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FUND

Moneythink

High Level Diligence

Analysts: Lindsey Black, Olivia Du, Lucy Wu | Mentor: Andrew Smith



Moneythink

Charity Summary

Charity Overview

Moneythink is a \$500K-1.5M revenue charity based on Chicago, IL that provides **financial coaching to students in low-income school districts**.

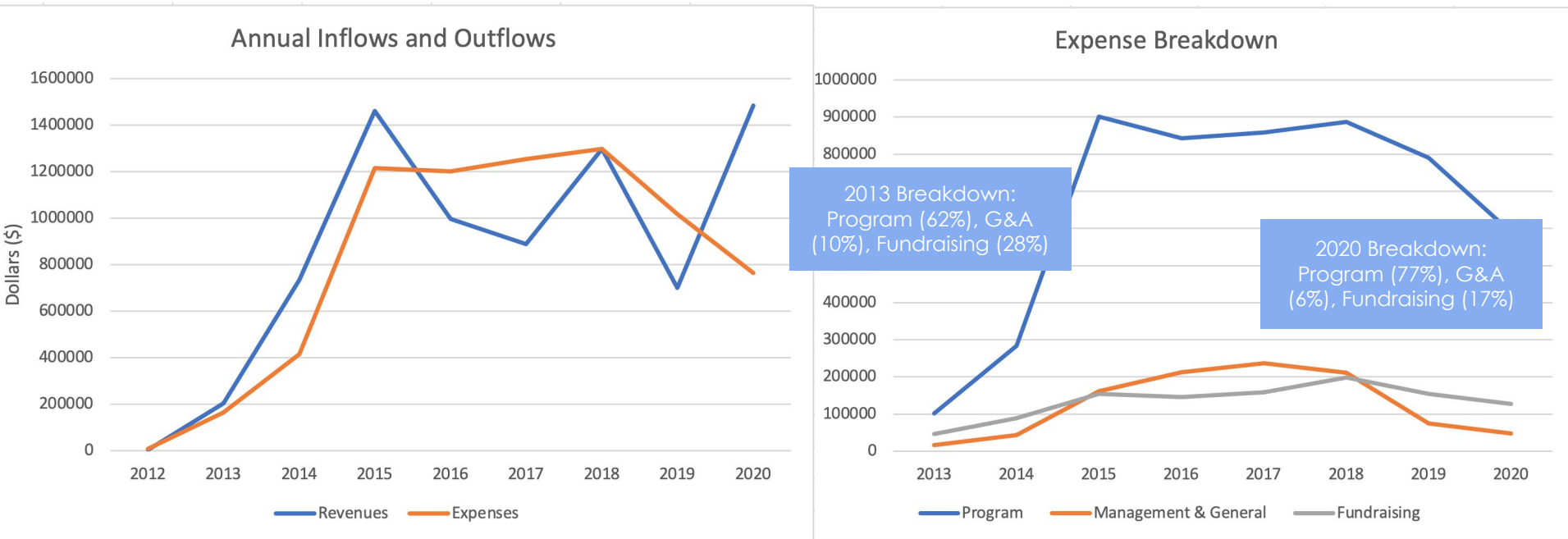
Having recently introduced a digital tool to assist in college financial comparison, Moneythink shows immense adaptability and care for the critical needs of students.

Donation Thesis

Moneythink deserves funding because they offer a unique way to introduce early financial education and give under-resourced students access to information throughout the college matriculation process, in turn, increasing their likelihood of successfully persisting through to graduation.

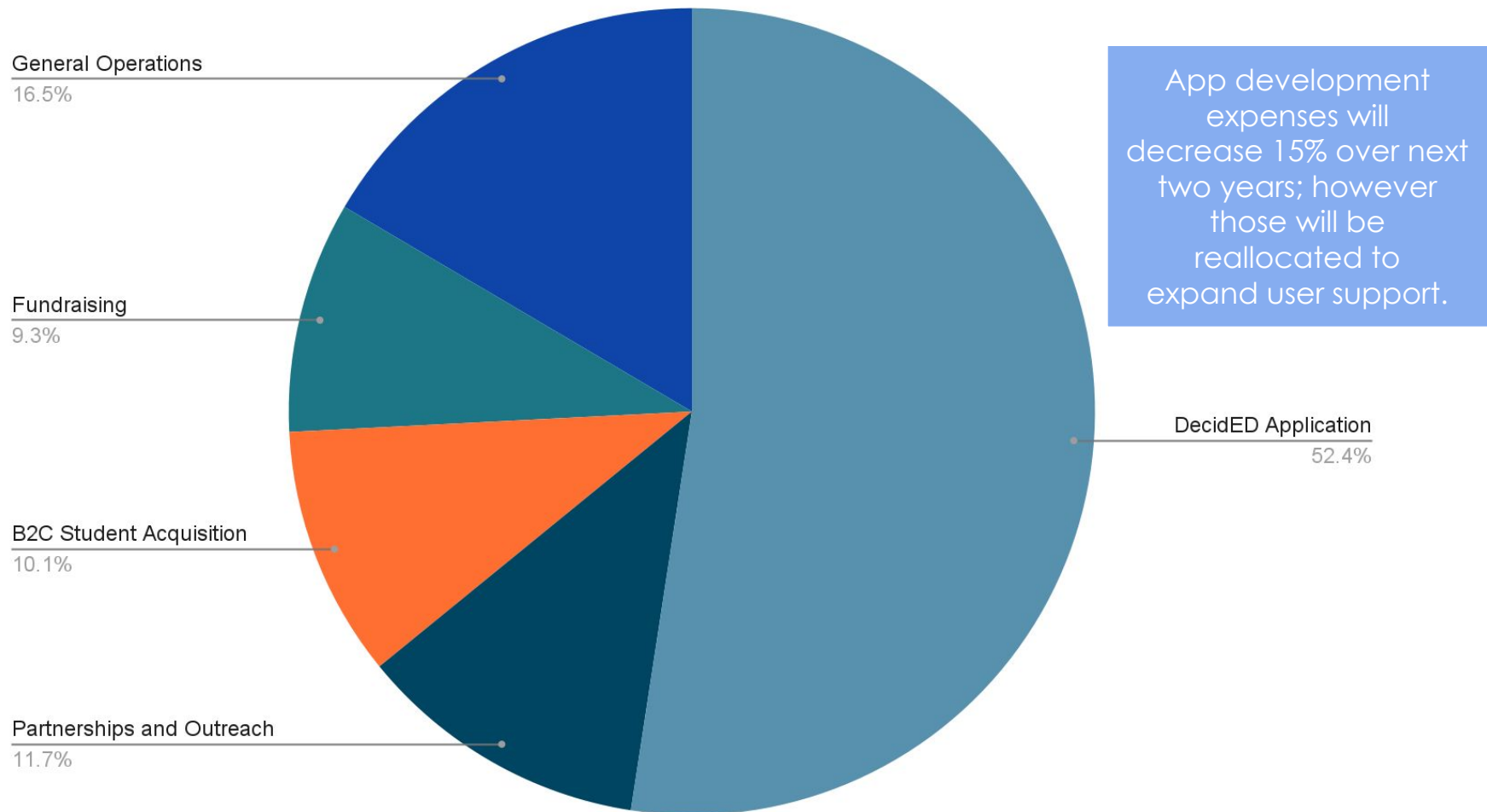
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Financial Snapshot



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Program-Based Expense Breakdown



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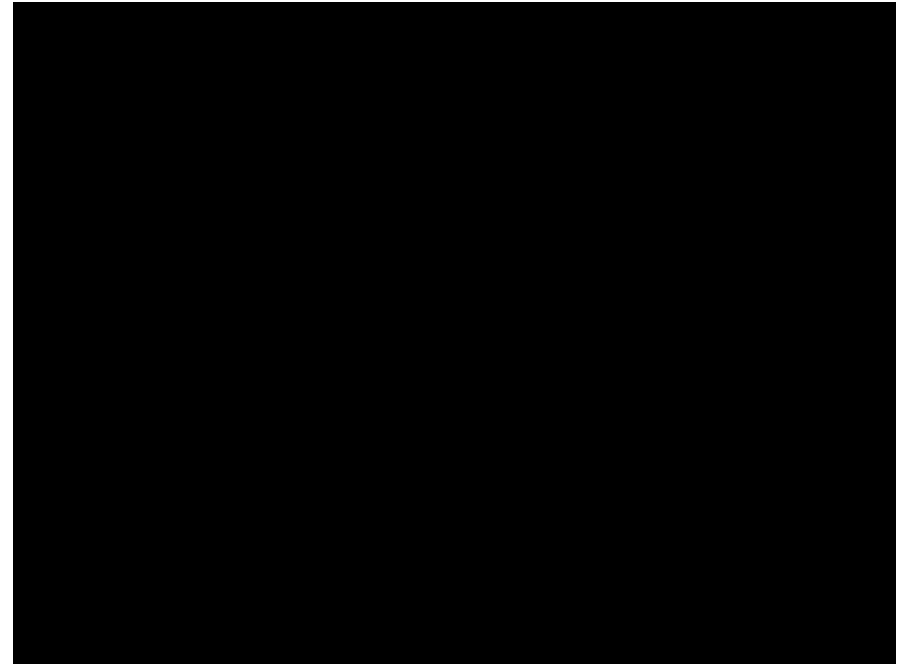
Program Summary

DecidED:

Free college affordability comparison tool that helps students quickly and accurately understand the affordability of their college options without needing to do financial aid interpretation alone

Three main functions:

- 1) Quickly and accurately assess financial aid/award letters
- 2) Compare the affordability of their options
- 3) Know the full cost of college, learn about financial aid options, and develop a plan to pay for school



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Theory of Change Summary

Inputs	Activities	Outputs	Outcomes	Impacts
<ul style="list-style-type: none"> Annual 2020 inflow: \$1,484,808 High school students, 98% of which are Pell Grant eligible or first generation DecidED tool created with PWC and other behavioral economic design firms Volunteer financial coaches 	<ul style="list-style-type: none"> Determine financial aid gap for students Identify direct and indirect costs of attending college Display critical fit factors (ie. diversity, proportion of students on financial aid, average salary post-graduation, major specific statistics) Historical graduation rate for student's specific demographic (ethnicity, financial background) 	<ul style="list-style-type: none"> Mentored 30,000 HS students through original mentorship program Served 3,000+ HS seniors across California + Chicago through virtual coaching Currently have 1,500 students using the DecidED tool Published industry-leading report on Financial Need & Ownership 	<ul style="list-style-type: none"> \$2.4M financial aid received since 2018 for students Moneythink students borrowed 42% less than their peers 82% of Moneythink students completed the FAFSA vs. 55% nationally 87% of Moneythink students created financial plans 81% of Moneythink students enrolled in a recommended affordable college 67% of students engage with the DecidED app more than once At the end of AY 22, have served more than 1,600 students on the DecidED tool 	<ul style="list-style-type: none"> Empowered students: Give millions of students ownership of their choices and the chance to succeed in college without financial burden. Enabled ecosystem: College success advisors have the ability to provide targeted affordability guidance, leading to effective enrollment decisions. Diversified classrooms: Increase minority, low-income, and first-gen college graduation rates

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SROI Overview

SROI

College Enrollment Rates Total Lifetime Benefit	\$ 499,650,819
Financial Literacy & Wealth Accumulation Total Lifetime Benefit	\$ 149,952,831
Cumulative Total Lifetime Benefit	\$ 649,603,650
Total Uncertainty factor	1.00
Total Adjusted Return Calculation	\$ 649,603,650
Cumulative Total Lifetime Cost	\$ 111,000,000

SROI	5.9x
-------------	-------------

	Discount Rate				
	6.0%	7.0%	8.0%	9.0%	10.0%
0.60	4.1x	3.8x	3.5x	3.3x	3.1x
0.70	4.8x	4.4x	4.1x	3.8x	3.6x
0.80	5.5x	5.1x	4.7x	4.4x	4.1x
0.90	6.2x	5.7x	5.3x	4.9x	4.6x
1.00	6.9x	6.3x	5.9x	5.5x	5.1x

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Impact



33,000+

Students served since 2008

\$2.4M

Financial Aid received since 2018 for students

42% less

Moneythink students borrowed 42% less than their peers

82%

of Moneythink students completed the FAFSA (vs 55% nationally)

87%

of Moneythink students created financial plans

81%

of Moneythink students enrolled in a recommended affordable college

85%

of Moneythink students reported trusting Moneythink's advice

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Key Risks

Minimal engagement from students

One time usage of app; no significant lock in

No personalized approach to college advising

Largely a self motivated tool

Mitigating Factors

Partnerships with public high schools and local organizations increase influx of users and encourage significant engagement

Personalized information differentiates them from competitors and incentivizes users to return throughout their admissions process

Live ChatBot offers immediate assistance with student questions

Most students who sign up for coaching to begin with are often self motivated

Education Vertical

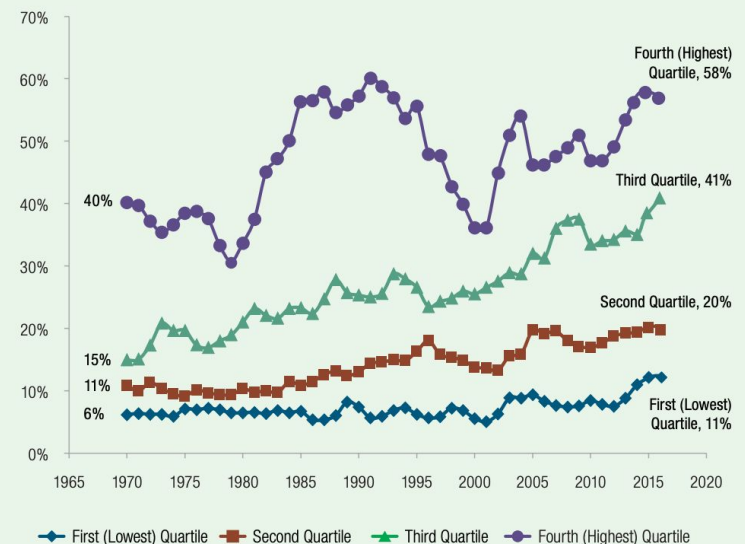
Problem Overview

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Issue Overview

- Getting a college degree is one of the biggest factors in breaking the cycle of generational poverty, yet college degrees are unaffordable for many
 - Only 11% of low-income students attain a college degree, compared to 58% of high-income students

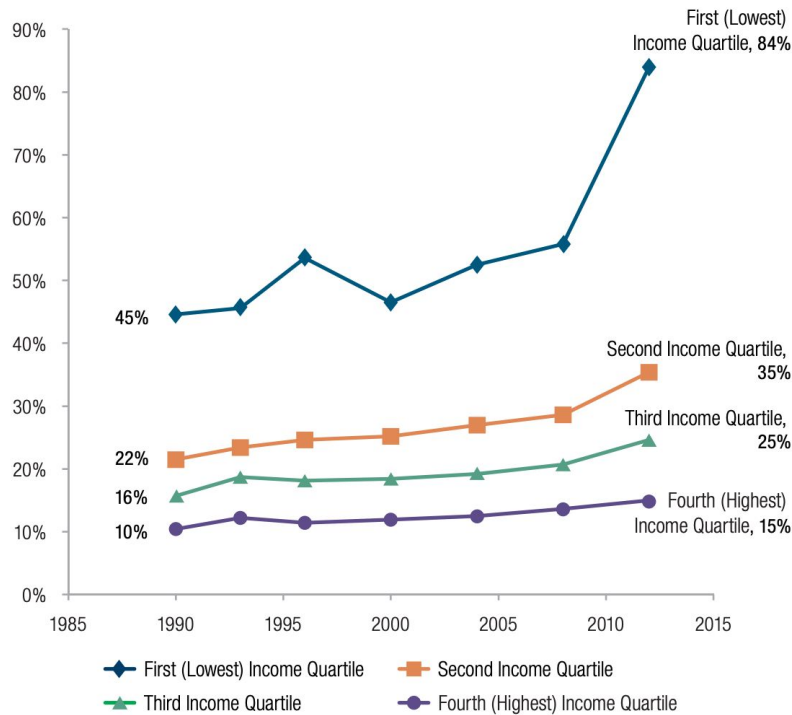
Estimates of Bachelor's Degree Attainment by Age 24 for Dependent Family Members by Family Income Quartile: 1970 to 2016



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Issue Overview

Equity Indicator 4b(ii): Average net price of attendance as a percentage of average family income by income quartile for dependent full-time undergraduate students: 1990 to 2012



- The college cost burden is increasing for all family income quartiles, but most drastically for those in the lowest quartile
 - In 2012, average net price as a percent of average family income was 84% for students in the lowest family income quartile, compared with 15% for students in the highest income quartile

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Issue Overview

- High costs of college attendance are a financial burden on all students, most dramatically for those in low income brackets and minorities
 - Students are forced to take out loans to pay for college--often leading to potential drop-outs and ongoing debt
 - The average amount borrowed increased by 73% from 1990 to 2012 (2016 constant dollars)
 - Large increases in average loan amount among all race/ethnicity groups, with disproportionate increases among Blacks. Among Black college seniors, the average amount borrowed increased by 157% in constant dollars.
 - Nearly one third of low-income students drop out within the first two years for financial reasons.
 - Many drop out due to financial concerns of less than \$1,500.

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Respond to Issue (Comparables)

Charity Name	Description	Size (# Served, Inflows/Outflows)	Published Impact Metrics	Why was this chosen as a comp?
Operation Hope	<ul style="list-style-type: none"> • Serve adults, youth, disaster survivors, and employees with financial dignity programming and coaching to equip them with financial knowledge 	<ul style="list-style-type: none"> • Total revenue of \$25,977,585 as of 2020 • Total expenses of \$19,307,837 as of 2020 • National organization 	<ul style="list-style-type: none"> • Average FICO score increase of 24 points • Served 43,693 clients in 2020, 18% growth from previous year • Helped clients obtain \$283M in mortgage loans 	<ul style="list-style-type: none"> • Charity focused on providing financial tools and education to young people
Advantage Credit Counseling Services	<ul style="list-style-type: none"> • Educates consumers about wise debt and credit management through an online program 	<ul style="list-style-type: none"> • Total revenue of \$2,435,641 as of 2020 • Total expenses of \$2,516,622 as of 2020 	<ul style="list-style-type: none"> • Have helped over 400,000 consumers become debt free • \$1.2B of debt eliminated 	<ul style="list-style-type: none"> • Financial literacy nonprofit delivering their services primarily through an online setting
Jump\$tart Coalition	<ul style="list-style-type: none"> • Raises awareness about the importance of financial literacy and the need for financial education among youth 	<ul style="list-style-type: none"> • Total revenue of \$1,235,530 as of 2019 • Total expenses of \$1,956,215 as of 2019 	<ul style="list-style-type: none"> • "Student knowledge scores increased by a 24% immediately following their teachers' participation in the J\$FFE program" 	<ul style="list-style-type: none"> • Implements financial curriculum into early education, through both students and advisors/teachers

Program Activities

The DecidED Tool

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Detailed on DecidED

Appalachian State University INTERESTED +

Boone, NC MAP 4 year college Online Application Admissions Office Financial Aid Office

Right now you need \$35,808 ?

\$31,391 for College Bill > \$4,417 for Life Budget >

How Will I Pay for This?
After you upload your financial aid award letter, DecidED will show you how much of the estimated costs will be covered by free money.
Read our guides for more information on budgeting and paying for college.

Find Your Financial Aid Award
Helping you understand the details of your financial aid package

Welcome back, I have any questions
Write a message

ADD YOUR AWARD LETTER NOW

Per student cost of \$750

1. Cost will decrease as Moneythink continues to automate their process and gain more users
2. Projected cost of \$500 by end of 2022

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DecidED Features and Trajectory

- Breakdown between Direct College Costs and “Life Budget”
- Digital Financial Aid Award Analysis
- Demographic-Based Graduation Rate
- Race and Income-Based Diversity Statistics
- Visual School Comparison
- Comprehensive Guides

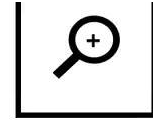
DecidED V2 is fully built and deployed. Moneythink is currently developing their Application Program Interface (API) to allow for greater scale, as well as adding additional student and advisor features to the DecidED webapp.

API is on track for full completion and early adoption by December 2023, with adequate funding already secured.

“Steady state” engineering team will decrease from 9 to 5 developers by June 2023.

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DecidED Features



The University of Texas at Austin

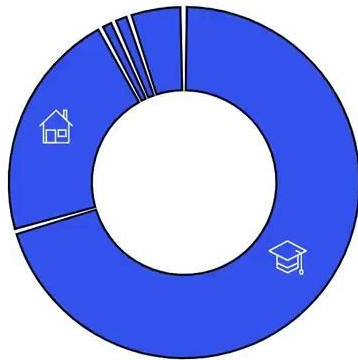
+ INTERESTED ▾

Austin, TX MAP 4 year college

[Online Application](#)

[Admissions Office](#)

[Financial Aid Office](#)



Right now you need \$56,749

\$52,318
for College Bill [>](#)

\$4,431
for Life Budget [>](#)

Total Estimated Cost Before Financial Aid: \$56,749

ADD YOUR AWARD LETTER NOW

How Will I Pay for This?

After you upload your financial aid award letter, DecidED will show you how much of the estimated costs will be covered by free money.

Read our guides for more information on budgeting and paying for college.

FINANCIAL AID AWARD LETTERS

Find Your Financial Aid Award

Helping you understand the details of your financial aid package

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Growth Plans

Additionality

This donation would help fuel Moneythink's partnership work with college success partners, public schools, and organizations

Although Moneythink is a free service, this would help with their six-month partner onboarding (teaching advisors how to collect, use, and relay data to students)

Future Growth

As they gain more users of the tool, they hope to aggregate data about financial aid awards

1. Using data collected about college cost information and individual award letters, Moneythink looks to create a predictive model for students
2. Based on their academic profile and financial circumstances, individuals can find the level of financial aid to expect from each specific college

They also aim to increase automation for DecidED. Currently, 57% of award letters uploaded onto DecidED are read automatically by their classifiers.

Theory of Change

Moneythink's Impact

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DecidED addresses the financial aid gap

- The financial aid gap is a main preventative factor to college matriculation, especially within low-income, minority, and first generation communities
 - Moneythink addresses this gap by providing increased financial literacy or financial support, as well as DecidED -- a more transparent college affordability tool
 - Financial literacy plays a key role in wealth accumulation, employment, and other financial benchmarks (ie. credit score, amount of debt)
- Alternative ways to boost historically underestimated students enrolling in college include scholarships and college counseling
 - However, minorities only receive about 28% of all scholarships--merit-based, private, or otherwise
 - A minority student assigned to an effective counselor is 2.2% more likely to attend college, yet counseling has little effect on alleviating undue financial burden

SROI Calculation

Based on raw data provided by HLD,
calculations by the PIT team, and outside
data

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SROI Assumptions - College Enrollment

College Enrollment Rates Impact Assumptions

1. We assume that FAFSA completion is strongly correlated with college enrollment. ¹
2. National FAFSA Rate: 55% ¹
3. Increase in likelihood of enrollment is 127% of the average enrollment rate ¹
4. College enrollment rate without filling out FAFSA: 42.4% ¹
5. College enrollment rate with FAFSA: $42.4\% * 127\% = 53.8\%$
6. Annual Income w Bachelor's Degree: \$64,896
7. Annual Income w High School Diploma: \$38,792
8. # of Moneythink students served per year: 4100 ³

¹ [NCAN Report](#)

² [Northeastern Study](#)

³ [Moneythink Website](#)

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SROI Calculations - College Enrollment Rates

BER...		fx		=		(((\$H\$19*H23*\$H\$24)-(\$H\$20*\$H\$22*\$H\$24)-((1-\$H\$19)*(1-\$H\$22)*\$H\$25))*H26	
A	B	C	D	E	F	G	H
							2023E
College Enrollment Rates							
Moneythink FAFSA rate							82%
National FAFSA rate							55%
Increase in likelihood of college enrollment w/ FAFSA							127%
College enrollment w/o FAFSA							42.4%
College Enrollment Rate w FAFSA							53.8%
Annual Income w Bachelor's							\$ 64,896.00
Annual Income w HS Diploma							\$ 38,792.00
# of Students/Year							4100
Total Return							H26
Uncertainty factor							1.00
Total Adjusted Return Calculation							\$ 38,947,379
Discount Factor							1.00
Total Discounted Return Calculation							\$ 38,947,379
Total Lifetime Benefit of College Enrollment Rates							\$ 499,650,819

Calculation Rationale:

Income of Moneythink Students Who Enroll in College and Complete FAFSA -
Income of Students who Enroll in College and don't complete FAFSA -
Income of Moneythink Students Who Don't Enroll in College

= Total Return

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SROI Assumptions - Financial Literacy

Financial Literacy Rates Impact Assumptions

1. Financial literacy rate: 34%¹
2. Increase in financial literacy: 61%
3. Financial Literacy (0.2 SD Increase) Increases Net Wealth: \$13,800.00²
4. Average Student Loans: \$37,693³
5. Average Interest Payments: calculated assuming 20 year⁴ payback period, 3.73%⁵ APY

¹[FINRA Foundation](#)

²[NCBI](#)

³[Education Data](#)

⁴[Education Data](#)

⁵[Bankrate](#)

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SROI Calculations - Financial Literacy

JM \downarrow \times \checkmark f_x $= (H46 + (H42 * H41 / 0.2) * H48)$

A	B	C	D	E	F	G	H
Financial Literacy & Wealth Accumulation							
		Moneythink Financial Literacy Rate					87%
		General Student Financial Literacy Rate					34%
		Increase in Financial Literacy (SD)					53%
		Financial Literacy Increases Net Wealth per 0.2 SD increase				\$	13,800.00
		Average Amount of Student Debt				\$	37,693.00
		Average Amount of Interest Payments					
		Decrease in Amount Borrowed (%)					42%
		Decrease in Amount Borrowed (\$)				\$	15,831.06
		Decrease in Interest Payments					
		# Students per Year					4100
		Total Return (Ex - Gross increased annual Income)					0.2)*H48)

M \downarrow \times \checkmark f_x $= 147 * \$H\$45 * \$H\48

A	B	C	D	E	F	G	H	I
Financial Literacy & Wealth Accumulation								
		Moneythink Financial Literacy Rate						87%
		General Student Financial Literacy Rate						34%
		Increase in Financial Literacy (SD)						53%
		Financial Literacy Increases Net Wealth per 0.2 SD increase				\$	13,800.00	
		Average Amount of Student Debt				\$	37,693.00	
		Average Amount of Interest Payments						\$ 2,707.00
		Decrease in Amount Borrowed (%)					42%	
		Decrease in Amount Borrowed (\$)				\$	15,831.06	
		Decrease in Interest Payments						\$ 1,136.94
		# Students per Year					4100	
		Total Return (Ex - Gross increased annual Income)				\$	149,952,831	=147*\$H\$45*\$H\$48)

Calculation Rationale:

$((SD \text{ Increase in Financial Literacy} * \text{Increase in Net Worth per 0.2 SD Increase in Financial Literacy} + \text{Decrease in Amount Borrowed in Loans}) + (\text{Decrease in Amount Borrowed} * \text{Annual Interest Payments for 20 years})) * \# \text{ Students per Year}$

= Total Return

Additional Information

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Outstanding Questions

1. How much of the charity is the DecidED app/tool and how much of it is programs and coaching?

Main focus now is on DecidED tool and automating the coaching program.

1. Who are the volunteer coaches? Are they University of Chicago students, people with a background in college financial aid, etc.?

For the first eight years - had a chapter based model for mentorship. HQ evolved model to affordability coaching.

Chapters are volunteer-based, near peer mentorship models. At its peak Moneythink had 30 chapters, right now it has about 20 active chapters. Chapters are under Moneythink but not officially liable for the chapters.

1. Who works on the DecidED tool? Do they have dedicated tech staff working on building and improving it?

There is a dedicated product team: product director, two product managers, a product designer domestically. Software engineering team is based in South America (8 people full time dedicated). Responsible for user support, quality assurance on features.

1. How generally available is the tool? Seems like it's restricted, but will be made generally available later on? Want to understand the timeline here.

It is ungated URL, super accessible at no cost. Purposefully left it as an accessible site and not an app. Anyone can go to decided.org. Students can see how it works without signing up - trial. Has a companion tool for school counselors to use decidedED with their students if they so choose.

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Outstanding Questions

1. **How many students? And how do they come across DecidED?**

Last year was the testing phase. Currently about 2000 students are using the app, expected to grow in the next few months due to financial aid award season.

Usually students find out through SEO or word of mouth, increasing social media presence. Growing our marketing bandwidth. Because we partner with certain organizations and advisors, it is the most accessible way to get student user engagement.

1. **What level of technical expertise do they have in the charity? The DecidED tool seems really cool and helpful, want to make sure that they have the technical expertise to continue to develop it if it get big and popular.**

Moneythink uses human and equity centered design in their product, they're always doing user research. Just 2 weeks ago, their product designer and partnerships team lead, interviewed students and advisors to figure out pain points and additional features. Adaptive and puts feedback into product roadmap.

1. **Better understanding of the competitive landscape and if there are other apps/tools like DecidED**

Some competitors, a few products that do some kind of award comparison or that cater to a different audience. But what makes DecidED most unique is the technology, to scrape award letter data for a specific demographic. No other tool that serves specifically marginalized and first gen low income students.

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Comparable Charities



Comparison Chart

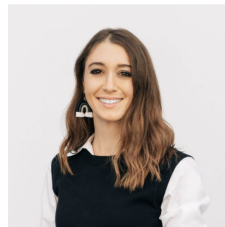
FEATURES	COLLEGEBOARD	NAVIANCE	COLLEGE SCORECARD	MONEYTHINK
Choose Specific Colleges to Compare	✓	✓	✓	✓
Chatbot				✓
Targets Low Income Communities			✓	✓
Free for Public Use	✓	✓	✓	✓
Provide Grant Information and Ability to Track Scholarships/Grants	✓		✓	✓
Potential for regression analysis to further improve data analytics				✓

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Management Structure



Joshua Lachs
CEO



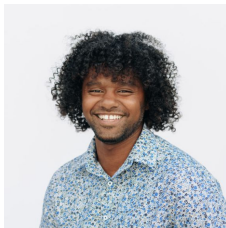
Alexandra Shiluk
Director of Operations



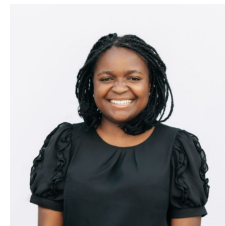
Sara O'Hearn
Director of Product



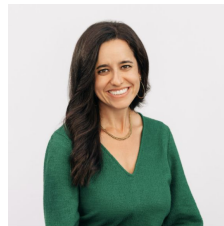
Hannah Smith
Director of Education
Partnerships



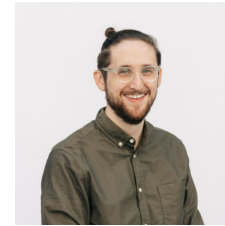
John Tamrat
Partner Success Manager



Blessing Chirimbani
Associate Development
Manager



Jeanmarie Levy
Product Designer



Ben May
Product Manager

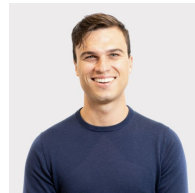


Melissa Ramos
Content Manager

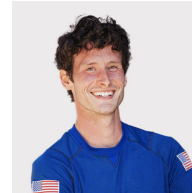
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Board Structure

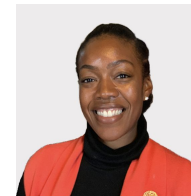
Board of Directors



Gary Pelissier
Board Treasurer



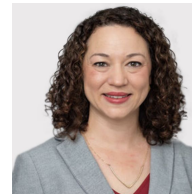
Greg Nance
**Board Chair &
CoFounder**



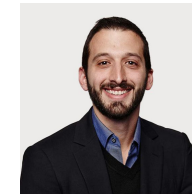
Patrice Berry
Board Secretary



Jerry Nemorin
Board Member



Leigh Phillips
Board Member



Matt Taylor
Board Member

Board Emeritus



Ted Gonder



Sarah Gordon

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Pictures



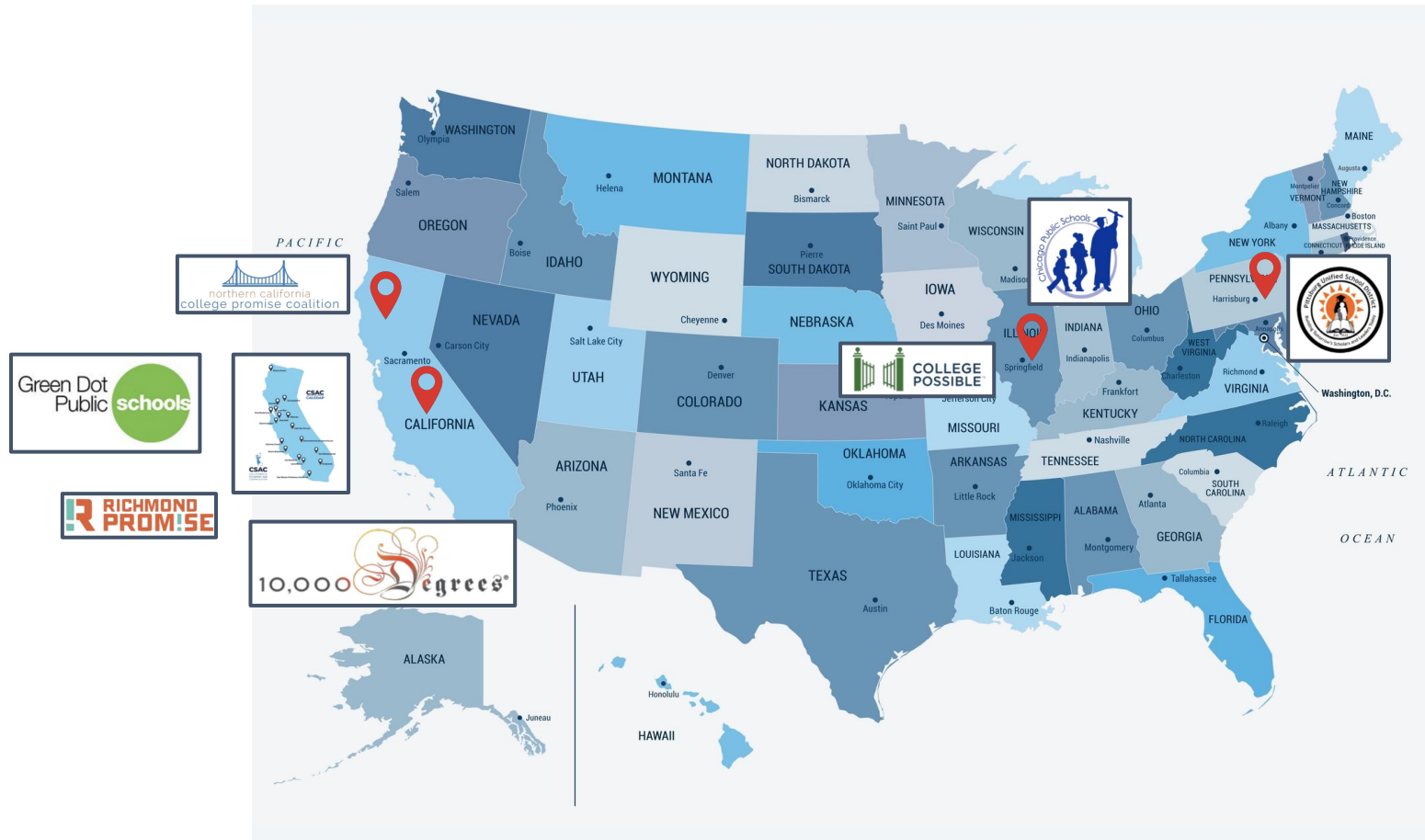
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Summary of Metrics

- Letter affordability by students affiliated with a partnering org / school
- Letter affordability by independent students
- Actions taken by students affiliated with a partnering org / school
- Actions taken by independent students
- Average letter uploads by independent students vs org-affiliated students
- Core student actions by user
 - 1. Signed up
 - 2. Searched schools
 - 3. Schools added
 - 4. Award letter uploaded
 - 5. No action
- Students added by state
- Letter uploads by affordability level (affordable, somewhat affordable, not affordable)
- Awards uploaded by state
- Average total cost for Pell eligible students after financial aid
- Average direct cost for Pell eligible students after financial aid
- Students by organization status (independent or partnering org)
- Percent of award letters processed by classifiers
- Average time for classifiers to process an award letter

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Map of Operating Area & Partners



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Partnership Development Strategy

Location

Moneythink's partnerships team currently focuses on partner development with college success organizations and schools/districts within California, Texas, and Illinois.

They have initially selected California, Illinois, and Texas as priority states to focus their efforts within the next two years.

Moneythink has a clear programmatic track record and established partner networks in both Illinois and California, since 2008 and 2014 respectively. They began to work with a number of college access partners based in Texas in 2018.

Selection

In order to get the greatest partner-focused ROI, Moneythink secures partners who are equally invested in their greater mission, are looking to infuse their advising models with simple technology, and are passionate about unearthing any missed opportunities or needed improvements in the way that they collect and present information to students as they face their college enrollment choices.

Resources

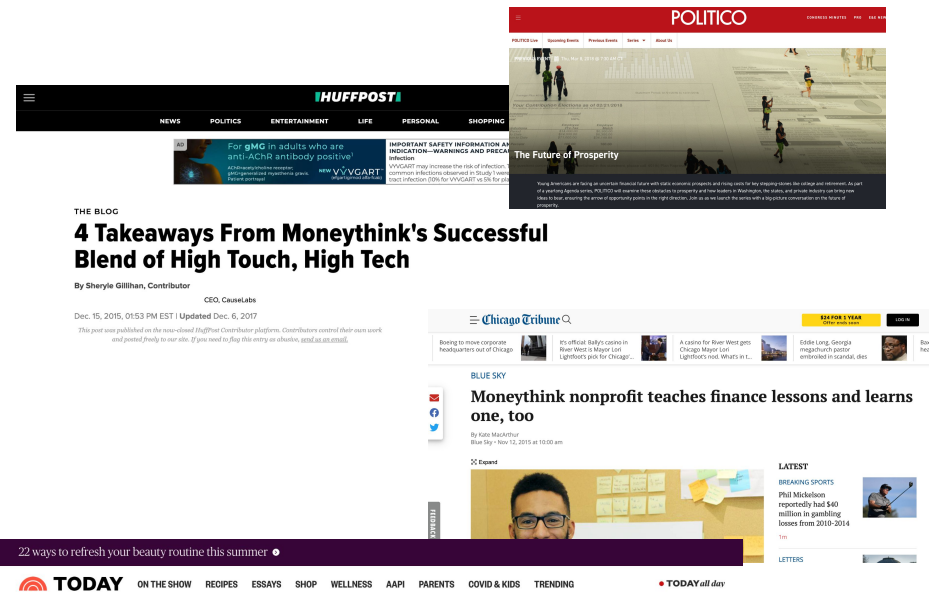
Successful partnerships require technical documentation, onboarding collateral, collaboration processes and support services to make sure partners are able to take advantage of all that DecidedED offers them with the greatest ease.

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Awards & Recognition

Highlighted Accolades

1. Capital One's 2020 Nonprofit Partner of the Year
2. Goldman Sachs' 2019 GS Gives Challenge Fan Favorite
3. YouthCan 2018 Competition Finalist
4. MassChallenge Winner
5. Chicago Innovation Award
6. 2012 White House Champion of Change
7. Featured on Huffington Post, POLITICO, Today, The Chicago Tribune



TECH

Teaching financial literacy to children: 5 best money apps for kids

"As soon as they start asking questions about it and realize that money buys things, we need to be talking to them."

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Summary of Diligence Activities/Notes

- Met three times with CEO, Associate Development Manager
- Interviewed Access Director at College Track, one of Moneythink's educational partners