FPP Virtual Session – August 2017

New Platform in Use Today! GoToWebinar
Barry Altland
Director, Partner Engagement
“Providing pathways to economic security through a statewide coalition of organizations”
FPP Funders:

And You!

Florida Prosperity Partnership
Financial Apps as Tools for YOUR Success!
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Florida Prosperity Partnership
Questions?

Q/A Session End of Presentation
Overview

✓ Catalyst Miami
✓ Texas Tech University
✓ Financial App Updates
✓ No right or wrong way!
✓ All methods are appropriate.
✓ It’s based on your client’s values and financial goals.
✓ A traditional method could work for your client!
✓ There could be an easier way for your client to manage their money, but they are not aware of their options.
✓ As Financial Coaches, we are here to provide tools and resources.
✓ It’s up to the client to use them!
What can help me with my finances?

- Track Spending
- Budgeting
- Banking
- Paying Bills / Debt Mgmt.
- Savings
- Credit
- Investing
- Student Loans
- Taxes
- Best Deals
- Creative Saving Ideas
Texas Tech University:
• Presentations for Faculty/Staff
• Training for the TTU Red to Black Peer to Peer Financial Coaching Program
• Presentations in different courses within the Personal Finance Program

Next steps:
• Launching a semester long survey to multiple Personal Finance Courses (try out apps over the semester and complete reflection/survey)
  • Student perspective of apps/best apps
  • Recommendations for Student Money Management Centers

Survey:
Include perspective of analyzing apps based on:
• Convenience: Finding the app? Downloading? Financial information sync? Education components before starting?
• Accountability: Notification settings? Chat bot features? How were you notified? How often?
• Motivation: App provide incentives? Based on the accessibility of the app – encouraged you to utilize the app? How often did you use the app? Satisfaction? Change in savings/spending behavior?
Hypothesis:
Financial apps can be used to automate positive financial behaviors and making financial goal attainment easier for low-to-moderate income clients while making financial coaching and outcome tracking easier.

Getting Started:
• Apps piloted by Staff based on clients needs
• Apps then selected by staff and offered via financial coaching and VITA
Participant Study:
• Working with University of Miami (Dr. Scot Evans)
• Focus groups and survey with clients from last year
• White paper available: Click Here
• Financial apps fact sheet: Click Here

Current Apps Work:
• Connecting with app developers to create feedback loops, data sharing, and marking partnerships.
• Selecting apps to study more deeply.
• Exploring and expanding to using chat bots with clients.
• Informing the field and developing easy to use guides for this work.
Study Participants:
- 68.4% Female
- 31.6% Male
- 42% Black/AA/Caribbean
- 32% Latina/o/Hispanic
- 11% White
- 10% Prefer not to answer
- 61% working
- 22% not working
- 11% school
- 6% working & school

Annual Income
- <$10,000: 21.1%
- $10,000-$25,000: 31.6%
- $25,000-$50,000: 31.6%
- >$50,000: 15.8%
Key Messages

• The importance of understanding credit - how to build it, how to repair it, and how to maintain it.

• The apps and coaching process helped raise clients awareness of good and bad financial habits, with particular respect to budgeting and spending.

• The importance of acknowledging and celebrating the small wins as clients progressed through their financial plans to achieve their longer term goals.
Average length of participation

• 17.78 months in financial coaching
• Range of 7-48 months

Client Feedback: Overwhelmingly positive experience

• Increased their sense of organization and control over their finances
• Extremely pleased with their relationship with their coach
• Described coaches as non-judgmental “accountability partners”
Results

• Some participants expressed that they felt empowered by noticing their progress toward their goals.

• Apps assisted participants in reaching their goals by providing a tool to monitor their progress and enhance their sense of agency.

• Many participants expressed that they would benefit from more explicit instruction and hands-on training on how to use each app and more information on their respective features/capabilities.
Results

• Most participants stated that they utilized the apps on their phones. Others stated that they prefer to use their computer or tablet.

• Homework Works: at-home exercises helped them learn more about the apps and their capabilities.

• Financial Apps are not for everyone and that’s okay!
Need to Know.....

✓ Distributed and owned by for-profit companies.
✓ Apps use bank-level security - secure as online banking.
✓ Required to log-in with account information
✓ Majority of the apps are FREE. Review the Website/Terms and Conditions of the app before downloading – some have minor fees to use particular features within the app.
✓ Many of the apps make “recommendations” to enroll in credit cards, savings accounts, or other financial products from the webpage or have ads that market products on their website. This is how app companies make money.
✓ Encourage your clients to reach out to you when they receive a positive or negative update from their apps.
✓ Apps change and are bought out – stay up to date!
✓ Research ALL apps before using with clients and have clients look into the app.

All apps are available for iOS (Apple) and Android (Google) devices.
Good Bye... Apps

Below are apps we have either used and stopped using or are considering stopping due to apps developers closing, changing, adding fees, not a good fit for our clients, etc..

Name of App & Type:
- Mint Bills & Ready for Zero (closed)
- Support Pay, Even, & Personal Capital (not useful for our clients)
- Digit (started charging fee)
Mint (costs; free):
- The most popular budgeting, goal setting, and management app.
- Budget and goal progress can be monitored for various categories.
- Equifax credit score (credit scoring model not published) available through app.

HoneyDue (costs; free):
- Helps couples to track bills, savings, and expenses across accounts.
- Bills and expenses can be assigned to each partner and used for accountability.
- You choose the level of access your partner has for each account.

Level (costs; free):
- Level focuses on variable expenses. After planning your fixed monthly expenses level presents you with a daily, weekly, and monthly spendable amount.
- Accountability notifications too.
Prism – Pay Bills

Type of App:
• Bill Pay

Description (costs; free):
• Prism gives automated notifications when bills are available, before each bill is due, and on the day the bill is due.
• Prism also allows bill pay through its app.
• No fees in current version
Savings/Goal Planning

SmartyPig (costs; free):
• SmartyPig is a free online piggy bank for people saving for specific financial goals.
• All accounts are goals based and multiple goals can be set up.

Qapital (costs; free):
• Tracks the way you behave to trigger micro-savings for goals.
• Choose fun custom rules for saving like step tracking, IFTTT rules, round up, monthly contributions.
• Funds are FDIC Insured

Jennifer
Digit

Type of App:
• Savings / Text & App Based

Description (costs; $2 month):
• SMS savings account.
• Every few days, Digit checks your spending habits and removes a few dollars from your checking account if you can afford it.
Credit Karma (costs; free):
- Access free credit scores (Vantage 3.0) and report anytime.
- Credit Karma pulls information from TransUnion & Equifax.

Credit Sesame (costs; free):
- Credit Sesame is a web based "freemium" tool that helps consumers manage their credit and save money on their loans.
- It also provides consumers with a free Experian credit score (Vantage 3.0).

NerdWallet (costs; free):
- Similar to Credit Karma/Sesame
- Offers (cards/loans/banking); Be aware!
- Educational resources
- TransUnion
Type of App:
• Investment

Description (costs; review fees):
• Invest spare change automatically from everyday purchases into a diversified portfolio.
• A great way to start passively investing, but there is a $1 a month fee or 0.25% fee.
Banking

Simple (costs; free):

- An online banking option that allows for goal based savings, budgeting, and transaction tagging.
- Account is FDIC insured.
Chatbot – Money Management/Tracking

Abe (costs; free):
• Abe autocrates a personalized spending plan and track spending for you based on your cashflow, debts, and loans.

Change (costs; free):
• Change sends you nudges via SMS to encourage you to spend more wisely and stay on track financially.

Penny (costs; free):
• App notifies you of spending habits
• You can “chat” with the app to learn more about your spending behavior
Other Topic Apps

IRS2GO (costs; free):
• Check your refund status, make a payment, find free tax preparation assistance, sign up for helpful tax tips.
• Available in both English and Spanish.

Everlance (costs; free):
• Useful for tax clients
• Pictures of receipts can be stored in app
• Automatic Mileage tracking (for fee)

Venmo (costs; free):
• Using your balance, bank account or debit card is free.
• Credit card 3% fee
• Payment can be private or public – “Social Media”.

Chris
Majority of Apps are **FREE**, however sometimes the attractive feature involves a cost. Some Apps have a fee for specific options or for “premium” plans. Explore options. As Financial Coaches, we should not push methods that involve a fee. Make sure your clients don’t get caught up in the “Download Now for $1.99” – these costs add up fast!
Links to Financial Apps

Level Money:  www.levelmoney.com
Mint; Finance, Budgets, Money:  www.mint.com
Prism – Pay Bills:  www.prismmoney.com
Simple:  www.simple.com
Credit Karma:  www.creditkarma.com
Credit Sesame:  www.creditsesame.com
NerdWallet:  https://www.nerdwallet.com/
Qapital:  www.qapital.com
SmartyPig:  www.smartypig.com
Acorns - Invest Spare Change:  www.acorns.com
Digit:  https://digit.co/
IRS2GO:  www.irs.gov/uac/irs2goapp
Venmo:  https://venmo.com/
Penny:  https://www.pennyapp.io/
Everlance:  https://www.everlance.com/
Change:  https://gochange.co/
Abe:  bot.abe.ai
HoneyDue:  https://www.honeydue.com/
Questions?
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Financial Apps as Tools for YOUR Success!

FLORIDA PROSPERITY PARTNERSHIP