

A close-up portrait of an elderly woman with short, graying hair, looking slightly to the right with a gentle expression. She is wearing a small gold earring and a light-colored top. The background is a plain, light gray.

FinTech:

How Mobile
Payment and the
Gig Economy can
Help Enhance
Survivor Safety



Financial abuse is a common tactic used by abusers to gain power and control in a relationship. The forms of financial abuse may be subtle or overt but in general, include tactics to conceal information, limit the victim's access to assets, or reduce accessibility to the family finances. Financial abuse – along with emotional, physical, and sexual abuse – includes behaviors that intentionally manipulate, intimidate, and threaten the victim in order to entrap that person in the relationship. Financial abuse can take many forms, including tactics that exploit the increased availability of online platforms used for banking and managing personal and household purchases.

We know that access to money and finances often represents a window to freedom and advances in technology present new opportunities for domestic violence survivors to safety plan and secure finances. Whether it's hiding folded up dollar bills in the hem of curtains because their partner keeps stealing their money or diverting a bonus from work to a new savings account– these may be a lifeline. Survivors of domestic violence have long used creative and alternative ways to secure funds. This could be to buy a special gift for their child's birthday or to create a "go fund" for when the time is right. As technology has evolved, so has survivors' utilization of technology to help them meet these goals.

This document explores how FinTech and the so-called "gig economy" can be used by survivors to increase their safety and help them build their long-term safety plan. It also offers safeguards for survivors to consider when using FinTech. This resource can be used along with The Allstate Foundation Moving Ahead Curriculum.



Defining the Terminology

First, it is important to understand the following terms:

- **FinTech:** FinTech (Financial Technology) refers to advancements and innovations in the space where finances and technology intersect. For example, if you have ever paid a bill online, you have used FinTech: you used an online, electronic service to meet a financial need. Other examples can include paying a friend using a mobile payment service, such as Venmo or PayPal, or a more advanced example might include buying or selling stock electronically or even the exchange of cryptocurrency, like Bitcoin. All of these are examples of moving money or currency electronically.
- **Gig Economy:** A gig economy is a free market system in which temporary positions are common and organizations or companies hire independent workers for short-term commitments or contracts as opposed to permanent jobs. Versions of the gig economy have been around for decades, even centuries, with things like bartering for good and services. For many of us, our first venture into the gig economy might have been babysitting or mowing lawns.

It can include multiple types of alternative, non-traditional work arrangement such as independent contractors, online platform workers, contract firm workers, on-call workers, and temporary workers. It can also be called flexible workforce, new service or sharing economy, and can even include bartering and can be referred to as a “side hustle.” A few examples include driving for Uber or Lyft or walking dogs for Rover and Wag.

Today, it’s possible to acquire and manage these jobs or “gigs” exclusively online utilizing mobile apps and platforms that manage applications, job assignments, and paychecks. While the gig economy offers flexibility and the ability to be your own boss, it can be unpredictable and lack of legal employment protections.

- **Safety Planning:** Utilizing FinTech can be an opportunity to enhance safety; but like all strategies, potential risks must also be explored. It is important to be prepared if your plans or accounts are discovered or tampered with by your partner. Have a story or explanation at the ready. Hide all paper traces of any documentation and when possible, receive all account communications electronically to reduce your paper trail. Also, practice good technology safety habits, such as clearing your browser history and keeping your passwords strong and confidential.



Ways to Incorporate FinTech in Safety Planning

Three-factor Authentication

With any online, electronic account (especially when it comes to finances), it is important to take as many precautions as possible to protect your finances. Two-factor and even better, three-factor authentication tends to be the industry standard for protecting accounts. Three-factor authentication is a security process that asks the account owner a series of personal questions to unlock their account. The questions often involve: 1) something the user knows, like a password or personal question; 2) something the user has, like a fob or cell phone verification code; and 3) something the user is, like a fingerprint or facial recognition. Enabling three-factor authentication can reduce the risk of someone else accessing your accounts and funds.

Automated Saving

One of the easiest ways to use FinTech is to have funds automatically transferred to a separate or new bank account (i.e., a savings account). For example, if you get paid on the 1st of every month, then on the 2nd of every month, have a set amount automatically transferred to the new account. You might also consider transferring a percentage of your income, even if it is just one percent. For example, if your weekly deposit amount is \$275, then \$2.75 goes to the new account. It does not have to be a large amount; it can be just a few dollars. The important thing is being consistent, no matter the amount you're able to save.

Mobile Payment

Services like PayPal, Venmo, Apple Pay, Cash App and Google Pay are just some examples of commonly used mobile payment systems. These app-based payment systems make the transfer of funds from one account to another easy and often instantaneous. Not only can they allow you to pay a friend for your half of a restaurant check, but you can also pay for goods and services or even your rent. These services are also utilized by employers to pay “gig workers.”

- **Things to Consider:** Before completing a mobile payment to someone new, make sure you have got the right account. There are lots of people with similar or even exact-match account names. If you are transferring a large amount for the first time to someone new and want to make sure

the correct person receives it, you can do this by making a small 'test' transfer of \$1 initially. If they received it, then you know you have the correct name and account.

- **Safety Planning:** Mobile payment accounts might offer a previously unavailable place to store funds. For example, if a friend were to pay you for babysitting via Venmo, those funds can remain in your mobile payment account; they do not need to be automatically transferred to a traditional bank account. This can provide a mechanism to save up funds for a later date and purpose. Some survivors have sold items or other services and used their mobile payment account as a savings account for future use, such as a down payment on their own place or to retain an attorney.

Budget Apps

Tracking expenses and uncovering “spending leaks” has never been easier. Apps like Mint, EveryDollar, and Goodbudget are just some examples of popular app-based budgeting assistance available. Additionally, most banks also offer free online budget tools. However, they only work if you use them and that does take a time commitment on the front-end to set them up, as well as ongoing maintenance. Additionally, you will need to decide how much access you want to give to the app. In some budgeting apps, such as Mint, you can opt-in to allow the app to access all your accounts (e.g., checking, savings, credit card, loans, etc.). Opting in allows you to see all of your financial accounts on one dashboard, however will require each account to be verified.

Some of the potential risks to allowing a 3rd party application access to your personal banking accounts are:

- You are potentially vulnerable if their security is breached or hacked
- You may be inundated with offers and messages
- You will likely be sharing your private data with them

If you determine that this feature is right for you, the app can help you manage your day-to-day spending as well as help you reach long-term saving goals.

Things to Consider:

- Make sure you are using a reputable mobile app and consider starting small; for example, consider using just the budgeting portion of the app first; and if it's a service you like, then add some of your online account information as well.
- Also be careful not to link any new funds to a joint account you previously held with your partner.

The New Gig Economy and FinTech Collide

Much of the gig economy has been around a long time and include jobs we easily recognize; such as house cleaning services, seasonal retail or labor jobs, temp workers or freelance writers, as well as direct sales multi-level marketing, such as Mary Kay and Scentsy. However, with the emergence of technology, the gig economy has become widespread, mainstream, and potentially much more profitable. Examples on the new gig economy we typically think of are things like being an Uber or Lyft driver, or creating sellable goods on Etsy and other platforms that use FinTech to transfer the



funds or payment.

The world of gig economy has endless possibilities:

- Assistants: Task Rabbit
- Delivery: Doordash, Instacart
- Blogging/Vlogging: YouTube, Twitch
- Sharing Economy: Airbnb, Lyft, Uber
- Freelance: Upwork, [Moonlighting.com](https://www.moonlighting.com)

- **Things to Consider:** If you are able, do not quit your current job in order to try a gig economy job. Try it out first while you still have your back-up income.

Remember you will be responsible for paying your own quarterly taxes, so make sure you set any money you make aside to cover those expenses. Typically save 25 to 30 percent of your income to cover your quarterly taxes.

Keep all of your receipts and track your expenses for tax “write-off” purposes (e.g., fuel, car maintenance, supplies, equipment, etc.).

Also, remember you may be able to reduce your taxes owed by contributing to a retirement account.

Often jobs in the gig economy do not have employer-based benefits such as paid vacation time or medical insurance. Investigate job benefits to determine if this would be a good fit for you and your financial situation.

- **Safety Planning:** Although the gig economy might be an easy way to make ends meet, it may come at a higher risk, especially for those who are undocumented. Take pre-cautions, such as making sure someone you trust can track your whereabouts. Although much of the gig economy is not formally regulated, income will likely be reported, so it may be difficult to keep hidden from an abuser.

Quarterly taxes

are how self-employed individuals pay their taxes to the IRS.

Four tax payments are made every three months to pay Social Security, Medicare and income tax.

To learn more about quarterly taxes, visit the [IRS website](#).