



## Member Success Case Study

### Envel AI

We often spend money without thinking about it, especially in today's changing landscape of microtransactions and more ways to pay instantly, all of which can add up fast. On the other side of the coin, we might also pour a lot of time and thought into making simple financial decisions, like how much money to set aside for savings or a contingency for bills. So what if our banking could relieve our personal finance decision fatigue and do the thinking for us?

Envel AI, an MIT CSAIL Alliances Startup Connect Plus member, aims to be “the world’s smartest bank account” using AI technology to help individuals automate their personal finance and organize and manage their money with a convenient Envelope system, Autopilot feature, and more. Their consumer-first mindset reimagines banking to better position users for a healthy financial future.

#### About the Company

Envel's mission is to reinvent the bank account and provide autonomous digital banking that proactively guides people who don't have the time, skills, or desire to manage their finances. They're looking to give people financial freedom.

They have designed the [first ever AI-based Autonomous Bank Account](#) to help people budget on autopilot, in real time, using a mixture of different methodologies powered by their unique patent-pending AI and behavioral engine.

Founded at Harvard, Envel is an MIT-backed FinTech startup that is trying to solve socio-economic problems and put people back in control of their finances.

The idea for the company began in 2008, around the time of the financial crisis, when Envel Founder and CEO Steve Le Roux saw a better way to organize one's bank accounts, allowing for more structural flexibility and more support than traditional banks.

“It struck me, as a tech entrepreneur, that despite all the technology in the world and increasing challenges that people face with the frequency of spending increasing over time, customizable organization and automation were not possible at that time,” says Le Roux.

From a greater socio-economic standpoint, he says, “A majority of the population does not have financial advisors or support from banks to help them stabilize their finances and build wealth over time.”

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## About the Company *(continued)*

While the machine learning and AI technology was not quite there in 2008, the idea stuck with him. Fast-forward eight years later, and the tech had caught up. Le Roux was able to resurrect the idea and build his company in Cambridge, MA, a hub of AI research and development.

To realize Envel's vision, Le Roux applied for a grant with the [MIT Sandbox Innovation Fund Program](#), which provides seed funding, mentoring, and more for entrepreneurial teams with an MIT connection. At the time, Envel had MIT engineers on their team, and after a successful panel interview with MIT Sandbox, they were awarded funding as well as access to resources within the program. In addition to the seed funding, they were appointed two mentors from MIT, Ira Hochman and Raghav Gupta. They were also advised by the Executive Director of MIT Sandbox, Jinane Abounadi.

## Digital Banking for the AI Age

Since 2008, consumer debt has only been steadily rising, [breaking new records](#) both globally and nationally in the United States. In a most recent Federal Reserve survey, around [40 percent](#) of adults in the U.S. said that they would not be able to find \$400 cash in the event of an unexpected emergency.

Envel's framework and tools could turn this trend around. "We are building a much better framework for stabilizing your finances, and then building wealth incrementally over time," says Le Roux.

This framework allows users to open multiple FDIC insured bank accounts, called Envelopes, that make organizing money seamless via automation. The Envel Envelope system empowers users to create autonomous Envelopes guided by the Autopilot feature, as well as Envelopes for goals, custom Envelopes, and Envelopes they can share with friends and family.

Once the Envelopes are set up, Envel's Autopilot looks at the state of users' financials in real time, then applies a degree of personalized analysis to a paycheck and splits it into bills, emergency, and vault Envelopes. This allows the user to see how much they can spend guilt-free.

Le Roux says that at the moment, "a majority of banks do not provide a way to organize your money properly and help guide you. That's the framework that differentiates us from most other banks."

The convenience of the Autopilot technology to rearrange personal finances in real time, along with the Envelope system, guilt-free spending allowance, and other features, empowers individuals to manage their money in both the short and long term.

## The CSAIL Connection

Envel's Startup Connect Plus membership with CSAIL Alliances keeps their finger on the pulse of what's new in AI and other financial technology.

Le Roux says that from a technology standpoint, "For us to remain as close as we can to some of the best resources in the world, such as CSAIL, is going to be key. To keep an open discussion going about the ways in which we can apply AI is very important."

One of the ways they keep the discussion going is by participating in events such as the annual [MIT FinTech Conference](#), where attendees come to explore the latest innovations in financial technology, collaborate and learn from thought leaders in the field, and even win prizes up to \$30,000 in the [Startup Pitch Competition](#).

During 2020's MIT FinTech Conference, Le Roux gave a keynote speech called "Banking on Beast Mode," which sparked a growing conversation about making banking more accessible and enjoyable for users through emerging AI technology. *(continued)*

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**The CSAIL Connection** *(continued)*

This year, Envel is returning as a Platinum Sponsor of the event, wanting to “go big or go home.” They hope to “make a statement, as we are passionate about what we do. Also, we really want to contribute to such a wonderful student community, as we did last year.” They are most looking forward to listening, getting feedback and insight, and having a sense of community with others in this exciting space, as well as a “sincere opportunity to engage with this incredible network.”

CSAIL Alliances helps connect members to [events](#) like the FinTech Conference and the CSAIL Alliances Annual Meeting, plus [FinTech research initiatives](#), courses, and more.

Le Roux says that he also sees a lot of value as a Startup Connect Plus member of the Alliances program in terms of recruitment and expertise, and having access to the latest research and development projects “with a view of applying ethical practices to the way in which we build our AI as well. AI is a big buzzword, but with machine learning and all the mechanisms we use, we want to ultimately become one of the most intelligent financial services and consumer-facing companies, and staying connected brings us closer to doing that.”

**The Future of AI in Banking and Fintech**

Migrating from traditional banking systems that are embedded within the financial services to more efficient systems in line with what Envel is trying to deliver to consumers is a great challenge, but one Envel is striving to solve in order to bring financial services into the future. By reinventing banking from the ground up, Envel is empowering individual consumers to take control of their financial health and achieve their goals.

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Broadly, Le Roux envisions AI empowering a lot of people in ways that were not possible previously. You couldn't assign a financial advisor to even 10 percent of the population 24/7, for example, but you can with AI.

“AI doesn't sleep and can have access and conduct analysis on far more data points than any human being could possibly get their hands on instantaneously, to be able to deliver real-time, informed decision-making,” he says. “That is the future you want to have. AI is going to be fast and superior and empower a lot of people, if used the right way.”

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