

Shifting Deposits Search Trends

Understanding &
Responding to the
Changing Customer
Needs in the US

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"Responding to COVID-19: Tactics for Financial Marketers"





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Key Takeaways

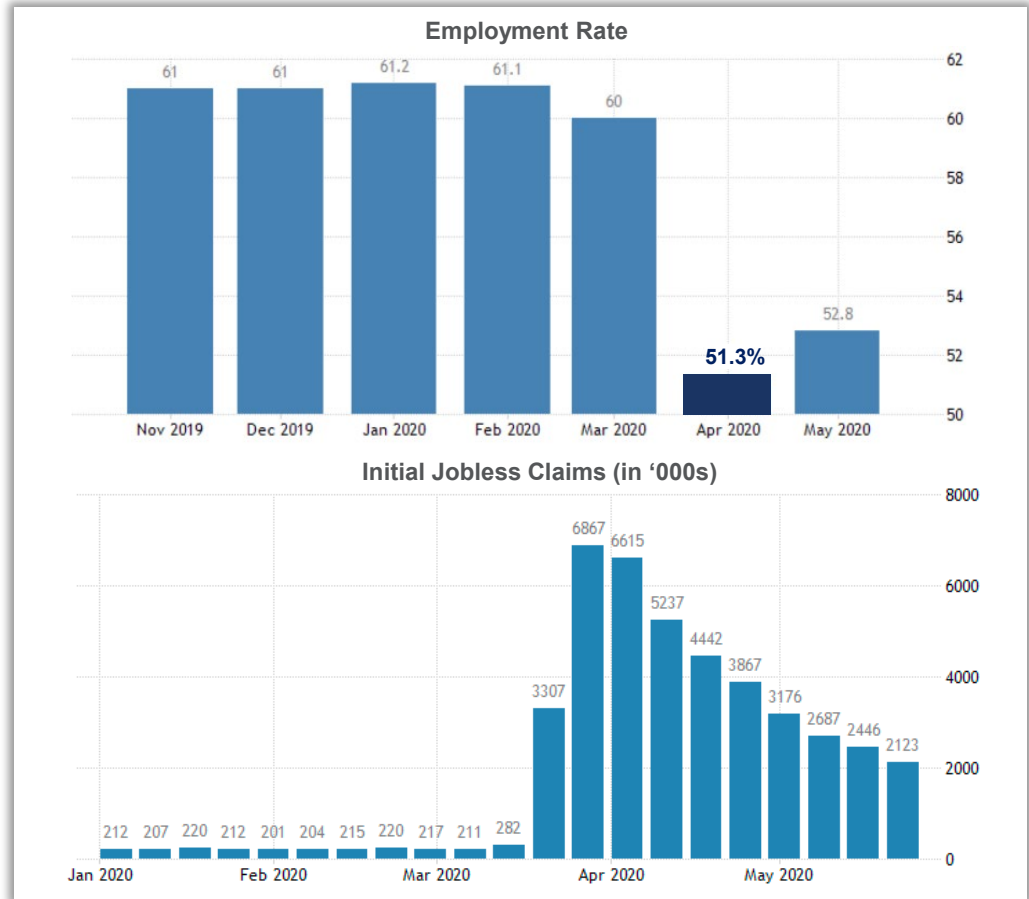
Key Takeaways

- We are seeing a hike in checking account search trends, though most of the interest is IRS linking related. When next stimulus packages get announced, we might see similar trends. Banks need to distinguish between actual rise in interest for product vs. customers looking to link their bank accounts with IRS.
- With the personal savings rate at an all-time high, we are seeing a higher demand for savings accounts, despite the low interest rates. However, the drop in interest rates for Certificate of Deposits had a more dire impact on its demand.
- During these volatile times, investors are increasing their cash position, and much of these cash positions find their way to the safety of FDIC-backed Money Market Accounts.

Macroeconomic Trends

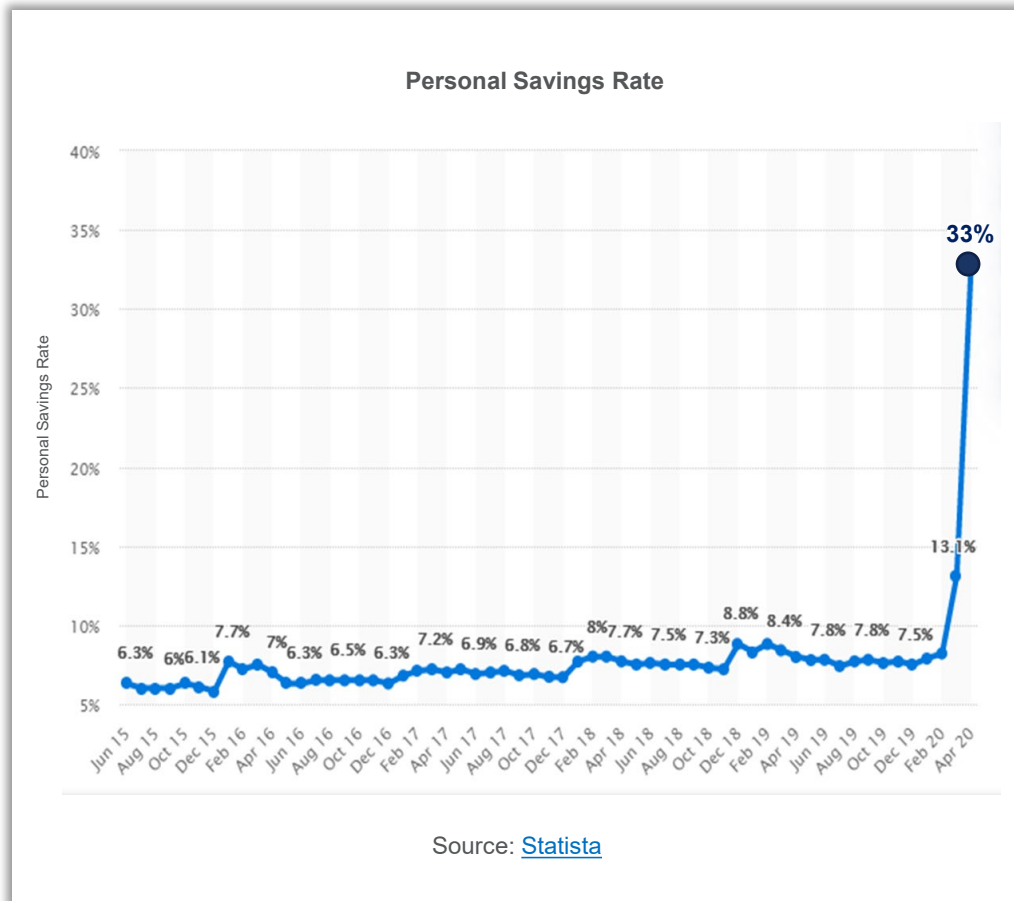
Employment Trends

- The coronavirus has impacted the employment rate in an unprecedented manner. The employment rate in April was at 51.3%, the lowest since the Great Depression.
- The initial jobless claims have been steadily declining since the pandemic's peak in April 2020. However, the numbers remain much higher than the pre-COVID-19 levels.



Personal Savings Trends

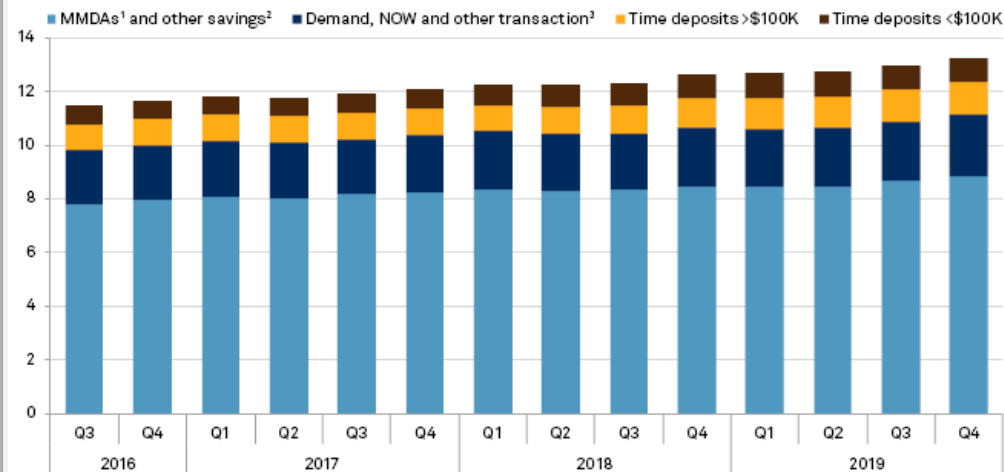
- In 2019 the average personal savings rate in the United States was 7.6%, amounting to approximately 1.3 trillion U.S dollars.
- During recession, the consumer behavior shifts from spending to saving, according to [NY Fed Report](#) and based on 2008/2009 data.
- There has been a sharp rise in the personal savings rate starting February 2020 and it is currently as high as 33%.



Deposits Growth Until 2020

- Deposits grew at 5% Y-O-Y in 2019.
- The slowing deposit growth trend can be attributed to a reduction in non-interest-bearing deposits, a declining branch network, and the rise of mobile banking.

Deposit composition at US banks (\$ trillion)



Data compiled Feb. 12, 2020.

NOW = negotiable order of withdrawal; MMDA = money market deposit account

Analysis includes U.S. commercial banks, savings banks, and savings and loan associations. Nondepository trusts and companies with a foreign banking organizations are excluded.

Data based on regulatory filings.

¹ Represents total deposit balances held in MMDAs.

² Other savings represent deposits or accounts that permit no transfers by check, draft, debit card or similar order made by the depositor and payable to third parties.

³ Represents demand deposits and total deposit balances held in NOW accounts and other transaction accounts.

Excludes foreign deposits.

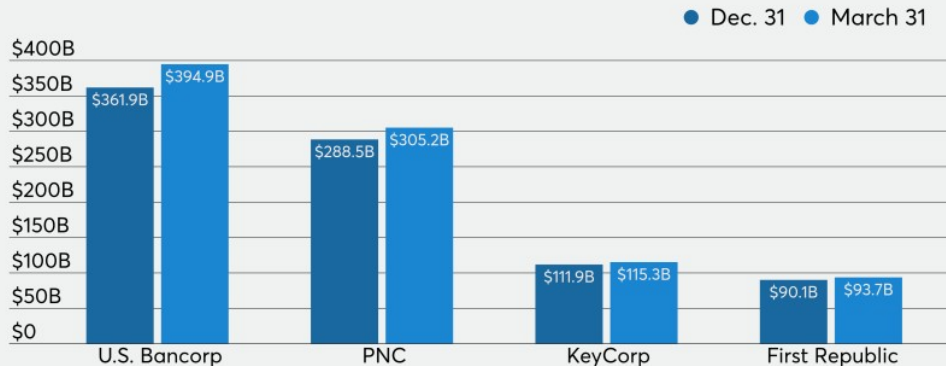
Source: S&P Global Market Intelligence

Deposits Rose in 2020

- Many financial institutions are reporting upticks in deposits—in some cases, double-digit increases in just a few months.
- JPMorgan Chase, in the week of April 16th, reported \$1.84 trillion in deposits (as of 31 March 2020), a 17.5% increase since the end of 2019.

Deposit inflows

Deposits rose between 3% and 9% at these regionals because of corporate credit-line drawdowns and other factors. Some larger banks reported even bigger first-quarter increases.

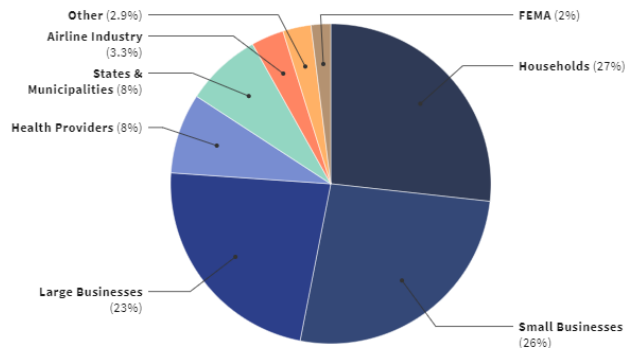


Source: [AmericanBanker](#)

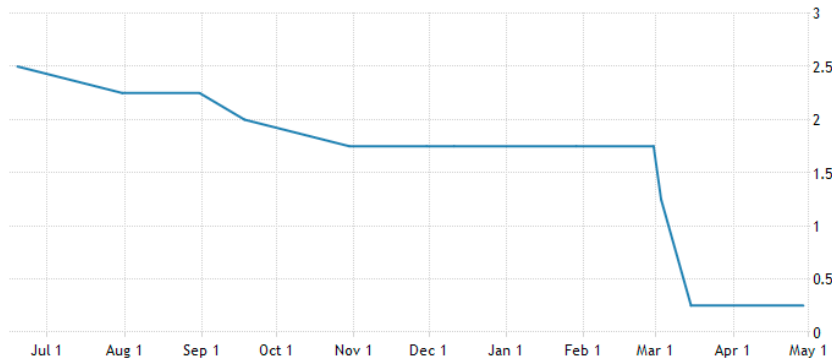
Government Stimulus & Rates Trends

- In March 2020, the government passed the CARES Act (stimulus package). This included a loan program for small businesses, expansion of unemployment benefits to furloughed, gig workers, freelancers and direct payments to middle- and low-income families among other provisions.
- The US Fed lowered the rates in March, due to the uncertainty and risk brought to the economy by the pandemic. The Fed plans to keep the interest rates at near-zero till a recovery is firmly in place. These rates will have an influence on the short-term rates on consumer loans and credit cards as well as Deposits rates.

CARES Act (Recipients of \$2.3 Trillion Funding)



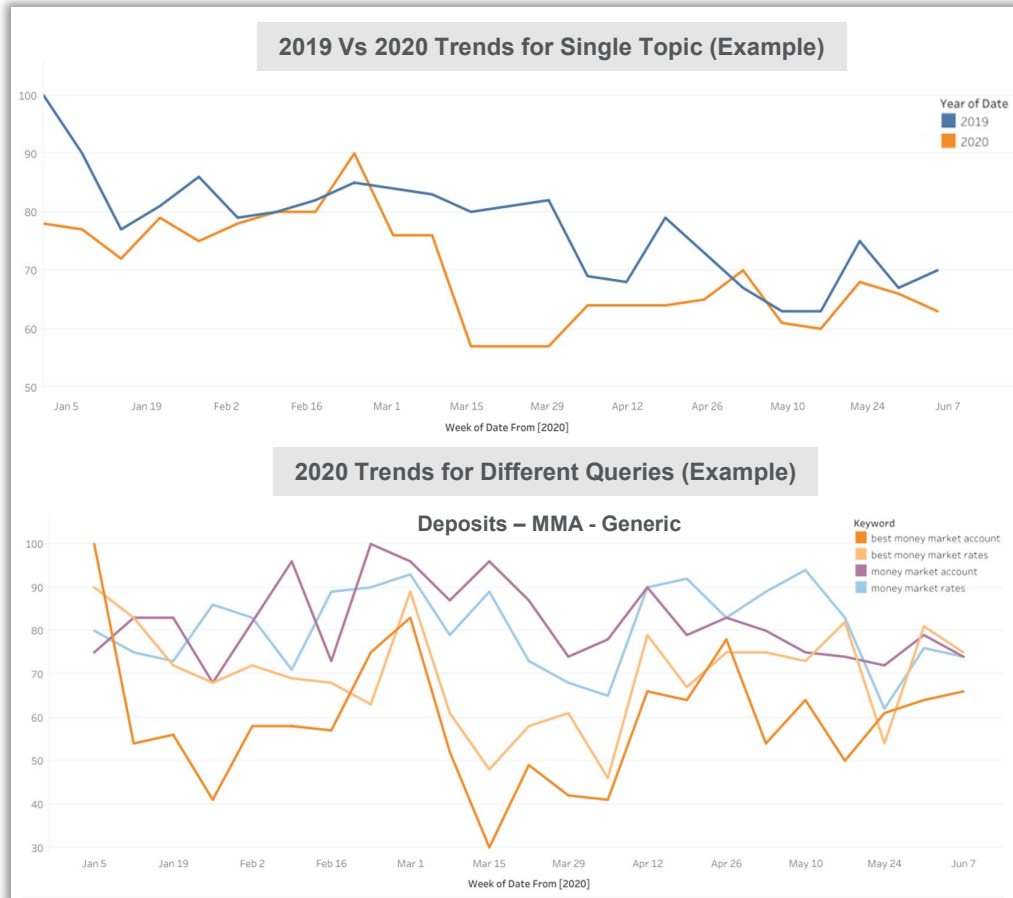
US Fed Funds Rate



How to read the Search Index data in this report

The data in this report is Search Index data from **Google Trends**. You will see two types of charts in this report:

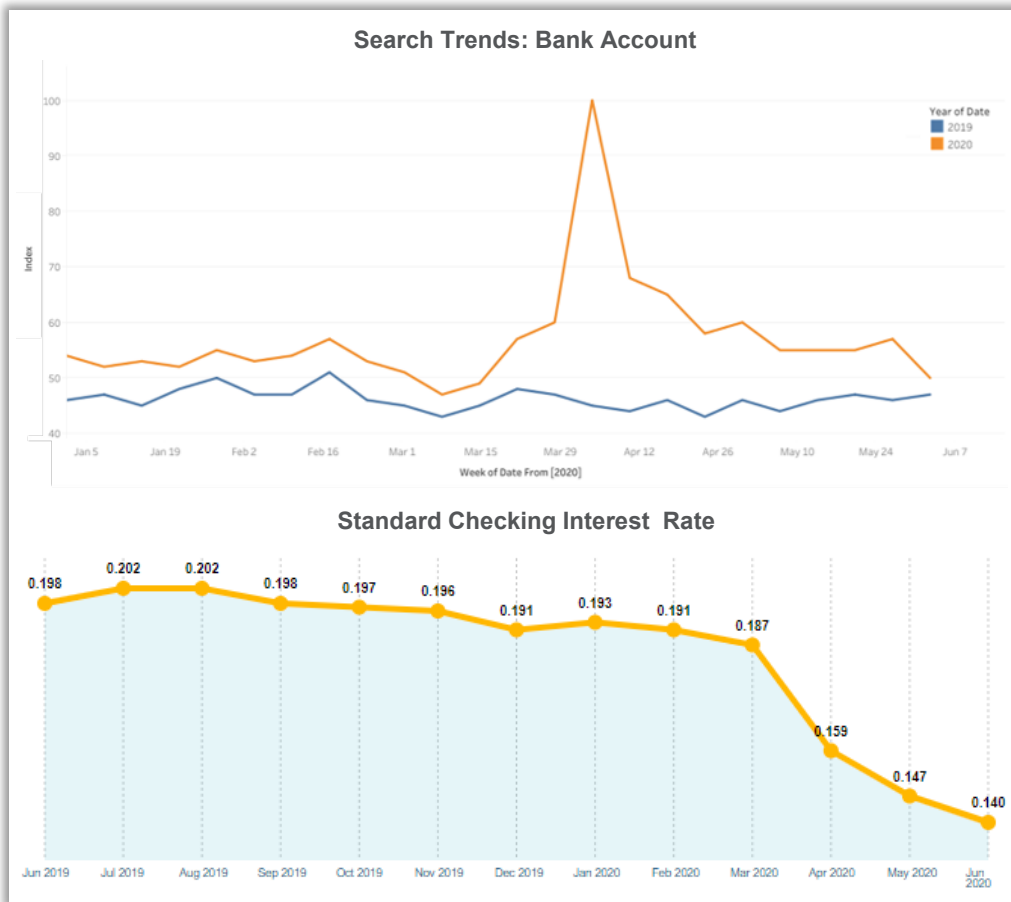
- **2019 Vs 2020 Trends for Single Topic**
 - These charts show the trends for the same Topic as defined in Google Trends.
- **2020 Trends Across Different Queries**
 - These charts show trends for different keyword queries. We looked at the individual indices for different keywords but are plotting them on the same chart to identify trends within the same theme. They are not indicative of search volume relative to one another. The bottom chart on the right, for instance, only shows the demand of 'best money market rates' relative to its peak in Feb.



Search Trends: Checking Accounts

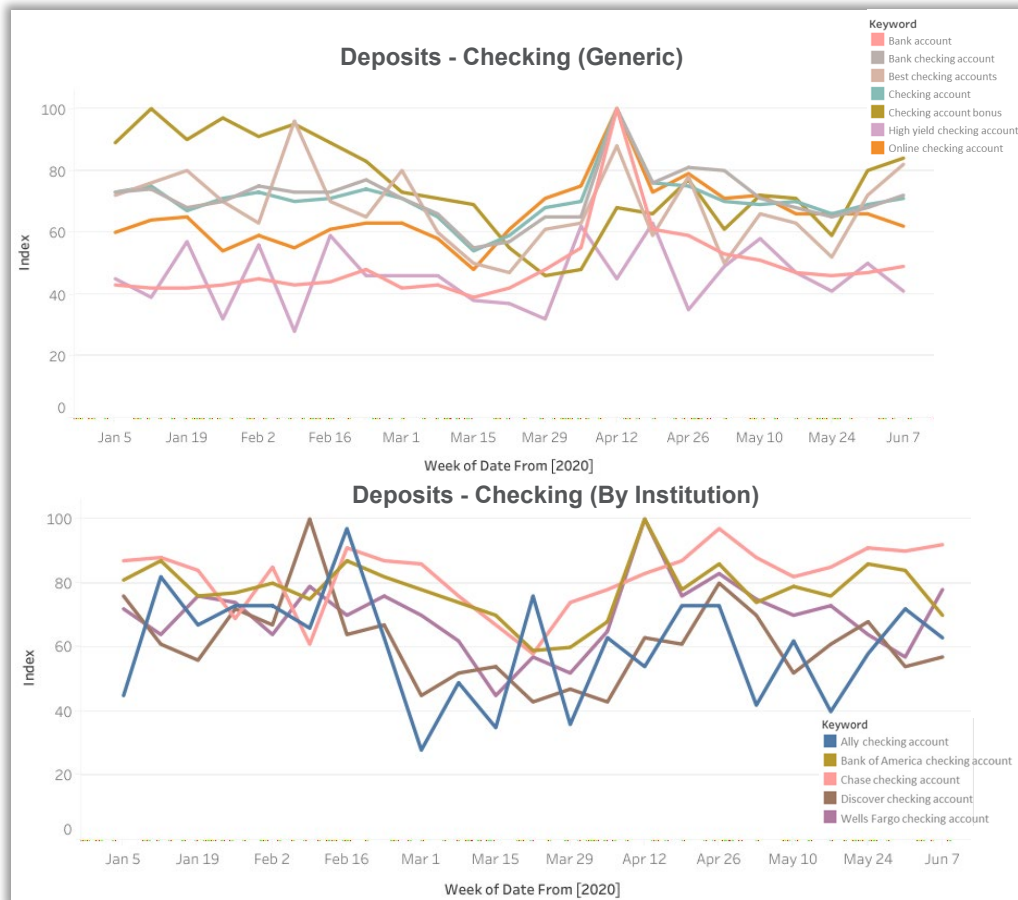
2019 Vs 2020 Trends for Bank Account Topic

- The Bank Accounts search trend (Checking account) saw a decline in later half of March and a subsequent sharp uptick in early April 2020.
- Somewhere around April 10th, the U.S. Treasury Department [announced](#) that large majority of eligible Americans will receive Economic Impact Payments through direct deposits by April 15, 2020.
- Along with the receipt of stimulus packages as checks or direct deposits in the banks, customers might be also looking to [link their bank account information with IRS](#), resulting in an increase in bank account keyword searches.



2020 Trends for Checking Account Queries

- All generic bank account queries saw a spike in April, in-line with the announcement of the stimulus package and have gone back to normal levels since then.
- It looks like the searches for 'online checking account' continues to stay higher than pre-March levels, as users are getting more comfortable with Online Banking during the pandemic.
- Banks across the board saw a gradual dip in checking accounts search terms during March, but some banks (which yield much [higher than the national averages](#) of 0.25% for one-year terms and 0.51% for five-year terms with great online customer service) saw a gradual increase in April.



Rising Bank Account Queries in Past 6 Months

- There were a couple of breakouts around stimulus and IRS searches like “stimulus check wrong bank account” and “irs stimulus portal” or “update bank account with IRS”, driven by the account update requirements set by IRS.

Keyword	Rising
Stimulus check wrong bank account	Breakout
IRS stimulus portal	Breakout
Update bank account with irs	Breakout
Change bank account with irs	Breakout
Change bank account for stimulus check	Breakout
Add bank account for stimulus check	Breakout
How to add bank account to irs	Breakout
IRS change bank account	Breakout
IRS update bank account	Breakout
How to transfer edd funds to bank account	4950%
Bank of America edd	1150%
Best savings account 2020	400%

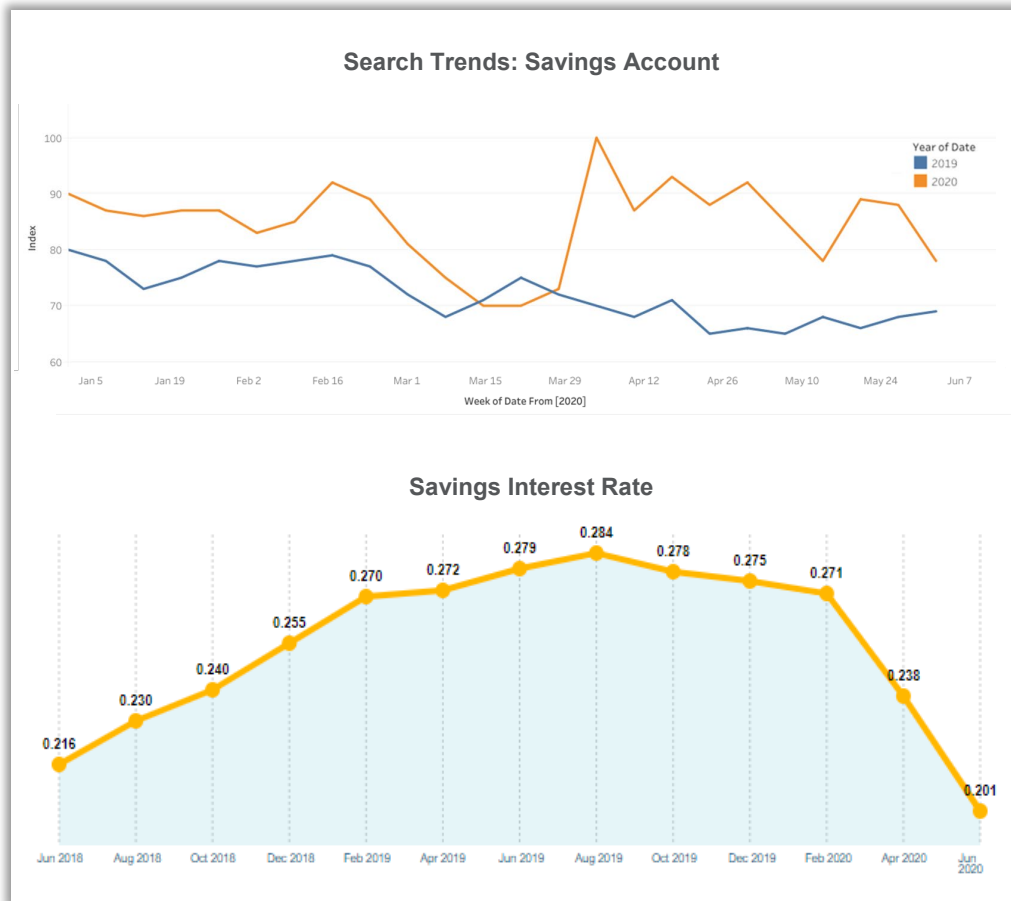
'Breakout' indicates the search term grew by more than 5000%.

Search Trends: Savings Accounts

2019 Vs 2020

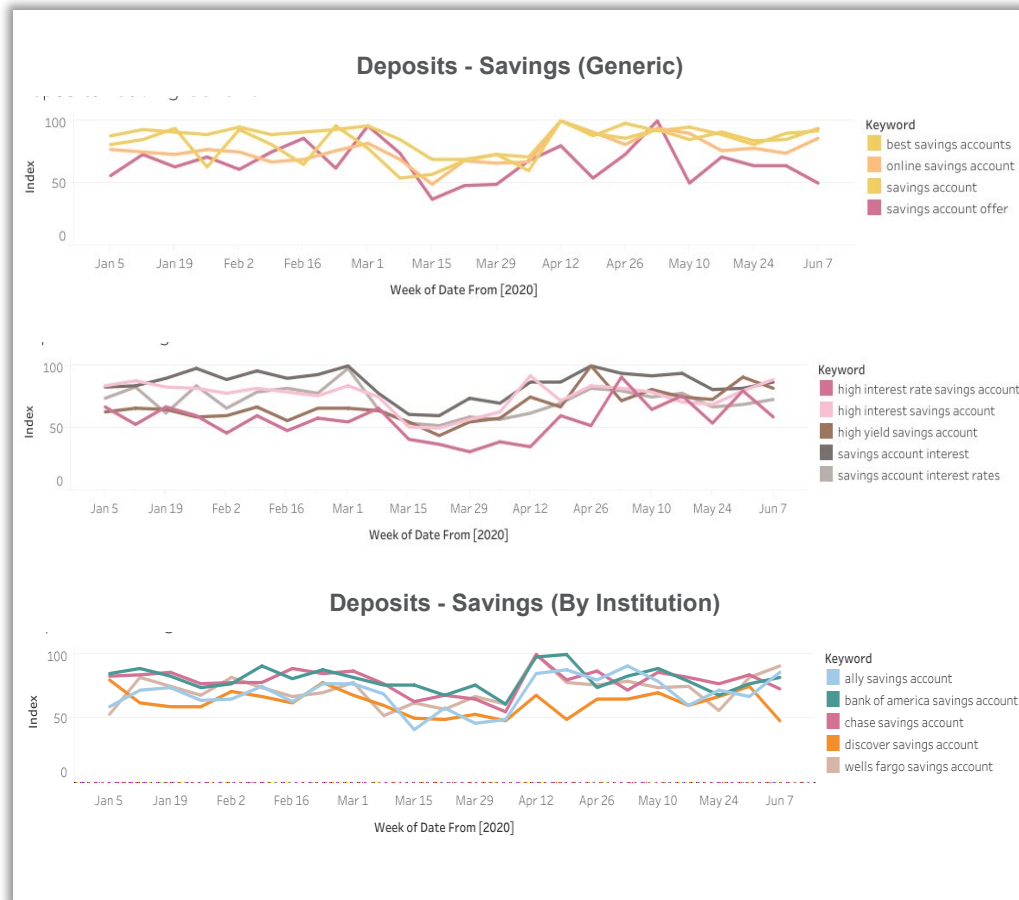
Trends for Savings Accounts Topic

- 2020 search trends for 'savings account' started higher than 2019. Savings account trend showed a dip in later March and then rose to be higher in April 2020.
- The uptick of search for savings account can be attributed to recession – based on 2008-2009 data from the [NY Fed Report](#), the consumer behavior shifts from spending to saving during recession.



2020 Trends for Savings Accounts Queries

- Generic savings account search terms like 'best savings accounts', 'online savings account' etc. saw a dip in searches in late March but picked up again by April 2020.
- Banks across the board saw the same trend of gradual decline until late March and then an uptick in April 2020.



Rising Saving Account Queries in Past 6 Months

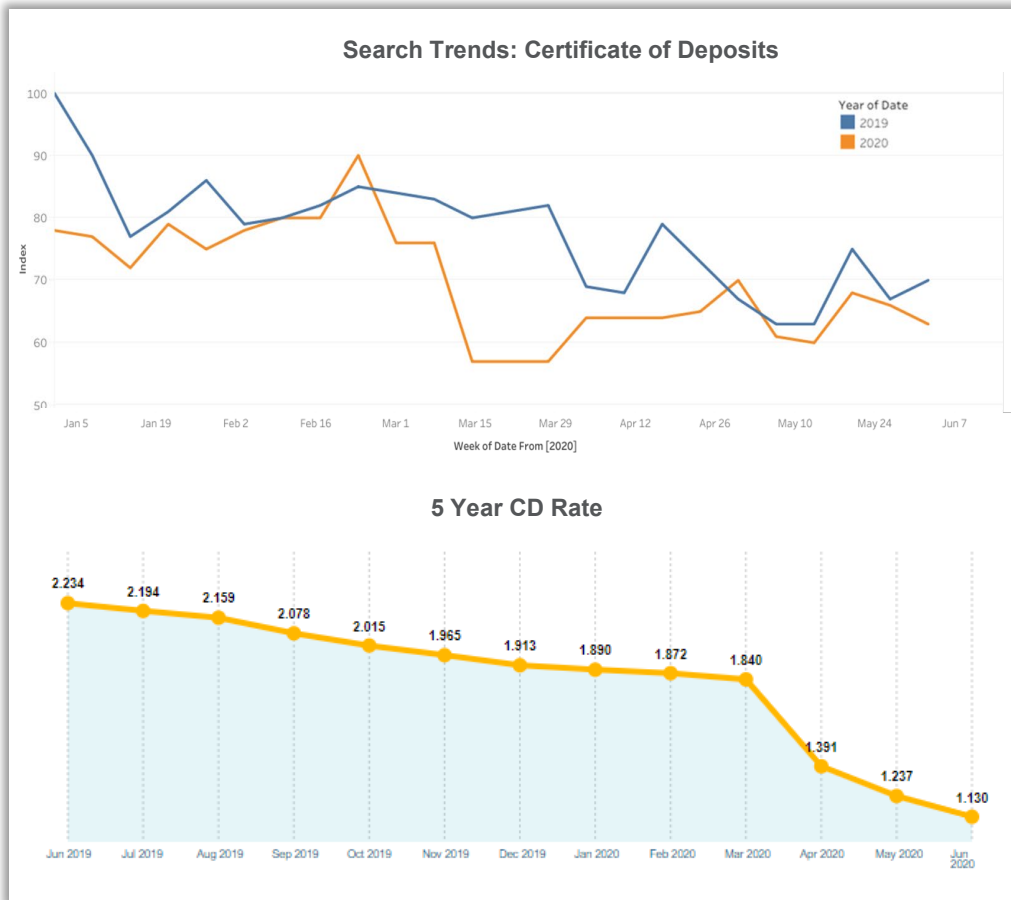
- There are a handful of themes of queries that have been trending –“best high yield savings account 2020”.

Keyword	Rising
Varo savings account	400%
Best high yield savings account 2020	350%
Best savings account 2020	200%
Best savings account rates 2020	170%
Can I open a savings account online	170%

Search Trends: Certificate of Deposits

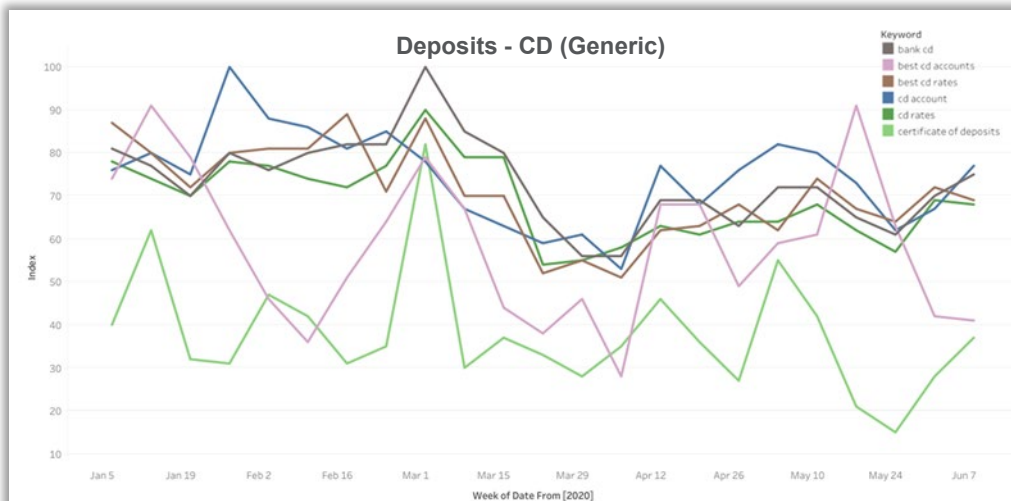
2019 Vs 2020 Trends for Certificate of Deposits Topic

- 2020 Certificate of Deposits search trend showed a steady rise in the beginning of the year but experienced a steep downfall mid-March and continues to stay low since then.
- The longer-term CDs had the largest rate reduction, even the short-term CD's are seeing rate cuts from banks and credit unions, resulting in lower search trends for CD.



2020 Trends for Certificate of Deposits Queries

- The drop in search trends for CD account, bank CD and other generic CD terms since March 2020 can also be attributed to low liquidity.
- Many banks cut their 5-year CD rates. Online banks that cut their 5-year CD rates close to or at 1% include Ally Bank (1.15%) and CIT Bank (1.05%), as a response to the Federal Reserve's emergency rate cuts in March 2020.



Treasury Yields (Close of 6/23/20)

1 month:	0.12% down 3 bps from 0.15% last week (2.16% a year ago)
3-month:	0.16% down 2 bps from 0.18% last week (2.11% a year ago)
6-month:	0.17% down 2 bps from 0.19% last week (2.05% a year ago)
1-year:	0.18% down 1 bps from 0.17% last week (1.95% a year ago)
2-year:	0.18% down 1 bps from 0.19% last week (1.77% a year ago)
5-year:	0.33% same as last week (1.80% a year ago)
10-year:	0.72% down 1 bps from 0.71% last week (2.07% a year ago)
30-year:	1.49% down 4 bps from 1.45% last week (2.59% a year ago)

Rising Certificate of Deposits Queries in Past 6 months

- There are a couple of themes of queries that have been trending like “certificate of Deposit near me”.

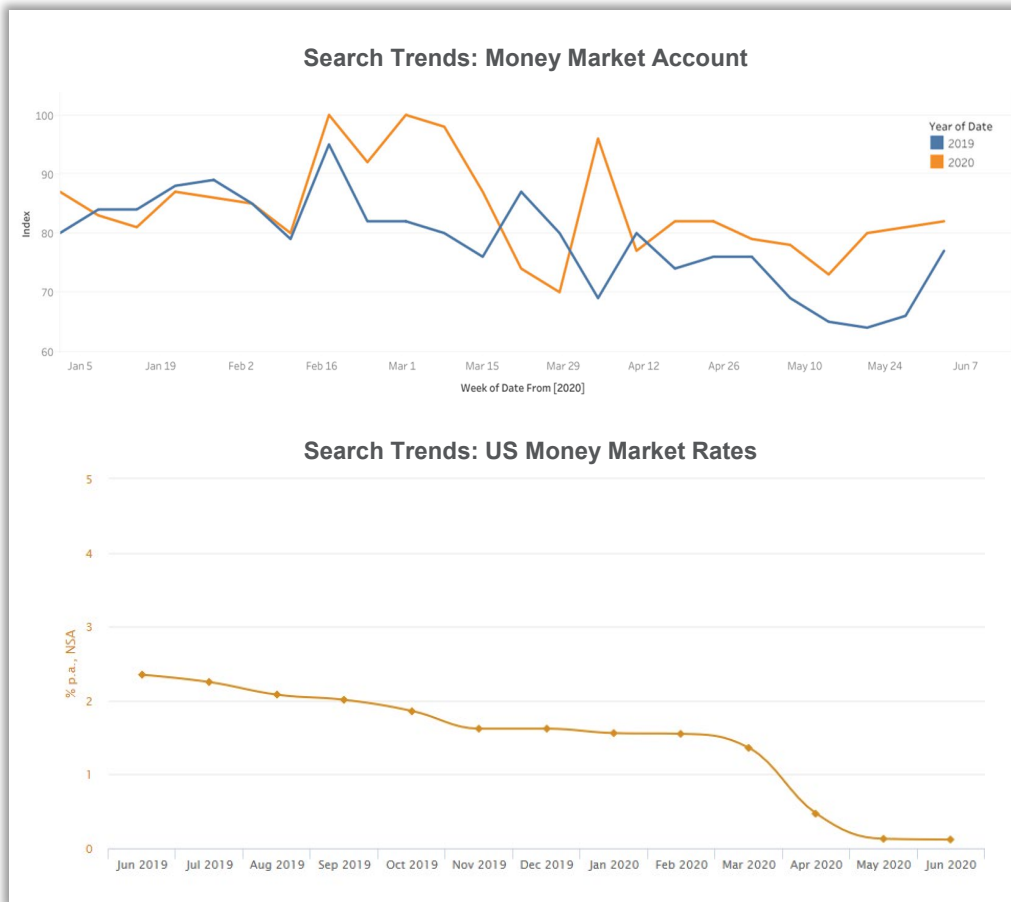
Keyword	Rising
Certificate of deposit near me	250%
Certificate of deposit rates	100%
How does a certificate of deposit work	80%
What is a certificate deposit	64%
What is a certificate of deposit	60%

Search Trends: MMAs

2019 Vs 2020

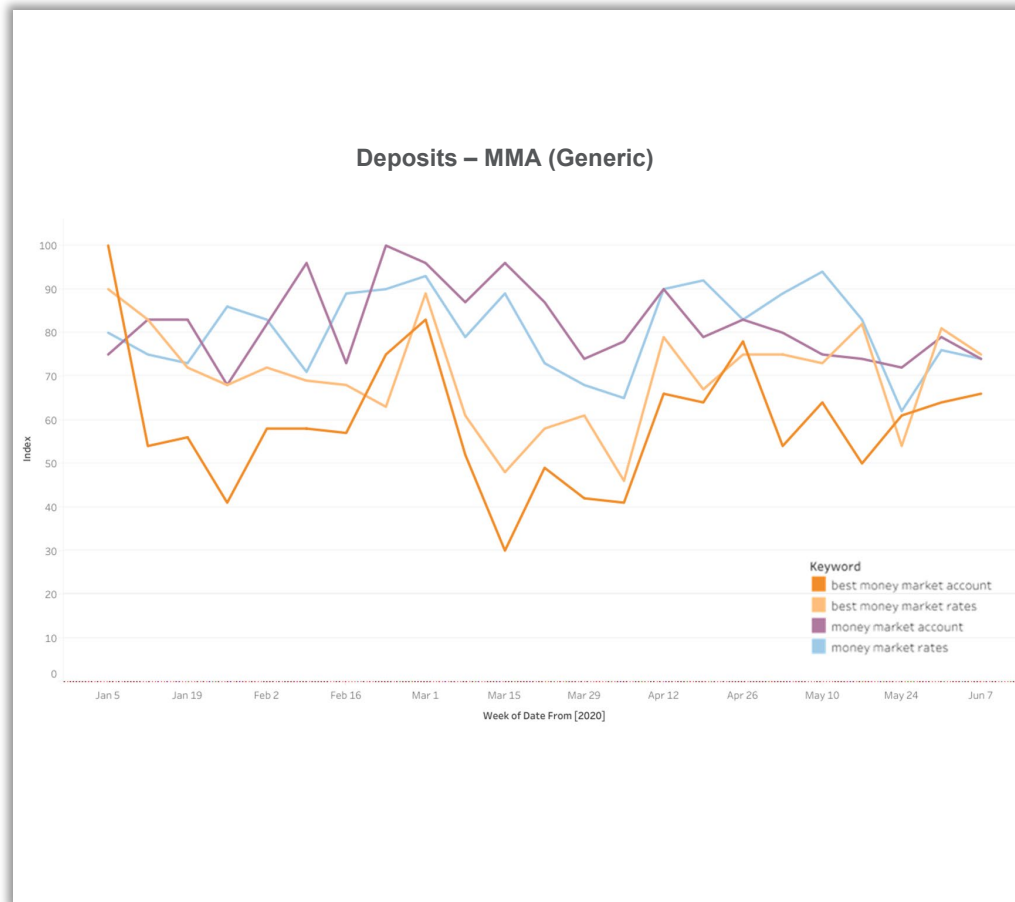
Trends for Money Market Account

- Money Market search trends for 2020 are in line with 2019 trends.
- Overall trends stay put as 45% people say they [are not planning to make any changes](#) to their investment strategies as a result of the pandemic.
- Selected Interest Rates (interest rates for selected monetary policy, U.S. Treasury (secondary market), private money market, and capital market instruments) [are dropping down](#).



2020 Trends for Money Market Account Queries

- The search trend for money market generic terms saw a slight dip in early March but picked up again in later March 2020.
- During these volatile times, investors are [increasing their cash position](#), and even after low interest rates much of those cash positions find their way to the safety of FDIC backed money market accounts.



Rising Money Market Account Queries in Past 6 Months

- The themes of queries that have been trending are around high yield - “highest paying money market accounts”.

Keyword	Rising
Highest paying money market accounts	Breakout
Are money market accounts safe	190%
Money market account near me	180%
Money market account fdic insured	100%
Business money market account	100%
High interest savings account	70%
Best jumbo money market rates	60%
Current money market rates	60%
What are money market accounts	60%
High interest money market accounts	50%

'Breakout' indicates the search term grew by more than 5000%.

HAVE QUESTIONS?

Reach out to our Digital Solutions team for a conversation today!

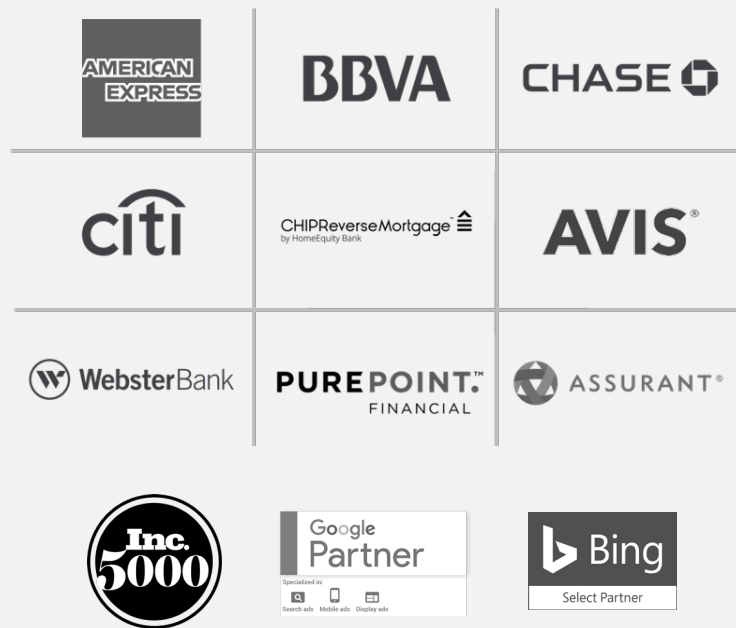
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iQuanti offers a unique blend of channel management services, strategic consulting expertise and proprietary product offerings to empower brands to exceed their customer acquisition, engagement, and conversion goals.

iQuanti's award-winning & patented enterprise SEO platform ALPS™ uses proprietary data science and machine learning to build predictive enterprise level SEO roadmaps that deliver stronger ROI.

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