

The FinTech Opportunity in Personal Finance

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GFLEC Insights Report



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Millennial Mobile Payment Users:
A Look into their Personal Finances and Financial Behaviors

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Abstract:

The financial technology (fintech) sector is revolutionizing traditional financial practices, yet little information exists on users of these services. In this study, we examine untapped information from the 2015 National Financial Capability Study and the 2016 GFLEC Mobile Payment Survey to provide insights on the financial capability of American Millennials who use mobile payments. Using data from both surveys, we find striking differences in financial capability between users and non-users. Particularly, we find that users of mobile payments are more likely to overdraw their checking accounts, use credit cards expensively, borrow through alternative financial services, and withdraw from their retirement accounts. Even after we control for socio-demographic factors, results continue to show that mobile payment users are more likely to engage in behaviors that do not seem to follow good financial management practices.

Business

www.gflec.org

**Millennial Financial Literacy
and Fin-tech Use: Who Knows
What in the Digital Era**
New Insights from the 2018 P-Fin Index

Paul J. Yakoboski, TIAA Institute
Annamaria Lusardi, The George Washington University School of Business
and Global Financial Literacy Excellence Center (GFLEC)
Andrea Hasler, The George Washington University School of Business
and Global Financial Literacy Excellence Center (GFLEC)



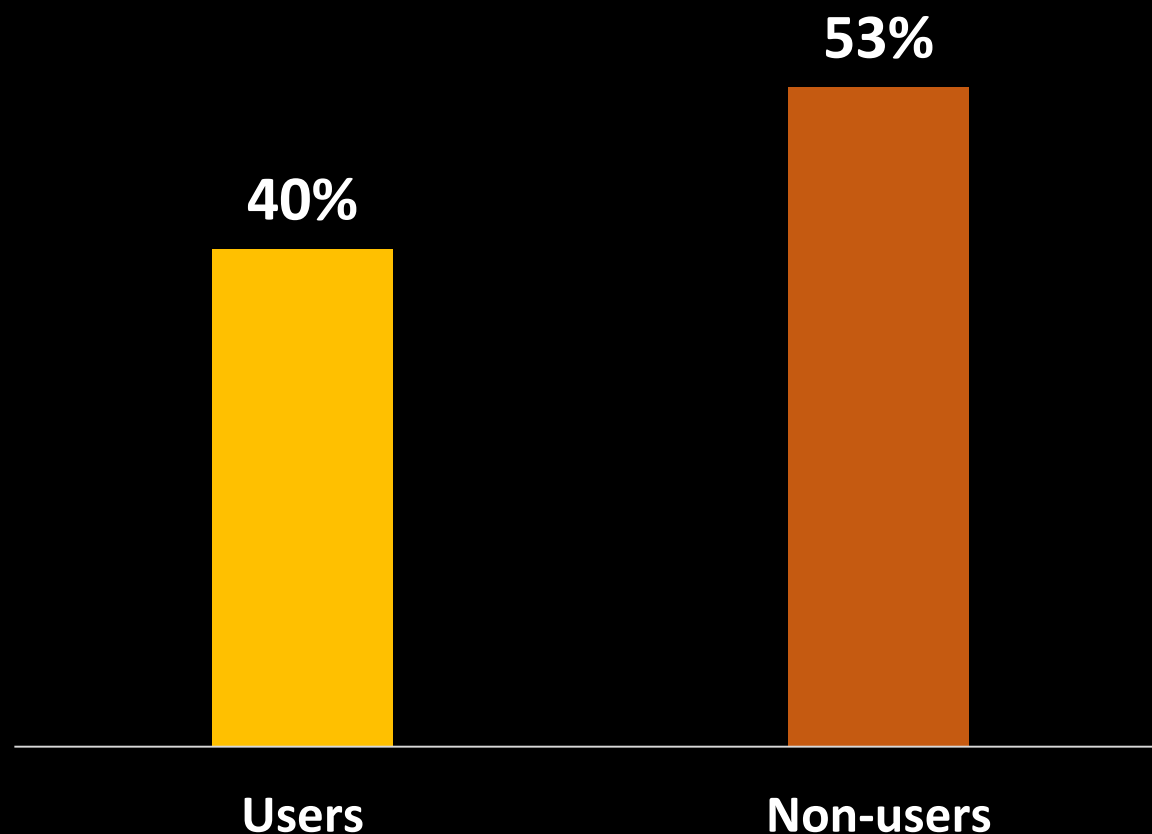
TIAA Institute

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Financial literacy and fintech use

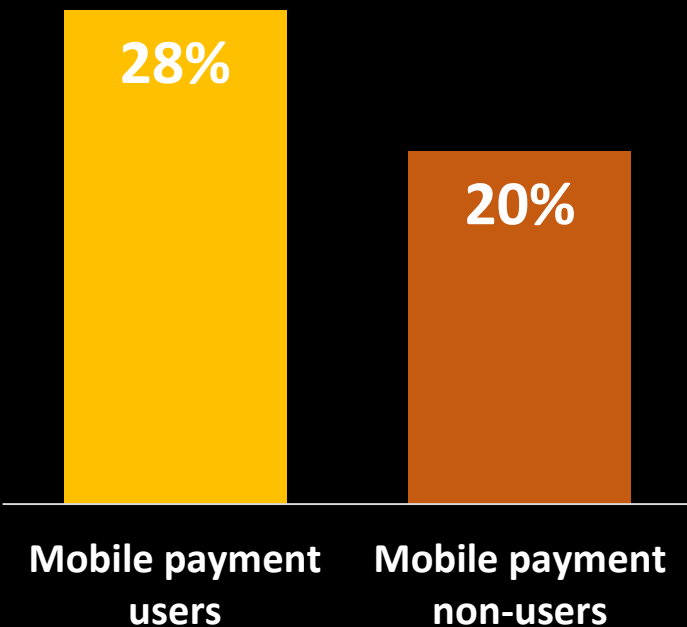


Only 40% of Millennial mobile payments users are able to answer three simple financial literacy questions.

Fintech use and personal finance

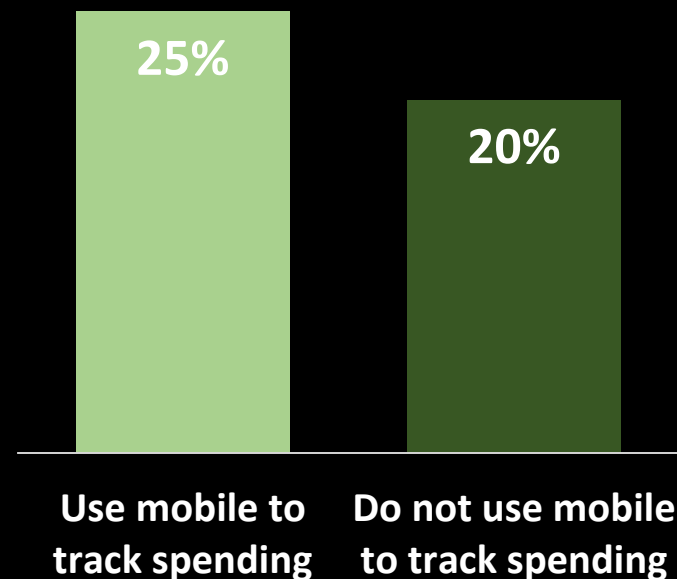
Mobile payment

% overdrawing their checking account



Track spending

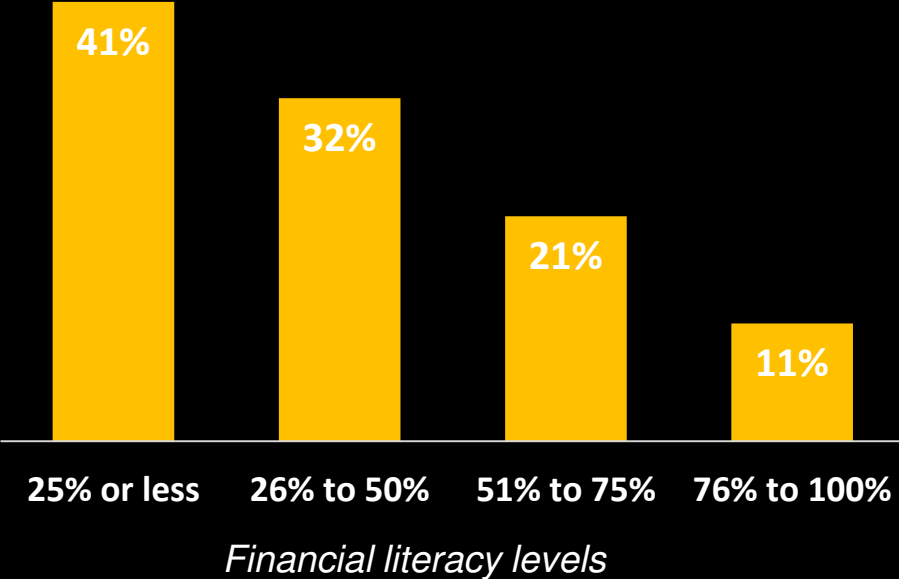
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Fintech use and personal finance

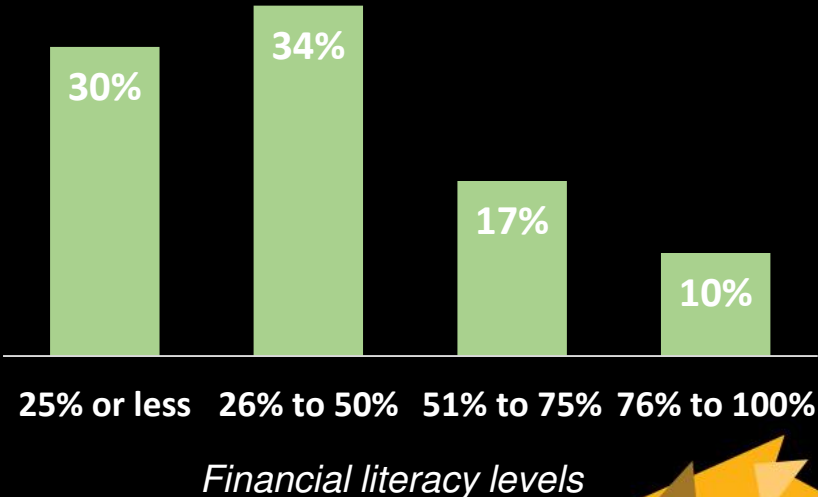
Mobile payment

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Looking ahead

We need to infuse fintech with financial literacy.

Lots of applications of fintech in personal finance, not just saving and spending.

Our research highlights the opportunities for innovation for fintech developers.

Fintech + Financial Literacy = The Winning Solution

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THANK YOU



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