



## America's First Unbanked Bank

The Mango store lets people without a bank deposit checks, talk finances, and withdraw money—without ever opening an account.



BY DAN MACSAI

➤ **ONE-FOURTH** of American households don't have bank accounts. That's a sizable target for the \$106 billion alternative-finance industry, whose oft-predatory practices center on cashing checks and wiring funds amid bulletproof glass, steel benches, and neon signs. For a person who makes \$22,000 a year, the Brookings Institution calculates that paying fees on those services adds up to at least \$1,000—a 5% chunk of take-home pay. "There just wasn't a better option," says Bertrand Sosa, cofounder of Mpower Ventures.

So he made one from scratch. The Mango Store, which opened in Austin in April, reimagines the entire banking experience for this market. Rather than treat the unbanked as transient customers, Mango aims to forge transparent, long-term relationships. Clients pay a one-time \$10 fee that lets them "cash" as many checks as they want by loading the money onto debit cards (backed by a

local bank). More sophisticated services, such as international money transfers and bill payment, cost extra. Even so, Mango's operating costs—and, by extension, its fees—are significantly lower than other alt-finance outlets because it uses its own technology (developed by Mpower) and offers a multitude of services (including Web and mobile-phone apps). "It's a smart strategy," says Jennifer Tescher, director of the Center for Financial Services Innovation. "If Mango helps its customers grow financially, it can stick with them as they climb the ladder."

But first, it has to get them through the door. Tescher likens the store to "a cross between an Apple Store and a high-end yogurt shop," which could confuse patrons. Yet once customers are inside, Sosa says, the warm, spacious interior is designed "to educate customers and encourage them to stay awhile." Here's a look at a few notable features.



### 1. CASH OUT

Because the majority of Mango's cash is stored in an ATM outside, the store's interior can emphasize "open space and bright colors, instead of bulletproof glass and security cameras," says Sosa.

### 2. FLY SOLO

Once customers know the ropes, they can use the self-serve kiosks to check card balances and transfer funds to other Mango members.

### 3. GET ADVICE

"We wanted the experience to feel personal," Sosa says. Customers can consult bilingual finance coaches, who are trained to explain Mango's technology and offer financial advice.

### 4. LOOK AND LEARN

An LCD video terminal subtly schools visitors on financial matters and highlights various Mango services, such as the ability to text money via mobile phone. "It's a great way to educate customers while they wait," says Sosa.

### 5. SEE THE FEES

Beyond advertising products and services, Mango's colorful wall banners clearly display fees to emphasize transparency.