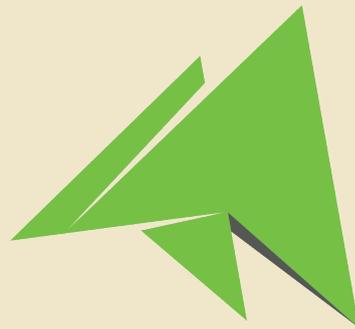

INVESTING IN THE
INFRASTRUCTURE OF
AMERICA'S WORKING
FAMILIES



THRIVEfund
INVESTING IN THE INFRASTRUCTURE OF AMERICA'S WORKING FAMILIES

2021

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“THE ISSUES WE ARE SEEING IN LIGHT OF THE PANDEMIC AND CIVIL UNREST OVER THE LAST FEW WEEKS ARE A CALL TO ACTION. SMART, STRATEGIC PHILANTHROPY IS ABOUT TAKING RISKS, TESTING NEW IDEAS, FOCUSING ON ROOT CAUSES, AND, MOST OF ALL, COLLABORATING ACROSS SECTORS.

MELISSA STEVENS, EXECUTIVE DIRECTOR
MILKEN INSTITUTE'S CENTER FOR STRATEGIC PHILANTHROPY

SOMETHING IS WRONG IN AMERICA

The United States of America is about dreams. It's about opportunity. It's a country built on our shared belief in the potential of every human being. We each have our own version of the American Dream. And all our dreams require nurturing and investing.

But investing requires wealth which many Americans lack.

In fact, the wealth gap is widening. **Amongst other Group of Seven (G7) Nations, an informal bloc of industrialized democracies, the United States has the highest income inequality.**

Before the current public health crisis (COVID-19), nearly 20% of American children lived in poverty. And more than a quarter of our families lacked secure employment. Children in these families are impacted in ways seen and unseen: cognitive development, educational attainment, and social, emotional and behavioral development.



WHO ARE THESE FAMILIES?

19.6MM
Families with children lack secure employment

12.9MM
Children live in poverty

132.6MM
Americans have no savings to cover a \$400 emergency

50MM
Families live at or below a Survival Budget, paycheck to paycheck

MONEY MATTERS.

Families and children who have access to money beyond basic needs can invest in themselves in ways that benefit them and their communities for generations. These investments include educational resources like books, toys, internet, tech, and quiet study places; enrichment trips and extracurriculars like museum visits, sports and cultural activities; and investments that make it possible to work higher paying jobs like dependable childcare and transportation. Increasing a family's earnings leads to the ability to build savings.

But too many children and working families are unable to earn enough money on which to live. Many families make do on Survival Budgets that merely cover their basic needs. When a family's income is stretched to such extremes, they can't invest in things that support economic mobility.

MEET ALICE

You already know ALICE.

ALICE represents working families who make just enough to survive. You know ALICE. ALICE takes care of your children, they serve your favorite breakfast on the weekends, they help your elderly parents. ALICE sweeps the hallways of your nephew's school and they are the single dad who stocks the grocery shelves. ALICE is your kid's best friend whose family just went bankrupt.

ALICE families work hard, and they dream big, too. They are ready for investment and they have the potential to achieve more for themselves and their families. They can realize this potential with the right kind of tools for empowerment. ALICE families are working families who could benefit the most from investments, or IMMES.

According to the Annie E. Casey Foundation, we have seen child well-being indicators (like economic health, healthcare, and education) improve over the last decade.

Unfortunately, ALICE has always been one single unexpected medical emergency or vehicle breakdown away from despair.

COVID-19 Magnifies the Gaps

Just like the Great Recession in 2008, COVID-19 revealed and exacerbated the widening economic gaps in our



ALICE: Families earning above the Federal Poverty Level, but not enough to afford a stable household budget. Asset Limited Income Constrained Employed. (Term created by United Way).

IMEE: Income Mobility Enhancing Expenditures. Investments above the survival budget that help families build a wealth budget.

country and halted the economic mobility of working families.

Many ALICE families lost their jobs and income. After that, they lost their unemployment income. The virus impacted the health of ALICE families disproportionately. Moreover, with schools going virtual, the digital divide worsened.

59% of US parents with lower incomes predicted their children would face digital obstacles with schoolwork.

Students without high-speed wi-fi and enough household devices began falling further behind.

CURRENT SAFETY NET MODELS

Wealth and income gaps have always existed in the U.S. Society responds to the needs of our community members through a complex and uncoordinated social services net that includes public, private, and philanthropic dollars. Still, gaps remain.



GOVERNMENT

Federal, State, and Local governments provide a social services net for our most vulnerable populations. Generally, services and policies address basic needs including unemployment, housing assistance, workers' compensation, disability and children assistance, and Medicaid.

- **21%** of Americans participate in at least one government assistance program
- **13 Million** people living in poverty receive NO benefits

PHILANTHROPY

Philanthropy increases the breadth of our local and national safety nets. Community-Based Organizations (CBOs) are the boots-on-the-ground working directly with constituents. Foundations perform research, build community consensus, and deploy dollars to nonprofits.

- **\$120 Billion** sits unused in Donor Advised Funds- after donors received tax deductions
- **\$449.64 Billion** was donated by Americans in 2019

CROWDSOURCING

GoFundMe, Kickstarter, and Indiegogo were founded to help artists, entrepreneurs, and individuals raise money to pursue dreams. Many people use it in moments of desperation and need. People turn to strangers to pay for medical bills, operations, and housing. GoFundMe has raised:

- **\$24 Million** to cover legal fees for sexual harassment victims during #MeToo
- **\$8.8 Million** for victims of the Pulse nightclub shooting

SHORTCOMINGS

- Fails to address families just above federal poverty level. The poverty threshold for a family of four is a shared income of **\$25,000**
- Families who advance economically can **lose safety net** benefits leading to a benefits cliff
- **43%** of Americans who sign up for welfare still require assistance after 3 years
- **Policies vary** by geography
- **Social stigma** prevents participation
- Small, **short-term grant sizes** to CBOs not people
- Slow and multiple **stop points** between the donor and beneficiary
- Donors get **little insight** into their impact
- Local philanthropy is driven by local income levels. **Richer neighborhoods can donate more** to local funds than poorer neighborhoods

- Fewer than **25%** of campaigns are successful
- **No vetting, no transparency**
- Usually **not directed** to research-backed, income-building projects
- **Inequitable deployment** of funds to families who need them
- **Exposes families** on a public facing platform

A NEW WAY TO INVEST IN WORKING FAMILIES

Existing safety net services help families meet their Survival Budget. THRIVEfunds addresses the gap between survival and empowerment. Working families seek opportunities to improve their current circumstances.

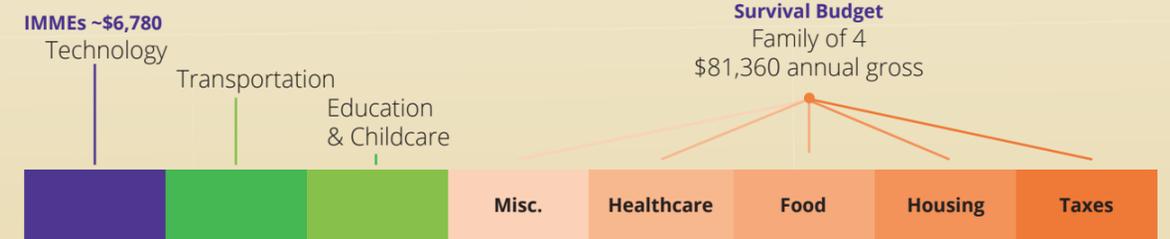


Pre-COVID, there were 50.8 million US households unable to invest in IMMEs to increase their economic mobility and quality of life.

That's where informed impact donors come in: to support IMME investment.

THRIVEfunds increases the power of our donors' dollars by strengthening the income-building infrastructure in our target cities. We partner with local CBOs to build on working families' capacity to change their lives forever.

INCOME MOBILITY ENHANCING EXPENDITURES VS. SURVIVAL BUDGET



CROWDSOURCING THE AMERICAN DREAM

THRIVEfunds is a data-driven, research rich social impact platform. We start with what works in crowdsourcing models and apply vetting, transparency, and empowerment for both donors and beneficiaries.

THRIVEfunds brings together and empowers donors looking to invest in solutions to reduce poverty and ALICE families who are ready to build their wealth.

THRIVEfunds' APPROACH

- **Identify** cities and regions ripe for investment in working families
- **Partner** with local CBOs who understand community context
- **Clarify** and **validate** client needs and goals
- **Use** published research to propose high impact uses of donor dollars
- **Match** donors directly with clients who align with their impact goals
- **Measure** and track outcomes



“ THE RELATIONSHIP BETWEEN TRANSPORTATION AND SOCIAL MOBILITY IS STRONGER THAN THAT BETWEEN MOBILITY AND SEVERAL OTHER FACTORS, LIKE CRIME, ELEMENTARY-SCHOOL TEST SCORES OR THE PERCENTAGE OF TWO-PARENT FAMILIES IN A COMMUNITY.

NATHANIEL HENDREN >> HARVARD ECONOMIST

WHAT MAKES THRIVEfunds DIFFERENT



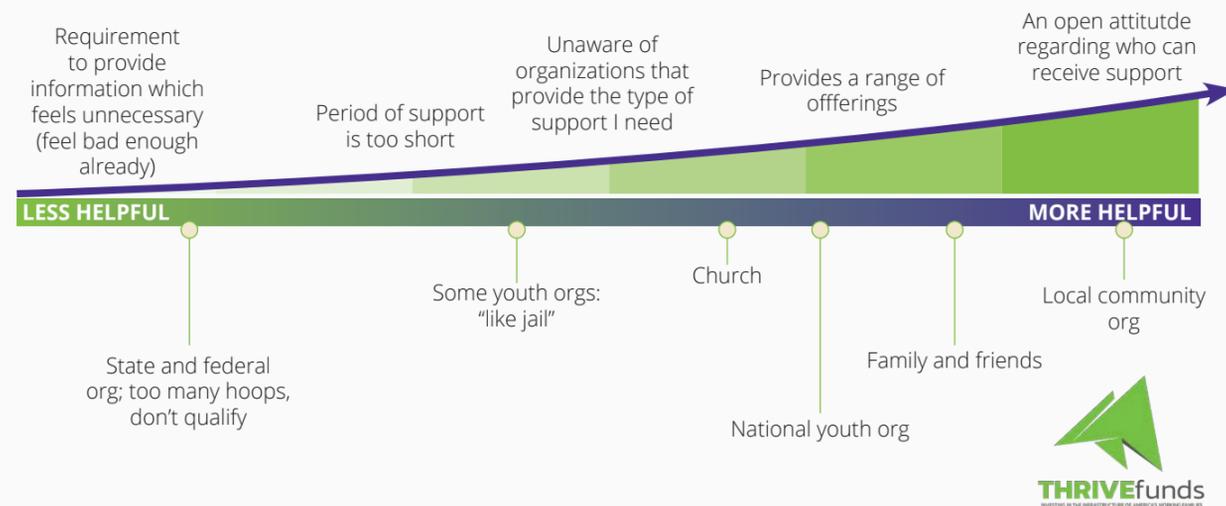
501(c)(3)	Yes	No	Yes
TYPES OF APPEALS	IMMES: Tech Education Transportation Childcare	18 Categories	Public school teachers request help for certain projects
GEOGRAPHIC FOCUS	United States	Worldwide	United States
VETTING	Yes	No	Yes
DONATION DESTINATION	Service providers	Requester	Organizer
CLIENT SCREENING TOOLS	Yes	No	standard projects selected by teachers
REPORTING/FEEDBACK	Monthly, quarterly, or annually	No	Thank You Confirmation
FUNDS TRACKING	Direct Pass Through	Receipt Optional	Yes
SUSTAINABILITY MODEL	Provider fees, transaction fees, & donations	5% of donation	Direct Fundraising on Platform

THRIVEfunds complements existing supports. It's different from other platforms.

- ✓ **Transparency for donors:** Donors can trust that THRIVEfunds has vetted beneficiaries, provided a rigorous questionnaire, and will follow-up to ensure donations are being used as intended.
- ✓ **Increases income-mobility support:** THRIVEfunds focuses on IMMES so that ALICE families receive investment
- ✓ **Empowers ALICE families:** Beneficiaries can select the IMMES that will most positively affect their lives. They tell their stories on a secure platform and don't risk being exposed via public platforms.
- ✓ **Partners with existing CBOs** in a collaborative, wrap-around model.
- ✓ **Makes payments directly** to service providers to ensure invested dollars are having the desired, immediate impact donors seek.

PERCEPTIONS OF CURRENT PROGRAMMATIC SUPPORTS

Based on qualitative interviews of ALICE family heads of household conducted by Beatrix Consulting LLC in November 2020



THRIVEfunds WILL LEVERAGE THE POWER OF EXISTING NETWORKS AND KNOWLEDGE BASES

THRIVEfunds will leverage the power of existing networks and knowledge bases by partnering with well-regarded community-based organizations (CBOs). We help ALICE families reach greater economic mobility by working with several users: donors, community-based organizations (CBOs), city partners, and service providers.

Vetted beneficiaries upload their IMME needs and profiles to our database. Donors create their own profiles and determine exactly what, where, and who they'd like to invest in. Once donors and beneficiaries are matched and the investment goes through, we pay CBOs and service providers directly.

CLIENT PERSPECTIVES

Quotes from qualitative interviews of ALICE family heads of household conducted by Beatrix Consulting LLC in November 2020



• After an emergency...a bill that's like \$300! Of course you're not prepared for that on top of your other bills. It's very stressful. So stressful. It definitely raises my anxiety because I don't like owing

people and so all I want to do is pay it down, but honestly you can't, like you have to work out something.

- I'm one of those types of people that I make too much to receive any assistance, but at the same time, I struggle at times to make ends meet....
- [After receiving stimulus check support] It's really refreshing to be able to go out and spend money and not have to worry about, you know, 'I hope this is going to clear'. This is a really good feeling to have. It's something that you hope you could be the feeling all the time.
- I mean this is America, [income-building] information should be out there for everyone and it should be comprehensive so everyone can get their dream you know. But, I'm not in the financial position to buy my own laptop.
- I was about 14 or 15 and my mom didn't have enough money to pay our light bill. So our lights were turned off for a few days until she had gotten the money. I feel like that was the worst for me, because I couldn't eat for a few days, I just couldn't sleep, because I was so worried about my mom and what she was thinking and what was going through her mind. I was really more so worried about my mom than my own self. I want to get my own everything and succeed. Don't get me wrong; I'm going to struggle. Everybody struggles, but I want to be financially stable. I just want to make enough money to take care of my mom.
- It just feels like no one is helping you, like no one in the government is really worried about it and what happens. I just feel like at the end of the day people's opinions about what we are going through

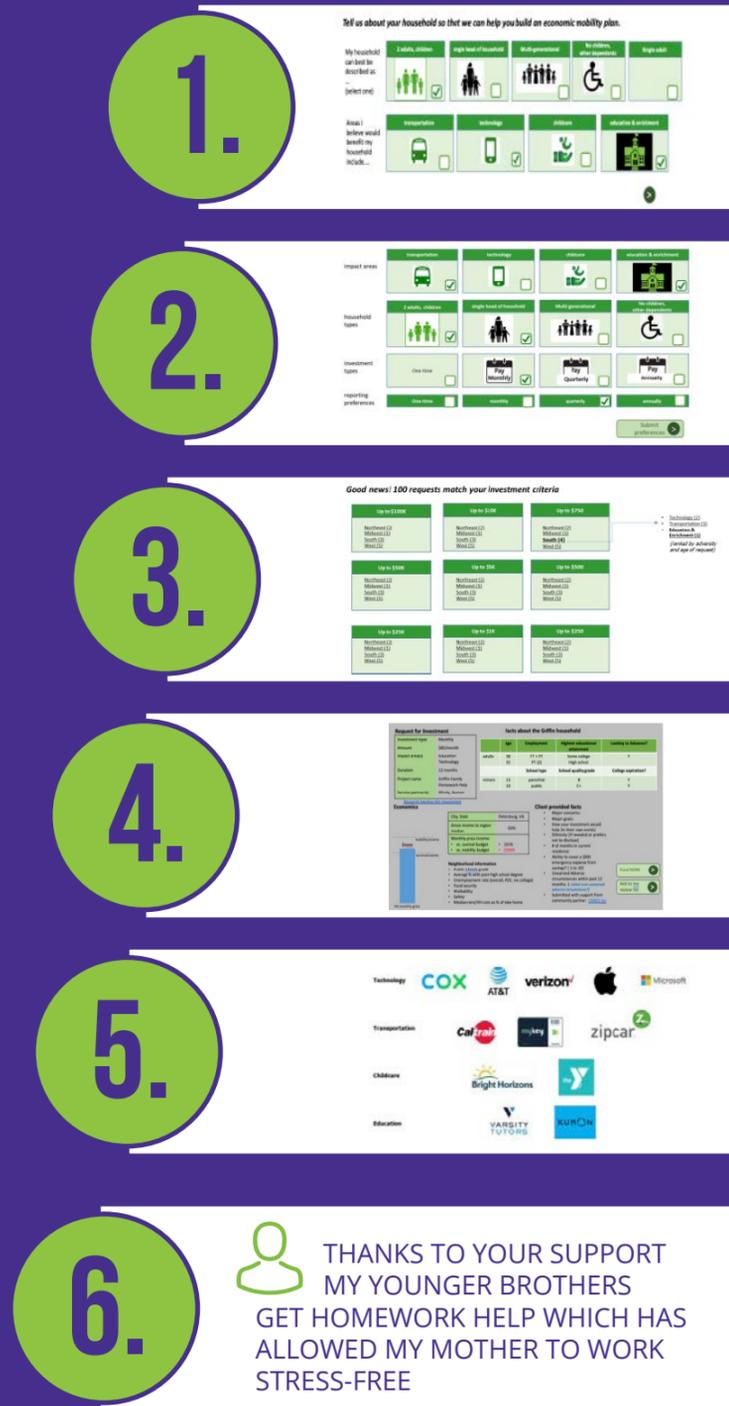
and if we are sick or not, if we are about to die or not and there is a kid on the corner – like it's just not going to matter to anybody. Like closer to home, like if it is a family member to somebody, then they may feel the need to put in more effort. But other than that, I just feel like we are all out here alone and we are just all out here to just tear each other down.

ALICE families share what could help

- If I could have my own organization, it would be everyone I know putting in to give back to the community.
- I mean sometimes you have to get a credit card out of necessity right, like my car one time, a couple of years ago, I had like an \$897 repair that was needed and you know had to apply for a credit card so that way I could cover the cost.
- When gas was super high I could not afford to fill my tank. Like I literally could only afford to go half way to work and then I would you know – I couldn't go everywhere I needed to go because I couldn't afford the gas.
- People can have a cell phone but with no service because they don't have enough money to pay their service. That'd be helpful to have high-speed Internet, all that good stuff so they can talk, so they can reach out to people and get the help they need.
- Any help is helpful, you know our cell phone bill is like \$300, our internet is \$200, my electric bill is like \$197. You see what I'm saying? So anything would be helpful. So it would just be very exciting for an organization to help people who are silently suffering financially.
- Childcare would be motivating just because being a single mom and not having no one really to help you is just overwhelming. With my son, I need childcare because of my hours. I get off like an hour or so after he gets off the bus.



HOW THRIVEfunds WORKS



CLIENTS DEVELOP REQUESTS FOR INVESTMENT (RFIS)

DONORS INPUT THEIR GIVING & IMPACT PREFERENCES

THRIVEFUNDS ALGORITHM MATCHES VETTED CLIENT RFIS WITH DONOR PREFERENCES

DONORS SELECT ONE OR MORE RFIS TO FUND

DONATED FUNDS SENT TO SERVICE PROVIDERS

CLIENTS SHARE THE IMPACT

WHY THRIVEfunds?

	CLIENT	DONOR	CBO	SERVICE PROVIDER
Chief Complaint with Existing Supports	Unable to choose income-enhancing services that fit my family's unique needs & potential	Unable to find a trusted, efficient, and effective org to reduce poverty in the U.S.	Unable to provide complementary and direct financial support to clients who want to invest beyond basic needs	Unable to profitably provide lower-income households with high-quality service that other customers receive
Motivation to work with THRIVEfunds	<ul style="list-style-type: none"> > Dignity > Convenience > Financial support > Personal data protections > Financial ed 	<ul style="list-style-type: none"> > Trust > Transparency > Measurable impact > Learning/growth mindset 	<ul style="list-style-type: none"> > Convenience > Exposure > Strengthens existing services with no overlap 	<ul style="list-style-type: none"> > Ease > Reputation building > New customer segments

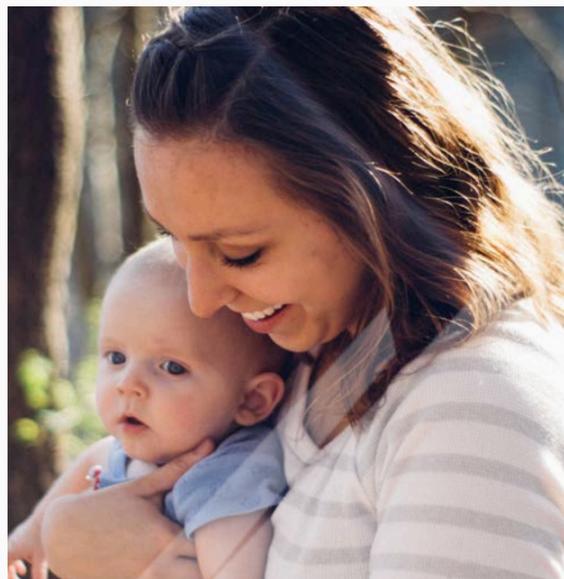


EMPOWERMENT

Like donating to a scholarship or investing in a business, ThriveFund's approach to social impact is personal, targeted, and easy to measure.

Donors choose investments that mean the most to them and trust that ALICE families have been vetted as good investments. Donors receive several Requests for Investment (RFIs) and choose their beneficiaries.

Client families are empowered to make choices that positively benefit their lives and fit their unique opportunities. They have autonomy, privacy, and connection with real people. They regularly update donors.



COLLABORATION

THRIVEfunds doesn't work in a silo. We learn from direct service providers, CBOs, and local leaders who are well-established. By collaborating, we reach the ALICE families who will most benefit from our program. We also strengthen existing services to support the infrastructure of success.

How we work with Community Based Organizations (CBOs)

- Identify geographic client clusters
- Curate RFIs, onboard, and drive support
- Produce educational content
- Establish and track family goals

How we engage Financial Services Players

- Partner with banks on Community Reinvestment Act (CRA) activities
- Share RFI feeds with Donor Advised Funds

How we work with Service Providers

Providers like utilities or after-school programs receive donor dollars for IMMES. They give discounted rates and provide insight. RFIs can be one-time or recurring investments. This helps families ensure their kids are able to do their homework with both a laptop and high speed wi-fi, or a parent can buy a vehicle to attend night school.

LOCAL INSIGHT

THRIVEfunds curates high potential client pools one geography at a time. As the model is proven, we'll continue to concentrate in places we know working families will benefit from IMEE investments.

Cities and surrounding areas that fit the THRIVEfunds model have:

- High income inequality
- Strong employers and healthy job markets for potential employment
- Successful community college networks
- Robust nonprofit provider partner networks
- High quality service providers

Pilot City: Indianapolis

THRIVEfunds has identified Indianapolis, Indiana, as our first target city.

Indiana ranks 29th overall for child well-being by the Annie E. Casey Foundation.

THRIVEfunds founders also have extensive networks and knowledge about the city after working and living there for more than 10 years.

- 275,000 children live in poverty
- 403,000 children whose parents lack secure employment
- 109,000 children without health



Community Alliance for the Far East Side- Indianapolis

insurance

- 154,000 children live in high-poverty areas
- 174,000 children in families where the household head lacks a high school diploma



IN 2016, 2 MILLION PARENTS REDUCED WORK DUE TO RISING CHILDCARE COSTS. IN JULY 2020, 31% OF WOMEN AND 11% OF MEN AGES 25-44 REPORTED LEAVING THE WORKFORCE BECAUSE OF A LACK OF CHILDCARE.

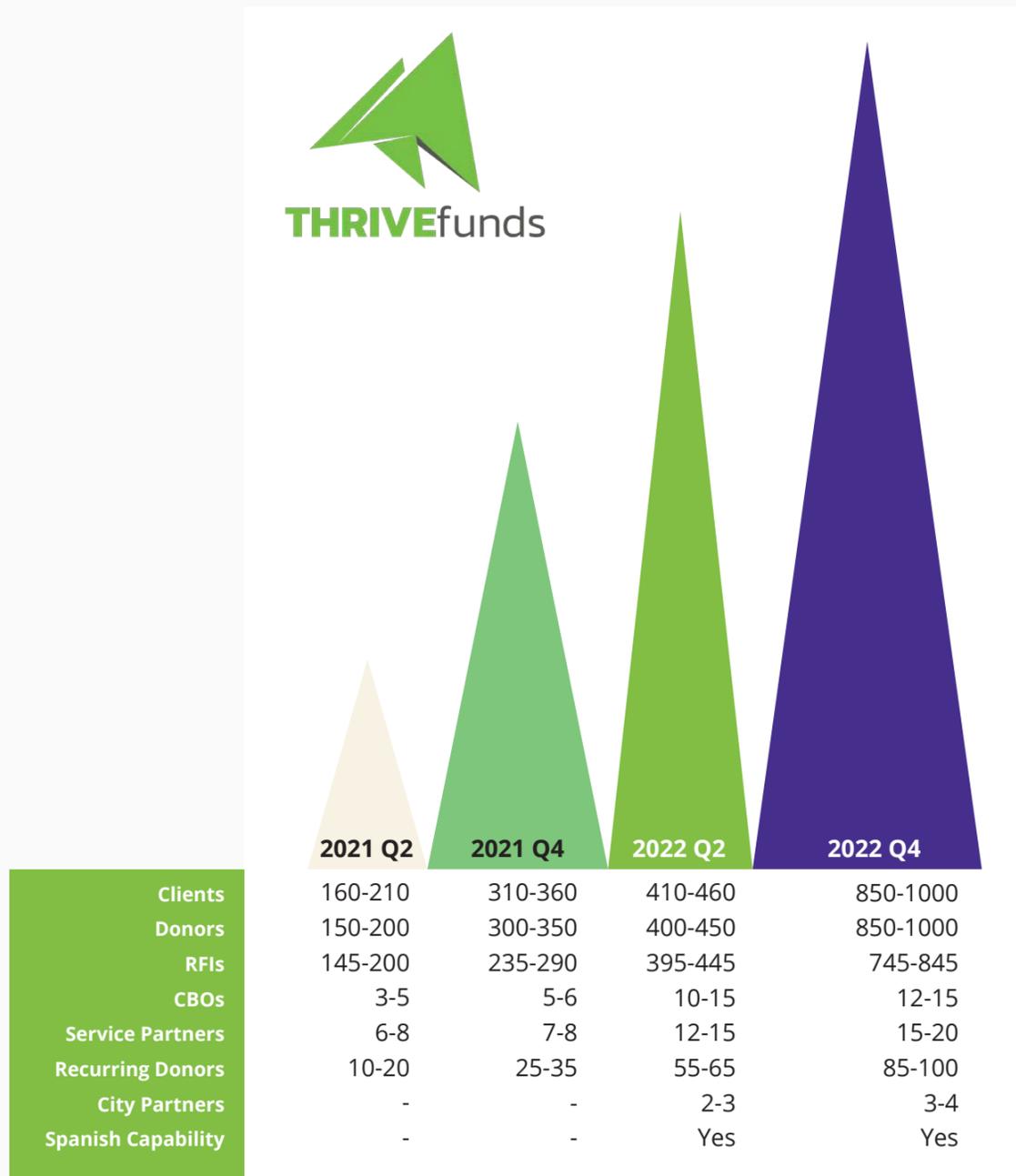
CINDY AXNE,
IOWA CONGRESSWOMAN KATHERINE CLARK, MA CONGRESSWOMAN



OUR CLIENTS DO THE HARD WORK OF SETTING GOALS AND EDUCATING THEMSELVES ON HOW TO MAKE THEIR LIVES BETTER. WE APPRECIATE WORKING WITH PARTNERS LIKE THRIVEFUND'S WHO PUT THE GOALS OF OUR CLIENTS FIRST.

CHERIA CALDWELL >> DIRECTOR OF COMMUNITY ENGAGEMENT

THRIVEfunds FIRST TWO YEARS

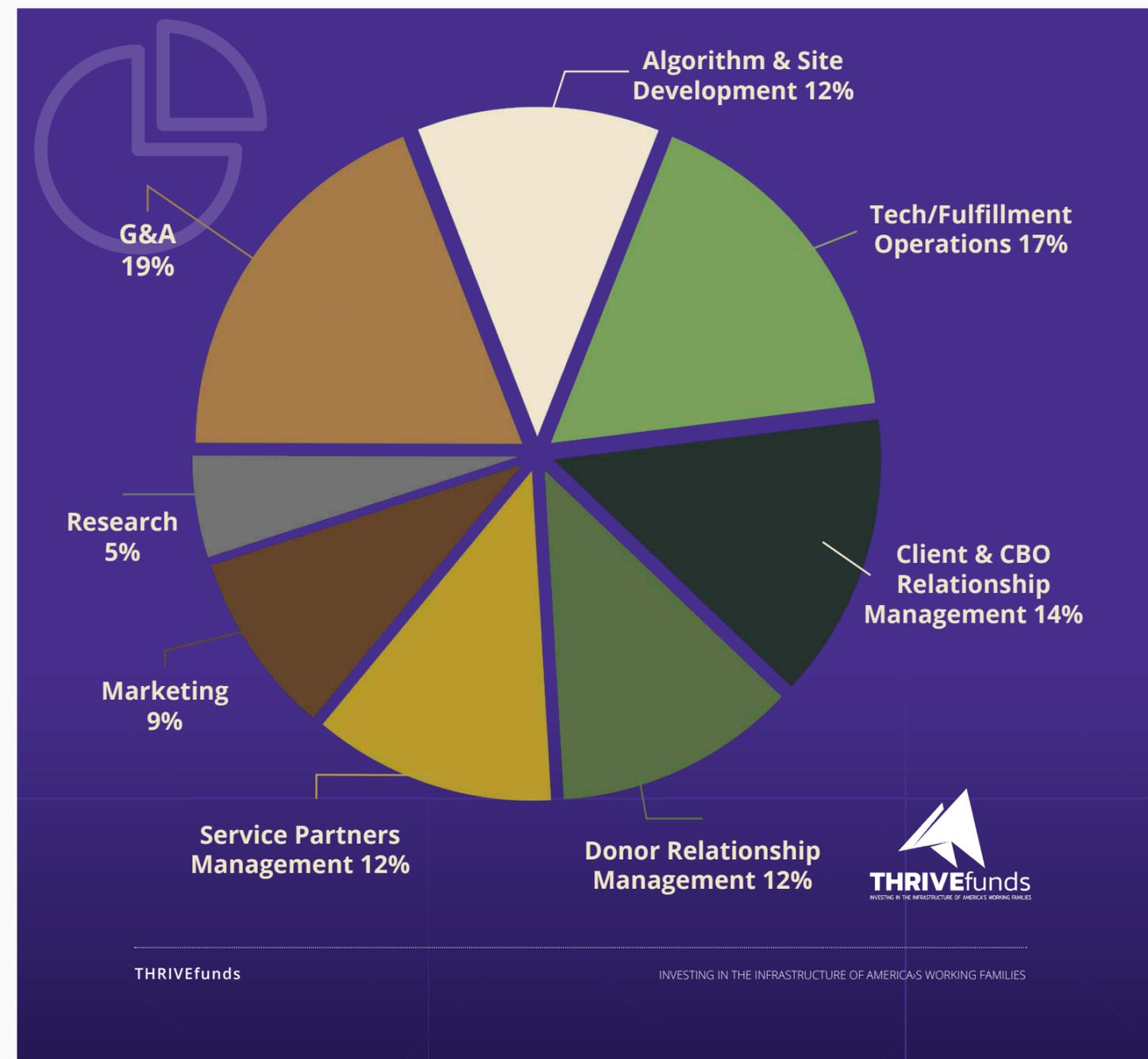


LAUNCH INVESTMENT

THRIVEfunds' model is to match a donor's investment directly to a specific client's need and therefore eliminate intermediate steps. The goal is efficiency: leveraging administrative and processing costs to connect hundreds of thousands of donors to hundreds of thousands of

working families. THRIVEfunds eliminates programming complexity by allowing clients to request only the specific services that meet their families' unique opportunities. THRIVEfunds is a simple formula: connect funders to needs.

Total Launch Investment: \$730K



LEADERSHIP



GISELE GARRAWAY
Founder & Board Chair

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- CEO, Starfish Initiative, Indianapolis
- Fidelity Investments SVP
- Staples Inc SVP
- Consultant, Bain & Company
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- Howard University, BBA



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- IoT Solutions Architect, SoftServe
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- Senior Software Engineer, Indesign, LLC
- Purdue University, Electrical Engineering

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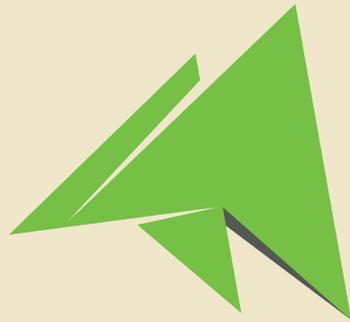
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THRIVEfunds

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