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Fintech: The Unique Atlanta Landscape

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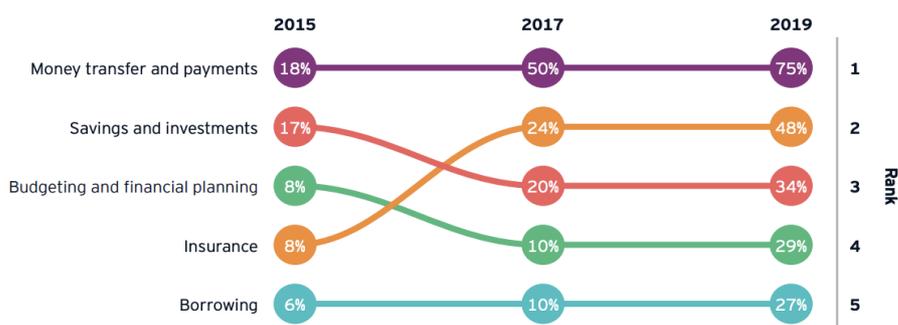
Abstract

The Fintech industry has been growing exponentially and evolving constantly due to its variety of applications ranging from online payments to cryptocurrencies and digital wallets. The Atlanta region has specifically become a hub for the Fintech industry, thus attracting entrepreneurs from across the South-East and the whole USA. The countless startups, numerous education programs, both in universities and general programs, business angels, accelerators and incubators, and venture capital all contribute to its considerable potential. Hence, building transatlantic bridges for Fintech communities in both France and Atlanta is key to further nurture Fintech innovation and share best practices and novel technologies.

I. Introduction to the Fintech industry

Fintech stands for financial technology and refers to all technology that provides financial services. Some common examples of Fintech are mobile payments, cryptocurrencies, and digital wallets such as Apple Pay. Although the Fintech industry has been strongly linked to online payment brands such as Paypal, and more recently [Venmo](#) or [Lydia](#), it has further applications in other major areas: education, retail banking, fundraising, non-profit organizations, and investment management.

According to the [EY Global Fintech Adoption Index 2019](#), Fintech is becoming widely used with about 64% of adopters¹ among global consumers, and 96% of global consumers who know of at least one Fintech payment service. However, this has not always been the case: over the past few years, Fintech has steadily increased with overall adoption rates going from 16% in 2015 to 33% in 2017 to 64% in 2019. The fast increase trend of Fintech usage over the last five years in major sectors is shown in Fig. 1.



Notes: The figures show the average percentage of respondents who reported using one or more FinTech services in that category. Data for 2015 differs from that originally published in order to align to the 2017 categorization and averaging methodology.

Figure 1: Visual representing percentage of survey respondents who use at least one Fintech service in the designated category.

This rapid growth can be explained by the positioning of Fintech at the interface of finance and technology. The prevalence of Fintech derives from its constant evolution, providing new services and features, improving availability and enhancing user friendliness. Additionally, Fintech drives financial inclusion forward: for instance, it provides people a better access to banking in developing countries where traditional banks fail to bridge the social gap. A prime example is the Fintech service, [M-Pesa](#), a Kenyan mobile banking app that has changed the approach of banking services in the country, bringing the share of households owning a bank account to 96%. Likewise, for startups and small businesses Fintech and subsequent automation features can often cut down financial operational costs. Lastly, [banks have been found to support](#)

¹ an adopter is someone who uses two or more Fintech services

[the Fintech industry](#), and rather embrace it than reject it; they are investing money into it to conserve their relevance in the financial realm.

Yet, the increasing use of Fintech raises concerns about regulation and cybersecurity. In this context, it is not straightforward for lawmakers to keep up with the fast pace at which the industry is evolving, thus delaying regulations on privacy, trust and security. Cybersecurity is also critical to protect financial interests at stake for both users and providers. Since many different Fintech businesses handle financial accounts, insurances, investments, loans, and more, the Fintech industry is a substantial target for cyberattacks. For example, [Coincheck](#), a cryptocurrency trading platform, was hacked in 2018, leaving 260,000 investors out of pocket for a total cost \$534 million dollars.

II. Fintech in Atlanta

Atlanta has become a hub for Fintech. As a city, Atlanta provides a lower cost of living than other major cities in the USA, it has the most frequented airport in the world, and [80% of the US population](#) is within a two-hour flight from Atlanta. From a business stand-point, Atlanta has just as much to offer. The city is constantly growing and is the center of one of the fastest growing regions in the USA. In addition to already established internationally preminent Finance companies (see Part III.), Atlanta has a strong startup ecosystem with a growing focus on Fintech (Fig. 2).

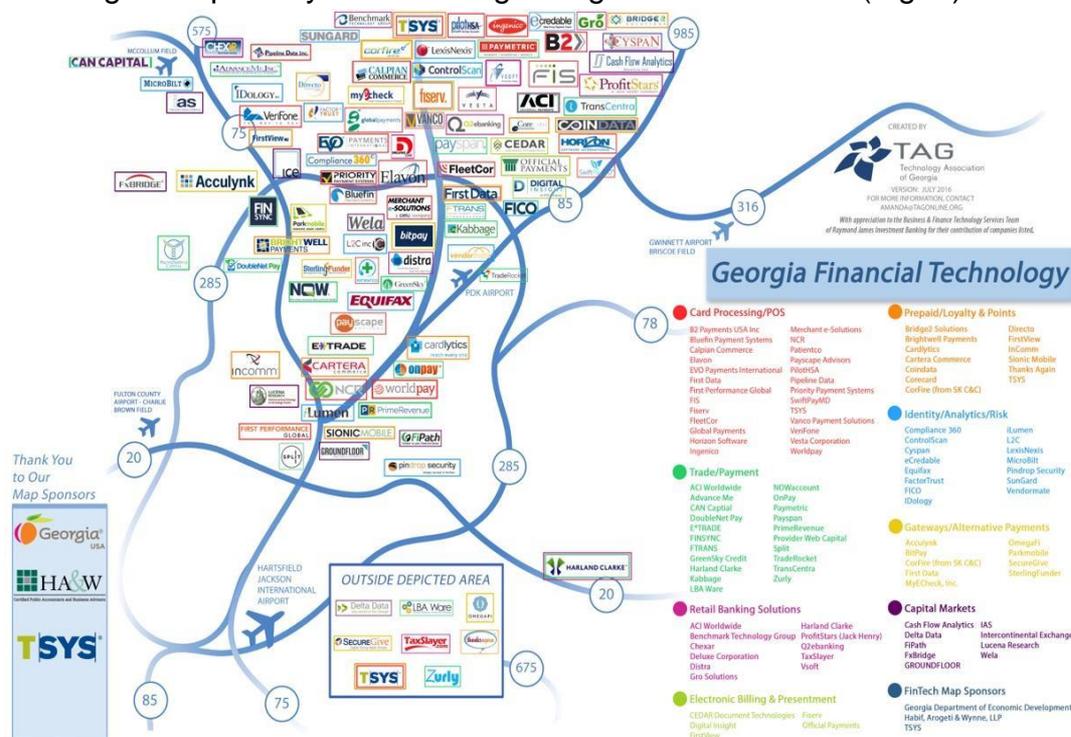


Figure 2: Map showing Fintech related companies in the metro Atlanta area.

Fig. 2 demonstrates the wide variety of Fintech companies located in Georgia. These companies range from card processing to retail banking solutions. The figure was taken from the Technology Association of Georgia.

Starting in the 1970s, when Georgia Tech helped develop automated clearinghouse technology (a technology which allows consumers and businesses to pay and receive money electronically), Georgia has become a hub for Fintech (Table 1). Since then, Georgia has continued to grow in this industry; [6 of the 10](#) largest US payment processing firms are headquartered in the state and [Georgia's top 15 Fintech](#) companies generate revenues of more than \$114 billion. Georgia's capital, Atlanta, has become especially known for this industry. Atlanta is now called Transaction Alley, and rightly so as [70% of all global financial transactions](#) pass through companies headquartered in the metro Atlanta area.

Georgia's Fintech Ecosystem – By the Numbers 2019 data	
Georgia Fintech Companies (as of October 2020)	170
Estimated Number of Georgia-based Employees	38,000
Estimated Increase in Georgia-based Employee Count Documented Since 2013	52%
Estimated Revenue of Top 15 Georgia-based Fintech Companies	\$114 B
Estimated U.S. Payment Card Transactions Running Through Georgia Companies	\$120 B
Estimated U.S. Purchase Transactions by Georgia-based Acquirers	\$61 B

[Table 1:](#) Data demonstrating the Fintech ecosystem in Georgia.

Table 1 shows Georgia's Fintech ecosystem through data. It demonstrates the large presence Georgia has in the Fintech industry and the data was taken from the Technology Association of Georgia's 2020 Fintech Ecosystem Brief.

Startups

Many Fintech startups were founded in Atlanta. Some of the largest are Kabbage, Greenlight, RoadSync, Patientco, Bakkt, GreenSky, BitPay, BlueFin Payment Systems, Oversight, and Global Payments.

Kabbage

[Kabbage](#) is a Fintech startup that was founded in Atlanta in 2009. Its function is to provide funding to small businesses and consumers. It does this through an online automated lending platform which offers quicker funding. Not only is the startup now backed by American



Express, but according to Forbes, it is worth \$1.2 billion. Since its founding, Kabbage has loaned more than \$9 billion with \$3 billion being loaned in 2019 alone. Over the years, Kabbage has received hundreds of millions in funding. Most importantly, it received \$489 million from Softbank Vision Fund, BlueRun Ventures, and Mohr Davidow Ventures.

Greenlight

[Greenlight](#) is a Fintech startup that was founded in Atlanta in 2014. Its  function is to provide a debit card that allows parents to monitor their child's spending habits. This allows kids to learn about financial responsibility from a young age. As of September 2020, Greenlight has served more than 2 million parents and children. The startup is now said to be worth \$1.2 billion (as of September 2020), and it is still growing. Over the years, Greenlight has received \$297 million in funds with its biggest investor being Canapi Ventures.

RoadSync

[RoadSync](#) is a Fintech startup that was founded in Atlanta in 2015. It  serves as a digital payment software application platform for the logistics industry. This includes but is not limited to warehouse payments and roadside assistance payments. Through their digital platform, RoadSync is able to reduce wait time and fraud. Over the years, RoadSync has raised \$8.3 million in funding and some of its biggest investors are BLH Venture Partners, Gray Ventures, and Excelestar Ventures.

Bakkt

[Bakkt](#) is a Fintech startup that was founded in Atlanta in 2018. Its  focus is on cryptocurrencies, therefore allowing you to manage your digital assets and to sell and buy crypto. Their website states that Bakkt allows you to unlock "the \$1.2+ trillion of digital assets that is currently held in cryptocurrencies, rewards and loyalty points, gaming assets and merchant stored value". Bakkt is now backed by Microsoft and Boston Consulting Group. It is owned by the Intercontinental Exchange, the owner of the New York Stock Exchange, and due to its merger with VPC Impact Acquisition Holdings, it is now valued at \$2.1 billion.

GreenSky

[GreenSky](#) is a Fintech startup that was founded in Atlanta in 2006. This startup is an online loan program that specializes in home improvement financing. Even with the pandemic, in the first trimester of 2021,  GreenSky completed \$2.3 billion in new funding initiatives and has a transaction volume of \$6.5 billion. Its 2021 revenue has already reached \$570 million.

In addition, Atlanta provides accelerators, incubators, venture capital, business angels, and more, focused on Fintech development (Table 2). Lastly, there is a variety of highly

ranked universities and educational programs which ensure that the Georgia workforce in this domain will continue to grow.

Education

Due to the increase in Fintech, there are many different university programs and other educational programs in Atlanta. These programs vary from labs to degrees to startup accelerators and are available at many different universities.

University System of Georgia

The University System of Georgia is a government agency which is made of all of Georgia's public colleges and universities. Due to the rise of Fintech in Georgia, the University System has created two programs. The first is the Georgia Fintech Academy. This academy offers education and training. It includes weekly events which helps students learn about the Fintech industry and promotes them entering the Fintech work force in Georgia once they graduate. There are 26 participating institutions in this program. The second is the Nexus Degree in Fintech. This is a one-year course offered by the University System of Georgia. It specializes in Fintech and at least six credit hours of the course must be spent working for a Fintech company in Georgia. This program promotes the combination of education and professional life in the Fintech industry to Georgia students.

Georgia Institute of Technology (Georgia Tech)

Georgia Institute of Technology has been developing its Fintech program. It now offers a master's degree called the Quantitative and Computational Finance Program. This degree creates a foundation of quantitative skills, computational skills, and an understanding of finance theory. Georgia Tech is also home to an entrepreneurship program called Create-X. This program is a startup accelerator for students in which they receive mentorship, receive funding, and pitch their ideas to the market. Some startups that have gone through this program, such as [Synapse](#), have raised outside capital, executed successful crowdfunding campaigns, and secured large corporate clients. Although this program does not have a focus on Fintech, all startups are welcome including ones surrounding Fintech. Other Georgia Tech initiatives are Startup Exchange and VentureLab. Startup Exchange connects Georgia Tech students with existing startups. Meanwhile, VentureLab is where faculty and students from Georgia Tech can create startups based on research done at the institute.

Emory University

Emory University is a private institute in Atlanta and has many different Fintech and startup programs. There are general programs such as Emory Entrepreneur & Venture Management as well as Emory Entrepreneurship. These support general

entrepreneurship at Emory. Additionally, there is Emory Startup Launch Accelerator, a 10-week program which supports Emory startups.

Georgia State University

Similarly, to Georgia Institute of Technology and Emory University, Georgia State University includes general programs which are focused on startups. For instance, LaunchGSU is an incubator to help students “build something from the ground up”. There are also programs which focus on Fintech. Georgia State created the Fintech Lab which is the first business school-based Fintech lab in Georgia. This lab focuses on data analytics, finance, real estate, risk management, and insurance. Additionally, it connects graduate students to Fintech companies or startups in Atlanta, therefore promoting the Fintech ecosystem in Atlanta.

Clark Atlanta University

Clark Atlanta University recently created the Center for Innovation and Entrepreneurial Development. This center allows students to learn about the startup ecosystem, develop ideas, and pitch them to investors.

There are also educational programs available to people who are not currently pursuing a degree. The first is called SCORE. SCORE is a mentorship program for small and emerging businesses in the metro Atlanta area. It offers guidance and workshops. The second program is called Opportunity Hub. This program offers co-working spaces, intense entrepreneurship, investment and code school curriculum. It is often referred to as a pre-accelerator and incubator.

Incubators & Accelerators²

Incubators and accelerators play a key role in the Fintech ecosystem in Atlanta. There are several in Atlanta that focus on Fintech.

Worldpay Fintech Accelerator with Georgia Tech’s Advanced Technology Development Center

[Worldpay Fintech Accelerators](#) is both an accelerator and an incubator. Its Fintech program was established in 2015 and more than 190 companies have graduated from it since. This accelerator gives startups access to Georgia Tech resources, it provides a curriculum on the startup lifecycle with a focus on Fintech, it provides one-on-one coaching by highly qualified entrepreneurs and experts, it includes Fintech events such as circles and hackathons, and it provides support and expertise from graduate

² An incubator helps startups in their infancy succeed by providing workspace, seed funding, mentoring, and training. Similarly, accelerators focus on providing startups with mentorship, advice, and resources to help them succeed.

companies, corporate sponsors, and community partners. 90% of the companies that graduate Worldpay Fintech Accelerator are still successful 5 years later and all companies together have generated more than \$12 billion in Georgia.

Atlanta Tech Village

[Atlanta Tech Village](#) is an accelerator with a focus on technology that has hosted more than 300 startups and is home to many companies such as BitPay. Startups that have gone through this accelerator have at least \$1.2 billion raised capital. Atlanta Tech Village provides desk space, a startup community that is connected to the Atlanta business community, and programs. These programs include educational workshops, curriculum, their pre-accelerator program, mentorship, exposure, and more.

Category	Name	Specialization
Education	University System of Georgia	Fintech
	Georgia Institute of Technology	Fintech, general entrepreneurship
	Emory University	General entrepreneurship
	Georgia State University	Fintech, general entrepreneurship
	Clark Atlanta University	General entrepreneurship
Incubators & Accelerators	Worldpay Fintech Accelerator	Fintech
	Atlanta Tech Village	Technology
	The BridgeCommunity	Technology
	TechStars	General
	TiE Atlanta	General
	Creative Construction Lab	Fintech, technology
Business Angels	Atlanta Technology Angels	Technology
	TiE Atlanta Angels	Early-stage ventures
Venture Capital	Tech Square Labs	Technology
	Venture Atlanta	General
Regional Fintech Efforts	Technology Association of Georgia	Technology
	Fintech Atlanta	Fintech
	American Transaction Processors Coalition	Fintech (Payment processing industry)

Table 2: Summary of Fintech in Atlanta.

The BridgeCommunity

[The BridgeCommunity](#) is an accelerator which focuses on technology startups and specializes in corporate relationships. This accelerator connects startups to corporate members and partners with schools to teach entrepreneurship to students. Additionally, it gives back to the Atlanta community in order to support local entrepreneurship.

TechStars

[TechStars](#) is an accelerator and incubator which was founded in 2006. Since its founding, it has helped over 2,379 startups, has raised \$11.4 billion total funding, and is home to 9 unicorns (a unicorn is a privately-owned startup that is valued at over \$1 billion). TechStars provides mentors, accelerator programs, funding, and access to a network with many corporations. Additionally, there is a program called TechStar Atlanta. This is a 13-week program which allows startups to build their networks, receive individualized mentorship, and learn the bases of a successful business. At the end of the 13 weeks there is a Demo Day, which is a day where startups will do many investment pitches to potential startup investors.

TiE Atlanta

[TiE Atlanta](#) is an accelerator and incubator that is sponsored by Bank of America. It includes monthly networking events, and it provides mentoring, networking, educational programs, and investing.

Creative Destruction Lab

[Creative Destruction Lab](#) is an acceleration program located at the Georgia Institute of Technology. This non-profit consists of a program targeted towards “massively scalable, seed-stage, science and technology-based companies”. Throughout the program, startups will receive mentorship from entrepreneurs as well as angel investors, have opportunities to raise capital, receive technical feedback regarding their “technology validation”, and receive business development support from specialists in that field. Although this program accepts all science and technology-based companies, there is a Fintech stream which specializes in all areas of Fintech.

Business Angels³

There are two main angel investing networks in Atlanta. The first is [Atlanta Technology Angels](#). This organization invests in technology-oriented startups. It provides funding, mentorship, industry expertise and valuable contacts. In the past, it has invested in Fintech startups such as Viva Finance, an Atlanta-based digital loan platform. The second is [TiE Atlanta Angels](#). This organization invests in early-stage ventures and has invested in several startups from TiE Atlanta (mentioned above).

³ Business angels are independent individuals who provide capital for the development of a business.

Venture Capital⁴

Atlanta has several different organizations which focus on providing venture capital (VC) to startups, however it is important to note that VC can come from all across the USA and does not have to be locally sourced.

Tech Square Labs

[Tech Square Labs](#) is “Atlanta’s leading seed-stage venture fund”, where seed-stage funding represents the first official money that a startup raises. It has 30 portfolio companies, more than \$100 million in revenue, has raised \$200 million, and is valued at \$1.5 billion. It has a focus on tech entrepreneurs. Many of Tech Square Labs past startup investments have been in Fintech companies such as Greenlight.

Tech Square Labs also hosts a quarterly event called Atlanta Startup Battle. This event allows startups to develop their ideas with mentors and present these ideas to venture capitals from all over the USA, including from Atlanta. The goal of this event is to find the next “outstanding” technology startup.

Venture Atlanta

[Venture Atlanta](#) is an annual conference which connects startups with resources, network, clients, partnerships, and talent. It includes both early and late range startups and investors in the form of venture capitals, angel investors, and private equity. This conference has 575 alumni companies, it has raised \$5 billion in funding, \$15 billion in exits, and has 1,200 annual attendees.

Regional Fintech Efforts

Technology Association of Georgia

Technology Association of Georgia (TAG) is Georgia’s largest technology association. Its mission is to educate, promote, influence, and unite Georgia’s technology community in order to enhance the tech-based economy in the state. TAG provides a community which hosts countless events around the topic of Fintech. Most recent is their Fintech South 2021 event, a virtual summit that will host 2,000 Fintech leaders from around the world.

Fintech Atlanta

Fintech Atlanta is a coalition of companies that work towards making Atlanta more well-known as a global Fintech influencer. Companies that are involved range from Fortune

⁴ Venture capital (VC) is a form of private equity and a type of financing that investors provide to startups and small businesses with long-term growth potential. Venture capital usually comes from wealthy investors, investment banks, and other financial institutions.

500s to startups. Fintech Atlanta funds and works towards recruiting, retaining, and expanding Fintech businesses across the metro Atlanta area.

American Transaction Processors Coalition

American Transaction Processors Coalition (ATPC) is a coalition which protects, promotes, and preserves the payment processing industry. ATPC does this by working with Federal and Georgia governments. For example, ATPC helped pass the Cybersecurity Information Sharing Act and supported the launch of the House Fintech, Payments Caucus and Senate Payments Innovation Caucus.

III. International Outreach

In recent years, the growing startup ecosystem in Atlanta has been attracting international interest. More precisely, the creation of [French Tech Atlanta](#) demonstrates this global expansion trend, that will pertain to the flagship tech fields of Atlanta, notably Fintech. In this regard, transatlantic collaborations in Fintech are expected to flourish: in early 2021, [Sunday App](#), an app which allows restaurant customers to pay in a more efficient manner by scanning a QR code, was launched. [Sunday App](#) was originally introduced in Europe, however they are now exploring the American market (while being headquartered in Atlanta), and are a prime example of transatlantic collaborations.

Moreover, the rising Fintech hub of Atlanta relies on an established network of Fintech companies that have global outreach. These companies operate all around the world. Below is a closer look at some of the most prominent Fintech companies that have headquarters in Atlanta including Worldpay, Global Payments Inc, Equifax, InComm, NCR, Fiserv, PrimeRevenue, First Performance Global, Trust Stamp, and Ingenico.

Worldpay

[Worldpay](#) was founded in 1993. It is a payment processing platform with more than 20,000 clients in over 130 countries.

Global Payments Inc

[Global Payments Inc](#) was founded in 1967. It provides electronic transaction processing services to customers such as Carrefour Banco, H&M, J.P. Morgan, PayPal, Starbucks, and Volkswagen. Global Payments Inc has 3.5 million customers in more than 100 countries throughout North America, Latin America, Europe, and Asia Pacific.

Equifax

[Equifax](#) was founded in 1899. It works as a credit bureau which means it tracks the credit history of borrowers in order to generate credit reports and credit scores. Equifax

operates in 24 countries throughout North America, Latin America, Europe, and Asia Pacific.

InComm

[InComm](#) was founded in 1992. Its focus is in transaction processing and it is present in more than 30 countries which cover North America, Latin America, Europe, Asia, and Australia.

NCR

[NCR](#) was founded in 1884. Its focus is in consumer transaction technologies, and it enables 700 million transactions daily across financial, retail, hospitality, travel, telecom, and technology industries. NCR operates in more than 180 countries.

Fiserv

[Fiserv](#) was founded in 1984. It provides many financial services such as mobile and online banking, payments, risk management, data analytics and core account processing. Fiserv has 100 million digital banking users and does more than 12,000 financial transactions per second. It has nearly 6 million merchant locations all over the world and serves clients in more than 100 countries.

PrimeRevenue

[PrimeRevenue](#) was founded in 2003. It helps organizations optimize their cash flow and manages more than \$200 billion in yearly payment transactions. PrimeRevenue has clients in over 80 countries.

First Performance Global

[First Performance Global](#) was founded in 2014. It created a platform that captures card transaction data in real-time which enables the delivery of card data, geolocation information, controls, alerts, and more. In addition to its headquarters in Atlanta, First Performance Global has offices in Chile and Brazil.

Trust Stamp

[Trust Stamp](#) was founded in 2016. Its focus is to work with organizations in order to make Fintech more secure. In addition to its headquarters in Atlanta and Cheltenham, Trust Stamp also operates in Dublin.

Ingenico

[Ingenico](#) was founded in 1980. It has now joined Worldline, the largest European player in payment service and the fourth largest player worldwide. Ingenico's purpose is to provide seamless payment experiences in-store, online, and on mobile devices. In addition to its office in Atlanta, this Fintech company has offices in Europe, Africa and the Middle East, Asia Pacific, and Latin America.

IV. Conclusion

As demonstrated throughout the report, Atlanta has a very strong Fintech ecosystem with many different stakeholders. The educational systems, venture opportunities, and the already established network make the environment extremely favorable to Fintech innovation. Additionally, the Atlanta Fintech corridor (Fig. 3) offers a variety of partners and resources for aspiring entrepreneurs or international ventures wishing to establish their Fintech company in Atlanta.

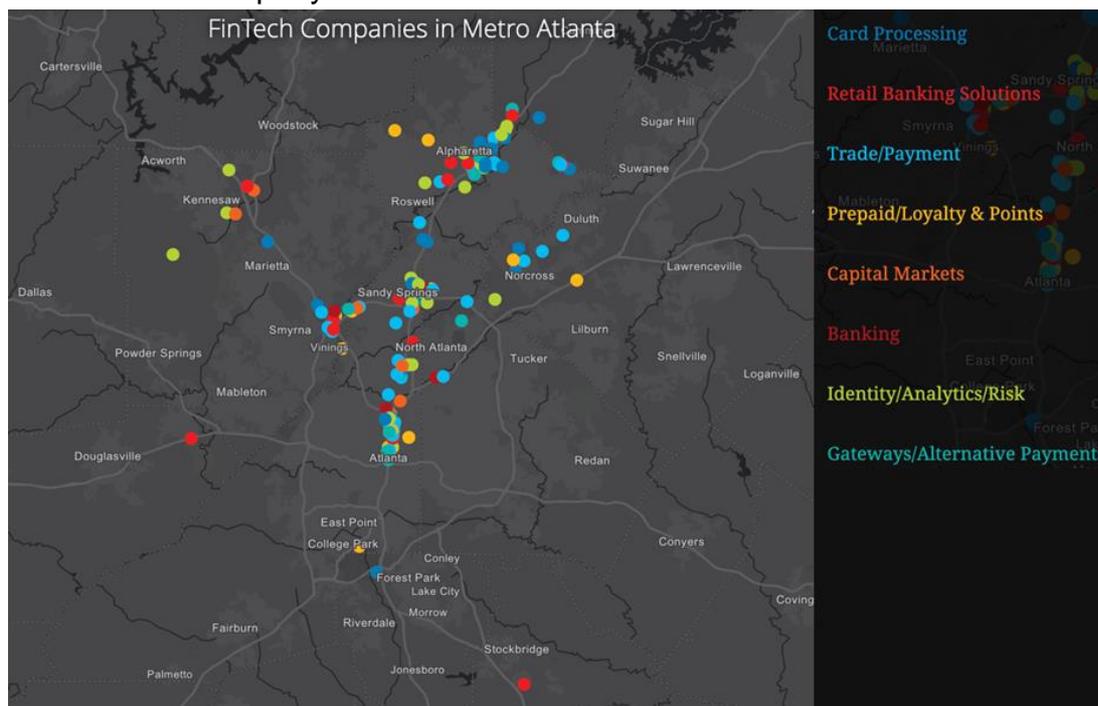


Figure 3: Map showing Fintech companies by category in the metro Atlanta area.

Fig. 3 is a map which shows all the Fintech companies that are located in metro Atlanta and demonstrates what we refer to as the Atlanta Fintech corridor (the high number of Fintech companies surrounding SR400). They are organized in eight different categories and demonstrate the high presence of Fintech companies in Atlanta. This figure was taken from Georgia Power Community & Economic Development's page on Fintech.

Although the Fintech industry is incredibly strong in Atlanta, there remains much potential for it to continue to grow. International cooperation can be an additional growth catalyst. In this context, US-French collaboration can build on the transatlantic momentum around French Tech Atlanta, the efforts of the Office for Science and Technology, and the French American Chamber of Commerce. Fintech can offer multiple opportunities to make these relationships even stronger. By collaborating and exchanging with Fintech startups, French Fintech can develop in the US and/or US Fintech can develop in France.