Finhabits Research

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# Disclosure

* I am not yet used to thinking in terms of ethnicity or origin to classify groups of people as it is not very common in Argentina, but I understand it much more common in the US. To better understand what it means to target Latinos I read this report by Google which explains techniques that have been used and their power.

<https://www.thinkwithgoogle.com/future-of-marketing/digital-transformation/us-hispanic-market-digital/>

* I’m not familiar with the culture of US Latinos but I can talk a little bit about Argentina, which appears to have a similar savings culture according to Carlos in [VOA piece](https://www.voanews.com/silicon-valley-technology/new-financial-apps-demystify-stocks-and-bonds-latinos).
  + My story with my parents.
  + Problems with banks.
  + Lack of trust and knowledge.
  + Lack of “money talk”.
  + <https://www.voanews.com/silicon-valley-technology/new-financial-apps-demystify-stocks-and-bonds-latinos>
* OSDE Startup story
  + Talk about financial planning
  + I want to learn more about his goals and vision for the future, also, slide 6.
  + Start with Latinos -> Underserved markets -> Easy to start platform for the whole market with good brund and trust.

# YouTube Channel

* <https://socialblade.com/youtube/channel/UCZ3IANIWHqEKFXWH5MHn9JQ>
* <https://www.youtube.com/c/AntonioAlmazan/videos>

## Inactive Subscribers

A rule of thumb for spotting fake or inactive subscribers is looking at the views-subscribers ratio and the comments-views ratio. The following apply to the last 10 videos, a common way of measuring current performance.

**Target Views-Subscribers Ratio:** 14%

**Real Views-Subscribers Ratio:** ~2.4%

**Target Comments-Views Ratio:** 0.05%

**Real Comments-Views Ratio:** ~0.013%

### 

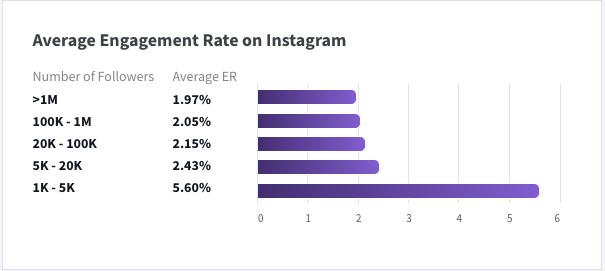
Here is another example of a youtuber in the same category and with a similar audience that having less subscribers has many more views.

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# Instagram

* <https://socialblade.com/instagram/user/finhabits>
* <https://phlanx.com/engagement-calculator>

He has a 0.57% engagement rate with ~10K followers with only 57 likes and 2 comments on average.



# Is he a Good “Guru”?

I’ve seen a couple youtube videos and read the topics of quite a few more and the advice he gives is sound. He doesn’t over-promise, he doesn’t promote financial gambling and instead focuses on tried and true methods of investing and growing one’s wealth over time. In that sense he is very similar to very admired financial influencers as Graham Stephan.

# Market

## Mediatically Addressing the Market

The app, the website and all the other marketing materials and appearances explicitly focus on the Latino community. The target is very clear.

If you search for [“investing app for latinos”](https://www.google.com/search?q=investment+apps+for+latinos&oq=investment+apps+for+latinos&aqs=chrome..69i57.3342j0j1&sourceid=chrome&ie=UTF-8) on Google the first five results are articles about Finhabits or their own website.

# Competitors

## Within the Latino Market

### Dvdendo

* <https://www.dvdendo.com/>

Android reviews say the app is a scam and that why do not pay. May be a problem with the Android app itself because they have overall very good reviews on iOS.

Is also present in Univision and Telemundo. Exactly same goal and very similar pricing structure, but depending on slide 6, may have different end goals.

### Mi Dinero Mi Futuro / My Money My Future

Website does not work. The one that does is focused on minorities and African Americans very explicitly. Too strong of a position IMO.

### iBillionare -> Albert

Started for Latinos, but joined Albert, a company dedicated to long-term financial planning, managing not only investments, but also income and spending. **MIGHT BE BIGGEST COMPETITOR.**

## Within Passive Investment Apps

* <https://www.bankrate.com/investing/best-investment-apps/>

### Yotta Savings – Highest risk-free interest rate

* <https://www.withyotta.com/>

It does not invest in stocks, it just gives slightly more returns than banks, but it gamifies the whole experience by using a weekly lottery to incentivize savings.

### Acorns – Best for worry-free savings

**MIGHT BE BIGGEST COMPETITOR TOGETHER WITH ALBERT.**

#### Acorns Invest

Acorns rounds you purchases upwards and invests the extra cents in ETFs. $1 per month.

#### Acorns Later

It allows you to create a traditional IRA, Roth or SEP within the app. You can also roll over an existing 401k or IRA to Acorns. An additional $1 per month.

#### Acorns Spend

Provides a FDIC-protected checking account with a debit card, among other things. Additional $1 per month.

### Robinhood – Best for fee-free trading

Not the target, but has the option to acquire ETFs, which is the backbone of Finhabits. The issue here is that it is not targeted towards Latinos and it is also not geared towards long term financial planning, so users have to know that ETFs are a good option and what they mean and how they work. They do provide articles to learn about these types of financial tools, but it is not what is mainly advertised as.

<https://learn.robinhood.com/articles/2thMEq9tQ9S5V3OipJYbsr/what-is-a-401k-plan/>

It does not look like the app funds can then be transferred into a tax-advantaged account.

### ~~Wealthbase – Best for social experience~~

### Betterment – Best for low cost

Provides investment portfolio recommendations based on personal goals (safety net, retirement, etc.) and risk tolerance at a very affordable price of 0.25% of managed assets.

### Stockpile – Best for gifting stocks

It allows you to buy fractional shares, which lowers the barrier to entry and has an easy system for gifting stocks, making it easier to introduce children and low income individuals to investing. $0.99 per trade, no monthly fee.

### Invstr – Best for learning about investing

Mixes a community with paper accounts with real accounts but does not seem to be focused on long term goals. $0.99 per fractional trade and $2.99 per whole stock trade.

# Possible Exits

* Sell to BlackRock, Vanguard or similar to acquire a platform and brand name to help onboard more Latino users. Will reduce internal costs because they can direct users to their own products using their existing structure.
* Sell to another company like Albert, that has the same goal, but is strictly pointed towards a certain group.
* Start with Latinos -> Underserved markets -> Easy to start platform for the whole market with good brund and trust -> Go public?

# Other interesting links

* <https://www.thinkwithgoogle.com/future-of-marketing/digital-transformation/us-hispanic-market-digital/>
* <https://www.cnbc.com/2019/07/11/the-latino-community-is-in-a-retirement-crisis.html>