

*IT'S
EXPENSIVE
TO BE POOR*

Quinten Farmer



Full stack engineering
Operations
Privileged white male

Myles Recny



Full stack engineering
Tech leadership
Privileged white male

Jon Schlossberg



Front-end engineering
Product design
Privileged white male

Let's fix what's broken

B=MAT





Need a
coffee break?
Come on in.

This coffeehouse's hours of operation:

Monday 4:00am to 10:00pm
Tuesday 4:00am to 10:00pm
Wednesday 4:00am to 10:00pm
Thursday 4:00am to 10:30pm
Friday 4:00am to 10:30pm
Saturday 5:00am to 10:30pm
Sunday 5:00am to 10:00pm



B=MAT



B=MAT



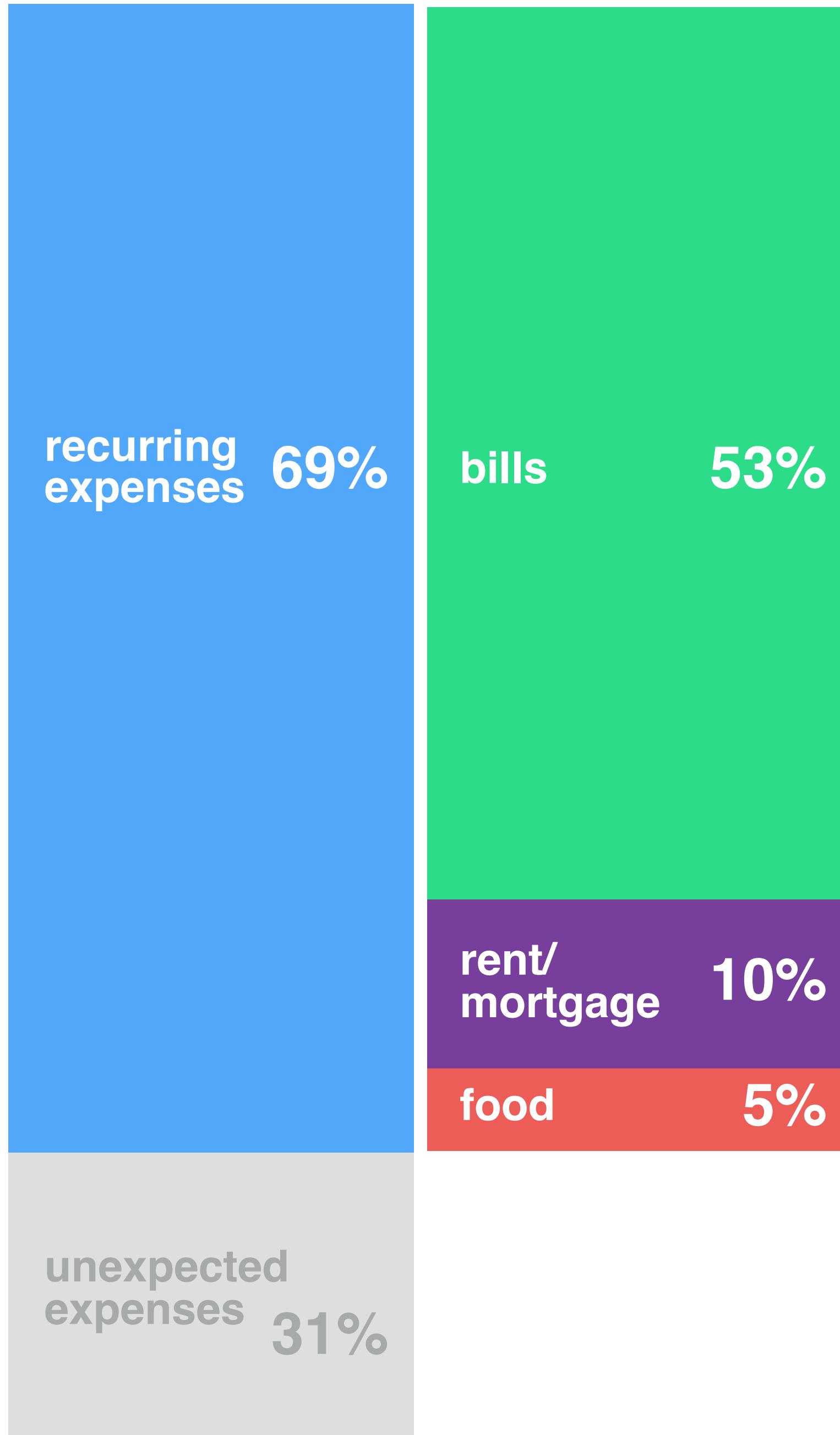
PAYDAY • TITLE LOANS

B=MAT



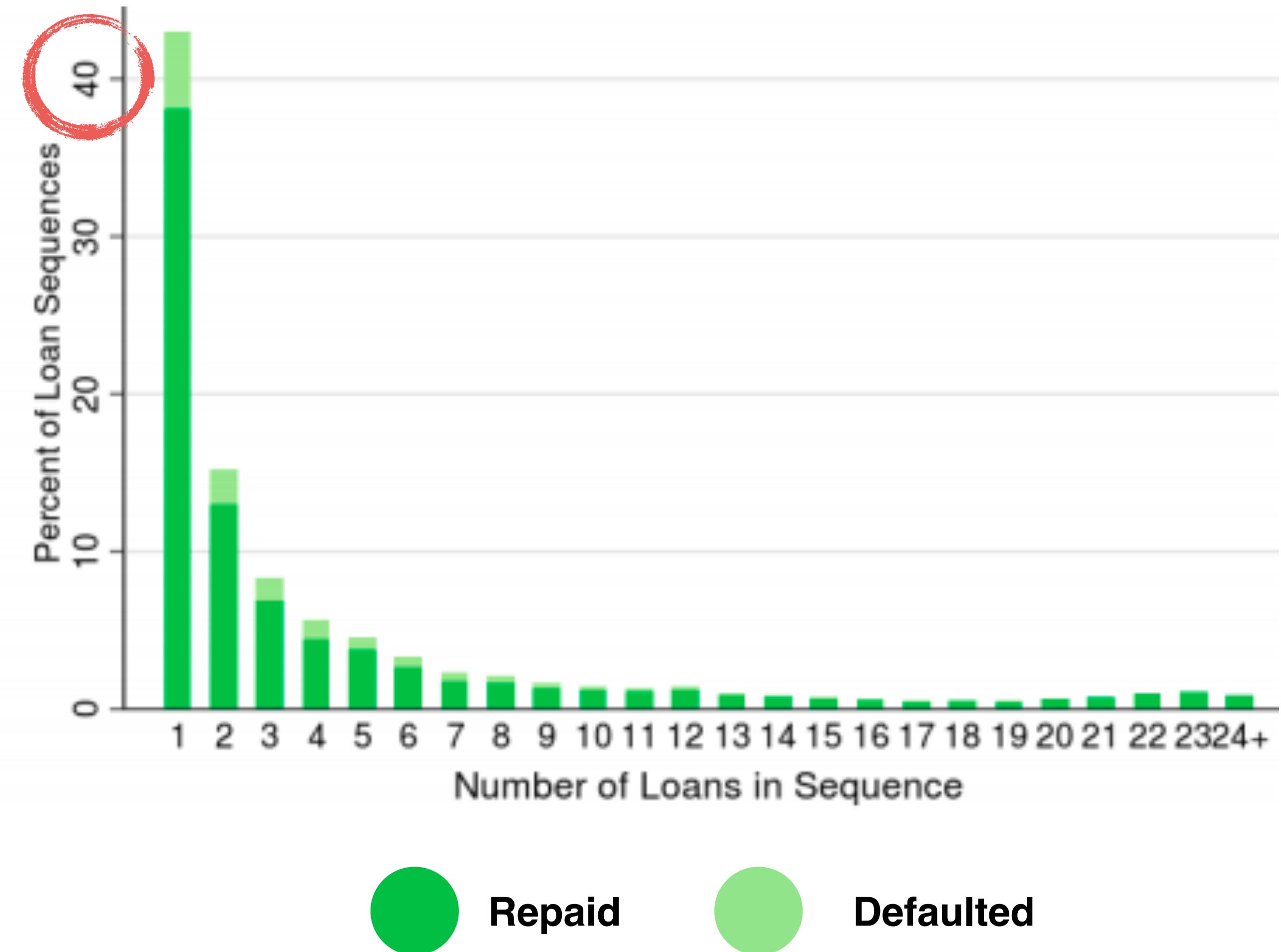
Despite the industry's claims,
people primarily use payday loans
for predictable expenses,
not emergencies

Source: Pew Trusts



Close to 60% of users
have to roll into a new
loan, substantially
increasing their cost

Source: CFPB



THIS IS FUCKED UP

*Step one:
fix short term credit*



PAYDAY • TITLE LOANS

B=MAT



Locations per 100,000 people



3.0



4.3

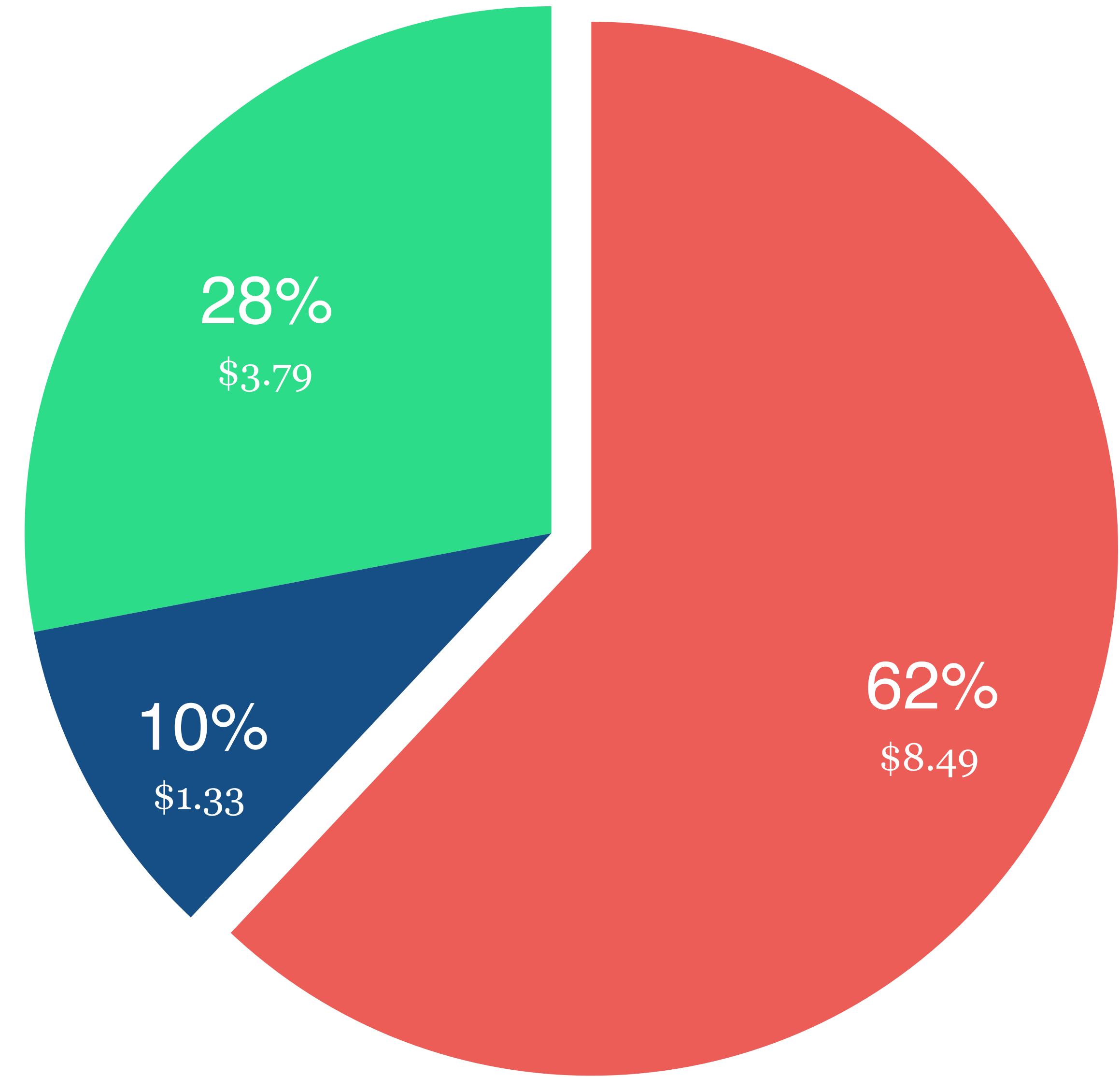
Payday lenders

10.7

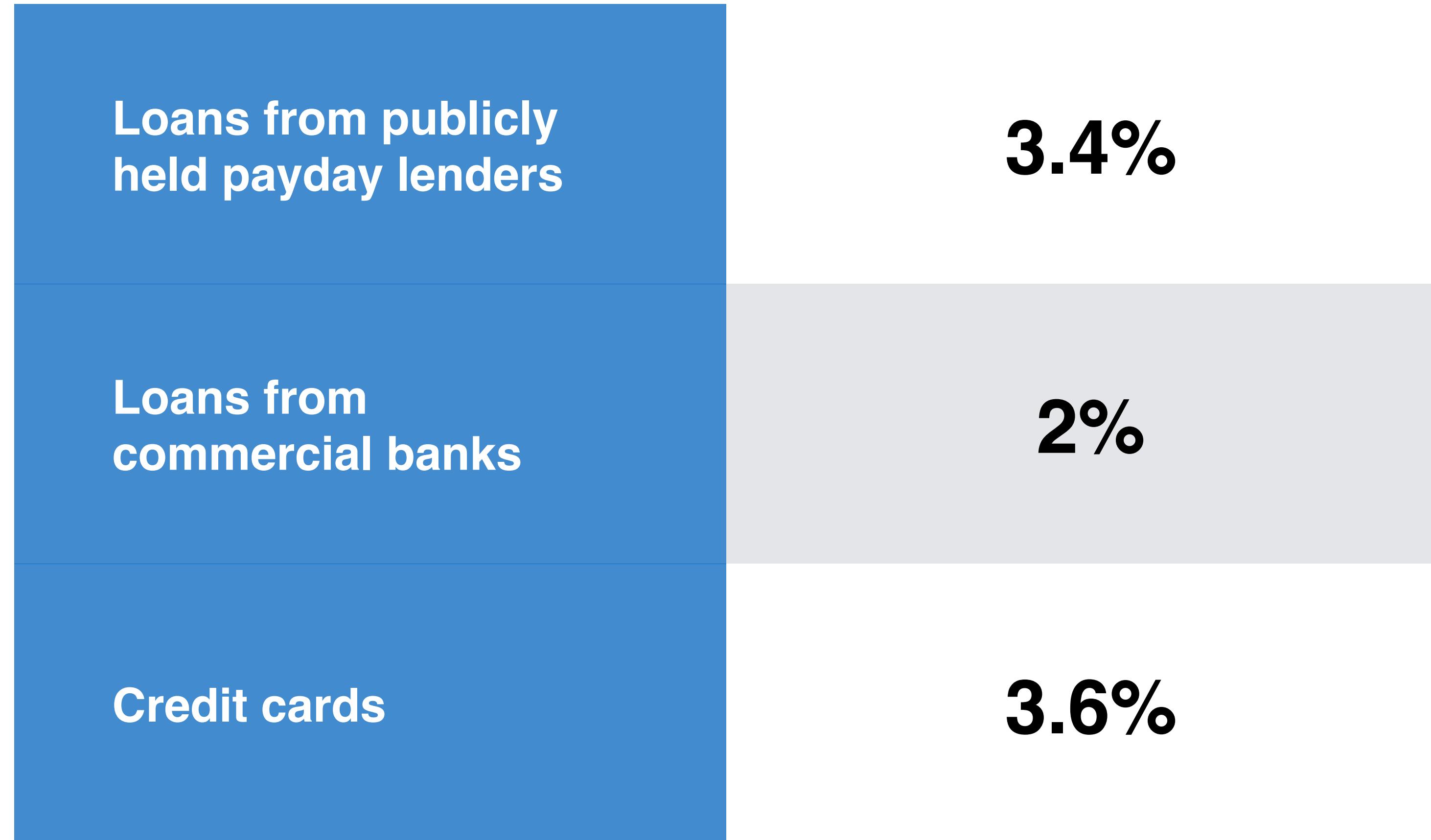
Cost for a payday lender
to lend \$100: \$13.61

Source: Advance America 2008 SEC report

- Store expenses
- Corporate expenses
- Charge-off expense



Percentage of utilized credit **charged off**

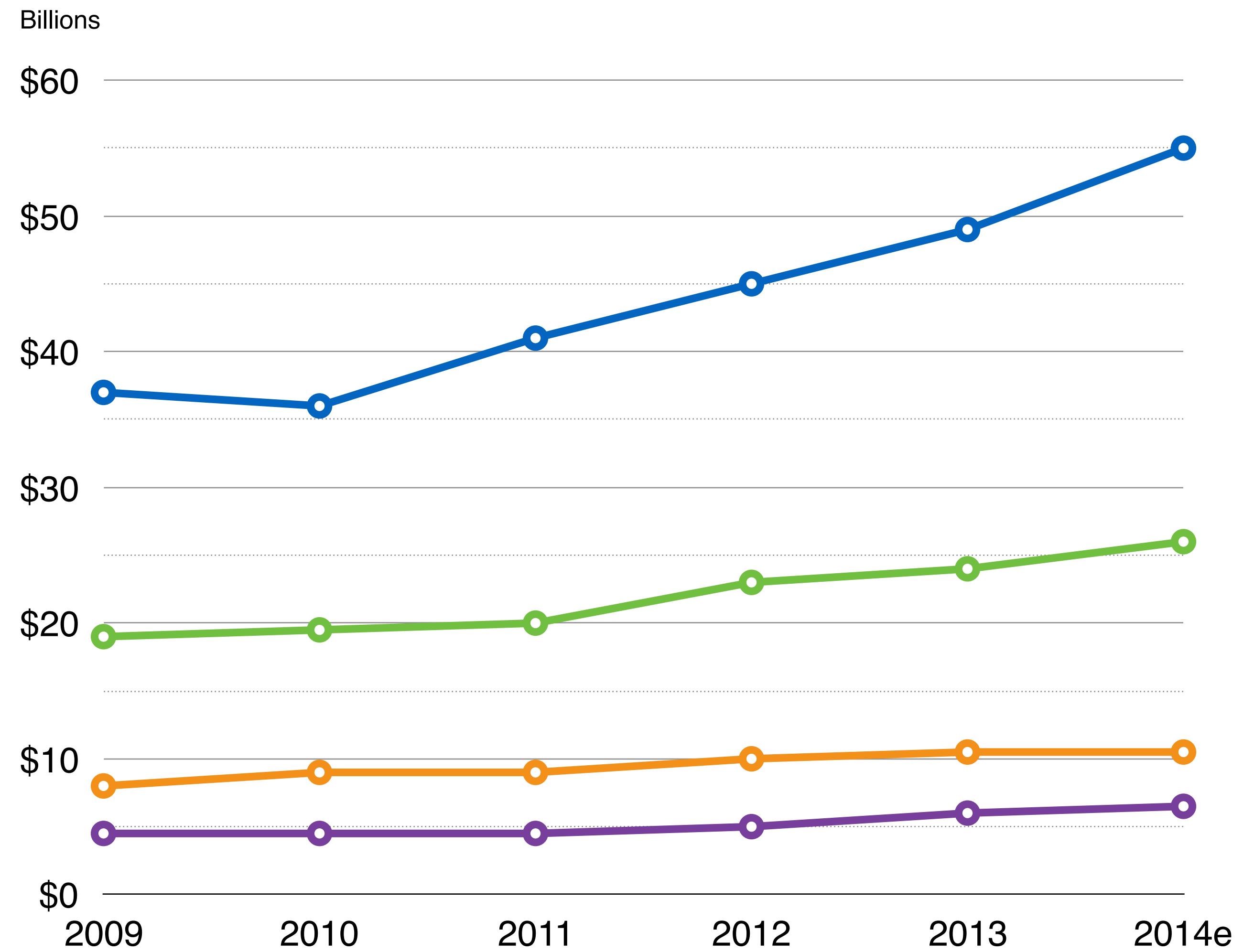


Source: NYU Economics, FDIC

Alternative financial services gross profit

- Short term credit
- Very short term credit
- Payments
- Deposits

SOURCE: DATA COMBINED FROM CFIS REPORTS 2010-2013



Let's
make
things
Even[↗]

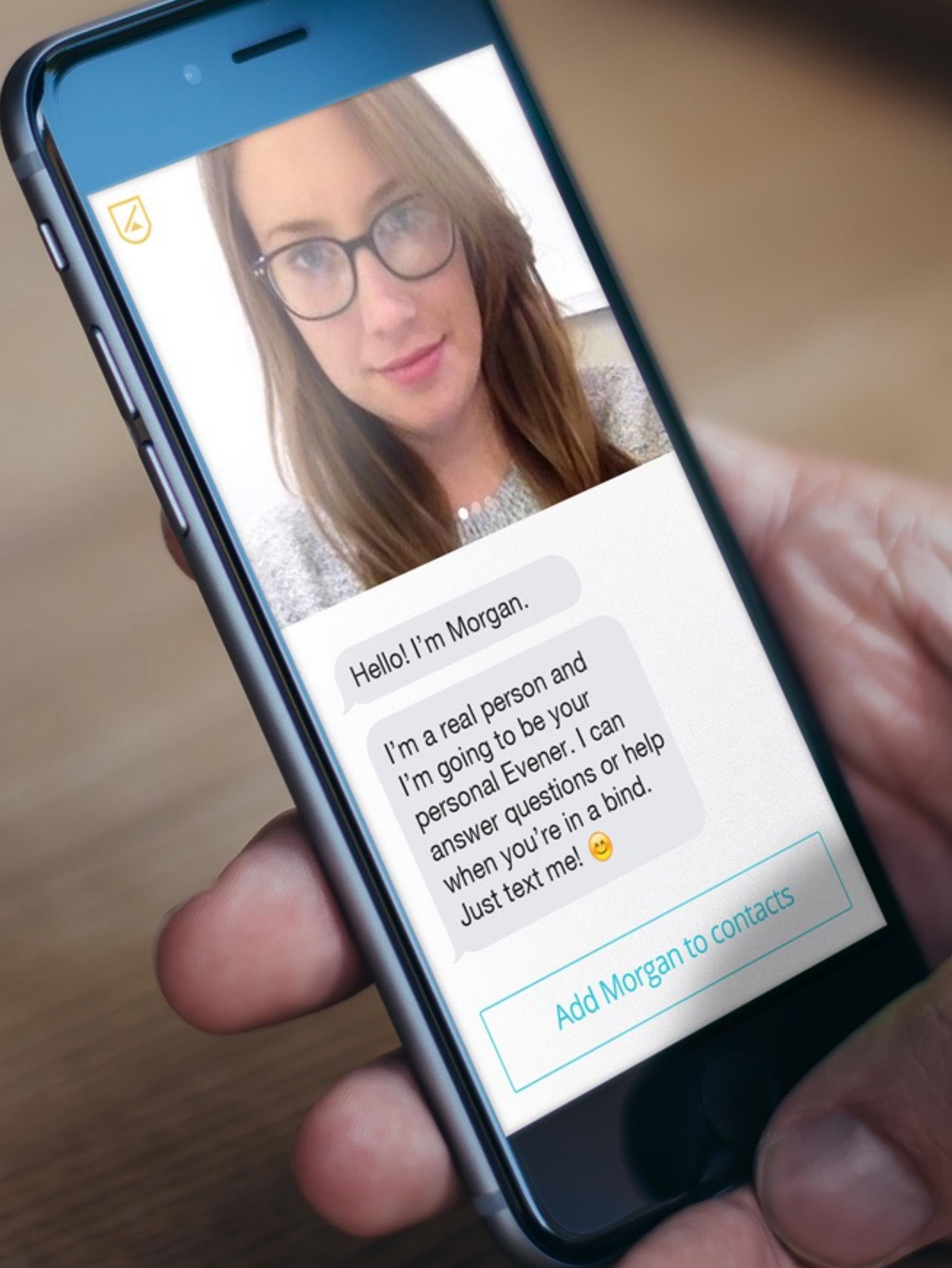


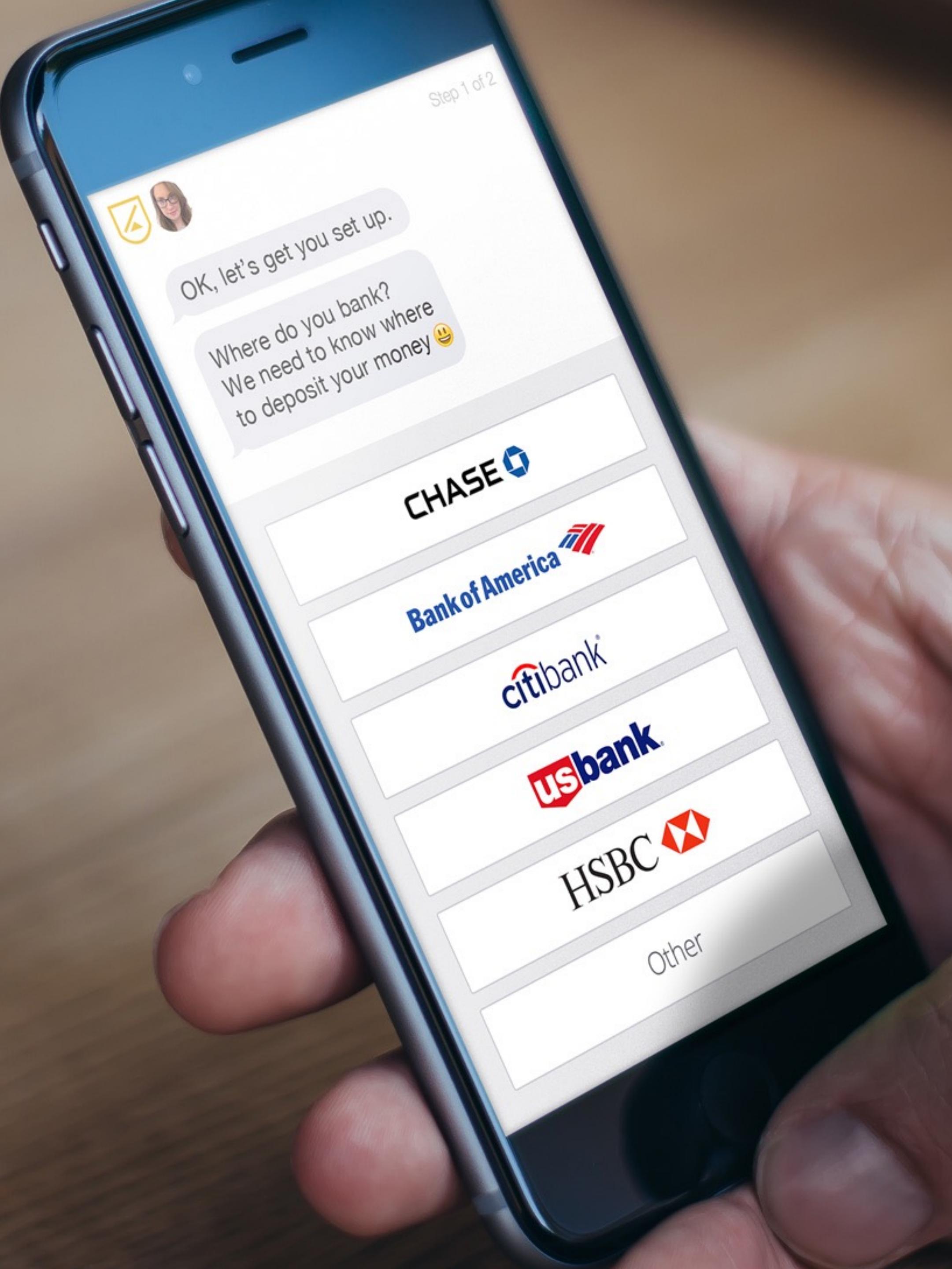


Money in your account, every day.
Even if you didn't get enough hours.
Plus \$200 in backup if you need it.
Even gives you steady paycheck.

Get started →













We're flipping the business model and aligning it towards helping people escape wealth transience

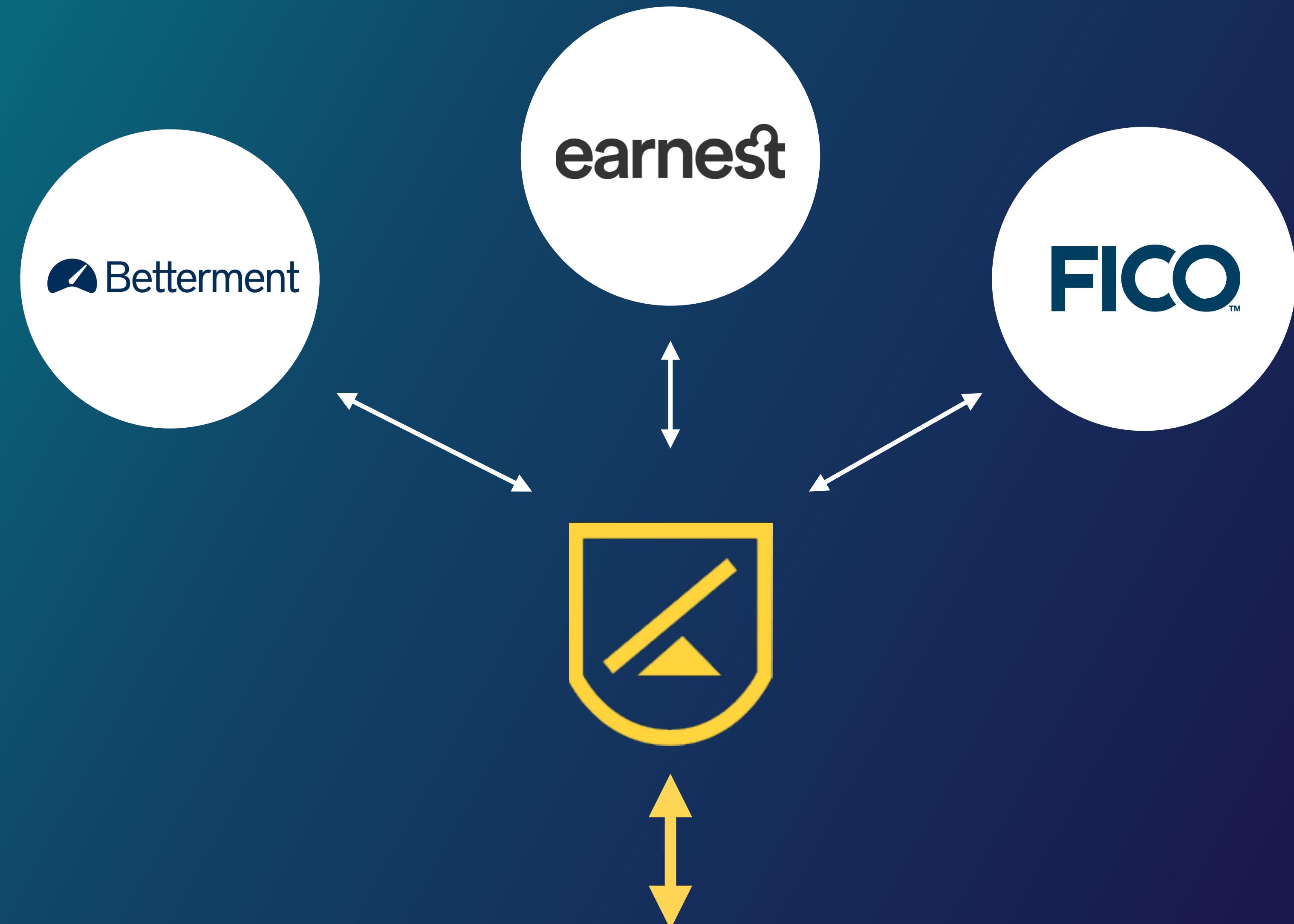
	Payday Loan	Even
Revenue source	APR	Flat monthly fee
Incentive	Increase credit utilization	Decrease credit utilization
Regulatory burden	Extremely focused and highly variant by state	Grey area

\$0.66/day

Let's
make
things
Even

Income smoothing
Community saving
Aggregated investing
Automated budgeting
Emergency insurance
Instant remittances





Previously underbanked



STELLAR

67%

of hourly in-store
employees
quit within a year

20%

of a given employee's
annual wage is incurred in
cost when they turnover



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Appendix

Percentage of loans outstanding accounted as a loss

	2005	2006	2007	2008
Advance America		45%	59%	
Cash America		102%		
QC Holdings	78%	54%		
ACE Cash	86%	79%		
Dollar Financial			37%	46%
American General Finance	5.5%	4.2%	4.8%	
HSBC		0.4%	0.7%	
GE Capital			0.8%	1.1%
Payday Avg.	82%	70%	48%	46%
Mainstream Avg.	6%	2%	2%	1%

Source: NYU Economics

Percentage of loans actually charged off vs. commercial banking averages

	2005	2006	2007	2008
Advance America	1.5%	2.6%	3.0%	3.8%
Cash America	6.2%	5.1%		
QC Holdings	4.2%	3.4%		
ACE Cash	3.9%	4.0%		
Dollar Financial		1.0%	2.3%	2.8%
All consumer loans	2.7%	2.0%	2.5%	3.5%
Credit cards only	4.8%	3.6%	4.0%	5.5%

Source: NYU Economics, Federal Reserve

Expense Type:	Amount:
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Company Expenses	\$600,000.00
Credit Pool:	\$250,000.00

Total Raising:	\$850,000.00
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Role:	Salary:	Fully Loaded:
Designer (cofounder)	\$50,000.00	\$65,000.00
Lead Engineer (cofounder)	\$50,000.00	\$65,000.00
Mobile Engineer (cofounder)	\$50,000.00	\$65,000.00
Product/Ops (cofounder)	\$50,000.00	\$65,000.00
Backend Engineer	\$100,000.00	\$130,000.00
CFO	\$100,000.00	\$130,000.00
Totals:	\$400,000.00	\$520,000.00

Input:	Value:
Number of customers	1000
Average loan size	\$250.00
% of loans that default	6%
Total Loan Value	\$250,000.00
Transaction Costs (2%, approx)	\$9,700.00
Cost of Loans written off	\$15,000.00
Total Loan Expenses	\$24,700.00