

# GigFlex Checking and Loan

## CONCEPT DOCUMENT

*Team: HustleHub*

## TARGET MARKET

Gig workers and self-employed individuals, including rideshare drivers, delivery workers, freelancers, and contractors, represent a rapidly growing segment of the economy. Despite their productivity and income, they are often underserved by traditional financial institutions. This group typically earns income inconsistently across multiple platforms and lacks W-2s or employer benefits. As a result, they face significant barriers to accessing affordable credit, planning for taxes, and building financial stability.

## PROBLEM DEFINITION

While credit unions serve their communities with heart and intention, many gig workers fall through the cracks of traditional underwriting and account structures. The core problem is a mismatch between how gig workers earn and how financial products are structured, particularly around income verification and credit access.

Gig workers operate outside of traditional employment structures and face unique financial challenges:

- Unpredictable income and cash flow gaps
- Difficulty qualifying for loans due to lack of W-2 income or credit score
- Inadequate retirement savings and lack of benefits
- Burden of managing taxes independently
- Over-reliance on high-fee fintech products or check cashing services

### Proof the Problem Exists:

We surveyed gig workers across various platforms (e.g., Uber, DoorDash, Etsy, TaskRabbit) and found:

- 50% reported inconsistent weekly or monthly income
- 28.6% had been denied credit due to lack of traditional proof of income
- 76.9% expressed interest in a credit product with approval based on their deposits rather than traditional credit scoring models.

## **Problem Statement:**

**How might we empower gig workers to access affordable credit and financial tools using their real transaction data without relying on outdated or exclusionary documentation?**

## **INNOVATIVE SOLUTION**

GigFlex Checking and Loan is a gig-friendly checking account and personal loan that use real account and transaction data to create a verified relationship profile. Members who might otherwise be declined for loans due to lack of W-2s or traditional employment can instead qualify based on their actual financial behavior.

Here's how it works:

1. A member opens a GigFlex Checking account with no minimum balance or fees.
2. The account automatically tracks deposits and income sources to establish income patterns.
3. Using this data, a dynamic relationship stability score is generated.
4. The member receives loan offers based on that score, with transparent terms and responsible limits.
5. The system also encourages tax savings and income planning through sub-accounts and prompts.

## **Member Benefits:**

- Access to credit based on actual earnings, not paperwork
- No need to submit pay stubs or employer documentation
- Tools to manage income variability and plan for taxes
- Potential to improve credit history and long-term financial wellness
- Enables the member to build credit from non-traditional reoccurring monthly payments such as utility bills, rent, subscriptions, auto insurance etc.

## **Credit Union Benefits:**

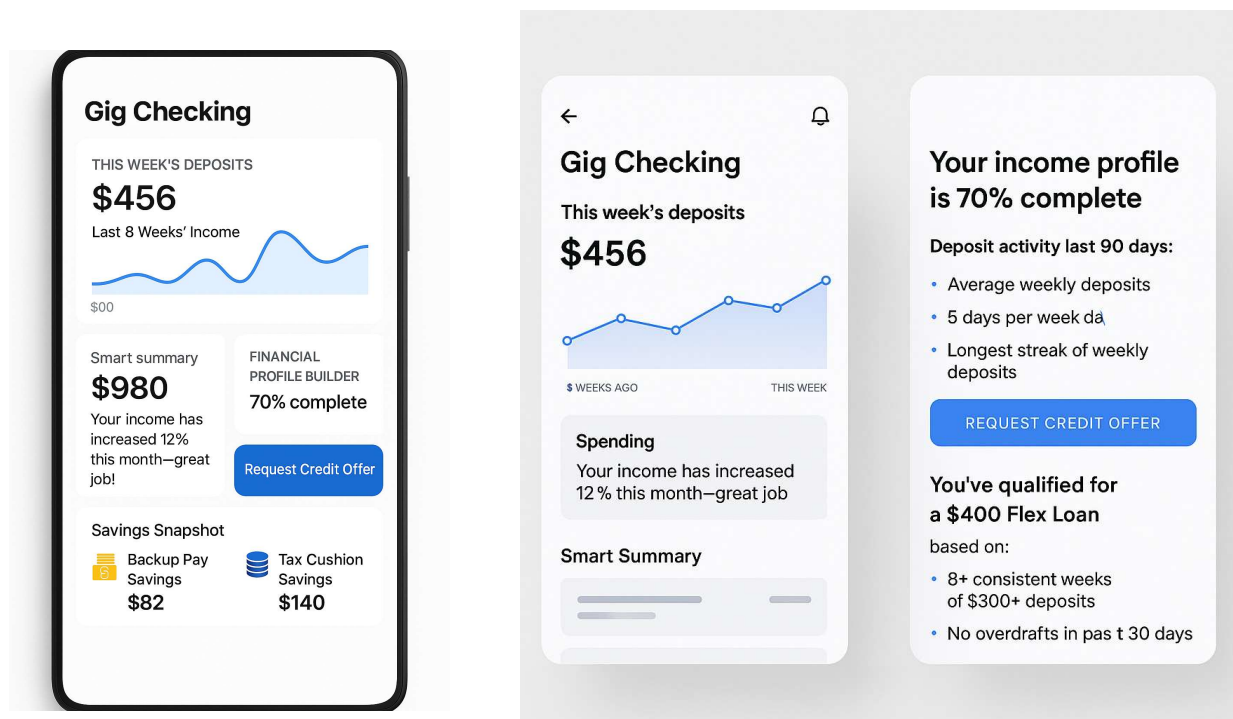
- Digital end to end offering with no additional FTE required to support the product suite
- Grows checking account relationships in an underserved market
- Opens a new stream of loan revenue with data-driven risk management
- Reduces the cost and barriers of manual underwriting
- Strengthens CU's role in financial inclusion and community impact

# PROTOTYPE

The member journey begins with registration through a product-specific landing page.

From there:

- The member opens a GigFlex checking account that starts tracking deposits immediately
- The system analyzes income consistency and transaction/payment history to build a relationship profile
- Credit offers are unlocked based on performance



## Prototype Features:

1. **Main Dashboard:** Weekly deposit insights, income trends, and relationship profile completion status
2. **Loan Offer Flow:** Relationship-based loan prequalification with flexible auto-repayment
3. **Risk Mitigation Model:** Behavior-based lending with safeguards like repayment automation and staged limits. Re-evaluated daily to ensure offerings are being updated based on real-time data.

## TESTING AND RESULTS

We validated interest in this concept through a gig worker survey and informal user interviews. Key feedback included:

- Strong interest in income tracking tied to credit access
- High trust in credit unions as a source of fair lending
- Preference for automatic tracking over manual income submission

Testing highlights:

### Early Testing

- 70% showed interest in personalized, non-traditional lending that considers their unique income streams and relationship with the lender
- 82% more likely to join a credit union that specifically supports gig workers
- 87% of surveyed gig workers would use a product that auto-saves for taxes

### Credit Union Data Trends from 250m-1b credit unions

#### 1. Payment Cadence Aligns with Loan Repayment Design

Uber, Lyft, and DoorDash all show monthly deposit frequencies around 2+ times per month.

**Implication:** This supports designing micro-loan repayment plans based on fluctuating deposits.

This aligns well with flexible gig-economy lending products where risk can be mitigated through relationship analysis.

## 2. Deposit Size Supports Income Smoothing Tools

While national data shows that the average gig income is approximately \$1,000 monthly, data from our credit unions shows a deposit range between \$144 and \$175 for gig income.

This infers that we as credit unions are missing out on our share of the market from deposits, interchange income, and potential loan interest income.

**Opportunity:** Offer gig-specific products to increase market share.

## 5. Consistency Enables Underwriting Alternatives

Deposit frequency above 1.5 per month means many gig workers generate repeatable, trackable cash flow. By including alternative methods in assessing risk for underwriting without the use of traditional underwriting methods and FICO scores, it opens the door to expanding the offerings for this segment of members.

**Suggests potential for underwriting loans without credit score, using:**

- Historical deposit amounts
- Deposit consistency over 3–6 months
- A gig-specific credit model based on total credit union relationship.

## Gig Work as a Primary Income Source

- 50% of respondents use gig work as their primary income, not just a side hustle.
- These members rely on gig platforms for essential financial stability, not extra cash.

## Core Financial Challenges

Challenge	% of Respondents
Managing inconsistent income	50.0%
Saving money	42.9%
Access to benefits (health, retirement)	28.6%
Getting approved for loans	28.6%
Tracking income/expenses	28.6%

- Half struggle with unpredictable income.
- Saving and accessing financial products are common pain points.

## Strong Demand for Gig-Aligned Financial Tools

(Percentages reflect the share of respondents who were “Interested” or “Very Interested” out of those who answered)

Product/Service	% Interested
Credit card based on gig income	76.9%
Tax help for 1099 income	76.9%
Retirement savings tools (IRA, Solo 401k)	76.9%
Low-cost insurance (health, liability, etc.)	76.9%
Automated savings tied to deposits	71.4%
Early pay or advance access	61.5%
Flexible income-based loan	61.5%

**Insight:** Members want financial tools that reflect how they actually earn: variable, frequent deposits, not W-2s or credit scores.

## Lower Interest in Traditional Services

- Only 50% showed interest in no-minimum checking accounts.
- Financial coaching had the lowest interest (35.7%), suggesting tools are preferred over education.

## Product Design Implications

- Create deposit-based underwriting models for credit cards and loans.
- Offer gig-friendly bundles: savings automation, tax help, benefits access.
- Avoid focusing too heavily on “basic” banking features or coaching as these aren't differentiators for this segment.

# BUSINESS MODEL AND PROFORMA

## Viability Factors:

- Leverages existing checking infrastructure
- Adds value through fintech API integration
- Cross-sell potential for personal loans, credit builder cards, and tax-time savings tools

## Resources Needed:

- Income data integration partner
- Loan decisioning and risk model alignment
- Staff training on gig worker needs and alt-income qualification

## Financial Considerations (High-Level):

- **Development Costs:** Estimated \$25k–\$50k for integration and UI updates
- **Revenue:** Loan interest (average \$500–\$3,000 Flex Loans), increased deposit balances
- **Cost Savings:** Reduced manual underwriting, lower default rates through proactive eligibility

# OPERATIONAL AND OTHER CONSIDERATIONS

Future roadmap could include:

- White-label partnerships with other credit unions
- Expansion to include retirement savings, HSA, and business checking tools
- Gamified rewards for building consistent income behavior
- Partnership with tax prep platforms to streamline gig tax filing

Operational success will depend on:

- Strong privacy practices and transparency about data use
- Careful monitoring of credit risk
- Education and marketing that speaks the language of gig workers

## CALL TO ACTION AND NEXT STEPS

We invite credit unions, fintech partners, and CU leagues to collaborate with us to bring GigFlex Checking and Loan to life.

Next steps include:

- Finalizing fintech vendor selection
- Launching a small-scale pilot
- Refining the scoring model based on real member activity
- Building a full product launch campaign

This concept has the potential to expand credit union reach and align perfectly with our cooperative mission. Together, we can prove that flexible, fair, and innovative solutions are possible, even for those outside the traditional financial mold.

**Let's rethink financial access together.**

## APPENDIX

### Sources & Supporting Research

- Gig Worker Survey Results (June 2025)
- Member data analyzed from team participant credit unions:
  - ResourceOne CU
  - Houston Police CU
  - Greater Texas FCU
- **Gig Worker Survey Results** (June 2025)
- *Income Volatility and Health Care Needs—How Credit Unions Can Help*, Filene Research Institute (Report #551, Nov 2021)
- *Gig economy or platform workers earned on average about \$24,000/year, with net Schedule C profits ~ \$5,700/year*, U.S. Treasury Working Paper
- *Emerging Technology Overview*, Filene Research Institute (Discussing machine learning and alternative data for credit)
- *Small Credit Union Collaboration* (digital scalability & fintech deployment case studies), Filene Research Institute