

Money on your phone? Appsolutely!

By Luke Erickson

Some people are relatively late adopters of new-fangledness, and I can certainly sympathize. For example, I remember the first few times I saw someone texting – I had no idea what they were doing and I thought to myself, “Man, that is one long phone number...they must be calling THE MOON.” As fate would have it, I eventually started texting too, but not long afterward I saw a person with a Smartphone for the first time, and thought, “How smart can that thing really be? It’s huge! Much bigger than my sleek little flip-phone here that can text.”

There are so many things you can do with a Smartphone that it can be unsettling when you see someone actually talking on one... “Look at that dude, using his phone as a phone. Yo, your phone aint for callin’ your phone’s for app installin’!” Of course nowadays the things we call phones are more like digital Swiss army knives. And, if this picture is an indication, everyone except maybe Wolverine is risking personal safety by making phone calls from these things.



Mobile phones have evolved from single-purpose audio communication devices to now include music players, driver navigation capabilities, social stalking tools, absurd overuse of hash-tag button programs, and even candy crushing systems. One of the up and coming trends is even getting some people to abandon their entire wallets, and use phones as virtual wallets. What do I think of all this innovation and phone-improvement? Who knows? I mostly use my phone as a watch, because there’s a little clock on the screen.

But since I am not yet completely old and cantankerous, I will appease this apparent appetite for apps and apply my aptitudes to the appropriate appraisal and appreciation of applicable apps to your approval and applause. In short, you might say that I am apt to app.

Luckily for us all, I have based this article on more than my own experience. In fact, there's actually a little research out there on the use of apps, by real scientists. I know right? Sign me up for that job. Bohmer, et al. (2011) implemented tracking software on over 4,100 phones to find out how participants spent their time on Smart Phones. And, I'm pretty sure they got permission first, so as far as I know they are not in jail. And besides they hid this info from the public by publishing it in an academic journal, instead of Instagram, like everyone else.

Anyway, the authors found a lot of interesting things from the data, for example, that you should just put your stupid phone down and go to bed. They also found that the average app session – from opening an app to closing it – lasted only 71.56 seconds. What this means, is that most users hop in and out of information quickly, so as to not linger and waste time. Ironically though, all of this cumulative app hopping adds up to a lot of lingering and wasted time – an average of 59.23 minutes per day to be exact. This is a significant amount of time, especially considering that most of us have jobs, school work and actual people we are supposed to be talking to.

Of the 20 defined app categories in the study, it was found that the category with shortest average use was that of “financial apps,” with average use of only 37.01 seconds. There were a total of 307 apps defined as financial apps, which is much lower number than the average of 890 per category. Financial app usage peaks at around 11am with a gradual build-up from 8am and a gradual drop off until about 4pm. It is the only app category to peak in the middle of the work day, and is the among the most likely app type to be used immediately before and after the use of shopping apps and news apps.

In other words, financial apps are probably not the main reason most of us get and use mobile devices, yet, since we have them we might as well take occasional breaks from our Facebooking and Angry-Birding to do some banking and budgeting.

Country Financial, an Illinois based financial services company, did a [survey](#) on the use of financial apps on mobile devices. They found that women (57%) use mobile financial apps slightly more than men (50%). They also found differences in usage among age groups: Those in their twenties prefer multi-function financial apps; those in their thirties are most likely to use financial apps in general; those in their 40's and 50's are best at tracking their expenses with apps; and those 60 and older are most likely to use banking tools and pay bills with apps. The survey also found that apps help 46% of users save more money. However, not all benefits are equal. Those earning over \$200k per year seem to use and benefit the most from financial apps. And Apple app users used and benefited slightly more (average of 3%) from financial apps than Android users.

There are about 10 major financial app categories, which of course lends itself to a top 10 list presented here in reverse order of general popularity according to Apple and Android statistics. Let's do it:

10. Allowance

Apps in this category are mostly targeting parents by offering to conveniently keep track of allowances and chores for the little ones. They also help children set and reach financial goals by tracking savings. Examples of these kinds of apps are iAllowance, MoneyTrail, Saving Wiz Jr., and Allowance & Chores Bot.

9. Financial Education

There are a few apps out there that aim to educate through regularly updated videos, articles, and podcasts. Dave Ramsey, who is among the **most popular** personal finance personalities, also has an educational app. So, if his 3 hour radio show, TV shows, books, podcasts and live events just aren't enough for you, you can also follow his stuff by Smartphone. Keep in mind that nearly all personal finance apps give you education and tips to some degree, however, apps that fit in this category do that exclusively, without any additional bells or whistles. Of course, those who like to learn through game and interaction can do so through educational apps like Financial Football and the pirate themed Learn to County Money.

8. Debt Reduction Planning

A few apps specialize in helping you get a handle on your debt and making a plan to pay it all off. These include the Debt Payoff Planner, and the up and coming app version of PowerPay.org. PowerPay.org was developed by Utah State University Extension and is currently being developed into a mobile app by New Mexico State University Extension. Like the website, the app will allow users to create personalized profiles outlining their debts, amounts, interest rates, etc. Then it shows you how to save money and cut years off your total repayment schedule by "power-paying," or taking the extra payments from paid-off debts and rolling them into your remaining debts.

7. Shopping Guides & Calculators

These niche apps help you pinch pennies in a variety of creative ways. Some help you maximize your credit card rewards, or allow you to easily compare prices on groceries, loans, and other products. Others will help you maximize the benefits from your loyalty

programs like hotels and sky miles. And many will help simplify complex financial calculations like splitting a tip, calculating interest payments on home and car loans, estimating future earnings on investments, or converting Dollars to Euros. Examples include, Loan Shark, ShopSavvy, Zillow, OurGroceries, Larky, & Wallaby.

6. Credit Monitoring

These apps give you a ballpark estimate of your credit score and credit history and attempt to help prevent identity theft and fraud on your credit. While the notion of credit monitoring is appealing, so far there are several major hang-ups with these apps. First, they are not always completely accurate and can sometimes lead you to believe that you have a much different credit score than your actual score which is seen by lenders. Also, some provide a false sense of security when it comes to fraud and ID theft prevention. And last, many of these apps are very costly, particularly with in-app purchases. Despite the costs and lack of accuracy, these types of apps are fairly popular. Some of the big players in this category are Credit Karma & Credit Sesame.

5. Investing

Many folks love to track stocks and other volatile investments by the minute. If that is you, there is no shortage of options at your disposal. From real-time investment news and stock tracking, to full-blown investment companies that allow you to track personal investments and make trades, these apps will never leave you wanting for more data or investment options. Examples of these apps include Google Finance, Yahoo finance, Stocks Realtime, CNBC, Scottrade, & Etrade.

4. Account Aggregating Services

For a more thorough discussion on AAS's, view one of my past articles [here](#). To summarize, an AAS app finds and pulls all your bank account information, no matter how many banks or accounts you have, and puts all that info in one place. From there it can help you make charts to visualize your spending, set and keep budgets, help remind you to pay bills, set financial savings goals, scan receipts, and forecast future net-worth. AAS's are not banks. Instead, they use the info from your existing accounts to help you manage your money. Mint is considered by many to be the king when it comes to AAS apps due to its established reputation and user-friendly interface, but there are countless other AAS options to choose from like Manilla, YNAB, EasyMoney 1.0, Ration, Found Money, Coin Keeper, and Wally Bill.

3. Taxes

Everyone hates taxes, but everyone loves refunds. These apps help you manage your filings and get your refund check. Even the IRS itself has entered the market with their own app, IRS2Go. Others like Turbo Tax, MyTaxRefund and H&R Block can help conquer your tax foes as well.

2. Mobile Payment

Apps in this category are relative newcomers, and are huge potential game-changers in how we handle our money. In essence, we're talking about the use of digital payment options where they did not formerly exist. This includes personal mobile-to-mobile payments with friends or small businesses, international transfers, and even the use of your phone as a credit card. Payment authentication can occur through a variety of means like fingerprint recognition, phone attachments that work with traditional card readers, barcodes, and wireless chip payment recognition technology. It is also the future of Bitcoin, or the new and somewhat controversial digital currency that is not tied at all to any nationally printed currencies. As these apps evolve they are becoming more and more like digital alternatives to traditional banks. Some of these apps are Paypal, Net-Spend, Xoom, Check, BitCoin Wallet, and Google Wallet.

1. Bank & Insurance Companies

Traditional financial companies still dominate the financial app world for now. All the big, and most of the small financial companies have apps nowadays with direct access to your personal accounts. They allow you to monitor accounts with real-time alerts, deposit checks, transfer money, mobile bill-pay, locate ATMs, open new policies, manage policies, arrange for roadside assistance, etc. All the names you might expect are found in this category like Chase, Bank of America, Wells Fargo, Capital One, Geico, etc.

Well there you go. Financial apps are not guaranteed to make your financial life a cinch, but they may offer some convenience and peace of mind. And rest assured, since I am now fairly competent with the use of mobile apps, there is bound to be a brand new technology coming our way that will completely baffle me for several years. Until then, consider exploring some of these financial apps yourself and see if it can make your money management tasks just a little bit easier.

Luke Erickson is a Personal Finance Educator for University of Idaho Extension in Madison County, erickson@uidaho.edu.