

Innovative Nonprofit Helps Thousands Build Financial Resilience Through a Pay-For-Success Funding Model

The Savings Collaborative has helped thousands build financial resilience. Pay-for-success funding helped the innovative nonprofit create a scalable model.

DENVER, CO, UNITED STATES, April 18, 2024 /EINPresswire.com/ -- The [Savings Collaborative](#)—a Colorado-based innovative nonprofit—has helped thousands build \$400 in savings to protect against small financial emergencies as well as \$2,500 in savings to reduce their likelihood of experiencing financial hardship.

“This might not sound like a big accomplishment, but 37% of Americans do not have \$400 in savings to cover an unexpected expense. That number jumps to 60% in BIPOC and immigrant communities. We’re talking about a doctor’s visit or a new set of tires putting someone in debt,” said Barbara Freeman, Savings Collaborative Founder and CEO.

Savings Collaborative received pay-for-success funding from the Colorado Donor Impact Fund. “This initial funding helped us create a scalable model and help hundreds of people along the way. Our reach just keeps growing. We’ve now impacted the lives of more than 7,500 people and continue to expand,” said Freeman.

The Savings Collaborative focuses on the beginning of the wealth-building journey when it is most difficult to save and when guidance is most needed. Their unique model combines



Alma Guzman, Savings Collaborative client turned Community Ambassador, poses in front of the house she was able to purchase as a result of participating in Savings Collaborative. Alma's daughter (right) also started saving through Savings Collaborative.

monetary incentives and microloans, personalized coaching, a multilingual savings app, and Community Ambassadors who support and encourage people as they build financial resilience.

“We use a learning-by-doing approach to help people close the gap between their intention to save and actually saving real dollars. We’ve helped people establish an emergency fund, set financial goals and recurring deposits, and open children’s savings accounts,” said Freeman. “We work to make it easy for families left outside mainstream banking to save money and develop the habit of saving. These small changes in savings behaviors add up over time and help people fulfill their unique financial goals.”



Savings Collaborative CEO and Founder, Barbara Freeman (center), and Senior Community Ambassador, Ingrid Zuniga (far right), celebrate with two families that successfully saved \$400 during the nonprofit’s first years working to help families build financial

Savings Collaborative was one of only four nonprofits selected to receive funding out of the more than 90 nonprofits evaluated. The Colorado Donor Impact Fund aggregated philanthropic capital from prominent foundations in Colorado, including from the Colorado Trust, which was the lead impact investor for Savings Collaborative.

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“The Savings Collaborative was an important mission-driven investment for us. It helps people experiencing deep-rooted inequities move toward financial resilience,” said Monalisa Olarte, Colorado Trust Vice President and Chief Financial Officer.

Savings Collaborative received its funding in June 2021 to help a set number of people meet the \$400 and \$2,500 savings benchmarks, which are identified by the Federal Reserve as critical in setting families on a path to financial resilience. Savings Collaborative was charged with meeting these social impact goals by 2024, and then met and exceeded those goals a year early. After proving the impact of its model, Savings Collaborative is positioned to expand operations statewide and beyond.

“As a lead donor in the Colorado Donor Impact Fund, I have seen that the Savings Collaborative

work does deliver the promised impact - in fact, they under-promised and over-delivered. It is clear that the Savings Collaborative is an efficient engine for helping families build financial resilience," said Mark Newhouse, Co-founder of Aidkit and Denver Foundation Board Member.

Learn more or support the organization at www.savingscollaborative.org.

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