



# A responsible way to bridge through money shocks

Brigit uses cash flow data to help users improve financial health

by Zak Lambert



*Brigit is an app that builds financial health by offering members budgeting tools, alerts, interest-free cash advances, and a centralized view of their money.*

It's timely work. An estimated 100 million Americans live paycheck-to-paycheck; each year, more than 40 million pay an overdraft fee.

# \$100M

With Plaid, Brigit has helped its users save more than \$100 million in overdraft fees and payday loan interest.

The majority need only a small amount of money—about \$150—to cover their expenses in the four or five days before the next paycheck. Until recently, there weren't many ways for them to bridge the gap. If they couldn't get a loan from family or friends, they often had to turn to costly payday loans or credit card advances.

According to the [Consumer Financial Protection Bureau](#), the average payday loan is \$320, but the average interest paid on that loan is \$520. (That's an APR of almost 400%.) Even worse, the average payday borrower takes out 10 loans per year and spends 199 out of 365 days in debt.

Brigit helps its users avoid those fees and stay out of debt, freeing up mental bandwidth to focus on the things they care about. By tracking users' bank account transactions with Plaid, Brigit lets them know when they have a bill coming up, tells them whether they'll have enough to cover it, and wires them money if they need it.

**“Engineering staff time is one of our scarcest resources. Building something on our own would have taken months, and it wouldn't have been half as good. Plaid allowed us to launch quickly, scale sustainably, and focus on our competitive advantage.”**

**ZUBEN MATHEWS,**  
Co-founder and CEO, Brigit

## Preventing overdrafts

Zuben Mathews is Brigit's co-founder and CEO. Although today he is financially healthy, he once counted himself among those who struggle to make it to the next payday.

“When I was in college, I struggled to get by,” said Mathews. “My paychecks and money transfers never came soon enough. I would have to eat Snicker bar on Saturday nights just to save money.”

Mathews and co-founder Hamel Kothari started Brigit as a way to help people in similar situations achieve financial peace of mind and a better quality of life.

Each month, users pay a \$9.99 membership fee—and they're covered. Whenever they need it, they can access tailored financial tools like balance alerts, cash flow predictions, and financial standing reports. They can also access interest-free cash advances of up to \$250. That way, they are prepared for moments of unexpected financial shock.

To date, Brigit has helped its more than 100,000 users remedy their short-term cash flow challenges and avoid payday loans, saving the average user more than \$500 per year in fees and interest. With Plaid, Brigit has helped its users save more than \$100 million in overdraft fees and payday loan interest.

---

# 20%

In a head-to-head comparison, Plaid offers 20% better coverage of transaction categories than the nearest competitor.

**“Plaid was the best choice for us because of its data quality and ease of integration. Plaid has done a great job of normalizing its service across all financial institutions, so we don’t have to worry about where our users do their banking.”**

**ZUBEN MATHEWS,**  
Co-founder and CEO, Brigit

---

# \$500

With Plaid, Brigit helps each of its users save, on average, \$500 per year in prevented overdraft fees and predatory interest.

But Brigit wouldn't be possible without robust transactions data. To model cash flows, evaluate creditworthiness, and facilitate speedy transfers, they needed an API that would connect to user bank accounts swiftly and seamlessly.

### Financial help in real time

When seeking a way to connect user bank accounts, Brigit carefully evaluated the options.

They found some vendors too frustrating to work with. Others did not provide reliable connectivity. Among the competition, Plaid stood out. For example, Plaid offered 20% better coverage of transaction categories than the nearest competitor.

“Plaid was the best choice for us because of its data quality and ease of integration,” Mathews said. “Plaid has done a great job of normalizing its service across all financial institutions, so we don’t have to worry about where our users do their banking.”

With Plaid data, Brigit can verify a user’s identity and place of employment. They can also model a user’s cash flow over time and assess its volatility, which allows Brigit to notify users when they are in danger of overdrafting — in real time.

“Many of our users have little or no credit history, so credit scores are a bad way to measure their ability to pay back an advance.” Mathews explained. “Instead, we look at things like consistent bill payments and account balance over time. We couldn’t do that without Plaid.”

### A scalable partnership

Integrating with Plaid was simple; it took just a few weeks. Looking back, Mathews says that’s a key reason Brigit was able to launch quickly and grow explosively.

*“Engineering staff time is one of our scarcest resources,” he said. “Building something on our own would have taken months, and it wouldn’t have been half as good. Plaid allowed us to launch quickly, scale sustainably, and focus on our competitive advantage.”*

Looking ahead, Mathews and Kothari say they will use Plaid data to continue to build out their suite of products, specifically with the goal of helping users grow their financial health.

---

[plaid.com](https://plaid.com)

[info@plaid.com](mailto:info@plaid.com)

Plaid is a technology platform and data network that enables applications to connect with users’ financial accounts. We focus on lowering the barriers to entry in financial services by making it easier and safer to use financial data. Today, we support developers across North America and Europe.