

# The FinTech Profitability Challenge

## High CAC

- \* USD 100-300 per customer
- \* Expensive marketing
- \* Low switching costs

## Low ARPU

- \* Free services
- \* Thin interchange
- \* Price-sensitive users

## Compliance Costs

- \* AML/KYC overhead
- \* State-by-state regs
- \* Partner bank fees

## Competition

- \* Race to zero fees
- \* Feature parity
- \* Big Tech entry

### Paths to Profitability:

1. Premium/subscription tiers (Robinhood Gold, Acorns)
2. B2B pivot (enterprise, BaaS licensing)
3. Interest income (deposits, lending)
4. Cross-selling (insurance, investing, credit)
5. Operational efficiency (AI, automation)

**2024 Shift: Investors demand path to profitability, not just growth**