

FINANCIAL TECHNOLOGY = FINANCIAL SECURITY

What is Financial Technology?

Often referred to as FinTech, financial technology is a business model based on using software to provide financial services. Many banks, lenders, and even the government offers customers the option to manage their financial accounts online or using apps on their phones and tablets. Customers can also use FinTech to make payments at the grocery store, taxi cabs, or online purchases. Though this technology may threaten to leave a segment of the working-poor population behind, with proper coaching and education, these **customers can leverage FinTech to build better budgets, manage their balances, and more closely monitor their progress on financial goals.** Ultimately, FinTech can lead to financial security for the working-poor.

In a recently conducted survey¹ analyzing the usage of FinTech by the Clinic's working-poor customer base, the Clinic found that:

49% of banked customers use mobile banking.

Of the 51% of banked customers who reported that they do not use mobile banking,

30% cited technological literacy **32%** cited access to technology

as a barrier to usage.

Barriers to Mobile Banking:



TRUST

ACCESS

LITERACY

More and more financial institutions and government agencies are turning to technology and online capabilities to manage customer flow and services. For some customers this may be highly beneficial and in these instances, it may be advantageous to identify areas they could be using financial technology where they currently are not. For customers who find it challenging to use financial technology, a toolkit to help them use the services could be highly useful.

RECOMMENDATION

- Financial development services include an evaluation or screening process that will identify customers who need financial technology coaching and have a process in place by which these customers can gain access to the technology and build the requisite skills for efficient usage.
- New York City Housing Authority (NYCHA) provide free or low-cost Wi-Fi in public housing

SOURCES

¹ Blankenbeckler, Joshua A., and Ostojic, Sasha. Mobile Financial Technology Usage. New York, NY: 1 Aug – 1 Dec. 2014. Unpublished Survey.

