



Financial Coaching and FinTech

Strategies for integrating
FinTech into existing
coaching programs



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Housekeeping

- This webinar is being recorded
- A copy of the slide deck will be available on our FOC website (<http://www.FOC-Network.org/>)
- The documents mentioned on this webinar are available to download throughout the webinar
- All lines have been muted to reduce background noise
- We will take questions at the end but please write your **questions** into the **Q&A box** throughout the webinar
- Send any unanswered questions to your local program officer

Audrey Perrott
Director, Strategic Partnerships



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About Us

- Consumer Action empowers low- and moderate-income and limited-English-speaking consumers nationwide to financially prosper through education and advocacy.
- Core products and services:
 - Consumer education materials in multiple languages
 - Free national hotline
 - Training and support for a national network
 - Surveys of financial and consumer services
 - Comprehensive website
 - Class action lawsuits database
 - Framework for distributing financial technology



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Sample Publications

- “Sample Publications” handout lists our most popular and recent publications
- Includes links for information on downloading and bulk orders



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Consumer Action Sample Publications and Consumer Resources

Note about publication orders: Community organizations can order Consumer Action publications in bulk, unless marked "download only." For bulk ordering instructions, see "Ordering Publications" below.

General Financial Education

- 1) Money Management 1-2-3 (complete module)
www.consumer-action.org/modules/module_money_management_1-2-3
- 2) Checking and Savings Accounts / The Right Overdraft Protection Plan (complete module)
www.consumer-action.org/modules/module_checking_savings_accounts
- 3) Credit Scores in the U.S: A guide for students, immigrants and savvy consumers (download only)
www.consumer-action.org/english/articles/credit_scores_in_the_us
- 4) ID Theft & Account Fraud: Prevention and cleanup (complete module) (download only)
www.consumer-action.org/english/articles/id_theft_account_fraud
- 5) Freeze Your Credit File: Leave ID thieves out in the cold (download only)
www.consumer-action.org/english/articles/freeze_your_credit_file
- 6) Debtors' Rights (complete module)
www.consumer-action.org/modules/module_debt_collection
- 7) Personal Bankruptcy: Your financial fresh start (download only)
www.consumer-action.org/english/articles/personal_bankruptcy
- 8) Resources for Good Credit (download only)
www.consumer-action.org/outreach/articles/resources_for_good_credit

Insurance

- 9) Auto Insurance: The Basics (complete module)
www.consumer-action.org/modules/module_auto_insurance
- 10) Insuring Yourself in the "Sharing Economy" (complete module)
www.consumer-action.org/modules/articles/insurance/sharingecon_insuring_yourself
- 11) Homeowners and Renters Insurance / FEMA Assistance (complete module)
www.consumer-action.org/modules/module_disaster_coverage

Telecommunications/Internet

- 12) Getting Up to Speed: Broadband internet for low-income households (download only)
www.consumer-action.org/english/articles/getting_up_to_speed

More Consumer Education Brochures and Modules

- 13) Micro Business: Preparing for success
www.consumer-action.org/english/articles/micro_business
- 14) A Guide to Finding the Right Job Training School (complete module)
www.consumer-action.org/english/articles/job_training_schools



Become an Affiliate

- Benefits include six free publication orders annually, free webinars, the opportunity to apply to attend our annual national conference, and more
- Small business owners can join as associate network members
- Annual fee for affiliate and associate membership: \$75
- Join our network: www.consumer-action.org/affiliate

Our Approach

- Work with financial coaches to distribute FinTech tools to low-to-moderate-income (LMI) and limited-English proficiency (LEP) consumers
- Diagnose financial health
- Coaches use tools first
- Distribute tools based on financial health needs of consumers
- Distribute FinTech fact sheet and other consumer publications
- Measure financial health at various intervals
- Coaches and consumers improve financial health



Financial Coaches

- Use a collaborative approach to helping consumers manage finances
- Have a higher level of engagement with consumers
- Address the factors that impact consumers' financial decisions (e.g., attitudes, beliefs, behavior, circumstances and access)



Financial Technology Fact Sheet

- ✓ What you can do with FinTech
- ✓ Advantages of FinTech
- ✓ Choosing FinTech apps
- ✓ Finding apps
- ✓ Using FinTech safely

URL: www.consumer-action.org/downloads/english/FinTech_FactSheet_2018.pdf

Improving your financial health with FinTech

A beginner's guide to personal finance apps

A Consumer Action Publication



Financial technology (FinTech) is the use of modern technology, such as the internet and apps (downloadable mobile software), to develop powerful financial services tools for consumers and businesses. For those who are motivated to improve their finances and dedicated to working toward their goals, FinTech can make the process more convenient, efficient and even rewarding.

This guide will introduce you to the types of FinTech tools available and how they can help you. It will also tell you what to consider when choosing an app and how to stay safe when using FinTech.

What you can do with FinTech

There's a FinTech tool for just about any money management task you can imagine. Using just a smartphone (or other device), an app and an internet connection, you can:

- Open, access and manage your financial accounts
- Check your transactions and balances
- Send and receive money
- Pay bills
- Set financial goals
- Create and update a budget
- Track and analyze your spending
- Save and invest
- Plan for retirement
- Check your tax refund status
- Check your credit reports and scores
- Get reminders and alerts

While FinTech apps generally do offer a limited educational component, financial

literacy services offered by non-profits and community groups (in person or online) provide a level of personalization that technology can't match. If you are new to personal finance, one-on-one and group coaching helps you understand what you need at the different stages of your life, why you need it, how to make wise choices and how to overcome obstacles along the way. FinTech apps enable you to apply what you have learned.

Advantages of FinTech

While "FinTech" might sound intimidating, you are already at least somewhat familiar with how financial apps work if you access your checking or savings accounts via the internet (about two-thirds of consumers do!). Convenience is the main reason online and mobile banking is so popular. In addition to convenience, FinTech tools can offer:

Accessibility: Being able to access virtually

Examples of FinTech Tools

Lending circles:

- Esusu

Budgeting:

- EveryDollar

Savings:

- Digit

Prize-linked savings:

- SaverLife

Credit builder:

- Self

Wills and life insurance:

- Tomorrow



Benefits and Risks

- Convenience
- Reduced pricing
- Faster and personalized service
- Better fraud detection and consumer safety
- Right to access your own data
- New uses of data to access services
- Faster account verification
- Improved access to credit
- Better money management
- Tools to improve savings
- Avoidance of overdraft fees
- Not always more convenient
- Pricing is not always cheaper
- Data security
- Privacy concerns
- Industry is not heavily regulated
- Faster and easier can mean more debt or fraud
- Disparate impact on communities of color
- Alternative data with adverse consequences
- Impacts are not always positive
- Overdraft is still possible

FinTech Distribution Models

Program Integration

- Non-profits distribute FinTech products to financially vulnerable consumers through existing program, help consumers enroll, develop content and track changes in financial health.
- Example: The non-profit selects tools from iOS App Store or Google Play Store.

Co-Design and Delivery

- FinTech products are distributed to financially vulnerable consumers via non-profits, with close collaboration between partners to develop integrated systems.
- Example: A non-profit and FinTech develop a customized version of product.

FinTech Distribution Models

Referrals

- FinTechs refer customers to non-profits to help the consumers to improve their financial health and improve customer outcomes.
- Example: FinTechs refer consumers to non-profit for credit and housing counseling or financial coaching.

Systems Integration

- Non-profits utilize services from a FinTech to enhance back-end systems or operational processes.
- Example: Enable or improve rent reporting, loan servicing, or financial coaching.

Pilot One



The project: Four of Consumer Action's affiliates distributed FinTech tools to LMI and LEP consumers. Affiliates were community-based organizations (CBOs) serving a variety of target populations, including recent immigrants, financial coaching clients and veterans. Each organization offered one product to interested clients to gauge interest, fit and impact.

The outcome: 42% of consumers introduced to a FinTech tool take the next step to try it. During the five-month pilot, these consumers saved an average of \$468.

Pilot Two



The project: Two of Consumer Action's affiliates distributed FinTech tools to LMI and LEP consumers. Affiliates were community-based organizations (CBOs) serving a variety of target populations, including workforce development and financial coaching clients. Each organization offered a variety of products to interested clients to gauge interest, fit and impact.

Preliminary findings: 50% of consumers introduced to a FinTech tool take the next step to try it.

Preliminary outcomes: 12% acquired a new financial asset; 8% improved debt-to-income ratio; 12% increased income; 30% increased savings; 14% improved credit history/score; 20% reduced debt; and 27% developed a spending plan.

Key Learnings

- Do full assessment of organizational readiness
- Collaboration is key
- Frontline staff must see value in tools and know how to use them
- Remove barriers
- Diagnose financial health
- Distribute tools based on financial health needs of consumers



Resources

- <https://finhealthnetwork.org/research/cross-sector-solutions-a-guide-to-nonprofit-fintech-partnerships/>
- <https://finhealthnetwork.org/score/>
- <https://www.consumerfinance.gov/data-research/research-reports/financial-well-being-scale/>
- <https://www.nclc.org/images/pdf/consumer-protection/rpt-fintech-and-consumer-protection-a-snapshot-march2019.pdf>
- https://www.consumer-action.org/downloads/english/FinTechFactSheet_2018.pdf



Questions?



FINTECH

Thank you.



Audrey Perrott, Director, Strategic Partnerships



209-451-0965



aperrott@consumer-action.org



www.consumer-action.org



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