

Building Credit by Building Partnerships A SpringFour and Self Case Study

September 2020



Overview of SpringFour and Self

Self Financial was launched in 2014 after its founder and CEO, James Garvey, made a simple mistake that resulted in late payments on his credit cards, significantly damaging his credit score. From a scenario many people know too well, Self has evolved to focus on helping millions of people responsibly build credit and save money, particularly those who are new to credit or who might not have access to traditional financial products.

Founded in 2005, SpringFour is the only Certified B, social impact fintech company that helps the financial services industry limit risk by empowering improved payment performance and increased customer engagement. SpringFour's suite of financial health cloud-based solutions provide access to over 18,000 vetted nonprofit and government resources to millions of consumers. These resources enable them to meet financial objectives, reduce household expenses, and avoid payment delinquencies.

The Partnership: Financial Health Requires Choices

When SpringFour and Self began working together in 2019, it was due to a mutually-held belief: Credit and savings are necessary, but not sufficient, for lower-income families to build financial health. SpringFour and Self recognize that these families also need empowerment, product choice, and assistance. In particular, financial institution customers need access to nonprofits and community resources, but it is difficult for a fintech company like Self to do that at scale alone. This recognition precipitated the partnership with SpringFour, and Self deployed SpringFour's S4Direct platform to its customers across the country in 2019.

Self chose early on to integrate SpringFour into its mobile app, which had been growing rapidly in usage and became the primary source of engagement for Self customers. Self wanted to make the process of getting a referral from SpringFour as easy and seamless as possible, so that customers could get the resources they needed quickly. The provision of financial resources is an integral part of helping customers make progress on their credit-building journey, find solutions to financial difficulties, and build towards other financial goals, including overall financial health. Self recognized from the beginning that building credit isn't the only financial challenge or goal that their customers face.

“Early on in its journey to the company it is today, Self’s leadership recognized the need to “help” people on their way, that meant looking for other ways that go beyond just “products” that could help them get to where they were going. And by doing so it would be good for the customer and the business that Self was building.” Rochelle Gorey, CEO and Co-Founder, SpringFour

“As an organization, we recognize the ease of use and incredible customer experience SpringFour offers. We understand that for many of our customers personal finance is complex and it’s hard to know where to turn to to get help for both education and support. By providing a launch point for consumers with a guided approach to what their needs are, we see SpringFour really resonates.” -Brett Billick, Chief Marketing Officer, Self

The Goal: Connecting a Service to a Product

Self is very aware of the fact that its customers experience massive income volatility. Nearly half of Self’s customers report a household income of \$40,000/year or less. Just over half said they had at least some income variance from month to month. Even before the COVID-19 pandemic, about half were spending equal to or greater than their income. Since the COVID-19 pandemic started, 45% of Self’s customers said their household income decreased as many were laid off, furloughed or working fewer hours. This is very much in line with SpringFour’s findings on how the pandemic has impacted low- and moderate-income households.

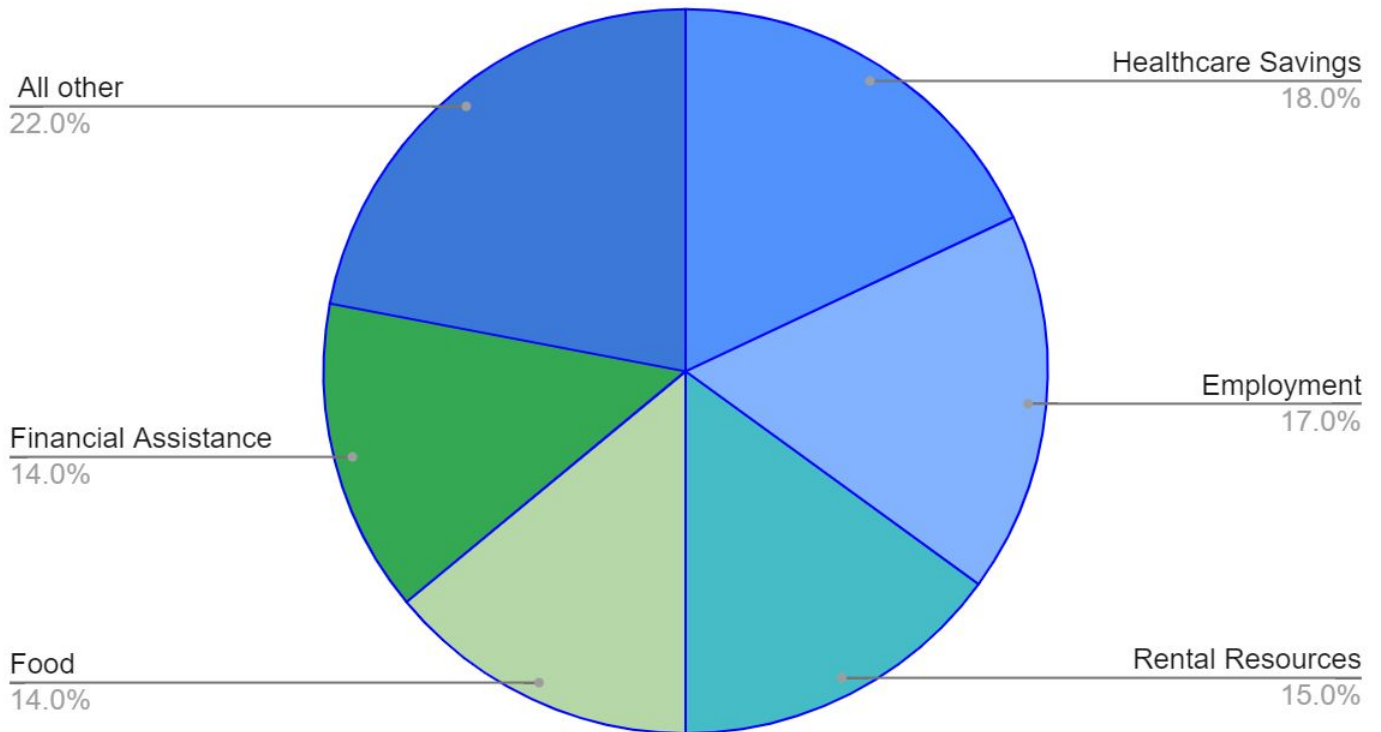
To deal with this situation, many Self customers are doing what they can, including spending down their savings, applying for unemployment benefits, and applying for jobs. But while many are cutting back on expenses, they are also shifting those expenses to credit cards or borrowing from family and friends due to a decrease in income. While Self’s customers were already making use of SpringFour’s resources, those resources became even more important as people found themselves in more precarious financial situations.

But in order to build a credit history and savings, especially in a time like this, families need to be able to first pay bills on time. SpringFour provides access to basic resources that Self customers need in order to keep current on bills and stay out of debt. Self’s customers are utilizing the S4direct application on Self’s website at outstanding levels. In the past year alone, over 460,000 financial health referrals were delivered to Self customers. Top referral categories included Healthcare Savings, Employment Services, Rental Resources, COVID-19 Food Resources, and COVID-19 Financial Resources.

In turn, the provision of referrals for basic needs helps customers stay focused on their commitment with Self's product, which is reliant on their ability to make on-time payments on a monthly basis to build credit history. **Every win on income, expense or savings is incredibly powerful.** And, as [recent research from the Financial Health Network shows](#), customers express high degrees of loyalty and commitment to financial institutions that are invested in their financial health.

"SpringFour aligns directly with Self in so many ways, and it is a platform that provides scale to our hundreds of thousands of customers. SpringFour plays a huge role in our relationship with customers in giving them resources they wouldn't have known about otherwise." -Brett Billick, Chief Marketing Officer, Self

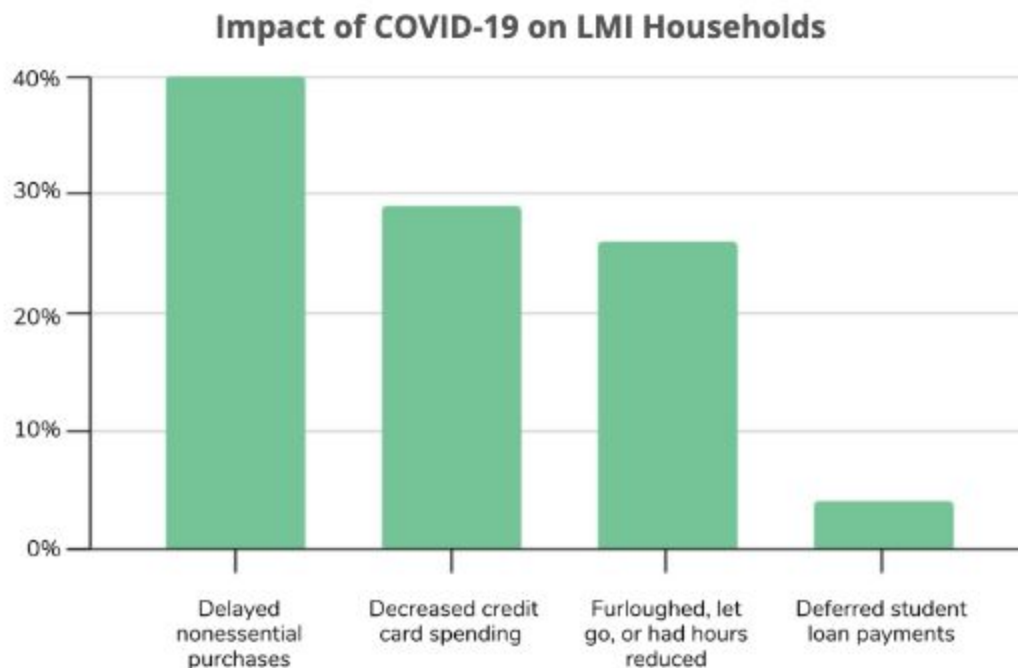
Top SpringFour Referral Categories for Self Customers



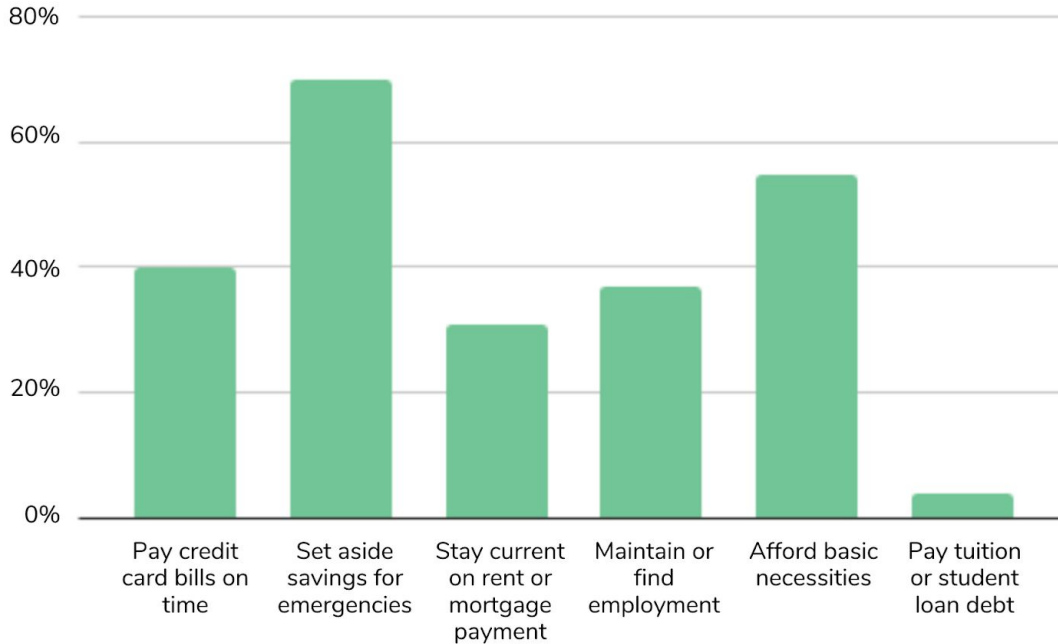
The Journey: Assisting Customers in a Crisis

The COVID-19 pandemic is challenging for even the most financially-healthy households. For low and moderate-income families living paycheck to paycheck and worrying about losing income and jobs, it is even more challenging. However, by working in partnership with experts in the field of financial health, fintech companies and other financial institutions can and are helping families navigate the pandemic.

A SpringFour survey of low and moderate-income families shows how severe the pandemic has been for these households, as they lose jobs, cut back spending, need help accessing basic necessities and worry about their financial futures.



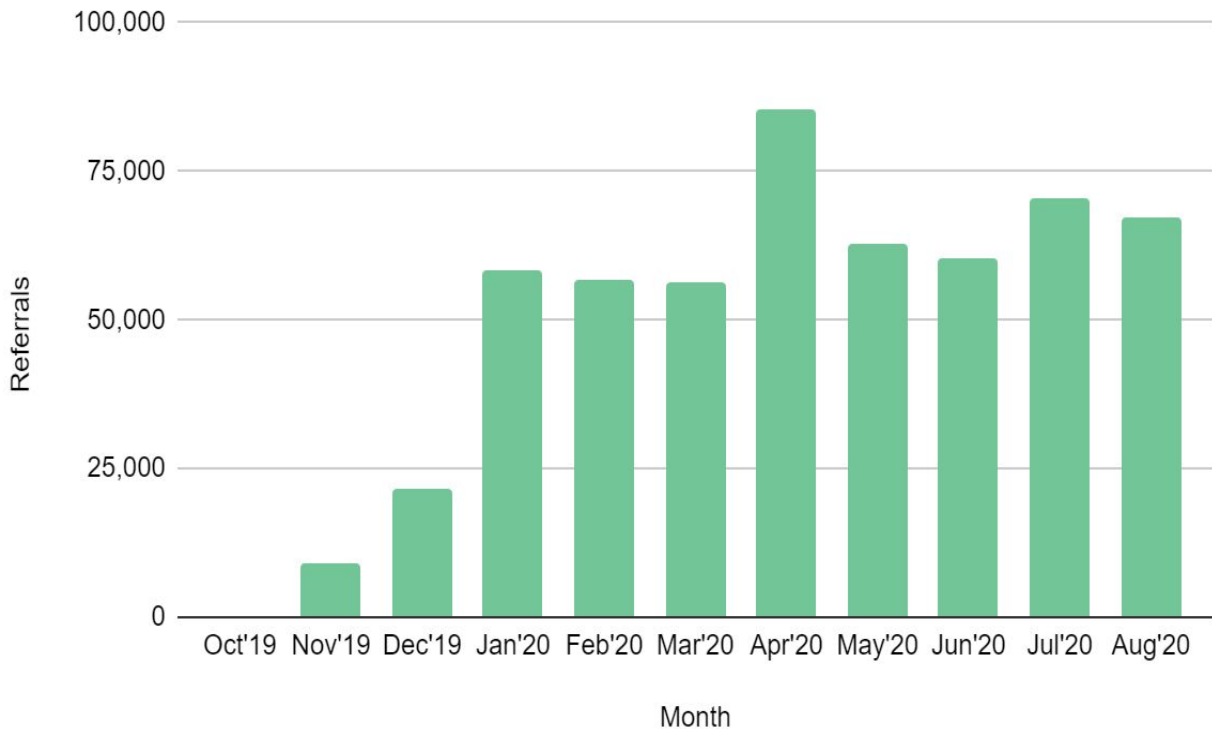
LMI HH Concerned About Ability to:



Given these concerns, and the fact that SpringFour’s survey found that only 17% of respondents were well aware of where to go to access help in locating resources, SpringFour worked closely with companies such as Self to meet these consumers’ needs.

Since the onset of COVID-19, Self has seen a huge uptick in demand for referrals, with over 350,000 SpringFour referrals given since the COVID-19 pandemic began. The chart below highlights the major spike in SpringFour referrals for Self customers seen in April of 2020, during the height of the beginning of the pandemic. Further, as SpringFour has noted since the crisis has unfolded, residents of populous states that have been hard hit by the pandemic continue to have a high need for assistance. Self customers are no exception. Self is seeing 40% of its referral volume from just five states: California, Texas, Florida, Georgia and New York.

SpringFour Referrals to Self Customers



SpringFour is one of the main partners Self is sending its customers to in order to find help during this extremely difficult time. Self highlighted SpringFour as a key resource for its customers as the pandemic first started to hit and since then, tens of thousands of customers are benefiting from using the SpringFour app, which has become the primary source of engagement for Self customers. Self and SpringFour wanted to make the process as easy and seamless as possible for Self's customers to get to the resources they need quickly.

“The value prop of SpringFour matches directly with what our customer base has told us they need. And it's provided a trustworthy, recommended way for them to navigate resources that they many times didn't realize existed.” -Brett Billick, Chief Marketing Officer, Self

“SpringFour applauds Self for having the insight from the beginning that their customers were going to need access to resources that went beyond just savings vehicles and ways to build credit. Self recognizes that customers’ financial lives are complex and often challenging, and that they are very well aware of what obstacles prevent them from saving and building credit—but they might not know where to turn to get the specific assistance they need.” -Katy Jacob, VP of Research and Impact, SpringFour

As we keep expanding and providing resources to build credit, the more this partnership can help people individually manage their expenses and find savings, the better.

“SpringFour and Self are mission-aligned in our efforts to provide people with the help and direction that they need to move along the path of financial health. It’s uplifting to see that when we combine our technology, resources, expertise and commitment to financial health, we can have a much greater impact on the people we serve.” - Rochelle Gorey, CEO, SpringFour

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