

# **CHILD AID AFRICA PAY IT FORWARD (PIF) PROGRAM**

- Collaborators:
  - Child Aid Africa
  - Elizabethtown College
  - Hope International

# INTRODUCTION

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## ■ PAY IT FORWARD (PIF)

- **VISION:** Alleviate the effects of poverty and raise the quality of life in Sub-Saharan Africa and the developing world
- **NEED:** Establish a microfinance fund to empower Children in poor families through education, vocational and job placement training
- **MEANS:** Provide education loans built on a Social Enterprise Impact model to qualifying “C” grade (and above) students to access high school and college education; vocational and job placement training

# PIF - CONCEPT

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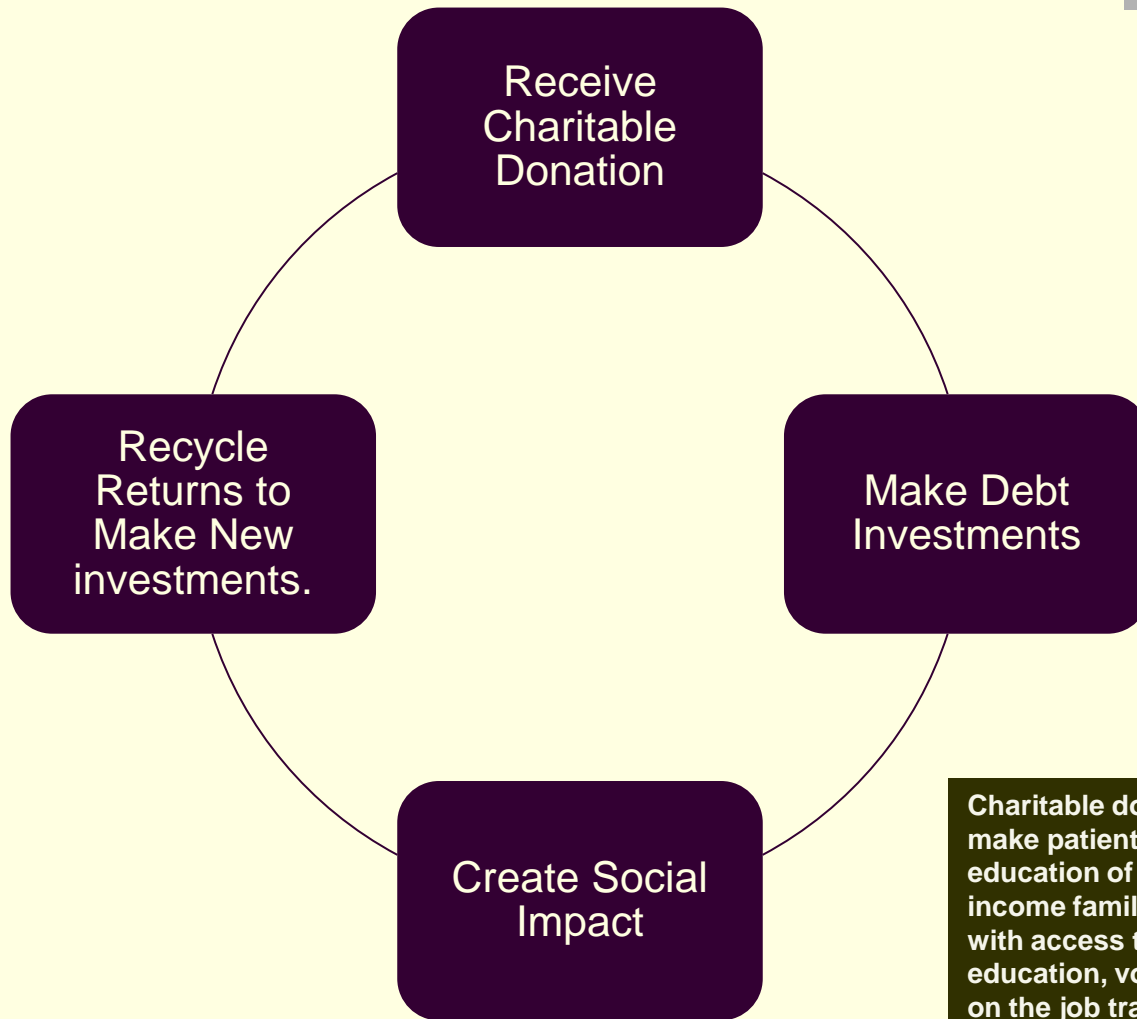
- **PIF** - a social enterprise that focuses on impact investment to grow rural prosperity in low income families in the developing world through lending and delivering education loans to students from these families
- **CAA** believes that education for the poor is the greatest opportunity for transformation
- **PIF** will employ a three part model of education opportunity: loans, employment-preparedness and networking

# INVESTMENT MODEL

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- PIF is a “debt /equity investment” to provide access to higher education, vocational, and on the job training to needy students
- It is based on a partnership between the applicant, county governments, Church, learning institutions and employers
- PIF fund is developed around a sustainable model
  - Pay As Paid contracts to ensure recycling of the returns to make new investments

# CAA/PIF INVESTMENT MODEL

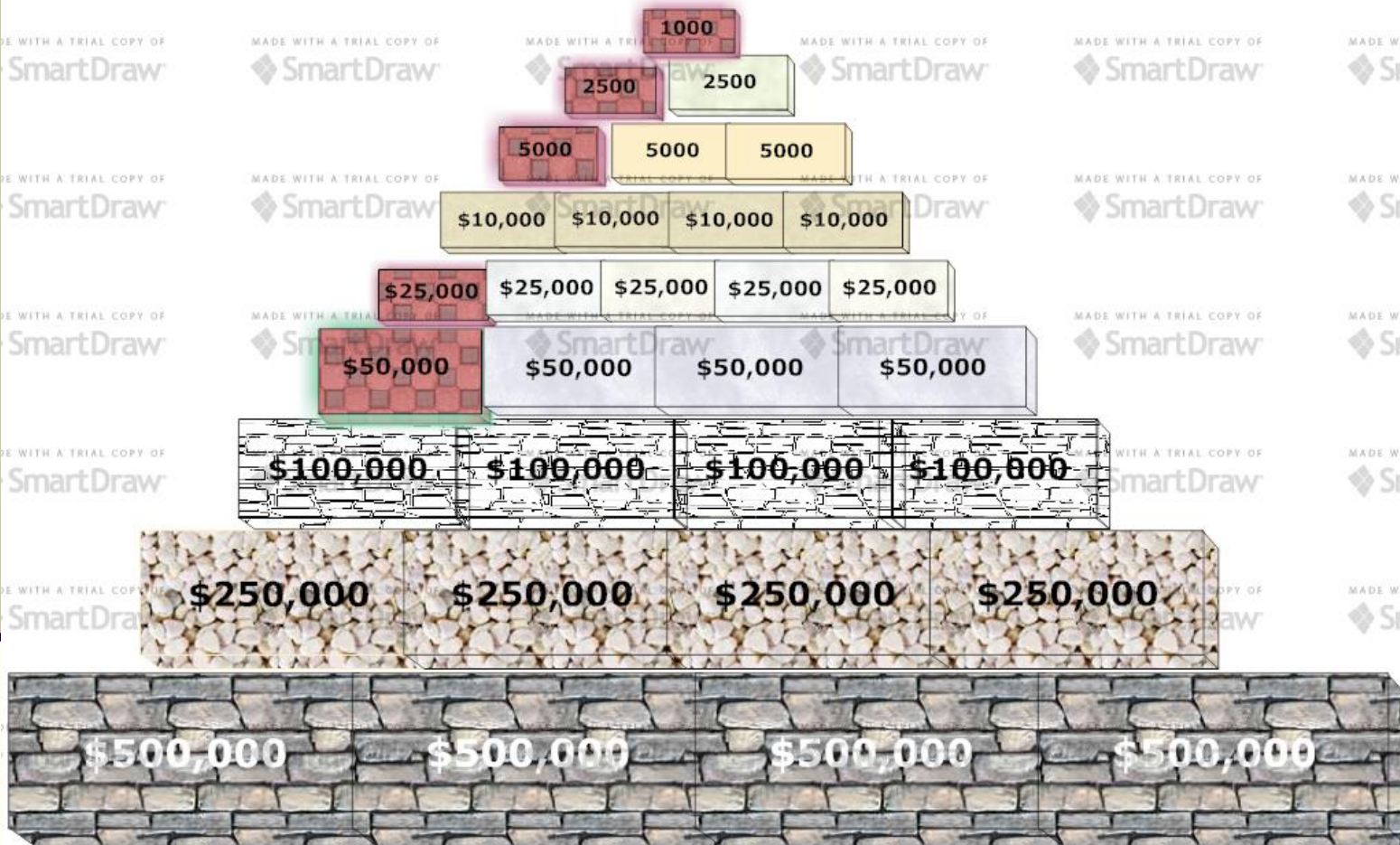


Charitable donations allow us to make patient long-term debt in the education of children in low-income families providing them with access to high school, college education, vocational training and on the job training.

# FUND DEVELOPMENT

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- Sponsorships
  - Online donations
  - Regular directed giving
- Events
- Grants
- Allocations
- Legacy Giving
  - Planned giving
  - Endowments
    - PIF Loan Endowment
    - PIF Board-Designated Endowments
  - Non-traditional Gifts



FUNDS RECEIVED / PROMISED / NEEDED

**CHILD AID AFRICA MISSION - FINANCIAL STABILITY**

# PIF PRODUCTS

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- **Long-term loans**

- Terms up to four years; investment into high school (four years) and college (four years) education costs

- **Gap loans**

- Terms from two to four years; used to finance college for part-sponsored (from other sources) students

- **Short-term loans**

- Terms up to 24 months; support for 1 to 2 years of vocational training and/or job preparedness and on the job-training



# RECRUITMENT TOOLS

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- Survey questionnaire
- Short Essay
- In-depth Interview
- Pay As Paid risk assessment

# PIF – JUSTIFICATION

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- Higher education has the potential to unlock growth in all levels of society by helping the talented to gain advanced training and creating a pool of highly trained individuals that can attain a critical size for transformation
- Youth account for 60% of the unemployed in Sub-Saharan Africa and, 72% live below the “\$2 a day” poverty line (W/Bank 2009).

# WHY CHILD AID AFRICA?

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- **CAA** has a 9 year experience managing an education scholarship program for vulnerable children in East Africa; has a long standing experience with education structures in Sub-Saharan Africa
- **CAA/PIF** - clients will be assigned a dedicated regional staff (via Hope International) who understand their needs in diverse contexts