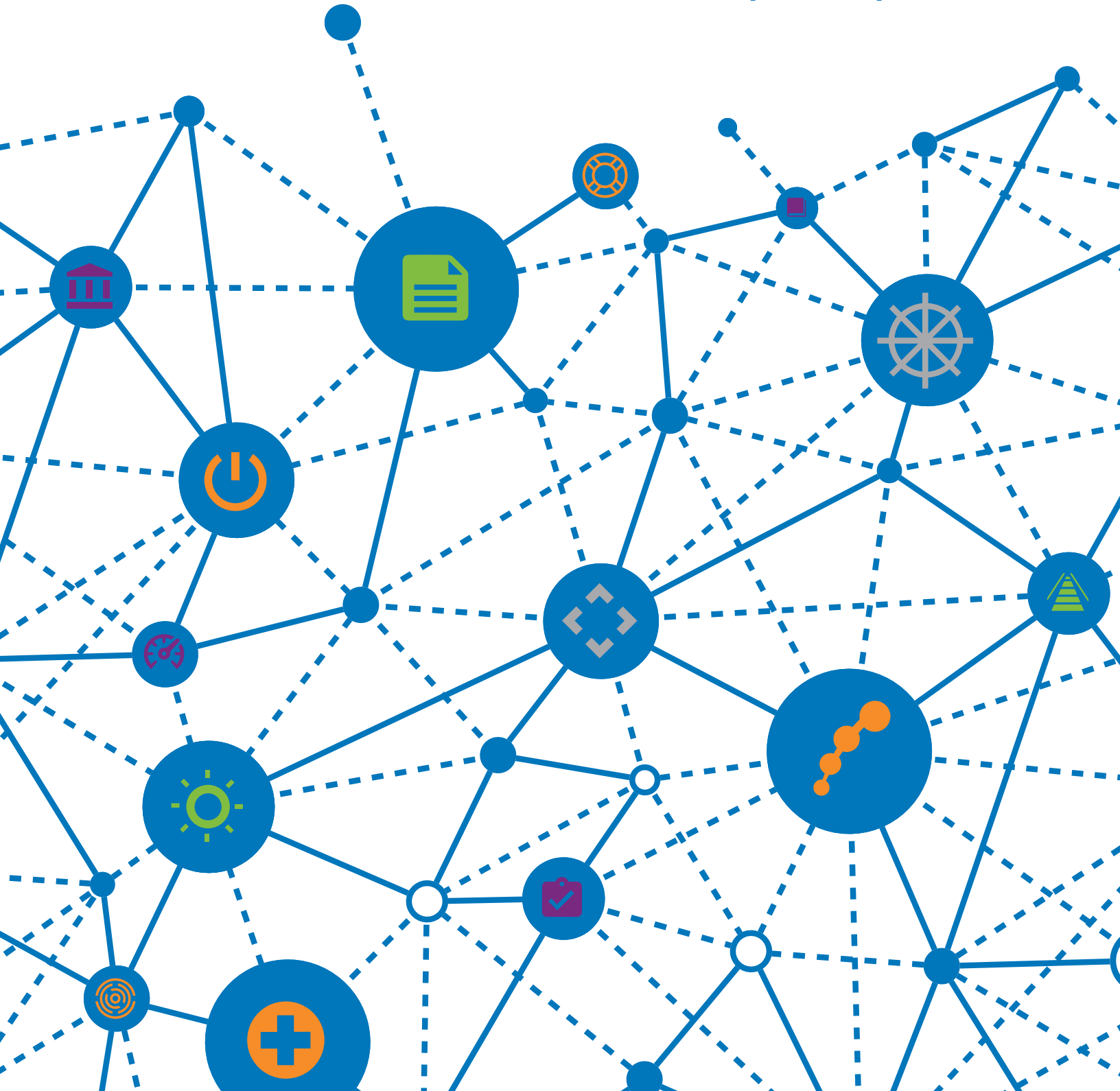


**Financial Health:
Building It Together**

Annual Impact Report





Transforming Americans' Financial Health

A Letter from the CEO

When CFSI began its financial health journey, the term “financial health” existed only in stories describing how corporate America was faring. But after a recession that laid bare the financial fragility of the majority of Americans, it became clear that we needed new language, data and frameworks for understanding the breadth of people’s financial challenges and linking business outcomes to solving them.

Through major national surveys and the US Financial Diaries, we developed deep understanding and empathy for the people who surround us everyday. We developed a financial health framework and set of measures to encourage financial services providers to see themselves as being in the financial health business and we built a consulting practice to help companies implement new business models. We seeded more than two dozen early-stage fintech companies that were building businesses designed to solve financial health challenges. And we launched a Financial Health Network to bring together the leading firms in finance to build the marketplace of the future, one that succeeds when its customers do.

It’s making a difference. Today, more than 130 organizations are orienting their business toward financial health by participating in the CFSI Financial Health Network. Collectively, network members serve more than 165 million Americans, 47 million of whom are low-to-moderate income. More than 20 financial institutions have publicly committed to measure their customers’ financial health, and dozens more are adopting the framework to change the direction and strategies of their businesses. Dozens of media platforms have mentioned “financial health” - more than 500,000 times in the last two years alone. We’re seeing partnerships, awards, innovation labs and key influencers challenging the financial services industry to go beyond financial inclusion and focus on a new approach that tangibly measures how businesses are making a difference in the lives of their customers and employees.

We understood from the start that catalyzing such a massive paradigm shift is a long game, and that each action – no matter how big or small – is only as important as how much it contributes to that transformation. Alongside tracking the impact of our partners and members, we believe in keeping CFSI’s progress against its goals in clear focus. Publishing this impact report is an important way of holding ourselves accountable for our goals.

Hard data is important in measuring impact. As an influence organization, the stories and case studies of change are equally important, if not more so. Throughout this report, you’ll read about organizations that have shared their stories of impact with the hope that they can help other institutions identify with – and learn from – their challenges and their successes. There are countless other stories that comprise our narrative of impact, and we look forward to hearing those from all of you.

I am honored to share our impact story with you, both to celebrate our collective successes to date and to inspire further action to improve the financial health of all Americans. While we have come far, the journey has just begun.

Onward!



Jennifer Tescher, President and CEO

Impact by the Numbers

165 Million customers served by our
138 network members

Of these >>

47 Million are
low-to-moderate income consumers

Over **20 Million** customers served by
twenty-one 2017 Financial Health Leaders

Including >>

over **5 Million** consumers who have
had their financial health measured

Behind the Numbers

NETWORK

138 Network Members

21 Financial Health Leaders

Over **50%** of our members have
participated in **8** working groups



THOUGHT LEADERSHIP

\$4.1 Million in funding raised

70 pieces of published research

Over **70** events hosted
including EMERGE: Financial Health Forum

Since 2014, “financial health”, has seen
over **500,000** media mentions, resulting in
over **6 million** impressions

INNOVATION

Since 2015, **26** companies selected to participate in the
Financial Solutions Lab from over **1,000** applicants

Winners raised an additional **\$130 million** in follow-on
investments and reached **1.3 million** more customers



CONSULTING

93 engagements since 2014

900 people participated in FinX
empathy building exercise

4.6 overall satisfaction reported by
consulting clients in the last 12 months, out of 5

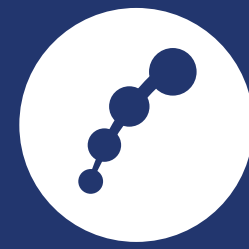
Funders and Supporters

We are grateful for the support that the following organizations provide to further our mission.

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Impact Through the Network

The CFSI Financial Health Network is at work creating change for over 165 million Americans. These financial institutions, service providers, technology innovators, nonprofits and others are like-mindedly focused on improving the financial health of customers, clients, employees and communities.

To help them along the way, CFSI provides members with access to industry-leading research, peer-to-peer best practices and real-time collaboration on shared topics of interest. Throughout the year, members convene through such platforms as our quarterly digital events, our annual EMERGE Forum and member-only Summit event, and our customized working groups.

Together, our members are providing Americans with innovative, high-quality products that continue to pave the way for improved financial health.

“I think at its heart, it’s about making the impossible, possible. It’s real when people can say, ‘I can make it, and I know where I’m going, and I’m on a path to actually make my financial health better.’”

— Jason Rudman
EVP of Consumer Payments and Digital Banking
KeyBank

“Creating financial health is a difficult journey, but it’s a noble journey. It takes many stakeholders banded together to help each other. The inspiration and compassion of CFSI is solid, and you’ve been more than helpful on our journey.”

— Steve Hennigan, CEO
Credit Human

“Our partners are helping each other build consumer financial capability and health. This is the network effect we are looking for. It’s early days still, but the whole of the network is greater than the sum of the parts, and there’s something deeper and powerful to that.”

— Steve Rice, EVP,
Financial Education
EVERFI

Partnering with Nonprofits

Striving to Close the \$400 Savings Gap

Decades ago, businesses didn't dare entertain wild ideas from Silicon Valley tinkerers, but today entrepreneurship is recognized as a critical approach to tackling some of our greatest challenges and creating businesses to scale. But innovators don't always take the shape you'd expect – a key to achieving scale is forging partnerships between the private, government and social sectors. A highly successful example of this type of partnership can be seen in the development of Walmart MoneyCard Prize Savings. This cross-sector partnership is shattering savings norms while putting into practice a new understanding of consumer needs and improving financial health across the country.

44 percent of Americans don't have \$400 saved for unexpected expenses.

The Savings Problem

Savings, one of the key components of CFSI's financial health framework (Save, Spend, Borrow, Plan), represents a real opportunity for innovators as the small-dollar savings crisis grows. According to the Federal Reserve Bank of Boston, an overwhelming 44 percent of Americans don't have even \$400 saved for unexpected expenses. And as illustrated in *The Financial Diaries: How American Families Cope in a World of Uncertainty*, Americans regularly experience "unexpected" expenses that can send them into a cycle of high-cost debt if they don't have a savings cushion. As

a result, millions of Americans are living unhealthy financial lives.

Providers, researchers and consumer advocates have had to shift their perception of consumer savings. What was once considered a "rainy-day" fund is now understood to be a behavior of regular savings and spending to balance income volatility. But for many Americans, saving money is difficult and – perhaps more importantly for those trying to solve the problem – very boring. The way in which America saves challenges industry innovators to provide consumers with products that work for their real, daily lives and incentivize saving behavior.

A New Idea

Prize-Linked Savings (PLS) programs transform savings into a fun, exciting experience by giving savers the chance to win monthly, quarterly or annual prizes simply by making deposits into their PLS account. In 2008, PLS had been successful in 20 countries around the world, but it was still an unproven strategy in the United States. Financial institutions didn't know whether U.S. consumers would want such a product, and they were skeptical about the business model.



Also in 2008, CFSI launched the Nonprofit Opportunities Fund, which was created with a two-year, \$2 million grant from the Walmart Foundation, to help spark innovative solutions to consumers' financial problems through partnerships between nonprofits and industry leaders. Our organization, Commonwealth (formerly Doorways to Dreams or D2D), was one of the grantees. Commonwealth believed that PLS products would encourage underserved consumers to build and better utilize savings, and also that these products could be part of a smart business strategy for credit unions and banks. We used our grant funding to partner with the Michigan Credit Union League and pilot Save to Win. Within a year, 11,600 members of the League had deposited money into their new PLS accounts, amounting to an impressive total of \$8.5 million.

The Challenges

Despite the success of Save to Win in Michigan, PLS wasn't given a warm welcome elsewhere in the country. There were concerns about banks' brands being negatively impacted by PLS, particularly because of the mental affiliation with the lottery (many called PLS accounts a "no-loss lottery"). Institutions didn't want to lose credibility by engaging in what appeared to be a controversial product strategy. And they had many doubts about navigating regulatory issues. Prior to the American Savings Promotion Act (ASPA) of 2014, which was the result of part of Commonwealth's advocacy work, federal regulation precluded federally chartered banks from offering savings promotion raffles because they were so similar to lotteries. And while ASPA helped to eliminate federal barriers, state barriers still existed. Additionally, institutions were also wary about the design and implementation of multi-partner agreements.

A Nontraditional Partnership

In the fall of 2014, The Boston Federal Reserve Bank, CFSI and Commonwealth collaborated to organize a convening focused on exploring ways to innovate prepaid cards. Based on industry data, it was known that many segments of financially vulnerable consumers preferred prepaid cards. At this gathering of prepaid executives, Commonwealth shared PLS as a concept that could significantly drive savings on prepaid cards. Both GreenDot and Walmart were in attendance and walked away intrigued and excited. Then they followed up with Commonwealth to figure out how to make this a reality.

commonwealth

Commonwealth believed that Prize-Linked Savings products would encourage underserved consumers to build and better utilize savings, and also that these products could be part of a smart business strategy for credit unions and banks.

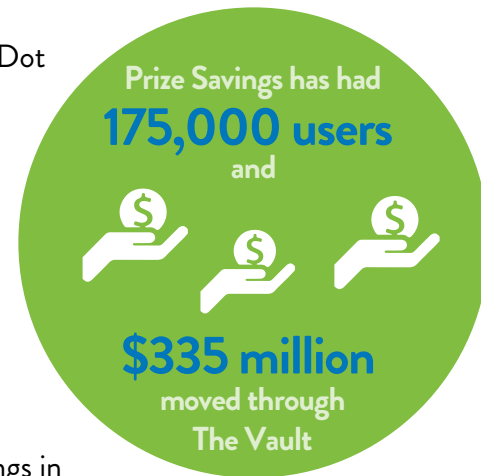
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The Result

Following that convening, Commonwealth worked closely with GreenDot and Walmart to design and implement Walmart Prize Savings as a sweepstakes-based incentive attached to The Vault, the Walmart MoneyCard’s savings feature. In its role, Commonwealth served the partnership by advising Walmart and GreenDot on product features, particularly the prize structure and keeping engagement with consumers top of mind throughout the process. As a result, Walmart and GreenDot went with a structure that provided many opportunities for winners. Each dollar of average daily balance in a cardholder’s Vault earns an entry into monthly drawings for one of 499 prizes of \$25 or one \$1,000 grand prize. After almost two years and many conversations, Walmart and GreenDot launched Prize Savings in August.

Since then, Prize Savings is driving increased use of The Vault and generating compelling business outcomes for Walmart. In its successful first year, with little marketing, Prize Savings has had 175,000 users and \$355 million moved through the Vault. And, use of the MoneyCard Vault is up by an impressive 178%.



Business-changing ideas don't always have to come from for-profit businesses. Nonprofits can and do play a critical role in forging effective partnerships, especially when it comes to improving the financial health of Americans.

The Takeaway

The success of Walmart Prize Savings demonstrates that business-changing ideas don't always have to come from for-profit businesses. Nonprofits can and do play a critical role in forging effective partnerships, especially when it comes to improving the financial health of Americans. As we reflect on the example of Walmart Prize Savings and the role of Commonwealth, it's clear that nonprofits can successfully engage multi-sector stakeholders and shape partnerships to leverage the strength of each partner while maintaining a core focus on struggling consumers.

**On the Journey to Improve Financial Health
Financial Health Leaders**

CFSI launched the Financial Health Leaders Program to recognize companies that are at the forefront of financial health strategy. This year,, all Leaders are – at a minimum – diagnosing the financial health of their customers and are committed to sharing their learnings, best practices and aggregated findings with CFSI. Some used the CFSI Financial Health Score™ tool, while others used their own assessment tools involving survey or account data.

All of them are progressing along the Financial Health Journey and are committed to creating real change for their customers, clients, members and/or employees. Over 5 million customers serviced by our 21 Financial Health Leaders this year, had their financial health benchmarked. These Americans will have access to cutting edge products, programs, people and places that can help them make a real difference in their financial lives.

Throughout this report, we have highlighted our Financial Health Leaders as evidence of companies that have taken our eight indicators of financial health to heart and are using them to improve the financial lives of the people they serve.



ACCION, The US Network

Affinity Plus Federal Credit Union

Boeing Employees Credit Union (BECU)

Coastal Credit Union

Credit Human

Envestnet | Yodlee

EVERFI

Finfit

Handle Financial

KeyBank

LendStreet

LendUp

National Credit Union Foundation

Neighborhood Trust Financial Partners

Patelco Credit Union

Redstone Federal Credit Union

Servus Credit Union

Sunrise Banks

University Federal Credit Union

VALID Systems

Wright-Patt Credit Union



MetLife Foundation is a major sponsor of CFSI's ongoing consumer financial health work.



Debating Data Access A Focus on Consumer Interests First

In a keynote speech at last year’s Money20/20 conference, CFPB Director Richard Cordray tasked stakeholders in the consumer data access debate with finding “solutions that put consumer interests first.” CFSI has been doing exactly that from the start. In October, the same month of Cordray’s speech, through collaboration between members of our Financial Health Network’s Consumer Data Access Working Group, we published our Consumer Data Sharing Principles. These Principles have since guided the public discussion and have enabled the financial services industry and regulators to focus on a common goal: providing consumers with secure and reliable access to their financial data.

Bringing Industry to the Table

CFSI created the Consumer Data Access Working Group, one of several Working Groups, with the goal of bringing banks, data aggregators, fintech companies and consumer advocates to the table. With a clear objective – the development of shared principles and best practices – this Working Group met throughout the year. Their frank and productive dialogue contributed to the industry adoption of our Principles for a successful data-sharing ecosystem.

“The Working Group really allowed us to have a healthy discussion about the opportunities and the responsibilities of consumer financial data sharing. That dialogue and the resulting principles really helped to meaningfully inform our strategy and participation in the financial services ecosystem,” says Brian J. Costello, VP and Chief Information Officer of Envestnet | Yodlee.

Businesses and Regulators Are Listening

“The Working Group really allowed us to have a healthy discussion about the opportunities and the responsibilities of consumer financial data sharing. That dialogue and the resulting principles really helped to meaningfully inform our strategy and participation in the financial services ecosystem.”

Rather than presenting the issue as one side versus the other, CFSI called for collaboration among all parties, with the best interests of the consumer as the first priority. Following their release, the Principles were referenced in the media more than 15 times. Industry leaders have also directly cited the Principles when discussing the elements that inform their strategies and partnerships. For example, in a joint press release announcing the JPMorgan Chase & Co. and Intuit data-sharing agreement, the companies noted that they sought to align their terms with CFSI’s Principles.

Likewise, influential stakeholders in the industry have referenced the Principles as a useful roadmap for the future. In more than a half-dozen responses to the CFPB’s recent Request for Information (RFI) on the subject, stakeholders referenced the Principles as an example of important progress in industry collaboration and adoption of shared standards. In one

letter, US PIRG Consumer Program Director Edmund Mierzwinski wrote that Principles like CFSI’s “have played an important role in moving the ball forward toward shared goals in this space.”

— Brian J. Costello, VP and Chief Information Officer
Envestnet | Yodlee

In November, CFSI was invited to participate in the CFPB’s field hearing on consumer access to financial records in Salt Lake City, which coincided with the announcement of its Request for Information on this issue. Federal Reserve Governor Lael Brainard also referenced the Principles in a speech on disruption and innovation in the financial services industry. As the issue evolves, CFSI routinely communicates with regulators from multiple agencies, including the CFPB, Federal Reserve, OCC, FDIC and FTC to ensure that consumer interests are at the forefront of every discussion.

Continuing the Conversation

Today, the issue of consumer data access is far from resolved, but CFSI continues to shape industry thinking around the issue, and works on advancing industry-led solutions as part of its Fintech Innovation & Regulation Working Group. Olivier Helleboid, Vice President of Product and Engineering for Financial Services at Intuit, says, “I think that it was very important for CFSI to pull together all the different participants, because it is a very complicated topic and because it impacts all of us – as consumers, and also as industry participants.”

CFSI’s Consumer Data Sharing Principles

- ✓ **Available:** Consumers have the ability to view their financial information with the secure application of their choice.
- ✓ **Reliable:** Consumer financial data are timely, consistent, accurate and complete.
- ✓ **User-permissioned:** Consumers provide explicit consent for access to and use of their data.
- ✓ **Secure:** All entities follow applicable laws and industry best practices with regard to data privacy and security.
- ✓ **Limited to the Application Functionality:** Only the minimum amount of data required for application functionality is collected.

Source: CFSI, “CFSI’s Consumer Data Sharing Principles: A Framework for Industry-Wide Collaboration.”



Impact Through Thought Leadership

CFSI is not afraid to ask hard questions – and undertake rigorous, disciplined research to uncover the answers.

We focus on research topics that shine a light on the challenges and issues faced by Americans struggling to achieve financial health. Our deep expertise and strong reputation allows us to add our independent voice to the critical topics that affect consumers and their financial health journey. We appreciate the support we get from our funders and partners to create and promote this work.

As a result, CFSI has produced over 70 pieces of research since 2014, in topics such as: employee financial health, consumer credit, data access, fintech trends and more. Our research is driving event agendas, including our own EMERGE: Financial Health Forum, and has sparked over 500,000 media mentions.

“There are so many different scores out there, measuring different pieces of a person’s financial life, that it’s actually difficult to get a complete picture of how well I’m doing financially. That’s why CFSI’s work in creating a set of financial health indicators to measure a consumer’s holistic well-being is so important.”

– Evelyn Stark
Financial Inclusion Lead
MetLife Foundation
speaking about our “8 Indicators of Financial Health” Brief

“45 million Americans don’t have access to credit—that’s 20% of the adult population. Secured credit cards aren’t going to solve for that entirely, but we can reach millions of more consumers with something that’s available right now to build credit.”

– Robert Meloche
Senior Director
Global Financial Inclusion, Visa Inc.
speaking about our series of briefs on secured credit card innovation

“Together, we put income volatility on the map - we created a newspaper term and started a new conversation about the importance of saving not just for now, but soon, as the Financial Diaries team says.”

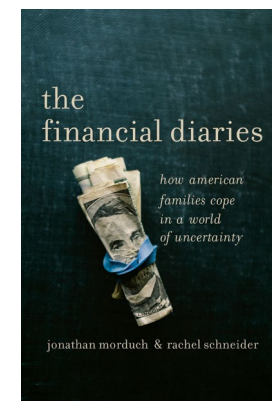
– Fiona Greig
Director of Research
JPMorgan Chase & Co. Institute
speaking about The Financial Diaries and additional income volatility research



Real Talk

How the US Financial Diaries Changed the Dialogue Around the Financial Lives of American Families

Seeing the private financial life of a person can change you. From the struggles of a blended family as they pay for both medical and college expenses, to the uncertainty of a young couple trying to guess how many hours of work they will get the next week, to the determination of a single mom trying to make a difference in her community while also making ends meet...seeing every dime a family chooses to spend, save, borrow and plan can reveal more than just their choices.



The information collected for the US Financial Diaries study (USFD) and its accompanying book, *The Financial Diaries: How American Families Cope in a World of Uncertainty*, tracked over 235 families across the nation for a full year to collect highly detailed data on how families manage their finances on a day-to-day basis. Partnering with NYU Wagner’s Financial Access Initiative (FAI), CFSI helped to provide a first-of-its-kind look at the way Americans make even the most intimate financial decisions.

This inside look gives financial service providers the knowledge to develop more useful products and relevant experiences, but it also frames a national dialogue around >>

The Origins of a Partnership

At the core of much of CFSI’s work is our recognition that it takes many stakeholders working together to create real change. This guiding principle is certainly evident in our work with USFD.

In 2007, in an effort to raise the awareness of people’s financial lives, we conducted the first-ever national study to document the size and shape of the unbanked and underbanked market. Thanks to ongoing relationships with the Ford Foundation and Citi Foundation, which funded the 2007 study, CFSI was invited to join the team that would design and implement the USFD study.

Joining Rachel Schneider, CFSI Senior Vice President, was Daryl Collins of Bankable Frontier Associates and Jonathan Morduch of NYU Wagner’s FAI, coauthors of the book *Portfolios of the Poor*. Initial funding for the project was provided by the aforementioned foundations and, later, the Omidyar Network joined the team to provide additional support and guidance.

Beyond Schneider’s involvement as the study’s co-principal investigator, Nancy Castillo, CFSI Director, led the design and implementation of the fieldwork, and additional CFSI staff were engaged to provide advice and connections to community stakeholders across the country. More than 100 of these individuals and organizations became partners in the study as they helped us find our 12 field researchers, who connected us to over 300 families. The research team went on to engage an expert Advisory Board from across the country and numerous data analysts.



Impact Through Innovation

Our research shows that underserved Americans spend \$141 billion in fees and interest annually to meet their financial needs. New innovation can address this massive market opportunity, and solutions can come from a variety of sources, solving problems that were once considered too hard, for customers that may have been considered too difficult to reach.

The Financial Innovations Lab (FinLab), is a \$30 million, five-year initiative managed by CFSI with founding FinLab partner JPMorgan Chase & Co. Each year, FinLab identifies, tests and helps bring to scale promising innovations that help Americans increase savings, improve credit and build assets, thus improving their financial health. FinLab offers winning startups access to capital, partnership opportunities, industry expertise, mentorship, peer learning and networking. Through FinLab, we continue to see how technology has the power to extend and improve financial services in new and truly transformative ways.

“With so many amazing startups looking to help everyday people improve their financial health, it’s really important that we provide them with great developer tools and mentorship to be successful. The FSL program will be a great way to work directly with developers to solve an important challenge, and together, ensure that the underserved community get access to high quality and impactful app experiences.”

— Ash Hassan, Strategic Partner
Development Manager, Google Play
Google, Inc.
A FinLab Resource Partner

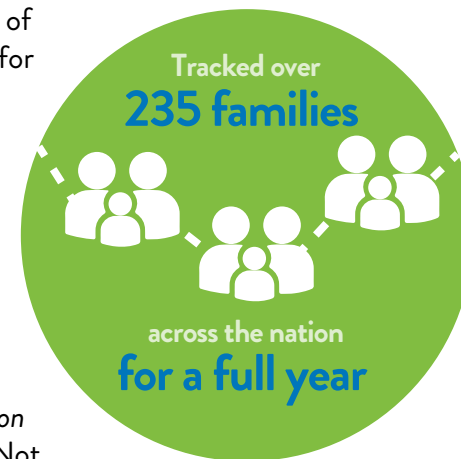
“It’s not a linear journey at all. We’re constantly learning about what works and what drives our end users to improve their financial lives and improving our products and services to reflect that.”

— Kryn Anderson
Associate Director for
Business Development
Neighborhood Trust

“There’s a business incentive for us to improve the financial health of our customers beyond the fact that it’s the right thing to do. For us, the healthier our customers are, the healthier our business is.”

— Jerry Nemorin
Founder & CEO
LendStreet

trying to balance the realities of income volatility, the changing nature of work in America and the realities of saving for soon rather than saving for later. In short, these are the challenges of the 138 million Americans that CFSI knows are financially unhealthy, laid bare by the families who participated in our joint research study.



Seeing the Change

As a result of our joint efforts, over 8,500 people and businesses purchased copies of the book, and its findings have been shared over 55,000 times on social media in addition to being covered by major publications such as *The New York Times*, *The Washington Post*, *The Boston Globe*, *Bloomberg*, *NPR*, *The Harvard Business Review* and *The Atlantic*. Not only are people reading the book, they are talking about it: the study’s findings have been discussed in over 6 hours worth of interviews, 20-plus podcasts and at over 20 events across the country (with more in the planning stages) among stakeholders with the ability to act.

We know that research can change lives. USFD is one study that is influencing the products that providers build, the conversations that businesses have around the financial health of their employees and the debates being waged on Capitol Hill. Perhaps more importantly, it is changing the people who are reading and talking about it, helping us all empathize with these families and, in turn, changing the way we think about the financial lives of millions of Americans just trying to get by. That’s the power of studying and sharing the results of large-scale financial issues in America. That’s the change CFSI is dedicated to making.

Beyond the Statistics: How Innovators Are Tackling These Issues

Among the stakeholders who have learned from the findings of the USFD study are Jon Schlossberg and Quinten Farmer, founders of the fintech company Even. Drawing in part from the research in the USFD, Farmer and Schlossberg created Even to address the challenges that result from volatile incomes by simulating the experience of a steady, predictable paycheck.

Even calculates its users’ average monthly income based on past cash flow and then normalizes spikes and dips by shifting funds into a separate account when income is high and depositing interest-free, extra money when income is low. This is just the sort of service that could help Katherine Lopez, a single mother in the study. Lopez feels squeezed because, while she earns enough money to make ends meet, the timing of her bills and her paydays are misaligned, causing moments of illiquidity.

This is just one example of real change in the wake of the Diaries.

Leadership support for USFD is provided by the Ford Foundation and the Citi Foundation, with additional support and guidance from the Omidyar Network.



The Financial Solutions Lab Opening Doors for FinTech Partnerships

As graduates of CFSI’s Financial Solutions Lab program – a 5-year, \$30 million program co-founded by JPMorgan Chase & Co. and managed by CFSI – both Propel (FinLab class of 2015) and EARN (class of 2016) have not only found ways to strengthen their offerings through their FinLab participation, they’ve also discovered that by joining forces, they can make an even greater impact.

Fintech startup Propel and nonprofit EARN each pride themselves on doing well by doing good. Propel helps low-income consumers enroll in, track and manage their food stamp (known as SNAP) spending, while EARN focuses on helping first-time savers start building a much-needed financial safety net.

Starting Out Small and Focused

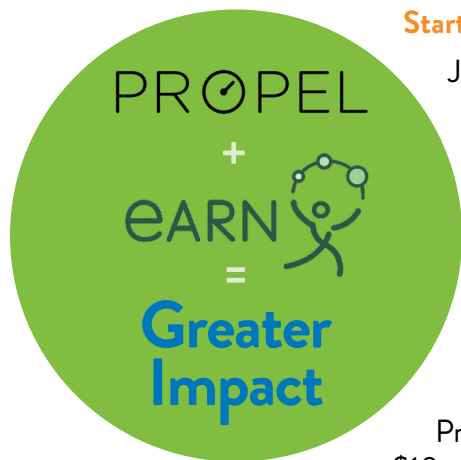
Jimmy Chen, CEO and co-founder of Propel, was selected for FinLab’s inaugural class in 2015 and, through FinLab mentorship, he quickly pivoted from offering a basic product that helped people apply for SNAP benefits to one that offered assistance with managing grocery spending over time, monitoring EBT balances through its FreshEBT app. Today, more than 500,000 Americans use FreshEBT to track balances and manage their grocery spending.

At the same time, Leigh Phillips, CEO of the nonprofit micro-saving provider EARN, began beta testing the company’s Starter Savings Program with a six-month trial that offered monthly bonus payments of \$10 to participants who save \$20 each month. EARN was selected for the FinLab class of 2016, just as Starter Savings began to take off.

Evolving with the Influence of FinLab

After being connected by CFSI’s FinLab team, EARN and Propel began exploring the possibilities of collaboration. They were independently helping the same demographic of low-income consumers – so why not somehow join forces? It was an idea that would prove to be transformative for both organizations.

“The FinLab has had a major impact. EARN’s selection was a big vote of confidence in the ability of nonprofits to be in this space,” says Phillips. “Learning alongside peers and colleagues helped us become a lot more product-driven.”



Building an Important Partnership

In its first ten years, EARN had served around 6,000 consumers in the Bay Area. After launching its app in 2016, the company was able to reach just as many people across the country in a matter of months.

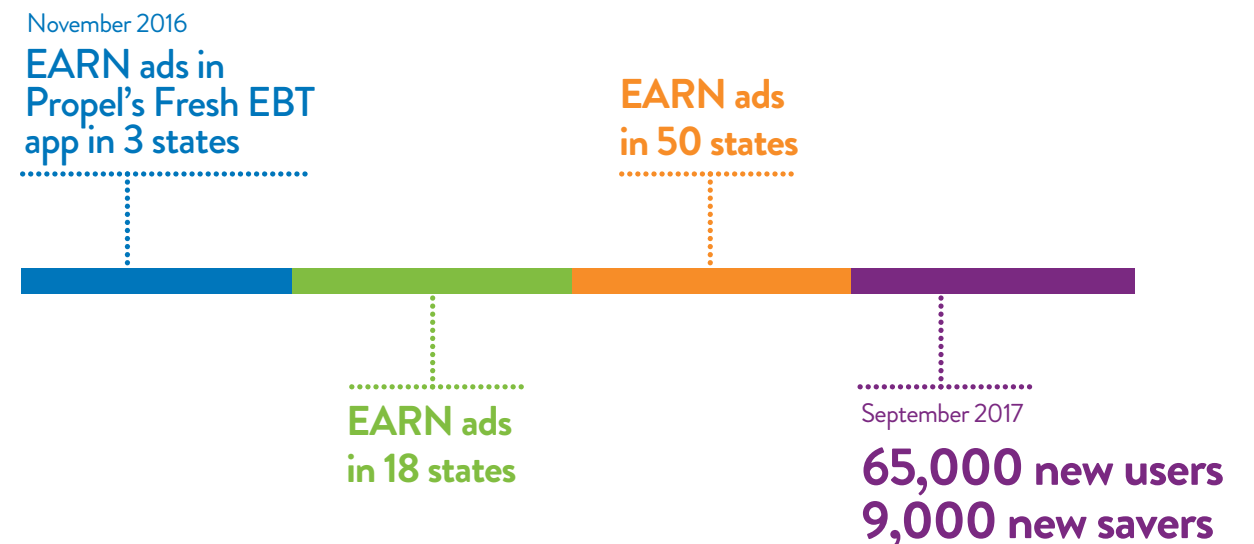
In November 2016, Propel’s FreshEBT app began running banner ads for EARN, encouraging users who were managing their food spending to also earn rewards by starting to save.

The results were astonishing. While EARN started out promoting Starter Savings to FreshEBT users in just three states, that number quickly grew to 18, and then to all 50 states. As a result, 65,000 users have since joined EARN, with 9,000 of them becoming savers through the app. “One of the things we took inspiration from Propel on is being able to look at the power of being directly connected to people through their mobile phones,” says Phillips. “There is great value to trusted brands leveraging each other.” Not only has the partnership helped EARN grow its reach, it has also created the potential for a deeper partnership with Propel, through gathering and sharing useful data.

Before their introduction through FinLab, EARN and Propel were certainly making a difference, but it’s easy to see how their partnership leverages their individual strengths to result in exponentially greater impact. “If CFSI invests in companies, you can be confident they are doing good work. It’s how we found EARN, and it’s been one of our strongest partnerships so far,” says Chen.

“If CFSI invests in companies, you can be confident they are doing good work. It’s how we found EARN, and it’s been one of our strongest partnerships so far.”

— Jimmy Chen
CEO and Co-founder
Propel





From Startup to the Corporate Boardroom An “Impactreneur” Gets Acquired by PayPal

One of CFSI’s core beliefs is that commitment to financial health will lead to business success. The announced acquisition of TIO by fintech giant PayPal in February was a perfect demonstration of this belief.

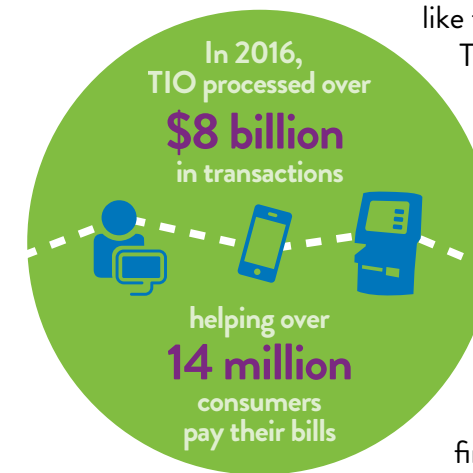
Making Bill Payment Accessible and Convenient

TIO launched in 1997 with the goal of increasing digital access for low-income consumers by placing convenient internet-enabled kiosks in markets and corner stores. In an effort to continue delivering impact after the internet explosion, the team added a host of new features, including a bill-payment service that allowed customers to insert cash into the kiosk and instantly get credit for their bill payment. This service resonated deeply with the low-to-moderate income consumers using TIO’s kiosks, and in 2002, the company shifted its focus exclusively to bill-payment services.

TIO founder Hamed Shahbazi was presenting these self-service bill-pay kiosks at an ATM industry event when he first met Jennifer Tescher, President and CEO of CFSI. Not only was she impressed by how the kiosks expanded reach and access for the underserved, but she was also struck by Shahbazi’s deep commitment to impact. They began working together, and Shahbazi immediately began absorbing CFSI’s research and advice, eager to learn as much as he could about the underserved consumer. In December 2005, CFSI invested a small amount of capital in TIO.

An Important Connection

The value CFSI provided to TIO wasn’t limited to capital, research and advice. CFSI also gave the company exposure to industry leaders and experts. In fact, the first time Shahbazi saw PayPal CEO Dan Schulman speak was at CFSI’s EMERGE Forum. He was highly impressed that a company of PayPal’s size demonstrated such a fundamental commitment to financial inclusion. At the time, Shahbazi couldn’t have imagined that PayPal would acquire TIO within the year. Connections



like these are a major part of the value CFSI delivers to entrepreneurs. As TIO’s story proves, giving talented innovators access to like-minded industry players can lead to very real opportunities for partnerships and development.

Today, TIO’s focus on consumer impact has led to impressive growth. Last year, across point-of-sale, kiosk, web, and mobile channels, TIO processed over \$8 billion in transactions, helping more than 14 million consumers connect to its network of 10,000 billers. When Dan Schulman announced the \$233 million acquisition, he noted that acquiring TIO furthered PayPal’s commitment “to democratize the financial system and enable those who are underserved to improve their financial health.”

The combination of TIO’s mission with PayPal’s scale demonstrates the powerful results that can come from CFSI’s approach to identifying mission-driven entrepreneurs, giving them access to resources and turning them into financial health champions. We are excited to celebrate TIO’s success and eager to see what the future holds for other innovators that are similarly committed to improving the financial health of Americans.

When CFSI’s investment in TIO began, supporting entrepreneurs who were committed to using technology to benefit the financially underserved was a new focus at CFSI. Today, supporting fintech innovators is central to many of CFSI’s initiatives. CFSI leads a network that is a home for innovation, including 37 direct-to-consumer fintech companies that are working to improve the financial health of more than 48 million consumers they serve collectively. Through our Financial Solutions Lab, we help cultivate the most promising early-stage fintech start-ups, providing their founders with funding and mentorship. Since kicking off the FinLab challenges, we have received over 1,000 applications. Of these, we selected 26 companies and have watched the companies raise \$130 million in follow-on capital after participating in FinLab.





Impact Through Consulting

A growing number of organizations are aligning on the idea that improving their customers' financial health will improve their bottom-line. CFSI's consulting practice enables our clients to do so by helping them understand the consumer landscape, design quality products and customer experiences and utilize strategies that improve consumer financial health.

Through experiential exercises, we give executive and product design teams a first-hand understanding of the challenges faced by low-to-moderate income consumers. Our FinHealth Check Ups and Product Gap Analyses help providers assess the financial health of their customer base, and map what product changes may improve their customers' financial lives. More broadly, we help companies create, implement and measure the impact of strategies that serve specific customer segments and take advantage of emerging business opportunities.

Implementing financial health strategies is not one-size-fits-all, and CFSI consults with each client to uncover profitable, sustainable solutions that do well by their business while doing well by the consumer.

"The FinX experience had a profound impact on all participants and is something that has an undeniably high return on investment for any organization working to better serve its customers through its financial products, tools and overall customer experience."

— Heather Tyler
Principal Business Analyst,
Branded Card Investment
Decision Team
Capital One

"The end result of our Financial Health Check Up is that it really helped us step back and understand the financial health of our members and what we need to do going forward to help them."

— Erin Mendez
President & CEO
Patelco Credit Union

"One of your strategies should be to understand the financial health of your employees.... We want to instill confidence in financial health in them."

— Nicole Haverly
Senior Portfolio Manager
**Affinity Plus Federal
Credit Union**



Creating High Quality Products for the Underserved An Interview with Angie Lathrop, Bank of America

CFSI's consulting services help businesses define strategy, implement go-to-market process, conduct in-the-field trainings and workshops, design products, define results and measure impact. To highlight the impact our services could have on your business and your customers, we've caught up with one of our recent clients, Angie Lathrop, Community Affairs Executive at Bank of America, for a Q&A on her experience with our team.

Given CFSI's expertise on financial products and the needs of customers, we sought to bring its insights and knowledge more formally to the process of building SafeBalance Banking.

Q: CFSI consulted on the design and development of one of your successful products marketed toward underserved segments of your customer base, Bank of America's SafeBalance Banking. Before we get into those details, can you share why you turned to us when you recognized this business challenge?

A: We listen to many stakeholders — including our shareholders, customers, and employees — and also actively engage community leaders to receive feedback and input on our business. Our National Community Advisory Council (NCAC), which includes members such as CFSI's CEO Jennifer Tescher, addresses critical issues affecting consumer policy, affordable homeownership and economic development in the most underserved communities in our nation. Given CFSI's expertise on financial products and the needs of customers, we sought to bring its insights and knowledge more formally to the process of building SafeBalance Banking.

Q: How does SafeBalance Banking work and how does it serve the underserved market?

A: Bank of America's SafeBalance Banking offers many of the same features as a traditional checking account, and it helps customers avoid going into overdraft. With SafeBalance, transactions are declined and returned unpaid when the client does not have enough money in their account. Overdraft fees and Non-Sufficient Funds fees are never charged. SafeBalance Banking has a low \$4.95 monthly maintenance fee for each monthly statement cycle regardless of account activity or balance. The account comes with many convenient ways to pay individuals or businesses, such as a debit card and Mobile and Online Banking, but does not allow paper checks.

Q: Where is SafeBalance Banking today? How has its success impacted future product and/or customer segment goals?

A: SafeBalance Banking was launched nationally by Bank of America in May 2014, and in 2016, we expanded the ability to open accounts in Mobile and Online Banking. Over the past year, monthly sales and utilization of SafeBalance Banking have more than doubled.

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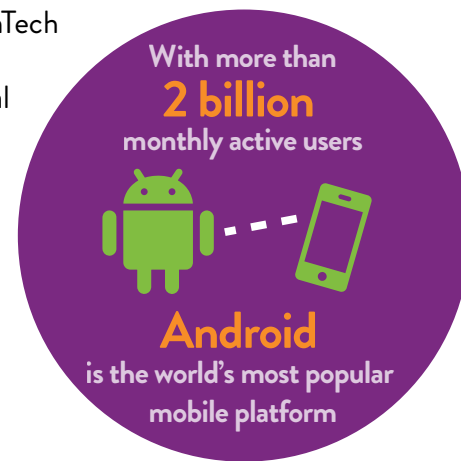




Helping Consumers Find High-Quality Solutions Building Solutions with Google Play

With more than 2 billion monthly active users, Android is the fastest growing mobile operating system and the world's most popular mobile platform. In addition, there are more than one million applications available on the Google Play store, organized and presented to users through categories (and numerous sub-categories), including 'finance.' Google also plays a critical role in helping developers improve the quality and impact of the apps distributed on the Google Play Store.

In early 2015, Ashraf Hassan, a leader of Strategic Partnerships for FinTech at Google Play, approached CFSI's Financial Solutions Lab (FinLab) to learn how CFSI was working to identify, test and bring to scale financial innovations to substantially improve the lives of Americans. Google Play ultimately became a formal resource partner to FinLab and its cohort companies, providing exceptional access to technical resources within Google that could improve their apps' effectiveness and placement in the Android ecosystem. Google has a history of providing developers with access to high quality tools and support – including developers focused on fintech. These tools and information are available to – and accessed by – a community of thousands of developers worldwide. However, these tools are generally technical in their nature. CFSI and Google thought ... what about adding some supporting resources for the 'fin' in 'fintech'?



In February, Google and CFSI published the guide, "FinTech App Development Compass: A Guide for Entrepreneurs" on the Android Developer blog. CFSI worked with the team at Google to both craft a set of resources and establish gateways for developers for further discovery of CFSI-related support, research and the financial health framework. With the guide's deployment, Google introduced a new style of influence into the developer community, and CFSI gained access to a new global stakeholder group. But that was just the start of our partnership.

Google has a history of providing developers with access to high quality tools and support — including developers focused on fintech.

Together, we're now looking at how Americans find the products, services, and support that are right for their needs. Because an app is beautifully built and technically sound, does that mean the financial product it empowers is going to improve financial health? Maybe not. The choices that Google and other similar providers make about how they enable mobile device users to **discover, evaluate and select** financial products is a critical component in improving financial health.

Google Play and CFSI are tackling this challenge, including planned testing of new user discovery methods for finance apps in the Google Play store. Ultimately, we hope to jointly develop and apply a set of quality assessment principles for apps within the finance section of the Google Play store. Together, we can help guide consumers to apps and products that are designed to improve financial health.

The CFSI Financial Health Network

AARP	ClearPoint Credit Counseling Solutions	EVERFI *
ACCION, The US Network *	Coastal Credit Union *	Everlance
ADP	Comerica Bank	Experian
Affinity Federal Credit Union	Common Cents Lab	Fair Isaac Corporation (FICO)
Affinity Plus Federal Credit Union *	Commonwealth (formerly D2D Fund)	Fifth Third Bank
Albert Corporation	Community Federal Savings Bank (CFSB)	Filene Research Institute
Amalgamated Bank	Community Investment Management LLC	Financial Guidance Center
American Family Insurance	Core Innovation Capital	Finfit *
Ascend	Credit Human *	Fincity
Bank of America	Credit Karma, Inc.	First National Bank of Omaha
Bank of the West	CUNA Mutual Group Innovation Center	FIS
BBVA Compass	Digit	Fiserv Inc.
Bee	Digital Federal Credit Union	Funding Circle
BlackRock	Discover	Goldman Sachs & Co.
Boeing Employees Credit Union (BECU) *	Dollar Bank	Google
Boys & Girls Club of America	EARN: Earned Assets Resource Network	Green Dot Corporation
Bryan Cave LLP	EarnUp	GreenPath, Inc.
Callahan Financial Services (CFS)	eCreditHero	Guaranty Bank
Capital One	Elevate Credit, Inc.	Handle Financial *
Catholic Charities Fort Worth	Enova International	Hudson Valley Federal Credit Union
Charles Schwab Bank	Envestnet Yodlee *	IH Mississippi Valley Credit Union
Charles Schwab Foundation	ESL Federal Credit Union	Intuit
Citi Community Development	Even	JPMorgan Chase & Co.
Citizens Bank		K&L Gates
Clarifi - Consumer Credit Counseling Service (CCCS)		KeyBank *



* Denotes Financial Health Leader

Lead Bank
 Lending Club
 LendStreet *
 LendUp *
 LexisNexis
 MasterCard Worldwide
 Meta Payment Systems
 MetLife Foundation
 Mission Economic Development Agency
 MoneyGram International
 Moneythink
 MyPath
 National Credit Union Foundation *
 National Foundation for Credit Counseling
 Neighborhood Trust Financial Partners *
 NeighborWorks
 NerdWallet
 NetSpend Corporation
 NewDay
 Nix Neighborhood Lending
 OnDeck Capital
 OneMain Financial
 Oportun
 Patelco Credit Union *

Paul Hastings LLP
 PayPal, Inc.
 PayPerks
 Plaid
 Propel
 Prudential Financial, Inc.
 QCash
 Quicken Loans
 Redstone Federal Credit Union *
 Regions Bank
 Remedy Labs
 Santander Bank, N.A.
 Schools First Federal Credit Union
 Scratch
 Servus Credit Union *
 Stinson Leonard Street
 Sunrise Banks *
 SupportPay
 TaxACT
 TCF Financial Corporation
 TD Bank
 Temerity Capital Partners
 TIAA Direct
 TIO Networks Corporation
 U.S. Bank
 UnidosUS

Union Plus
 United Healthcare Community and State
 University Federal Credit Union *
 Univision
 USAA
 VALID Systems *
 Vancity
 VantageScore Solutions, LLC
 Visa Inc.
 Washington State Employees Credit Union
 Wells Fargo
 WiseBanyan
 Woodforest National Bank
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