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Exclusion and Marginalization in Financial Services: Frontline Employees as Street-Level Bureaucrats

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Abstract

Lack of access to credit and routine banking precludes full participation in the economy for people from marginalized groups and is a fundamental aspect of enduring wealth gaps. While most banks offer standardized products and services such as checking accounts, the products and services delivered to racially and economically diverse groups may depend on how bankers provide access. This study made financial institutions the focal point of an investigation into financial exclusion and marginalization while advancing the literature on street-level bureaucracy. Qualitative in-depth interviews with 36 frontline financial service employees revealed highly-predictable, patterned narratives around banks' sales culture, social biases and moral judgments, and exclusion and marginalization. Frontline financial service employees used these narratives to deem customers worthy of responsible banking in ways that advantage wealthier and white customers and exclude and marginalize Black, Brown, and poor white customers.

Introduction

Lack of access to credit and routine banking precludes full participation in the economy for people from marginalized groups (Baradaran, 2015; Servon, 2017) and is a fundamental, albeit understudied, aspect of enduring wealth gaps (Baradaran, 2017). While most banks offer standardized products and services such as checking accounts with online banking, the products and services delivered to racially and economically diverse groups may depend on how bankers provide access (Massey et al. 2016; Rugh & Massey, 2010). Sanctioned by the normative structures of their working environments and deeply embedded practices that determine which customers are worthy of handling responsible banking (Soss, Fording, & Schram, 2011; Yngvesson, 1988), banks' frontline financial service employees may make discretionary decisions that stratify access to products and services by race and class. In combination with their own socially-embedded biases and moral judgments (Epp, Maynard-Moody, & Haider-Markel, 2014; Yeager, Purdie-Vaughns, Hooper, & Cohen, 2017), frontline financial service employees' discretionary decision-making may contribute to marginalization. As in other areas of street-level work (Brodkin, 2012; Zacka 2017), *how* financial products and services are delivered is as important as *what* products and services are delivered.

Banks' frontline financial service employees such as tellers, sales associates, and branch managers stand at an important convergence between public and private life. The private financial institutions where these frontline employees work provide a necessary public service. Indeed, frontline financial service employees are nongovernmental actors and private policymakers that wield important influences over the lives of the public—their customers. Given that public services are increasingly contracted out to private companies (Carey, 2008; Dias & Maynard-Moody, 2007; Smith & Lipsky, 1993), it is necessary to understand how frontline employees in private—yet publicly-sanctioned—financial institutions interact with and impact the people they serve. Frontline financial service employees' discretionary decisions to withhold basic services or overcharge fees to customers from marginalized groups reduce the legitimacy of these essential institutions. Such decisions alienate marginalized groups from financial products and services that could otherwise be used to build wealth and expose them to other types of predatory institutions such as payday lenders and check cashers.

This paper makes financial institutions the focal point of an investigation into financial exclusion and marginalization while advancing the literature on street-level bureaucracy (Lipsky, 2010). Through qualitative in-depth interviews, we reveal the patterned narratives that frontline financial service employees use to deem customers worthy of responsible banking. Specifically, we investigate how frontline financial service employees describe their experiences interacting with customers in the bank branch and over the phone with attention to race- and class-based biases and moral judgments in their decision-making. We conclude that frontline financial service employees' expressed biases and moral judgments have the potential to advantage wealthier and white customers and to exclude and marginalize poorer and Black and Brown customers.

Street-Level Bureaucracy in the Financial Industry

Street-level bureaucracy investigates frontline work from the perspective of those who enact policy through discretionary decision-making at the front lines (Brodkin, 2012) and considers the structural and individual conditions that organize frontline workers' decision-making (Baviskar & Winter, 2017; Lipsky, 2010; Maynard-Moody & Musheno, 2003). Banks' frontline financial service employees are often the first points of contact for customers. Frontline financial service employees are the "image" of their financial institutions, while earning low wages and meeting high-pressure sales quotas. Simultaneously, frontline financial service employees meet face-to-face with customers and are responsible for translating into practice the nuances of bank policies and procedures (Zacka, 2017). Though, frontline financial service employees often cannot explain basic procedures and processes are important for customers' day-to-day banking experiences, such as how overdraft policies work or the order in which account transactions are processed (Bone et al. 2017; California Reinvestment Coalition, 2014; Friedline, Despard, Eastlund, & Schuetz, 2017). Thus, frontline financial service employees balance the structural conditions of their working environments and rely on their own socially-embedded attitudes, beliefs, and biases when responding to customers' requests and making meanings out of customers' banking needs.

Frontline financial service employees may be influenced by the structural conditions of their working environments, such as low wages, aggressive sales cultures, and technological advancements that undermine job security. Similar to the financial compensation earned by many employees engaged in street-level work (Lipsky & Smith, 1989; Maynard-Moody & Musheno, 2003; Zacka, 2017), most frontline financial service employees do not earn enough money to afford basic needs. Nearly 75% of bank tellers earn less than $15 per hour (National Employment Law Project, 2015). Bank tellers are also overrepresented in public assistance enrollments compared to the workforce national average. Thirty one percent of bank tellers receive public welfare benefits from programs like the earned income tax credit (EITC) and supplemental nutrition assistance program (SNAP), compared to the national average of 25% (Allegretto, Jacobs, Graham-Squire & Scott, 2014). Since bank tellers comprise a majority of banking-related positions and are quintessential to frontline financial service, this means a majority of frontline financial service employees are part of the low-wage workforce (US Bureau of Labor Statistics, 2016).

Frontline financial service employees may also contend with pressures created by an aggressive sales culture. Following scandals with Wells Fargo and other financial institutions, news media have reported on the industry's aggressive sales culture that aims to incentivize their employees' behaviors and increase productivity. Banks' computer-based performance management systems and managers' supervisory responsibilities that track employees' productivity reinforce this culture (Soss, Fording, & Schram, 2011). For example, the Wall Street Journal reported that Wells Fargo's employees had to meet hourly sales targets and report their progress regularly to supervisors (Glazer, 2016) and the LA Times reported on the pressures their employees receive to sell overdraft protection (Reckard, 2013). Many of these reports included first-hand accounts from frontline financial service employees. Wells Fargo's employees reported that they engaged in behaviors like opening new accounts without customers' permission and cross-selling financial products and services out of fear of being reprimanded and losing their jobs. Employees shift the consequences of these behaviors to customers, with one bank manager quoted as saying, in reference to opening credit cards, “It’s not our responsibility for [customers] to pay the bill, just to make the sale” (Christman, 2016, p. 2).

The pressures faced by frontline financial service employees may be further complicated by the potential influences of technological advancements on the banking industry, such as automated teller machines (ATMs) and online and mobile banking. Some reports have dubbed bank tellers “the next blacksmiths” (Heath, 2017, p. 1; Murakami-Fester, 2017). Half of bank customers report that they use an ATM or similar kiosk as the primary method to access their bank accounts, and ATMs have been predicted to make in-person banking obsolete. While going in-person to a bank teller remains the most frequently reported method of making transactions (76%; FDIC, 2016), the option to access bank accounts via a bank teller may become less frequent as branches close their doors. The total number of bank branches is projected to decline by 20% over the next decade as customers increase their use of online and mobile banking (JLL, 2017). Wells Fargo itself announced plans to close nearly 500 bank branches by 2018 (Egan et al., 2017). The use of online and mobile banking has risen steadily over the last decade, and these technological advancements have been touted for their potential to reach underserved communities and reduce financial exclusion (FDIC, 2016). While these industry changes may occur slowly over many years, current frontline financial service employees may be vulnerable to or fear losing their jobs as branches close and online and mobile banking become more popular.

The structural conditions of their working environments may make it possible for frontline financial service employees to engage in behaviors that exploit and exacerbate individual socially-embedded attitudes, beliefs, and biases—moral decision-making with potentially differential impacts on customers. That is, frontline employees must find ways to cope with the strains and constraints they experience in their daily work (Zacka, 2017). There is evidence from numerous contexts of how this might happen, including the criminal justice system (Epp, Maynard-Moody, & Haider-Markel, 2014) and the labor market (Holzer, Raphael, & Stoll, 2006; Pager, Western, & Sugie, 2009). For example, employers increasingly use credit histories in hiring decisions since they have legal permission to request and view this information (National Conference of State Legislatures, 2015). However, a qualitative investigation into this practice revealed that employers rely on socially-embedded attitudes, beliefs, and biases to make meanings out of applicants' credit histories (Kiviat, 2017). Employers consider applicants' credit histories from moral vantage points, judging items on credit histories differently in relation to their own personal experiences and depending on whether transactions occurred at stores such as Wal-Mart or Victoria's Secret (Kiviat, 2017). In reference to job applicants, an employer at a bank whose personal credit history showed student loan delinquencies said, "I have a sensitive spot for individuals with student loans because I'm one of them..." (Kiviat, 2017, p. 20). In the context of financial product and service decisions, a frontline financial service employee's "sensitive spot" or lack thereof may factor into whether a customer qualifies for credit, receives overdraft charges, or has their criminal background checked.

Frontline financial service employees also have agency (Maynard-Moody, & Musheno, 2012); in other words, there are individual conditions that organize employees' discretionary behaviors. In the course of their daily work, frontline financial service employees can use discretion to decide whether to pressure customers to opt in to overdraft protection, whereby the bank charges a fee when a transaction causes the account to overdraft instead of denying the transaction. Frontline financial service employees can also choose which customers they decide to pressure, based on socially-embedded attitudes, beliefs, and biases and through their online computer system with as little information as customers' names and addresses. However, if the pattern of frontline financial service employees' decision making is highly predictable, then this may indicate their individual agency is strongly guided by structural employment conditions (Maynard-Moody, & Musheno, 2012; Yngvesson, 1988; Zacka, 2017). After all, frontline financial service employees are duty-bound to advance banks' and their shareholders' for-profit interests.

Taken together, structural and individual conditions that organize frontline financial service employees' attitudes, beliefs, and behaviors have the potential to impact customers. Customers who are impacted, or perceive these impacts to be levied disproportionately or unjustly, may lose trust in financial institutions. This is important given that the financial system relies on everyday customers' trust and their perceptions that financial institutions are legitimate, which tend to decline in periods of macroeconomic instability and high unemployment (Stevenson & Wolfers, 2011).

Methods

Qualitative methods were employed for conducting an in-depth exploration of frontline financial service employees' discretionary decision-making. In-depth interviews with frontline financial service employees were designed to uncover the contexts and varying ways that frontline financial service decision-makers used discretion, intending to glean rich descriptions and the meanings these workers placed on their employment experiences.

Research Setting: Southeast Michigan

The varying financial services landscapes and demographic compositions of Southeast Michigan's urban, suburban, and rural areas provided unique opportunities to study street-level bureaucracy related to financial exclusion and marginalization. Consistent with the spatial nature of racial segregation, rural and suburban areas in Southeast Michigan have higher percentages of white residents whereas higher percentages of residents in cities identify as Black and Brown. For example, in one small Washtenaw County city with a population of approximately 21,000, 27% of residents identify as Black, 4% identify as Latinx / Hispanic, and 60% identify as non-Latinx / Hispanic white; however, comparatively, a higher share of the county population identifies as non-Latinx / Hispanic white: 71% (US Census Bureau, 2018a). Forty-two percent have a bachelor's degree or higher and, despite the city's 5% unemployment rate, 31% of residents live in poverty (US Census Bureau, 2018a). Southeast Michigan also has a high percentage of undocumented residents whose legal status makes them vulnerable to discrimination (White, 2017). In a nearby Wayne County city with a relatively high concentration of bank branches, 27% of residents identify as being foreign born (US Census Bureau, 2018b). As such, Southeast Michigan provided an important context in which to study frontline financial service employees' discretionary decision-making in branches located in racially and economically diverse communities.

Sampling and Recruitment

Following approval from The University of Michigan Health Sciences and Behavioral Sciences Institutional Review Board (IRB), purposive and snowball sampling were used to recruit frontline financial service employees age 18 and older who worked at banks in Southeast Michigan (Miles, Huberman, &

Saldaña, 2014). To recruit participants, flyers advertising the study were posted in libraries, bus stops, grocery and convenience stores, and gas stations throughout a 10-county area. Research team members attended local industry conferences and visited bank branches throughout Southeast Michigan to speak with branch managers and tellers about the study and invite their participation. The study was also advertised online through LinkedIn, with invitations tailored to individuals whose profiles indicated their experiences working in banking in the state of Michigan.

In-Depth Interviews

Participants were compensated $50 for participating in semi-structured, in-depth interviews that lasted approximately 60 to 90 minutes. To ensure awareness of their rights and confidentiality, all participants verbally affirmed their consent to participate before beginning interviews. Participants' names, bank names, and other specific identifying community information were replaced with pseudonyms to ensure confidentiality. Interviews were conducted at the convenience of participants, which included meeting in coffee shops and public libraries or talking over the phone. Participants were asked to respond to open-ended questions, such as describing recent or notable interactions with customers and how they make decisions when opening accounts or charging fees to customers. Participants were also asked about their training, potentially revealing how they had been taught to make decisions and respond to customer concerns in ways that upheld industry norms (Glenn, 2000; Yngvesson, 1988). The complete interview protocol is available in Appendix A.

Data Analysis

In-depth interviews were audio recorded, transcribed, and uploaded into Atlas.ti to undergo deductive and inductive thematic coding. This paper's first and second authors used inductive thematic analyses to identify and report patterns in the data (Braun & Clarke, 2006). For example, the authors coded deductively in order to confirm or disconfirm existing hypotheses, such as evidence of race- and class-based biases and moral judgments in their decision-making. Inductive coding was used to identify previously unidentified hypotheses for yielding new insights.

Methods to Enhance Scientific Rigor

Several methods were used throughout the study to establish trustworthiness in and credibility of qualitative research and improve scientific rigor, including positionality, reflexivity, and peer debriefings (Creswell & Miller, 2000; Guba & Lincoln, 1994). Positionality refers to the multiple identities that members of the research team have with respect to participants, communities, and the broader society, thus, shaping the study and its interpretations (Berger, 2015; Olesen, 1994). The first author conducted the majority of interviews, striving to remain aware of the ways that society ascribes power to their multiple identities (e.g., race, gender, social class), and aiming to empower study participants by taking the perspective that they are the experts of their experiences (Berger, 2015).

The very nature of the interviewer's presence during interviews shaped the directions of the study and the information that was collected (Andrews, Lyne, & Riley, 1996). Therefore, the research team engaged in reflexivity and self-appraisal while developing interview protocols and coding data by using guided questions (Barry, Britten, Barber, Bradley, & Stevenson, 1999; Berger, 2015). For example, questions included, "What results do I expect to emerge from this study? What theoretical explanation(s) do I favor? How do my positions of power influence my approach to this study?" (Barry et al., 1999).

Finally, the research team used peer debriefings to seek input from local and national experts and to critique the interpretations that emerged from the study. Experts included other bank employees, representatives of regulatory agencies, and consumer advocacy organizations—individuals or organizations with whom the first author maintained a relationship or had prior contact. Through phone calls, emails, and in-person conversations, the research team sought feedback on research questions, interview protocols, and interpretations of findings to ensure the study asked relevant questions, used appropriate methods, and challenged assumptions and interpretations (Creswell & Miller, 2000).

Findings

Sample Characteristics

The majority (78%) of frontline financial service employees that participated in in-depth interviews identified as female, including one trans woman. This percentage is consistent with the national rate where 84% of frontline financial service employees are women (Christman, 2016). Seventysix percent of interviewees were non-Latinx/Hispanic white, followed by 21% Black, 1% Latinx, and <1% Middle Eastern. Frontline employees worked at banks of all sizes, with asset holdings ranging from less than $1 billion to over $100 billion. Seventeen banks and four credit unions were uniquely represented. On average, employees had worked in banking for 6 years, 7 months, with a range of a few months to 37 years. Additional sample descriptives and characteristics are provided in Tables 1 and 2.

[Insert Tables 1 and 2 here]

Three overarching themes were identified through deductive and inductive coding, including banks' sales culture, social biases and moral judgements, and exclusion and marginalization. The overarching themes and subthemes are described below.

Sales Culture

One overarching theme that emerged as a structural condition of frontline financial service employees' working environments was sales culture. When describing banks' sales culture, employees discussed the pressure they experienced to sell products and services, how banks were reframing their language around sales to talk about solutions, and the importance of cultivating relationships with customers. Frontline financial service employees also discussed feeling conflicted about banks' sales culture, with many concerned that they were harming instead of helping their customers.

Sell, Sell, Sell. Employees frequently described the importance of selling. Even though employees had different roles and responsibilities within their banks, the discussion of sales was universal. Employees at the front lines, especially tellers and personal bankers, were a first point for making sales. While employees provided the products and services that their customers requested, they were also expected to generate new business for banks. Michelle, a teller with over 20 years of experience, described it this way, "[to] sell, sell, sell."

Banks' sales culture has come under scrutiny in recent years, especially after widely-publicized scandals raised questions about the industry's high-pressure working environments. For example, Wells Fargo was implicated in several scandals where their employees opened bank accounts and lines of credit without their customers' knowledge or consent (Glazer, 2016; Reckard, 2013). Customers were then charged fees on these accounts and credit lines. In news reports, Wells Fargo employees described a high-pressure sales culture that kept them in fear of losing their jobs if they did not “cross-sell” enough products and services to meet their required quotas (Christman, 2016). Jamie, who was working in banking right when Wells Fargo’s scandals were becoming public, described how she was explicitly taught to sell multiple accounts, or “cross-sell,” to customers for generating profitable fees,

> “I was once told to recommend seven accounts to people…If you are a married couple, you have a joint account for bills and then you have a joint…savings account that is for bills for a rainy day where you have three months of bills saved up. Then you have a second joint checking account that is for joint leisure, and a joint savings account just in case that account should go overdrawn. There’s four accounts there, and then each of you need your own checking and savings accounts…it’s a system, and each one of those accounts could have a maintenance fee on it…That was how they taught me…that you need to sell. Insidious. It’s insidious.”

Jamie eventually became so disturbed by her bank’s sales culture and the potential harm to customers that she left banking altogether.

This context was salient as employees discussed their banks’ sales cultures. For example, Emma, a teller who worked in the financial services industry before the Wells Fargo scandals, described the pressure of quotas:

> “Everything at [our bank], it was on a point system. For example, checking account was 5 points, a credit card was 50 points, home equity loans was 150, just for example’s sake. It was every time. If somebody was in my office and sat down, and they left, my manager would come in and sit down. ‘What did you do? What did you give ‘em? How much money do they have somewhere else? What are they bringin’ over?’”

While this specific experience where managers quizzed employees about their points was less frequently expressed by frontline employees currently working in the industry, employees routinely described the importance of making sales. Several employees mentioned that they were no longer required to meet individual quotas; however, their branches were still being evaluated on sales goals and therefore individual employees were influenced by these branch-level pressures.

Selling Solutions, Not Products. In light of real and or perceived scrutiny of banks' sales culture, frontline financial service employees described how banks began reframing the language around sales. Instead of using terms like sales, cross-sell, and quotas, employees recalled being instructed by their banks to reframe their products as "solutions" to customers' needs. Cross-selling products was rebranded as "providing beneficial solutions," shares Tressa, a bank manager. Roseann, an employee with 11 years of corporate experience at a bank with over $100 billion in assets, said straightforwardly that this change stemmed from not wanting to "be the next Wells Fargo with bein' in trouble for bein' deceitful."

However, these "solutions" were sometimes seen by employees as non-essential, a trait that resembled cross-selling. Jamie, a teller at a bank with assets over $100 billion, stated that she was trained to "make people afraid, 'cause fear will motivate people to buy" especially if "you painted this really dire picture." Customers' situations were reframed so that certain aspects could be identified as needing attention and that employees, like Michelle, could "give customers something they didn't have" and "try to put stuff on you that you don't need." This reframing technique was effective, making it seem as if there was something wrong that needed to be fixed.

Caroline, a teller at a bank with assets over $100 billion, described how the sales culture was designed to increasingly raise the stakes on employees. She described, "Like the more you hit your targets, the more they just raise the quota on you." Moreover, frontline financial service employees described being expected to be detail-oriented and to know which customers to target with specific products. Violet admitted that, "What [they're] supposed to do is to go back and comb through this paperwork, see folks who might've had bigger deposits, and then telemarket them, like, 'Hey, just you know, we have this promotion going on. We thought you'd be interested.'" In other words, according to the employees who were interviewed, sales was a very prominent feature of frontline work even in an era where banks were perceived as stepping back from sales amidst public scandals.

We're like Family. Another subtheme that emerged as part of sales culture was that the relationship between banks and customers was supposed to resemble a family. This family relationship was often operationalized as frontline employees' personal familiarity with customers, knowing their lives so intimately as to even know the names of their pets. Alexandria, who worked as a teller and relationship banker at a bank with assets valued at over $100 billion, said "I've been in customer service for 10 years, and getting to talk with people, they tell you stories. They're like my family. They know a lot about me, I know a lot about them." Allison, who had worked in banking for 10 years, described the conversation she had with customers, even referring to herself as their aunt,

> "I'll say, 'This is going to sound very cheesy, but you are now part of our [bank's] family. When you're part of the family, it means that we help take care of you. If you don't call me when you have an issue, that means Aunt [Allison] has to come after ya and yell at ya.'"

The cultivation of personal relationships with customers was purposeful and served as a way for employees to gather information and reinforce the sales culture in which they were working. The information shared by customers could be stored away for use in the future, when a sales opportunity might arise. In other words, while banks are required to comply with the "know your customer" (KYC) laws that were passed as part of anti-money laundering legislation (Financial Crimes Enforcement Network, 2019; Office of the Comptroller of the Currency, 2002), frontline employees discussed knowing their customers in intimate, personalized ways in order to be effective sales people. One employee, Megan, who worked as a teller supervisor at a bank with less than $1 billion in assets, described how she converted her customer relationships into sales opportunities,

> "You starting talking, 'Hey, how's your day?'…so that we can get to know our customers. When we come up with new products or new services, we can provide that for them."

Carrie worked as a teller at a branch located in a wealthy community, and she described it this way,

> "I work in a place where the average house value is about $500,000. Well, look at all of these people that can afford 500,000 houses. Do they have second homes? Let's refinance their

> mortgage…My customer service skills are keeping these people happy. I know the names of their dogs. I make their banking experience enjoyable."

Feeling Conflicted. Frontline employees discussed feeling conflicted about selling products and services, with some concerned that they were taking advantage of customers. Caroline had worked for three years at a bank with over $100 billion in assets and, despite making a "good salary," quit her job when she began experiencing what she described as work-related anxiety and depression. She struggled with the ethics of her sales requirements related to lending, "The thing I didn't like about working there is they put us in a position to even possibly take advantage of people. Because you made most of your money through commission." For several frontline employees, their desires to help customers conflicted with the pressure to make sales. Employees were often confronted with the reality that they might earn less money if they didn't sell. Mara, who worked in customer service for five months, confirmed this experience,

> "There were all these small things that were embedded in the culture of the office that would make you want to replicate that. But how was I supposed to meet my quotas when I knew that people were struggling?"

Employees seemed to express genuinely care about their customers. Sometimes the motivation to push certain products onto customers created by the structural conditions of their working environments did not outweigh their personal beliefs. Kareem, who had been working for a year at a bank with assets valued between $1 and $10 billion, stated, "My morals wouldn't allow me to even talk about credit cards with certain customers." Similarly, Violet, who had worked for four months at a bank valued between $10 and $50 billion, stated,

> "We're supposed to get some kind of small bonus, like maybe $200 a quarter or something like that, but the bonuses aren't enough to incentivize me to sell products to people that might not need them."

Though, employees described repercussions of not making sales. During her time at bank with assets valued at over $100 billion where she worked as a teller, Jamie said she was often reprimanded for trying to help customers with their finances,

> "Heaven forbid if, as a banker, you try to sit down with someone to teach them to balance a checkbook because that is a waste of your time. You need to be selling, not teaching people finance. You need to be selling products rather than teaching people good financial health."

While Jamie's reprimands came in the form of casual reminders from her branch manager (with whom she had a good working relationship) about how she was allocating her time, other employees described intimidating conversations and formal reprimands. Emma, who worked in loan services, described how senior management would regularly visit employees who didn't meet their sales quotes,

> "If we didn't make 80 percent of our goal for the month, then the people in the suits would come from [headquarters], and we'd have to sit down and do an action plan, and I'd have to sign a write-up for my file. It was just very intense. I didn't like it at all."

Social Biases and Moral Judgments

Frontline employees' social biases and moral judgments was another overarching theme. Perhaps due to finding ways to cope with the structural conditions of their daily work, frontline financial service employees described their biases and judgments about customers, talking about respectability and responsibility and the use of discretion in ways that likely shaped customers' banking experiences.

Responsibility and Respectability. Employees discussed their customers' responsibility and respectful attitudes. Since frontline employees were often a first point of contact, customers came to them with questions about their bank accounts, fees, finances, and bills. When asked about their interactions with customers who came in with questions about overdraft fees, frontline financial service employees often described consulting their personal morals for providing services or rendering decisions. Employees described being more sympathetic to customers that demonstrated responsibility and respect. Paul, whose current position as a teller was at a bank with less than $1 billion in assets, said this, "Yeah. It wasn't a mistake. It was like just a lack of personal accountability, you know?" Shanice, with three-and-a-half years' experience at a bank with $1 to $10 billion in assets, confirmed the importance of responsibility,

> "I mean, there's plenty of people who understand that they overdrew and they take responsibility. There's the other half who takes zero responsibility. 'Yes, I made all those five purchases, but I don't think I should have to pay a fee for it.'"

Moreover, customers' respectability—whether they were perceived as polite or rude—influenced employees' decision-making. Some researchers have referred to this as the commodification of respectability within customer service, where politeness or rudeness are transacted alongside money (Wright, 2005; Coulter, 2013, 2014). This decision-making may have been a way for frontline employees to exact a modicum of power in an industry where they were often under pressure with insufficient financial compensation. Maya described enforcing respectability as her only recourse for responding to customers that she perceived as having a negative attitude, "Well, a lot of times she would come with an attitude. If you come in with an attitude, they're probably not gonna help you. That was our only power that we had at the bank." Shanice confirmed this sentiment, saying, "Like I said, if you take responsibility and are willing to listen, we're willing to help you out. If you're coming in combative and wanting to put up a fight,…I'm less likely to wanna help you out."

However, it wasn't just that employees valued responsibility and respect. Frontline employees converted these values into benefits and rewards—or punishments—for customers. Holly, who worked as a teller supervisor at a bank with between $10 and $50 billion in assets, characterized the importance of customers' respect for having overdraft fees removed, "I ended up waiving a few of the fees because she was really nice and trying to get it but she was just very upset and I understand that frustration."

Discretionary Decision-Making. Frontline financial service employees described how socially-embedded biases and moral judgments could inform their discretionary decision-making in ways that stratified customers' access to products and services. In other words, just like their perceptions about customers' responsibility and respectability that had implications for waiving overdraft fees, employees described using discretion to make a range of decisions.

Employees had access to a lot of personal information about their customers that they could use in their decision-making. Through banks' computer systems, they could easily see customers' account histories and balances, where recent purchases were made, and the frequencies, amounts, and sources of their deposits. They knew when customers would get paid and how much. Lindsey, who had been working in her bank's auto lending department, described how her co-workers used this information to assess their customers' trustworthiness and make lending decisions, "They judge you based on that kind of stuff like, are you making your payments on time? Are you a trusted person,…or are you just trying to do the bare minimum and benefit off [the bank]?"

Mara, who worked in customer service for five months, described the detailed information available in banks' computer systems. She also had access to notes that employees added to customers' files in order to communicate with one another, such as the reasons for customers' overdraft fees, attitudes during previous interactions, or sources of income not identified in account histories. Employees could then use the information in these notes to make decisions about providing or denying services. Maya described how she used this information to deny a customer's request to waive an overdraft fee, looking at his most recent transactions, "If it's like you went and bought a pack of smokes at the liquor store, or whatever, you can just tell the type of transaction." She went on to describe the information she had in the notes about the customer,

> "He had had six [overdraft fees] in the last six months…He was super nice but clearly somebody who has an issue with drugs. He had a baby on the way and…probably not gonna be the most responsible parent. Works at Family Dollar…You have to prove that you're a generally responsible person, I feel, is how it works."

Employees used the information in customers' account histories to make judgments about their perceived responsibility. Many employees did not consider transactions made at tobacco outlets, liquor stores, or casinos as worthy of having overdraft fees waived, suggesting that transactions at these locations equated to irresponsibility. Overdraft fees were perhaps an adequate penalty for what employees deemed to be bad or irresponsible decisions. Though, it wasn't always clear what transactions constituted worthiness or irresponsibility, given that discretionary decisions rooted in individual employees' biases and judgments were not consistently applied. Instead, it was the inconsistency of employees' decision-making that was the most consistent. As Julian, who had worked part-time as a teller for six months, said, "I don't know exactly the parameters in which we do work with someone [to waive an overdraft fee], but…I know as a fact we have before."

Customers sometimes benefited from employees' discretionary decisions. For example, Jamie described waiving customers' overdraft fees because she related to their financial difficulties, saying,

> "I would sometimes reverse fees when I wasn't supposed to…Then my bank manager would [look into the customer's account history and] say, 'Well,…they knew on X day that…their account wasn't going to come in at whatever time, that their direct deposit wasn't gonna come in, so why did they buy groceries? Why did they pay rent on the 1st?'"

Discretion also tended to work in the favor of customers whose relationships with the bank were perceived as family. Employees described being more willing to make exceptions for these customers, even while leveraging these family relationships to make sales. Megan stated, "If it's an established customer that's been with the bank for years and years, we may go in and reverse the fees." Violet described how the manager at her bank made exceptions for customers that were considered family, "There's a lot of advantages for our regulars because there's a lot of stuff that maybe isn't by the book…it seems like our manager will go out of her way to put her job on the line if somethin' were to come back negative." Though, one implication of employees' discretionary decision-making is that not all frontline employees had family-type relationships with all customers, creating an uneven banking experience.

Exclusion and Marginalization

A final overarching theme was the ways in which frontline financial service employees discussed class- and race-based exclusion and marginalization. Employees infrequently discussed class- and race-based exclusion and marginalization explicitly, instead using opaque and coded language where class and race differences were implied. However, several employees made it clear that customers were treated differently when they were perceived as poor or were non-white.

Class. Several frontline financial service employees described wealthier customers as being more valuable to the bank, and therefore worthy of receiving better treatment. Employees equated having more money and wealth with customers' loyalty and responsibility. Holly, who had worked for several years as a teller and teller supervisor, described one customer experience in particular that exemplified this point,

> "We had this girl from China who…had [over] half a million in her account…She wanted to close her account and when those kinds of customers wanna close out their account, we're pushing them to stay open and saying to keep their account. Whereas if it's someone who doesn't keep a balance and constantly withdrawing and they wanna close their account, we're like, 'Fine, whatever, we'll close you out.' They definitely are treated like they are more loyal customers."

Maya confirmed that customers with more money received favorable treatment, "If you hold a lot of money with us…we're gonna try to help you because we wanna keep you as a customer." Maya rarely minced her words in the interview, often making her class-based biases explicit and describing one customer in particular that she considered to be expendable,

> "There was one that would come in probably every other day…He got Social Security and disability, or something, and then he would always take his money out and he would go to casino and then he'd deposit money in the next day or whatever…I think he was a vet, actually…He was very, very sloppy…He's just a very greedy person. Just very bad hygiene. I'm just like, 'Get out of my window.'"

Some frontline financial service employees described how their banks sought to profit off of poorer customers. Emma described how her bank tried to lend to customers who were unable to afford their payments—customers whose lower credit scores likely also meant lower incomes (Lauer, 2017; Nelson, 2010; Smith, 2011). The rationale for this was because the bank could make more money off of loans that went into default,

> "We want to increase the default. You make more money off of lower credit loans than you do off of higher credit loans. What's the point of havin' somebody with an 800 credit score take out a

> $300,000 home equity line of credit just to have it and never use it? You would rather have a $20,000 loan with 50 percent interest, where you're makin' some money."

Consistent with prior research, banks can generate a substantial amount of profits from the fees that are disproportionately paid by lower-income customers (Baradaran, 2015; Faber & Friedline, 2018; Lauer, 2017). Holly confirmed that fees were an important source of revenue, "Maintenance fees…I think that's what kept the bank afloat," while Jamie suggested that higher-income customers paid fewer fees, "The more money you had in account, the more features you met…You could get certain amenities [like having your fees waived]."

Race. Frontline financial service employees also described providing products and services differently based on customers' race or ethnicity, sometime explicitly indicating how banks discouraged non-white customers from coming in to branches to manage their money. Caroline, a white woman, believed that her mandatory transfer to a different branch was a punishment for bringing Black and Brown customers into the bank,

> "They told me to leave because I was bringing the wrong clientele there. To me, it upset me because I was like everybody's money should be good…They were referring to African Americans."

When they were asked directly, frontline financial service employees—the majority of whom were white women—often denied customers' differential treatment. In fact, employees seemed to respond defensively to this question. Most white employees denied the occurrence of racism at their banks, similar to Allison's statement, who said, "It doesn't matter to me. You could be purple. I don't care. You are a person. You are just as worthy of receiving assistance in your finances as a millionaire would be." Like many white employees, Allison described a colorblind approach to her customer service responsibilities and responded with the defensiveness of white fragility when her approach was questioned (DiAngelo, 2018). Moreover, she demonstrated racism by conflating race and income when she mentioned both the color purple and millionaire status. However, a few minutes later in the interview, Allison described explicit and ongoing racism perpetrated by another white employee in her branch,

> "Unfortunately, I work with a gentlemen that can't keep certain opinions to himself…There have been several times when I've had customers, Middle Eastern, Hispanic, African American who have had run-ins with this co-worker of mine and they are not happy…Half the time, he'll be telling them he can't help them…He'll ask them for—[our bank's] policy is that when we don't know you, we ask for two pieces of I.D. He'll take it a step further and ask for three or four."

Allison stated she was disappointed that the bank couldn't stop this employee and passively hoped services to Black and Brown customers would improve at her branch. She did not mention intervening by talking directly with the employee about his problematic behavior, reporting him to a supervisor, or filing a whistleblower complaint.

Several frontline financial service employees who were Black and Brown described specific examples of racism in their banks. LaDona, a Black woman who had worked as a teller for eight months, said "They judged black people pretty quickly. Or if a white person was dirty or something they judged them." Sofia, a Latina woman who had been working as a teller for a year-and-a-half, described how customers' intersecting class and race were employed in the delivery of products and services, "Basically, with accounts regarding African Americans and Hispanics, I feel, for the most part, it just really…depended on how the Hispanic customer was dressed or how they acted on how they got treated." Like the customer interaction described by Sofia, the Latina frontline financial services employees described observing how brown-skinned customers were stereotyped as migrant farmworkers and often required to produce multiple forms of identification before receiving their requested products or services.

The banking industry has been criticized as a predominantly white institution that lacks racial diversity among its employees (Gassam, 2019; Merle & McGregor, 2019). Along these lines, Black and Brown financial services employees reported their own experiences in banking that could be attributed to racism; though, they did not use language like racist or racism when describing their experiences. For example, Amaya, a Black woman who had worked in banking for 13 years, described frustration with her lack of career advancement. When she applied for a branch manager position, she was told she wasn't qualified even though she had been performing the role on an interim basis for several months, "[They said] ‘Oh, we’re not able to make you branch manager just yet, because you haven’t done this, and you haven’t done that.’ Okay, how was I able to run a branch successfully for four months without leadership, but I can’t get the title? It just didn’t really make sense.” Deja and Michelle, both Black women that had worked in banking for numerous years, had similar experiences. Michelle had recently been abruptly terminated from her customer services position after 21 years when she had a family health crisis,

> “I worked hard. I was dedicated. I did my job…My husband had had a serious amount of surgeries, and he was still going for surgery, and I took a leave to try to help him heal. They called me back to work. Literally, he had just had surgery…and they terminated me.”

Kareem, a young Muslim man who worked as a teller at a branch in a wealthy and predominantly white community, described the daily racism he experienced from customers. He described the other branch employees, who were white, as supportive; however, he also said that they never intervened with racist customers on his behalf and instead watched how he handled the interactions. His believed his only recourse for keeping his job was to endure customers’ racist comments,

> “My old manager…She said, ‘The way you handled that person was amazing, and with dignity.’ That was a very high compliment because the stuff the guy was saying was just out of line. You gotta take it, and just stand there, and finish the transaction, and move on to the next person. That's how a regular day goes.”

Eventually, Kareem transferred to a branch located in a more racially diverse community where he reported having a better experience.

Discussion

Given the importance of financial products and services for full participation in the economy (Davis, 2009), marginalized groups’ lack of access to credit and routine banking is concerning (Baradaran, 2015; Servon, 2017). Differential access to products and services may depend on *how* bankers provide access (Massey et al. 2016; Rugh & Massey, 2010), such as by discouraging or preventing marginalized groups from managing their money while simultaneously advantaging wealthier and more privileged groups. Frontline employees may use discretionary decision-making to determine which customers they believe are worthy of responsible banking, leveraging their race- and class-based biases and moral judgments in the process. If the patterns in frontline financial service employees' decision making are highly predictable, then this may indicate their individual agency is strongly guided by the structural conditions of their working environments with industry-wide implications. In other words, predictable patterns would suggest that class- or race-based discrimination was not isolated to one anecdotal experience with an employee or bank. Instead, predictable patterns would point to discrimination throughout the industry.

This study investigated frontline financial service employees' customer interactions through in-depth interviews and revealed several findings. First, the predictable pattern of frontline financial service employees' discretionary decision-making suggests that they are strongly guided by structural employment conditions. In other words, based on employees' interviews, the banking industry compels its employees to target wealthier and white customers. Frontline financial service employees repeatedly attested to this across their interviews, aligning their perceptions of responsible banking with customers' wealth and whiteness. These perceptions were employed both to deny services and to offer services for the purpose of exploiting customers. For example, employees routinely discussed refusing to cash checks, accept identification, or reverse overdraft fees based on their perceptions of customers' responsibility, which they associated with wealth by indicating their transaction history or account balances. However, when banks could potentially profit off of poorer customers, such as by offering higher-interest loans with greater potential for default, employees extending these services.

A second key finding was that frontline financial service employees discussed—either explicitly or implicitly—making decisions during customer interactions that involved class- and race-based social biases. Frontline employees either made these decisions themselves or witnessed their co-workers making these decisions. This is consistent with extensive prior research documenting classism and racism in the banking industry (Baradaran, 2015, 2017; Faber & Friedline, 2018; Massey, Rugh, Steil, & Albright, 2016; Rothstein, 2017; Taylor, 2019). Employees described branches as unwelcoming environments for poor and or non-white customers, denying transactions, and even making up new rules such as asking

Black and Brown customers to produce more identification than what was required by bank policy. When frontline financial service employees perceived of customers as poor or less profitable, they could downgrade the services for which customers were eligible. Ultimately, frontline financial service employees wielded discretionary power in these customer interactions in ways that discouraged or prevented poor and or non-white customers from equal banking access.

A third key finding was the savviness by which banks and their employees promoted sales and tried to profit from customer interactions. Fully recognizing the scrutiny that their banks were under after the Wells Fargo scandals, employees described receiving new instructions from their banks' managers and headquarters to reframe their language around sales. As one interviewee put it, she was instructed to describe "providing beneficial solutions." This reframed language aligned well with banks' emphasis on family relationships, where employees' intimate and personal connections with customers could be leveraged for sales opportunities disguised as solutions to their issues or concerns. While they did make scant mention of their compliance with the "know your customer" (KYC) laws that were passed as part of anti-money laundering legislation (Financial Crimes Enforcement Network, 2019; Office of the Comptroller of the Currency, 2002), frontline employees' emphasis on developing family relationships with their customers was predominantly discussed a way to increase their sales.

This contribution is not without limitations. The sample of frontline financial service employees that came from one Midwestern state imply that these patterns could be explained by regional differences; though, the employees who participated in interviews represented 17 unique banks and credit unions that served local and national regions, held varied positions, and were employed for an average of six-and-a-half years in the industry. Therefore, it is unlikely that the findings were driven by banks' size, service region, or charter. In addition, this study focused primarily on face-to-face interactions where frontline financial service employees could see customers to make judgments on their physical appearances. This reflects the fact that many customers make transactions in person at bank branches (FDIC, 2016); however, technological advancements in banking may reduce employees' in-person interactions with customers. The banking industry's shifts to deliver products and services via online and mobile platforms may disguise the patterned ways in which highly predictable, discretionary decision-making excludes and marginalizes poor and or non-white customers. Some argue that technological advancements may reduce bias in the industry by using algorithms that eliminate employees from the decision-making processes (Bartlett, Morse, Stanton, & Wallace, 2019). At the same time, others warn that these advancements could exacerbate class- and race-based exclusion and marginalization (Benjamin, 2019; Friedline & Chen, 2020; Friedline, Naraharisetti, & Weaver, 2019; Nopper, 2019). It is clear that future work should examine the provision of bank products and services within the context of technology.

Conclusion

The study presented in this paper reveals frontline financial service employees' highly-predictable, patterned narratives around banks' sales culture, social biases and moral judgments, and exclusion and marginalization. Frontline financial service employees use these narratives to deem customers worthy of responsible banking in ways that advantage wealthier and white customers and exclude and marginalize Black, Brown, and poor white customers. While most banks appear to offer standardized products and services, class- and race-based stratification in the delivery of these financial products and services enables customers' ongoing exclusion, exploitation, and marginalization.

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Table 1: Description of Interview Participant and Bank Characteristics

	Pseudonym	Gender	Race	Number of Banks Where Employed	Banks' Asset Size	Banks' Current Active/Merged Status	Total Length of Experience	Position(s)
1.	Caroline	Female	White	1	Over $100 billion	Active	3 years	Teller
2.	Lindsey	Female	White	1	$1 - $10 Billion	Active	1 year	Auto Lending
3.	Shasta	Female	White	1	Over $100 billion	Active	25 years	Branch Manager
4.	Paul	Male	White	3	$10 - $50 billion $10 - $50 billion Less than $1 billion	Active Active Active	5 years	Teller
5.	Camila	Female	Latinx	1	Over $100 Billion	Inactive / Merged Active	2 years	Teller
6.	Mara	Female	Latinx	1	Less Than $1 Billion	Active	5 months	Customer Service
7.	Julie	Female	White	1	Less Than $1 Billion	Active	3 years	Teller Human resources
8.	Kareem	Male	Middle Eastern	1	$1 - $10 Billion	Active	1 year	Teller
9.	Sofia	Female	Latinx	1	Less Than $1 Billion	Active	1.5 years	Teller
10.	Miles	Male	White	2	Over $100 billion Over $100 billion	Active Active	7 years	Financial Advisor
11.	Roseann	Female	White	1	Over $100 billion	Inactive / Merged	11 years	Corporate Banking
12.	Carrie	Female	White	1	$1 - $10 Billion	Active	1 year	Teller
13.	Roxanne	Female	White	N / A	N/A	N/A	10 years	Consultant
14.	Nick	Male	White	N / A	N/A	N/A	37 years	Consultant
15.	Jamie	Female	White	2	Over $100 billion Over $100 billion	Active Active	3 years	Teller Teller Supervisor
16.	LaDona	Female	Black	1	$10 - $50 billion	Inactive / Merged	8 months	Teller
17.	Nichole	Female	White	4	Over $100 billion Over $100 billion Over $100 billion Over $100 billion	Active Active Inactive / Merged Inactive / Merged	20 years	IT Support
18.	Violet	Female[a]	White	1	$10 - $50 billion	Inactive / Merged	4 months	Teller

19.	Megan	Female	White	1	Less Than $1 Billion	Active	8 years	Teller Teller Supervisor
20.	Holly	Female	White	1	$10 - $50 billion	Active	3 years	Teller Teller Supervisor
21.	Maya	Female	Biracial/Black	1	Over $100 billion $10 - $50 billion	Active Active	2 years	Teller
22.	Tressa	Female	Black	1	$10 - $50 billion	Active	6 years	Teller Relationship Banker Branch Manager
23.	Kelly	Female	White	1	$10 - $50 billion	Active Active Active	5.5 years	Teller Member Services
24.	Alexandria	Female	White	1	Over $100 billion	Active	1.5 years	Teller Relationship Banker
25.	Matthew	Male	White	1	Less Than $1 Billion	Active	5 years	Teller Member Services Representative
26.	Emma	Female	White	2	Less Than $1 Billion Less than $1 billion	Active Active	2 years	Loan Services Financial Sales Representative
27.	Deja	Female	Black	1	Over $100 billion	Active	3.5 years	Teller
28.	Michelle	Female	Black	1	Over $100 billion	Active	21 years	Teller Member Services
29.	Christina	Female	White	1	Over $100 billion	Active	2 years	Teller Associate Banker
30.	Justin	Male	White	2	Over $100 billion Less than $1 billion	Active	6 years	Public Relations Manager
31.	Joe	Male	White	1	$50 - $100 billion	Active	2 months	Teller
32.	Hannah	Female	White	1	Less than $1 billion	Active	1.5 years	Teller Loan Officer

33.	Shanice	Female	Black	1	$1 - $10 Billion	Active	3.5 years	Universal Banker Relationship Banker
34.	Allison	Female	White	1	Over $100 billion	Active	10 years	Branch Sales Service Representative
35.	Amaya	Female	Black	1	Over $100 billion	Active	13 years	Teller Assistant Manager Personal Banker
36.	Julian	Male	White	1	Less than $1 billion	Active	6 months	Teller

Notes. Each row in the table represents one frontline financial service employee, and each line within the row represents information for the banks or credit unions where the employee worked. For example, Paul worked at two banks and one credit union, which are indicated by three separate lines for banks' asset size and merged/active status. [a] Violet identified as a trans woman.

Table 2: Summary of Interview Participant and Bank Characteristics

	Percent / Average (Range)
Female	78
Male	22
Race	
Black	21
Latinx	1
Middle Eastern	< 1
Non-Latinx White	76
Average Number of Banks Where Employed	1 (1 to 4)
Total Number of Banks By Asset Size	
Less than $1 Billion	9
$1 to $10 Billion	4
$50 to $00 Billion	9
Over $100 Billion	20
Total Number of Unique Banks or Credit Unions	21
Average Years of Experience	6.7 (2 months to 37 years)

Appendix A: Interview Protocol

1. Tell me about your job at the bank. (Prompts: How long have you worked there? How did you come to work at a bank? What is your title? How many titles or positions have you held at the bank?)

2. What is it like to work in a bank? (Prompts: What are some great things about working in a bank? What about working in a bank is difficult or challenging? What do you wish other people knew about what it was like to work in a bank?)

3. Describe the different roles in the bank? (Prompts: Who works in the branch? Who are important people to the bank on a day-to-day basis? Who was in charge at the bank? What kinds of decisions did they make? How is information communicated to employees?)

4. In your current or most recent position, what kinds of responsibilities do you have? (Prompts: How do you interact with customers? What kinds of decisions do you make? How is your work supervised? How do you receive feedback on your work? How were you trained? Can you give recent, specific examples of things your supervisors have communicated to you about your job responsibilities or performance?)

5. Tell me about a memorable conversation you had with a customer. (Prompts: What did the customer ask? How did you respond? What else happened? How representative or typical is that conversation of your daily work? i.e., is this a regular type of question that customers ask?)

6. What are the most common ways you interact with a customer? (Prompts: Do you see them in person? Review their account online? Send a letter? What are the reasons you interact with customers?)

7. How are online and mobile banking changing the ways you interact with customers? (Prompts: How common is online or mobile banking at your branch? How do you think your customers prefer to access their accounts? Has online and mobile banking changed your responsibilities, the nature of your work?)

8. One thing customers struggle with is overdraft fees. Give some examples of how you would recommend customers to avoid these fees. (Prompts: What happened when you talked with a customer about overdraft fees? Under what conditions would an overdraft fee be reversed?)

9. Tell me about a time when you thought you or the bank did not serve a customer very well. (Prompts: Tell me about the customer, e.g., the kinds of financial products and services they were looking for. What happened? How was it handled? Was the customer aware of what happened?)

10. Have you ever observed a bank customer being treated differently based on their race, gender, age, etc. (Prompts: What examples can you think of? Have you ever seen a Black or Brown customer being treated differently? If so, what happened?)

11. Tell me about a time when you thought you or the bank went above and beyond to serve a customer well. (Prompts: Tell me about the customer, e.g., the kinds of financial products and services they were looking for. What happened? How was it handled? Did the customer know what happened?)

12. Is there anything else that you'd like to talk about or think is important, that I didn't ask?