

# LISC

## LISC Twin Accounts™

Twin Accounts™ is an innovative financial product that uses behavioral economics to promote **savings and credit-building**. It was developed by LISC after recognizing a shortage in financial credit building options tailored for low- to moderate-income individuals. Many of whom have historically lacked access to mainstream financial products. LISC Twin Accounts™ serves as a critical first step on a path toward asset building and long-term family economic stability.

## The Importance of Building Credit

With the rise of payday lending and usurious loan rates over 100%, access to affordable financial products has never been more critical. Low credit scores results in higher cell phone payments, costly financial products, may even impact housing and employment options.

**Credit is an asset.** The cost of low or no credit is at an all-time high; credit building is imperative for all Americans, especially those with tight budgets. Credit building strategies promote sound financial management behaviors that increase the credit score both in the short-term and over time.

Good credit is a precondition to access low-priced financial products. By accessing LISC Twin Accounts™ at no cost, individuals build their credit with every on-time payment. Twin Accounts™ is the first connection to traditional banking and a bridge to access lower-cost financial products and acquire assets for many clients.

### Facts

- **Black, Hispanic, or living in low-income neighborhoods** are more likely to have trouble accessing credit.
- Over **64 million** Americans have low credit
- Approximately **45.4 million** Americans have unscorable credit histories or are “credit invisible”.

**Are the clients you serve reflected in these facts?**

## Impact of LISC Twin Accounts™



LISC Twin Accounts™ combines the incentives provided in an Individual Development Account (IDA) with credit building to achieve a high level of impact on an individual's financial bottom line. By the end of the twelve-month program, participants have saved \$300 while building credit and earned a match on every on-time payment, doubling their savings to \$600.

From the [Impact Analysis of Twin Accounts™ Report](#), results show that financial coaching, when paired with access to financial products, significantly impacts credit scores and credit-building behaviors. Participants in Twin Accounts™ had double the credit score gain of non-participants in the program and were more than twice as likely to gain score and keep it (98% versus 36% in the comparison group).

- Nearly 70% of all participants complete the program. Of those, **the majority increase in their credit score.**
- On average, participants who start the program with no score will exit with a score of over 630. Nearly all who begin the program with no score have a score of **over 600 after six months.**
- Individuals with a score had an average **increase of 60 points.** For most, the increase moves them from a low or sub-prime score into a prime score.

Building from the **Financial Opportunity Centers® Model**, which combines employment services, financial coaching, and access to income support for individuals with income below living wages, the connection to affordable financial products is a priority. LISC supports capacity building for a network of 100+ Financial Opportunity Centers® nationwide, bringing tools and resources that promote financial stability, increase of income, and asset building.

**Credit building and the LISC Twin Accounts™ have been integral to investing in communities around America.**