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**Youth in Foster Care Financial Education:
Program support for credit unions fostering
financial security and independence for
children in foster care**

Request for Proposals

June 2024

Background:

Family plays a crucial role in shaping our attitudes and behaviors towards money. Whether it's through direct teaching, observation, or even subconscious influence, the way our parents handle finances can deeply impact our own financial habits and beliefs.

Children often absorb information by watching their parents' financial decisions and behaviors. If parents demonstrate responsible money management, such as budgeting, saving, and avoiding excessive debt, children are more likely to adopt similar practices as they grow up. On the other hand, if parents struggle with money or display irresponsible financial habits, their children might internalize those behaviors as well.

This lays the groundwork for how we see and manage our own money in the future.

For youth in the US foster care system, this learning opportunity may not be available. With over 400,000 children and youth in the foster care system, this is a large population that needs financial education support. Foster youth are also at a much higher risk of identify fraud, given how many people have access to their personal financial information. Coupled with lower rates of higher education enrollment, lower wages, and less access to support this demographic is in dire need of financial education support.¹

Grant funding opportunity:

The Foundation has \$173,000 in available funding for credit unions of any asset size that have a desire to build programs designed to support children in foster care by establishing basic knowledge in budgeting, credit, and banking solutions prior to their aging out of care.

Eligible credit unions will have the ability to open savings accounts and checking accounts for this demographic while also providing timely financial literacy and well-being information for youth in preparation for aging out of the foster care system.

The Foundation's objective with this funding is to achieve the following impact:

1. If youth in foster care receive training on basic financial literacy skills, will this improve their financial health and resilience at the time of aging out of the system (e.g. – habit of savings, an account, access to affordable credit)?
2. If youth in foster care are provided with the ability to open savings accounts, will this encourage savings behaviors and provide this demographic with a financial safety net once they turn 18?
3. What impact does improving financial health in this demographic have on other economic barriers such as housing and access to education?

¹ https://www.socialworktoday.com/news/enews_1116_1.shtml

4. What planning resources/advice is needed to help participating institutions take concrete action and have an impact on this at-risk population?

Minimum requirements:

The Foundation is looking for credit unions of any asset size who are willing to stand up programming and products to serve this demographic. Credit unions can apply by using the links below. Once applications are received, assessed, and approved, the Foundation will divide available funding amongst qualified participants.

This grant effort will run through September 2025. Total funding of up to \$173,000 is available and will be applied to credit unions once a finalized work plan is provided.

Expectations of applicant credit unions

Time and staffing:

Participation in this grant effort will require dedicated staff time and attention.

Institutions that apply for this grant will need to:

- Designate a senior level employee to be responsible for this project. This person should be able to facilitate and/or approve member communications and support the execution of the grant.
- Expertise and collaboration from different departments, especially Information Technology and Community Outreach will be needed during the project.
- The CEO and Board Chair should expect to participate in an informational session at the beginning of the project so that they understand the potential and possibilities if they support the project.
- Anticipate **1-3 hours per week** of time, for **5-6 weeks** from a designated employee playing a project coordination role; the person will be responsible to keep the project on track, coordinate interactions with project partners (internal partners, the Foundation), and coordinate with internal departments as needed. Total staff combined staff time may be up to **80 hours** for this effort.

Implementation

After the RFP process, each credit union will be asked to complete a work and outreach plan that provides an outline of project deliverables. This plan should include any existing community connections that will facilitate access to the target demographic or plans to develop these connections in support of the anticipated work. The plan should also incorporate success metrics for implementation such as target number of literacy presentations, number of youth expected to participate, and target savings goals.

It is expected that the selected credit unions will have the resources to support the building and execution of a new financial health literacy strategy that builds financial resilience in foster youth. Participating credit unions should be prepared to deploy or expand existing financial literacy to this specific underserved population as well as have products and services that can successfully introduce foster youth to a successful

banking relationship. Applying credit unions should be prepared to commit to their new financial well-being strategy after the completion of the grant.

Measures of Success

At the culmination of this grant, the Foundation seeks to measure success through the following metrics:

1. Successfully expended all grant funds
2. Received robust work plans from all participating credit unions to include an outline for all project deliverables and metrics for success
3. Commitment from participating credit unions to implement youth literacy programs after the completion of the grant
4. Target numbers of the youths aging out of foster care that the implementation of these programs will impact.
5. Metrics that demonstrate an improvement to the financial well being of youth in foster care

Sharing the journey story:

An important part of this grant effort is to monitor and capture the journey of each institution in gathering and planning effective use of these analytics. Credit unions should expect language in the grant agreement to encompass follow-on research and reporting/storytelling on the impact of the grant in their financial well-being work.

In addition, credit unions should expect the journey and results of this grant process to be shared through various outlets, such as the FinHealth Hub, for other credit unions to learn from and utilize learnings in their own financial health strategy journeys.

Timing of grants:

Grants deliverables will begin in the third quarter of 2024 and work must be completed by September 30, 2025.

Acceptance/Rejection Process

The Foundation will review all applications for each credit union's financial capacity and commitment to improving financial well-being that directly supports the stated objectives defined in this application. The Foundation may schedule discussions with you if it becomes necessary to clarify elements of your application. Credit union participation in this project will be based upon the applications the Foundation determines best satisfy its objectives for this project. The Foundation also reserves the right to reject any and/or all applications received.

Instructions for Responses to Application

Please provide your responses to the questions on the application link posted below. Failure to provide the requested materials with your response may be cause for rejection of the proposal.

Due Date of Proposal

The deadline for applications is close of business on Tuesday, August 20, 2024.

Where to Send Your Application

<https://www.grantinterface.com/Home/Logon?urlkey=ncuf>

Questions

If you have questions while preparing your application, please contact Christine Hickey, Financial Health Program Senior Manager, National Credit Union Foundation, chickey@ncuf.coop, 608-231-4377.