

Exploring Financial Innovations that Expand Economic Opportunity

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The session provided a historical timeline of financial innovation. Participants were asked to review the posted examples of financial innovations (products, services and policies) from the past and to fill in ideas/examples for the present and future using sticky notes. Participants were given three stickers to place on the top three topics of interest to them. The notes were moved to liked-groupings of concepts. The top three topics that received the most votes were used to answer five questions during a financial innovation discussion.

Summary

- People process things differently. A starting point for everyone to share their ideas is to put their ideas on paper (i.e., sticky notes).
- Some people come up with many ideas. Others may feel that it's not their role to be the idea thinkers.
- Using different colors of notes helps to group ideas. (Pink was used for policy innovation and green was used for innovative products and/or services.) Using sticky notes helps to move around liked-groupings of concepts.
- When starting this exercise, assume that everyone knows little about the financial innovation.
- Think about how things would be different today if we had this innovation. How would it expand economic opportunity?
- What would be the major barriers/challenges that must be overcome to achieve this innovation?
- Ask who or which organization would be interested in **leading** a discussion around this innovation and who would be interested in **continuing** a discussion around this innovation?

Memorable Quotes

“We’re using old tools in a new context.”

“What’s the world of credit going to look like when the current economic environment is over?”

“More consumer, commercial and institutional expertise is needed that fosters asset development and effective debt management.”

Conclusion and Remaining Questions:

The three topic areas that received the most votes during this session were:

1. Credit

- Credit scores for people with nontraditional credit

- New credit score criteria for risk assessment
- A universal credit card that can be loaded/reloaded
- Credit reports built from alternative sources
- Limited ceiling credit cards
- Provide low-interest credit cards to people who are 60 percent-80 percent of median income

2. Financial Education

- Basic financial education required for K – 12
- Increase or return to a structured focus of financial education in the school systems

3. Green Initiatives

- Green grants to retrofit commercial space
- Home and business energy audits – wind farms