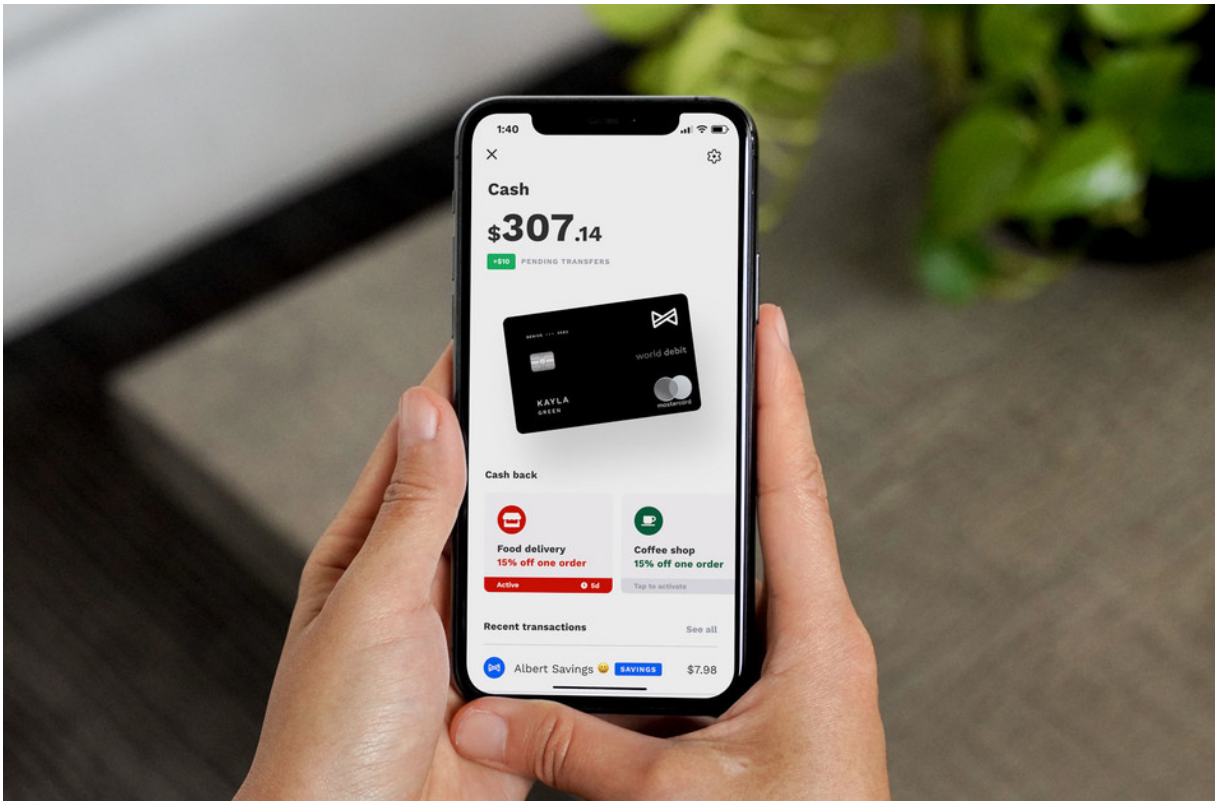
Alumni

Meet Albert, the Financial Expert at Your Fingertips

An app started by two Columbia alumni offers banking services via smartphone and money advice via text.

By
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|
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Courtesy of Albert

When Yinon Ravid ’05CC was around five years old, he requested an unconventional birthday present: a safe to store cash and spare change. “I’ve always been a saver,” says Ravid, now the co-founder and CEO of Albert, a mobile

banking and financial services startup based in Culver City, California. “I don’t think it surprised anybody that I went on to build an app that helps other people save money.”

Albert, which launched in 2015, offers its members — most of them under forty and making less than $75,000 a year — online checking, savings, and brokerage accounts, as well as advances on paychecks and tools for smart saving. For as little as $4 a month, members can send questions over text message to the company’s team of financial experts, who tailor guidance for a less financially sophisticated clientele than that of a typical Wall Street bank (less estate planning, more savings accounts). What sets the company apart, says Ravid, is that it combines human financial guidance with automated, personalized information that helps users save, set budgets, and invest. “We built this software not to replace traditional financial advisors, but to make them ten to one hundred times more efficient,” says Ravid.

Ravid’s interest in technology also dates back to his childhood. Growing up outside Boston in the early 1990s, he tinkered with computers and routinely dropped by MIT, where his mother worked as a scientist. “I’d bring my floppy disks,” Ravid recalls, “and come back with all these bleeding-edge games that barely ever worked on my machine.” He wrote his first program in high school to predict the start of Passover for the next thirty years.



Yinon Ravid. (Courtesy of Albert)

After graduating from Columbia in 2005 with a degree in economics, Ravid worked as a financial consultant, then as a bond trader. In 2013, he started the short-lived company Openfolio, which allowed users to share their portfolios through a social network and benchmark their performances. “I was trying to figure out how to build a model that worked for a broad consumer,” Ravid recalls. “It’s a never-ending learning process.”

One lesson he took away from that experience was that while many people have questions about finance, they’re often completely overwhelmed by the jargon of the industry. “Most people don’t wake up in the morning thinking, ‘Oh, I should really get up to speed on all of those financial concepts,’” says Ravid. “They’re asking, ‘Should I buy or lease a car? Can I afford to increase my rent? Should I really buy that latte every morning?’”

Enter Albert. Ravid and his co-founder, Andrzej Baraniak ’05CC, chose the name to bring to mind the sort of “smart, unassuming friend” whom you might approach with questions about your 401(k).

Evidently, the app’s formula is effective. Ravid says that within six months, most new clients manage to save at least $400, a considerable sum given that Albert’s

typical customer is young, grew up under the shadow of the Great Recession, and might make minimum wage. “These customers have been underserved by larger financial institutions,” says Ravid. “There wasn't a business model around them that worked, and that's what we've built.”

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