenders say they are likely to switch FIs based on their charitable support.

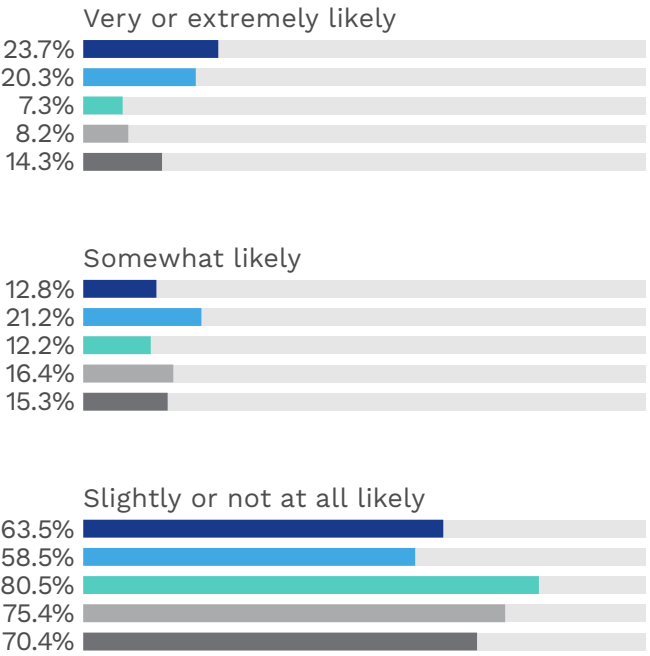
Just 20% of nonrevolving low spenders and 25% of revolving low spenders would also move their accounts to FIs that support local charities more than their current FIs. Thirty percent of consumers who do not use or do not have credit cards would also switch.

Consumers' charitable support is another predictor for their proclivity to move away from FIs where they currently keep their accounts if those FIs do not support local charities. Fifty-five percent of the consumers who volunteer significant time and 57% of consumers who volunteer significant time and donate more than \$1,000 are likely to make such a switch, compared to 16% of consumers who do not volunteer in their communities.

FIGURE 4A: Consumers' expectations for local FIs

Share of consumers who would switch their primary FIs based on their charitable support, by consumers' credit card usage

- Nonrevolving spenders
- Revolving spenders
- Nonrevolving low spenders
- Revolving low spenders
- Did not use credit card

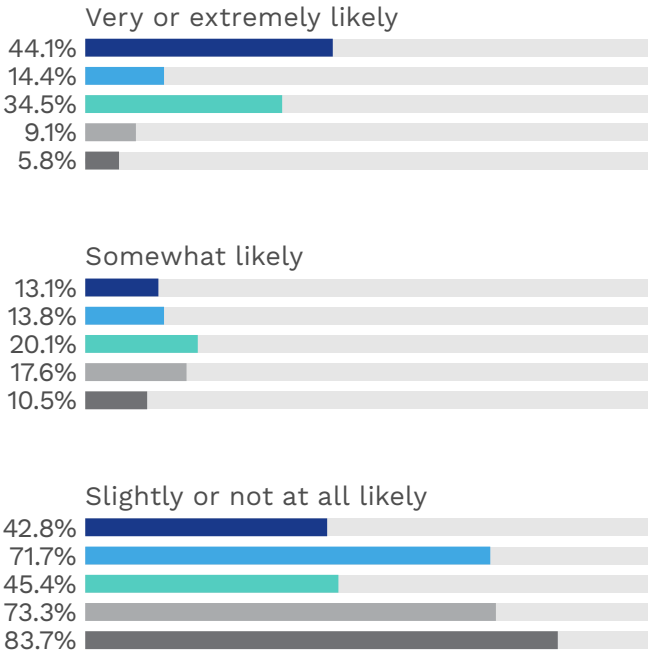


Source: PYMNTS.com  
Financial Institutions And Customer Loyalty, July 2022  
N = 2,504: Complete responses,  
fielded April 28, 2022 – May 4, 2022

FIGURE 4B: Consumers' expectations for local FIs

Share of consumers who would switch their primary FIs based on their charitable support, by consumer's charitable activity

- Volunteered significant time and donated significant money
- Donated significant money
- Volunteered significant time
- Volunteered some time and donated some money
- Neither volunteered nor donated



Source: PYMNTS.com  
Financial Institutions And Customer Loyalty, July 2022  
N = 2,504: Complete responses,  
fielded April 28, 2022 – May 4, 2022





Financial institutions that more visibly support local charities garner higher customer satisfaction.

The pattern is clear: 93% of consumers who say their FIs were generous with their charitable contributions are very or extremely satisfied with their primary FIs, and 86% of consumers who say their FIs made more modest charitable donations are equally satisfied. By comparison, 74% of consumers who say their primary FIs did not contribute to charity are very or extremely satisfied customers.

Overall, FIs seem to be doing a good job with customer satisfaction, although our researchers still found subtle gradations that correlate with consumers’ charitable giving and volunteering. Eighty-nine percent of FI customers who donated significant

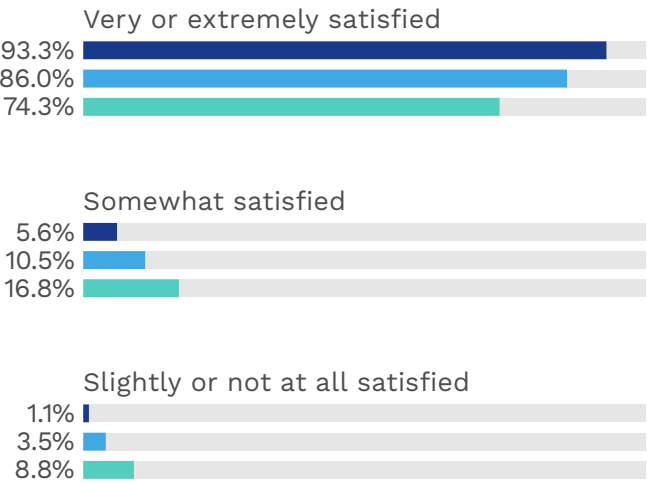
money and volunteered significant amounts of time are very or extremely satisfied with their primary FIs. This is also the case for the 88% of consumers who made significant financial contributions without volunteering their time. By comparison, 84% of consumers who made no charitable contributions are very or extremely satisfied with their primary FIs.

Eighty-nine percent of consumers who are high spenders on their credit cards without revolving their card balance are very or extremely satisfied with their primary FIs, as opposed to 84% of consumers who do not use their credit cards.

FIGURE 5A:  
Consumers' satisfaction with FIs

Share of consumers who are satisfied with their primary FIs based on their level of charitable support in the previous year

- Donated large amounts of money
- Donates some money
- Has not donated or donated very little amounts

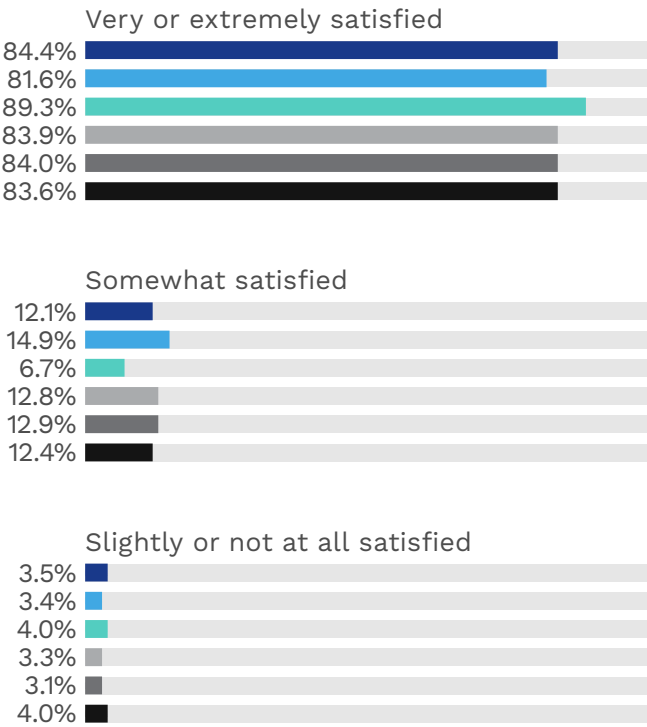


Source: PYMNTS.com  
Financial Institutions And Customer Loyalty, July 2022  
N = 2,504: Complete responses,  
fielded April 28, 2022 – May 4, 2022

FIGURE 5B:  
Consumers' satisfaction with FIs

Share of consumers who are satisfied with their primary FIs, by credit card usage

- Whole sample
- Revolving spenders
- Nonrevolving spenders
- Revolving low spenders
- Nonrevolving low spenders
- Did not use credit card



Source: PYMNTS.com  
Financial Institutions And Customer Loyalty, July 2022  
N = 2,504: Complete responses,  
fielded April 28, 2022 – May 4, 2022



## Conclusion

FIs recognize that success requires creativity, particularly in how they present themselves to a steadily more discerning customer base. There is much more to the customer relationship than simply marketing a low-fee, low-interest-rate credit card. Nearly three of four consumers give to charity, and they want their FIs to also support local causes. Consumers' desire to see their FIs connect with local charities is strong enough that some will go as far as to move their accounts to another FI that does. The most successful FIs are active in the communities they serve, having responded to these consumer priorities and recognized that actively participating in local affairs is a necessary part of business.

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## Methodology

Financial Institutions And Customer Loyalty: The Value Of Investing In Your Community, a PYMNTS and Elan collaboration, is based on findings from a survey of 2,504 U.S. consumers conducted from April 28, 2022, to May 4, 2022. We asked about charitable giving in their hometowns and how it affects the establishments with which they do business, including banks and other financial institutions. The sample was census-balanced to the U.S. population.



# About

## PYMNTS.com

PYMNTS.com is where the best minds and the best content meet on the web to learn about “What’s Next” in payments and commerce. Our interactive platform is reinventing the way companies in payments share relevant information about the initiatives that make news and shape the future of this dynamic sector. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovations at the cutting edge of this new world.



Elan partners with more than 1,300 financial institutions to grow their business through our outsourced credit card program. Our dedication to our partners, growth philosophy and investment in evolving technology has made us a leader in the industry since 1968. Our unique partnership solution offers Elan’s expertise and efficiencies while removing costs, reducing risks and improving the cardholder experience. In a world of rapidly changing digital technology, increasing compliance burdens and competing rewards programs, more have turned to Elan to provide a comprehensive, cost-efficient credit card program for consumer and business accounts of all sizes. To further Elan’s dedication to our partners and the communities they serve, we launched the Across the Country Charitable Giving program. Learn more about the program and the positive impact it is making at <https://elancharitablegiving.com/>.

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