

BUSINESS

Minnesota-based Live Give Save, a promoter of smart saving, is bought by Michigan credit union

The Red Wing-based company created an app that helped users save and donate money to charities. Now, one of the nation's largest credit unions will help promote it.

By Evan Ramstad (<https://www.startribune.com/evan-ramstad/6370513/>) Star Tribune |

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Live Give Save Inc., a financial-technology company in Red Wing, Minn., that helps consumers save money as they spend it, has been purchased by Michigan State University Federal Credit Union (MSUFCU), the firms announced Wednesday.

Live Give Save, founded and led by Susan Langer, will place its assets in a new company called Spave LLC, after its main app product. Terms were not disclosed, but the resulting company will be 80% owned by MSUFCU, the largest university-related credit union in the country.

The company in 2018 rolled out an app called Spave, combining the words "spend" and "save" that directed a portion of a person's cash account into savings or to charities as the person routinely spent money.

The company's developers spent much of last year updating the product while Langer looked for capital. Last fall, executives from MSUFCU asked if Live Give Save could help with an app it was developing, beginning a relationship that led to the deal.

"I had been praying for a strategic investor because they would have shared interest in the product and our road map," Langer said in an interview. "We found a partner that shares our vision, our mission and our values — total alignment."

Langer, a former executive at a Minneapolis advertising company, started the company in 2015 after years of thinking about ways to marry spending and saving into a single virtuous habit. She will remain chief executive of Spave, which will be operated under MSUFCU's Reseda subsidiary, which provides services for credit unions.

Years earlier, Langer worked on marketing credit cards for U.S. Bancorp at a moment when, like other card providers, it was developing rewards, such as discounts and frequent flyer miles. When mobile gadgets and networking technology evolved, she decided to apply the same principle to saving.

The Spave app deducts small amounts, set by the consumer, from a primary checking account whenever it is used to make a purchase. Those amounts are directed by the consumer to a saving account or charity.

"We have been seeking a partner like Live Give Save to evolve our technology offerings and be able to share that technology with the credit union industry," April Clobes, CEO of MSUFCU, said in a statement.

Through Reseda, which provides services to credit unions, MSUFCU plans to market and deploy the Spave app to the industry. "The Spave mobile app provides the platform for helping people through technology," Clobes said.



MICHIGAN STATE UNIVERSITY FEDERAL CREDIT UNION

April Clobes, left, chief executive of Michigan State University Federal Credit Union, and Susan Langer, founder and chief executive of

Live Give Save in late 2019 was awarded a \$28,000 grant from the state's LaunchMN initiative aimed at helping tech-related startups, particularly outside the Twin Cities.

"We decided as a board to use the funds to do more research, get some more insights and enhance the product," Langer said. "We really redesigned the entire app."

The deal with MSUFCU presents an exit moment for the investors who backed Langer's vision, including relatives and friends of hers as well as Golden Triangle Fund, based in Red Wing, and CFV Ventures of Charlotte, N.C.

"I have been blessed with people who volunteered or worked for very little pay at times," Langer said. "We've had board members and advisers who got paid in options. Now they're getting their payout."

Spave will remain based in Minnesota, with about a half-dozen employees, Langer said. Clobes will become chairwoman of the company.

Evan Ramstad is a team leader in business news, working with reporters who cover the food industry from field to fork. He also writes about technology, banking and the economy.

evan.ramstad@startribune.com 612-673-4241