
2023



TruStage™

TruStage Ventures

DISCOVERY FUND

Impact Report

Raising capital is incredibly difficult for women founders and founders of color. Unsurprisingly, venture capital-backed startups are significantly male (89.3%), white (71.6%), based in Silicon Valley (35.3%) and Ivy league-educated (13.7%).* Despite venture capital funding surging over the past few years, the numbers do not reflect the same rise for women founders and founders of color. In 2023, companies founded solely by women accounted for only 2.1% of the total capital invested in venture-backed startups.** Black founders received less than 0.5% of VC funding this year***. Disappointingly, both of those allocations are trending downward from already low starting points.

The Discovery Fund invests in companies who have a woman, BIPOC or LGBTQ CEO at the helm in an effort to help reduce the inequity in the venture capital ecosystem. Furthermore, the Fund is focused on investing in solutions for financial inclusion – with an eye towards companies promoting affordability and accessibility of financial services, particularly to underserved communities. The synergies between entrepreneurs and financially inclusive solutions are clear. Entrepreneurs who have experienced the problems they are trying to solve are often best positioned to build these solutions. By investing in and empowering underrepresented founders, the Discovery Fund hopes to help not only narrow the equity gap, but support the most promising and scalable solutions to a new generation of challenges.

"Our mission is to find companies that are producing products and services that are actually improving the lives and financial health of everyday Americans, particularly low and moderate income consumers and those who have been underserved by the traditional financial system."

– Elizabeth McCluskey, Director of the Discovery Fund



Discovery Fund Overview

\$11M

Invested since inception



The Discovery Fund was created to support entrepreneurs who are building solutions for financial inclusion. The fund invests up to \$5 million annually in early-stage fintech companies led by BIPOC, LGBTQ+, and women founders.



This year, the fund invested in four new companies and completed follow-on investments in seven portfolio companies. Our team facilitated over 100 introductions to credit unions and other customers on behalf of our portfolio. We generated over 50 speaking and PR opportunities for our founders at credit union league and industry events, and in publications such as Authority Magazine, CU Broadcast, and the Banking on Digital Growth Podcast.



Focus Areas:



Financial Wellness: supporting underserved consumers with financial services such as liquidity management tools, emergency savings accounts, wealth generation platforms, and financial literacy.



Lending: enabling more affordable and accessible credit to underserved consumers, whether in partnership with financial institutions like credit unions or direct to consumers.

Us Vs. The Industry

Percentage of Investment Dollars Allocated to Women Founders

Us 34%

Industry 2% **

Percentage of Investment Dollars Allocated to BIPOC Founders

Us 66%

Industry 13.7% ****

Discovery Fund Graduates



The Discovery Fund supports companies at their earliest stages, enabling them to validate their business models and position them for scale. Our aim is for companies to eventually graduate to our Ventures fund, where they receive larger checks in later stage rounds as they demonstrate continued traction. We're proud of the three companies that have made the move from the Discovery Fund to our Ventures portfolio over the last year.

Beem



Akshay Krishnaih, Founder & CEO

Beem is building an inclusive modern financial network that allows individuals to establish trust and credit-worthiness without the need for credit history, credit score or paystips.



Pulsate



Sarah Martin, CEO

Pulsate is a marketing communications platform enabling financial institutions to send personalized messages to members driving engagement, sales and loyalty.



Zirtue



Dennis Cail, Founder & CEO

Zirtue is a relationship-based lending and alternative bill pay application that simplifies loans between friends and family with automatic monthly loan payments.





Portfolio Highlight Conductiv

Data Driven Lending Platform

IMPACT

47%

increase in
approval rates

39%

increase in
stipulation
verification rates

WHAT IS THE PROBLEM?

The number one complaint reported to the CFPB is incorrect information listed on credit reports. Missing and inaccurate data makes 26% of Americans and businesses appear riskier to lenders, and causes millions of loan applications and deposits to be unnecessarily delayed or declined - particularly for low and moderate income (LMI) applicants. This is because bureaus have a data gap. They lack access to transactional and account-level information stored in permissioned-protected data sources. Credit unions must fill this data gap by obtaining permission from members to access missing income, tax return, cash flow and identity data on their behalf, gain a clearer financial picture of the member, and approve more loans.



"Our mission is to help credit unions win back lost loans and deposits by gathering income, tax return, cash flow, and other stipulation data digitally. Members see their credit union provide an easier, more modern experience. Credit unions can do less work and make more loans."

GOPAL SWAMY
Founder & CEO

WHAT IS THE SOLUTION?

Conductiv helps credit unions approve more loans and open more deposits - particularly to LMI applicants. Conductiv goes beyond FICO and credit bureaus to gather thousands of missing data points so underwriters don't have to. The platform transforms the data so it can be used easily in lending and beyond. Credit unions leverage this data and Conductiv's machine learning algorithms to make underwriting much faster, increase auto decision rates, and transform lending with no new risk.



Portfolio Highlight Debbie

Get Paid to Save and Pay Off Debt

IMPACT

2X

growth of average
monthly deposits

OVER \$1M

in debt paid off on
Debbie

WHAT IS THE PROBLEM?

Credit unions have historically had a difficult time attracting younger consumers, despite being well positioned to help the 25-40 year old population with the current challenges they face (high interest credit card debt, student debt, and low savings). At the same time, credit unions have faced a liquidity/deposits crunch, given rising rates as well as increased spending behavior. Some have tried solving the problem with promotions like CDs, but these offerings have not impacted behavior amongst younger current and prospective members.

WHAT IS THE SOLUTION?

Debbie is a platform that rewards positive financial behavior, such as saving, paying off debt, and making on-time payments. Credit unions can sponsor their community of members and non-members, to both grow their membership and drive additional deposits to the credit union. Debbie matches its users (non-members) to credit unions in their region through personalized, just in time offers for emergency fund deposit accounts and debt refinance loans, helping the 25-40 year old consumer with the problems they face most today. Debbie's marketplace is exclusively for credit unions, championing their mission to the younger generation.



"Credit unions are the best positioned to help young consumers with the biggest problems they face, like overwhelming credit card debt. Debbie is the megaphone credit unions are looking for to reach these consumers in a sustainable, risk-mitigating way."

RACHEL LAUREN-ZIKVASHVILI
Co-Founder & COO



Portfolio Highlight Stackwell

Creating Black Generational Wealth

IMPACT

\$1.5+M

contributed back to the community through Stackwell's partnership programs

42%

of HBCUs touched by Stackwell's student investment programs

~5,000

individuals reached by Stackwell partnership programs in 2023

stackwell

"The racial wealth gap is the social justice issue of our time. I created Stackwell to eliminate the racial wealth gap and empower a new community of Black investors to have greater agency and control to shape and direct the outcomes that matter most in their lives."

TREVOR ROZIER-BYRD
Founder & CEO

WHAT IS THE PROBLEM?

Black consumers are under invested in financial assets, which has massive implications for the widening racial wealth gap and the long-term growth and competitive positioning of financial services firms. Across the U.S., there is an 9x racial wealth gap between Black and White households; within the Millennial population, this gap is 17x and growing. As the racial demographics in the U.S. continue to shift towards majority-minority, the imperative to close the racial wealth gap increases. While Black Americans know financial involvement and investing is important, many still feel excluded by financial products that are not made with them in mind.

WHAT IS THE SOLUTION?

Stackwell's platform helps users invest based on personal goals, risk profile and investment objectives. The Stackwell platform includes in-app educational content on key financial wellness topics and leverages behavioral science fundamentals to guide users towards greater financial health. The easy-to-use, culturally congruent platform is specifically designed to meet users where they are and promote inclusion, education, and accessibility regardless of an individual's background, income, or familiarity with the investment process. Partnerships with higher education institutions, community and professional organizations, corporate employee resources groups and professional sports teams enable Stackwell to effectively engage Black consumers across the age, income and education spectrums.



Portfolio Snapshot



Financial Wellness















COMPANY	CEO	SUMMARY
	 Christine Simone	Caribou is a healthcare cost prediction and optimization software for financial advisers and their clients.
	 Paul Kesserwani	Cushion is reimagining the way consumers manage, pay and finance their bills — all while helping them avoid bank fees and build credit.
	 Frida Leibowitz	Debbie is the first rewards app for debt payoff and savings. Uses behavioral psychology to help consumers pay off debt 3x faster and save 10x more, and connect them with better credit union products.
	 Katrin Kaurov	Frich makes money social. Frich helps Gen Z develop better financial habits leveraging the power of community and benchmarking.
	 Erin Levine	HelloDivorce provides divorce online for a fraction of the cost and in 1/3 of the time, with all the expert financial and legal help a consumer needs.
	 James Chemplavil	Salus is only platform that removes unnecessary costs and barriers to real-time microlending, giving the tools to meet each of your members' unique needs and achieve greater financial stability.
	 Trevor Rozier-Byrd	Stackwell is a fintech platform delivering automated investment portfolios and educational tools to help close the racial wealth gap.
	 Shreenath Regunathan & Catherine Xu	Starlight helps credit unions deepen their relationship with their members and improve their financial health through unlocking government benefits and growing deposits in the process.
	 Sid Pailla	Sunny Day Fund is an employee benefits program focused on building liquid savings via payroll deductions and employer contributions.

Portfolio Snapshot

COMPANY	CEO	SUMMARY
	 Melissa Pancoast	The Beans simplifies the path to financial balance through evidence-based design and cutting edge technology, so consumers stress less about money and focus on what they love.



Lending

COMPANY	CEO	SUMMARY
	 Arjun Sahgal	Ascent is an underwriting, diligence, and monitoring layer that provides financial institutions with deep insight into a customer's financial background.
	 Casey Powers	Climb is a student lending and payments platform intended to make career education more affordable and accessible.
	 Catherine Berman	CNote helps institutions invest capital into underserved communities at scale by directing deposits to community financial institutions such as credit unions and CDFIs.
	 Gopal Swamy	Conductiv offers financial institutions data-driven lending guidance, resulting in more funded loans with better, faster, and fairer decisions.
	 Bryan Young	Home Lending Pal is an AI-Powered mortgage advisor and blockchain-based marketplace built to address the needs of first-time buyers.
	 Mengxi Lu	Kanmon is a mission-driven company aiming to accelerate the growth of the internet economy by re-imagining the core infrastructure at the heart of commercial credit.
	 Sam Ulloa	Listo is an AI Fintech platform that partners with credit unions, banks and insurance carriers to provide more inclusive access to affordable financial services for the Latinx and marginalized communities.



Join the 2,800+ members of our Fintech Forum Community and gain access to the online community where members have 24/7 access to connect with credit union leaders, fintech founders, and key industry players while having a fintech content repository right at your fingertips. The best part? You can learn more about all of the Discovery Fund companies . Sign up at www.trustage.com/ventures/fintech-forum.

Are you a fintech looking for capital or do you know of a company that could be a great fit? Check out our website or email us using the contact information provided below.

Thank you for your continued support in our efforts to contribute to entrepreneurs who are building solutions for financial inclusion.


*Why Are Venture Capitalists Still Funding Mostly White, Male Entrepreneurs, Feb. 2021
**US VC Female Founders Dashboard, Pitchbook, Dec. 2023
***Black founders received 0.13% of capital this Q3. TechCrunch, October 2023
****McKinsey, Underestimated Startup Founders, the Untapped Opportunity, June 2023

Contact

TruStage

5910 Mineral Point Rd., Madison, WI 53705

www.trustage.com/ventures 

trustage-ventures@trustage.com 

**TRUSTAGE VENTURES DISCOVERY FUND
IMPACT REPORT 2023**