

**Brief**

# Improving Benefits Access: Insights From the Financial Solutions Lab Exchange

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## Acknowledgements







The Financial Solutions Lab was established in 2014 to cultivate, support, and scale innovative ideas that help improve financial health. It focused on solutions addressing acute and persistent financial health challenges faced by individuals with low to moderate incomes, Black and Latine communities, and other underserved consumers. The Financial Health Network managed the Financial Solutions Lab in collaboration with founding partner JPMorgan Chase and with support from Prudential Financial.



The Financial Health Network is the leading authority on financial health. We are a trusted resource for business leaders, policymakers, and innovators united in a mission to improve the financial health of their customers, employees, and communities. Through research, advisory services, measurement tools, and opportunities for cross-sector collaboration, we advance awareness, understanding, and proven best practices in support of improved financial health for all.

For more on the Financial Health Network, go to [finhealthnetwork.org](https://finhealthnetwork.org) and join the conversation online.

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## The Opportunity

# Increasing Financial Health Impact Through Nonprofit-Fintech Partnerships

Collaboration is critical to achieving financial health for all. By reaching across organizations and sectors, we can push past existing solutions, unlock new ideas, and build momentum to drive change at scale.

In particular, nonprofits and fintechs have emerged as natural partners in the financial health movement, complementing each other's capabilities to create greater impact for the people they touch. Fintechs can tap into nonprofits' trusted relationships with their communities to design and deliver more user-centered solutions, while nonprofits can access new tools to better meet their clients' needs. The vast potential of these partnerships was the driving force behind the Financial Solutions Lab Exchange.

As part of the Financial Solutions Lab, a Financial Health Network initiative to cultivate, test, and scale financial health solutions for people with low to moderate incomes, the Exchange fostered nonprofit-fintech collaboration to positively influence financial lives. From 2017 to 2022, the Exchange hosted four grant challenges focused on solving the needs of specific groups, from workers and students to people using public benefits.

For each challenge, the Exchange awarded grants to emerging nonprofit-fintech partnerships with strong potential for financial health impact. In addition, the program provided a meeting ground for hundreds of other nonprofits and fintechs to connect, learn, and explore partnership opportunities.

**200+**

**Fintechs and nonprofits  
participated**

**24**

**Grantee partnerships**

**\$1.3M+**

**In grants awarded**

### Inside the Financial Solutions Lab

Launched in 2014 by the Financial Health Network and founding partner JPMorgan Chase, the Financial Solutions Lab sought to advance fintech innovation that would improve the financial health of underserved people across America. The initiative, which also received support from Prudential Financial, evolved over time to include three programs: the Accelerator, the Exchange, and the Collaborative. Together, these programs worked to catalyze innovation, foster partnerships, and improve the financial lives of millions.

## The 2022 Challenge

# Improving Access to Public and Private Benefits

In 2022, the Exchange's grant challenge, which was supported by Prudential Financial, focused on improving public and private benefits access and navigation. People who use public and private benefits systems often experience significant financial health challenges, and these systems can be complex and confusing to use – preventing many people from accessing all the benefits available to them. This presents several opportunities for innovation to smooth the benefits journey, including solutions for determining eligibility, applying for and receiving benefits, preventing or managing the impact of benefits overpayments and benefits cliffs, and supporting applicants and recipients through nonprofit financial counseling or other social services.

The Exchange's focus on public and private benefits came at a key moment. With the COVID-19 pandemic disrupting Americans' financial lives, government-funded support programs demonstrated how benefits can serve as a crucial financial safety net for many. Financial Health Pulse<sup>®</sup> data underscores this point, finding that people who applied for and received unemployment benefits or debt relief were more likely to be able to pay their bills on time than those who didn't.<sup>1</sup>

As these government programs ended, it became even more important to create solutions to help people access complex benefits systems effectively. Millions of American adults who earn low wages rely on federal programs to meet basic needs, such as Medicaid for healthcare and Supplemental Nutrition Assistance Program (SNAP) for food.<sup>2</sup> Access to benefits can also help increase financial equity, since access to stable, well-paying jobs with robust workplace benefits is rarer for Black workers than their White counterparts.<sup>3</sup>

To address these needs, the Exchange looked for emerging or existing nonprofit-fintech partnerships that were working together in one of the following ways:

- **Fintech distribution:** A nonprofit integrates a fintech tool into its existing program to increase engagement and impact.
- **Nonprofit referral:** A fintech integrates or refers customers to relevant nonprofit services.

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<sup>1</sup> Andrew Dunn, Jess McKay, Necati Celik, & Thea Garon, "[Financial Health Pulse: 2021 U.S. Trends Report](#)," Financial Health Network, October 2021.

<sup>2</sup> "[Federal Social Safety Net Programs: Millions of Full-Time Workers Rely on Federal Health Care and Food Assistance Programs](#)," U.S. Government Accountability Office, October 2020.

<sup>3</sup> Christian E. Weller & Lily Roberts, "[Eliminating the Black-White Wealth Gap Is a Generational Challenge](#)," Center for American Progress, March 2021.

- **Systems enhancements:** A nonprofit implements fintech systems or tools to enhance back-end systems or operational processes.
- **Insights and design:** A fintech engages a nonprofit to get design input into new products and features.

#### The Exchange Challenges

- **2017:** The inaugural Exchange challenge explored the potential of nonprofit-fintech partnerships to improve household financial health.
- **2020:** This challenge identified partnerships that were improving the financial health of workers and students, supporting consumers navigating new financial challenges brought on by the COVID-19 pandemic and resulting economic crisis.
- **2021:** This challenge sought solutions to advance the financial health of justice-involved individuals and families navigating barriers to successful reentry.
- **2022:** The final challenge focused on partnership solutions to support individuals and families navigating public and private benefits systems.

### The Partnerships

## 3 Partnerships Spanning Benefits Application, Housing, and Child Care

The 2022 Exchange Challenge awarded grants to three partnerships focused on expanding access to benefits, measuring impact, and optimizing solutions to drive meaningful financial health outcomes.

### Local Initiatives Support Corporation Houston, Benefit Kitchen, and Connective

#### The Partners



**Local Initiatives Support Corporation (LISC) Houston** is a national nonprofit with a local presence in Houston that connects resources and networks to forge resilient and inclusive communities.



**Benefit Kitchen** provides award-winning screeners and application program interfaces (APIs) for families and nonprofits to learn to-the-dollar eligibility for federal, state, and local benefits.



**Connective** is a Houston-based civic technology nonprofit making social services more connected, empathetic, and accessible. The organization partners with communities to design and deliver social service programs, develops technology tools for service providers, and leads community-wide change.

## The Solution

These three organizations collaborated to improve access to benefits for clients of LISC Houston's Financial Opportunity Center™ partners. They combined LISC's proven model of income supports coaching with Benefit Kitchen's benefits screener tool, making the application process more efficient and reducing duplicative effort across systems.

*"With the Financial Health Network's support, our three different organizations collaborated on an innovative process to help with uptake of benefits otherwise left on the table. We forged a strong working relationship and eased the application and approval process for hundreds of Houstonians, helping them access assistance and increase their credit score and net worth."*

– Ellary Makuch, Program Officer, Economic Development at Local Initiatives Support Corporation

LISC implemented the Financial Opportunity Center™ (FOC) model for client asset and wealth building, which includes three coaching services: workforce development, financial coaching, and income supports. LISC Houston supported four FOC partners where clients earning low to moderate incomes could access integrated career and personal financial services. The collaboration helped clients view and apply for benefits more easily and discover best practices in using technology to streamline applications.

Additionally, the organizations adapted Benefit Kitchen's Screener, which uses client information to provide to-the-dollar estimates for each benefit or tax credit, for LISC Houston's use. They designed

a custom LISC-branded interface for the Screener and implemented a list of referral resources where coaches could send their clients to apply. The Screener became available to coaches in mid-2021, and the organizations worked together to onboard coaches at three FOC partners.

## The Results

- 1,326 coaching sessions held
- 975 clients screened
- 380 clients approved to start receiving income supports
- \$2,946 average annual income from public benefits

## The Flagstone Initiative and MoCaFi

### The Partners



**The Flagstone Initiative** is a nonprofit supporting families living paycheck to paycheck by spreading out their rent payments and offering no-fee, no-interest loans.



**MoCaFi** aims to help excluded communities create wealth through better access to public, private, and social capital. It offers a fintech platform for government and philanthropic organizations to provide people with cash assistance, mobile banking, and financial programming.

### The Solution

The two organizations developed a small-dollar loan solution to better serve the “Missing Middle” – renters who were living paycheck to paycheck, had little or no savings, weren’t delinquent most of the time, received little to no rent subsidies, and cut back on food and medication in order to make rent. Their approach involved two components: rent splitting and rent loans.

Rent splitting gives renters the option to pay their rent in two installments, which better aligns with their bi-weekly paychecks. By spreading out rent payments, rent splitting helps ease tight cash flow



and improves renters' financial resiliency. The partnership also offered no-fee, no-interest \$500 loans to 83 renters earning low to moderate incomes in Oklahoma, Kentucky, Alabama, and Illinois. With these small loans, renters could absorb one-off financial shocks, avoid eviction, and strengthen their financial stability.

## The Results

- 80% target repayment rate achieved
- 84% approval rate
- Over 10% of renters took a loan

*"It's pretty much like my entire first paycheck is gone after paying rent.... I used [the loan] to catch up on my bills for sure. And without this, I probably still wouldn't be caught up. Because once you miss one bill, it takes forever to get caught up. Throws you totally out of whack."*

– Renter in Oklahoma

## Nebraska Early Childhood Collaborative and Pie for Providers

### The Partners



**Nebraska Early Childhood Collaborative (NECC)** is a Nebraska-based nonprofit with a mission to harness the potential of providers to deliver high-quality early learning opportunities through access to business resources, innovative partnerships, and educational support.



**Pie for Providers (P4P)** is a nonprofit software company dedicated to partnering with government subsidy agencies and helping child care providers collect their payments.<sup>4</sup>

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<sup>4</sup> In October 2023, Pie for Providers was acquired by Lillio, a platform that helps child care providers deliver high-quality programs through child care management software, family engagement and communication tools, and curriculum and professional development resources.

## The Solution

In 2021, P4P and NECC launched a distribution partnership to make P4P's software available to child care businesses in NECC's child care network. The partnership aimed to maximize Nebraska child care providers' income through subsidy funding by automating calculations for the state's billing process.

With support from the Exchange, the two organizations moved into the next phase of their partnership – making P4P available to all Nebraska child care providers. They built on their learnings from the first phase of their partnership to make product improvements that would deepen their impact, and they sought to open new government-funded spots for children and families.

The partnership also enabled P4P to deepen its first policy advocacy partnership with First Five Nebraska (FFN). P4P provided anonymized user data for FFN's reports and state legislative testimony, which advocated for subsidy policy improvements, including enrollment-based reimbursement, expanded family eligibility, and alternative rate setting.

## The Results

- Increased providers' subsidy revenue by 27% (for those receiving highest tier of service)
- Grew from 52 to 108 child care businesses served
- Grew from 342 to 687 children served
- Saved six hours per month for providers
- Nearly 4X more providers agreed that P4P made monthly subsidy billing less stressful

## The Impact

### Key Impacts From the 2022 Challenge

The 2022 Exchange Challenge built on the successes and lessons of previous challenges to launch solutions, improve lives, and offer a roadmap for future innovators to follow.

## Catalyzed User-Centered Solutions

Effective financial health solutions must start with a clear understanding of the audience they serve. By offering a window into the unique needs and preferences of underserved groups, nonprofits are able to provide valuable insight that can foster solution development for specific communities.

This held true for the Exchange, which expanded the marketplace of high-quality solutions and refined existing ones to better serve customers. For example, the LISC and Benefit Kitchen partnership and the partnership between MoCaFi and The Flagstone Initiative resulted in new or updated solutions centered around user needs. In particular, MoCaFi and The Flagstone Initiative changed their approach to preventing evictions as they learned about renters and iterated on their solution multiple times to find the right fit. To ensure that solutions truly make a difference in people's financial lives, future partnerships should continue to lean on each other's knowledge to design with the user in mind.

## **Reached Struggling Communities Across the Country**

Through the Exchange, many fintechs that historically relied on digital channels for distribution were able to connect with new communities across the U.S. – often in areas where high-quality financial services are scarce. By tapping into the trusted networks cultivated by nonprofits, these partnerships brought resources like financial coaching and credit access into rural and other underserved areas.

For example, the Flagstone Initiative and MoCaFi reached renters with low to moderate incomes in Oklahoma, Kentucky, Alabama, and Illinois, with future plans to expand to Kentucky and New York. The partnership between P4P and NECC helped to unlock more government funding for Nebraska-based child care providers and families.

## **Influenced Policy Change**

While individual action is important, solving a challenge of this magnitude will take systemic change. Influencing current and future policies can accelerate progress, amplifying the impact of individual organizations.

The partnerships that took part in the 2022 challenge leveraged the platform provided by the Exchange to spark progress on policy issues that impact financial health. Notably, NECC and P4P provided data for reports and state legislative testimony to help First Five Nebraska, a nonprofit working to advance early childhood care and education, advocate for subsidy policy improvements.

## **Improved Lives**

The ultimate measure of success for any financial health solution is its impact on the lives of real people. The 2022 partnerships supported by the Exchange have made a difference for thousands of underserved consumers by increasing access to solutions built around their financial needs.



LISC, Benefit Kitchen, and Connective have made it easier for Financial Opportunity Center clients to apply for benefits.



The Flagstone Initiative and MoCaFi have helped renters avoid eviction through small rent loans.



NECC and P4P have made it more efficient for child care providers to receive government assistance.

## Conclusion

### Partnering for Impact

The 2022 Exchange Challenge has shown how impactful cross-sector collaboration can be in improving access to public and private benefits, as well as the impact on individual lives. As you chart your own organization's financial health journey, we encourage you to consider how partnering with like-minded collaborators can amplify your collective impact.

We also invite you to consider partnering with the Financial Health Network to drive meaningful change by engaging with us below. Together, we can create sustainable, inclusive, and impactful solutions to achieve financial health for all.

### Work With Us: Create Lasting, Effective Change

As the leader of the financial health movement, the Financial Health Network partners with companies across sectors to catalyze solutions that drive real change in people's financial lives. We bring deep industry expertise, powerful measurement and testing capabilities, and an extensive network to help organizations develop and distribute financial health innovations that work.

Request a consultation with our team to explore how we can work together at [finhealthnetwork.org/work-with-us](https://finhealthnetwork.org/work-with-us).