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## TD Ameritrade's growth accelerator just launched an app for college debt as its first startup. Execs at the brokerage giant explain why it's a key tool to build entirely new businesses.

Dan DeFrancesco Aug 10, 2020, 9:43 AM



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Discotech, is focused on helping young people better manage and pay down student debt.

John Hart, president of Discotech, cited the fact the average amount of student debt carried by millennials is \$31,370, according to a [2019 survey conducted by The Harris Poll](#) for the brokerage.

"They weren't able to actually take control of their finances because they were just completely crippled. They didn't have the tools to be able to manage that," he said.

"Nimbly came out of the research that actually said, 'Hey, how do we actually create the tools necessary and give them a playbook in order to get their finances under control, and then build an actual financial future,'" he added.

***Read more:*** [Meet the Schwab exec in charge of carrying out a \\$26 billion TD Ameritrade deal that's an aggressive play for size and cost-cuts](#)

It might seem odd that TD Ameritrade, a company with no formal experience in the traditional lending space, is focusing on student debt. But that's the entire point of startups coming out of Discotech.

The incubator, founded in late 2018, is meant to foster ideas for businesses that could operate entirely independent of TD Ameritrade.

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"We wanted to contemplate different ideas that weren't necessarily part of the core part of the business at TD Ameritrade, but really explore some areas that were adjacencies that could be independent, revenue-generating opportunities that would grow over time," Vijay Sankaran, chief information officer at TD Ameritrade, told Business Insider.

### **Nimbly gives users a step-by-step plan to get out of debt**

Nimbly, which officially launched in July, operates on a freemium business model. Under the free tier, users can load their various accounts, keep track of their balances, and see where their money is going.

The premium model, which costs \$6.99 a month, helps users reduce their debt by creating a series of personalized plans for them to follow, with the option to interact with humans to better tweak the models, which are created using machine-learning techniques, Hart said.

***See more:*** [\*TD Ameritrade is exploring ways to tap into the red-hot world of sports gambling after it slashed stock-trading commissions to zero\*](#)

While Hart said eventually Nimbly could help users renegotiate or refinance their debt — with the help of some partners — it's not a focus of the app.

Nimbly also isn't being viewed as a way to source new clients for TD Ameritrade. While



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"If you look at the competitors in this space, they have a massive trust issue," Hart said. "Everybody knows that Mint is free because they are selling all your data. Almost all of us have a Mint account, and all they do is send you deals to get more debt or deals to move your insurance. It really is more about how they can sell the ad space, and not actually help you understand your finances better."

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## **Discotech is about building 'a portfolio of base hits'**

While Nimble is the first startup to come out of Discotech, there has been no shortage of ideas. Hart said the incubator has already said no to well over 70 different ideas.

Discotech takes a top-down approach, first identifying interesting areas the incubator should be investing in without targeting specific solutions. For example, a group might look into using blockchain technology without having an exact business plan in mind.

From there, research is done to identify actual use cases or user problems that exist in



includes Hart and Sankaran, among others, to see if more resources can be devoted to creating a business.

"What we want to do is build out a portfolio of base hits and have standalone revenue-generating opportunities that makes TD Ameritrade not just a leader from an investing and trading type of orientation, but also a leader in terms of other potential problem spaces that consumers have around investment and wealth management and other financial-services types of opportunities," Sankaran said.

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**TD Ameritrade recently launched the first startup out of its growth incubator, Discotech.**

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**Nimbly focuses on helping young people better manage and pay off their student debt.**

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**The service is a freemium model that offers a basic version at no cost and a premium version for \$6.99 a month that includes personalized, step-by-step plans on handling student debt.**

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**Vijay Sankaran, chief information officer at TD Ameritrade, and John Hart, president of Discotech, told Business Insider the goal of Discotech is to launch revenue-generating companies that sit independent of the brokerage.**

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