

# ADVANCING ECONOMIC INCLUSION

Empowering Underserved Communities with Fintech



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# EXECUTIVE SUMMARY

Digital payments is one of the most innovative and progressive industries, offering a sophisticated and interconnected infrastructure that delivers financial products and services that benefit consumers, businesses, and the American economy. These offerings are safe, secure, and promote financial inclusion for consumers, including those who have traditionally lacked full access to the financial system to conduct everyday financial transactions.

In recent years, financial institutions (FIs) and fintech companies have transformed the financial landscape, introducing cutting-edge technologies that broaden consumer access to new financial solutions at reduced costs. The COVID-19 pandemic has spurred further technological breakthroughs in the past two years, enabling traditionally underserved consumers to enhance their financial management, transactions, and stability.

This report by the Electronic Transactions Association (ETA) showcases how its members are creating new opportunities for underserved populations and addressing their changing financial needs. Building on its 2016 publication, the report highlights recent product and service introductions, including:

## COVID-19 PANDEMIC ECONOMIC RELIEF

COVID-19 Pandemic Economic Relief was powered by the payments industry. The electronic payments industry facilitated billions of dollars in benefits across multiple technology platforms quickly and securely, allowing individuals and small businesses to receive much-needed assistance.

## OPEN FINANCE

Open finance an extension of Open Banking, enables consumers and businesses to securely share their financial data with accredited third parties, allowing for improved access to financial services.

## PREPAID PRODUCTS

Prepaid products provide cost-effective, convenient, and innovative payment options for millions of consumers, including those with limited or no access to traditional financial accounts.

## NONTRADITIONAL PAYMENTS

Nontraditional payments options are becoming increasingly popular as they allow consumers to cash checks conveniently, move funds between individuals easily, and pay for goods and services affordably, without needing an account with a traditional financial institution.

## **MOBILE BANKING SERVICES & INNOVATIONS IN ADA COMPLIANCE**

Mobile Banking Services & Innovations in ADA Compliance services provide financial independence and security to demographic groups that lack easy access to brick and mortar branches, such as consumers in rural areas, the elderly, and individuals with disabilities.

## **MOBILE PAYMENTS**

Mobile payments are a convenient and secure alternative to cash and checks, allowing consumers to pay for goods and services securely and cost-effectively, while also facilitating greater financial literacy by enabling consumers to manage their accounts from their mobile devices.

## **PEER-2-PEER PAYMENTS**

Peer-2-peer payments technology is altering the way individuals exchange money by enabling the secure, instantaneous transfer of funds through mobile applications.

## **CROSS BORDER PAYMENTS**

Cross border payments are transforming the global financial landscape by making international payments and remittances cheaper, quicker, and more accessible for consumers.

## **EXPANDED INTERNET ACCESS**

Expanded internet access provides affordable internet to underserved communities by improving infrastructure and reducing costs.

## **ONLINE SMALL BUSINESS LENDING**

Online lenders are expanding access to credit and providing small businesses with affordable loans using innovative technologies and sophisticated, data-driven underwriting to evaluate potential borrowers, reaching funding decisions swiftly and providing capital expeditiously.

## **INTERACTIVE, AUTOMATED TELLERS**


Financial institutions are deploying a new generation of technology to transform traditional branches and make them more economically sustainable in underserved communities with branches that have smaller physical footprints but offer a broader range of services at more convenient hours.

## **FINANCIAL LITERACY & READINESS PROGRAMS**

To educate and empower adults and school-age students about today's modern financial products and services landscape, ETA members offer programs on how to manage finances and invest for the future.

## **DIVERSITY, EQUITY, AND INCLUSION INITIATIVES**

In addition to raising awareness, ETA and its members foster an environment in which every colleague can feel included. Unprecedented technological advancements highlighted in this white paper continue to provide substantial benefits to underserved consumers and the economy as a whole.

 **ETA members work to provide products and services that enable all consumers to conduct their everyday financial transactions.**

ETA member companies continue to advance the global flow of commerce while delivering affordable financial tools and services that meet the needs of underserved consumers. New digital payment options, for example, mean that people no longer have to wait weeks for a physical check. Online purchases now account for billions of dollars in monthly purchasing volume and ETA member companies strive to continually improve the electronic payments and financial ecosystem to ensure its security, efficiency, and availability to as many consumers as possible. Expanding the ability to access the financial system empowers all consumers to take charge of their financial well-being and creates a more resilient and more inclusive economy.

# ETA MESSAGE TO POLICYMAKERS

**With safe, responsible, convenient, and rewarding payment solutions and lending alternatives that are accessible to a broad range of consumers, ETA member companies are developing innovative products and redefining the way commerce is conducted.**

As the leading trade association for the digital transactions industry, ETA urges policymakers to support these initiatives through policies that promote innovation and the use of technology to improve financial outcomes for all consumers.

 **We urge policymakers to apply regulations based on the risk profile of each product or service.**

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## UNDERSTANDING THE FINANCIAL SERVICES NEEDS OF THE UNDERSERVED

An inclusive financial system provides consumers and businesses with access to a range of financial products and services, and financial inclusion is contingent on the development of new technologies. FIs and fintechs broaden the availability of existing offerings by making them more accessible and lowering costs.

Nearly one-third of online small business borrowers are located in underserved communities. ETA's members are at the forefront of using technology to expand financial inclusion for underserved consumers.

Fintech companies are building an inclusive financial system that addresses the needs of underserved consumers by increasing the accessibility of ATMs for people with disabilities, helping the elderly and residents of rural communities to deposit checks remotely, assisting parents in sending funds instantly to their children in college, and making small business loans more readily available.

### **FIs and fintechs broaden the availability of existing offerings by making them more accessible and lowering costs.**

Products and services such as prepaid cards, mobile banking, P2P payments, electronic payment systems, expanded access to the internet, and alternative lending sources for small businesses address the needs of underserved consumers by providing:

#### **ACCESS**

Permitting consumers to gain access to funds and financial services wherever and whenever it is necessary.

#### **AFFORDABILITY**

Ensuring that consumers can select from an array of reasonably priced products and services. Technology is increasing competition and decreasing the price of goods and services, which makes products more affordable and accessible to consumers.

#### **CONVENIENCE**

Providing consumers with multiple payment options in order to save them time and money.

#### **SECURITY**

Protecting consumer funds from physical and electronic theft or fraud.

#### **CONTROL AND FINANCIAL MANAGEMENT**

Helping consumers gain better control of their finances through financial literacy and a variety of financial management tools.

The section that follows elaborates on the many ways in which ETA member companies are using technology to address the financial needs of underserved consumers and small businesses.

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# COVID-19 PANDEMIC RESPONSE: FINTECH TO THE RESCUE

During the COVID-19 pandemic, ETA members played a key role in helping federal and state government agencies deliver billions of dollars in Paycheck Protection Program (PPP) small business loans, stimulus payments, and other benefits to alleviate economic hardship.

As federal and state governments provided stimulus and unemployment payments to Americans struggling with the fiscal repercussions of COVID-19, the electronic payments industry was there to expedite and secure the distribution of benefits.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act<sup>1</sup> authorized economic impact payments (EIPs) totaling \$290 billion. To distribute stimulus funds, the Treasury Department and the Social Security Administration resorted in part to two long-standing prepaid card programs—Mastercard’s Direct Express and Visa’s U.S. Debit— as well as P2P systems. Federal agencies used these payment solutions to distribute more than \$9 billion to 5.7 million Americans.<sup>2</sup>

## CASH APP

By using a powerful combination of prepaid cards and peer-to-peer services for distribution, the EIP stimulus reached consumers quickly, with funds that could be used immediately. To expedite the EIP delivery for individuals without bank accounts, some fintech companies allowed individuals to create free bank accounts. On the P2P platform of Cash App, where this has always been one of their core features, this was simple for consumers to accomplish.<sup>3</sup>

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<sup>1</sup> Public Law No. 116-136

<sup>2</sup> IRS, “Treasury, IRS Announce Delivery of 159 Million Economic Impact Payments,” at <https://home.treasury.gov/news/press-releases/sm1025>

<sup>3</sup> Cash App, “Cash App, The Stimulus, and You,” at <https://cash.app/help/us/en-us/1018-cashapp-the-stimulus-and-you>




By using these digital payment options, government agencies ensured that individuals would not have to wait weeks or months for a physical check or figure out how and where to cash it. Instead, individuals could use their stimulus funds immediately with the prepaid card, which offered the same consumer protections as other digital payment methods, safeguarding them from fraud, loss, and other errors.

## EBT EXPANDED BENEFITS

Under the Families First Coronavirus Response Act<sup>4</sup>, a second pandemic response initiative, the government proposed covering the cost of school lunches for eligible children so that families could purchase the equivalent value of those meals at stores using special Pandemic-EBT (P-EBT) cards.

## FIS

FIS services U.S. government programs that provide financial assistance to families and children in need as they navigate the effects of the pandemic, difficult economic conditions and poverty. During the past two years, FIS processed and operated the P-EBT program, which enables children to receive emergency nutrition benefits loaded onto P-EBT cards that can be used to purchase food.



**By using digital payment options, government agencies ensured that individuals would not have to wait weeks or months for a physical check or figure out how and where to cash it.**

In 2021, FIS distributed \$21.3 billion in food benefits through 10.9 million new P-EBT cards in more than half of the states in the country. Since the beginning of the P-EBT program in 2020, FIS has distributed \$26.7 billion in food benefits through 21.7 million P-EBT cards. FIS also worked with the U.S. Department of Agriculture (USDA) and state agencies to implement online shopping using EBT cards, creating a new channel for low-income families to acquire groceries via contactless options.

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<sup>4</sup>Public Law No. 116-127

Paying for groceries online with an EBT card was not an option before the COVID-19 pandemic, and FIS is only one of two companies that offer a secure solution for online shopping using EBT cards. This new channel now accounts for approximately seven percent of all EBT transactions. Through their banking partners, FIS also supports Unemployment Insurance programs for nine U.S. states. Their services include providing card production, card processing, and call center services for these state unemployment insurance programs, which help provide essential financial relief for those in need. In 2021, FIS helped distribute unemployment funds to 10.5 million households.

## FISERV

Fiserv, a leader in global payments and financial services technology solutions, and the USDA began work to accelerate use of EBT as an online payment method across large, small, and mid-sized grocers. For millions of Americans, this provided an opportunity for the first time to shop for groceries online, for direct delivery from the grocer, delivery through a third-party integrator, or curbside pickup.

Using a proprietary PIN-on-glass solution within Carat, the commerce ecosystem from Fiserv, grocers can create a digital PIN pad within their digital commerce environment that allows EBT cardholders to verify each transaction. The digital PINpad was critical given that all EBT transactions, in-person or online, require the use of the cardholder's PIN. Another innovation vital to the success of EBT Online allows grocers to separate goods in a shopper's basket based on EBT-eligibility, and split payment at checkout.

 **Through 2022, EBT Online purchases accounted for billions of dollars in monthly purchasing volume.**

In 2020, Fiserv was the first USDA-approved provider enabling grocers to accept a consumer's EBT payment online and quickly made the technology available to large, mid-sized, and small U.S. grocers. Through 2022, EBT Online purchases accounted for billions of dollars in monthly purchasing volume and EBT cardholders could buy groceries online from grocers such as ALDI, Amazon, H-E-B, ShopRite, Walmart, and third-party delivery services like Instacart.<sup>5</sup>

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<sup>5</sup> Fiserv Enables SNAP Online EBT Payment Acceptance for Grocers, <https://newsroom.fiserv.com/news-releases/news-release-details/fiserv-enables-snap-online-ebt-payment-acceptance-grocers>

## DIGITAL BORROWING PLATFORMS DISPERSED STIMULUS FUNDING

The electronic payments industry's ability to deliver stimulus also included relief to small businesses. ETA members—both traditional and fintech participants—used modern lending tools to help the Small Business Administration (SBA) process and disburse nearly \$110 billion to more than 1.5 million businesses.<sup>6</sup>

### INTUIT

For more than 25 years, Intuit with QuickBooks, has been assisting small businesses manage their books, get paid quickly, manage capital, and pay employees with confidence. When COVID-19 upended the small business community, Intuit used its fintech experience to help their customers obtain more than \$1 billion in SBA approved PPP loans and save hundreds of thousands of jobs.

Intuit provided an easy-to-use, automated PPP loan application process for eligible QuickBooks customers seeking a PPP loan of up to \$150,000. Small businesses were able to quickly apply for a PPP loan using business data already available in their QuickBooks account. QuickBooks Capital also partnered with SBA-approved lender Cross River to facilitate PPP applications for additional eligible customers directly through Cross River's platform.<sup>7</sup>

**PPP loans facilitated through newer fintech services went to some of the smallest businesses in the nation.**

Through the CARES Act, QuickBooks Capital helped eligible customers access more than \$1.2 billion in SBA-approved and PPP loans in 2020. QuickBooks Capital has helped more than 30,000 small businesses access these loans, keeping more than 220,000 employees on payrolls. Last year, the average loan size for eligible QuickBooks customers was less than \$40,000, compared with \$100,000, the average PPP loan size distributed by the SBA.

<sup>6</sup>As of Nov. 2020, the SBA has lent \$525 billion to 5.2 million businesses

<sup>7</sup>Through its platform and in collaboration with partners, Cross River became one of the top PPP lenders in the country, reaching more than 375,000 businesses during the PPP. With an average loan size below \$25,000, Cross River and its partners supported the most vulnerable small businesses and communities. <https://www.crossriver.com/paycheck-protection-program>.

## VISA

Since setting their small and micro businesses (SMBs) digital enablement goal in June 2020, Visa made great progress and is on track to digitally enable 50 million SMBs by the end of 2023, having helped over 40 million at the end of FY22. Visa launched community-based programs around the globe, from Dubai to Washington, D.C., to help more small businesses accept digital payments and gain greater access to the digital economy.

On a global scale, Visa has directed resources to SMBs through programs tailored to fit the needs of local communities. Among them, the company has transformed payment acceptance with Visa Tap to Pay, which enables sellers to accept contactless payments. Around the world, excluding the U.S., over 70 percent of Visa face-to-face transactions are tapped. After the pandemic, consumer preferences have changed in that 57 percent of consumers are tapping a contactless card on a terminal more often and 81 percent perceive contactless as a cleaner / touch-free way to pay. In the U.S., over 500 million contactless cards are in market and over 280 of the top 300 merchants are enabled for tap to pay in places like drugstores, retail, and grocery.

## FISERV

Moving money took on new urgency during a pandemic, when financial support became a critical means of helping individuals, families, and communities in need. Whether through job losses, business closure, or a lack of tourism, the COVID-19 pandemic severely affected consumers and businesses. With economies and households continuing to struggle, many local, state, and federal government organizations were tasked with infusing money back into the economy to stabilize households and stimulate an otherwise depressed economy.



**The HRC program disbursed more than \$75 million directly to Hawaiian residents and provided food assistance to nearly 150,000 unemployed individuals and families.**

To help government organizations provide economic relief to people whose financial well-being was affected by the pandemic, Fiserv found innovative ways to use prepaid technology to simplify and expedite the way public sector organizations were able to move money to communities that needed it most.

## COVID-19 PANDEMIC RESPONSE: FINTECH TO THE RESCUE

By simplifying the process of moving money, Fiserv helped government organizations of all sizes maximize their impact through customizable disbursement programs that meet the specific needs of each organization. By leveraging an end-to-end prepaid card program, these public entities can:

- **Access flexible payment distribution solutions that can be tailored for social service programs or relief efforts;**
- **Accelerate spending and stimulate economic environments;**
- **Leverage infrastructure support, security, and delivery for cards and payments;**
- **Expedite distribution, provide cardholder support, and ensure fraud protection.**

One example of Fiserv helping local economies can be seen in Hawaii. Tourism is the foundation of Hawaii's economy, supporting more than 200,000 jobs with annual visitor spending of more than \$17 billion. The COVID-19 pandemic virtually wiped out this source of private capital for the economy, sending the state into a state of shock.


Hawaii and Fiserv partnered to design and roll out the Hawaii Restaurant Card (HRC) program, an economic stimulus initiative supported by Federal CARES Act funds. Fully implemented and ready to launch within a matter of weeks, individuals eligible for unemployment insurance received a \$500 prepaid card usable only at island-based restaurants and food-related businesses. By routing funds to residents on a card to be used at local businesses, the state of Hawaii was also able to support the struggling restaurant industry and stimulate economic activity throughout the state's entire food supply chain.

The HRC program disbursed more than \$75 million directly to Hawaiian residents and provided food assistance to nearly 150,000 unemployed individuals and families. By distributing the \$500 prepaid debit card usable at island-based restaurants, bakeries, caterers, farmers, fishermen and restaurant supply businesses, the program was also able to generate more than 1.7 million transactions at local businesses. In 60 days, the program had an economic multiplier effect of more than \$151 million. Furthermore, the program created or helped retain 1,162 jobs and assisted more than 4,200 restaurants and businesses.

## EARLY WARNING SERVICES, LLC/ZELLE®

As the network operator that equips the U.S. financial system with identity and account insights and money movement solutions that help to empower and reduce risk for consumers, financial

institutions, and enterprises, Early Warning Services (EWS) provided their risk insight capabilities to the U.S. Treasury during distribution of the EIPs and monthly Child Tax Credit payments.



**As consumers continue to rely on fintech apps and services to manage their finances, providing exceptional banking experiences means ensuring seamless access to those services.**

EWS validated account ownership for the distribution of the third round of EIPs and the monthly Child Tax Credit payments, helping the IRS distribute pandemic relief electronically with greater accuracy and speed by preventing the sending of funds to closed/incorrect accounts. During the pandemic, EWS' account verification services supported the Treasury by maximizing electronic delivery of benefits by ensuring that payments went to the correct accounts for 49.5 million EIPs and 8.8 million total of the monthly Child Tax Credit payments, totaling ~\$116 billion in direct deposits. Early Warning identified ~\$9 billion in potentially fraudulent activity between these two critical efforts.

# OPEN FINANCE AS A TOOL FOR UNDERSERVED CONSUMERS

Consumers are increasingly turning to digital applications and services to manage their finances, a trend that has accelerated significantly as a result of the COVID-19 pandemic. Use of these digital services, also known as fintech, has increased dramatically over the past year. Most Americans (59 percent) now report using fintech to manage their money, from budgeting and saving, to investing and paying off debts. Two thirds of Americans (69 percent) say fintech has been a “lifeline” during the pandemic and that they could not have kept up with their finances during the pandemic without the digital apps, products, and services they rely on.<sup>8</sup>

As consumers continue to rely on fintech apps and services to manage their finances, providing exceptional banking experiences means ensuring seamless access to those services. Open finance entails providing consumers with a full picture of their finances and allowing any company to use financial data, with the consumer’s consent, to generate new products and services for their customers.

## PLAID

Plaid helps people connect their bank accounts to the apps and services they want to use. For almost a decade, Plaid has powered the modern fintech ecosystem, granting consumers access to a network of more than 11,000 FIs and 5,500 fintech apps and services across the United States, Canada, the United Kingdom, and Europe. Today, one in three US adults have an account linked with Plaid.

 **Unbanked households are at their lowest levels since 2009.**

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<sup>8</sup>Plaid. (2020). The Fintech Effect: Spotlight on COVID-19, <https://plaid.com/documents/the-fintech-effect-spotlight-on-covid.pdf>

Consumer adoption continues to accelerate, especially among financially vulnerable populations and those who have never participated in financial services. Given the role that Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs) play in supporting the economic growth and financial health of traditionally underserved communities, embracing open finance and ensuring access to the full financial ecosystem is a vital step in expanding economic opportunity.

## TRUSTLY

With consumer permission, Trustly leverages financial data via API-based connections with 6,300 banks in 30 countries. These connections allow Trustly to help over 525 million consumers leverage their own financial data to make payments and or gain access to financial services at more than 8,100 merchants globally.



**Billions of people around the world face inconvenient, time-consuming, and prohibitively expensive systems for completing simple transactions like cashing a paycheck or sending money to a loved one.**

First, this encourages healthy financial habits by allowing credit-averse consumers to pay with funds already in their bank accounts. Second, reliable bank data allows underserved consumers to be considered for financial services that would be otherwise inaccessible. For example, while many consumers lack actionable credit data, Open Banking allows them to be approved for services such as mortgages and loans based on other reliability factors: on-time payments, consistent income, the ability and propensity to pay, etc. Finally, Trustly fits naturally within embedded finance solutions by providing the data needed to embed financial services into the digital journey. This improves the user experience, brings simplicity and accessibility to consumers, and fosters inclusivity by enabling businesses to offer financial services based on a consumer's unique financial situation.



# PREPAID PRODUCTS

**Many ETA members offer prepaid products, which provide cost-effective, convenient, and innovative payment options for millions of consumers, especially for the millions of consumers with limited or no access to other financial services.**

There are two main categories of prepaid products:

- **Closed-loop products** are limited to purchases from a single company or at a designated location, such as a gift card for a particular retail store that can be purchased in-store or at another retail location.
- **Open-loop products** can be used at virtually any retail location or business. Examples include reloadable gift cards or general-purpose network-branded reloadable cards that can be used to make purchases and obtain cash from ATM machines.

According to the Federal Deposit Insurance Corporation (FDIC), 4.5 percent of households do not have an account through an FI and instead rely on alternative products to complete basic financial services<sup>9</sup>. That rate, which represents about 5.9 million U.S. households, is almost a full percentage point lower than when the survey was last conducted in 2019, and is the lowest level recorded since the FDIC began conducting the survey in 2009.

The FDIC also found that underserved households were more likely to use prepaid cards to conduct multiple types of transactions. Almost half of underserved households with prepaid cards (47.6 percent) used them to conduct four or more types of transactions in the past 12 months.

Open-loop prepaid cards are particularly popular among consumers seeking to manage or protect their finances, including college students, low-income individuals who may not have access to a traditional checking account, and consumers traveling internationally. In fact, the federal government uses open-loop prepaid cards as an alternative to paper checks for many of its benefit programs. A partnership between the U.S. Department of Treasury, Mastercard, and Comerica Bank provides several million Americans with a safe and reliable way to receive federal benefit payments electronically on a Mastercard prepaid card<sup>10</sup>. Many of the consumers who use this product do not use mainstream financial services. One of the goals of prepaid products is to increase the use of the card as a payment instrument, rather than as a means to access cash, so that consumers have a more secure method of managing their money.

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<sup>9</sup> 2021 FDIC National Survey of Unbanked and Underbanked Households

<sup>10</sup> Andrew Gillen, Using Mobile Technology to Drive Financial Inclusion with Direct Express®, BeyondTheTransaction, (April 28, 2016), <http://newsroom.mastercard.com/2016/04/28/using-mobile-technology-to-drive-financial-inclusion-with-direct-express/>.

## NETSPEND

Prepaid cards have shown demonstrable benefits for the underserved, particularly those who use open-loop products. Providing America's underserved consumers with access to prepaid cards makes their money safer and helps move them into the increasingly important world of online transactions. For example, Netspend's prepaid debit card offers direct deposit and online bill-pay<sup>11</sup> features which were once exclusive to customers of FIs. Now, debit cardholders can open savings accounts and budget their money in ways that open the door to financial security and stability.

Netspend cardholders also have access to optional overdraft protection with built-in safeguards that prevent abuse and assist consumers with meeting emergency expenses. The optional opt-in feature helps Netspend customers bridge their financial gaps and achieve stability in the event of an unexpected expense.

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## NONTRADITIONAL PAYMENTS PLAY A MAJOR ROLE IN HELPING THE UNDERSERVED

Billions of people around the world face inconvenient, time-consuming, and prohibitively expensive systems for completing simple transactions like cashing a paycheck or sending money to a loved one. In this era of mobile technology and advanced software platforms, the fintech sector supports this underserved group by helping people around the world manage, move, and spend their money by providing more consumer choice.

The fintech sector is well positioned to offer nontraditional financial services to the underserved. ETA member companies such as Amazon, Western Union, and PayPal offer safe, secure, and convenient ways for consumers to add cash directly to their accounts.

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<sup>11</sup> About Netspend | Netspend Prepaid Debit Cards. (2017). Retrieved from [https://www.netspend.com/about\\_netspend](https://www.netspend.com/about_netspend).

## CASH APP

With Cash App, consumers can deposit paychecks directly into their bank account without a fee. Cash App instantly covers ATM fees, including ATM operator fees, for customers who get \$300 (or more) in paychecks directly deposited into their Cash App each month. Once a consumer has successfully received \$300 in paychecks, an additional 31 days of ATM fee reimbursements<sup>12</sup> will be added for each qualifying deposit(s) thereafter. In 2021, Cash App also rolled out its Paper Money<sup>13</sup> feature which allows Cash App users to load money directly to their Cash App account at more than 15 retailers such as Walgreens, Walmart, 7-Eleven, Family Dollar, etc. This feature also allows the Cash App user to view a map to find the closest deposit location.

## PAYSAFE

Paysafecash<sup>14</sup>, a Paysafe Group product, was specifically developed for the needs of online shoppers. Paysafecash allows consumers to make online purchases but complete the process with cash at a physical payment point. At checkout, participating merchants provide the customers the option to “pay with cash.” The consumer receives a barcode to complete the payment amount via text, email or printable PDF and can then pay in cash and complete the purchase at more than 70,000 7-Eleven, CVS, Walgreen, and Family Dollar locations. The company’s app store locator can be used to find eCash payment locations and points of sale.



**47 percent of U.S. consumers said that they’d like to buy products online using eCash solutions if it were simple, and 43 percent said they would shop online more regularly if these payment options were available.**

Other eCash solutions such as the Paysafe card enable financially underserved consumers to instead use prepaid vouchers and enter the voucher code to complete a transaction via an online checkout, with no credit card or bank account details required.

<sup>12</sup> <https://cash.app/help/us/en-us/1114-cash-atm>

<sup>13</sup> <https://cash.app/help/us/en-us/6488-paper-money-deposits/>

<sup>14</sup> <https://www.paysafecash.com/en-us/>

## NONTRADITIONAL PAYMENTS PLAY A MAJOR ROLE IN HELPING THE UNDERSERVED

According to Paysafe research, 47 percent of U.S. consumers said that they'd like to buy products online using this method if it were simple, and 43 percent said they would shop online more regularly if this payment option was available.

### AMAZON

U.S. customers who prefer to use cash are now able to shop on Amazon. Already available in 19 countries around the world, Amazon PayCode launched in the U.S. in September 2019, allowing customers to choose Amazon PayCode at checkout and then pay for their purchase in cash at one of 15,000 Western Union locations. Items ship once customers pay for their purchase in person at a participating Western Union location. Also, Amazon Cash, which enables customers to load cash into their Amazon Balance for making online purchases, is now available at more than 100,000 Walgreens, CVS, Game Stop, Rite Aid, and 7-Eleven locations.

### PAYPAL

PayPal has also created new ways to add money to individual PayPal accounts with the PayPal Cash Mastercard and PayPal Cash. The PayPal Cash Mastercard offers free signup, with no monthly fees and no minimum balance requirement. With the card, users can access the money in their PayPal account to shop online or in stores wherever Mastercard is accepted. They can also withdraw cash from ATMs worldwide, including more than 25,000 free MoneyPass® ATMs nationwide.



**With the services and products offered by ETA member companies, underserved consumers have more cash payment options and pathways for participating in the digital economy.**

PayPal Cash is a feature that allows consumers to add money to their PayPal accounts at more than 20,000 retail and convenience-stores (including 7-Eleven, CVS, and Rite Aid) so they can shop or pay their bills online. PayPal also allows individuals to directly deposit their paychecks into their PayPal account for free, so consumers can enjoy the benefits of spending their PayPal balance anywhere. These funds are protected with FDIC insurance, and there is no minimum balance requirement.

## NONTRADITIONAL PAYMENTS PLAY A MAJOR ROLE IN HELPING THE UNDERSERVED

The Federal Reserve Bank of San Francisco<sup>15</sup> reported that, in 2022, cash accounted for 20 percent of payments made in-person. With the services and products offered by ETA member companies, underserved consumers have more cash payment options and pathways for participating in the digital economy.

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## FINANCIAL LITERACY & READINESS PROGRAMS

Financial literacy empowers consumers to take control of their finances and prepare for the future. ETA member companies offer several products and services that aim to expand consumer financial literacy.

### EARLY WARNING SERVICES/ZELLE®

With more consumers shifting banking behavior online, Zelle®, a digital payments network owned by Early Warning Services has invested in a number of financial literacy and consumer education programs.

To educate consumers through online channels, Zelle® partnered with Vox Media to launch “The Science Behind Scams,”<sup>16</sup> an award-winning Explainer Series focused on educating consumers about modern-day scams and how to avoid becoming a victim.

Since November 2021, Zelle® has collaborated with Nev Schulman (host & executive producer of MTV’s Catfish) to educate consumers on social media about trending scams and preventative measures. Zelle® and Nev have created multiple PSA videos on prevalent scams, including utility scams, Facebook Marketplace scams, and many others.

In order to educate high school students who are new to digital banking, Zelle® has partnered with EVERFI, a leading social change organization, to offer free educational courses for high school students across the country.

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<sup>15</sup> Findings from the Diary of Consumer Payment Choice (2022). Federal Reserve Bank of San Francisco.

<sup>16</sup> <https://next.voxcreative.com/c/ad/22735196/zelle-pay-it-safe>

Together, they created Money Moves: Modern Banking & Identity Protection®, a course designed to prepare high school students to bank responsibly in the digital age, protect themselves from scams and fraud, and safeguard their financial future. Since the launching of the program in 2019, Zelle® has reached over 200,000 students in over 4,200 schools nationwide.

 **Almost half of underserved households with prepaid cards (47.6 percent) used them to conduct four or more types of transactions in the past 12 months.**

Additionally, Zelle® has joined the nonprofit collaboration Cybercrime Support Network (CSN) as a lead sponsor. With cybercrime on the rise and the use of digital payment systems continuing to grow across the U.S., Zelle® and CSN are working together to spread awareness and educate consumers and small businesses on how to protect themselves from financial fraud and scams.


## CROSS RIVER

Cross River, a financial services company that combines the expertise of a bank with the innovation of a fintech company, engages directly with communities to offer financial literacy services. Working hand-in-hand with local legislators and civic leadership, the bank continues to build out financial literacy initiatives and community service programs for consumers of all ages. A focus of Cross River's initiatives has been the rising reliance on technology and how it can be used to improve a consumer's financial health. Cross River also leveraged its expertise through a series of workshops on computer programming fundamentals for elementary students. Promoting financial literacy requires an understanding of the significance of technology and the provision of consumers with the skills necessary to navigate the modern system.

The content of Cross River's financial literacy initiatives provides consumers with the tools they need to take control of their financial well-being. As a result of the positive momentum and successful events Cross River has initiated, the company will continue to educate consumers providing modernized, technology focused financial literacy programs, including issues related to digital scams, financial empowerment, entrepreneurship, and modern skills such as coding. Collaborating with corporate and strategic partners, Cross River will continue to develop more comprehensive digital financial literacy education programs to help individuals become more responsible for their own financial planning, manage their own savings, retirement plans and pension accounts, and avoid fraud-like encounters through the digital-age scams.

## PLAID

By focusing on democratizing financial services through technology, Plaid gives consumers control over their financial data so they can use it to power the apps and services they prefer, regardless of where or how they bank. Plaid's technology makes for a more inclusive financial services ecosystem, creating a way for all people to use their financial data to access the best financial tools and services to better manage their financial lives.



**Many of Plaid's customers have developed products on the Plaid data platform to help the underserved, including Dave, Earnin, Even, Digit, MoneyLion, LendUp, Upstart, Stilt, and Tally.**

Many of Plaid's customers have developed products on the Plaid data platform to help the underserved, including Dave, Earnin, Even, Digit, MoneyLion, LendUp, Upstart, Stilt, and Tally. These Plaid-enabled services have allowed millions of consumers to use their own data to budget more effectively, from offering tools to help consumers manage their account balances and avoid overdraft fees to providing tools that help users analyze their cash flow to calculate how much they can afford to save, and then automatically set that amount aside every day. Plaid also allows consumers who are new to credit or have a limited credit history to share their data and demonstrate their creditworthiness with lenders. Borrowers who already have loans can share their data with lenders to offer lower rates with better data. In these ways, the Plaid data platform helps consumers easily and safely leverage their data to access these innovative services.<sup>27</sup>

## DISCOVER

Discover was the first major credit card issuer to provide FICO® credit scores for free to cardholders online and in monthly statements. Other card issuers followed suit by offering some form of credit score to their cardmembers.

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<sup>17</sup>"Company | Plaid." Homepage - Plaid, [plaid.com/company/](https://plaid.com/company/).

## FINANCIAL LITERACY & READINESS PROGRAMS

In May 2016, Discover announced it would offer FICO® scores for free through its Credit Scorecard program for all consumers, including those who are not Discover cardholders, to help educate them about credit, the various factors that go into creating their credit scores, and how their credit scores are used.<sup>18</sup> The ability to access personal credit scores for free allows more consumers to be aware of their financial standing. Particularly for underserved consumers such as college-aged students, or those with little or no credit history, this tool provides a foundation for building financial health.

In addition to the Credit Scorecard program, Discover has introduced the Discover it® Secured Credit Card for consumers looking to build or rebuild their credit. The card requires applicants to provide a security deposit, which Discover holds as collateral for a credit line that is equal to the deposit amount (minimum of \$200, maximum of \$2,500 based on creditworthiness). After the card member has had the account for one year, Discover will review the Discover it® Secured Credit Card account each month to see if the card member can transition to an account that does not require a security deposit. Another unique feature of the Discover it® Secured Credit Card is that it reports to all three major credit bureaus, enabling card members to build a personal credit history with the use of the card.

## JP MORGAN CHASE

JP Morgan Chase provides several solutions for customers to manage their day-to-day finances and long-term goals by developing and delivering affordable, innovative financial products and services designed to meet consumers' needs and support their financial health. One such product is the Chase Slate® credit card. Customers can enroll in the Slate Credit Dashboard, which provides a monthly credit score, information on factors influencing the score, a summary of the cardholder's Experian credit report, and tips for managing credit health. More than 3.7 million customers have enrolled in the Credit Dashboard.<sup>19</sup>

## WELLS FARGO

Wells Fargo and the Wells Fargo Foundation are committed to closing equity gaps in banking and promoting financial inclusion through fintech and related innovations. Wells Fargo's Banking Inclusion Initiative<sup>20</sup> is a 10-year commitment launched in 2021 to help more people gain access to affordable, mainstream, digitally enabled, transactional accounts.

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<sup>18</sup> Rob Berger, Discover Now Offers Free FICO Scores to Everybody, FORBES (May 20, 2016, 09:55 AM), <http://www.forbes.com/sites/robertberger/2016/05/20/discover-now-offers-free-fico-scores-to-everybody/#1631bab244ae>.

<sup>19</sup> JP Morgan Chase. Promoting Financial Health. Retrieved from [www.jpmorganchase.com/financialhealth](http://www.jpmorganchase.com/financialhealth).

<sup>20</sup> <https://www.wellsfargo.com/jump/enterprise/banking-inclusion-initiative/?adlt=strict>



The initiative focuses on Black and African American, Hispanic, and Native American/Alaska Native families, who account for more than half of America's 5.9 million+ unbanked households. The commitment is also to assist those who are underbanked and underserved, who may have a bank account but continue to use high-cost, non-bank services. In its first two years, the Banking Inclusion Initiative has conducted research that revealed the misperceptions and obstacles that keep people unbanked. The Banking Inclusion Initiative is taking steps to address these barriers by providing financial education and advice through several Wells Fargo work streams.



**Since 2017, Wells Fargo has given more than \$22 million for one-on-one financial counseling and coaching.**

As part of the Banking Inclusion Initiative, Wells Fargo has teamed with Operation HOPE to launch HOPE Inside centers within diverse and low- to moderate-income (LMI) communities, which provide free financial education workshops and one-on-one coaching. This work is currently live in five markets: Atlanta, Oakland, Houston, Phoenix, and Los Angeles. Wells Fargo intends to expand HOPE Inside centers<sup>21</sup> to 20 markets, serving 150 branch locations by the end of 2023. In addition, Wells Fargo supports the HBCU Community Development Action Coalition by launching Our Money Matters, a comprehensive financial wellness initiative for college students of color, who face disproportionately greater financial challenges and college debt. Wells Fargo also launched tailored Our Money Matters<sup>22</sup> financial wellness platforms to 15 Minority Depository Institutions through the National Bankers Association.

Additionally, through the Hands on Banking<sup>®</sup> program, Wells Fargo offers free, non-commercial, learning resources for financial education in all life stages, from elementary school students to older adults, and in both self-paced virtual and in-person group workshop format. The content helps build a wide range of financial knowledge, from banking basics to credit, investing, and home buying. Many of its resources are available in Spanish as well as English. Wells Fargo also provides grant funding for financial health initiatives focused on underserved communities, including the Financial Capability Grant Program. Since 2017, Wells Fargo has given more than \$22 million for one-on-one financial counseling and coaching.

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<sup>21</sup> <https://newsroom.wf.com/English/news-releases/news-release-details/2022/Wells-Fargo-and-Operation-HOPE-Team-Up-to-Accelerate-Financial-Inclusion/default.aspx?adlt=strict>

<sup>22</sup> <https://www.our-money-matters.org/>

### VISA

Barriers to financial services are complex and expanding access to the underserved requires a multilayered approach. By collaborating with industry, clients, government, and nongovernment organizations, Visa is helping provide relevant and cost-effective solutions that serve the unbanked and underserved.

Elevating fintechs as they develop innovative products and solutions to support underserved communities is instrumental in promoting financial inclusion across the industry. For the fourth year, Visa continued its activities with the Inclusive Fintech 50 (IF50) in partnership with Accion International, Comic Relief, Jersey Overseas Aid, MetLife Foundation, and the International Finance Corporation of the World Bank. The global initiative annually spotlights 50 early stage fintechs demonstrating a commitment to and performance in reaching the underserved, as well as strong business fundamentals. The goal of the program is to increase the visibility of these fintechs to the growing pool of venture funding and investors who can help them increase their positive socio-economic impact. Participants provide a range of solutions in credit, insurance, payments, personal financial management, and infrastructure, such as digital identity.

An essential part of Visa's approach to financial inclusion is financial education. For more than 30 years, Visa has developed innovative, free to use and easily accessible financial education resources for businesses, individuals and communities that help people learn the fundamentals of personal finance, including budgeting, saving, responsible spending and the wise use of credit.


Visa's financial education programs and resources include the financial literacy initiative, Practical Money Skills (PMS), a free program to help people of all ages learn essential personal financial management; Financial Football and the recently launched Financial Soccer, two themed interactive and free to use educational video games; the Marvel Custom Solutions partnership where one million copies of financial literacy comic books have been distributed to 16 regions around the world; and, Practical Business Skills (PBS), a global digital platform that teaches SMBs to start, manage and grow a business through 50 different learning modules.

### NCR

Another ETA member company, NCR, has launched a robust financial management tool for its customers, based on the long-held belief that financial literacy is a critical steppingstone to expanding access to financial services. Expanded broadband availability and high rates of adoption of mobile phones across all income brackets have increased the opportunity to create user-friendly, easy-to-understand financial management tools and put them directly in the hands of customers.

## NCR

NCR's FinanceWorks places powerful family financial management tools right at a person's fingertips. It allows a family to track its spending and budget, view a graphical display that breaks down spending by category, and gain valuable insights into spending patterns. It also allows individuals to establish a budget, create savings goals, and set up automatic deposits in savings accounts.



**People who use FinanceWorks access their financial information 51 percent more frequently than those who do not, helping them gain more control over their budget and finances.**

For the financially underserved, fees associated with financial accounts have long been a significant impediment to financial health. Highly intuitive solutions such as FinanceWorks allow families to stay on top of their finances and avoid unnecessary fees. Research has shown that people who use FinanceWorks access their financial information 51 percent more frequently than those who do not, helping them gain more control over their budget and finances.


## FIS

FIS actively partners with the Cities for Financial Empowerment Fund's (CFE Fund) Bank On initiative. The CFE Fund is a national non-profit organization focused on helping municipalities expand affordable access to financial services and provide financial empowerment programs.

Bank On, which seeks to ensure everyone has access to a safe and affordable bank or credit union account, encourages banks and credit unions to offer simplified, affordable accounts with features such as no overdraft fees, transaction capabilities and online bill pay that meet the Bank On National Account Standards.

The CFE Fund also supports close to 100 local, regional, and state Bank On coalitions that work to directly connect consumers to Bank On certified accounts through large scale programmatic opportunities. In 2021, FIS's Decision Solutions team partnered with the CFE Fund to make consumer access to Bank On certified accounts easier by offering a new, Bank On-specific customer review strategy for FIS' ChexSystems QualiFile® product. ChexSystems® provides financial institutions with dynamic dashboards to track and monitor account and strategy performance and educational reports to inform consumers of their ChexSystems® history.

Through the Bank On Account Opening Strategy with QualiFile®, which deploys a best practice, financially inclusive account opening strategy, users are able to identify and enroll in safe, low-cost transaction products certified by the CFE Fund. The Bank On strategy is designed to help financial institutions reach more underbanked and unbanked consumers and can be customized to include rules to fit specific risk tolerance given the low risk of these no-overdraft accounts. This partnership will enhance the ability of the thousands of financial institutions we serve to open more secure and affordable checking and savings accounts and to educate consumers on how to establish a successful, long-term banking relationship.




**These partnerships will enhance the ability of the thousands of financial institutions we serve to open more secure and affordable checking and savings accounts and to educate consumers on how to establish a successful, long-term banking relationship.**

FIS is also partnering with clients to increase financial literacy and education for young people. GoHenry, an FIS client in the UK, provides kids and teens with access to payment tools, including a prepaid debit card and financial education app with parental controls that helps them learn how to safely manage money while building their financial confidence and knowledge. FIS is supporting GoHenry's expansion and ability to bring innovative options to meet the needs of younger consumers in both the UK and U.S.

In 2021, FIS revamped its Financial Literacy Program, adding a Young Adult Program designed to help 14- to 20-year-olds learn the basics of personal finance and develop a positive relationship with money. Partnering with Martin County High School, FIS completed a pilot of the Young Adult Program with over 40 students participating – many of whom shared positive feedback and helped FIS refine and finalize the content.

The financial literacy courses are available free for download by any institution or organization and are designed to exist on consumer-facing websites or apps. The program will soon be expanded to include additional content to provide adults of all ages with practical knowledge, skill-building opportunities and resources they can use to manage their finances with confidence. By the end of 2022, additional literacy content is expected to be available geared toward older adults and their caregivers as well as small businesses. In addition, over 20 million EBT cardholders have access to the program through the FIS EBT Cardholder Portal. The content includes lessons on setting goals, budgeting, saving, borrowing and using credit, which are crucial for helping adults of all ages make healthy financial choices.

FIS is committed to building a more inclusive economy and strengthening support and partnership with their MDIs and CDFI clients. FIS believes that strengthening these partnerships expands financial inclusion. In 2021, FIS partnered with the National Bankers Association and OCC's Project REACH to support efforts to advocate for legislative and regulatory policies that strengthen minority banks and their communities.



**ETA companies work closely with their clients to develop solution sets that expand their reach into the communities they serve in order to help consumers overcome accessibility or financial literacy barriers.**

As part of their financial inclusion initiatives, FIS established an external MDI/ CDFI steering committee in order to focus on improving the customer experience and drive positive change for this unique community of clients. The committee is a banker-led advisory group with a purpose of convening to strengthen the bank/core provider relationship by addressing challenges and identifying technological opportunities and solutions.

Additionally, FIS also partnered with The Clearing House (TCH) on a new program to expand services for MDIs. FIS and TCH are jointly funding the onboarding fees for minority-owned banks and credit unions joining the RTP® network, the real-time payments network operated by TCH. Access to real-time payments can alleviate many cash-flow issues for individuals and small businesses, especially in underserved communities often susceptible to predatory lending practices.

# MOBILE BANKING SERVICES AND INNOVATIONS IN ADA COMPLIANCE

The internet has allowed for the creation, deployment, and adoption of mobile banking services by a wide range of demographic groups. These services help the underserved attain financial independence and security.

The most recent Pew Research Center study on mobile phone ownership found that 97 percent of the U.S. adult population has a mobile phone and 85 percent of mobile phones are smartphones, a steady increase from previous years.<sup>23</sup> The FDIC has found that mobile banking, as a primary method of account access has increased sharply (from 9.5 percent in 2015 to 43.5 percent in 2021), overtaking online banking as the most prevalent primary banking method.<sup>24</sup>

The disabled are one demographic group that has benefited immensely from the emergence of mobile banking. For example, touchscreen-only accessibility features on mobile phones and other devices allow a visually impaired individual to single-tap any portion of the screen to hear an audible description of the button they are touching, and then to double-tap to activate that button.

The latest generation of accessibility solutions is designed to work across multiple platforms so that people with disabilities have access to a single accessible system when using financial services through an ATM, tablet, or smartphone. The ability to learn one accessibility system and use it across multiple devices is an important advancement that keeps people with sight, hearing, or other disabilities from having to deal with multiple formats. Thanks to these features, people with disabilities can now use the same simple and effective system, whether they are depositing a digital check with their phone, transferring money on a tablet, or withdrawing cash at an ATM. This broader range of devices with highly effective accessibility features increases the availability of a variety of financial services to people with disabilities.

## MASTERCARD

Mastercard extends its commitment to inclusivity with the introduction of the Touch Card, a new accessible card standard for blind and partially sighted people. There are few effective ways for the visually impaired to quickly determine whether they are holding a credit, debit, or prepaid card, particularly as more cards move to flat designs without embossed names and numbers. Mastercard is addressing this challenge with a simple yet effective innovation.

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<sup>23</sup>Demographics of Mobile Device Ownership and Adoption in the United States. (2021). Retrieved from <http://www.pewinternet.org/fact-sheet/mobile/>

<sup>24</sup>Federal Deposit Insurance Corporation. (2021). National Survey of Unbanked and Underbanked Households

With the new Touch Card, Mastercard has improved upon a current design standard by introducing a system of notches on the side of the card to help consumers use the right card, the right way, by touch alone. The new Touch Card credit cards have a round notch; debit cards have a broad squarish notch; and prepaid cards have a triangular notch. The card has been designed to work with point-of-sale terminals and ATMs.

Mastercard's concept has been vetted and endorsed by The Royal National Institute of Blind People in the United Kingdom and VISIONS/Services for the Blind and Visually Impaired in the United States. The card was co-designed by IDEMIA, the global leader in Augmented Identity, which offers trusted solutions in the physical as well as digital space.



**Shopping on mobile devices drives ecommerce. During Black Friday and Cyber Monday in 2022, smartphones accounted for \$9.8 billion (or 48 percent) of all e-commerce sales.**

ETA members are providing a greater sense of security, inclusivity, and independence to the billions of people around the world with various disabilities to engage in commerce. These technologies and innovations allow all consumers the opportunity to benefit from the convenience and security of a digital world.

## VISA

Accessibility is an essential component of Visa's purpose to uplift everyone, everywhere by being the best way to pay and be paid. When making products and services more accessible, the payments industry can help ensure inclusion of people with disabilities in payment services, and the Visa Accessibility team<sup>25</sup> is dedicated to this goal.

Visa has been supporting accessibility for over 15 years and has extensive subject matter expertise working with the Web Content Accessibility Guidelines (WCAG)<sup>26</sup>, which is the globally accepted accessibility standard for web applications and digital experiences. To scale accessibility across the company in a sustainable and consistent manner, Visa's Accessibility team created the Visa Global Accessibility Requirements (VGAR)<sup>27</sup> as a reference point within Visa for building accessible experiences for web, mobile, documentation and more.

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<sup>25</sup> [https://www.youtube.com/watch?v=h4epVr9LFwQ&ab\\_channel=VisaCommunication](https://www.youtube.com/watch?v=h4epVr9LFwQ&ab_channel=VisaCommunication)

<sup>26</sup> <https://www.w3.org/WAI/standards-guidelines/wcag/>

<sup>27</sup> <https://developer.visa.com/pages/accessibility>

## FIS

FIS works closely with its clients to develop solution sets that expand their reach into the communities they serve in order to help consumers overcome accessibility or financial literacy barriers. FIS supports their clients' commitment to the Americans with Disabilities Act (ADA) by providing products and solutions that help improve access to all consumers. Their web accessible products are positioned to utilize a range of navigational techniques specific to assisting people with disabilities. They provide a Web Hosting solution to host their client's public marketing websites. This solution includes tools that enable clients to personalize specific presentation characteristics and provide accessibility options to their consumers.



**More than half of all U.S. consumers have downloaded and use mobile card apps on a weekly or even a daily basis.**

Additionally, FIS offers products and services focused on providing advice and educational resources that increase financial literacy and wellness, an important factor in reaching underserved markets. For example, their Digital One Financial Wellness Suite is a group of FIS products and services that support consumers' financial decision-making. Another solution, Credit Insights, a credit scoring and education solution offered in partnership with SavvyMoney and integrated into the FIS Mobile platform, enables individuals to better understand their overall financial well-being and improve their credit score. They provide a similar solution for the FIS Mobile platform, Spending Insights, which uses artificial intelligence and predictive analytics to deliver targeted insights to customers about their financial activity and is enabled at more than 85 banks. FIS also provides Banker on the Go, an expanded chat-based offering that brings human-to-human interactions back to the mobile banking experience, helping to improve trust and increase guidance for consumers. In addition, they offer a brandable app for their financial institution clients, Banker Jr., which is designed to make banking fun for kids while encouraging good financial habits.



# MOBILE PAYMENTS

Mobile payments are a convenient and secure alternative to cash and checks, allowing consumers to pay for goods and services in a safe and cost-effective manner. These products also enable greater financial literacy by allowing consumers to manage their accounts from their mobile phones. ETA member companies including Apple, Google, PayPal, Square, Stripe, and Chase are leaders in mobile payments, offering this secure tool to consumers as well as encouraging merchants to accept mobile payments at checkout.

The adoption rate of mobile payments by consumers and merchants is on the rise. Research has shown that more than 62 percent of adult U.S. consumers own at least one credit card, and 40 percent of those have downloaded at least one mobile payments app.<sup>28</sup>

A recent survey of more than 800 merchants found that, since 2013, the number of merchants who earn half of their total revenue through mobile payments has increased from 2 percent to 10 percent. Another 26 percent believe that mobile payments will represent more than half of their revenue in the next 2 years. The U.S. mobile payment market increased 41 percent from \$69.8 billion in 2018 to \$98.8 billion in 2019.<sup>29</sup>

Shopping on mobile devices drives ecommerce. During Black Friday and Cyber Monday in 2022, smartphones accounted for \$9.8 billion (or 48 percent) of all e-commerce sales.<sup>30</sup>

Mobile payments are not just for commerce but are being utilized by employees nationwide. By partnering with other networks including Visa and Mastercard, Cross River's platform empowers consumers with immediate access to their money and multiple options for receiving it, helping them manage their day-to-day cash needs more efficiently and effectively. The client chooses the delivery time, which can be the same day, the next day, or later.

## CROSS RIVER

Cross River assists workers in the marketplace economy, including those in ridesharing, food delivery, and other freelance occupations, by enabling payments companies to expedite workers' access to their earnings through push-to-card payments.<sup>31</sup> Providing consumers with the ability to quickly access their funds helps to reduce the number of businesses that trap consumers with high-interest predatory loans. Ultimately, these solutions help consumers break cycles of debt.

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<sup>28</sup> eMarketer, US Mobile Payment Users 2019 Report

<sup>29</sup> Kount, The Fraud Practice, Card Not Present.com & Braintree, 5th Ann. Mobile Payments and Fraud Report, 2017.

<sup>30</sup> <https://research.mountain.com/trends/black-friday-and-cyber-week-2022-broke-spending-records/>

<sup>31</sup> Cross River Bank Partners with Stripe to Power the Marketplace Economy with Push-To-Card Payments. (2019).

Retrieved from <https://www.prnewswire.com/news-releases/cross-river-bank-partners-with-stripe-to-power-the-marketplace-economtheneed-for-y-with-push-to-card-payments-300775260.html>

## MOBILE PAYMENTS

More than half of all U.S. consumers have downloaded and use mobile card apps on a weekly or even a daily basis. ETA is encouraged by this trend and sees value for consumers in the accessibility, convenience, ubiquity, and security of mobile payments. When using mobile wallets for in-store payments, both customers and merchants are protected by the latest innovations in payments security. Mobile wallets require a passcode, fingerprint, or facial recognition before a transaction can occur, and thus are highly secure. This two-step authentication and encryption makes them a great option for businesses to reduce the risk of fraud and ensure that their customers' data is safe. In addition, the standard for mobile payments is tokenization, which replaces the card number with a unique string of digital numbers during the transaction so that the account information remains secure.

 **In 2022, Venmo transacted over \$244 billion in payment volume and continues to see explosive growth, reaching a record 78 million users.**

These payment solutions are especially helpful for smaller businesses with a high volume of credit and debit card transactions and a desire to move customers quickly. Mobile payments are fast and easy, and, most importantly, secure. By enabling mobile payments via smartphone or other connected devices, merchants and their customers can access technology features beyond the capabilities of plastic cards, including loyalty programs, location-based offers, and other capabilities that enhance the point-of-sale experience.

# PEER-2-PEER PAYMENTS

Peer-2-Peer payments (P2P) technology, which enables users to securely send money to one another in minutes via mobile applications, is transforming the way consumers conduct financial transactions. In most instances, the transfer of payment is free for the user and comes directly from their bank account or credit card (which they have linked to the mobile application). P2P, first popularized by PayPal, has since been offered by Google, Venmo, Zelle, Wise, and others.

## VENMO

P2P is primarily used by consumers to easily split the cost of goods or services, rather than relying on cash or check for reimbursement. PayPal's P2P app, Venmo, can integrate a user's social media account with their bank accounts, allowing them to make payments to other friends within their social network.

In 2022, Venmo transacted over \$244 billion in payment volume and continues to see explosive growth, reaching a record 78 million users.<sup>32</sup> In June 2018, PayPal announced an additional service through Venmo that would speed up money transfers between Venmo and users' bank accounts for those with supported Mastercard and Visa debit cards. This new instant-transfers service is available at a rate of \$0.25 per transaction and will deliver funds in a matter of minutes instead of the day or so it typically takes when using PayPal or Venmo.<sup>33</sup>

## EARLY WARNING SERVICES, LLC/ZELLE®

Early Warning Services, LLC, the network operator and owner of Zelle®, announced in September 2022, that in its first five years, from mid-2017 to mid-2022, consumers and small businesses had sent more than five billion Zelle® payments, totaling nearly \$1.5 trillion.

The Zelle Network® consists of more than 1,800 financial institutions, including credit unions, community banks, minority depository, and other financial institutions, who provide their consumer and small business customers with improved access to and utility for their deposit accounts through Zelle®.

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<sup>32</sup> <https://www.businessofapps.com/data/venmo-statistics/>

<sup>33</sup> Sarah Perez, Instant bank transfers are coming to PayPal and Venmo, Tech Crunch, (Jun. 20, 2017), <https://techcrunch.com/2017/06/20/instant-bank-transfers-are-coming-to-paypal-and-venmo/>.

## PEER-2-PEER PAYMENTS

Consumers depend on Zelle® to make essential everyday payments to friends, family, and people they trust, including, for example, rent, splitting a bill, and services. Zelle® transfers funds directly from one bank account in the U.S. to another, using only a recipient's email address or U.S. mobile number. Funds are typically available within minutes when both parties are already enrolled with Zelle®.



### **Remittance flows to low- and middle-income countries are predicted to grow to a projected \$630 billion in 2022.**

In addition to transacting with friends and family, consumers have increasingly turned to Zelle® to send and receive payments with businesses they know and trust. Zelle® for small businesses continues to be a fast-growth area in the Zelle Network®. Nearly eight million employees, contractors, and customers received payments from small businesses. For small businesses, Zelle® provides a convenient alternative to cash and checks, making it easy to accept and send payments with near immediate access to funds.

Disbursements is an ongoing growth area as well, with more than 500 nonprofits, organizations, companies, and government entities turning to Zelle® to distribute assistance, rebates, refunds, payroll, and other payouts to consumers. Whether it is students receiving their Pell Grant payments or homeowners receiving funds to rebuild after a disaster, Zelle® helps ensure these payments arrive quickly and when funds are most needed. In Q2 2022, disbursements increased 87% quarter-over-quarter.

EWS partners with resellers to enable minority and underserved communities to quickly access money with Zelle®. MDIs play a crucial role for minority and underserved communities, including both consumers and small businesses. The partnership makes it even easier for these financial institutions to access the Zelle Network®, giving their customers additional tools to help meet their financial goals. For these MDIs that are the mainstay of rural, minority, and low-income communities, Zelle® provides a way to compete with larger financial institutions in the payments space by providing access to innovative payment solutions for the customers and communities they serve.

Additionally, EWS is supporting the OCCs Project REACH by enabling lenders to consider insights based on financial institution-contributed deposit account activity data, helping to expand Americans' access to credit. The project allows applicants who may have historically been declined because they had no credit file at a credit bureau to be considered using alternative credit assessment insights, like bank account balance information.

# CROSS BORDER PAYMENTS

Cross border payments present challenges for both consumers and businesses, which ETA members are working to solve.



**ETA member companies are working to expand affordable access to the internet in underserved communities both domestically and abroad by improving infrastructure and reducing costs.**

Over the past year, migrant workers have faced a global pandemic, economic turmoil, and even natural disasters while attempting to send money across borders to their families. Remittances have played a crucial role throughout the COVID-19 crisis. Remittance flows to low- and middle-income countries are predicted to grow to a projected \$630 billion in 2022. An estimated one billion individuals worldwide are involved in remittance flows, with 200 million sending money home to 800 million family members.

## WISE

That's why Wise, formerly known as TransferWise, has remained committed to making international payments instant, convenient, transparent, and eventually free for its 13 million customers. Since 2011, Wise has offered low fees for cross-border payments, supporting those sending money home internationally and offering various products, including an account for over 50 currencies, an international debit card, and multi-currency direct debit.

Over half of Wise payments are instant, so that customers don't need to wait multiple days to receive money. Wise also is low cost, saving customers over a billion dollars a year.

Individuals are not the only ones impacted by the difficulties of cross border payments. An independent study in 2021 on SMBs found that over half of those surveyed have been discouraged or prevented from expanding internationally, with 51 percent citing payments as the barrier. Wise has worked to make cross-border transactions for small businesses just as quick, easy, transparent, and affordable as they are for individuals.

By providing cheaper, faster, and more accessible international payments, Wise has transformed the global financial landscape for underserved people and businesses.

## EXPANDED INTERNET ACCESS

Over the last decade, financial services have increased their presence in our growing internet-based economy. Access to the internet, often through multiple devices, has become essential for American families in many facets of their lives, including commerce, recreation, work, and education. In many instances, low-income and rural populations access the internet primarily or solely through their smartphones. As previously discussed, there has been a substantial rise in mobile banking among these demographics. To help more people connect to the web-based world ETA member companies are working to expand affordable access to the internet in underserved communities both domestically and abroad by improving infrastructure and reducing costs.

With more people connected to the web, the affordability, ease of use, and security of digital transactions help power the economy. Moving consumers into a more secure financial system is just one of the numerous advantages of expanded internet access.

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## ONLINE SMALL BUSINESS LENDING PROVIDES CAPITAL

Small businesses are the backbone of the American economy, creating more than 60 percent of net new jobs and employing roughly half of the workforce in the private sector.<sup>34</sup> Unfortunately, many small businesses are unable to access traditional credit to grow their businesses due, in part, due to high search, transaction, and underwriting costs.<sup>35</sup> Studies show that, on average, traditional banks approve only 27 percent of U.S.-based small business loan applications. Fortunately for small businesses, ETA's members and other new and innovative technology companies are expanding access to credit and offering affordable alternatives to traditional loans.<sup>36</sup>

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<sup>34</sup> Federal Reserve Banks of New York, Atlanta, Cleveland and Philadelphia, Joint Small Business Credit Survey Report, 2014 at 4 (released February 2015) ("Joint Small Business Credit Survey Report"); Karen Gordon Mills, Brayden McCarthy, The State of Small Business Lending: Credit Access During the Recovery and How Technology May Change the Game, Harvard Business School Working Paper 15-004 (July 22, 2014) at 3 ("State of Small Business Lending")

<sup>35</sup> 80 Fed. Reg. 42866, 42867 (July 20, 2015).

<sup>36</sup> In 2014, almost 20 percent of small business applicants sought credit from an online lender. Id.

## ONLINE SMALL BUSINESS LENDING PROVIDES CAPITAL

Online small business lenders are willing to provide small businesses with smaller loans (typically less than \$250,000) and shorter terms<sup>37</sup> that are well suited for their day-to-day operating needs or short-term use cases. By using sophisticated, data-driven algorithms to efficiently assess the creditworthiness of prospective borrowers, lenders can reach funding decisions quickly and provide access to capital to approved borrowers expeditiously,<sup>38</sup> in some cases within 24 hours.

A report on small business lending in the United States reveals that some of the nation's largest fintech small business lending platforms, including ETA members Kabbage from American Express and OnDeck, funded nearly \$10 billion in online loans from 2015 to 2017, generating \$37.7 billion in gross output and creating 358,911 jobs and \$12.6 billion in wages in U.S. communities.<sup>39</sup> According to the study, nearly one third of online small business borrowers are located in underserved communities. About one quarter of these borrowers are microbusinesses with less than \$100,000 in annual sales, and two thirds have less than \$500,000 in annual sales. About 42 percent of small businesses borrowed between \$10,000 and \$50,000 from the five online small business lenders, with an average loan of \$55,498.

 **Nearly one third of online small business borrowers are located in underserved communities.**

These data-based methods are creating new opportunities for borrowers and lenders. By being agile, nimble, and scalable, they can work in tandem with related financial service offerings. For example, online small business lending programs can be synced with payment platforms to assist in underwriting decisions nearly in real time, and they provide convenient repayment options for small businesses. CDFIs and other nonprofit community lenders and development organizations have used fintech platforms to help increase efficiency in the lending process and identify creditworthy small businesses.

## FIS

Worldpay from FIS solutions help businesses at more than 1 million merchant locations, including small businesses. FIS supports SMBs with access to capital through the Worldpay Working Capital solution, which enables SMB clients to apply online for the cash they need to grow their business and get approved in minutes.


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<sup>37</sup> Id.

<sup>38</sup> State of Small Business Lending at 6-7; Scott Shane, Why Small Businesses Are Turning to Online Lenders (April 15, 2015), available at <http://www.entrepreneur.com/article/245075>.

<sup>39</sup> Pham, N., Triantis, A., & Donovan, M. (2018). The Economic Benefits of Online Lending to Small Businesses and the U.S. Economy. ndp | analytics. Retrieved from <https://hollandfintech.com/wp-content/uploads/2018/06/OnlineLendingMay252018.pdf>

This program provided critical support during the COVID-19 pandemic, including more than \$71 million in funding in 2021 to over 2,500 merchants worldwide.



**Improved technology enables online lending platforms to make nearly instantaneous decisions for customers on the basis of real-time business data, which has a positive impact on the percentage of businesses approved for funding.**

FIS also works to provide simplified solutions that are more accessible to business owners so they can focus on their customer base instead of the back-office financial operations of the business. For instance, the FIS Business Payments platform provides SMBs with easy-to-use digitized payment tools to improve working capital, reduce operational expenses and manage risks.

## ONDECK

**In the fourth quarter of 2020, Enova (NYSE: ENVA) acquired OnDeck, a fintech company that provides SMBs with term loans and lines of credit via its online platform.** OnDeck has continued to support its customers, Main Street small businesses who cannot, or prefer not to, obtain a bank loan. According to a Federal Reserve survey<sup>40</sup>, small businesses spend almost 30 hours of their time applying for financing with traditional financial institutions and are oftentimes rejected at the end of this long process. SMBs place a high value on the convenience of an online platform which is accessible 24 hours a day, 7 days a week, and paired with both quick decisioning and funding capabilities.

Customers use OnDeck's loans for various purposes, however, "working capital" is the most cited. Working capital can be used to hire employees, buy equipment, purchase inventory, and has a myriad of other functions that propel small businesses towards success. To date, OnDeck has extended over \$13 billion to small businesses and originates billions each year at its current scale. By filling the credit gap left by traditional financial institutions, OnDeck continues to be a necessary tool for SMBs' growth and sustainability.

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<sup>40</sup> <https://www.federalreserve.gov/publications/2019-november-consumer-community-context.htm>



### PAYPAL

In late 2013, PayPal and WebBank partnered to launch a unique online small business lending platform called PayPal Working Capital, which enables PayPal merchants to apply for and obtain closed-end loans quickly. These loans charge a single fixed fee, have no periodic interest, maturity date, or late payments, and are repaid through a percentage of the merchants' PayPal sales. In 2017, PayPal announced that the product had reached \$3 billion in funding to entrepreneurs in the United States, United Kingdom and Australia. Nearly 35 percent of PPWC loans go to low- and moderate-income businesses, compared with 21 percent of FI loans, and more than 61 percent of PPWC loans go to entrepreneurs and businesses owned for less than 5 years. Furthermore, nearly 25 percent of PPWC loans were disbursed in the 3 percent of counties that have lost 10 or more banks since the 2008 financial crisis, demonstrating a direct benefit to underserved populations.<sup>41</sup>

Traditionally, lenders have relied primarily on business owners' personal financial history and credit scores to underwrite small businesses for funding, often taking weeks or months to reach a decision. Improved technology enables online lending platforms to make nearly instantaneous decisions for customers on the basis of real-time business data, which has a positive impact on the percentage of businesses approved for funding.

### SQUARE

Square Capital partners with Celtic Bank to offer the Square Capital Flex Loan. Square Capital has facilitated \$5.5 billion in combined merchant cash advances and loans to more than 275,000 small-business customers.

For more than 6 years, Square Loans has provided small business owners with increased access to credit through proactive loan offers uniquely tailored to their business needs. The use of technology and data have allowed Square to better serve the needs of under-represented populations – 32 percent of Square Loans customers identify as people of color compared with an industry average of 27 percent, and 51 percent of Square Loans customers are women-owned businesses, compared with an industry average of 17 percent. Square small business loans range in size from \$300 to \$250,000.

Square has also been able to offer capital in much smaller amounts than traditional lenders have made available to small businesses. Square has facilitated more than \$9 billion in small business loans and Paycheck Protection Program loans to more than 460,000 Square sellers, with an average loan of \$6,750. These figures highlight Square's ability to reach and serve small businesses that have been historically underserved by existing lending options.

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<sup>41</sup> Usman Ahmed, Thorsten Beck, Christine McDaniel & Simon Schropp, *Filling the Gap: How Technology Enables Access to Finance for Small- and Medium-Sized Enterprises*, vol. 10, number 3/4 *innovations*, MIT Press, 35-48, 2016.

## CROSS RIVER

Cross River provides a highly secure, fully compliant, and innovative banking platform, which enables its partners to deliver innovative financial solutions and offer traditional banking products to customers while ensuring consumer protection and regulatory compliance. Cross River's platform allows partners to access specific banking application programming interfaces (APIs) on which they can run their services, leveraging best-in-class banking technology coupled with compliance excellence in a safe and sound environment. Cross River is helping to expand active participation of underserved communities by increasing access to a wide range of banking services.



**Cross River has funded nearly \$55 billion in loans to more than 32 million consumers who benefited from access to affordable and responsible capital.**

Together with leading marketplace lending platforms (such as Affirm, RocketLoans, Upstart, and Best Egg), Cross River provides consumers with access to responsible and affordable capital, while maintaining their compliance, risk, credit, and underwriting criteria. Since its inception, Cross River has funded nearly \$55 billion in loans to more than 32 million consumers who benefited from access to affordable and responsible capital. Cross River not only originates loans, but also owns the end-to-end process and life cycle of each loan, all while ensuring that consumer protection and compliance remain a top priority. In total, Cross River partners with more than 40 fintechs across the ecosystem.

## INTUIT

Another innovative lending product that helps millions of QuickBooks small businesses get access to the capital they struggle to get elsewhere is Intuit's QuickBooks Capital. Since launching, Intuit has found that 60 percent of QuickBooks Capital customers would likely not get a loan elsewhere, while 46 percent had never applied for a loan before.

Working capital loans through products like QuickBooks Capital are especially important to underserved, young small businesses that often struggle to get access to traditional loans. Other lenders often rely on manual underwriting processes, which make it unprofitable for the companies providing the loan but, more importantly, often make the young small business less than 2 years old eligible to apply for the loan.

## ONLINE SMALL BUSINESS LENDING PROVIDES CAPITAL

In fact, according to a Federal Reserve<sup>42</sup> study, 70 percent of businesses younger than 5 years need funding to grow, but only 23 percent of them obtain the funds they need. In addition, 90 percent of QuickBooks Capital customers said the funds they received helped them grow their business, and 41 percent said that without a loan from QuickBooks Capital, they would not have expanded or improved their business.



**Technologies such as interactive tellers allow FIs to operate branches with more services and at lower costs, reaching more communities than was previously possible.**

Intuit offers loans of up to \$100,000 to small businesses for up to 12-month terms. Additionally, QuickBooks Online customers can now access their free business credit score and credit report through a partnership with Dun & Bradstreet, the global leader in commercial data and analytics. By allowing eligible small businesses to access their free Dun & Bradstreet Business Credit Score, Intuit hopes to help QuickBooks customers gain greater access and insight into their small business' financial standing, empowering them to have a better handle on their finances and management of cash flow as they grow their business.

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## INTERACTIVE, AUTOMATED TELLERS

In 2013, the number of federally insured FIs fell to 6,891, the lowest number of retail FIs in the U.S. since 1934. The financial services industry, however, is continuously looking for innovative ways for consumers to access financial services. FIs are also deploying a new generation of technology to transform traditional branches and make them more economically sustainable in previously underserved communities. By harnessing these new technologies, FIs are establishing a new model where branches have smaller physical footprints but offer a wider range of services at more convenient times.

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<sup>42</sup> Federal Reserve Bank of New York Small Business Credit Survey (2016)

## NCR

For example, NCR has deployed a new technology referred to as the interactive teller. By incorporating video and networking capabilities into an advanced ATM, the interactive teller transforms a traditional ATM with a limited range of services into a full-service facility. Customers can now speak live to a teller on the video screen 24 hours a day and receive face-to-face assistance with virtually any service the FI offers. Incorporating interactive teller technology allows an FI branch to operate with a significantly smaller physical footprint as well. A branch's 2,500-square-foot area can be reduced to as little as 500 square feet, yielding substantial cost savings. Moreover, the services offered can be expanded at little or no cost. An interactive teller enables 24-hours-a-day availability of assisted banking, often in multiple languages.

**For the financially underserved, fees associated with financial accounts have long been a significant impediment to financial health.**

Technologies such as interactive tellers allow FIs to operate branches with more services and at lower costs, reaching more communities than was previously possible.<sup>43</sup> The 24-hour interactive service makes banking accessible to consumers who may have found it difficult to access these services in a more traditional manner. Those who benefit from these innovative products and services include low-income consumers who work nontypical hours, those living in rural communities, and persons with disabilities. By simplifying the financial life of those consumers, ETA members can make sure their services remain a viable option and not require them to fit into traditional banking hours.

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<sup>43</sup>Abha Bhattaral. Banks turn to video tellers to cut costs, The Washington Post, [https://www.washingtonpost.com/business/capitalbusiness/banks-turn-to-video-tellers-to-cut-costs/2014/04/18/a7b28e7c-bb59-11e3-9a05-c739f29ccb08\\_story.html](https://www.washingtonpost.com/business/capitalbusiness/banks-turn-to-video-tellers-to-cut-costs/2014/04/18/a7b28e7c-bb59-11e3-9a05-c739f29ccb08_story.html).

# DIVERSITY, EQUITY, AND INCLUSION

Through significant initiatives and programs for underserved communities, ETA members are actively expanding their commitment to diversity, equity and inclusion. ETA member companies operate in increasingly diverse communities throughout our global footprint and this diversity is evident in members' workforce, customers, suppliers, and other stakeholders. ETA members are expected to treat each other, the industry, and their partners with respect and embrace one another's differences.

## WELLS FARGO

Wells Fargo is working with national and community partners to help unbanked and underbanked households gain access to affordable bank services and make meaningful strides in addressing economic disparities in diverse communities through its Banking Inclusion Initiative.<sup>44</sup> These actions will help address racial inequality and discrimination and bring about significant and enduring change. This endeavor requires collaboration among banks, community organizations, and government agencies. Wells Fargo established and is leading a National Unbanked Task Force, composed of the nation's most prominent and active advocacy organizations, that works with the bank in developing solutions to bring more people from underserved communities into the banking system.



**Action to address inequality and bring about significant and enduring change requires collaboration among banks, community organizations, and government agencies.**

The Task Force acts as the voice of these communities, provides feedback to the Banking Inclusion Initiative feedback on its work, and helps determine the most meaningful ways to measure success. The Task Force's primary objective is to assist diverse communities in accessing and benefiting from digital financial health tools and solutions. For example, after previewing early plans, the Task Force made recommendations for the redesign of the Wells Fargo Community Connections Branch. Similarly, they also received an early demo of the new Flex Loan product from Wells Fargo and provided feedback on product design and digital user experience from the perspective of an unbanked, underbanked, and/or diverse customer. Looking ahead the Task Force is exploring opportunities to advance digital financial education and address misinformation and security of consumers online.

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<sup>44</sup> <https://www.wellsfargo.com/jump/enterprise/banking-inclusion-initiative/?adlt=strict>

## DIVERSITY, EQUITY, AND INCLUSION

Wells Fargo's Banking Inclusion Initiative is also working closely with Black-led fintechs committed to helping underserved communities. For example, Wells Fargo serves as an investor in Greenwood and waives Wells Fargo ATM fees for its users. The Banking Inclusion Initiative also collaborates with MoCaFi (Mobility Capital Finance) to provide an onramp to banking for unbanked and underserved communities. Wells Fargo supports MoCaFi by allowing its cardholders to have access to Wells Fargo ATMs to withdraw cash without incurring fees from Wells Fargo. MoCaFi gives its users rapid, convenient, inclusive access to government-to-people payments and supports financial inclusion and the financial health of diverse communities.

Wells Fargo is also supporting industry efforts to create a more favorable environment for financial inclusion. This entails calling for measures that will support innovations for people historically excluded from financial services to engage in new technologies and solutions safely. In fact, Wells Fargo was the first bank to sign on to the letter<sup>45</sup> calling for a national financial inclusion strategy by Aspen Institute, viewing it as a critical step toward an inclusive economy. Wells Fargo was also instrumental in securing the signatures of many of its Unbanked Task Force members.

## BANK OF AMERICA

To help drive a culture of inclusion, Bank of America has developed and provides employees with access to a range of programs and resources focused on building understanding and driving progress in the workplace. For example, they encourage peer-to-peer support through their diversity leadership councils and employee networks and expand their impact with external partnerships.<sup>46</sup>

## AMERICAN EXPRESS

American Express is committed to ensuring that its colleagues are as diverse as its customers and communities. American Express's PRIDE network participates in the Pride Parade in downtown Salt Lake City, officially the largest parade in the state. PRIDE members distribute Shop Small<sup>®</sup> bags to support local businesses as well as Human Rights Campaign (HRC) palm cards promoting American Express's 100 percent rating on HRC's Corporate Equality Index. The company's Hispanic Origin & Latin American Network (HOLA) frequently hosts career development sessions in partnership with the National Society of Hispanic MBA, an organization that empowers Hispanic business professionals to achieve their full educational, economic, and social potential.

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<sup>45</sup> <https://www.aspeninstitute.org/of-interest/aspen-and-partners-call-for-national-financial-inclusion-strategy/?adlt=strict>

<sup>46</sup> Bank of America Human Capital Management Report (Oct. 2020)

## DIVERSITY, EQUITY, AND INCLUSION

Additionally, its Black Employee Network and HOLA have partnered with product management teams to help develop financial inclusion solutions and products, such as American Express Serve® and Bluebird®.

## AMAZON

Also supporting entrepreneurs and founders who are women, people of color, LGBTQ, and people with disabilities, Amazon launched the AWS We Power Tech program in 2017. The AWS We Power Tech program partners with more than 70 organizations throughout the world that support underrepresented communities in tech by providing access to AWS credits and learning modules. Similarly, Amazon has hosted thought leadership events like the Aspen Institute's Latinos in Society workshop as well as programming at AWS re:Invent and across the AWS global summits.

## VISA

At Visa, their employees are their company and inclusion is at the center of everything they do; they value everyone's unique identities and contributions. Driven by the purpose to uplift everyone, everywhere by being the best way to pay and be paid, Visa is committed to cultivating an inclusive and diverse environment that supports the development and advancement of all.

Visa is taking meaningful action to drive equity by providing programs, events and trainings. For their employees, the company hosts "Inclusion & Diversity Talks" – a global education series designed to promote active learning, dialogue and allyship. Following a successful first year, the company recently announced the second class of the Visa Black Scholars and Jobs Program, where 75 incoming first-year college students are awarded scholarship assistance for up to four years, ongoing learning opportunities and one-on-one mentorship with Visa team members throughout their college experience. Visa also prioritizes diversity and inclusion in our partnership and go-to-market strategies to help ensure that all communities have access to digital payment solutions.

A \$100 million commitment, Visa created the Minority Depository Institutions (MDI) Accelerate program aimed to help reduce economic disparities and expand access and opportunity in communities of color in the U.S. Visa will also provide tailored insights and digital solutions to these banks to help them meet the needs of their clientele and the communities they serve. This new program is part of Visa's longstanding mission to uplift the lives of everyone, everywhere.

In March 2022, Visa launched the Digital Empowerment Program<sup>47</sup> that will help individuals

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<sup>47</sup> <https://www.human-i-t.org/human-i-t-visa-digital-and-financial-literacy/>

## DIVERSITY, EQUITY, AND INCLUSION

participate in the economy and access career opportunities and higher levels of employment. Through a partnership with Human-I-T, a leading digital literacy non-profit organization, 2,500 individuals and small businesses in Pueblo, CO; Atlanta, GA; and Toronto, ON received laptop computers, foundational skills training on how to use the computer, financial education training, and Human-I-T free remote tech support for 12 months.

 **In 2021, Visa Foundation committed a total of \$59.6 million in funds to support gender diverse and inclusive small businesses worldwide**

The Visa Foundation works toward the goal of uplifting everyone, everywhere through the power of economic inclusion. As Visa's corporate foundation, the company utilizes its global reach to enable individuals, businesses, and economies to thrive. As part of its Equitable Access Initiative, a \$200M, five-year commitment, the Visa Foundation recently committed \$5 million to support the development of the Center for Black Entrepreneurship (CBE) and help advance its mission to produce, train, and bolster the next generation of Black founders.

Continuing work from 2020, the Visa Foundation remains partners with Black Ambition, a racial equity and entrepreneurship initiative launched by producer and entrepreneur Pharrell Williams in partnership with Historically Black Colleges and Universities, Local Initiatives Support Corporation (LISC) to increase small business resiliency for women entrepreneurs of color, and VC Include, which provides Black, Latinx, Indigenous and female fund managers resources and support to build their funds, access technical assistance and raise investment capital.

## JP MORGAN CHASE

In an increasingly competitive business environment, performance and engagement is central to business success. At JP Morgan Chase, Advancing Black Leaders is a diversity strategy aimed at attracting, hiring, retaining, and advancing black talent from within the internal community as well as across the external marketplace. JPMorgan Chase is also committed to honoring those who have served and supporting their long-term success. To further its efforts, in 2011 the company co-founded the Veteran Jobs Mission, a coalition of more than 200 companies dedicated to employing U.S. military veterans.

Collectively, members of the Mission are committed to hiring 1 million veterans, and they are working to increase their focus on the engagement and career development of veterans in the private sector. Since the Mission began, JP Morgan Chase has hired more than 15,000 veterans. Additionally, Women on the Move is JPMorgan Chase's commitment to provide women with



## DIVERSITY, EQUITY, AND INCLUSION

opportunities to succeed in their professional and personal lives. The program's key objectives are to expand woman-run businesses, improve women's financial health, and advance women's career growth.

Announced in 2020, JP Morgan Chase is making a \$30 billion commitment to help address U.S. wealth inequality, especially in traditionally underserved Black and Latino communities. The great bulk of JP Morgan Chase's dollar commitment is tied to housing. They will provide \$14 billion in loans and investments to spur the creation of 100,000 affordable rental units in underserved communities, originate 40,000 home purchase loans for Black and Latino households, adding \$8 billion worth of mortgages to its commitment. It will also help another 20,000 Black and Latino customers lower their mortgage payments with \$4 billion in refinancing. JP Morgan Chase said it would also provide 15,000 loans worth \$2 billion to small businesses in Black and Latino neighborhoods and launch a new program to help coach entrepreneurs and will also spend another \$750 million with Black and Latino suppliers. Additionally, JPMorgan Chase also said it would give 1 million people in underserved areas access to low-cost bank accounts, in part by opening branches in low-to-moderate income communities.

## PAYSAFE

**Paysafe's objective is to foster an inclusive workplace in which each employee can maximize his or her contributions and realize his or her full potential.** The company recognizes and values the creative potential that employees of diverse backgrounds and abilities bring to their work. Paysafe launched a new D&I strategy and proactive plan to build on the goals it committed to in 2018. As part of this, the company has made D&I training mandatory for its entire team every 2 years, with workshops for the executive team and senior managers. Paysafe has a global steering committee that meets regularly to discuss progress in promoting diversity and to develop new initiatives, and it has D&I ambassadors in each of its offices to encourage inclusion across its international team.

Paysafe's dedication to diversity extends beyond the company's walls. It is also dedicated to increasing inclusion across the payment and technology sectors. Paysafe sponsors industry groups including Wnet, Women in PayTech, and the European Women's Payment Network. It also supports the FT 125 Women's Forum, which helps talented women at mid-career level to progress into leadership roles.


## FIS

FIS has long valued and prioritized integrating inclusion and diversity into everything it does. As a true multinational enterprise, with more than 65 percent of their employees located outside the U.S. in 49 countries, FIS values inclusion and diversity as critical to helping us understand

## DIVERSITY, EQUITY, AND INCLUSION

the needs of their increasingly diverse client base. The diversity of their workforce helps them better reflect the markets we serve and use their collective strengths to develop the best solutions to meet the needs of individuals and businesses in their communities.

They advance their commitment to inclusion and diversity (I&D) through five key areas of focus that were developed with input from their employees and leaders across the company. For example, FIS is a founding partner of the Georgia Fintech Academy, a statewide initiative designed to prepare individuals to enter the fintech industry or transition from another career. The academy offers degree programs, executive and continuing education and apprenticeships, with internships offered through a partnership with the University System of Georgia. This partnership includes three historically black colleges and universities in Georgia: Albany State University, Fort Valley State University and Savannah State University. Currently, 71 percent of the academy's participants are from underrepresented groups.



**Greenwood lets customers donate funds to the United Negro College Fund and NAACP through spare change round-ups and also provides \$10,000 grants every month to a Black or Latino-owned business.**

FIS is investing financially in the creation of innovative technologies and solutions that expand access in underserved communities. Since 2020, FIS Impact Ventures (FIV) invested \$92 million in fintech startups, including and already exceeding the \$30 million goal towards minority-led fintechs. During 2021, FIV invested in Signifyd, a minority-led fintech company, which offers AI-based fraud protection for e-commerce that FIS Merchant Solutions business can use to support its merchants. As global e-commerce payment and checkout complexity evolves due to an ever-changing technology and fraud landscape, FIS and Signifyd can further optimize transaction acceptance while maintaining robust digital protection. FIV also invested in Greenwood, a minority-owned modern digital banking services platform for Black and Latinx individuals and businesses. As part of its mission to support underserved communities, Greenwood lets customers donate funds to the United Negro College Fund and NAACP through spare change round-ups and also provides \$10,000 grants every month to a Black or Latino-owned business.

## FISERV

Fiserv launched a \$50 million initiative to support Black- and minority-owned small businesses. Known as Back2Business, the program has helped more than 1,000 minority-owned small

## DIVERSITY, EQUITY, AND INCLUSION

businesses by providing consultation, small business technology and at least \$10,000 in grant funding to each business owner.

First launched in New York City, the program has had an impact on small businesses in Milwaukee, Chicago, Oakland, Atlanta, Florida, Nebraska, New Jersey, Texas, Oklahoma, Washington D.C. and Detroit; it was also the first program of its kind to be launched in the United Kingdom and will continue to expand internationally in Germany.



**ETA member companies touch, enrich, and improve the lives of underserved consumers while making the global flow of commerce possible.**

More than a monetary investment, Back2Business also draws on the expertise of Fiserv associates who help educate small business owners. In addition, Back2Business creates a network of support for participating small businesses by connecting them to organizations such as the Brooklyn Chamber of Commerce, Atlanta's Russell Innovation Center for Entrepreneurship (RICE), Official Black Wall Street, professional sports teams such as the Milwaukee Bucks and New York Mets, and historically black colleges and universities such as Howard University, all of which are working with Fiserv to support diverse small businesses owners in their communities.

## VENABLE LLP

In order to promote DE&I and opportunity, it is essential to have access to training and development opportunities. An ETA member law firm, Venable LLP, strongly supports its female attorneys' professional and personal development in keyways. This includes funding business and career development education as well as accommodating flexible and reduced work schedule requirements for lawyers. In fact, roughly 9 percent of its lawyers are on a reduced schedule. Venable LLP also provides a wide range of family-friendly benefits and programs for all its lawyers and staff. Another organization in which Venable LLP participates, the Leadership Council on Legal Diversity (LCLD), focuses on fostering diversity and inclusion in the legal profession. Since joining LCLD in 2013, Venable LLP's commitment to the organization's programs has grown steadily. Each year, the firm sponsors a mid-career lawyer's participation in the LCLD Fellows program and two mid-level associates' participation in the LCLD Pathfinder program. These programs provide diverse attorneys with opportunities to build their leadership skills and networks. ETA members consider D&I a priority and are committed to actively promoting D&I in the payments ecosystem.

# CONCLUSION

ETA and its members actively support an inclusive financial system that provides high-quality, secure, and affordable financial services for the broadest possible set of people. ETA member companies touch, enrich, and improve the lives of underserved consumers while making the global flow of commerce possible. ETA member companies strive to continually improve the electronic payments and financial ecosystem so that it is accessible to all consumers, and so that their transactions can be completed securely and efficiently. A key factor to achieving such a system is the development of new technologies that allow the underserved to access FI and fintech company financial products and services. ETA encourages policymakers to support these objectives through policies that encourage innovation and the application of technology in financial products and services.

**If you have questions regarding this white paper or would like more information about ETA, visit [www.electran.org](http://www.electran.org) or contact Scott Talbott, SVP of Government Affairs, at [stalbott@electran.org](mailto:stalbott@electran.org), or Jeff Patchen, Director of Government Affairs, at [jpatchen@electran.org](mailto:jpatchen@electran.org).**