

Lili shows signs of success with freelancers as it hits 200,000 users

Article

Lili, a US-based neobank that caters to freelancers by offering a blend of personal and business services on a mobile app, has reached the 200,000 user threshold, [per](#) Forbes. The neobank [announced](#) on Tuesday that its user base doubled in just six months while also unveiling a \$55 million Series B funding round. The company's features include a [checking account](#) with no monthly fees or minimum balance; a [planner](#) that helps freelancers set aside

estimated taxes and manage expenses; and a [debit card](#). The neobank will use its latest proceeds to fund rollouts of credit and invoice management products.

Lil has realized rapid growth in less than two years while building its niche in a growing market.

- **Lili's latest funding round is its third in just 11 months;** it [disclosed](#) a \$10 million Seed last June and [followed up](#) in October with a \$15 million Series A. The neobank, which opened to users in late 2019, noted that it was close to the 100,000 user mark as part of the October round. Sixty percent of Lili's user growth has come from women, a demographic that it noted has been [hard hit](#) by pandemic-related job losses.
- **Freelancers make up a fast-growing addressable market:** Their global gross volume for transactions is projected to hit \$455.2 billion in 2023, up from \$204 billion in 2018, [per](#) a pre-pandemic Mastercard report. However, the demographic has been underserved by financial institutions due to factors such as variable income and scant credit histories, [per](#) Insider Intelligence. Banking players like Lili can [respond](#) in several ways, including using technology to obtain alternative data for underwriting, offering tax assistance, and assisting with payments management.

Lili is enjoying rapid growth because it has picked a niche and executed on its focus. While it's [not uncommon](#) for neobanks to select a niche demographic, Lili stands out because it has garnered results from its market focus. By doubling its user base in about six months and raising capital through three rounds in under a year, Lili is demonstrating that it has tapped into a large, growing market of potential customers. The company's early track record bodes well for its credit and invoicing rollouts. By adding its upcoming features and pairing them with existing offerings, Lili can help freelancers obtain financing and manage their cash flow, giving them more reasons to join the neobank and to stay.