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MARKET REPORT

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Why Mint.com failed

TEAM

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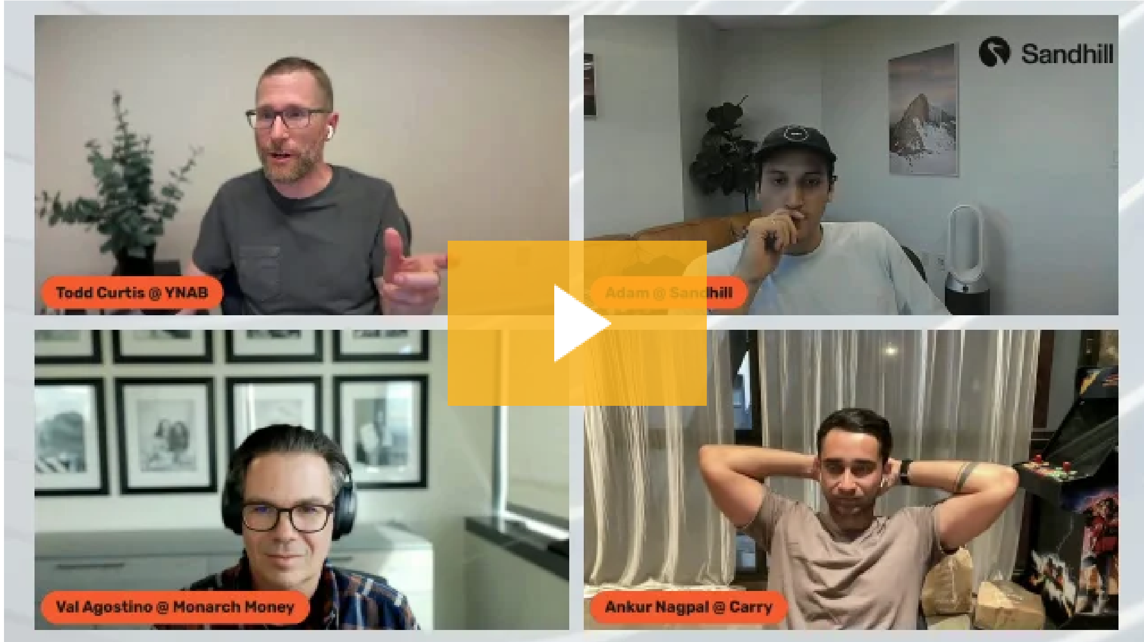
Why Mint.com failed

By **Jan-Erik Asplund**

In November, Intuit announced it was shutting down Mint—one of the first and most popular personal finance apps with 25M registered accounts—resulting in a massive migration of users into personal finance startups.

To learn more about how those startups are thinking about building for a post-Mint world, we teamed up with Sandhill Markets to host a panel conversation featuring Monarch Money CEO and co-founder Val Agostino, Carry founder Ankur Nagpal, and YNAB CEO Todd Curtis.

- **Val Agostino**, CEO and co-founder of Monarch Money
- **Ankur Nagpal**, founder of Carry
- **Todd Curtis**, CEO of YNAB



Transcript below.

Our three key takeaways from the conversation:

- **The original personal finance dashboard, Mint.com's relatively meager ARPU of $2-$3 proved "they had the wrong business model", said ex-Mint.com product manager and Monarch Money CEO Val Agostino—giving the product away for free and monetizing off referrals** . Contrary to consumer subscription products Duolingo ($484M trailing twelve months revenue in Q3'23) and Spotify ($14.3B revenue in 2023), Mint.com lacked the revenue scale befitting of the clear category leader in the personal finance space.
- **As personal finance became saturated with VC-backed apps giving out "insane sign-up bonuses", the cost of customer acquisition (CAC) rose into the $600 to $1,000 range, driving personal finance startups away from ads and towards content marketing for acquisition** . Organic distribution by creating content about personal finance has been key to growing with sustainable unit economics—"I'm not going to play the paid acquisition, high-CAC game," Carry founder & CEO Ankur Nagpal said.
- **Modern personal finance apps are increasingly building multi-sided, networked products, capturing users and financial planners & advisors onto one platform, reminiscent to how Carta brought founders, VCs and lawyers into one system of record for cap tables.** Programs like Monarch for Advisors and YNAB Certified Coaches allow personal finance apps to go "one-to-many", in the words of YNAB CEO Todd Curtis, both creating deeper relationships

with their users and unlocking additional TAM through adjacent personas like certified financial planners (CFPs) and life coaches.

Adam

Now, most importantly, our guests include Val Agostino, co-founder of the finance and budgeting app Monarch. I'll let him get into some of the details of that but glaze over it a little bit. Relevant to Mint, outside of having a product that's eating post-Mint users right now, he was the first product manager at Mint, so we'll hear a little bit about that, which is awesome.

We have Ankur Nagpal, who's been in and around Stonks and Sandhill for a long time, this isn't his first time on one of these streams. He's lived through the different rebrands, and he had his own rebrand from Ocho to Carry, where he's the co-founder and CEO of a tax optimization and investing app. It’s a little bit different from the budgeting side, but he definitely has an opinion and is deep in the space here. He is a GP at a very fun VC name, Vibe Capital, and he previously founded and sold Teachable to Hotmart for a cool $250 million. Tax optimization is important for Ankur, and I think he'll tell a little bit about the story of how he got into all this.

Todd Curtis is the CEO of YNAB, formerly You Need a Budget, which is as OG as it gets in the personal finance realm. They were founded in '04 before Mint, so we'll talk about Mint as something that laid a lot of the groundwork for personal finance in general, and the apps that rolled out after that and through the last decade. YNAB is celebrating their 20th year, which my startup brain can't make sense of—I didn't know that you could work on one thing for that long. Hopefully someday I'll find my muse, as well, the way that Todd seems to have. They have a cool thing that'll let him talk about as well, but also a really active community with 175K members. Walter described it to me in a conversation before this “as a lifestyle as much as it is an app,” which I think is a sign of a very strong community.

Without further ado, I killed the first six minutes. We can get into it. Hey everybody.

Val:

Hello.

Adam:

I saw some chuckles back there. When you guys are blacked out I can see you in the bottom. I watch you guys.

Ankur:

I wasn't aware. I thought I had privacy back there.

Adam:

No, no, no, no, no, no.

Todd:

I was appreciating all of it.

Adam:

All eyes. All eyes. Well, cool. I really appreciate everyone jumping on and I know that some of you old friends who have been close to the platform, like Ankur, Todd and Val, are new friends through Walter, so thanks for joining.

Val:

Yeah, thanks for having us.

Todd:

Yeah, thanks for having us.

Adam:

I gave some basic background, but I'd love to go around the room and let you all give a few lines on how you describe YNAB, or Monarch or Carry—because I know that you can do it a lot better than I can—and I don't want to lump everyone into the same finance app category. Obviously, it's a big category. Todd, as the elder in the finance world, can you kick us off?

Todd: I'm afraid that comment is about me personally, too, and not just the company.

Adam: No, no, no. No, no. You're like 30? 25? What is it?

Todd: Appreciate that. I'll leave that alone. As you mentioned, YNAB has been around since 2004 and actually started as an Excel spreadsheet template. You could buy an Excel template for a cool $19.95, and it moved into software in '06, and then moved into SaaS just at the turn of the new year, 2015-2016. The one thing that I would always say about YNAB is sometimes we'll describe ourselves as “an education company that sells software to keep the lights on.” YNAB is built on and built around a method for managing your money that, hopefully, ends up with you loving how you spend your money and a community that supports all of it. That's my quick framing.

Adam: Awesome. Val, you want to keep us going?

Val: Sure. Monarch was started in 2019, so we're a new kid on the block, relatively speaking. Our idea with Monarch was how do we try to go beyond financial tracking or budgeting into helping people with financial planning? So, thinking about the future, exploring different scenarios, and different plans, so on and so forth. That's the idea behind Monarch. We're a subscription app, we took inspiration from YNAB, who managed to make this business model work, so thank you. We're available on iOS, Android and the web currently.

Adam: A very awarded app. I was on your website or I was doing my pre-event stalking. It's very pretty.

Val: Thank you.

Adam: The Apple Store really loves you guys as I'm sure the users do as well. Ankur, I'll let you go as well.

Ankur: Thanks, I’m excited to be here. The idea behind Carry is that when I sold my last business—I'm a first-generation immigrant, so I grew up knowing nothing about how anything works over here—I was blown away by how much smart lawyers and accountants could save me. It made me look at the tax code and realize it's such a clusterfuck. Apologies for the language, but there's 150,000 words added every single year to the tax code, no one person knows all that it has. As a result, only the wealthiest people right now can take advantage of it. We wanted to build a business that basically productized tax savings for people. We're starting with some of the easier strategies, if you will, which are basically tax advantage accounts. Right now we help business owners set up solo 401ks, regular IRAs, self-directed IRAs, and we're working on defined benefit and cash balance plans. Eventually we'll get more complicated and sophisticated, but for now, bringing tax advantage accounts to people is where we'll start with a long-term goal of making tax savings a productized experience.

Adam: Awesome. Now we've got a good context, and to set a roadmap for us throughout the call, I have some topics about each of your finance areas post-Mint. But what I really want to start with in the first half is focusing on Mint. Obviously, Todd's company was a contemporary alongside Mint, so you've really seen the whole lifecycle, same with Val and Ankur, I'm sure—so when that news came out [of Mint shutting down], was it surprising? What did Mint mean to the space? Again, maybe we can start with Todd, Mint was right there with YNAB when this space was getting going. If you had to describe Mint and their role in the market, how would you contextualize that?

Todd: As you said, there were many, many years where I felt like it was us, Mint, Microsoft Money, Quicken, and that was it —Dave Ramsey was doing his thing on the side—and it felt pretty static that way for a long time. If I go back to the beginning, whether it's YNAB or Mint, at one point what was important was just that Mint, or us, existed, in the sense that this doesn't have to be as complicated as you think it does. You can actually have some agency around your money. A lot of those other apps were almost a skew-morph of a personal financial advisor: Let's just throw it all in there. If I go back 15 or 20 years, the idea of saying, 'no, we can make this a little bit simpler for you'—and Ankur was just talking about it now, with the tax code, so same thing all that long ago—'this doesn't have to be that hard.' That's the thing that we had in common all those years ago.

Then, to answer your other question, yes, it was surprising when we got the news on November 2 [about Mint shutting down]. Being alongside each other all those years, honestly, 100% I didn't think I would see the day when there would be a YNAB without a Mint in the market. I'm sure we'll get into later, what it means to have the thing that's not in the market anymore, be that free offering. So leave that aside, but that was one of the things that was most important to me about that moment.

Adam:
I definitely want to talk to you guys about pricing and how you think about pricing this space. But I think Val, this may be a good segue into Monarch, because you have on the website now as a header, 'the Mint migration,' for people who are coming over. Were you aware of that? Was it a surprise similar to Todd? Were you prepared? When you saw the news, and you guys are earlier or newer to the space. I know the Mercury story pretty well, when SVB went down, Mercury was like, 'oh my God.' Was that a similar experience on your side, Val?

Val:
Well, we'd already seen a number of Mint users migrating over, which is why we built the ability to export your history and bring it in. Honestly, we've had that out there for a while, but it was not something we promoted or anything. Then, to answer your question, yeah, we were totally taken off guard. The original announcement of Mint's shutdown was actually in a Help Center article, and then the Reddit community caught that, and of course blew it up. Intuit has really had terrible communications around this whole thing, and they haven't been very forthcoming with their user base. We scrambled to say, 'hey, here's an alternative when Mint is shutting down and we've tried to make it easy for you to move your data over.' It was a few fortuitous things, but we certainly had no heads up or no idea that this was going to occur.

Adam: As a quick follow up on that, because you raised a venture and have some great investors on the cap table, when you were first getting into and having some of those early conversations, was Mint a part of that conversation? If you're willing to share, was it, like, 'hey, we can do this so much better,' because Mint is similar and competitive, was that a part of the conversation? Was there an asleep-at-the-wheel aspect of where you saw the market? Or was it completely random, was it not a part of your vocabulary in the fundraising days?

Val: Ironically, I think Mint was a little bit of a headwind. The perception was like, 'oh, here's the category leader, and they were never a big business.' Our argument was like, 'yeah, they had the wrong business model.' We can talk more about that, but Mint was always bleeding cash. I'm not surprised that Intuit ultimately turned it off—I'm surprised they did it in the manner that they did it—but I'm not surprised that they turned it off.

Our argument all along was like, ‘hey, this is a valuable service for people, as YNAB has proven and others since then, like Rocket Money. People are willing to pay for this if it meets their needs, and you can build a big business.’ Like I said, Mint always had the wrong business model in my estimation. Frankly, I think all of these free services, I’m very negative about free in general. It's been sort of a bit of a bait and switch in consumer psychology for the last 20 years of the internet. I'm personally glad that we're seeing folks rotate into products that they pay for, whether it's us, whether it's Duolingo, Spotify, whatever it may be. You just get a much better product and a much more aligned business model than ‘hey, we're going to make everything free and monetize through ads,’ for example.

Adam: Ankur, I’ve got questions here about things like the business model and where we see that going, where you all are now, but as a quick way to finish up going around the room here—when you were getting into Ocho originally, the brand before Carry, and the stuff you were doing before Carry, how much did you look at stories like Mint, Monarch was in the market already, obviously YNAB around a long time. As you were post a big life-changing exit, with lots of opportunities to do a lot of different things, I'm sure that you studied up on this market. What can you say, or what did you think about personal finance that ultimately drew you to this? You could have been doing whatever, right? But you ultimately came to personal finance and Mint laid a lot of the groundwork for that space.

Ankur: The problem was, I didn’t know if I wanted to start a company, but it was inevitable that if I wanted to start a company, it would be in the space of taking this very complicated, messy task code and making it easier. That was already inevitable. Candidly, I completely underestimated what a giant pain FinTech is. If I had known, I would've rethought it. And by the way, Val, I think you've done a great job at Monarch. It comes up a lot. But Monarch is a great example. We're like, ‘oh, let's just build an aggregator and connect all these accounts, use Plaid. How hard can it be?’ It's a disaster. You have so many things that can break and go wrong, consumer FinTech is a joke. You look at most companies right now—Robinhood, Public, Titan, whatever—it's a race to zero.

Everyone is giving these insane sign-up bonuses. CACs have gotten so high. It's a space that very early on, ‘I'm like, dude, I don't want to pay money to acquire customers for a while because CACs and consumer FinTech have just gone into such a silly place.' You have three apps paying $600 to $1,000 to acquire a paying customer. What we did with Teachable is we got very good at selling a product between $40 to $100 a month. And I'm like, 'we're going to keep doing that.' Maybe in time, we'll make more money as we build out the brokerage side of the business, there's a lot of cool things you can do when you get to billions of assets. But from the outset, 'I'm like, I'm not going to build a free app. I'm not going to play the paid acquisition high CAC game.' A lot of consumer FinTech, it's a hard pass for us.

Adam: What you've all mentioned about the Mint model—and I have a note here, and to use some language that Ankur used earlier—that 'free fucked it up.' The free model just fucked it up. That seems to be the overall feeling here. Todd, because you guys were contemporaries there, did you ever have to play that game? So they're free, I don't know actually what the story was with YNAB early on. I know that you all didn't take venture money as well, which gives you some leeway a little bit in terms of how to grow and what you have to do from that perspective. But I'd love to get everyone's take on that aspect of this Mint story. Which seems like, in retrospect, everyone's just like, 'yeah, that was horrible.' Then, also, what your perspective is on it now as an operator.

Todd: My version of that phrase that you maybe just got from Ankur is 'free is a scam.' Free is a scam. Because we have that pre-SaaS history, we got out of the licensed software game. Because as everybody knows, you find yourself developing really cool things, but you're holding them back and bundling them up, because you're like, 'well, when do I have a new version that we can release that we can get people to pay for?' That's the same thing as freemium. Obviously, free versus freemium, but that's the same reason why, to me, it's not just free that's not a consideration, it's freemium too that's not a consideration. Because I don't want to waste all of our mental energy as product people and people who are trying to help people change their lives, thinking like, 'ah, should we put this in the free version or the paid version?' Let's just put it in the best version. As Val said earlier, if people find that that helps them and they get the value out of it, then they'll pay for it. I also think, just philosophically, this intersects sometimes with the headwind that you get, that we used to get for the paid tiers —more in the past than we do now—was like, well, 'why should I pay for something? I'm trying to save money, not spend money.'

Val:
Right. Yep.

Todd: Did you get this when you launched, Val?

Val: Yes. Yeah, a lot.

Todd: So, I'm excited about Mint not being there as a contrast, but I'm really excited that it gives us the opportunity to talk about that question, when people are ready to listen to it more. And I actually have a lot of empathy for people who are asking that question, because the world has just presented them with such a narrow view about their money. It's just this thing that's going on around them that they have to manage or whatever, so the best they can possibly imagine is not spending $14 a month, or whatever it might be? I'm empathizing with people by saying that, meanwhile, you'd spend money to make better decisions, right? You'd spend money to sleep better at night. You'd spend money to have better conversations with your partner. And not enough people are talking about how that's your money. Wouldn't you pay for those things? Of course you would. I'm excited that conversation is coming to the forefront more and more. As Val said, it's better for customers. We make a much better product because of that model.

Adam:
Val, you feel similarly?

Val:

Very much. I've said this before, but your company ultimately becomes your business model. It's like the center of gravity that you can't escape. Google used to be a search company, now, it's an advertising company. Same with Facebook. All of these things, especially as you get larger, it's harder and harder to escape your business model. To give you more context with Mint, we saw pretty early that the unit economics were upside down. As Ankur said, it's really complicated to do the aggregation piece well. It's super expensive. It's constantly breaking. It's a real nightmare, and it's *still* like that 15 years later.

Todd:
We're going to talk about that.

Val:
Yeah, yeah, exactly. Still, 15 years later!

Adam:
I can feel the trauma dripping off everyone, ‘like, oh God, that text’ or the ‘it's broken’ Slack message, or whatever you guys use.

Val:
And it's not static, right? You get something working, and then the same connection will break three weeks later for a totally different reason. So the long and the short of it is that everybody underestimates the complexity and the cost of running one of these kinds of services. Honestly, I think free can work in consumer services where the cost of providing the service is close to zero. And that's typically what we see. But that's not the case in these types of businesses. Mint and others, in some ways, did consumers a disservice by making them think, ‘oh, this stuff is free and cheap, and therefore I shouldn't be paying for it.’

Whereas, in reality, like Todd said, your money is one of the most important areas of your life. It has more emotional impact on your mental health, your family, your outcomes than much else. It's up there with your physical health on all those fronts. And as said, people happily pay money for higher quality food, or fitness, or sleep, or all these other things, so to think ‘oh, I'm not going to pay X dollars a month for something that foundationally changes my finances’ is kind of—

Todd:
It's crazy.

Val:

Yes, it’s the definition of penny wise and pound foolish. In that sense, Mint did the industry a disservice. And now the fact that it's going away—what we're seeing at least—is there's a collective wake up, where people are like, ‘oh shit, I don't want to go through this transition again. If I'm going to invest in a platform, I want it to be one that's around in 10 years.’ We're seeing that sentiment a lot.

Adam:
Ankur, how do you guys charge?

Ankur: Right now, we’re charging an annual fee of $299 or $499 typically. We have some customers where we're more hands-on and help them with actual tax returns and stuff, where we charge thousands per year, but that's a small part of our business. I actually want to have a freemium plan. We can't support it yet, but my goal is to get there. And I'll tell you why. Actually, it's kind of a cop out, because what I want to do on our free plan is primarily focus on education. It's less about the FinTech, which I think we can do at a point, where we can build a free tier that is the single best resource for learning interesting things about taxes and all of that.

The reason I want to eventually do that as free—right now, we have it, we charge for it—but I think at scale, once we feel good about our business, free can become our acquisition strategy rather than part of our business. Our goal is, instead of spending money on ads, what if I spent a few million dollars a year building the best personal finance education out there? Make it high production quality, all of that, and eventually making that free we think will broaden the top of the funnel, where they will then pay us for the FinTechs. We're still charging for the things that have regulatory costs, compliance costs, people costs, and all of that. But the education, theoretically, that's a fixed cost to produce. And in an ideal world, we'd like to make that part free, but probably won't for another year or two.

Todd: I just want to pick up on what Ankur said, because I actually agree with you, despite my traction feelings. Because we did the same—our educational content is all free, and even our trial is 34 days long. So it's not one of those trials where it's like—

Ankur:
Why 34?

Todd:

Well, two reasons. One is so you can get around the rollover of the month, so it's guaranteed to be longer than the longest month. And then also, why 34 and not a smaller number? It's

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not so you can be like ‘oh, do I like the feel of this app?’ Maybe this is sort of like freemium.

Ankur:
Is there a significance to the rollover form?

Todd:

Well, you actually get to derive the benefit of the app inside the trial period, so you really can be confident about it. And if you need it, it's a little more accessible, whether that accessibility is actually from cash or just your psychological—

Ankur:
Is it a credit card trial?

Todd:

No, we don't even ask for a card up front.

Ankur:
Wow. That's awesome.

Adam: Something that has come up in more and more conversations, and in my own brief career in FinTech and the money-moving parts of the world, is the CAC conversation. Drilling into how much it really costs. We had a conversation two weeks ago with Howard Lindzon, who was an early investor in Robinhood, and he was talking about the Robinhood story, blah, blah, blah. The real end of the CAC and the getting CAC down was the real innovation of what they did. Them being able to onboard users for $0 and having this viral effect in a world that had not had that, and where other people were paying hundreds and hundreds of dollars was the real—when he was thinking about investing—was the real ‘oh my God, that's crazy’ moment.

You've all had different approaches to it, Ankur and Val, and YNAB having a longer history of different phases of it. I'd love you all to give a little perspective on the CAC, how much you think about it, how much you maybe try not to? You don't have to share specific numbers, but strategies around, because just again, it's just such a huge part of this business where there are people in the market that are paying. Just because you decide not to play the paid marketing game doesn't mean they're not getting hit with ads from your competitor who's going to screw up their budget by paying $500 a month. I'd love to hear how you all think about the role of CAC in your businesses and ultimately in bringing it to people.

Todd:

I'd mostly sit back and listen because I think about it almost not at all.

Adam: He's bragging. He's showing off.

Todd:

No, no. This is about being bootstrapped. We were never, in our two decades, ever able to pay what another company is able to pay. So it's almost like you can't get in that game. We also had a long history in time before we decided that we were actually going to try to grow and expand this company. In that time, it really was all word of mouth, and very organic word of mouth. That's remained at the core. We'll calculate it every now and then, but it's genuinely not something we think too much about.

Adam: Maybe in the traditional way of thinking about CAC, it's focused on paid marketing. But when I think about education and the money that goes into education, that—and again, it's not within the normal realm—you're not casually doing educational content. That's a real part of the business, correct? That's a loss or, you know, you're not being paid for it. So you choose to put all your effort there, and you don't play the ad game at all. I think that that's happening more and more, right?

Todd:
We even had to remind ourselves every now and then, where you can say, 'oh yeah, but our marketing budget is this.' And then you're like, 'wait a minute, you mean our digital ad spend.' Our marketing budget, when you talk about, to your point, all the education and all the content creation and things like that, I would not mean to say it's not a significant investment. But it's really just the cost of doing business the way we do it, as opposed to something that gets funneled into a CAC formula.

Adam:

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Ankur, I'll jump to you, because I know that you mentioned education—before I get your input, Val, and I don't know as much about Monarch's strategy there, so I'd love to hear it—but Ankur, obviously with Teachable, you've come out of this space, so you had that ingrained, and you were early there and know that game. But you've done a couple of things: One, you're talking about doing and continuing to push into becoming the place to go for tax optimization education. You've also, though, put clear effort into your own personal spokesperson aspect of all of this, which is a bit newer, and more like an influencer route in some ways. Can you speak to your decisions around that? I think sometimes good content like that can come across as, just naturally, 'he's just talking about what he wants to.' But I know that you're putting the reps in to get it out there.

Ankur:
Look, two years ago, I knew nothing about this whole space. I was a complete outsider. So in the process, I've also gotten interested and as I learned cool things, I've been sharing it, largely on Twitter, a little bit on other channels. It's been cool, because, one, I'm learning in public. Two, I'm not half-assing this, I've studied and got my Series 65. I'm actually doing the reps to actually become a qualified professional so that I can speak about this intelligently. With that said, in terms of our strategy, I know tax content on the surface sounds unsexy and boring, but there's a way of making it good. I'll give you an example. You can tell someone, 'oh, here's how you decide whether to do a traditional Roth IRA,' and that's one angle. But the other angle is, 'Peter Thiel turns 59 and a half in one year, and he's going to unlock $5 billion tax-free, here's how he did it.'

Again, it's a Roth IRA, but there's a way of messaging it in storytelling, which is me just stealing the playbook from all the successful creators at my last company, and doing exactly what they did. I'm just doing that at scale. We're going to do other things like that. In a month we're going to do a live online event targeting all kinds of solo business owners. Our goal is to get 15,000-20,000 people to sign up. It's the same playbook we ran at Teachable, where we bring in a bunch of creators, influencers, and smart people, have them share their story, we're just the people putting it together—it's not too dissimilar from what you are doing right now right here.

That's the sort of marketing we'll keep investing in, just because it's what we know and what we're good at. In time, we'll see if we have to spend money, but we're spending money implicitly. I hired an SEO person, they won. We're ranking for all the keywords that are important to us like Solo 401(k). And again, I do think to succeed in FinTech, marketing innovation is a big part of it, to Howard's point. It's something that even though we're not spending money, we're not taking it lightly.

Adam:
Val, any thoughts on that? I'm not as aware of Monarch's strategy. Ankur's in my Twitter feed all the time, and I know the subreddit roots of YNAB, so I'd love to hear your thoughts on it.

Val: We got lucky early on, there was just a lot of word of mouth buzz, and so we honestly grew organically the first few years without any spend. Then when we raised our series A, that was early '22, before the market had really corrected. We were like, 'all right, here we go, we're stepping on the gas.' Literally two months later, it's like everything melted down. Of course, some of the changes Apple made to paid ads decreased their efficacy significantly.

At the time I was like, 'oh shit, we missed the big window when everyone was making this stuff work.' There was some truth to that, but in retrospect, it's been good for us because it forced us to continue to focus on non-paid channels. So, that's primarily been word of mouth. Reddit has been very good for us as well just because the Redditors are so passionate about this stuff. We are now doing some paid ads here and there, but our view is we don't want to go back to—we're a profitable company now—we don't want to go back to the crazy era of FinTech where it was like, 'let's go raise crazy amounts of money and light it all on fire as fast as we can.' So we're trying to be—

Adam: Those were the days! Those were the days!

Val:
Exactly. So our view is, this is a marathon. We want to be around for a long time and help as many people as we can, and do that in a sustainable manner. We're running it as a

bootstrap business even though we do have some venture financing.

Ankur:
Adam, can I take the next question?

Adam:
Yeah, yeah, yeah, go for it.

Ankur:

I want to moderate the next question. I've been thinking about this and I want to hear Val and Todd's opinion, maybe starting with Val. How do you think about the channel of working with what we call our service providers—like financial advisors, CPAs, and other people that potentially have a one-to-many relationship? Again, the reason I heard about Monarch is one of the advisors told us Monarch is a tool they recommend to all their clients. So how do you think about that at the channel?

Val: It's kind of become a happy accident, honestly. We made Monarch to be collaborative so that partners could work together on their money. Then we saw a lot of people were then inviting in their CFP or their CPA or whomever, and we're like 'well, that's weird.' And then those people would be like, 'oh, I like this. I want to use it with my other clients.' So it created this organic loop. Honestly, we just launched this Monarch for Advisors product, which was exactly the same as our other product, except it allowed them to pay for all of their clients at once and invite them.

So we're now starting to invest more in that. It's very early days, frankly, but our perspective is if we're building a collaborative platform, then we might as well try and support both sides of that ecosystem. There's a lot of overlap, frankly, more than we expected from what advisors want and what consumers want, especially as we get into more of these planning use cases I talked about. So it's kind of working, but it's not something that we planned, it was one of those startup accidents that we are investing in now.

Todd: I would say a lot of similar stuff to Val, YNAB too, you can have multiple people in there and people are using it that way. The difference for us is that we do have a certified YNAB coaching program where we'll run you through it. Because

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YNAB is method-based, you can sign up for this program where you can learn, really not just how to give your clients access to YNAB the software, but how to support them and guide them in the method in the same way we would. So some of those folks are financial advisors, but a financial advisor is more apt to have, ‘this is the way I do this with my clients.’ More of the folks who run through that program are in the life coaching field and are looking to add some financial expertise to their coaching practice. So we get a lot of folks that way too. But it’s the same one-to-many idea here that you're describing.

Ankur: Back to you Adam, but to me that was one of the things that was a learning for me that I found quite interesting, where we're still deciding what to do with it, but we underestimated how big the market is of financial advisors and all of the tooling financial advisors have is built in a completely different era. So, for a lot of people wanting to think about launching a FinTech company, going direct-to-advisor is quite a smart option. Altruist, for instance, has done that in the custody space and so forth.

Adam: We had this conversation, as we were in the idea maze within Stonks and Sandhill for a long time, we explored that. I've gone on some calls with some of those people. The thing that—in my experience, which is much less than all of you—is that it’s a slow moving process to get actual progress. It sounds like it worked out great, Val, where it happened organically. But I guess that's just building out channels, you're going to have to put some time in, and jump through people's hoops and things like that.

One thing, on the marketing side I wanted to ask all of you is, do you have marketing content, education, and internal teams focused on this? Because I think that one thing we talk about with marketing innovation within Fintech, is that it's not like they're sitting on talent, content talent. Having in-house content talent, in-house education, is that something you've all invested in?

Val:
Yeah.

Todd:

Yep.

Ankur: Yep.

Adam:

Ankur's internal talent. Val, I don't know if you're—

Val:

No. Not yet, but we want to.

Adam:
You want to.

Val:
Yeah, we've been pretty lean up until now, but we're now thinking about it.

Todd:
I would describe us as pretty lean too. The way your question impacts this is almost more on the other teams. I think our marketing team is almost as big as our engineering team and it's all—

Ankur:
How many people is that?

Todd: It's handfuls of people.

Adam: Todd warned me. Todd said 'we're not getting into it.'

Todd:
I've warned Adam, I'm like, 'we're not getting into headcount. I'm not doing it.

Adam: I love it. I love it. Bootstrap secrecy.

Todd: I have no obligation to say. No, and that's all really, and when I say marketing team, I really mean basically education and content creation. So outside of founders, our first full-time hire was a support person and our second was a teacher.

Adam: Interesting, and obviously, Ankur, you have the experience from Teachables, where that literally was the whole thing. But in the FinTech space, it seems like it's moving in that direction more and more. YNAB, obviously, has been doing it for a very long time, this idea of education as the top of the

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funnel compared to ad spend. And, to me, it just seems so much more positive also. You're just adding more to the space if you're going to spend $3 million a year on incredible educational content free for everyone, or put another $3 million in Google's pocket.

Ankur:
Yup. It's hard though. The part that we find the most challenging is as we get into the world of tax advice, we have this dilemma, where people who are good on camera or good at creating content don't have the tax expertise. CPAs, no offense to a lot of the CPAs who make—

Adam:
The CPA's are in the audience…

Todd:
Somebody's out there, Ankur. Your unicorn is out there.

Ankur: They're sometimes not the most charismatic. A lot of times you'll put a CPA on a camera and they'll have a question and the answer they give is 'it depends,' which while true doesn't quite make for the soundbite you wanted.

Adam:
It doesn't make great content. The legal response of like, 'well, maybe, in some situations.'

Ankur: That is a challenge. But again, that's what we've been doing. And it's not very easy, so we're investing a lot in it. Our team members are spending a lot of time trying to educate themselves on pretty hard topics. That is one of the options. We just brought a CPA in-house and we're trying to, as we're finding CPAs, also find the unicorns that do want to do content and have that be a part of their persona.

Adam: So you're building internal talent. The short takeaway there being that you've been building internally, although you're open to finding external talent, it doesn't seem to really exist, the unicorn. So you're having to build that internal educator?

Ankur: Our team is 11 people, and we're not at this point yet, but I want all of the 11 people to be able to give you, Adam, a workshop on what a Solo 401(k) is, why it works and why it's good for you, and show you how to do that on the product.

We're not there yet, but that's the goal. We want to keep our team small, but I want everyone to be able to get to that level of financial and tax literacy.

Adam: You start throwing pop quizzes out there during standups. I wouldn't be surprised. Val, and it sounds like you're similar, but just earlier in the process in terms of how you're thinking about it.

Val: We've tried to go down the content path a couple times and we ran into the same exact situation where it's like, okay, if you hire good writers or media personalities and try and they don't understand the financial concepts to the depth we need. Conversely, if you go the other direction, you can get a great, like CFP, but having him or her try and whatever, create a blog post—

Ankur: CFPs are better than CPAs though, trust me.

Val: That's true. We do believe that the unicorn is out there and we're still looking, but we're not there yet.

Todd: Some of it is time and that word-of-mouth use, because most of our really good content creators that we've hired have come from our user base, they were customers.

Val: Oh, that's cool. That's great.

Todd: So they come with a base of understanding ready to go, so you can focus a little bit more on who's a great communicator, for example.

Adam: A segue to circle back on the headline of all this, of the post-Mint era, looking at Mint as, obviously one, as a contemporary there, but thinking about Mint as the before times on this, did they avoid—just by the virtue of it being free, did they play the education game as well? Or was it, 'oh, it's just free,' so that's how you get it, the marketing is the free aspect.

Val: I can answer that. Because the average revenue per user was so low, we couldn't do any paid advertising. Mint was actually one of the first companies, I think, to invest heavily in content. We had a three or four person content team when we were only 20 people, including some editors out of the personal finance space. The Mint blog, at one point, was more popular than Kiplinger's, which at that time was the most popular personal finance magazine. So it worked quite well, but Mint was basically PR and content and that was it. Those were the only two channels that worked for us. The way we got PR was by poking into it and basically making fun of Quicken, which ultimately riled them up enough to buy the company.

Adam: Val, that's good context on that. Maybe to stop there for a second, it was a five-year journey, I think, not a long time, Mint from founding to exit wasn't it?

Val: No, it was like two and a half years. It was one of the fastest—

Adam:
Two and a half years?

Ankur Two and a half years from founding or launch?

Val: From founding.

Ankur: Oh, wow. Remarkable.

Val: It was founded in 2007, sold in 2010.

Adam:
I'm such an annoying ZIRP VC person, because $170 million, that was a big outcome. Everyone was excited about it—like now with unicorns, and everything's worth a million dollar worlds, whatever—but in 2009, for the investors and everyone that was involved and for the early employees, it was a big win. Then it lived within Intuit, and again, deprecated over time or was it clear early on that this is maybe the best days are behind us?

Val:
Well Intuit bought Mint with the intention of basically using it as a funnel to get people into TurboTax, which is their massive cash cow. Then, it kept getting moved around from team to team. If you've ever spent time in a big company, that's how these things happen. It's like, 'oh, nobody wants this problem child.' So it would sort of get shifted around, and I think that happened for many years. Then, once they bought Credit Karma, the writing was on the wall. It didn't make sense to

have these two competing consumer services that had 40% feature overlap. I'm not surprised they're trying to unify them. I am surprised they've done it in the manner that they claim they're doing it. We'll see what happens.

Adam: For some extra context there for people listening, my understanding is that they're migrating a lot of the features to Credit Karma, but—in the things that I've read—not budgeting. A lot of the features are being migrated, but definitely not budgeting.

Val: At the end of the day Credit Karma is not a personal finance platform. It's a credit ad platform. Anything that's going to allow them to sell more credit cards or more ads to you, they will bring that over. Which includes connecting your accounts, because they want to know what credit cards you already have. And by the way, Intuit, they're intelligent business people. When you look at the numbers, Credit Karma was doing $1.6 billion in revenue a year, and Mint was—I don't know how much they were losing, I left years ago—but presumably losing quite a bit of money. It makes complete sense, from a business perspective, to do what they're doing, so I'm not surprised that they did it.

Adam: We're surprised *how* they did, that's been the recurring sentiment. One thing that I wanted to touch on and circle back on was some of the pricing stuff, as well as the conversation that we had—and I'll throw some, I guess I'll ask some fun questions towards the end here in a second—but we're talking a lot about pricing.

In a conversation last week we had around AI and B2B SaaS, the conversation around this movement from contracts to usage-based. Todd, you talked about the movement from one-time payment to SaaS, this movement away from freemium and away from free. Is SaaS and this monthly spend model something that's very comfortable? Or is there a similar change in the market—that was talked about in the B2B SaaS world—about this movement to usage? Or do you all feel that SaaS is the end state that's aligned and easy and solid for quality users?

Todd: I mean, I don't know if I'm enough of a business visionary to say what legs SaaS has or not, but I would say I don't have any interest in putting usage in customers' minds.

Because if we believe that they gain from using the product, financially and by reducing anxiety, all of it, I would prefer that they use it. I's nice to be able to say, ‘we make money one way, and that's when you pay us for the service, because you believe the service is worth it.’ It's a very simple contract between us and our customer. It's very genuine, it's very open. We appreciate that quite a bit. It's valuable to us and I think it's valuable to them.

Adam: Val, similar?

Val: I would agree with that 100%. A, it's a much more aligned business model, and B, you don't want your customers having to wonder like, ‘oh, should I use this thing today because it's going to cost me another 11 cents to log in,’ or whatever the usage based model is. It's just you get people to pay for it and then they stop thinking about it, and that’s how consumer services should work, ideally.

Adam: Ankur, in the tax world, though, because we talked about this a lot in Stonks/Sandhill and the models, when you're modeling it out, something AUM based—

Ankur:
I was going to say, so for us, and the world we come from, the way we're charging is a little bit unconventional. Since people are investing on-platform, there's a robo-advisor, there's all these things built in, we could charge AUM fees, and frankly we've modeled it out. It's a better business for us to charge AUM fees. That's the dilemma I have—what's good for the consumer versus what's good for us as a business. For now, SaaS fees are what we like because it's a flat fee, and again, I've actually talked a little bit about how predatory, you see a lot of these wealth managers charging 150, 200 BPS to index the S&P. I think that's predatory behavior.

For now, we want to stay with a flat fee SaaS. At some point we may give people the option of AUM. It's like a weird psychology thing, where AUM, even though it costs more, hurts less sometimes. But it's tough and it's something we battle with. Sometimes, if you charge someone AUM fees and the AUM fees are being paid out of, let's say a Roth account, it's doubly bad, because they're paying fees from the most tax advantaged dollars. Do we think about every aspect of that?

We think it's less efficient for people, but it's something we think about and there's a chance we may revisit it in time.

Adam: We had that conversation a lot internally within Stonks/Sandhill, and we've had the Sandhill private community, which is meant to be a place to come and talk about early stage investments, late stage investments. But, paying a monthly fee for something that you usually pay a management fee for—or that you usually pay Carry for, or whatever—is tough. You all have touched on it a little bit, and it sounds like you're all very in tune with the customer psychology about it: If there's a free thing and you can screw people up by thinking it should be free rather than this is actually really valuable to you. The $99 a month is nothing compared to you actually saving a bunch of money.

We're coming up here towards the end, we have four minutes left. I like to do this at the end of the panels and I'd love to go around the room and talk a little bit or have each of you touch on something that you're excited about in the market. This is outside of—obviously you're all in your businesses, and maybe it can be something in your business, but I don't want us to shill our own stuff too much. More like what is something outside of your business that you see in the space, and you see developing that's exciting to you? One, something that we touched on a lot that it sounds like everyone's excited about is the free version being exposed as not sustainable. So it can be broad in that sense, but it could also be something really specific on the product side, or movements that you're seeing in the personal finance space that give you something to be excited about. Todd, something besides Mint, or not being able to charge free, what's something that you're going to say?

Todd:
You promised me we were going to come and talk about aggregation.

Adam:

Well actually we didn't get to it! The main takeaway being that everyone hates using Plaid and these things.

Todd: We have a running internal joke about why don't we sell PDFs? Wouldn't that be fun? This is not about the market so much, but what's really interesting to me in personal finance

right now is the really active way that generations younger than mine are thinking about it. Even if you think about partners and couples, there used to just be one way to do it. And so many of the younger partners and couples that we talked to, I feel like they each have their own way to do it.
Just by thinking about it so actively, I'm really encouraged that they want to be involved in that way, are interested in learning how to do it, and are interested in actually making better decisions. They're grabbing a hold of some of that agency I mentioned at the top. That's so exciting for me, because it's so different from the one-size-fits-all, 'just do it this way,' just do it the way your parents said approach. It's a fun thing to learn about, and somebody said 'learning in public earlier,' and I feel like that's what we're doing on that front. So it's a lot of fun.

Adam: Very cool. Val, anything you're excited about?

Val: I would say I'm cautiously excited about the open banking regulation that's coming through. That'll make things, in theory, much easier, and it'll probably take a lot longer to roll out than anybody expects—as these things do. Our feeling is like, 'okay, the US and the government is kind of finally waking up to the power of these tools and how much agency we can unlock by letting people's data out of these walled gardens and into their own hands.' Europe, obviously, has been pushing the envelope here, which is why they rolled out open banking regulation earlier. They've had a lot more FinTech explosion and innovation than America has in the past, say five years. I feel excited about that development.

Adam:

Very cool. Ankur, any fun tax tricks?

Todd:

Can we talk section 174?

Adam:
Any parts of the tax code you're especially excited about, I got my notebook here.

Ankur:
Honestly, what I'm excited about is for the next wave of FinTech building blocks to be better than the current one. So

as a FinTech outsider, I thought, 'oh, I just use Stripe quality software, connect a bunch of shit together and everything just works.' But a lot of the building blocks, whenever I ask a FinTech founder, I'm like, 'hey, how do you like this service provider?' Maybe a banking as a service provider, brokerage or service provider, everyone hates their vendors.
The NPS score for a lot of very, very meaningful vendors in FinTech is horrible. And you're stuck putting a rock in a hard place. But, it's inevitable over the next 5 to 10 years, or actually hopefully sooner, it gets a lot better. By the way, Val, if you ever want to build a B2B offering for Monarch, we'd love to use it. There's better software out there that hasn't been made B2B yet, and I think it's a matter of time before it gets there, and I think it'll allow for a lot of innovation to happen faster in the future.

Todd:
Can I jump in with one thing on that? Because we've been joking about aggregation and I don't begrudge them, as far as partners go, having any problems with it. Talk about complicated. There's 14,000 financial institutions, so there's 14,000 separate integrations. If Plaid struggles to provide us with that, or MX, or whoever, no blame from me. That's hard.

Ankur: Well, and a lot of it we find out—at least when you look at brokerages and stuff—a lot of them are wrappers on faxes, PDFs, papers, etc.

Todd: There's still screen scraping going on everywhere.

Adam: I remember when I first found out how Plaid works, I was like, 'really? That's it?' It's crazy. But you're absolutely right. It's a complicated system that it's all built on top of.

Todd: It's a photocopy machine here. I'll betray my age, right? Back in the day when you bought a photocopy machine, you also bought a service contract. Because the thing has a million and a half moving parts, it's going to break. That's aggregation.

Adam:
Or we could all just do crypto. No, I'm kidding.

Adam: No, that's easy. It's easier! It's good though. Way easier. Well, hey, guys, we're at time here. I really, really appreciate it. I hope you guys, I know some of you didn't know each other before, hopefully you'll be friends after this. I think there's lots to talk about and we’ll hopefully have you back soon. So thank you all and thanks to everyone who showed up and we will clip this out, make everyone sound smart, and share it on social media soon. Let’s get Ankur's numbers up. He doesn't need it, even though he doesn't need it.