



# BEYOND THE CHRISTMAS CAROL: THE BUSINESS CASE FOR COMMUNION-BASED COMMERCE

*A Strategic Framework from 30 Years Inside Financial Technology*

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## EXECUTIVE SUMMARY

When millions of people struggle with the same financial patterns, it stops being about individual behavior. It becomes a question of system design.

This paper examines the hidden revenue cost of extraction-based banking, the strategic blindness of inherited financial assumptions, and the business case for rebuilding financial infrastructure around stability rather than fee maximization.

Drawing on three decades of experience building payment systems, mobile banking platforms, and blockchain infrastructure, this analysis challenges not the morality of traditional finance, but its profitability assumptions—and reveals why dignity isn't charity, but competitive advantage.

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## THE PATTERN: WHAT 30 MILLION CLOSED ACCOUNTS REVEAL

Between 2001 and 2005, the scale of involuntary account closures reached crisis levels. While comprehensive data from this period is limited, FDIC research documented that as of 2011, 6.0% of accounts resulted in involuntary closures annually. When extrapolated across the banking system during the 2001-2005 period—a time of significant economic stress and aggressive overdraft fee practices—industry estimates suggest tens of millions of accounts were involuntarily closed for excessive overdrafting. This wasn't an edge case. It was a design outcome.

### The Current Model:

- Customer experiences income volatility (normal human condition)
- Bank charges overdraft fees (penalty for instability)
- Fees compound faster than recovery possible
- Account closes involuntarily
- Customer enters ChexSystems (5+ year banking exclusion)
- Bank loses customer permanently

**The Hidden Cost:** A customer squeezed for fees and lost in year two generates a fraction of the revenue of a customer who stays 20+ years. With intentional relationship building, that long-term customer qualifies for:

- Mortgages
- Investment products
- Business banking relationships
- Intergenerational wealth transfer services
- Cross-sell opportunities that compound annually

**The Strategic Question:** How much revenue is lost simply because banks punish instability caused by the financial environment itself, instead of finding ways to smooth it out?



## THE INHERITED BELIEF SYSTEM

Traditional finance operates on assumptions that may have once made sense, but now actively limit both impact and returns:

### **Belief #1: Volatility = Moral Failure**

**Reality:** Income volatility is normal. Gig economy, contract work, seasonal employment, caregiving gaps—these are structural features of the modern economy, not character flaws.

**Strategic Implication:** Systems that treat volatility as a crisis create churn and waste precious resources - both systemic and human fueled resources. Systems that absorb volatility extend customer lifetime value and increase trust in the marketplace as a whole.

### **Belief #2: Credit = Safety Net**

**Reality:** Credit as default safety net works for quarterly numbers, but creates long-term risk exposure and customer exhaustion.

**Strategic Implication:** Helping people avoid crisis borrowing creates customers who qualify for bigger, more durable products later. Prevention is more profitable than extraction.

### **Belief #3: Exclusion = Risk Management**

**Reality:** Locking people out reduces exposure on paper, but eliminates future opportunity entirely.

**Strategic Implication:** Second-chance pathways with clear boundaries turn write-offs into long-term profitable relationships. The excluded market isn't zero-value—it's underpriced.

### **Belief #4: Charity = Corporate Responsibility**

**Reality:** Public "we care" campaigns while profiting from fees, penalties, and confusing rules create reputational risk and stakeholder tension.



**Strategic Implication:** This isn't about hypocrisy—it's about incentive blindness. People optimize what's measured and rewarded. Current metrics don't yet support the beliefs we're striving for.

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## THE ALGORITHM PROBLEM: WHEN HARM BECOMES INSTITUTIONALIZED

Automation makes sense. Efficiency matters. But when harm becomes automated, it becomes institutionalized—and accountability vanishes.

### Current State:

- Algorithms optimize for fee extraction
- Decisions happen at machine speed
- No human judgment for context
- Complaints teams handle damage control
- Regulators investigate after harm scaled

### Smarter Alternative:

- Guardrails that bend rather than snap
- AI that anticipates stress before default
- Systems that prevent crisis rather than penalize it
- Better outcomes for customers, regulators, AND long-term risk exposure

**The AI Opportunity:** Models don't choose sides—they amplify the incentives they're given by the humans who design them. Used one way, they accelerate extraction. Used another, they can:

- Anticipate income stress
- Prevent defaults before they happen
- Keep customers engaged longer
- Generate more significant long-term profit from stability



**Business Principle:** Long-term profit from stability beats fee maximization. Always.

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## THE DIGNITY ADVANTAGE: NOT CHARITY, BUT STRATEGY

People who feel respected don't just stay—they consolidate, they recommend, they stick with you through downturns. That kind of trust compounds year after year.

### The ALICE Market:

- Asset Limited, Income Constrained, Employed
- Working full-time (often multiple jobs)
- Annual household income: \$52K-\$72K (above poverty, below stability)
- Represent 29% of U.S. households (United Way data)
- Currently underserved = significant market opportunity

### The Veteran Market:

- 18 million veterans in U.S.
- Many with PTSD, deployment gaps in credit history
- Extremely loyal when treated with dignity
- Significant disability income, VA benefits, pension assets
- Intergenerational family banking relationships

### The Foster Youth Market:

- 20,000+ age out annually
- Zero financial foundation by design (system failure, not personal)
- Early intervention creates lifetime relationships
- First financial institution sets patterns for decades

**Strategic Truth:** These aren't charity cases. They're underpriced market segments that current infrastructure can't serve—because the infrastructure was designed for stability, not volatility.





## THE DECENTRALIZATION OVERLAP: RECLAIMING CORE VALUES

The original promise of decentralization wasn't speculation—it was ownership, transparency, and agency.

**What Traditional Finance Hears:** "Crypto is coming to replace banks."

**What's Actually Happening:** People are leaving systems where they feel trapped.

**The Opportunity:** Banks don't need to fear decentralization—they can reclaim its core principles:

- **Ownership:** Customers own their financial data, products, relationships
- **Transparency:** Clear rules, visible processes, no hidden fees
- **Agency:** Choices that don't require expertise just to survive

**Business Insight:** People don't leave systems because they want novelty. They leave when systems fail them under stress. Education alone doesn't fix broken rails.

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## THE INFRASTRUCTURE QUESTION

You cannot expect people to behave perfectly inside systems designed to fail them under normal stress conditions.

**Current Approach:**

- Teach financial literacy
- Expect perfect behavior
- Penalize mistakes
- Lock out failures



### Alternative Approach:

- Change the infrastructure
- Design for human volatility
- Smooth instead of snap
- Create second-chance pathways

### ROI Calculation:

- Cost of financial literacy programs: High, ongoing, limited effectiveness
- Cost of infrastructure redesign: One-time investment, scales automatically
- Revenue from extended customer lifetime: Compounds annually for decades

### Which generates better returns?

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## CASE STUDY: THE CHRISTMAS DEBT CYCLE

Sacred days become leverage points for extraction:

- Christmas advertising targets emotional spending
- Credit offered as "solution" to affordability gap
- 29.99% APR on purchases
- January statements arrive
- February overdraft fees compound
- March account closes involuntarily
- Customer locked out for 5 years via ChexSystems

### Alternative Model:

- Anticipate seasonal stress
- Offer savings programs September-November
- Provide interest-free short-term bridge (recovered in customer lifetime value)
- Keep customer engaged through volatility
- Customer qualifies for mortgage by year 5



### Revenue Comparison:

- **Extraction model:** \$400 in fees, customer lost permanently
- **Stability model:** \$0 in fees Year 1, \$250K mortgage by Year 5, 20-year customer relationship

Which model do shareholders actually want?

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## THE COMMERCIAL OPPORTUNITY IN HUMAN DIGNITY

This isn't about choosing between profit and people. It's about recognizing that **helping people more effectively IS the most sustainable revenue model.**

**Why Current Approaches Fail:** Change requires shifting both beliefs AND emotions. Rational business cases alone don't move organizations. Leaders need:

1. **Permission to question inherited assumptions**
2. **New metrics that reward stability over extraction**
3. **Proof that dignity generates returns**
4. **Emotional connection to the communities being served**

**The Resistance Pattern:** "We'd love to do this, but..."

- Quarterly earnings pressure
- Regulatory constraints
- Shareholder expectations
- Risk committee concerns
- Legacy system limitations

**The Reframe:** These aren't barriers. They're design constraints that force innovation.

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## MY JOURNEY: FROM BUILDER TO BRIDGE

I spent 23 years at FIS building the payment systems that became industry infrastructure. I brought banks and credit unions to the table through every technology evolution—from checks to debit cards, chip cards to Apple Pay, mobile payments to blockchain protocols.

I was there when the marketplace was communion. When customers and bankers learned together. When trust was the currency.

I watched it become extraction.

I helped build the machine.

Now I'm building the alternative—not as rejection of traditional finance, but as an invitation to reclaim what made it work in the first place: **relationship, trust, and value exchange that goes both ways.**

### My work now bridges three worlds:

1. **Inspire.World Foundation** - Post-traumatic growth approaches to economic sovereignty for vulnerable populations
2. **Prime Ledger** - Tokenized equity solutions that bring blockchain infrastructure to traditional wealth management and real community marketplaces.
3. **Speaking & Education** - Helping financial institutions see the communities they serve with new eyes

### What I Bring:

- 30+ years inside financial technology infrastructure
- Deep technical knowledge of payment systems, blockchain protocols, AI applications
- Lived experience with the communities traditional finance can't reach
- Frameworks for communion-based commerce that generate measurable returns
- Trauma-informed approaches that recognize volatility as human, not moral failure



## THE INVITATION

This paper is an invitation to question whether inherited financial assumptions are narrowing what's possible—not only socially, but commercially.

**For Financial Institution Leaders:** What if the "underbanked" aren't unprofitable—just underserved by current infrastructure?

**For Fintech Builders:** What if decentralization's real threat to banking is showing there's a better way to do what banks were supposed to do all along?

**For Impact Investors:** What if dignity isn't charity, but the highest-return strategy available?

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## NEXT STEPS: CONTINUING THE CONVERSATION

This framework emerges from three decades of building, breaking, and rebuilding financial infrastructure. But it's not complete—it's an invitation to dialogue.



### **Subscribe to "Unlocking Commerce in Business" Podcast**

Weekly conversations bridging traditional finance, Web3 innovation, and trauma-informed economic development.

<https://www.youtube.com/@UnlockingCommerce>



### **Speaking Engagements**

I work with financial institutions, fintech conferences, impact investor gatherings, and blockchain communities to translate between traditional finance and emerging infrastructure. Topics include:

- The Business Case for Communion-Based Commerce
- Tokenization for Wealth Management & Municipal Finance
- Trauma-Informed Approaches to Financial Inclusion
- AI & Blockchain: Tools for Liberation or Extraction?
- Building Second-Chance Banking Infrastructure



**Booking inquiries:** [www.conniedavisspeaks.com](http://www.conniedavisspeaks.com)

### **Learn More About My Work**

- **Inspire.World Foundation:** Post-traumatic growth & economic sovereignty programs
- **Prime Ledger:** Tokenized equity solutions for traditional finance
- **Women in Blockchain Talks - Tampa:** Community education & advocacy
- **conniedavisspeaks.com:** Articles, frameworks, and resources

### **Connect Directly**

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## ABOUT THE AUTHOR

**Connie Davis (LoveRippleGirl)** is Co-Founder and Chief Post Traumatic Growth Officer at Inspire.World Foundation, and Director of Business Development at Prime Ledger.

She brings 30+ years of financial technology experience, including 23 years at FIS where she built payment systems infrastructure and mobile payment platforms. She's a certified WIDP (Worley Identity Discovery Profile) teacher, hosts the "Unlocking Commerce in Business" podcast.

Her work bridges traditional finance with Web3 technologies through trauma-informed approaches serving vulnerable populations including trafficking survivors, foster youth, and work release participants. She speaks in maritime metaphors, operates multiple businesses including Maiden Explorations LLC, and believes the marketplace can become communion again—not through nostalgia, but through infrastructure redesign.

**"I helped build the extraction machine. Now I'm building the alternative—not as rejection, but as an invitation to reclaim what made finance work in the first place: trust."**



## APPENDIX: KEY FRAMEWORKS & TERMINOLOGY

**ALICE Families:** Asset Limited, Income Constrained, Employed - households earning above poverty line but below economic stability threshold (United Way designation)

**ChexSystems:** Consumer reporting agency tracking closed bank accounts; flags can prevent banking access for 5+ years

**Communion-Based Commerce:** Economic exchange rooted in relationship, trust, and mutual value creation (vs. extraction-based models)

**Crispy People:** Individuals burned by financial systems who won't return to hostile tables

**Human Hash Rate:** Framework using blockchain metaphors to explain how trauma creates cognitive bottlenecks

**Second-Chance Banking:** Infrastructure designed for customers with past account closures, credit damage, or financial instability

**Tokenization:** Converting rights to real-world assets into digital tokens on blockchain infrastructure

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## APPENDIX: SOURCES & STATISTICS

*All claims in this paper are supported by the following verified sources and research. Where exact data is unavailable, methodology for estimates is provided.*

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### BANKING EXCLUSION & INVOLUNTARY CLOSURES

**Involuntary Account Closures (2001-2005):**



- **Verified baseline:** FDIC data shows 6.0% annual involuntary closure rate as of 2011
- **Source:** Federal Deposit Insurance Corporation (FDIC), banking studies 2011
- **Estimate methodology:** The figure of "approximately 30 million accounts" during the 2001-2005 period is extrapolated from FDIC closure rate data, banking association overdraft fee reports, and documented economic conditions during this period of aggressive overdraft practices
- **Context note:** Comprehensive tracking of involuntary closures was not standardized until post-2008 banking reforms, making precise historical counts difficult to verify

#### **Current Unbanked Population:**

- **4.2% of U.S. households are unbanked** (approximately 5.6 million households)
- **Source:** FDIC National Survey of Unbanked and Underbanked Households, 2021
- **Link:** <https://www.fdic.gov/analysis/household-survey/>

#### **Current Underbanked Population:**

- **14.2% of U.S. households are underbanked** (approximately 19 million households)
- **Source:** FDIC National Survey of Unbanked and Underbanked Households, 2021
- **Definition:** Households with a bank account that also use alternative financial services like check cashing, payday loans, pawn shops, or rent-to-own agreements

#### **ChexSystems Reporting Period:**

- **Up to 5 years** of negative banking history reporting
- **Source:** Consumer reporting law under Fair Credit Reporting Act (FCRA)
- **Impact:** Negative ChexSystems reports can prevent account opening at most traditional banks during this period
- **Reference:** Consumer Financial Protection Bureau (CFPB) guidance on consumer reporting agencies

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## **ALICE FAMILIES & ECONOMIC INSTABILITY**

### **ALICE Household Percentage:**





- **29% of U.S. households** are ALICE (Asset Limited, Income Constrained, Employed)
- **Source:** United Way ALICE Project, National Report 2023
- **Link:** <https://www.unitedforalice.org/>
- **Definition:** Households earning above Federal Poverty Level but below the threshold needed to afford basic necessities (housing, childcare, food, transportation, healthcare, technology)

#### **ALICE Income Threshold:**

- **\$52,000-\$72,000 annually** (varies by location and family size)
- **Source:** United Way ALICE Project, state-specific survival budgets
- **Example:** In Pinellas County, Florida, a family of four requires \$108,480 annually to meet basic needs
- **Context:** 47% of Florida households (2.1 million families) fall below ALICE threshold

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## **VETERAN POPULATION**

#### **Total U.S. Veterans:**

- **18 million veterans** in the United States
- **Source:** U.S. Department of Veterans Affairs (VA), National Center for Veterans Analysis and Statistics, 2023
- **Link:** <https://www.va.gov/vetdata/>

#### **Banking Access Challenges:**

- Deployment-related credit history gaps during years typically used for "building credit"
- PTSD and service-related disabilities affecting financial management capacity
- **Source:** Veterans Benefits Administration reports; CFPB research on veteran financial well-being

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## **FOSTER YOUTH POPULATION**



### Annual Aging Out:

- **Approximately 20,000 youth age out of foster care annually** in the United States
- **Source:** Adoption and Foster Care Analysis and Reporting System (AFCARS), U.S. Department of Health and Human Services
- **Link:** <https://www.acf.hhs.gov/cb/research-data-technology/statistics-research/afcars>

### Financial Foundation Challenges:

- Many have ChexSystems flags from accounts opened by foster parents who overdrew them
  - Zero financial education or asset-building support in most foster care systems
  - High rates of homelessness and economic instability within first year after aging out
  - **Source:** Jim Casey Youth Opportunities Initiative research; Casey Family Programs
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## CREDIT CARD & CONSUMER DEBT

### Average Credit Card APR:

- **29.99% APR** (or higher) is common for subprime credit cards and those marketed to economically vulnerable populations
- **Source:** Federal Reserve G.19 Consumer Credit Report; Credit card issuer disclosures
- **Context:** Rates vary widely (15%-36%), with higher rates targeting those with lower credit scores or limited credit history

### Overdraft Fee Impact:

- **8% of accounts** incur the vast majority of overdraft fees, indicating systemic concentration of extraction from economically vulnerable customers
  - **Source:** Consumer Financial Protection Bureau (CFPB) overdraft studies
  - **Financial impact:** Average overdraft fee is \$35 per transaction, with some customers experiencing multiple overdrafts in single day
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## BANK ON INITIATIVE & CITIES FOR FINANCIAL EMPOWERMENT FUND

### Bank On Program:

- National initiative connecting people to safe, affordable banking products
- Certified accounts must meet specific standards: low/no fees, no overdraft fees, low minimum deposits
- **Source:** Cities for Financial Empowerment Fund (CFE Fund)
- **Link:** <https://joinbankon.org/>

### Cities for Financial Empowerment Fund:

- Supports municipal financial empowerment programs nationwide
- Funding sources include major financial institutions and philanthropic organizations
- **Criticism noted in this paper:** When funding comes from institutions profiting from extraction, creates potential conflict between empowerment goals and funder interests
- **Source:** CFE Fund annual reports and program descriptions

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## REGULATORY FRAMEWORK

### Fair Credit Reporting Act (FCRA):

- Governs consumer reporting agencies including ChexSystems
- Limits reporting period for negative information (typically 7 years for most items, 5 years for ChexSystems banking information)
- **Source:** 15 U.S.C. § 1681 et seq.

### Regulation E (Electronic Fund Transfers):

- Establishes consumer protections for electronic transactions
- Mandates error resolution procedures
- **Source:** Federal Reserve Regulation E, 12 CFR Part 1005



## ADDITIONAL DATA SOURCES

### General Economic Context:

- Federal Reserve Economic Data (FRED): <https://fred.stlouisfed.org/>
- U.S. Census Bureau American Community Survey
- Pew Research Center economic mobility studies
- National Financial Capability Study (FINRA Investor Education Foundation)

### Trauma-Informed Care Research:

- Substance Abuse and Mental Health Services Administration (SAMHSA) trauma frameworks
- Center for Financial Security, University of Wisconsin-Madison
- Financial Health Network (formerly Center for Financial Services Innovation)

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## METHODOLOGY NOTE

Where specific historical data is unavailable or incomplete (particularly for pre-2008 banking practices), this paper uses:

1. **Verified baseline data** from federal agencies (FDIC, CFPB, Federal Reserve)
2. **Industry reports** from banking associations and regulatory bodies
3. **Extrapolation based on documented trends** and economic conditions
4. **Transparent acknowledgment** when estimates are used rather than precise figures

All estimates are conservative and based on multiple corroborating data points. Where exact numbers cannot be verified, we use qualified language ("approximately," "industry estimates suggest") to maintain accuracy while conveying scale.

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## FOR FURTHER RESEARCH

Readers seeking additional depth on specific topics are encouraged to consult:

- FDIC Center for Financial Research
- Consumer Financial Protection Bureau Research & Reports
- United Way ALICE Project state-specific reports
- Federal Reserve Community Development Research
- National Consumer Law Center publications

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**Last Updated:** December 2025

*This paper reflects insights from "The Night Before Christmas: A Fintech Carol" - listen to the full episode of Unlocking Commerce in Business podcast.*