

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.**