



What We Do

The Center for Financial Services Innovation (CFSI) assists pioneering financial institutions, companies and other organizations both large and small to serve underbanked consumers across the economic, geographic and cultural spectrum both profitably and responsibly. It develops and distributes real-world tested research and strategy, provides funding to promising companies, and facilitates cross-sector business collaboration. CFSI's programs are grouped into six focal areas:

Research & Strategy

CFSI conducts groundbreaking market and industry research, compiles other relevant research and case studies, identifies industry best practices, and translates this information into actionable opportunities, strategies and solutions for the wide range of players across the financial services industry.

Since its inception, CFSI has published numerous papers on a wide variety of topics, including prepaid cards, partnerships, underbanked customer segmentation, new distribution channels and strategies, the development of alternative credit data, and improved risk management systems. Recent studies have included an examination of the potential of mobile banking for underbanked consumers; an overview of how current insurance industry practices impact the underbanked, exploring supply and demand issues in card-based remittance programs, and the latest data on prepaid card transaction behavior and its significance in building account-like, feature-rich cards.

Investment

CFSI believes harnessing entrepreneurial energy and originality is essential to delivering effective financial services to underbanked consumers. It therefore supports promising new companies, products and solutions through direct investment via its Catalyst Fund, grants, and by working to attract and organize funding from other sources.

Since its inception in 2004, CFSI has provided almost one and a half million dollars in grants and investments, in addition to its work developing broader investment syndicates. All of its funding projects share the common goal of having potentially broad industry acceptance and measurable impact. Successes include its role in establishing the Credit Builders Alliance, as well as its investments in and support of significant start-ups including CircleLending and the TIO Network.

Under the auspices of its CFSI Catalytic Fund, L.P., the Center continues to seek investment opportunities with the potential to both become highly profitable and to demonstrate transformational impact for underbanked consumers. Attractive investment candidates have a strong management team, completed product, signed reference client, are generating revenue, and can credibly project aggressive rate of return in large addressable markets.

Networking

Transforming underbanked practice requires the collection and evaluation of meaning customer and segment data, the development of innovative technologies and approaches, and broad acceptance and scale. Networking and cross-industry partnerships and relationships play a vital role in achieving these goals. CSFI uses a variety of methods to identify and nurture productive relationships among traditional and non-traditional financial services providers, established institutions and start-ups, and other relevant organizations.

CFSI's formal networking programs are our roundtables and Business Match. The Innovators and Responsible Credit Roundtables bring major players together to collaborate on transformation research, projects and strategic discussions. Business Match is our continuing series which brings providers and vendors together accelerate and

enhance the decision-making process and implementation of products and services CFSI has identified as significant building blocks to profitable underbanked programs. CFSI's investment program also includes a networking component, by assisting promising companies in obtaining necessary funding by a variety of means in addition to CFSI's own direct investment.

CFSI also informally makes introductions and connects industry players who attend CFSI's presentations and events or otherwise engage with CFSI through its programs and communications channels.

Roundtables

CFSI offers two roundtables that bring players from across the financial services industry together to generate the new information, ideas, products and strategies that will take underbanked practice from possible to profitable.

The Innovators Roundtable provides a forum for pioneering industry leaders from across the financial services spectrum, both traditional and non-traditional financial institutions as well as significant service and solution providers, to collaborate in ways that will both transform industry practice and assist roundtable members in achieve their own business goals. As part of an active working group, members participate in formal twice yearly meetings, as well as research and market testing projects determined by the group and guided by CFSI.

The Responsible Credit Roundtable focuses on the credit card sector, engaging industry and non-profit stakeholders to devise, test and implement improved communications and account practices that build value for both companies and customers. Member organizations and individuals bring a range of experiences and perspectives to the table. The cooperative environment of the roundtable enables the rapid data accumulation, market testing and alliances that companies need to move from acquiring new-to-credit consumers to building long-term, mutually profitable relationships.

Communication

The Center utilizes a variety of channels to disseminate research and information, build alliances, fuel expanding support and acceptance of underbanked programs, and promote best practices.

CFSI's communications channels and activities include its monthly online newsletter; publications, papers and case studies on significant research and practices in the underbanked sector; articles by and interviews with CFSI staff in leading industry publications; major conference presentations at industry events; CFSI's own conferences, webinars and other events; and its website, which includes searchable sections on all of CFSI's research papers, articles, interviews, and conference appearances. It also addresses CFSI's past and present investment projects and criteria; its history, mission and supporter organizations; and upcoming opportunities to attend events produced by or participated in by CFSI team members.

CFSI also serves as an educational resource for journalists and others seeking general knowledge on underbanked issues, and directs organizers and journalists to practitioners whose work serves to promote best practices in the industry.

Policy and Regulatory Development:

CFSI engages with private and governmental groups to encourage development of a policy and regulatory environment that will enable the financial service industry to profitably meet the short and long term needs of the underbanked. It does this by providing independent, objective information upon request, as well as by submitting comments on regulatory proposals that would potentially impact underbanked practice and innovation. Examples of this are its recent co-authorship of a policy brief with the New America Foundation, discussing the government's potential role in enhancing private sector solutions, and its comments regarding the Community Reinvestment Act.

CFSI executive staff have spoken at a variety of policy forums since the Center's inception, including The Brookings Institution's Symposium on Alternative Data and Access to Affordable Credit; the New America Foundation and the Congressional Savings and Ownership Caucus's Expanding Savings And Ownership: Low-Cost Solutions to the National Savings Program; and the Federal Reserve Board Research Conference: Promises and Pitfalls: As Consumer Finance Options Multiply, Who is Being Served and at What Cost?

For more on The Center for Financial Services Innovation, go to www.cfsinnovation.com, call 312-881-5856, or email info@cfsinnovation.com.