

ELECTRONIC TRANSACTIONS ASSOCIATION

# INDUSTRY INSIGHTS

Creating a More  
Inclusive Economy:  
How Fintech Advances  
Digital Resources  
for Underserved  
Communities

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If you have questions regarding the White Paper, or would like more information about ETA, please visit [www.electran.org](http://www.electran.org).

**Scott Talbott**

SVP of Government Affairs  
[stalbott@electran.org](mailto:stalbott@electran.org)

**Jeff Patchen**

Manager of Government Affairs  
[jpatchen@electran.org](mailto:jpatchen@electran.org)

# Creating a More Inclusive Economy: How Fintech Advances Digital Resources for Underserved Communities

## Executive Summary

One of the primary goals of our financial system is to provide high-quality, affordable financial services to the broadest possible set of consumers. Over the past decade, financial institutions (FIs) and financial technology (fintech) companies have reshaped the financial landscape through the introduction of technologies that expand consumer access to numerous new financial offerings at lower costs.

Never before these past two years (2020-2021), have technological advancements accelerated so rapidly. As individuals and businesses sought to survive and recover from the economic challenges associated with the COVID-19 global pandemic. In fact, a host of new and expanded digital offerings were born to support improved financial management, increased transaction security, and stronger financial stability — for traditionally underserved consumers.

**A strong majority of Americans (88%) now use fintech, up from 58% in 2020, and more than half say they can't live without using technology to manage their finances.**

In this white paper, the Electronic Transactions Association<sup>1</sup> (ETA) highlights various innovative ways in which its members are creating new opportunities and meeting evolving financial needs of underserved populations. ETA published the first edition of this annual white paper in July 2016; this volume expands upon the 2020 publication and includes new products and services brought to market during this unprecedented period. These efforts, discussed in greater detail below, include the following:

- **COVID-19 Pandemic Economic Relief** – The electronic payments industry facilitated billions of dollars in benefits quickly and securely across various technology platforms, so individuals and small businesses received much-needed help.
- **Open Finance** – Open finance provides consumers with the full picture of all their finances and allows any company to use financial data, with the consumer's consent, to generate new products, services, and use cases for their customers.
- **Prepaid Products** – For millions of consumers, including those with limited or no access to traditional financial accounts, prepaid products provide cost-effective, convenient, and innovative payment options.
- **Nontraditional Payments** – A fast-growing choice for cashing a paycheck or transferring funds between individuals, fintech provides innovative solutions to manage, move, and spend money conveniently and cost-effectively.
- **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 to learn how to manage finances, use fintech and invest for the future.

**Five percent of US households do not have an account through an FI and rely on other products to complete basic financial services.**

<sup>1</sup> The Electronic Transactions Association is the leading trade association for the payments industry, representing more than 500 companies worldwide that offer digital transaction processing products and services. ETA's membership spans the breadth of the payments industry to include independent sales organizations (ISOs), payments networks, FIs, transaction processors, mobile payments products and services, payments technologies, and equipment suppliers. ETA also has members that are engaged in online lending for commercial enterprises, primarily small businesses, either directly or in partnership with other lenders.

- **Mobile Banking Services & Innovations in ADA Compliance** – These services provide financial independence and security for those demographic groups that lack easy access to physical FI branches, such as consumers in rural areas, the elderly, and individuals with disabilities.

- **Mobile Payments** – A convenient and secure alternative to cash and check, mobile payments allow consumers to pay for goods and services safely and cost-effectively, while enabling greater financial literacy by allowing consumers to manage their accounts from their mobile phones.

Shopping on mobile devices drives ecommerce. For example, \$42 billion (or 42 percent) of all e-commerce sales were made on a smartphone during Cyber Week in 2021.

- **Peer-2-Peer Payments** – Transformative P2P technology is changing the way individuals exchange money with each other, by enabling the secure, instantaneous transfer of money via mobile applications.

- **Cross Border Payments** – Empower consumers with cheaper, faster, and more accessible international payments by transforming the international financial landscape.

- **Expanded Internet Access** – Access to the internet, often through multiple devices, has become a necessary staple for commerce, recreation, work, and education. Expanded internet access offers affordable internet access in underserved communities domestically and abroad by improving infrastructure and reducing costs.

By using sophisticated, data-driven algorithms to efficiently assess the creditworthiness of potential borrowers, lenders can reach funding decisions quickly and provide access to capital to approved borrowers expeditiously, in some cases within 24 hours.

- **Online Small Business Lending** – For small businesses seeking to grow, new and innovative technology companies are expanding access to credit and offering affordable alternatives to traditional loans.

- **Interactive, Automated Tellers** – FIs are deploying a new generation of technology to transform traditional branches and make them more economically sustainable in underserved communities — establishing a new model where branches have smaller physical footprints but offer a wider range of services at more convenient times.

- **Diversity, Equity, and Inclusion** – In addition to raising awareness, ETA members create an environment where every colleague can be themselves and truly feel included. The unprecedented recent advancements in technology highlighted in this white paper continue to provide significant benefits to underserved consumers, as well as the broader economy. ETA members are constantly developing and deploying new products and services, bringing together traditional players and new participants. The innovation in this space delivers new products and services quickly and cost effectively, while supporting an inclusive financial system that provides high-quality, responsible, secure, and affordable financial services for the broadest possible set of consumers.

Customers can now speak live to a teller on a video screen 24 hours a day and receive face-to-face assistance with virtually any service the FI offers.

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. A goal of ETA member companies is to continually enhance the electronic payments and financial ecosystem so that it is accessible for all consumers, while ensuring that their transactions can be completed securely, efficiently, and ubiquitously. A key driver to achieving such a system is the development of new technologies that allow traditionally underserved consumers to access FI and fintech company financial products and services. Expanding the ability to access the financial system not only empowers consumers to take control of their financial well-being, but also creates a more resilient and inclusive economy.

## ETA Message to Policymakers

ETA member companies are creating innovative offerings in financial services and revolutionizing the way commerce is conducted with safe, responsible, convenient, and rewarding payment solutions and lending alternatives that are available to a broad set of consumers. As the leading trade association for the digital transactions industry, ETA encourages policymakers to support these efforts through policies that encourage innovation and the use of technology to improve financial outcomes for all consumers.

ETA urges policymakers to remain forward-thinking in how to best support the industry's ongoing efforts to provide opportunities for all consumers and small businesses to access and benefit from innovative financial products and services. Efforts by policymakers to regulate financial products and services should be done collaboratively and with careful consideration. We encourage policymakers to be sensitive to the risk of applying a uniform regulatory framework to all products and services. It is imperative to appreciate the differences inherent in various offerings in meeting consumer needs so as not to stifle creativity and innovation in the marketplace. Such an unintended consequence could reduce benefits and options to consumers at a time when new technologies are providing the underserved with unprecedented access to financial products and services.

**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.**

## Understanding the Financial Services Needs of the Underserved

An inclusive financial system is one that provides consumers and businesses with access to a variety of financial products and services, and a key driver of financial inclusion is the development of new technologies. FIs and fintechs broaden the availability of existing offerings by making them more accessible and lowering costs. Expanding access to the financial system not only empowers consumers to take control of their financial well-being, but also creates a more resilient and inclusive economy.

As addressed in this white paper, ETA's members are at the forefront of using technology to broaden financial inclusion for underserved consumers. Fintech companies are building an inclusive financial system that addresses the needs of underserved consumers by providing increased access to ATMs for persons with disabilities, by helping the elderly and residents of rural communities to deposit checks remotely, by assisting parents in sending funds instantly to their children in college, and by making small business loans more readily available. Products and services such as prepaid cards, mobile banking, peer-2-peer payments, electronic payment systems, expanded access to the internet, and alternative lending sources for small businesses address the needs of underserved consumers by providing the following benefits:

- **Access** - Allowing consumers to access funds and financial services wherever and whenever needed.
- **Affordability** - Ensuring that consumers have the ability to select from various affordable products and services. Technology is increasing competition and driving down the cost of goods and services, which makes products more affordable, and thus accessible to more consumers.

- **Convenience** – Providing consumers with multiple payment options that save time and money.
- **Security** – Protecting consumer funds from physical and electronic fraud or theft.
- **Control and Financial Management** – Helping consumers gain better control over their finances through financial literacy and various financial management tools.

The following section outlines in greater detail the many ways in which ETA member companies are using technology to address the financial needs of underserved consumers and small businesses.

## Deploying Technology to Benefit the Underserved

Major advancements in technology in the last decade, particularly the explosive growth of high-speed, wireless internet, have allowed FIs and FinTech companies to develop new products and services for more consumers than ever before — and they are able to do so efficiently, securely, and at a low cost. This section discusses several products and services that ETA member companies are deploying to benefit the underserved.

### COVID-19 Pandemic Response: Fintech to the Rescue

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

As federal and state governments provided stimulus and unemployment payments to Americans struggling with the fiscal impacts of COVID-19, the electronic payments industry was there to facilitate benefits quickly and securely, so people got the help they needed.

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The Coronavirus Aid, Relief, and Economic Security (CARES) Act authorized economic impact payments (EIPs) totaling \$290 billion. The Treasury Department and the Social Security Administration turned, in part, to two longstanding prepaid card programs — Mastercard’s Direct Express and Visa’s U.S. Debit — along with P2P systems to distribute stimulus funds. 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, Block (formerly known as Square) allowed individuals to create free bank accounts via Cash App. 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 that check. Instead, armed with the prepaid card, these individuals could immediately use stimulus funds, directly advancing the goals of this important program, while being provided consumer protections found in other digital payments such as against fraud, loss, and other errors.

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

## EBT expanded benefits

Under the Families First Coronavirus Response Act, the government proposed covering the cost of school lunches for eligible children so families could purchase the equivalent value of those meals at stores using special Pandemic-EBT (P-EBT) cards.

## FIS

FIS is the only single-source, complete, end-to-end Electronic Benefit Transfer (EBT) provider in the U.S. As market leaders in EBT innovation and design, they empowered individuals with cards that allow them to make electronic payments and claim benefits under the Supplemental Nutrition Assistance Program (SNAP), the Women, Infants and Children (WIC) program and temporary Assistance for Needy Families (TANF). FIS also processes Optum cards, which are pre-funded by Medicare and Medicaid programs.

In 2020, FIS was able to rapidly deploy over 11 million P-EBT cards to those in need and provide expanded processing services to 28 states and territories that were approved to participate in the program. They also recognized the need to expand capabilities for online and curbside purchases, ensuring that more than 9 million households could shop online with their SNAP benefits. Together FIS is constantly trying to create a better experience for EBT cardholders through innovative PIN entry solutions, account updater solutions and more.

At the start of the COVID-19 pandemic, online ordering and curbside pickup and delivery services grew rapidly as Americans adhered to social distancing guidelines and businesses worked to serve customers with limited face-to-face interaction. But for many underserved communities already struggling with food insecurity — including the 40 million Americans relying on the United States Department of Agriculture (USDA) SNAP — physically shopping in-store was the only way to pay for groceries with EBT benefits.

## Fiserv

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

**The digital PINpad was a critical innovation as all EBT transactions, in-person or online, require the use of the cardholder's PIN to authenticate each transaction.**

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

Fiserv was the first USDA-approved provider enabling grocers to accept a consumer's EBT payment online in 2020 and quickly scaled the technology across large, mid-sized, and small U.S. grocers. By June 2021, EBT Online purchasing accounted for billions of dollars in monthly purchasing volume and EBT cardholders could buy groceries online at grocers such as ALDI, Amazon, H-E-B, ShopRite, Walmart, and third-party delivery services like Instacart.<sup>3</sup>

<sup>3</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 process and disburse nearly \$110 billion to more than 1.5 million businesses.<sup>4</sup>

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### FIS

When the CARES Act was implemented in the U.S., FIS enabled financial institutions of all sizes to offer PPP loans to businesses. Due to the traditional time- and paper-intensive nature of the typical lending process, FIS anticipated that many traditional lenders would face challenges in meeting the high demand for loans under the relief program. FIS' SBA-approved Real-Time Lending Platform supported the distribution of PPP loans and offered a feature that automated and streamlined the complex PPP loan forgiveness process. Over the course of 2020 and 2021, FIS distributed \$29.4 billion in PPP loans to small and medium sized businesses (SMBs).

Thanks to extensive collaboration across multiple FIS teams, ETA members were able to bring the full force of their scale and resources to assist their clients during this enormously challenging period and keep the global economy running.<sup>5</sup>

### Lendio

In the spring of 2020, Lendio shifted its mission of “Fueling the American Dream” to “Saving the American Dream” amid the economic crisis of the COVID-19 pandemic. When the economic effects of the pandemic threatened to shutter many small businesses, Lendio quickly pivoted to facilitating PPP loans. Through partnerships with hundreds of lenders across the country, Lendio facilitated 115,000 PPP loan approvals for a total of \$8 billion in 2020.<sup>6</sup> Prior to participating in the PPP, Lendio had facilitated \$2 billion in business loans since its inception in 2011. Additionally, PPP loans facilitated through Lendio were for some of the smallest businesses in the nation. The average PPP loan size on the Lendio platform is just over \$60,000 compared to the national average of over \$100,000.

### Intuit

For more than 25 years, Intuit with QuickBooks, have been helping their customers manage complexity and achieve success by assisting small businesses manage their books and grew into a platform that helps them get paid fast, manage capital, and pay employees with confidence. When COVID-19 upended the small business community, Intuit used their fintech experience to help their customers get more than \$1 billion in Small Business Administration (SBA) approved PPP loans and save hundreds of thousands of jobs.

Intuit provides an easy to use, automated PPP loan application process - for both the first and second rounds - for eligible QuickBooks customers seeking a PPP loan up to \$150,000. Small businesses were able to quickly apply for a PPP loan using their business data already available in their QuickBooks account. QuickBooks Capital also partnered with SBA-approved lender

<sup>4</sup> As of Nov. 2020, the SBA has lent \$525 billion to 5.2 million businesses

<sup>5</sup> FIS, 2020. *New FIS Portal Automates Loan Forgiveness Process for Small Businesses Under Paycheck Protection Program*

<sup>6</sup> “Lendio Facilitates \$8 Billion in PPP Loan Approvals for 100,000 Small Businesses,” <https://www.lendio.com/press-releases/ppp-small-business-impact>

Cross River to help additional eligible customers facilitate PPP applications directly through Cross River's platform.

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 to \$100,000, the average PPP loan size distributed by the SBA.

## Visa

Visa's response to COVID-19 has been focused on where the company can make the greatest impact. Visa believes it can play a prominent role in the mid to long-term recovery effort to help individuals, businesses, and economies thrive. In September 2021, Visa announced<sup>7</sup> that it had helped to digitally-enable an estimated 16 million SMBs worldwide, or just over 30% of the multi-year goal it set in 2020 to digitize 50 million SMBs. Since the start of the pandemic, Visa has launched community-based programs from Dubai to 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, Visa has committed \$1 million in hyperlocal grants to minority SMB owners in disproportionately impacted U.S. cities and deployed Small Business Street Teams to 900,000 businesses in 18 markets. The company has transformed payment acceptance in 49 markets with Visa Tap to Phone<sup>8</sup>, which enables sellers to accept contactless payments through a simple mobile app. In the U.S., the Tap to Phone Pilot began in June 2021 in Washington, D.C. as part of Visa's six-city revitalization initiative, which also includes Atlanta, Chicago, Detroit, Los Angeles, and Miami. Visa's Tap to Phone technology turns sellers' Android based phones into point-of-sale acceptance devices, providing an on-ramp to the digital economy with the ease of downloading an app. In partnership with the minority-owned, mobile smartphone technology and solution provider, ZmBIZI, the U.S. pilot program provided ZmBIZI's Z1 devices with Tap to Phone capabilities to 50 Black-owned SMBs in Washington, D.C.

Visa expanded its Back to Business Project<sup>9</sup>, an initiative created to help consumers locate small businesses that are open in the wake of a natural disaster. This special edition of the project has served as a platform to enable consumers to identify all businesses that remain open, including grocers and other essential services, and supplement the original purpose of the project to allow consumers to identify and support small businesses that remain open. Since the start of the pandemic, Visa has published Back to Business Studies to periodically update and highlight global small business trends and consumer insights to aid small business owners, including the most recent 5th edition release<sup>10</sup>.

To support continued recovery from the pandemic, Visa Foundation provided \$4.5 million to Gavi, the Vaccine Alliance's COVAX Advance Market Commitment working to ensure equitable access to COVID-19 vaccines for low- and middle-income economies. In addition, Visa Foundation provided a \$500,000 grant to Civic Nation to support their Made to Save public education and grassroots mobilization effort in the U.S. to build trust in the COVID-19 vaccines and increase access for communities of color whose health inequities have been exacerbated by the pandemic.

7 <https://usa.visa.com/about-visa/newsroom/press-releases.releaseId.18251.html>

8 <https://usa.visa.com/about-visa/newsroom/press-releases.releaseId.17976.html>

9 <https://usa.visa.com/support/small-business/back-to-business-project.html>

10 <https://usa.visa.com/dam/VCOM/blogs/visa-back-to-business-study-one-year-edition-sep21.pdf>

## 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 it was job losses, closed businesses, or lack of tourism, the COVID-19 pandemic severely impacted consumers and businesses across industries. 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.

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

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

- Access flexible payment distribution solutions that can be tailored for social service programs or relief efforts;
- Accelerate spend and stimulate economic environments;
- Leverage infrastructure support, security, and delivery for cards and payments; and
- Expedite distribution, offer 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 200,000+ jobs with an annual visitor spend of more than \$17 billion. The COVID-19 pandemic virtually wiped out this largest single source of private capital for the economy, sending the state into a shockwave.

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, eligible unemployment insurance claimants in Hawaii received a \$500 prepaid card usable only at island-based restaurants. 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 helped nearly 150,000 unemployed individuals and families in the state with food assistance. By distributing a \$500 prepaid debit card usable at island-based restaurants, bakeries, caterers, farmers, fisherman, and restaurant supply businesses, the program was also able to create more than 1.7 million transactions at local businesses; in 60 days the program had an economic multiplier effect of more than \$151 million. State tax revenue generated nearly \$9 million. Further, the program created or helped retain 1,162 jobs and assisted more than 4,200 restaurants and businesses.

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## 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, often called 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. A strong majority of Americans (88%) now use fintech, up from 58% in 2020, and more than half say they can't live without using technology to manage their finances, according to research from ETA member Plaid.<sup>11</sup>

As consumers continue to rely on fintech apps and services to manage their finances, providing exceptional banking experiences today means ensuring seamless access to those services. Open finance is about giving consumers the full picture of all their finances and allows any company to use financial data, with the consumer's consent, to generate new products, services, and use cases 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, enabling consumers to access a network of over 11,000+ FIs and 5,500+ fintech apps and services across the US, Canada, the UK, and Europe. Today, 1 in 3 US adults have linked an account with Plaid.

Plaid Exchange is a comprehensive open finance platform that gives FIs the tools needed to help ensure data access for the growing number of people using digital financial services. Among the benefits, the platform improves customer satisfaction and retention by enabling users to easily and reliably connect their accounts to financial applications and services that use Plaid (like Cash App) and offers users increased control and transparency through the ability to more easily build a data control portal, allowing customers to view, manage, and monitor apps they've connected to their financial accounts.

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.

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<sup>11</sup> Plaid. (2021). *The Fintech Effect: Fintech's Mass Adoption Moment*. <https://plaid.com/blog/report-the-fintech-effect-2021/>

## Prepaid Products

Many ETA members offer prepaid products, which provide cost-effective, convenient, and innovative payment options for millions of consumers, particularly 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 specific retail store that can be purchased in-store or from a kiosk at another retail location.
- **Open-loop products** can be used at virtually any retail location or business. Examples include a reloadable gift card or a general-purpose reloadable card that is network-branded and can be used to make purchases and obtain cash from ATM machines.

According to the Federal Deposit Insurance Corporation (FDIC), 5 percent of households do not have an account through an FI and rely on other products to complete basic financial services.<sup>12</sup> In particular, open-loop prepaid cards are popular with 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>13</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 tool, rather than to access cash, so that consumers have a more secure way to manage their money.

## 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>14</sup> features that used to be reserved for 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 help consumers meet their emergency needs. This optional, opt-in feature provides a great service to Netspend customers by helping them bridge their financial gaps and achieve stability when they experience an unexpected expense.

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<sup>12</sup> "How America Banks: Household Use of Banking and Financial Services," 2019 FDIC Survey <https://www.fdic.gov/analysis/household-survey/index.html>

<sup>13</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/>.

<sup>14</sup> About Netspend | Netspend Prepaid Debit Cards. (2017). Retrieved from [https://www.netspend.com/about\\_netspend](https://www.netspend.com/about_netspend).

## Nontraditional Payments Play a Major Role in Helping the Underserved

Billions of people around the globe 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 provide 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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### Paysafe

Paysafecash<sup>15</sup>, a Paysafe Group product, was specifically developed for the needs of online shoppers. Paysafecash allows consumers to pay for online purchases *but then complete the process at a physical payment point with cash*. Participating merchants provide the option at checkout for consumers to “pay with cash.” The consumer receives barcode to complete the payment amount via text, email or printable PDF and then they can pay in cash at over 70,000 7-Eleven, CVS, Walgreen, and Family Dollar locations via the barcode to complete the online purchase. eCash payment locations and points of sale across the US are easily discoverable via the company’s app’s store locator.

Other eCash solutions such as the paysafecard enable financially underserved consumers to instead use prepaid vouchers and enter the voucher code to complete a transaction via an online checkout, no credit card or bank account details needed. According to Paysafe research, 47 percent of U.S. consumers said that if it was easy, they’d like to buy products online with this avenue and 43 percent agreed that they shop online more regularly if paying with this method was available.

### Amazon

Customers in the U.S. 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. Separately, Amazon Cash, which enables customers to load cash into their Amazon Balance for making online Amazon purchases, is now available in over 100,000 Walgreens, CVS, Game Stop, Rite Aid, and 7-Eleven nationwide.

### PayPal

Similarly, PayPal has 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 anywhere Mastercard is accepted. They can also withdraw cash from automated teller machines (ATMs) worldwide, including over 25,000 free MoneyPass® ATMs nationwide.

<sup>15</sup> <https://www.paysafecash.com/en-us/>

PayPal Cash is a feature that allows consumers to load money into their PayPal accounts at more than 20,000 retail and convenience-store locations (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 no minimum balance is required.

The Federal Reserve Bank of San Francisco<sup>16</sup> reported that, in 2021, 72 percent of payments in the U.S. were made in-person. For these in-person payments, cash accounted for 36 percent of the volume. With the services and products offered by ETA member companies, underserved consumers have additional options to pay for their purchases in cash and a pathway to participate in the digital economy.

**With the services and products offered by ETA member companies, underserved consumers have additional options to pay for their purchases in cash and a pathway to participate in the digital economy.**

## 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.

### 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 and partnerships.

First, to support teens new to digital banking, Zelle® partnered with EVERFI, a leading social change organization to offer free educational courses for high school students across the country. 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 secure their financial future.

During the 2020-2021 academic year, the new program along with an existing financial foundations program called Money Moves: Intro to Finance™, reached 66,558 students in 47 states and Puerto Rico across 1,443 schools nationwide.

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 will work together to spread awareness and educate consumers and small businesses on how to protect themselves from financial fraud and scams.

Zelle® also teamed with up the Detroit Pistons NBA franchise during the 2021-2022 season to elevate the financial fitness of citizens of Detroit and its surrounding communities about the importance of investing in their financial futures and how to protect themselves from fraud and scams.

Other notable financial literacy partnership programs from Zelle® include its award-winning Pay it Safe advertising campaign and work with leading financial and consumer safety influencers.

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<sup>16</sup> Findings from the Diary of Consumer Payment Choice (2021). Federal Reserve Bank of San Francisco.

## Cross River

Cross River, a trusted 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 included the rising reliance on technology and how it can be used to improve a consumer's financial health. Cross River has additionally leveraged its expertise by teaching a series of basic computer coding workshops for elementary students. Understanding the importance of technology and providing consumers with the skills necessary to navigate the modern system is crucial to promoting financial literacy.

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 profound digital financial literacy education programs to allow individuals to become more responsible for their own financial planning, manage their own savings such as retirement plans and pensions, 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 in order to better manage their financial lives.

Many of Plaid's customers have developed products on the Plaid data platform to help the unbanked and 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 better, from offering prediction 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 setting that money 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>17</sup>

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

## 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. In May 2016, Discover announced it would offer FICO® scores for free through its Credit Scorecard program for all consumers, even those who are not Discover cardholders, to help educate them about credit, the various factors that go into

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

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 like college-aged students, or those with little to no credit history, this valuable tool provides a foundation for building financial health.

In addition to the Credit Scorecard program, Discover launched its 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 cardmember has had the account for one year, Discover will review the Discover it® Secured Credit Card account each month to see if the cardmember 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 cardmembers to build a personal credit history with use of the card.

## JP Morgan Chase

JP Morgan Chase provides several solutions for customers to manage their daily finances and long-term goals by developing and bringing 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 impacting 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 to date.<sup>19</sup>

## Wells Fargo

One of the most significant challenges for the underserved population is that many have several income sources or are being paid infrequently, which can make budgeting a challenge. Wells Fargo provides a variety of resources and products that enable individuals to learn how to manage money responsibly, build and improve credit, plan, and save for the future, and reach their financial goals. For example, Wells Fargo's award-winning Hands on Banking financial education program, available in English and Spanish, teaches people in all stages of life about the basics of responsible money management, including how to create a budget, how to save and invest, how to borrow responsibly, how to buy a home, and how to establish a small business.

For nearly 20 years, this program has provided individuals and families with the knowledge they need to take control of their financial future, including a variety of educational articles, classroom resources for educators, and self-directed courses for everyone from seniors and military members to entrepreneurs and kids. In 2018, more than 1.7 million people learned about money management through the Hands on Banking program, with 77 percent of participants reporting increased knowledge about managing their expenses.

Wells Fargo works with school districts, government agencies, and nonprofits to provide workshops and drive awareness of the program, with a focus on reaching underserved communities. In 2019, Wells Fargo introduced Hands on Banking for Youth, a new digital learning center created to help K-12 students establish healthier financial habits and achieve greater

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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).

financial stability and success. The website makes it easy for K-12 educators to navigate and access grade-appropriate resources — including lessons and instructor toolkits for elementary, middle, and high schools — on topics ranging from savings to charitable contributions to cryptocurrency. The enhanced curriculum meets an expanded set of educational standards to support self-paced, individual learning or classroom use.

Additionally, Wells Fargo will work closely with FinTech's that are deeply committed to helping underserved communities. For instance, Wells Fargo is among the investors in Greenwood, a digital platform for Black and Latino individuals and business owners. The bank also has started a collaboration to help the FinTech MoCaFi provide banking to unbanked individuals, starting with offering MoCaFi customers the ability to use their MoCaFi debit card at Wells Fargo ATMs without incurring fees from Wells Fargo.

## 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 third 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 scale to increase their positive socio-economic impact. Winners 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 30 years, Visa has been a private sector leader in financial literacy, providing award-winning educational tools and resources to parents, teachers, students, and consumers via the Practical Money Skills<sup>20</sup> program. Visa has reached millions in the U.S. with its educational materials over the last three decades. In response to the changing needs of this unique time, Visa added emphasis on virtual education — like a curriculum to accompany the popular NFL-themed financial education video game, Financial Football<sup>21</sup> — and updated content and created a landing page for site visitors looking for resources pertaining to COVID-19.

Also evolving to meet the changing needs of the pandemic through augmented resources was Practical Business Skills<sup>22</sup>, Visa's educational initiative for small business owners and entrepreneurs. The program is focused on helping growth-minded business owners, especially those with fewer than ten employees, thrive. This segment of businesses is essential to our communities but often lacks access to educational resources and business tools. The platform serves as a one-stop educational portal to help entrepreneurs start, manage, and grow their small businesses. The portal includes a range of resources as well as content covering topics such as cash flow management, financial planning, business registration, business plans,

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20 <https://www.practicalmoneyskills.com/>

21 <https://www.financialfootball.com/>

22 <https://www.practicalbusinessskills.com/>

sustainability, and emergency planning, among others. All resources are available online via computer or mobile phone and are offered in both English and Spanish in order to better assist often underserved Hispanic communities.

## **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 at all income levels have increased the opportunity to create user-friendly, easy-to-understand financial management tools and put them directly in the hands of customers.

NCR's FinanceWorks puts 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 behaviors. It also allows individuals to establish a budget, create savings goals, and set up automatic deposits to savings accounts.

For the financially underserved, fees associated with financial accounts have long been a serious impediment to financial health. Highly intuitive solutions like FinanceWorks allow families to stay on top of their finances and avoid unnecessary fees. Research has shown that individuals 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**

While an inclusive financial system provides consumers and businesses with access to financial products and services, a primary catalyst for participation in the larger financial ecosystem is also tied to consumers' access to the job market.

As part of our industry's ongoing commitment to economic empowerment and financial inclusion, FIS, Fiserv, and other core providers announced a partnership with the Cities for Financial Empowerment (CFE) Fund on an initiative called Bank On.<sup>23</sup> Bank On aims to improve the financial stability of underserved individuals and families in communities across the U.S, supporting nearly 90 local coalitions across the country consisting of nonprofit groups, consumer advocates, policymakers, federal regulators, financial institutions, and local elected officials. Bank On has certified accounts at over 60 financial institutions, and these accounts are available at 24,000 bank and credit union branches across the country. FIS-served financial institutions make up about 20 percent of all banks with Bank On-certified accounts.

Additionally, FIS offers their Digital One and Credit Insights platforms. This suite of solutions supports consumers with financial decision making and educational tools that enables users to better understand credit scoring and overall financial wellbeing.

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<sup>23</sup> <https://joinbankon.org/certify/>

## Mobile Banking Services and Innovations in ADA Compliance

The internet has allowed for the creation, deployment, and adoption of mobile banking services among many demographic groups. These services help provide the underserved 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 that 85 percent of mobile phones are smartphones, a steady increase from previous years.<sup>24</sup> The FDIC has found that mobile banking, as a primary method of account access, continues to increase sharply (from 9.5 percent in 2015 to 34 percent in 2019), overtaking online banking as the most prevalent primary banking method.<sup>25</sup>

One demographic that has benefited immensely from the emergence of mobile banking is persons with disabilities. For example, touchscreen-only accessibility features on 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 persons with disabilities have access to a single accessibility system when accessing 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 learn multiple formats. As a result of these features, people with disabilities are now able to use the same simple and effective system, whether they are performing a remote digital check deposit with their phone, transferring money on a tablet, or withdrawing cash at an ATM. This broader range of devices with highly effective accessibility features is making a range of financial services more available to people with disabilities.

**This broader range of devices with highly effective accessibility features is making a range of financial services more available to people with disabilities.**

### Mastercard

Mastercard extends its commitment to inclusivity by introducing a new accessible card standard for blind and partially sighted people, called the Touch Card. There are few effective ways for the visually impaired to quickly determine whether they're holding a credit, debit, or prepaid card, particularly as more cards move to flat designs without embossed name and numbers. Mastercard is addressing this challenge with a simple yet effective innovation. 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 standard has been designed to work with point-of-sale terminals and ATMs, ensuring it can be deployed at scale.

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

<sup>24</sup> Demographics of Mobile Device Ownership and Adoption in the United States. (2021). Retrieved from <http://www.pewinternet.org/fact-sheet/mobile/>

<sup>25</sup> Federal Deposit Insurance Corporation. (2019). *FDIC National Survey Use of Banking and Financial Services*

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 ease and security of a digital world.

**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.**

## Visa

At Visa, universal acceptance for everyone, everywhere is at the heart of their mission. The company's efforts to improve the accessibility of payment products and services as well as the Internet in general date back more than 15 years, when Visa began working with the World Wide Web Consortium (W3C) and provided feedback on accessibility standards as it worked to develop an accessible financial web application. Today, Visa's Accessibility team<sup>26</sup> is chartered to lead improvement of accessibility across the company and provides support and consulting to internal Visa teams and vendors making accessible products globally. Visa has developed its own Global Accessibility Requirements (VGAR) to meet and in most cases, exceed the Web Accessibility Guidelines 2.1 AA. The team's mission is to maintain and grow accessibility knowledge across the industry, support accessibility efforts, and further accessibility evangelism and governance to meet company standards. The team remains involved in industry conferences, research and on the board of organizations such as Knowbility, a globally recognized accessibility non-profit.

## Mobile Payments

Mobile payments are a convenient and secure alternative to cash and checks that allow 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, Block, 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>27</sup>

A recent survey of over 800 merchants revealed 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 of all global merchants. Another 26 percent of all merchants believe that mobile payments will represent more than half of their revenue within the next two years. The U.S. mobile payment market increased 41 percent from \$69.8 billion in 2018 to \$98.8 billion in 2019.<sup>28</sup> Mobile payments are increasingly being used by U.S. consumers and are a catalyst for higher mobile commerce sales.

Shopping on mobile devices drives ecommerce. For example, \$42 billion (or 42 percent) of all e-commerce sales were made on a smartphone during Cyber Week in 2021.<sup>29</sup>

<sup>26</sup> <https://www.youtube.com/watch?v=h4epVr9LFwQ>

<sup>27</sup> eMarketer, US Mobile Payment Users 2019 Report

<sup>28</sup> Kount, The Fraud Practice, Card Not Present.com & Braintree, 5th Ann. Mobile Payments and Fraud Report, 2017.

<sup>29</sup> Adobe Digital Insights 2019 Holiday Predictions. (2021).

Mobile payments aren't 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 delivery time is the client's choice, whether it be same day, next day, or later.

## Cross River

Cross River helps those in the marketplace economy — such as workers in ridesharing, food delivery, and other freelance occupations — by empowering payments companies to provide workers with quicker access to their earnings through push-to-card payments.<sup>30</sup> Providing consumers with the ability to quickly access their funds helps to deter the necessity businesses that trap consumers with high-interest predatory loans. Ultimately, these solutions help consumers break cycles of debt.

Similar to mobile banks apps, more than half of all U.S. consumers have downloaded mobile card apps and use them on a weekly or even daily basis. ETA is encouraged by this trend and sees value for consumers in the access, ease, 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, a process that replaces the card number with a unique string of digital numbers during the transaction so that the account information remains secure.

These payment solutions are especially helpful for smaller businesses that have a high traffic volume of credit and debit card transactions and want to move customers quickly. Mobile payments are fast and easy, and, most importantly, secure, so businesses can rest assured that their customers' payments will be completed securely. 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 each other in minutes via mobile applications, is transforming the way consumers engage in financial transactions. In most cases, 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

Among consumers, the primary use for P2P is to easily split the cost of goods or services, rather than relying on cash or check for reimbursement. PayPal's P2P app, Venmo, has carved out a niche among younger consumers in the U.S. In addition to its convenience for cost-splitting, Venmo can also integrate a user's social media account with their bank accounts, allowing them to make payments to other friends in their Facebook social network.

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<sup>30</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-economy-with-push-to-card-payments-300775260.html>

In 2021, Venmo's total transaction volume reached \$58 billion. Venmo continues to see explosive growth, reaching a record 76 million users. 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>31</sup>

**In 2021, Venmo's total transaction volume reached \$58 billion, reaching a record 76 million users.**

## Early Warning Services, LLC

Early Warning Services, LLC, the network operator behind Zelle®, announced its Q3 2021 transaction results highlighted by year-over-year increases across Zelle® Small Business and Disbursements with Zelle®. Overall, the network processed \$127 billion on 466 million transactions in Q3 2021. Year-over-year sent payment values increased by 51%, while payment transactions increased by 44%.

Besides transacting with friends and family, consumers increasingly turn to Zelle® to send and receive payments with businesses. Zelle® Small Business continues to be a fast-growth area in the Zelle Network®, with more than \$11 billion received by small businesses in Q3. In addition to receiving payments for services — such as property management, home, auto, personal care, and more — small businesses sent \$17 billion using Zelle® to pay for key operational expenses such as payroll, bills, and rent.

Disbursements is an ongoing growth area as well, with more than 500 organizations, companies, and government entities turning to Zelle® in Q3 to distribute rebates, refunds, payroll, and other payouts to consumers. In Q3, more than half a billion dollars were sent via Disbursements with Zelle® with an average payment of \$1,138 and a 28% year-over-year increase in payments sent.<sup>32</sup>

Early Warning Services LLC are partnering with Fiserv to empower minority and underserved communities to access real-time payments through Zelle. The two organizations are each offering a rebate to qualifying MDIs that sign up to offer 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. Money sent with Zelle goes 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.<sup>33</sup>

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<sup>31</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/>.

<sup>32</sup> <https://www.zellepay.com/press-releases/consumers-and-businesses-trust-zelle-send-and-receive-high-dollar-transactions-q3>

<sup>33</sup> <https://investors.fiserv.com/news-releases/news-release-details/zeller-and-fiserv-launch-program-bring-real-time-p2p-payments>

## Cross Border Payments

Cross border payments are broken for both consumers and businesses, and ETA members are working to solve it.

Over the past year, migrant workers have faced a global pandemic, economic turmoil, and even natural disasters to send money across borders to their families. Remittances have played a crucial role throughout the COVID-19 crisis. For a second consecutive year, remittance flows to low- and middle-income countries (excluding China) are even predicted to surpass foreign direct investment and overseas development assistance, growing to a projected \$589 billion in 2021. An estimated one billion individuals worldwide are involved in remittance flows, with 200 million sending money home to 800 million family members.

Despite the importance of these payments, the average cost of sending money abroad remains at a staggeringly high 6.4%, more than half the United Nations Sustainable Development Goal target of 3%. This is in part due to lack of transparency in cross-border fees - independent research in 2019 found that American consumers and small businesses were charged \$16.3 billion in fees when sending or spending money abroad, with more than half (\$8.7 billion) of the fees hidden in the form of exchange rate markups.

### Wise

That's why Wise, formerly known as TransferWise, has remained committed to making international payments instant, convenient, transparent, and eventually free for its 11 million customers. Since 2011, Wise has offered significantly lower fees for cross-border payments, supporting those sending money home internationally and offering products including an account for over 50 currencies, an international debit card, bank details to get paid in 30 different countries, and multi-currency direct debit. International payments with Wise are fast, so that customers don't need to wait multiple days to receive money.

Individuals are not the only ones impacted by the difficulties of cross border payments. An independent study in 2021 on small and medium businesses found that over half of those surveyed have been discouraged or prevented from expanding internationally, with 51% listing the cost and complexity of international payments as a major deterrent. Small businesses are also impacted by hidden fees, with American small businesses paying \$2.3 billion in hidden fees in exchange rate markups alone when buying and selling international goods and services; and losing an additional \$66 million in exchange rate margins by making international payroll. Further, local payment providers use a patchwork of systems to move money internationally, resulting in slow and expensive money management for businesses operating internationally. These inefficiencies and costs hit home hardest for entrepreneurs, founders and smaller players for whom moving at internet speed and scale is no longer optional - it's business critical.

Wise has worked to make cross-border transactions for small businesses just as fast, easy, transparent, and cheap as they are for individuals. Wise offers account details in several currencies, balances in over 50 currencies, and an international debit card to allow businesses to spend like a local, as well as products to make international payments easier including the ability to schedule, batch and automate payments and integration with other payments products.

Through providing cheaper, faster, and more accessible international payments, Wise has transformed the global financial landscape for underserved people and businesses who once had to rely on legacy banking for expensive and slow international payments.

## Expanded Internet Access

Over the last decade, financial services have expanded into 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.

**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-based world, the affordability, ease of use, and security of digital transactions helps power the economy. Moving consumers into a more secure financial system is just one of the many benefits that expanded internet access provides.

## 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 approximately 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>

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 potential 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 and onDeck, funded nearly \$10 billion in online loans from 2015 to 2017, generating \$37.7 billion in gross output and

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34 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").

35 80 Fed. Reg. 42866, 42867 (July 20, 2015).

36 In 2014, almost 20 percent of small business applicants sought credit from an online lender. *Id.*

37 *Id.*

38 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>.

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.

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 in nearly real time, and they provide convenient repayment options for small businesses. Community Development Financial Institutions (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

Additionally, regular access to capital remains critically important as national economies emerge from the pandemic. In 2020, FIS continued to support small and medium-sized business (SMB) clients with our FIS Working Capital solution in the U.S. The program became an even more important lifeline given the uncertainty of the traditional lending market during the COVID-19 pandemic. Businesses that use FIS merchant solutions can apply online for the cash they need to grow their business and get approved in minutes, including those with low credit scores. Low credit scores are one of the biggest barriers to accessing financing and disproportionately impact low-income communities. Since the program launched in March 2019, the FIS Working Capital solution has provided more than \$285 million of funding to over 8,000 merchants worldwide. We also support buy now, pay later (BNPL) payment methods which allow consumers to access to credit that they might not be able to from a financial institution.

## OnDeck

In addition to partnering with CDFIs, online small business lenders are partnering with FIs to service small business loans. Because online platforms and systems are often more efficient and cost-effective for underwriting small-dollar loans, companies like OnDeck, an online small business lending company, can provide a valuable service to FIs to expand their market reach.

OnDeck has additionally committed to small business credit education by launching its Business Loans platform, an online resource dedicated to helping small businesses understand business financing.

## PayPal

In late 2013, PayPal and WebBank partnered to launch a unique online small business lending platform called PayPal Working Capital (PPWC), 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 U.S., U.K., and Australia. Nearly 35 percent of PPWC loans go to low- and moderate-income businesses, compared to 21 percent of FI loans, and more than

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39 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>

61 percent of PPWC loans go to entrepreneurs and businesses owned for less than five 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, illustrating a direct benefit to underserved populations.<sup>40</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. Using improved technology, online lending platforms can reach a decision for customers nearly immediately based on real-time business data, which positively impacts the percentage of businesses approved for funding.

## Square

For over six years, Square Loans (the new name of Block's Square Capital offering) 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 underrepresented populations — 32% of Square Loans customers identify as people of color, compared to an industry average of 27%, and 51% of Square Loans customers are women-owned businesses, compared to an industry average of 17%. Square small business loans range in size from \$300-\$250,000.

Square has also been able to offer capital at amounts far lower than what has been available to small businesses from traditional lenders — 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 size of \$6,750. These numbers highlight Square's ability to reach and serve small businesses that have been traditionally underserved by existing lending options.

## Lendio

Another company that participates in online small business lending is Lendio. Since 2011, Lendio has provided a free online service that connects businesses with lender options from its marketplace based on information provided by the small business. A streamlined, 15-minute application process connects small business owners to a network of reputable, trusted lenders, providing everything from short-term, specialty financing to lines of credit-to-credit cards to low-interest traditional loans. Lendio handles the customer experience from start to finish, compiling offers for the borrower to compare rates, terms, and payment amounts, and providing expert advice to help them select the ideal loan for their business.

**A streamlined, 15-minute application process connects small business owners to a network of reputable, trusted lenders, providing everything from short-term, specialty financing to lines of credit-to-credit cards to low-interest traditional loans.**

In early 2019, Lendio acquired and rebranded the small business accounting platform Sunrise, the first bookkeeping software to meld accounting, cash flow management, loan, and credit information into a single platform. Sunrise gives solopreneurs and small business owners more accurate insight into their business finances, allowing for more streamlined accounting, invoicing, reporting, and access to capital. The software is offered in two versions: a free plan that allows businesses to do both cash and accrual-based accounting, and a paid plan that also allows growing businesses to leverage expert bookkeepers.

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<sup>40</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.

As both platforms evolve and become more integrated, Lendio's customers will have the real-time understanding of their financial health they crave. Lendio and Sunrise will work in tandem to provide financing solutions that harness a unique blend of technology and smart human touch. In every scenario, Lendio's goal is to provide a borrower with multiple loan options, in an efficient amount of time, through a highly dependable and transparent loan origination process.

Lendio Local, the first-of-its-kind marketplace lending franchise program, helped over 7,000 small business owners' access \$425 million in PPP loans. Started in 2017, Lendio Local matches small business owners with the nation's top online lenders in a way that has never been done before, through funding experts in their local communities. The program has expanded to include more than 90 territories across the country and is reaching small business owners in industries and geographic areas that were previously unreachable.

For every new loan facilitated on Lendio's marketplace platform, Lendio Gives provides a microloan to a low-income entrepreneur through Kiva. This voluntary employee contribution and employer matching program has provided more than 23,000 microloans to date. Loans are provided in \$25 increments to underserved small business owners, many of whom have been turned away by traditional lenders. When loans are repaid, Lendio Gives reinvests them into new loans to further the positive global impact of these contributions.

## **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.

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 over 32million consumers who have 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 over 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 found 60 percent of QuickBooks Capital customers would likely not get a loan elsewhere, and 46 percent have never applied for a loan before.

Working capital loans through products like QuickBooks Capital are especially important to underserved, young small businesses who 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 under two years less eligible to apply for the loan. In fact, according to a Federal Reserve<sup>41</sup> study, 70 percent of businesses younger than five years need funding to grow, but only 23 percent of them get the funds they need. Additionally, 90 percent of QuickBooks Capital customers said the funds they received helped them grow their business, and 41 percent that without a loan from QuickBooks Capital, they would not have expanded or improved their business.

Intuit offers loans of up to \$100,000 to small businesses up to twelve-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 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.

## 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. In addition to mobile banking services, FIs are 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.

### 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. In addition, 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.

Technologies like interactive tellers allow FIs to operate branches with more services and at lower costs, reaching more communities than was previously possible.<sup>42</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 traditional banking hours.

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41 Federal Reserve Bank of New York *Small Business Credit Survey (2016)*

42 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

Most diversity, equity, and inclusion (DE&I) efforts focus on representation and removing workplace bias, which are important but not sufficient to solve the larger issue of financial opportunity. ETA members are actively expanding their commitment to DE&I, announcing truly significant initiatives and programs for underserved communities.

ETA member companies operate in increasingly diverse communities throughout our global footprint and this diversity is evident in our members' workforce, customers, suppliers, and other stakeholders. We expect our members to treat each other, our industry, and partners, with respect and embrace one another's differences.

### Bank of America

To help drive a culture of inclusion, Bank of America has developed and provide employees 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>43</sup>

### American Express

American Express is committed to making sure their colleagues are as diverse as our 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® 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. 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 over 70 organizations throughout the world supporting 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

In the summer of 2020, Visa committed to a number of initiatives working towards inclusion, diversity, and racial justice with the goal of driving lasting change through Visa's people, community, and company. Visa committed to increasing the number of under-represented employees in the U.S., particularly in leadership roles, through thoughtful recruitment and internal development programs. Visa launched the Visa Black Scholars and Jobs Program<sup>44</sup>, an

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<sup>43</sup> Bank of America Human Capital Management Report (Oct. 2020)

<sup>44</sup> <https://www.tmc.org/students-alumni/corp-scholar-programs/visa-black-scholars-jobs-program/>

initial \$10 million investment to drive early success by focusing on Black and African American talent. The program announced its first cohort of 50 students entering their freshman year at colleges and universities across the country.

In 2021, Visa Foundation committed a total of \$59.6 million in funds to support gender diverse and inclusive small businesses globally as they continue to recover from the COVID-19 crisis. Of that, \$21 million is dedicated to supporting small business owners in the U.S. Visa Foundation believes that creating a capital continuum for SMBs is crucial for their sustainability and growth. As such, Visa Foundation aims to increase equitable and efficient access to capital at different stages of business growth, support gender diverse and inclusive small businesses, and promote inclusive economic growth through its grantmaking and investments.

Also in 2021, Visa Foundation committed \$20.5M in investments across three U.S.-focused funds. The first, the California Rebuilding Fund<sup>45</sup>, is a loan program to support California's small businesses — especially those located in economically disadvantaged and historically under — banked areas of the state — through partnerships with Community Development Finance Institutions (CDFIs) focused on financing to women-owned and minority-owned small businesses. Second, the Fairview Emerging Managers Fund to support gender and racially diverse fund managers who invest in underrepresented entrepreneurs across the U.S., primarily women and people of color. Third, the Southern Opportunity and Resilience (SOAR) Fund<sup>46</sup>, which provides flexible, low-interest loans to small businesses in the southern U.S., the majority of which are owned by women and entrepreneurs of color with revenues under \$500k. Complementing the investment in the SOAR Fund and to increase the success rate of underrepresented entrepreneurs in accessing capital, the Foundation provided a \$500k grant to Winrock International<sup>47</sup> to support technical assistance for diverse small businesses applying to the SOAR Fund.

Continuing work from 2020, 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 (HBCUs); Local Initiatives Support Corporation (LISC) to increase small business resiliency for women entrepreneurs of color directly impacted by COVID-19; 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 our 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

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45 <https://www.connect2capital.com/p/californiarebuildingfund/>

46 <https://www.newswire.com/news/soar-disburses-over-11-million-in-loans-to-help-souths-smallest-21554295>

47 <https://winrock.org/winrock-receives-visa-foundation-funding-to-help-southern-small-businesses-recover-and-grow/>

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 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 it says will 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 an additional \$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**

An inclusive working environment, in which each employee can fulfil their potential and maximize their contribution, really matters at Paysafe. They recognize and value the creative potential that individuals of different backgrounds and abilities bring to their work. Paysafe launched a new D&I strategy and proactive plan to build on the commitments established in 2018. As part of this, the company has made D&I training mandatory for its entire team every two 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 commitment to diversity also extends beyond its walls. The company is dedicated to increasing inclusion across the payment and even the 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 focused on integrating inclusion and diversity into everything it does. In 2021, the company took its commitment on these issues to the next level with a renewed focus on five key areas of immediate action, incorporating ideas and input from their employees and leaders. These include driving the visibility of executive involvement, increasing education and awareness, enhancing our recruiting and internal talent development programs, engaging our colleagues, clients and partners, and fostering progress in our communities.

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 HBCUs in the University System of Georgia: Albany State University,

Fort Valley State University and Savannah State University. Currently, 71 percent of the academy's participants are from underrepresented groups.

Additionally, in 2021 FIS partners and clients are making a positive impact to address I&D issues in our communities. For example, Stratyfy – one of the members of the 2020 FIS FinTech Accelerator – is developing financially inclusive solutions. Stratyfy is a financial technology company that helps institutions provide more people with access to fair, transparent credit and prevent unwarranted exclusion from the financial system. Embedded in Stratyfy's platform is its patented solution that proactively identifies and mitigates systemic liabilities, such as unconscious biases or unreliable training data. The proprietary modeling approach powering Stratyfy's engine allows its users to seamlessly combine data and domain expertise to automate, scale and optimize risk-based lending decisions in a trustworthy and compliant manner. It was built to specifically address these everyday challenges and expand the reach of financial services and products to underserved populations to create a more inclusive financial system.

## **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 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 impacted small businesses in Milwaukee, Chicago, Oakland, Atlanta, Central and South Florida, Texas, Oklahoma, Washington D.C. and Detroit; it was also the first program of its kind to launch in the United Kingdom and will continue to expand internationally in Germany.

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 like the Brooklyn Chamber of Commerce, Atlanta's Russel Innovation Center for Entrepreneurship (RICE), Official Black Wall Street, professional sports teams like the Milwaukee Bucks and New York Mets, and HBCUs like Howard University, all of which are leaning in with Fiserv to support diverse small businesses owners in their communities.

## **Venable LLP**

In promoting DE&I and opportunity, having access to training and development opportunities is critical. An ETA member law firm, Venable LLP, strongly supports its women lawyers' 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. Indeed, approximately 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 that Venable LLP participates in, the Leadership Council on Legal Diversity (LCLD), focuses on fostering diversity and inclusion in the legal profession. Venable LLP has participated in LCLD since 2013, and its commitment to the organization's programs has grown steadily since. Each year, the firm sponsors a mid-career lawyer to participate in the LCLD Fellows program and two mid-level associates to participate 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 not just a number exercise. We are committed to actively promoting D&I in the payments ecosystem.

## Conclusion

ETA and its members support an inclusive financial system that provides high-quality, secure, and affordable financial services for the broadest possible set of consumers. ETA member companies touch, enrich, and improve the lives of underserved consumers while making the global flow of commerce possible. A goal of ETA member companies is to continually enhance the electronic payments and financial ecosystem so that it is accessible for all consumers, while ensuring that their transactions can be completed securely and efficiently. A key driver 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 goals through policies that support innovation and the use of technology in financial products and services.