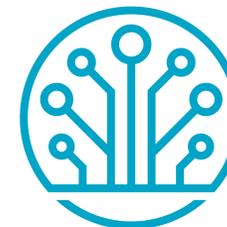


The Lessons Fintech Apps Teach... Or Don't

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FILENE'S CENTER OF EXCELLENCE FOR
EMERGING TECHNOLOGY



Total Accounts >

\$165,821

Credit Score >

705 8



BILLS

**You have \$1,048
in bills due**

Pay these three bills
then you're all caught up.



Learn



This is How You Copy the Experts

What is a hedge fund? With 'Copy the Experts,' you can copy their strategy without the high...



Make Resolutions into Realities

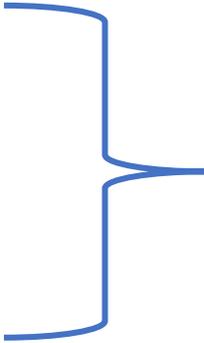
Did you make a Resolution (or three) for 2017? Maybe... Start saving.



Debt & Equity

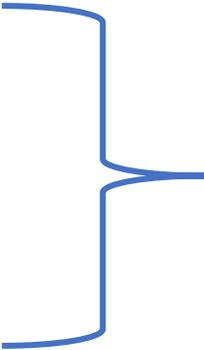
You can invest in debt and in equity, but

Mint
You Need A Budget
Wally



Budgeting/tracking apps

Acorns
Stash



Investing apps

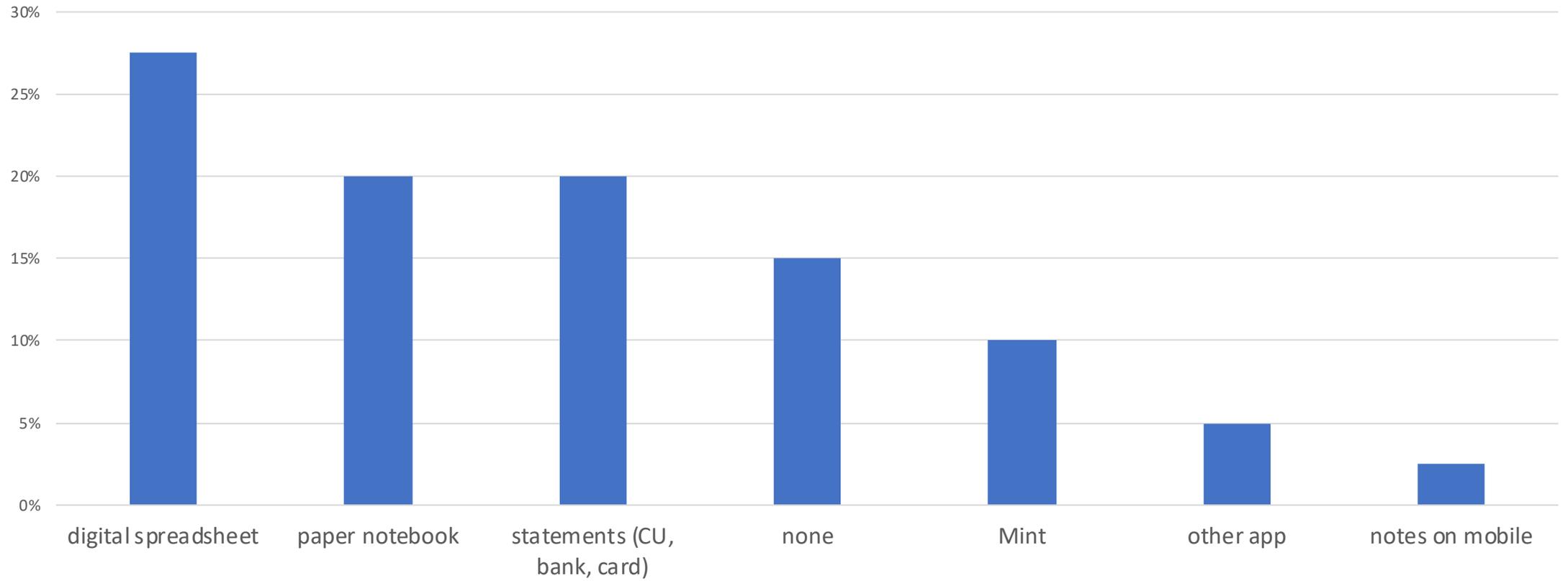
THE PROBLEM

TRUST

- How and why users trust or do not trust these apps to give them good advice
- How and why users trust or do not trust these apps with their personal data
- How and why the apps generate emotional responses that motivate behavior... or don't



Prior accounting method



CHALLENGES

MISMATCH

- Variable, Irregular Incomes
- Venmo
- Resilience of Cash
- Category Problems

2.22 sometimes the apps are kind of too smart in terms of making assumptions about stuff, in a way that I found really like, frustrating. Like when I used Venmo, it automatically categorized it as babysitting or something. They just default settings that you then have to go back in and change in a way that I quickly realized didn't make sense for me to spend time doing. When I had Excel budgeting habits that worked fine for me. So I just didn't bother recategorizing those kinds of expenses. So I stopped kind of using it for budgeting or paying much attention to that...

1.20 So for instance, the reason why [the app can't track my budgeting] is that the way that I budget is, if I receive an X amount every month, I put in an amount less than that to budget with. So for instance, I'll do something like if I'm getting a thousand dollars, I'll put out in five hundred so that's my budget to work with. So the figures of the budget and the figures of the bank account don't always match.

1.8. I get my tips in cash 'cause I'm a server, so I've just been using that and taking a percentage of my tips every time I have a server job and then every paycheck I'm going to, I guess, take it out in cash once I put it into the bank. I actually just bought like a cash safe box so like, I'm paranoid.... I'm all in cash I kind of just want to save my money slowly.

CHALLENGES

MIXED MESSAGES

- Gamifying FICO
- Offers and rewards
- Encouraging consumption

FG5M1: yeah, it was contradictory. I mean just like, okay like first of all I can't afford to eat, I'm trying to invest and make money and not shop, you know. So, like I don't know it was just really weird. I didn't feel like it was comfortable. I feel like if I was going to try to do something like that like that's not the way to go. Like, you know, offers . .

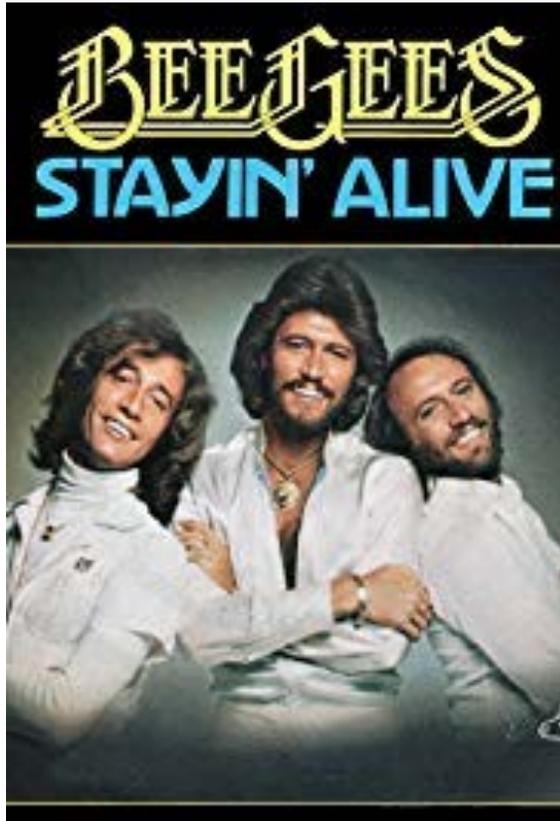
M1: Within Mint, it's mostly like financial things, so like credit cards a lot. So, they'll like suggest, they'll be like, "You spend a lot on," let's say it's hotels, "you should get . . . you can . . . like here's this credit card that has good benefits for hotels," and things like that.

CHALLENGES

APP FAIL

- Linking to accounts
- Providing information

M1: For me, it was kind of a harder process. So, I thought I was putting in my password wrong 'cause then it says something about my bank account, but I guess I was doing it right. And I kept . . . I think I did it about seven times and ((I: Whoa.)) and it just wouldn't let me go through. So then, it gave me the other option to like do it manually. So, you put in your bank account number and then you put in a routing number, and then after that, after I put that information in, they made me send in an ID, so I sent in my ID, and that took about two days through for processing. And then after that it linked my bank account. And then after that it disconnected my bank account. And then after that I had to like redo the same thing over...



FG5 M1: I remember the articles were like very like kind of . . . , it felt like you were reading like a *New York Times* article or something that has like the name of the author and something like that. And it's like, oh, this is how you do this and that. And it's all very like . . . it felt more like an academic thing.

TRUST

AND TIME

In the app it has a projection like in decades. “If you continue the way that you’re doing right now, you could save like \$70,000.” And I guess that that’s the way long-term investment works, but I don’t quite . . . My Vanguard, like I trust that they’re going to be around in that amount of time, that, you know, I’m going to like actually be able to grow that over decades. Whereas Acorns, I don’t know if the technology is going to be the same, like with the app. I don’t know if the company’s going to be around for decades

TRUST

AND DESIGN

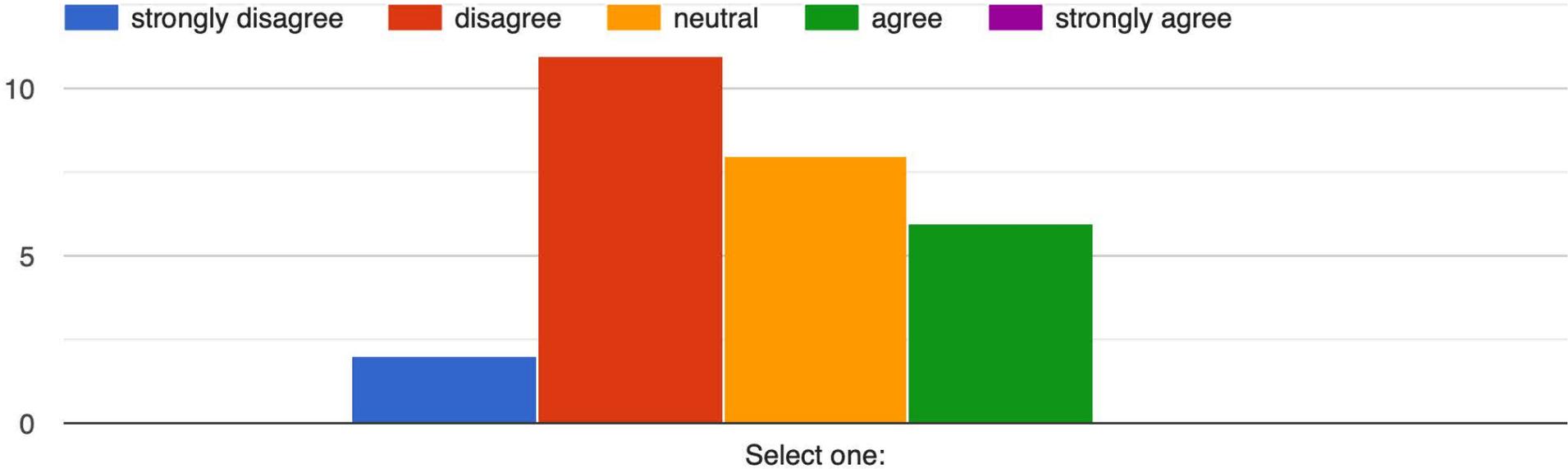
2.14 I feel like the IT department of some big banks kind of suck a lot, like (Citi's) system. So then because of that, I feel like it would be less competent than like a fintech, if it was a fintech company that managed it. I feel like the data would be better managed and less likely to be— Well, they'd have better security and protection of the data kind of thing. But the actual features and the UI and how everything flows I feel like might be lower quality.

TRUST

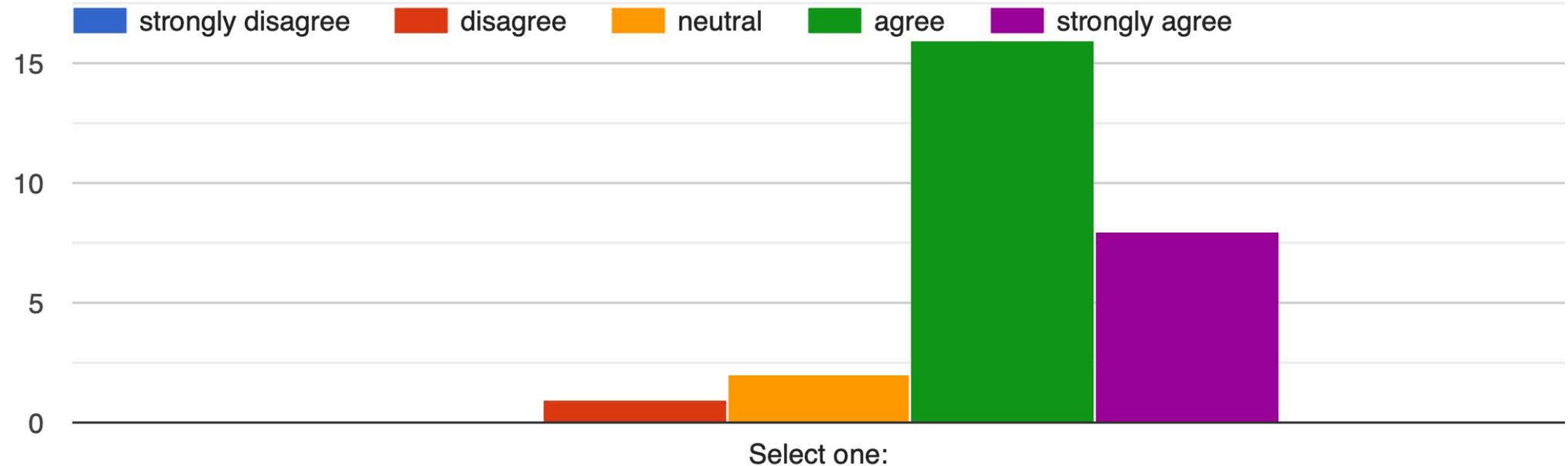
A CU/BANK ADVANTAGE?

I know this is Wells Fargo and people are like, Wells Fargo is trash, they'll take your money. And I'm like, I know. But like, the person who would always help me was really cool. He's a great guy who like, helped me with all my cards and bank account and working everything out. He was a great person so I trust him.

I trust technology companies (Amazon, Google, Facebook) to protect my data and use it responsibly.



I trust my financial institution (commercial bank, credit union, etc.) to protect my data and use it responsibly.



GATEWAYS

2.20 learned that they would “prefer an old fashioned, old fashioned way of investment. I think that’s what I learned from this”

2.19 I am definitely way more conscious about where my money is going.

2.1 [Stash] has given me a perspective on financial planning and how to, again it was kind of like a gateway for me to think about my finances and what are my options

CONFUSED ANXIOUS

FUTURE

OVERWHELMED
INCONVENIENCE

BORED NEUTRAL ANNOYED

PUT CHASTISED

STRESSED

THOUGHTFUL

CONFIDENT

SCARED
FRUSTRATION

SPENDING

PERSPECTIVE

ADDICTIVE
FUN

INTERESTED

VIGILANT

ANXIETY
AGGRESSED
MOTIVATED
DISAPPOINTED

CONFIDENT
EXCITED
FRUSTRATED

STRESS

FRUSTRATED



SOME FEELS

CREDIT UNION IMPLICATIONS

KEY TAKE-AWAYS

DESIGN

MATTERS

CREDIT UNION IMPLICATIONS

STEPPING STONE TO FACE-TO-FACE



CREDIT UNION IMPLICATIONS

TRUST IS TENUOUS



CREDIT UNION IMPLICATIONS

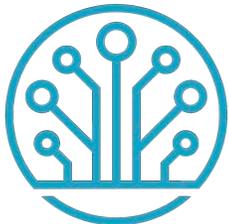
PRIVACY (STILL) MATTERS



THANK YOU

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