

Project #YouCan Innovation Program **Request for Proposal**

The Principal Foundation in partnership with the Center for Financial Services Innovation (CFSI) is launching the Project #YouCan Innovation Program. Managed by CFSI and supported by the Principal Foundation, the program seeks to identify and invest in promising innovations that can expand the economic opportunity and improve the financial health of underserved, high-potential youth between the ages of 15-24.

All proposals are due on Friday, September 7th to shasan@cfsinnovation.org.

I. INTRODUCTION, BACKGROUND and PURPOSE

The Center for Financial Services Innovation (CFSI) is the nation's authority on consumer financial health. CFSI leads a network of financial services innovators committed to building a more robust financial services marketplace with higher quality products and services. Through its Compass Principles and a lineup of proprietary research, insights and events, CFSI informs, advises, and connects members of its network to seed the innovation that will transform the financial services landscape. Since our inception in 2004, CFSI has funded some of the most innovative nonprofits and financial technology (fintech) startups providing services to the underserved market.

The Principal Foundation is in the top 1% of corporate foundations in the U.S., with more than \$203 million in assets. Principal Foundation is committed to helping youth around the world achieve a better financial future, with a goal to direct more than 70% of their dollars toward helping people around the world learn more, earn more, and save more. As part of its Project #YouCan, Principal Foundation is partnering with organizations like CFSI to help young people ages 15-24 earn and save more and lead the way in creating economic opportunities for the next generation.

Financial Security for Opportunity Youth

Faced with mounting challenges, including skyrocketing education and housing costs, greater student debt, and increased job insecurity resulting from a tightening labor market and technological shifts, young adults are more likely to be financially insecure than previous generations. Opportunity youth – defined as young adults between the ages of 15 to 24 who are not currently working or enrolled in education – are even more vulnerable.

With growing efforts to create pathways to mobility through post-secondary success programs, upskilling and connecting young people to work, there is a vital need to also address their financial health. Many youth are struggling financially in their lives—faced with irregular cash-flow, difficulty saving and accessing affordable credit and managing existing debt. Programs that help young people achieve economic independence are strengthened when they integrate high-quality financial tools. The

right tools and technology can help develop financially healthy behaviors, such as savings, that can build their resilience and provide the foundation to pursue opportunities. This program will identify and support innovators that are delivering multifaceted solutions to help youth achieve economic mobility and financial health.

This document provides an overview of our funding priorities, criteria, proposal requirements, and timelines. The following chart summarizes the fund’s parameters:

| | |
|------------------------|---|
| Number of awards | 3-4 awards |
| Average size of awards | \$100,000-\$150,000 per award |
| Grant term | CFSI expects projects to span approximately one year in length (Project term to begin in November 2018 and end in October 2019) |

Each Innovator will receive an award of an amount to be determined by CFSI and an invitation to participate in the Program. The form of the Award may differ for for-profit and non-profit Innovators.

II. WHY APPLY?

Selected participants in the program will begin a relationship with CFSI and Principal Foundation and receive strategic guidance, heightened visibility, and access to an unparalleled network in the underserved financial services industry. Specifically, the program will:

- Provide critical funding to support the development and implementation of the project.
- Facilitate peer exchange and learning to foster innovative thinking and sharing of results.
- Provide technical assistance to grantees and offer opportunities for regular consultation and collaboration between CFSI and grantees.
- Showcase grantees’ work at industry events and in the media to demonstrate and spur the adoption of best practices.

CFSI will seek to provide appropriate referrals, strategic advice, and networking and learning opportunities for those organizations with proposals that most closely align with CFSI’s goals and interests.

Program Design

Innovators will receive the following types of supports:

1) Financial Support

- Each selected Innovator will receive an award in the amount of up to \$150,000 and participate in the Program

2) Non-financial Support

- Advisory support, industry expertise and technical assistance from CFSI staff
- Opportunities for engagement of Principal Foundation executives/staff at events

- Attend and participate in networking and peer learning events, both in-person and virtual, including participation in the Fintech-Nonprofit Partnership Working Group and potentially CFSI's Annual Emerge Conference
 - Peer-learning meeting with cohort of grantees at CFSI's Emerge Conference in May 2019
 - Participation in CFSI's Fintech-Nonprofit Partnership Working Group in May 2019
- Work with CFSI to evaluate, develop and report on insights and learnings
- Marketing and promotion of the Grant Program and Innovators, which may include media and industry events

III. PROGRAM PRIORITIES

Through the Project #YouCan Innovation Program, CFSI intends to fund projects and solutions that accomplish the following critical objectives:

- Address the financial health of struggling high-potential youth (between the ages of 15-24)
- Demonstrate improved financial health outcomes and positive change in financial behaviors. Such outcomes include, but are not limited to, a greater ability to select and manage financial products and services, increased short-term, emergency and long-term savings, and improved credit scores

CFSI is most interested in exploring projects that:

- **Leverage technology-enabled approaches to offer financial services, tools and guidance to youth to address their financial health.** Incorporating technology into programming or product development can offer organizations numerous advantages in creating financial health interventions. Mobile and online channels provide new opportunities for youth engagement and streamlined operations, while also creating pathways to scale for promising tools. Pairing guidance with well-designed products is a critical strategy for promoting the financial health of youth. **We are highly interested in solutions that leverage technology either directly or through partnership with another provider.**

Possible project examples include:

- "Gamification" platforms that leverage online tools to assign incentives in the form of points, badges, or opportunities to win tangible rewards when consumers exercise positive financial behavior, such as building savings habits
- Online systems that guide and connect youth to financial services providers based on information provided about their needs and circumstances
- Incentivized savings linked to programs that reward youth for reaching specific milestones
- Links to transaction accounts with modified product features designed to help youth adopt sound financial behaviors such as maintaining budgets or saving money
- Combinations of ongoing guidance (such as online coaching/mentoring and education) with innovative products that help youth build savings and credit
- Goal-based savings products linked to social media platforms designed to share progress and replicate group-based financial coaching programs
- Online platforms that help consumers leverage peer networks to help keep them accountable in the pursuit of financial goals such as paying down debt or build a savings reserve

- Choice engines that utilize customer and transaction data to provide timely guidance that helps consumers understand the costs and benefits of selecting or using a financial product.

IV. WHAT CFSI WILL NOT FUND

CFSI will not consider requests for:

- Projects without a clear and close link to financial services or tools
- General operating support
- Projects with international (non-U.S.) focus
- New financial education curriculum development
- Projects that only involve research. In order for a research project to be considered, it must be part of a broader programmatic effort.

V. PROGRAM EVALUATION – EXPECTATIONS AND REQUIREMENTS

Results and findings will contribute to the growing knowledge base, providing insight on what strategies are most effective in promoting the financial health of youth segments. Toward that end, CFSI requires that all funded projects involve well thought out methodology to measure program outcomes, starting with contemplating evaluation approaches during the project design and proposal writing phases.

At the start of the program, CFSI will work with innovators to create an impact measurement plan, leveraging CFSI’s Financial Health Measurement framework as a starting point.

VI. CRITERIA

Eligibility:

High performing nonprofits and social enterprises that focus on underserved high-potential youth between the ages of 15-24, that can expand or integrate new financial health solutions in program/service delivery.

Companies (including for profit entities and not-for-profit corporations or other non-profit entities) or organizations that (i) are incorporated or organized in the United States or its territories, (ii) have been duly organized and validly exist, and (iii) maintain a primary place of business in the United States.

Proposals and products that are already in market will be given stronger preference, but CFSI will consider proposals for projects in the seed through pilot stages. In addition, proposals should address and will be assessed on the following criteria:

1. **Clearly identifies (i) specific youth financial challenges the project will address, (ii) the financial behaviors the project will seek to promote, and the outcomes young consumers are expected to achieve.**
2. **Strength and quality of technology and product link.** Through leveraging technology, the project closely and effectively links education, advice, or guidance with relevant financial products and/or tools. If the organization does not currently offer a financial health solution, it will need to seek partnerships to incorporate high-quality financial services and tools in their services to reach youth. **Partnerships are actively encouraged with providers, such as fintechs.**

3. **Scalability.** The project should demonstrate the propensity to be carried out at larger scale and potentially in multiple geographic markets thanks to its commercial applicability, easy replication by other organizations, or influence on the future direction of public policy. Although we will consider a range of innovations, we prefer organizations that have a stable client base with a solution in market and scale potential to reach significant portion of clients with a distributed solution.
4. **Sustainability.** Within a reasonable time horizon, the project should have the potential to result in a sustainable product, service, or practice.
5. **Program evaluation plan.** The project has clear and measurable outcomes and will significantly contribute to the knowledge base about what works for promoting the financial health of youth.
6. **Organizational fit.** The applicant (with partners, if applicable) possesses the strengths and expertise necessary to successfully execute the proposed project. The project is a top organizational priority.
7. **Management buy-in and capacity.** CFSI looks for strong management teams with powerful, new ideas to serve underserved youth segments.
8. **CFSI's involvement is additive.** Management perceives value in being associated with CFSI and can articulate how the project will benefit from CFSI's involvement beyond providing financial support.
9. **Financial backing.** If the project requires more funding than CFSI can provide, the degree to which the applicant has identified other funding sources (committed and uncommitted) for the project.

VII. APPLICATION

All proposals are due on Friday, September 7, 2018 by 11:59PM EST. Please share your proposals with Shaheen Hasan at shasan@cfsinnovation.org.

Proposal Components: Please address the following components in a written proposal to CFSI. Completed Stage 1 applications will consist of the following components:

- I. **Basic Project information (maximum of 350 words)**
 - Full contact information
 - Project/Solution name
 - Executive summary
 - Award amount requested
 - Project term
 - Target population
 - Number of clients served over the project term
 - Geographic focus
 - Project Status
 - Technology Incorporation/Financial Health Solution Incorporation

II. Project/Solution Description (maximum 1500 words)

- Description of goals and objectives, rationale, and methods as well as how the project/solution promotes the financial health of opportunity youth segments
- If your organization is partnering with another innovator, please describe how, as well as roles and responsibilities
- Specific youth financial challenges the project will address and specific behaviors the project will seek to promote in order to help solve them
- Anticipated impacts and outcomes: How the proposed project will benefit youth segments, the community, the broader field and/or the financial services industry
- Project work plan & timeline including key activities, milestones and deliverables
- Potential for project scalability/sustainability in the future
- Detailed plans for proposed technology development (if any)

III. Organizational Background & Capacity (maximum of 400 words)

- Mission statement
- Organization's strengths/expertise related to the issue the project seeks to address
- Management/staff qualifications
- Experience and capacity for technology development
- Key partnerships critical to driving the project's success

IV. Project Evaluation (maximum of 400 words)

- Description of what can ultimately be learned from
- Specific metrics to be tracked and anticipated outcomes
- Data to be collected by or provided
- Organizational capacity with respect to evaluation

V. Project Budget

- Budget narrative specifying the total budget for the project, the amount requested from CFSI, and the use of the proceeds
- Other sources of funding/in-kind support for this project with amount(s) and restrictions, if any

VIII. REVIEW PROCESS & TIMELINE

Stage 1

CFSI will be actively engaged in identifying promising opportunities, inviting applicants to apply and if necessary working with applicants to shape projects. In rare cases, CFSI may wish to explore the potential of pairing multiple applicants in ways that might enhance their respective projects/solutions.

Proposals will be reviewed by CFSI staff following the close of the application process. After an initial review, CFSI will have discussions with and request additional information from applicants who best meet the overall priorities and grant criteria. **Applicants should be prepared to provide additional substantiating materials within one week of request during the evaluation period.** CFSI may consult outside experts during the exploration, due diligence, and negotiation process.

Stage 2

CFSI will then select a small number of top proposals as finalists to advance to Stage 2 of the application process. Organizations not selected as finalists will be notified of the decision in mid to late-September

2018. Finalists will have approximately 1 week to submit their Stage 2 applications consisting of any additional materials requested to provide further information on the project and/or organization. Finalists will also be asked to provide brief video pitches prior to the Selection Event. CFSI will provide more information about Stage 2 to those applicants who successfully advance.

Selection Event

Following the submission of Stage 2 applications, CFSI will conduct due diligence to address any outstanding issues regarding finalist applications. CFSI will then select a final group of proposals to present to a final selection committee.

Finalists will make in-person pitches to the Selection Committee on a date determined by CFSI and Principal Foundation. Finalists should be aware that material presented or discussed during the Final Selection Process will be disclosed in the public domain. The selection committee, consisting of both Principal Foundation and CFSI staff and external partners will also review the original applications and any additional application materials and make the final decisions about the winner and awards.

The Selection Committee will select the top Finalists according to the Selection Criteria. Awardees will be notified and a formal announcement will be made in late October/early November. Applicants that are approved for funding will enter into a legal agreement with CFSI setting out the terms of the award.

TIMELINE

| | |
|--|---------------------|
| Invitation to Apply | End of July 2018 |
| Application Closes | September 7, 2018 |
| Stage 1: Review Process and Finalist Selection | Mid- September 2018 |
| Stage 2: Top Finalists Notified | Early October 2018 |
| Selection Event | Late October 2018 |
| Winners Announced | Early November 2019 |

CFSI will inform applicants about the status of their proposals within 15 days of the deadline.

IX. DISCLAIMERS

This Invitation for Application is not an offer, commitment or expression of intent, express or implied, to fund any proposal. The decision to consider and make awards is at the sole discretion of CFSI. CFSI reserves the right to award funding in an amount different from that requested in the application.

All applicants must be authorized and able to perform all aspects contemplated under the proposal, including but not limited to seeking all required approvals and consent. All applicants must be qualified and in good standing to conduct business in their state of incorporation and any other state or jurisdiction in which they operate.

Proposals should not contain any information, ideas, products or property that are licensed, copyrighted, or otherwise proprietarily protected by anyone other than the applicant. **Information contained in the proposals is not considered confidential.** By submitting the proposal and any other materials to CFSI you warrant and represent that: (a) the proposal and such other materials are your original work; (b) the proposal and such other materials do not infringe upon the copyright(s), patent(s), trademark(s), right(s) of privacy, publicity or other intellectual property right(s) of any person or entity; (c) you have obtained permission from any person whose name, likeness or voice is used in the entry.