

Sustainability-focused fintech Aspiration announces public listing

Article

US-based fintech **Aspiration** is going public via a SPAC with **InterPrivate III Financial Partners Inc** that will seek to raise over **\$400 million** at a **\$2.3 billion valuation**, [per](#) Business Wire.

What does it do? The green fintech straddles the space between neobanks and investing apps: [Aspiration](#) offers credit cards, investment products, and retirement plans to individuals

and businesses.

The fintech's value proposition is its green focus—it only invests in sustainable companies and it offers tools consistent with this theme through its cards, such as a personal impact score, automatic carbon offsets, and an option to plant a tree when you spend. **(It has planted 35 million trees this year.)** Aspiration more than doubled its user base to over 4 million customers in the last year.

Why is it growing so fast? Aspiration's green offering stands out from the pack by tapping into growing consumer interest in sustainable finance.

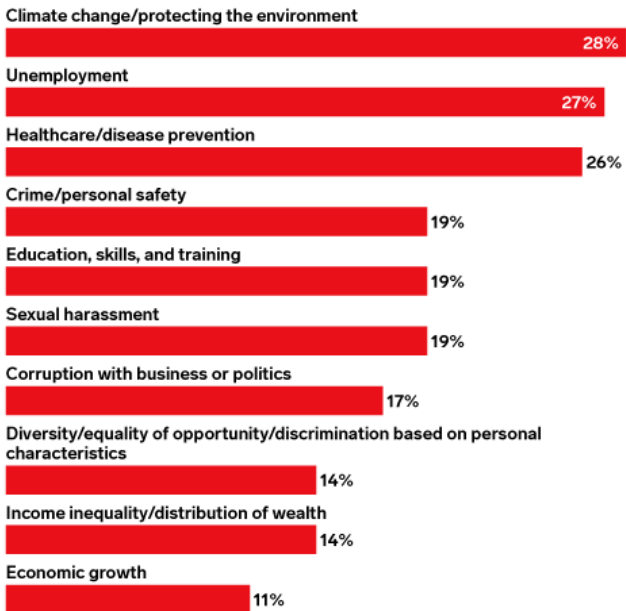
- **Consumer interest.** Inflows from ESG funds doubled in the US last year and captured **\$51.1 billion** of new investments— just one indication that consumer interest in green finance is at an all-time high. Yet allegations of **greenwashing** are plaguing ESG investing. FIs like Aspiration that provide transparency and can assure consumers that their investments are indeed in sustainable companies have been rewarded with user growth.
- **Differentiated offering.** Aspiration's green mission also helps it stand out in the crowded US neobank market. While the acquisition strategies of US neobanks like **Chime** have revolved around their innovative features, Aspiration has carved out a niche for itself through tools that help fight climate change.

The bigger picture: While incumbent banks have responded to neobank digital disruption by focusing their **tech spend** on rolling out advanced mobile banking capabilities, they will also need to address their fossil fuel financing.

Consumers are now better informed on how their deposits with banks impact the environment. Large US incumbent banks are major financiers of fossil fuel companies, according to a report by the Rainforest Action Network. Consumers are **increasingly conscious** not only of where they invest their money, but also where their money is held. Banks that don't reduce their carbon impact risk losing green-minded customers to more sustainable competitors.

Leading Personal Concerns of Gen Z* Adults Worldwide, Feb 2021

% of respondents



Note: respondents were asked to pick their top 3; *born 1996-2003
Source: Deloitte, "The Deloitte Global 2021 Millennial and Gen Z Survey: A call for accountability and action," June 15, 2021

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