



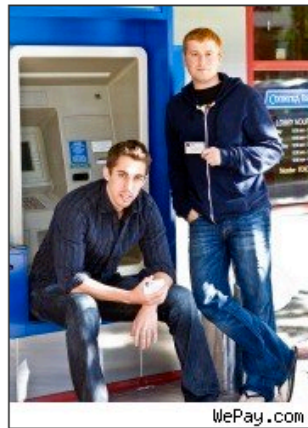
# Seeking a Better Way to Collect Money, College Roomies Launch WePay.com

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They say necessity is the mother of invention. But for the young entrepreneurs behind [WePay.com](#), necessity looked less maternal--and more like a confusing mishmash of cash and checks as they tried to collect money from friends to cover a bachelor-party tab.

Their solution--a [group payment](#) epiphany of sorts--not only helped these Boston College grads manage their own finances, but became a buzzed-about web startup that launched their careers. Their eureka moment came when Rich Aberman, 25, (pictured left) called his tech-wise friend and onetime college roommate, Bill Clerico, (right) to ask if he knew of a solution to his party-payment problem.



"I was taking money from a ton of different people, and I had no place to put it besides my personal account or in a shoebox under my bed," said Aberman. Clerico could commiserate since he rented a ski house every year with a group of friends and ran into the same problem. Seeking a solution, they looked at web giant [PayPal](#) (now WePay's major competitor). But it caters more to merchants and follows a check-out model, Aberman said. And the two felt that other sites that track IOUs don't provide easy ways to actually collect funds. They were stumped. And so the idea for WePay was born.

"We wanted to be a compelling solution for the 100- or 200-member fraternity, but also for the boyfriend and girlfriend who want to have a casual shared account," said Aberman, who ditched plans to attend law school at NYU in order to start the company. Clerico, also 25, had been bitten by the entrepreneurial bug while working with other start-ups during a year working at [Jefferies](#), a securities and investment banking group.

After two years of trials and tweaks, WePay's public beta-tester launched in early 2010.

Here's how WePay works: A group's designated administrator deposits the money that's collected from members into an FDIC-insured account. The administrator then can manage and spend that money via paper check, direct deposit or WePay prepaid Visa card. E-mail reminders keep members informed, while shared transaction histories keep matters transparent.

The duo started with a [bill-sending](#) function, then added [donation](#) and [ticket-selling templates](#), after customers asked for more features. The company itself keeps in touch with users through [clever blogging](#) and [Twitter](#), and it earns money from small fees on each transaction (50 cents or 3.5%, depending on the payment method).

Aberman and Clerico tick off a long list of ways that college students can use WePay, but they include: collecting dues for campus clubs or sorority fundraisers, and splitting costs for spring break or service trips. Parents and students who open a shared account can easily swap money and track college expenses, and it can be a lifesaver for apartment living, the WePay founders say.

Still roommates, Aberman and Clerico use the site to automatically divide and pay rent and utility costs between themselves and two other people. "You can never spend more than the money you have in the account," which helps teach young people healthy financial practices, Clerico says. Bills get paid on time, and no one's stuck covering expenses out-of-pocket, either.

A year after their WePay debut, these young entrepreneurs find themselves not only running a profitable business (and garnering positive reviews from [Mashable](#), [TechCrunch](#) and [The New York Times](#)) but learning and adjusting their product for its most-frequent users: themselves.

"To this day, we still design for ourselves first," Aberman says. "We were absolutely our ideal customers."

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