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Personal Finance Goals Creation and Progress Tracking Using A Payment Application

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Personal Finance Goals Creation and Progress Tracking Using A Payment Application

ABSTRACT

A sizable fraction of the population does not have high-yield savings accounts, thereby missing out on the opportunity for earning interest. Savings accounts are liquid, making them a good vehicle for an emergency fund and for meeting short-term goals (vacation, wedding, etc.) while enabling the growth of money. This disclosure describes a savings account that can be signed up and accessed from a payment application on a mobile device. The described savings account, interfaced to the user via a familiar payment application, enables users to learn the benefits of, gain trust in, and readily access savings accounts, thereby enjoying a higher interest on their savings while maintaining liquidity. The described savings account and payment application also enables users to set and track financial goals.

KEYWORDS

- Payment application
- Savings account
- Financial goal
- Goal tracking

BACKGROUND

A sizable fraction of the population does not have high-yield savings accounts, thereby missing out on the opportunity to earn interest on their savings. The reasons for not having a savings account are numerous, e.g., not knowing what a high-yield savings account is; a high minimum deposit (or a perception thereof); a belief that high-yield savings is too good to be true; etc. On the other hand, many households worry about money or, not uncommonly, experience a significant unexpected expense. Savings accounts are liquid, making them a good vehicle for an

emergency fund and for meeting short-term goals such as a vacation while enabling the growth of money.

DESCRIPTION

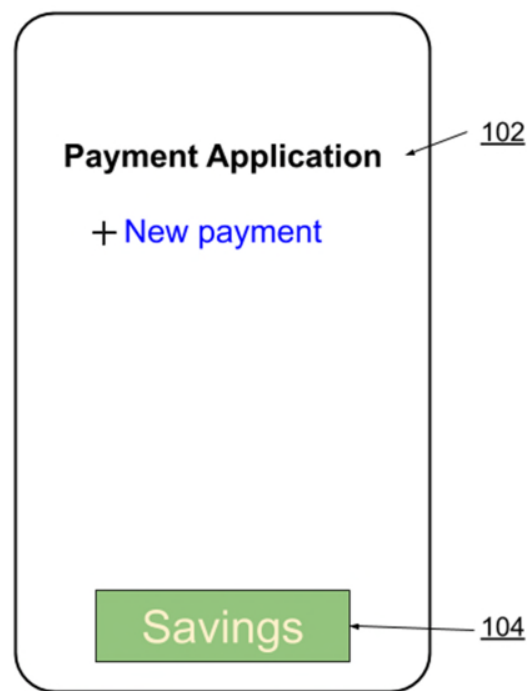


Fig. 1: Integration of a savings account into a payment application

As illustrated in Fig. 1, this disclosure describes a savings account that can be signed up for and accessed from a payment application (102) on a mobile device such as a smartphone. The savings account, which can be maintained at a financial institution, can be accessed, e.g., via a button, tab, or other user interface element (104) on the payment application.

From the savings-account section of the payment application, various services are made available to the users. Such services can enable users to:

- open a savings account with a financial institution;
- view their account balance;
- view transaction history including earned interest;

- make a one-time or recurring deposit from another account, including a checking account maintained within the same payment application;
- view, edit, or delete recurring deposits;
- initiate a withdrawal, including to a checking account maintained within the same payment application;
- earn rewards;
- view the number of fee-free withdrawals they have left for the month;
- view the interest rate on the account;
- reach customer service;
- close the account; etc.

To enable frictionless onboarding of users, the savings account can have various features, e.g., no account minimums; no restrictions on the number of deposits; bundling of checking and saving accounts on the same application; an explanation of high-yield savings accounts and of their value proposition; financial insights into how the user could save; etc. The savings account can have a limited number (e.g., six) of fee-free withdrawals per month, e.g., as periodically stipulated by regulatory authorities. The fee schedule, e.g., fees for opening, maintenance, withdrawals after the first fee-free ones, etc. are made available to the user. For frictionless onboarding of users, these fees can be made zero.

Rewards can be provided to incentivize particular savings behaviors. For example, rewards can be given for the first one-time deposit, the first recurring deposit, the achieving of goal milestones, etc. The reward can be variable, e.g., of low-probability, high-payoff type, e.g., double savings balance up to a certain maximum.

Financial goal-setting and tracking

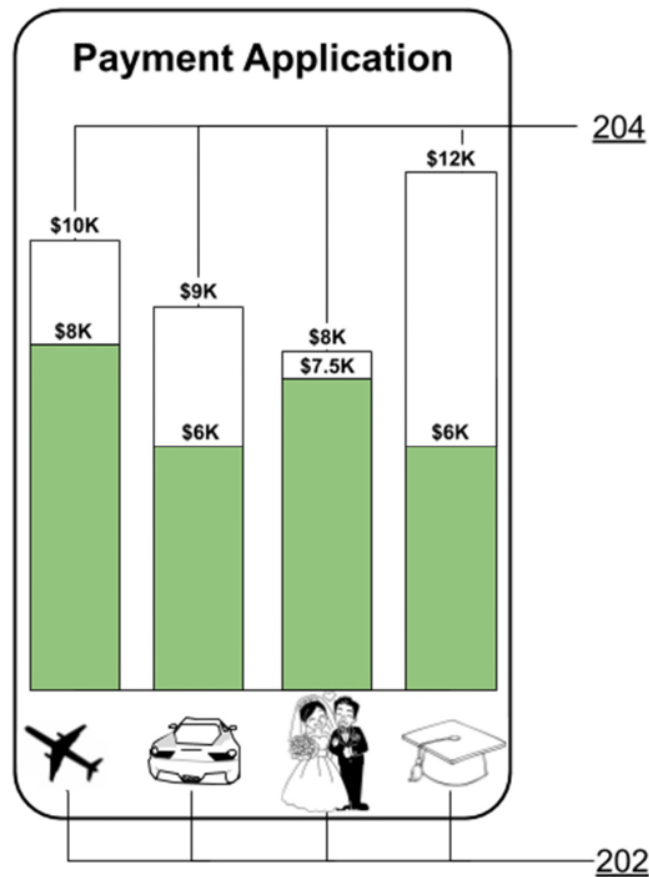


Fig. 2: Goal-setting in savings account

As illustrated in Fig. 2, the described savings account integrated with a payment application (app) enables users to set financial goals. Goals are presented as a visualization atop a savings account, but feel like separate accounts to the user. The user can have a virtual account for each goal and a virtual account for core savings, e.g., money not assigned to any particular goal. The app can provide pre-defined goals (e.g., emergency fund, car purchase, vacation, education, etc). In addition, the user can create and edit one or more goals (202), each with the following attributes:

- Goal Name.

- Image: The app can provide default images, auto-suggest images for custom goals, or enable the user to upload their own images.
- Target amount: The app can offer insights or suggestions for the target amount for certain predefined goals.
- Target date.

The app can provide a progress tracker associated with each goal (204). The user can delete a goal or mark it as complete. When a goal is complete, it is moved to an achieved goals section and the money associated with the goal can automatically move to a checking account on the same device. Features are included to enable the user to manually move money between goals. Interest is allocated proportionally to the funds assigned to each goal.

The user can view all active and achieved goals, and track progress towards goals using fields such as: name; total deposits assigned to the goal; target amount; target date; upcoming milestones; etc. The user can view intermediate milestones on their way towards their goal target, e.g., at \$10, \$100, \$1,000 ..., etc., up to their target goal amount. The user can be rewarded for reaching certain goals, e.g., a monetary reward for the first two milestones they achieve each month; an uplifting message or other non-monetary reward for subsequent milestones; etc. When a goal is met, the app can prompt the user to select a new goal.

The user can view transactions associated with a goal (both active and achieved). For example, the user can view funds assigned or unassigned to a goal (including interest payments), with fields for amount, date, and source (e.g., interest payment, another goal, transfer from checking, reward, etc.). The user can assign external deposits or withdrawals to goals. Deposits from outside the payment application can be configured to go into core savings or be credited to

the goal with the earliest target date. Withdrawals can be configured to be removed from core savings (when available), and then from the goal with the furthest target date that still has funds.

The user can configure their transactions to be rounded up to the nearest dollar, such that the difference (change) between the transaction amount and its rounded-up value is auto-credited to either the core savings account or to a particular goal or more of the goals. Round-up savings are aggregated periodically, e.g., once a day, although the user retains the ability to drill down to see individual transactions.

Nudges

With user permission, nudges can be sent to the user, e.g., via push notification and/or in-app notifications, provided the user has configured the application to receive push notifications.

Some examples of nudges are include:

- Nudge the user to create their first savings goal, and notify them upon goal attainment.
- Nudge the user when they aren't on track to meet a savings goal.
- Suggest that the user rounds up transactions from a previous week, e.g., calculate the difference between a transacted amount and its rounded-up value, and save the difference.
- Remind the user how much they saved over a particular period, e.g., the previous 1 month / 6 months.

In this manner, the described savings account, interfaced to the user via a familiar payment application, enables users to learn the benefits of, gain trust in, and readily access savings accounts, thereby enjoying a higher return on their savings while maintaining liquidity. The savings account as well as the financial planning features described herein are enabled with specific user permission. The user is provided with options to utilize the payment application

without using a savings account and the features associated with financial goals. The payment application implements a savings account with an authorized financial institution (bank) and in compliance with all applicable regulations.

Further to the descriptions above, a user is provided with controls allowing the user to make an election as to both if and when systems, programs, or features described herein may enable the collection of user information (e.g., information about a user's financial data such as earnings, financial goals, transactions made via a payment application, a user's preference), and if the user is sent content or communications from a server. In addition, certain data may be treated in one or more ways before it is stored or used, so that personally identifiable information is removed. For example, a user's identity may be treated so that no personally identifiable information can be determined for the user, or a user's geographic location may be generalized where location information is obtained (such as to a city, ZIP code, or state level), so that a particular location of a user cannot be determined. Thus, the user has control over what information is collected about the user, how that information is used, and what information is provided to the user.

CONCLUSION

This disclosure describes a savings account that can be signed up and accessed from a payment application on a mobile device. The described savings account, interfaced to the user via a familiar payment application, enables users to learn the benefits of, gain trust in, and readily access savings accounts, thereby enjoying a higher interest on their savings while maintaining liquidity. The described savings account and payment application also enables users to set and track financial goals.