Can FinTech Promote More Effective Personal Savings?
FinTech with LMI Communities

- Interest in FinTech among Catalyst Miami staff
- Realization of FinTech as a tool that can help meet client needs
- Dependence of smartphone usage among LMI communities
FinTech with LMI Communities

Growing share of low-income Americans are smartphone-only internet users

% of U.S. adults who have a smartphone but no broadband at home, by annual household income

Source: Survey conducted Sept. 29-Nov. 6, 2016. Trend data from previous Pew Research Center surveys.

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Lower-income Americans continue to lag in technology adoption

% of U.S. adults who have the following, by household income

- Smartphone:
  - Less than $30K: 64%
  - $30K-$99,999: 81%
  - $100K+: 95%
- Desktop or laptop computer:
  - Less than $30K: 56%
  - $30K-$99,999: 87%
  - $100K+: 97%
- Home broadband:
  - Less than $30K: 53%
  - $30K-$99,999: 80%
  - $100K+: 94%
- Tablet computer:
  - Less than $30K: 32%
  - $30K-$99,999: 55%
  - $100K+: 72%
- All of the above:
  - Less than $30K: 17%
  - $30K-$99,999: 43%
  - $100K+: 66%

Source: Survey conducted Sept. 29-Nov. 6, 2016.

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FinTech with LMI Communities

More Than Half of Smartphone Owners Have Used Their Phone to Get Health Information or Do Online Banking

% of smartphone owners who have used their phone to do the following in the last year

- Get info about a health condition: 62%
- Do online banking: 57%
- Look up real estate listings or info about a place to live: 44%
- Look up info about a job: 43%
- Look up government services or info: 40%
- Take a class or get educational content: 30%
- Submit a job application: 18%


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### FinTech with LMI Communities

**Young Adults, Non-Whites, Lower Income Americans are Especially Dependent on Smartphones for Online Access**

| % of American adults in each group who have a smartphone but lack broadband at home, or have limited options for online access other than their cell phone |
|---|---|---|
| **% who have a smartphone and...** | **Do not have broadband at home** | **Have few access options other than cell phone** | **“Smartphone-Dependent”** |
| **All adults** | 10% | 15% | 7% |
| Male | 10 | 12 | 5 |
| Female | 11 | 18 | 8 |
| 18-29 | 20 | 25 | 15 |
| 30-49 | 11 | 16 | 6 |
| 50-64 | 6 | 11 | 4 |
| 65+ | 4 | 7 | 2 |
| White, non-Hispanic | 7 | 12 | 4 |
| Black, non-Hispanic | 21 | 19 | 12 |
| Hispanic | 17 | 23 | 13 |
| HS grad or less | 15 | 19 | 9 |
| Some college | 10 | 18 | 7 |
| College+ | 4 | 7 | 2 |
| Less than $30,000/yr | 19 | 24 | 13 |
| $30,000-$74,999 | 8 | 14 | 5 |
| $75,000 or more | 3 | 5 | 1 |
| Urban | 12 | 17 | 8 |
| Suburban | 9 | 14 | 6 |
| Rural | 11 | 14 | 7 |

Pew Research Center American Trends Panel survey, October 3-27 2014. *“Smartphone dependent” users are those who own a smartphone but have no broadband at home, and have limited access options beyond their cell phone.*

PEW RESEARCH CENTER
FinTech Vetting

- Surveyed clients to see what type of FinTech they were interested in learning more about
- Researched and interviewed a number of different FinTech apps
- Through our partnership with JP Morgan Chase we were able to interview CFSi Financial Solution Lab participants
- Ensured we vetted apps that met client interests and needs
Training & Implementation

- Developed mini training sessions with financial coaching staff at the beginning staff meetings to educate staff members on FinTech apps.

- During financial coaching sessions if clients feel comfortable with technology, we introduce FinTech apps as a tool to assist in meeting financial goals.
**FinTech Apps Worksheet Example**

### Financial Apps for Success

#### Taxes
- **IRS2Go**
  - Check your refund status, make a payment, find free tax preparation assistance, sign up for helpful tax tips, and more! Available in both English and Spanish.

#### Money Management & Tracking
- **MINT**
  - This is the most popular budgeting, goal setting, bill pay and money management app. MINT is great for monitoring your budget and goal progress for various flexible expense categories. Equifax credit score is available through app.
- **SIMPLE**
  - An online banking option that allows for goal based savings, budgeting, and transaction tagging. Accounts are FDIC insured.
- **PENNY**
  - This chatbot app tracks your spending and notifies you about spending habits. You can chat with the app to learn more about spending patterns.

#### Bill Tracking & Paying
- **PRISM**
  - This app sends automated notifications when bills are available - before each bill is due, and on the day the bill is due. Bill payment is also available through Prism.
- **HONEYDUE**
  - Honeydue helps couples track bills, savings, and expenses across multiple accounts. Bills and expenses can be assigned to each partner and used for accountability. You can also choose the level of access partners have for each account.

#### Credit
- **Credit Karma**
  - Access free credit scores (Vantage 3.0) and reports anytime. Credit Karma pulls information from TransUnion and Equifax.
- **Credit Sesame**
  - This web-based tool helps you manage credit, provides your home purchasing power, and provides a free TransUnion Credit Report.

#### Basic Investing
- **Acorns**
  - Invest spare change automatically from every purchase into a diversified portfolio. Acorns is a great, low-cost way to start passively investing. Fees range from $1/month (accounts under $5,000) and 0.25%/year (accounts over $5,000).

#### Saving & Goal Planning
- **Qapital**
  - Qapital is a savings account that tracks your behavior to trigger micro-savings for goals. Customize your rules for saving to things like step tracking, rounding up, monthly contributions, and team wins.
- **Digit**
  - Digit is an SMS savings account that checks your spending habits and removes a few dollars from your checking account if you can afford it. $2.99 monthly fee applies.

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*CATALYST Miami provides the Financial Apps Worksheet as a service to the public. CATALYST Miami is not responsible for, and expressly disclaims all liability for, damages of any kind incurred as a result of use of the apps. Use of these apps is at your own risk.*

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*CATALYST Miami does not endorse or promote any of the apps or the companies that created them. This is not an exhaustive list of apps. This list includes apps that are recommended by CATALYST Miami or by the CATALYST Miami community.*
The FinTech Project

- Partnered with the University of Miami on a white paper to learn about FinTech with our LMI communities

- The paper provided us with some of the successes, challenges and a map of how to further FinTech usage successfully in our client communities in Miami Dade County
Next Steps

- Based on the recommendation of The FinTech Project Report:
  - Develop a “FinTech Academy” for clients with a more defined curriculum and hands on training where clients experience a variety of FinTech apps
  - Expand the reach of our financial coaching program as clients shared that FinTech is an excellent supplement to coaching but not its replacement
  - Create a FinTech Training curriculum for non-profit organizations to embed FinTech in financial education programming