

**INNOVATIONS IN  
FINANCIAL WELLBEING,  
RESILIENCE, AND FREEDOM**

# TRENDS REPORT



**BNY MELLON**



**changemakers®**



## ABOUT BNY MELLON

BNY Mellon is a global investments company dedicated to helping its clients manage and service their financial assets throughout the investment lifecycle. Whether providing financial services for institutions, corporations or individual investors, BNY Mellon delivers informed investment management and investment services in 35 countries. As of March 31, 2019, BNY Mellon had \$34.5 trillion in assets under custody and/or administration and \$1.8 trillion in assets under management. BNY Mellon can act as a single point of contact for clients looking to create, trade, hold, manage, service, distribute or restructure investments.

BNY Mellon's philanthropic work is inspired by a legacy of citizenship and service that dates back to the Bank of New York's founding by Alexander Hamilton in 1784. Today, informed by that same legacy, BNY Mellon mobilizes its resources and talent to make a positive social impact in the communities where its employees live and work.

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## ABOUT ASHOKA

Ashoka believes the most powerful force for change in the world is a new idea in the hands of the right person. With this conviction, we pioneered the field of social entrepreneurship 38 years ago. Ever since, we have bet on the optimists and the adventurous among us who see the world not as it is but as it should be, supporting more than 3,500 Ashoka Fellows across the globe and guiding them to grow unexpected ideas into transformative social progress.

Ashoka believes that leading social entrepreneurs are not heroes working in isolation. Their success depends on creating roles for ordinary people—parents, refugees, computer scientists, farmers, and young people—to be an important part of the solution. With each new leading social entrepreneur we nurture, Ashoka is creating a different kind of future: one where each of us looks inside ourselves and sees a changemaker. With this in mind, Ashoka has also mapped over 33,000 social change projects through online, collaborative competitions with over 80 corporate and foundation partners.

Additional information is available on [www.ashoka.org](http://www.ashoka.org). Follow them on Twitter @Ashoka.

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## EXECUTIVE SUMMARY

To combat the economic instability facing a growing number of Americans and to empower vulnerable populations to achieve financial security, BNY Mellon and Ashoka partnered in 2018 to launch a national social innovation challenge, “Unlocking Change: Innovations for Financial Wellbeing, Resilience, and Freedom.”

The results were inspiring. **People shared 114 solutions for financial wellbeing from over 44 states across the U.S., providing support and services to a diverse spectrum of under-served communities.**

Submissions ranged from early stage ideas to established programs with years of demonstrated results, but all share a commitment to expanding financial wellbeing to under-served communities and have exciting potential to scale their impact.

After a close examination of these ideas, six distinct trends emerged among the most innovative solutions. These trends indicate a shift from the status quo and demonstrate a change in the mindsets, relationships, and resources traditionally associated with financial wellbeing.

### THESE TRENDS ARE AS FOLLOWS:

1. School Financial Education
2. Prize Good Financial Behaviors
3. Leverage the Local: Deliver solutions through relationships on-the-ground
4. Base on Place: Customize services to meet individuals' specific needs
5. Reimagine Community to Capital
6. Support Small Business for Big Impact

**The purpose of this report is to celebrate the ingenuity and innovative ideas of the challenge's foremost social entrepreneurs, hold up their ideas as best-in-class examples for others to consider and incorporate into their work, and invite collaborations that advance the field of financial wellbeing.** The report also aims to be an instructive resource for practitioners, funders, and others who work in this space, highlighting the value of programs adapted for and tailored to the needs of communities and individuals in the greatest need.

## INTRODUCTION

Though the global economic crisis is a decade behind us and the world economy has largely recovered from the recession, a personal financial crisis simmers below the surface for many families throughout the country. Six out of ten Americans are expected to experience financial insecurity in their lifetimes<sup>1</sup>. A recent survey by the Federal Reserve suggests just how widespread financial insecurity is: four in ten adults, if faced with an unexpected expense of \$400, either would not be able to cover it or would do so by selling something or borrowing money.<sup>2</sup> Considering the fact that the median out-of-pocket cost for an unexpected medical expense is \$1,000, **this presents a worrying prospect: nearly half of the country is just one doctor's visit, car repair, or job loss away from financial disaster.**<sup>3</sup>

The crisis of financial insecurity is not only a problem of empty savings accounts and the challenges that poses for paying for college, buying a home, or affording retirement. Americans are also challenged by mounting personal debt, poor financial habits, and a lack of a basic understanding of finances.

For a fuller picture of financial insecurity in America, consider these sobering statistics:

### 2/3 of Americans

cannot pass a basic financial literacy test (a proportion that has fallen consistency since the financial crisis<sup>4</sup>).

### 25% of Americans

have no retirement savings.

The typical indebted American household owes an average of **\$136,000**<sup>5</sup>.

### 1 in 3 Americans

have debt that is currently in collection.



## The Connection Between Financial and Physical Health

“Wellbeing” is a fitting term because it accurately suggests a connection between financial and physical health, a link that research strongly supports. A survey by the American Psychological Association found that money is people’s number 1 stressor.

**72% of adults reported feeling stressed about money at least some of the time, and a quarter rated their stress as extreme.<sup>12</sup>**

Couple this anxiety with the fact that financial issues sometimes cause individuals to miss medical appointments and forgo treatments and prescriptions and it becomes clear that financial insecurity is actually making people sick.

Perhaps the most disheartening measure of Americans’ deteriorating financial security is an analysis which concluded that the American dream—defined by factors that generally correspond to middle class benchmarks like owning a car and a mortgage—requires an annual income of \$130,000 for a family of four. In 2018, the median family income was roughly half that figure.<sup>6,7</sup> This begs the question: is widespread financial insecurity robbing people of their chance to achieve the American dream?

**This is a crisis of “financial wellbeing”, a comprehensive term to meet a complex problem.** For the purposes of this challenge we use financial wellbeing as a holistic term to describe someone’s overall financial health. The definition established by the Consumer Financial Protection Bureau serves as authoritative for our purposes.

Financial wellbeing is a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future and is able to make choices that allow them to enjoy life.<sup>8</sup>

It is important to note that, as unsettling as this snapshot may appear, when the data is disaggregated by race, the reality is even more distressing. In fact, some analysts claim the long-standing wealth disparity between white and minority groups is widening; African-American and Hispanic families’ median net worth was less than 15% of white families in 2017.<sup>9</sup> The homeownership rate for African-American and Hispanics is half that of their white counterparts and they are twice as likely to resort to predatory payday lending.<sup>10,11</sup>

For this reason, the Unlocking Change challenge intentionally targeted innovations making an impact in underrepresented communities and programs managed by innovators who look like the communities they seek to serve.

## OPPORTUNITY

The issues outlined above may suggest a grim prognosis for Americans’ financial health, and the prospect of achieving widespread financial wellbeing may seem more aspiration than reality. But economically distressed communities and the organizations that serve them demonstrate ingenuity, resilience, and optimism that has allowed them to weather these challenges time and again. **Innovators, embedded in communities across the United States, with ideas big and small, have compelling, community-driven solutions that ensure financial wellbeing at an individual, community, and societal level.** Here lie some of the most promising solutions to increase financial wellbeing. Innovations that enable individuals to set financial goals, grow their personal savings, access capital, credit, financial services and products needed to thrive.



Mae Watson Grote, CEO of The Financial Clinic, a New York-based non-profit that provides financial counseling to the working poor, is regularly impressed by the ability of her clients to meet their financial challenges. “There is an incredible local genius, a capacity of people to meet their own challenges, in a way better than we can. They’re truly the experts.”

Recognizing this crisis of financial insecurity and seeing the vast untapped potential of local solutions to be scaled to benefit other communities, BNY Mellon and Ashoka launched a social innovation challenge, “Unlocking Change: Innovations for Financial Wellbeing, Resilience, and Freedom.” The purpose of this national competition was to address financial inequality through innovation, identifying and supporting programs advancing financial wellbeing for the country’s most vulnerable populations.

Ashoka Changemakers has found the social innovation challenge as one of the best methods for sourcing and supporting these types of innovations. The challenge identifies and convenes leading innovators to tackle the problem, rapidly finding the top changemakers, connecting them to each other and the broader network to exchange ideas, and then unleashing them—with support and resources—to help improve the topic field at large.

BNY Mellon and Ashoka, two global organizations united by a shared legacy of and commitment to innovation, are uniquely poised to drive this effort. Ashoka’s role as the leader of the social innovation movement and its network of over 3,500 social entrepreneurs allow it to leverage deep expertise in this space. BNY Mellon, the oldest-running bank in the country, was founded with a civic purpose. This legacy inspires its work to this day as it seeks to contribute to the resiliency of global markets and create solutions for some of the world’s most pressing issues. Together with social entrepreneurs, BNY Mellon and Ashoka can lay a foundation of financial wellbeing for every person in the United States—and around the world.

## METHOD

BNY Mellon and Ashoka launched the Unlocking Change Challenge in April 2018, mobilizing a broad network of partners to invite the country’s most promising and effective programs in financial wellbeing. The competition was open to submissions from non-profit and for-profit social enterprises able to demonstrate evidence of impact. A collaborative online platform allowed a community of innovators to offer and receive feedback from peers on their submissions. A panel of reviewers from BNY Mellon and Ashoka then evaluated submissions on the following guiding criteria.

- **INNOVATION:** Leading entries have an original idea, which might involve inventing something new or applying existing approaches in new ways or in a new context. We were particularly interested in models that use fresh approaches to unlock systemic change or to spark mindset shifts that lead to widespread change.
- **IMPACT:** Leading entries are able to demonstrate their success in expanding financial wellbeing to underserved communities through qualitative or quantitative information.
- **SUSTAINABILITY:** Leading entries have realistic plans for how to continue to create impact in the long-term by mobilizing resources such as funding, financing, teams, partnerships, or support networks.

Submissions went through a series of shortlisting processes, and reviewers narrowed the field from over 100 entries to 37 semi-finalists or “Drivers of Financial Wellbeing,” then to 10 finalists or “Pioneers of Financial Wellbeing.” After a thorough review by a cross-sector panel of judges, we announced the four “Champions of Financial Wellbeing,” the challenge’s winners, in October 2018.

These exceptional changemakers were awarded a total of \$200,000 in grant funding, provided with access to mentoring and technical expertise from BNY Mellon and Ashoka experts, and along with the semifinalists, were given access to an exclusive entrepreneurship accelerator at the Social Capital Markets Conference.

## FINANCIAL WELLBEING CHALLENGE JUDGES



**HEIDI DUBOIS**, *Global Head of Philanthropy and Corporate Social Responsibility at BNY Mellon*

Heidi is the Global Head of Philanthropy and Corporate Social Responsibility (CSR). She is responsible for sustaining and expanding BNY Mellon’s leading reputation in CSR by advancing a deep understanding of the quickly evolving CSR field (encompassing social finance) and building and strengthening firm performance and reputation.



**KONSTANZE FRISCHEN**, *Leadership Group Member at Ashoka*

Konstanze leads Ashoka in North America and is a member of the Global Leadership Group. She founded Ashoka in her native Germany in 2003, convinced that social entrepreneurship was needed in Western Europe. She also co-founded the Globalizer, an initiative re-defining what we mean by scale.



**WENDY DE LA ROSA**, *Co-Founder at Common Cents Lab*

Wendy is the co-founder and head of research for Common Cents lab, a research center focused on helping low and middle income households make better financial decisions using social science. In the past, she was Irrational Lab’s Lead Behavioral Strategist, where she focused on helping start Google’s behavioral economics unit.



**CHRIS WHATLEY**, *Executive Director at United Nations Association - USA*

Chris is the Executive Director for the United Nations Association in America. He leads UNA-USA’s nationwide membership, educational, and human rights programs, at the heart of the movement of Americans who support the important work of the United Nations.



**HAMSE WARFA**, *Co-founder at BanQu*

Hamse is the co-founder and Executive Vice President of BanQu, an MIT Innovation award winner, blockchain powered software company working to eradicate extreme poverty by connecting the unbanked to the global economy through a secure, portable digital economic identity platform that allows economically marginalized people to access markets and financing opportunities.



## RESULTS

The challenge concluded in June 2018 and the results were inspiring. 114 innovations were submitted from 44 states across the U.S., representing a diverse array of under-served communities and a variety of approaches to improving financial wellbeing.

Ultimately, four winners were selected as the challenge's "Champions of Financial Wellbeing" and received grant funding and resources to scale their solutions and create even broader impact. They are:

- **FIG LOANS**, Combatting the predatory lending industry, Fig Loans works with non-profits to provide credit building products, like low-interest emergency loans, that provide a bridge to financial stability.
- **FREEFROM**, Aiming to dismantle the link between gender-based violence and financial insecurity, FreeFrom creates financial security for their clients by training them to become entrepreneurs.
- **MISSION ASSET FUND**, Bringing technology to an age-old practice, Mission Asset Fund's Lending Circles program leverages the power of community and social trust to build financial power.
- **CHANGE LABS**, Change Labs is the first co-working and business incubation space to provide rural Native American entrepreneurs with resources and support to foster financial stability.

This report highlights the trends from the competition's leading innovations tackling financial insecurity. In particular, we will examine the competition's semi-finalist "Drivers of Financial Wellbeing," the 37 innovations rated highest by a panel of reviewers from BNY Mellon and Ashoka. Submissions were judged on a rubric that included quality, community, impact, sustainability and innovation.

An analysis of these innovations surfaces six distinct but interrelated trends, characteristics critical to the semi-finalists' success.

1. School Financial Education
2. Prize Good Financial Behaviors
3. Leverage the Local: Deliver solutions through on-the-ground relationships
4. Base on Place: Customize services to meet community's specific needs
5. Reimagine Community as Capital
6. Support Small Business for Big Impact

While many of the innovations submitted illustrate more than just one of these winning characteristics, the report highlights two key examples for each trend.

# 1

## SCHOOL FINANCIAL EDUCATION

*Early, engaging financial education can put children on track for financial wellbeing*

It should be no surprise that a standard, one-size-fits all approach to financial education is not enough to instill good financial behavior. In fact, research indicates that despite all the money spent on financial education each year, most of this funding is woefully inadequate in changing individuals' behavior.<sup>13</sup> Programs that are culturally competent, adapted to the interests and learning styles of children, and deployed early are the most engaging and effective. Whether virtual bank accounts or gamifying lessons on the importance of saving, children are most likely to learn from material designed specifically for them. The material and its facilitators must also be culturally relevant; scenarios or simulations that resonate in one location may be irrelevant in another. These types of early-in-life interventions can help children develop good financial habits and put them on track to make sound financial decisions later in life.



## INNOVATOR SPOTLIGHT

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### **MoneyHub**

#### *Using Technology and Storytelling to Engage Inner-City Youth*

MoneyHub uses engaging videos, interactive learning activities, and app-based games to deliver financial education to middle and high school students in low-income communities in New York City. Facilitators represent and relate to students by delivering relevant and engaging instruction that emphasizes foundational principles and smart financial practices. MoneyHub also certifies instructors to facilitate their curriculum. MoneyHub has conducted 65 workshops impacting approximately 1,000 students since its founding in 2016.



### **Bankaroo**

#### *A Virtual Bank Account for Kids*

Bankaroo is a virtual bank for children that helps them learn about money, budgeting, setting goals, saving, and financial accountability. It offers a family-friendly interface and is accessible via the web and mobile apps. This simulated banking account allows children to track their allowance, save for big purchases, and even allocate funds to charity. Since 2011, Bankaroo has helped more than 250,000 parents, teachers, and children around the world, and 80% of members report opening a real bank account after graduating from the program.

# 2

## PRIZE GOOD FINANCIAL BEHAVIORS

*Leverage insights from behavioral science*

Achieving financial wellbeing does not happen by accident; for most, it is the result of hard work and a steady string of positive financial decisions. This means a track record of careful spending, prudent saving, and planning for the future. But making good financial decisions is easier said than done. Behavioral science has surfaced valuable insights that enable practitioners to incentivize positive financial behaviors and lower the barriers to their adoption. Programs that are informed by a basic understanding of human behavior – such as prize-link savings interventions – are those most likely to lead to the adoption of good financial habits over time. These behaviors are critical to moving people toward a state of sustainable financial wellbeing.



## INNOVATOR SPOTLIGHT

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### **SaverLife**

#### *A Transformative Online Savings Community*

SaverLife incentivizes saving by providing cash prizes and digital awards to recognize positive behaviors. The program connects to users' bank accounts and automatically enters them into a lottery for each week that they save. Customized financial education and coaching is delivered through online, mobile, and text platforms to reinforce positive behaviors. More than 150,000 members have joined SaverLife since the app's launch in 2016 and they have saved over \$25 million. On average, users increase their savings by 2.3x in the six months after joining SaverLife.



### **Flourish**

#### *Making Savings Feel Like Play*

Addressing financial issues can often bring stress and anxiety, which discourages individuals from paying attention to their finances. The Flourish platform takes a fun and social approach to encouraging good financial behaviors. Flourish's app is set up with a savings account and tracks users' balances through a game-like interface that visualizes their progress. As users deposit and keep money in their savings account, they unlock fun activities and are entered into a weekly lottery. This approach keeps users engaged, and they often sign into the app multiple times a week. Working with community organizations and banking partners to co-design and distribute the platform, Flourish has completed their beta version and is now publicly available in the App Store.



# 3

## LEVERAGE THE LOCAL

*Deliver solutions through local partnerships*

Technology offers exciting opportunities to bring impactful programs to scale, expanding a solution's reach across the world in just a few clicks. However, with this comes the potential to overlook the personal dimension of personal finance. Community organizations and social service agencies have established relationships with their clients built on trust and an understanding of each individual's unique circumstances. Therefore, solutions delivered by on-the-ground intermediaries or partners or through local channels have the greatest impact and staying power. This approach not only recognizes the incomparable value of personal relationships but keeps both parties accountable to shared agreements.





## INNOVATOR SPOTLIGHT

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### Fig Loans

*Providing high-tech, low-interest emergency credit to working class Americans.*

Fig Loans provides emergency credit-building loans, both directly to users and as a turnkey solution for community organizations through an online platform. Using advanced technology like machine learning, Fig combats the predatory payday loan industry by providing [credit-building loans](#) and [savings accounts](#) without any fees or penalties. This solution, designed in partnership with the United Way of Greater Houston, allows non-profits to provide loans to their clients while Fig manages underwriting, customer service, and regulatory technology. Fig has funded 20,000 loans to date totaling over \$8 million, saving borrowers an estimated \$10.5 million in fees.



### Dollars and Sense (AHC Inc.)

*Boosting Financial Capability and Self-Sufficiency through affordable housing*

The AHC, a non-profit developer of affordable housing, provides on-site social, financial, and community empowerment programs to increase resident retention and improve their general wellbeing. Dollars and Sense is a financial capability and money management program offered on-site at AHC-managed facilities to equip residents with the skills and resources they need to become financially stable. With local space as their platform, certified financial coaches and full-time on-site staff provide personalized financial education, offer matched savings plans, and report on-time rent payments to credit bureaus to build residents' credit. The program began as an eviction prevention program in 2019, and it has provided services to approximately 700 low-income residents since 2012.

# 4

## BASE ON PLACE

*Customizing services to meet local needs*

Whether we consider widespread wage stagnation, or more locally, a lack of opportunity in one's own neighborhood, contextual factors can conspire to keep financial insecure Americans from increasing their earnings to pay off debt and achieve financial wellbeing. Would-be entrepreneurs from these communities face more obstacles than their more privileged counterparts; an array of physical, cultural, and historical barriers prevent them from starting their business and becoming financial independent. However, programs tailored to the context-specific needs of the constituencies they seek to serve – those which both literally and figuratively met clients 'where they are' – were the most successful in bringing some of the longest neglected communities into the financial fold.



## INNOVATOR SPOTLIGHT

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### Change Labs

#### *Incubating Entrepreneurism in Rural Native American Communities*

Change Labs was founded in 2014 as the first co-working and business incubation space providing rural Native American entrepreneurs with business resources and financial stability. The Navajo Reservation, where officials estimate an unemployment rate as high as 50%, presents unique infrastructural challenges to entrepreneurs. Change Labs enables Native entrepreneurs to overcome these barriers, providing physical space, high-speed internet, and training on subjects like website design, financial planning, and leadership development. Change Labs has helped 23 native startups lay the foundation for their business and connected over 1,300 people with resources to start their own ventures.

## FREEFROM

### FreeFrom

#### *Financial Capacity Building for Survivors of Gender-Based Violence*

FreeFrom aims to dismantle the link between financial insecurity and gender-based violence through a holistic financial capacity building program for survivors. The program provides trainings and workshops that enable women to achieve financial independence so they can leave unsafe situations, rebuild their credit, and become successful entrepreneurs. FreeFrom's online social enterprise, *Gifted by FreeFrom*, connects survivors' small businesses to a global marketplace and provides living wage employment to survivors in transition. The organization also hosts an online Self-Help Compensation Tool to provide survivors with information on legal avenues for economic justice. In 2018, this tool was used over 100,000 times.

# 5

## CONVERT COMMUNITY TO CAPITAL

*Giving the financial power to the people*

Despite the popular aphorism that ‘cash is king’, there may be another equally valuable resource to financial wellbeing: community. Innovators are creating new financial models that democratize authority and ownership. These programs facilitate community loan funds, community property ownership, and collective investment in community development rather than traditional top-down approaches that keep control in the hands of a few. Some of the challenge’s most innovative solutions empowered individuals to take ownership over their own financial wellbeing.





## INNOVATOR SPOTLIGHT

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### Lending Circles (Mission Asset Fund)

*Leveraging Resources and Relationships to Access Credit*

Mission Asset Fund's (MAF) Lending Circles program is grounded in a time-honored tradition practiced in communities worldwide, wherein groups come together to lend and borrow money among family and friends. MAF formalizes these social loans and reports the activity to credit bureaus, allowing participants to start or build credit histories and credit scores. The program has developed a franchise model and replicated across the country with other non-profits, and the service can now be delivered through the MyMAF App. Since it launched in 2008, the Lending Circles program has managed 9,100 loans totaling \$8.4 million and has increased the average participant's credit score by 168 points.



### ROC USA

*A Cooperative Model for Economic Security in Mobile Home Communities*

The vast majority of residents in mobile home communities are low-income, and because their homes are on rented land, they are subject to many risks such as rent increases and displacement should the land under their homes be sold for redevelopment. ROC USA helps residents organize, educates them on cooperative ownership, and finances the cooperative's purchase of the land. Each homeowner then owns one share in the co-op, providing them with a foundation for economic security. ROC USA operates a national CDFI and with nine Network affiliates and has helped more than 240 mobile home co-ops in 16 states.

# 6

## SUPPORT SMALL BUSINESS FOR BIG IMPACT

*Empower entrepreneurs to build capital and create jobs*

Investing in entrepreneurs and small businesses has a far-reaching ripple effect that benefits the larger economy. Small businesses contribute 65% of all new jobs and are vital to overall economic growth.<sup>14</sup> In addition, the new goods and services provided by entrepreneurs can stimulate—even revolutionize—other sectors and industries, posing a major economic impact. (Just think of the smartphone!) However, entrepreneurs from low and moderate income communities are often turned down for funding or shut out of valuable opportunities to grow their businesses. Programs that support these innovators, like those submitted to the challenge, can help generate jobs and wealth in the communities that need it most.





## INNOVATOR SPOTLIGHT

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### **Opportunity Fund**

*Investing in Underserved Small Business at Scale*

Opportunity Fund invests in small business owners who do not have access to traditional financial resources. They provide loans ranging from \$2,600 to \$250,000 (which provide working capital or help fund significant purchases like food trucks) to entrepreneurs through an online platform. This capital, coupled with devoted business advice, enables small business owners to overcome barriers to financial inclusion and join the financial mainstream, generating jobs and revenue, and strengthening their communities. Since 1994, Opportunity Fund has originated over 12,500 loans and invested \$270 million in underserved small businesses.



### **Access to Capital and Expertise for Emerging Entrepreneurs (University of Evansville)**

*Developing Business Skills in Local Community and University Students*

Access to Capital and Expertise for Emerging Entrepreneurs (ACE<sup>3</sup>) supports the launch and growth of minority and women-owned businesses from underserved communities in the Evansville, Indiana area. The program's students work with business leaders and faculty to evaluate loan applications and to provide business coaching and fresh perspectives to local startups. ACE<sup>3</sup> boasts a dual benefit, providing business advice and loans of up to \$10,000 to local entrepreneurs while offering a valuable experiential learning opportunity to college students. Through the program, nearly 50 students have consulted with 60 clients and granted eight small business loans totaling \$30,000.

## LOOKING AHEAD

As we embarked on this journey, we encountered many exciting searches for solutions that leveraged financial technology, or FinTech, to support financial wellbeing. Indeed, technology was a common thread that ran through nearly all of the challenge's submissions and is indispensable in taking solutions to scale. However, what was most innovative about the work of the Drivers of Financial Wellbeing was not necessarily their application of technology, but the centrality of the *person* to the concept of personal finance. These innovators advocated a holistic approach to financial wellbeing that holds up the importance of social relationships, collective action, and community to achieving economic empowerment.

Taken further, the six trends identified here represent a broader shift from the status quo—the ways we are used to approaching issues of financial wellbeing—to new ways of organizing resources, relationships, and even our own thinking. These innovations advocated a shift on three levels.

- **“SHIFTING MINDSETS”** requires those who design and implement financial wellbeing interventions and programs to **(1)** tailor financial education to meet the needs of the recipient and **(2)** apply learnings mined by behavioral psychology to incentivize good financial behaviors.
- **“SHIFTING RELATIONSHIPS”** advocates that **(3)** programs be delivered through existing local relationships and **(4)** customized to the needs of a particular environment.
- Lastly, **“SHIFTING RESOURCES”** requires a redistribution of **(5)** trust and autonomy in lending among local communities and **(6)** support to small businesses as drivers of the economy.

Despite the many challenges to financial wellbeing, this search uncovered many areas of promise that demonstrate the power of small, local ideas to make a global impact and for this we are optimistic for the ability of communities to achieve financial wellbeing. The impact of the solutions submitted to this challenge are a testament to communities' grit, resilience, and ingenuity in developing solutions that allow them to survive despite hardship and inequality.

Clearly, though, these ideas will not thrive on their own. Just as this challenge required the mobilization of an ecosystem, it is a community of partners—non-profit, corporate, public, provider, client, etc.—that must work together to collaboratively develop and nurture these ideas. It is in the shared interest of all actors to bring more people into the financial mainstream and improve financial wellbeing for all.

## APPENDIX 1

### SEMI-FINALISTS ANALYZED FOR INNOVATION TRENDS

The following are the semi-finalists analyzed for trends in innovation. Many semi-finalists represented multiple trends but are listed by one primary trend each for simplicity.

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#### 1. SCHOOL FINANCIAL EDUCATION

*Employ a generational approach to financial education*



##### **Bankaroo**

###### *Virtual Bank for Kids*

Offering an educational (virtual) bank for kids, enabling teachers and parents to teach kids about money, savings, and managing goals.



##### **ESOP**

###### *Senior Financial Empowerment Initiative*

Helping low-income older adults age in place with greater financial stability through an integrated suite of financial capability programs.



##### **Family Independence Initiative**

###### *monthly, 2 year journey so support financial progress*

Trusting and investing directly in low-income families so they can work individually and collectively to achieve prosperity.



##### **Inversant**

###### *Parental Engagement for Financial Literacy*

Ensuring low-income families have resources and understanding to achieve higher education goals as a pathway to economic independence.



##### **Money Hub**

###### *Financial Literacy for Urban Youth*

Using the power of technology and storytelling to teach financial literacy to youth.



##### **Our House**

###### *Financial Empowerment for the Working Homeless*

Giving homeless and near-homeless families and individuals the resources they need to achieve financial empowerment and stability.

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## 2. KEEP HUMAN BEHAVIOR TOP OF MIND

*Leverage insights from behavioral science*



### **Champion Network**

#### *Financial Literacy Incentivized Savings Program*

Helping low-income older adults age in place with greater financial stability through an integrated suite of financial capability programs.



### **Flourish**

#### *Making Savings Feel Like Play!*

Empowering individuals through a personal finance tool to establish positive financial habits making savings feel like play using games and rewards.



### **Pay Your Tuition**

#### *Pay-For-Success Student Loans*

Connecting families and banks to provide new solutions to financing education.



### **SaverLife**

#### *A Transformative Online Savings Community*

Helping low-income families save and develop lasting financial stability through a vibrant online platform.



### **\$pending Frenzy!**

#### *Experiential learning for the real world.*

Offering experiential financial education for Native American youth

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### 3. LEVERAGE THE LOCAL

*Deliver Solutions through Local Partnerships*



#### **AHC**

*Boosting Financial Capability and Self Sufficiency for Very Low-Income Residents*

Providing onsite Resident Services in its affordable housing communities to empower residents to live their best lives.



#### **Can I Live, Inc**

*One Million Moms OFF Welfare*

Empowering Families to Reduce Dependency on Government Subsidies through non traditional career pathways.



#### **Fig Loans**

*Building a Bridge from Bad to Good Credit*

Working with non-profits to provide credit building products that bridge families from income volatility to financial stability.



#### **Hot Bread Kitchen**

*Baking Breadwinners*

Changing lives through innovative culinary training that offers economic security to low-income women & their families.



#### **JUMA**

*It Starts With a Job*

Creating employment opportunities for youth from underserved communities.

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## 4. BASE ON PLACE

### *Customizing Services to Meet Local Needs*



#### **Capital Good Fund**

##### *Putting Predatory Lending Out of Business Through Affordable Small-Dollar Loans*

Taking on the \$141 billion predatory loan industry that consists of payday, auto-title, and other lenders.



#### **Change Labs**

Providing rural Native American entrepreneurs with financial stability through a co-working and business incubation space.



#### **FreeFrom**

##### *Healing, Rebuilding, & Thriving; Financial Capacity Building for Survivors of Gender-Based Violence*

Dismantling the nexus between financial insecurity and gender-based violence so that survivors have the opportunity to thrive.



#### **SmartMH**

##### *Educating Manufactured Homebuyers*

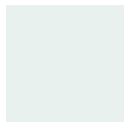
Changing the market system of how manufactured homes are built, sold, and financed, while preparing and supporting homebuyers.



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## 5. CONVERT COMMUNITY TO CAPITAL

*Giving the financial power to the people*



### **AATech**

#### *Holistic Solutions for Socially Disadvantaged Communities in the Southwest*

Since 2012 AATech developed 20+ community-based programs, attracted over \$3M federal fund for Socially Disadvantaged groups in the Southwest



### **ABLE National Resource Center**

#### *Building Savers in the Disability Community*

Creating pathways out of poverty through education, peer support and the use of technology-based solutions.



### **Mission Asset Fund**

#### *Financial Well-Being from the Ground Up*

Using technology and finance for good; leveraging the power of community, social trust, and cultural assets to build financial power.



### **ROC USA**

#### *Cooperative “Mobile Home” Communities*

Making resident ownership of Manufactured (“Mobile”) Home Communities viable and successful.



### **Upsolve**

#### *Bankruptcy Assistance at Scale to Low-Income Americans*

Using technology to provide bankruptcy assistance and financial education to low-income Americans across the country at scale.



### **WANDA**

#### *Education Equity Empowerment*

Building self-efficacy and economic advancement for low income single mothers and beyond.

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## 6. SUPPORT SMALL BUSINESS FOR BIG IMPACT

*Empower entrepreneurs to build capital and create jobs*



### **Access to Capital and Expertise for Emerging Entrepreneurs (ACE<sup>3</sup>)**

Supporting women and minority owned business enterprises while providing business students invaluable experience.

ALL OUR KIN



### **All Our Kin**

*Building High-Quality, Sustainable Family Child Care Businesses*

Building sustainable family childcare businesses to create opportunities for both caregivers and parents to thrive.



### **Baltimore Corps**

*Pursuing Economic Justice and Financial Health through Local Entrepreneurship*

Reimagining a city, empowering its most financially insecure with tools, support, and resources to seed and grow main street entrepreneurs



### **Centro Community Partners**

*Microenterprise Development Solution to Alleviate Poverty Utilizing Mobile Technology*

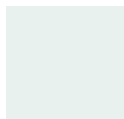
Empowering underserved entrepreneurs via a free Business Planning App is designed to start/grow small businesses through simple activities.



### **Dollaride**

*A Mobility Company for Communities Underserved by Public Transit*

Providing a mass transit service, powered by a thriving network of drivers & small business owners in underserved communities



### **Deploying the Boots to Bootstrapping Microloan Program**

SBA microloan fund targeting 10,000 post 9-11 veterans seeking achieve self-sufficiency through entrepreneurship.

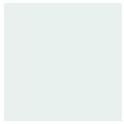


ENVision mobile

### **ENVision mobile**

*Financial Inclusion for Microentrepreneurs*

Building business management tools for low-income microentrepreneurs who primarily sell consumer goods in cash.



## **HBCUvc**

### *Increasing Access to Capital for Minority Entrepreneurs by Creating More Minority Investors*

Closing the racial wealth gap in communities of color by teaching black and Latinx college students how to invest in entrepreneurship.



## **JUST**

### *Unlocking Capital and New opportunities for Women Entrepreneurs*

Disrupting US microfinance to make trust-based lending the gold standard in financing women entrepreneurs in low-income communities.



## **Opportunity Fund**

### *Investing in Underserved Small Businesses at Scale*

Saying “yes!” to the dreams of enterprising entrepreneurs by providing access to responsible capital at scale.



## **Prison Entrepreneurship Program**

### *Breaking Cycles of Generational Poverty and Incarceration*

Uniting business executives and inmates through entrepreneurial passion and servant leadership to transform lives, families and communities.

## APPENDIX 2

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### REIMAGINE WHAT'S POSSIBLE WITH PARTNERSHIPS

It is only through collaborative cross-sector partnerships that we can solve the world's most intractable problems like financial insecurity. BNY Mellon is invested in improving lives and focused on building the workforce of the future. With its non-profit partners, the company connects some of society's most under-served communities with the training and education in technology and business skills required to prepare them for employment in the digital age, ensuring their financial wellbeing and allowing individuals, their families, and communities to thrive. Some examples of these partnerships are below.



#### **The City University of New York (or CUNY),**

the largest urban university system in the country, is a major engine of social mobility.<sup>15</sup> BNY Mellon has invested \$1 million over three years to provide financial support to high-achieving, low-income students pursuing careers in STEM or finance-related fields. The scholarship will benefit 330 students, reducing the barriers to graduation for those who have faced hurdles in life and demonstrated resiliency and a drive to succeed academically.



**Year Up** aims to close the opportunity divide by providing underserved young adults with the skills, experience, and support they need to reach their full potential through professional careers and higher education. Since 2007, BNY Mellon has hosted 176 Year Up interns in addition to providing the organization with philanthropic support. Last year a group of BNY Mellon employees partnered with the non-profit as pro bono technology consultants and developed a prototype for an attendance tracking app to increase the time teachers can devote to student instruction.

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Financial Wellbeing Challenge entrants' applications  
to changemakers.com (see appendix)

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### SUPPORT BY:

Ashoka is grateful to BNY Mellon for its support,  
which made this report and the Financial Wellbeing  
Challenge possible.



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