Income Growth Solutions RFP

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**Background:**

The Chicago Community Trust’s strategic priority is closing the racial and ethnic wealth gap at the household, neighborhood, and community levels. The Trust organized its Growing Household Wealth strategy around a simple equation: income plus assets minus debt equals wealth. The Trust works to increase income by advancing policies and practices that translate income, education, and employment into wealth. Specifically, the Trust is committed to innovative solutions in workforce development, educational attainment, and growing economic disparities in the Chicago region and the state. The Income Growth Solutions funding program intends to support and learn from the connections between education, employment, and the financial health needed to turn income into wealth. The Trust is inviting organizations to apply for one-year project support grants aligned with the following priorities:

- Supporting student postsecondary and credential completion with limited debt burden.
- Increasing quality employment opportunities that provide for worker power, advancement, and retention.
- Implementing programs and pilots that address financial challenges facing households by growing financial security and health.

The Income Growth Solutions funding program is for nonprofits and community-based organizations supporting the connections between education, quality work opportunities, and **financial health** needed to turn income into wealth. Income growth alone is not enough to build wealth. Our team believes “the core tenets of financial health – including the ability to meet expenses, manage debt, and safeguard assets – are necessary to build wealth.”¹ We are looking to support programs that build the financial security and resiliency of participants while spurring income growth.

This grant-making engagement will include grant recipient convenings and symposia to connect grant recipients with other members of the Growing Household Wealth portfolio and other partners working in this space. Successful grant applicants will also be required to submit midterm and final reporting on the grant and related activities. Grant recipient convenings and grant reports serve an important role for the learning community we wish to create. Highlighting and elevating the work being done in Chicago will further build professional connections and promote collaboration among organizations utilizing the different levers for turning income into wealth.

Need/Opportunity Statement:

The Chicago region is filled with people with the potential to lead this region now and in the future. There is ample human and physical capital to ensure Chicago residents and their communities are thriving. However, an inequitable system has produced an economy that works for some and not all. Equity, coordination, collaboration, and inclusivity have historically not been at the center of the region’s efforts to grow or maintain wealth. Whether as entrepreneurs, workers, or students, Chicagoans of all racial and ethnic backgrounds should feel confident in their ability to meet their current needs while preparing to pass along some measure of economic security to the next generation.

As the Trust has embarked on our Growing Household Wealth strategy, the work of grant recipients and research partners constantly reminds us that education and income growth alone are not enough to translate work into wealth. A common instruction for Black and Latinx people trying to increase personal net worth is to pursue a four-year college degree because this credential can help overcome years of occupational segregation. Yet higher education degree attainment in a vacuum is not enough to address the racial and ethnic wealth gap. In fact, the rising costs of college and the associated student loan debt burden make pursuing an education an additional driver of the wealth gap. Studies have found that “12 years after college, the typical white borrower owed 65 percent of their original student loan amount, but Black borrowers actually owed more than their original amount”\(^2\) whether they completed the degree or not. Twelve years after college, Latinx bachelor’s degree holders “had only paid down 20 percent of their loans.”\(^3\) The promise of education and its transformational impact has been replaced with a system of predatory inclusion that vows economic and social growth while delivering more inequality.

The past few years of the COVID-19 pandemic have shown that being in the workforce is insufficient to ensure economic stability. Low-wage workers are vital to our society’s functioning, yet they were provided little of the health and economic protection they deserved when we needed them most. Worker power, access to paid leave, access to retirement savings, access to education savings, job stability, and opportunities for professional development and advancement have taken greater importance in the overall picture of economic stability. Even as income grows, gaps in financial health (a key component in wealth growth) persist. “Among white residents with household incomes of $100,000 or more, nearly 7 in 10 are financially healthy (69%), compared with just 40 percent of Black and 44 percent of Latinx residents.\(^4\) The pathway to economic stability – growing and then maintaining wealth – for Black and Latinx people in Chicago must include multiple elements to ensure residents and their families have the quality of life they wish for and deserve.

Though we would like for there to be a cure all in closing the racial and ethnic wealth gap, no one thing will address the generations of policies and practices that have put our region in the position it is in today. It is frustrating for our communities to hear stakeholders constantly point to the cracks in their pathways to economic mobility without offering solutions that make income

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growth a viable road to wealth building. Years of disinvestment and faulty systems cannot be met with a patchwork of a good job here or a student with a full ride to college there. It can be met with a supportive ecosystem that provides people with the cushion to move along a career pathway with financial self-sufficiency and eventually to a state of economic stability essential to building wealth. An ecosystem built to ensure Black and Latinx Chicagoans can achieve income growth no matter their path will leave them financially healthy and ready to access asset-building vehicles such as homeownership. This funding program seeks to identify and support income growth solutions that move wealth building and maintenance from a goal to an attainable reality.

**Goals and Outcomes:**

The Income Growth Solutions Request for Proposals (RFP) advances the Trust's 10-year goal to increase the growth of wealth of Black and Latinx households relative to white households. This RFP also advances the Growing Household Wealth goals to:

- Increase access to financial solutions that improve individual and household economic stability
  - Changes in personal financial well-being (e.g., financial aid access, credit building, banking use, access to barrier reduction, etc.)
  - Changes in access to counseling and coaching (e.g., financial planning, financial aid counseling)
- Expand economic opportunities for Black and Latinx Chicagoans to access careers
  - Increase in participants obtaining quality employment
  - Increase in number of participants who report obtaining a promotion or title change
  - Increase in % of participants retaining employment after program completion (e.g., 6 months, 9 months, 1 year after completion)
  - Increase in % of students retained (e.g., the first/second year or through program completion)
  - Increased capacity of staff to collect data on key demographics
  - Increased partnerships with employers, 2-year, and/or 4-year institutions
  - Increase in participation of Black and Latinx individuals

**Priority Strategies and Activities:**

Organizations invited to submit a full application will be evaluated based on the organization and the project’s experience with and connection to one or more of the following priority areas for the Growing Household Wealth Income strategy:

- **Quality employment** opportunities: programs demonstrating connections of job placement with **career pathways** to wage growth, broad benefits coverage, and a supportive work environment.
- **Quality education opportunities:** programs demonstrating connections from postsecondary and credential completion to career pathways with limited debt burden.
- **Quality financial health opportunities:** programs demonstrating the ability to help workers and students navigate and participate in financial products, planning, and solutions that put them in the best position to access asset-building vehicles such as homeownership.

5 What constitutes a quality job and quality employment comes from the full framework described in the report “A Good Job, Not Just Any Job”

Through this strategy, the Trust’s Growing Household Wealth portfolio has previously funded nonprofits in the Chicago region focused on workforce training and retention, worker power, postsecondary student support, and other related nonprofits.

**Grantmaking Criteria:**

This funding opportunity is for project support only. Organizations invited to submit a full application will be evaluated based on their capacity to provide services rooted in equity and best practices meeting the priority strategies outlined in this funding program.

**Grant Amounts Available and Grant Term:**

The Income Growth Solutions grant opportunity is for one year of project support. Grant recipients are expected to meet the Trust’s requirements for submitting financial and narrative reports at the midpoint and end of the grant cycle.

The Trust will award up to 10 grants between $100,000 and $200,000 in this grant cycle.

**Eligible Applicants:**

To be eligible for a grant award, an applicant must be:

- A nonprofit organization with evidence that it (a) has been recognized by the Internal Revenue Service as an organization described in Section 501(c)(3) of the Code; (b) is fiscally sponsored by a Section 501(c)(3) organization; (c) or is a governmental unit within the meaning of Section 170(c)(1) of the Code;
- Described in Section 170(b)(1)(A) of the Code, other than a “disqualified supporting organization” within the meaning of Section 4966(d)(4) of the Code; and
- Located within and/or primarily serving residents of Cook County, Illinois.

Sponsored organizations without 501(c)(3) status must identify their fiscal sponsor as soon as possible and ask them to complete an organization profile in The Chicago Community Trust’s grants management system, GrantCentral, before the sponsored organization’s application submission. Fiscal sponsors must log in and complete and certify an organization profile in GrantCentral at [https://community-cct.force.com/grantcentral/s](https://community-cct.force.com/grantcentral/s) before application submission.

**Ineligible Uses:**

- Applicants that do not meet the Eligible Applicants requirements outlined above
- Capital campaigns or endowments
- Inherently religious activities

**Evaluation and Learning:**

Sharing successes or challenges in achieving measures of progress is critical to our collective learning, decision-making, and impact.
The Trust is committed to achieving our long-term goals and outcomes. We are developing outcome measures both internally and with our partners that inform progress toward our shared mission. Your project outcomes should be informed by why you think the project or strategy will lead to the anticipated result or long-term change (i.e., your theory of change). After you identify those outcomes, we ask grant applicants to develop specific, time-limited measures of progress. For shorter-term grants (one year), these outcomes may not be achieved during the project’s duration. Measures of Progress provide measurable and reportable evidence that a proposed project or organization has effectively achieved – or is on the path to achieving – its objectives. These are what can be measured during the term of the grant period and contribute to your longer-term outcomes, and are aligned with the Trust’s strategic priorities. We also recognize there could be challenges to implementing any grant, many of which are not under the control of grant recipients, that may prevent you from achieving your targets. Consequently, grant recipients will be encouraged to advise Trust staff of any barriers to implementing their respective projects. Learning with you about the progress made towards your outcomes and measures is part of the Trust’s evaluation and learning efforts.

For potential grant recipients for whom developing metrics or workplans is a new activity or for those individuals who would like to learn more about developing Measures of Progress, the Trust will be providing webinars, in-person sessions, and opportunities for ongoing peer learning. Further details on schedules and to register may be found in GrantCentral at https://community-cct.force.com/grantcentral/s/.

Successful grant applicants should expect to participate in learning convenings, opportunities for symposia, and midterm and final grant reporting.

**Collection of Diversity, Equity, and Inclusion Demographic Data:**

The Trust asks that grant seekers provide demographic data on board and staff as well as clients/beneficiaries of programs and services. The Trust believes the board and staff composition of grant recipients should be inclusive and reflect the diversity of the demographics of the region and the individuals they serve. Diversity for the Trust encompasses but is not limited to ethnicity, race, gender, sexual orientation and identification, age, economic circumstance, class, disability, geography, and philosophy. For this reason, the Trust does take into consideration the demographic make-up of a grant applicant’s board, staff, and clients as an important proposal evaluation criterion.

**Application Process:**

The application process has two steps: a letter of inquiry (LOI) phase and a full application phase. Only select LOI applicants will be invited to the full application phase. All LOI applicants will be notified whether they will be invited to the full application phase, and invited applicants will be given ample time to complete the full application.

Applicants must complete their application via GrantCentral, The Chicago Community Trust’s online grants management system. To access an application, grant seekers must log into GrantCentral at https://community-cct.force.com/grantcentral/s/.

Applicants must complete an Organization Profile, which is on the last tab within their GrantCentral account. If the Organization Profile was completed for a previous funding
opportunity, it must be reviewed and, if needed, updated and certified prior to application submission.

Sponsored organizations without 501(c)(3) status must identify their fiscal sponsor as soon as possible and ask them to complete an organization profile in GrantCentral prior to the sponsored organization’s application submission. Fiscal sponsors must log in and complete and certify an organization profile in GrantCentral at https://community-cct.force.com/grantcentral/s/ prior to application submission.

The Trust will not consider late or incomplete LOIs or Full Applications. Applicants may receive a site visit, telephone call, or other communication from foundation staff as part of the application review process.

**Submission Deadlines and Other Key Dates:**

- The LOI deadline is **April 17, 2023**. The LOIs will be reviewed by a committee of reviewers from The Chicago Community Trust.
- Applicants will be notified by **May 1, 2023** if they are invited to submit a Full Application. Those applicants who will not be invited to submit a Full Application will also be notified by this date.
- The Full Application deadline is **June 1, 2023**. The Full Applications will be reviewed by the same review committee as the LOIs.
- Site visits will be conducted by review committee members between **June 12, and July 14, 2023**.
- Funding decisions will be made by **August 18, 2023**.
- Applicants will be notified of awards by **August 25, 2023**. Those applicants who were invited to submit a Full Application but not chosen for funding also will be notified at this time.

**Information Sessions:**

Information sessions are tentatively scheduled for the following dates:

- Thursday March 30, 2023
- Wednesday April 5, 2023
- Tuesday April 11, 2023

These sessions will provide an overview of the Growing Household Wealth Income strategy and clarify key points in this RFP. The content covered will be the same in each session, so there is no need to attend each. In addition, there will be time for organizations to ask any questions about this funding opportunity. The Growing Household Wealth team will follow up with a frequently asked questions document and any slides used.
Contact Information:

For technical questions regarding GrantCentral, email grants@cct.org.

For programmatic and application content questions, email Caleb Herod at cherod@cct.org.

Glossary:

Financial Health⁶ – A composite framework that considers the totality of people’s financial lives. People who are considered Financially Healthy are able to spend, save, borrow, and plan in ways that will enable them to be resilient and pursue opportunities.

Occupational Segregation⁷ - Occupational segregation occurs when one demographic group is overrepresented or underrepresented in a certain job category. It diminishes wages and working conditions for all workers in a job where marginalized groups are overrepresented, contributes to overall wage gaps based on immutable and often intersecting demographic characteristics, and limits economic growth.

Predatory Inclusion⁸ – A process whereby members of a marginalized group are provided with access to a good, service, or opportunity from which they have historically been excluded but under conditions that jeopardize the benefits of access.

Worker Power⁹ – Workers’ ability to obtain better wages and working conditions. Working conditions include many aspects of the job, including the ability of workers to influence firms’ decisions.

Career Pathways¹⁰ – A combination of rigorous and high-quality education, training, and other services that aligns both vertically and horizontally across Secondary Education, Adult Education, Workforce Training and Development, Career and Technical Education, and Postsecondary Education systems, pathways, and programs...A career pathways also includes multiple entry and exit points to facilitate individuals to build their skills as they progress along a continuum of education and training and advance in sector-specific employment.

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⁷ https://www.americanprogress.org/article/occupational-segregation-in-america/