



Impact Tracking of Financial Health Components

Request for Proposals

May 2019

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I. SUBJECT MATTER OF THIS REQUEST FOR PROPOSAL

Background

Recent national data continues to show Americans' financial fragility in crafting a stable financial life. The Center for Financial Services Innovation (CFSI) has released a new U.S. Financial Health Pulse¹ that shows that 72% of Americans are either Financial Vulnerable or Financially Coping. The same data shows that 47% of Americans spend more than or equal to their income; 45% don't have enough income to cover three months of living expenses; 30% have more debt than they can manage; and 37% are not confident in their insurance coverage.

In 2017, the Foundation funded six credit unions to measure the financial health of their members, using CFSI's financial health segmentation methodology. The aggregate data showed that more than half (58%) of members in the total credit union sample are struggling financially, highlighting a significant opportunity for credit unions to help their members better spend, save, borrow, and plan.

Financially healthy members have day-to-day financial systems that help them build resilience and seize opportunities. Financial products, services, and practices can contribute to or detract from a member's ability to spend, save, borrow, and plan in ways that improve their financial health. Credit unions can provide opportunities to address those needs with innovative solutions that improve employees' and members' financial health.

Financially healthy employees and members have the following characteristics:



SPEND

1. Spend less than income
2. Pay bills on time and in full

SAVE

3. Have sufficient living expenses in liquid savings
4. Have sufficient long-term savings

BORROW

5. Have a sustainable debt load
6. Have a prime credit score

PLAN

7. Have appropriate insurance
8. Plan ahead for expenses

(Source: CFSI²)

¹ CFSI: U.S. Financial Health Pulse:2018 Baseline Survey

<https://cfsinnovation.org/research/u-s-financial-health-pulse-2018-baseline-survey-results/>

² CFSI: Eight Ways to Measure Financial Health, 2016, https://s3.amazonaws.com/cfsi-innovation-files-2018/wp-content/uploads/2016/05/09212818/Consumer-FinHealth-Metrics-FINAL_May.pdf

Intent of Request for Proposals

The Foundation is seeking credit unions to consider their suite of products and services across the four components of financial health and document the improvement in member and/or employee financial health. The intent of this RFP is to support credit union initiatives to measure and document these efforts specifically in the Spend, Save, Borrow, and Plan categories.

The Foundation is interested in **how and what** credit unions measure and document regarding improvements in employee and/or member financial health. Here's one example in the Save category: If a credit union is involved in a prize-linked saving initiative, how is the credit union monitoring increases in member savings and how does that spur additional credit union efforts to help members in the other three financial health categories?

Other examples to consider may include:

SPEND: auto pay, smart budgeting, financial coaching/counseling

SAVE: savings incentives, matched savings programs, auto enrollment

BORROW: credit score education and action, credit-builder loans, debt management programs

PLAN: appropriate insurance products, calculating retirement savings and health care needs,

ALL FOUR CATEGORIES: a focus on employee financial health as a training tool to better serve members' financial health; pre- and post-testing for youth financial education/health programs to measure attitude and knowledge change;

Committing to improve employee and/or member financial health means actively tracking the impact of a credit union's actions on their financial lives. At the product or program level, this may involve using survey data and/or account data to monitor member financial health outcomes. At the company level, this may entail developing enterprise-wide financial health key performance indicators (KPI's) to inform larger conversations about corporate strategy, growth, and impact.

The goal of this effort is to demonstrate credit unions' impact on consumer financial health locally, regionally, and/or nationally. Total funding of \$75,000 is available with a minimum grant request of \$10,000.

II. FOUNDATION BACKGROUND

The National Credit Union Foundation is a catalyst to improve people's financial lives through credit unions. Whether it's collaborating on projects, convening resources, igniting passion, honoring leaders, or making financial education meaningful, the Foundation represents credit unions at the national level, kick starting their efforts to strengthen the financial well-being of everyone in their community. We deliver:

- Transformative, best-in-class training in the education and application of credit union business principles and philosophy. Our goal is to **inspire** and create opportunities for credit unions to leverage their cooperative values to help them face modern challenges and better serve members and the community.
- Catalytic experiential learning, resources and tools to help credit unions measure and improve consumer financial health. Our goal is to **ignite** credit unions' understanding, passion and focus on member financial health and provide tools and resources so credit unions are recognized as national financial health leaders.

- A centralized and efficient fundraising model to quickly mobilize funds for credit unions affected by natural disasters. Our goal is to **respond** quickly when disaster strikes by harnessing cooperative generosity to get credit union employees and volunteers back on their feet so they can serve members.

The Foundation is a 501(c)(3) tax-exempt charitable organization. The Foundation continues to earn the Better Business Bureau seal of approval as an “Accredited Charity” for meeting all 20 BBB Wise Giving Alliance Standards for national charities.

III. EXPECTATIONS OF APPLICANT CREDIT UNIONS

Acceptance/Rejection Process

The Foundation will review all applications for each credit union’s financial capacity and commitment to improving members’ financial health that directly support the stated objectives defined in this RFP. 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. Foundation also reserves the right to reject any and/or all applications received.

Instructions for Responses to RFP

Please provide your responses to the questions outlined in the next section (Section IV-Corporate Profile and Financial Information) in a separate Adobe Acrobat (pdf) document and please include both the question and answer in the order this RFP follows. This standardized approach will allow us to compare applicants in the most efficient manner possible. Failure to provide requested materials with your response may be cause for rejection of the proposal.

Due Date of Proposal

Deadline for our receipt of your proposal is **June 30, 2019**.

Where to Send Your Proposal

Please submit one electronic copy of your proposal in pdf format with any supporting documentation to Danielle Brown, Engagement Director, National Credit Union Foundation at dbrown@ncuf.coop.

Questions

If you have questions while preparing your application, please contact Danielle Brown, National Engagement Director, National Credit Union Foundation at (608) 556-2406 or dbrown@ncuf.coop.

IV. REQUIRED RESPONSES FROM APPLICANT CREDIT UNIONS

Please provide responses to the following questions.

Corporate Profile

Please provide a brief description and history of your credit union, including:

- The background of your credit union and its mission;
- A listing of executives and board members;
- Five year history of the number of employees;
- Five year history of the number of members;

- Five year history of return on assets (ROA);
- Field of membership; and
- Location of your headquarters and all branch offices.

Financial Information and Resources

- 1) Please provide copies of the last two years audited financial statements.
- 2) Have there been, or are there now, any lawsuits pending or filed against your credit union? If so, please provide a detailed explanation.
- 3) Is your credit union prepared to supply the financial and human resources necessary for this project? Please provide the names of the project leader(s) w/contact information for each.
- 4) If selected, how quickly would you be able to launch this project?

Project Title & Summary Information

- 1) Please provide the following information regarding your proposed project:
 - Project title:
 - Requested amount:
 - Project start date:
 - Duration: (months)
- 2) Briefly summarize your proposed project (in 300 words or less). Your summary should address the following:
 - Problem Statement
 - Project
 - Strategy
 - Risk and Challenges

Member or Employee Financial Health Efforts

- 1) Has your credit union ever measured members' or employees' financial health (or components of financial health)? If so, how, when, and is it an ongoing practice?
- 2) Has your credit union implemented any products, services or campaigns to improve consumer financial health? If so, please describe in detail.
- 3) How does your credit union currently assess the alignment between your products and services and members or employees' actual financial needs and financial health? Specifically, **how and what** does your credit unions measure and document regarding improvements in employee and/or member financial health?

- 4) Please describe the specific product, service, or campaign you would focus on in the financial health categories (spend, save, borrow, plan). Why do you believe it is making an impact to improve one or more aspects of member or employee financial health?
- 5) What is the state of development of the product, service, or campaign that you would develop key performance indicators for? Is it still in the early stages of roll-out? Is it a long-standing product/service that you are aiming to promote? Funding is available for existing programs only.
- 6) How do you plan to demonstrate your measurement and documentation of improvements in employee and/or member financial health?

7) What is your internal execution timeline on the product, service, or campaign?

8) Why is your credit union interested in undertaking this project?

9) Please enter budget information³ in the section and chart below.

- Budget Period
- Personnel
- Other Direct Costs
- Purchased Services
- Indirect Costs

Budget period	Start date	End date	
Personnel	Amount	FTE	Total
Project director			
Program staff			
Administrative staff			
Other staff			
<i>Personnel total</i>			
Other Direct Costs	Amount		Total
Travel			
Meeting expenses			
Polls and surveys			
Other			
<i>Other Direct Costs Total</i>			
Purchased Services	Amount		Total
Consultants			
Contracts			
<i>Purchased Services Total</i>			Total
Indirect Costs (please specify)			
<i>Indirect Costs Total</i>			
Total			

³ Please note: Grant funds may not be used to: pay any person to influence or attempt to influence any legislative activities or carry on propaganda; benefit any individual or related entity of Grantee; pay for general operating and/or administrative expenses related to the Grantee; or for any purpose prohibited by the laws of the United States.