Spare Change

w2024

FOUNDERS

Sahil Sinha (sahilsinha20)

EDUCATION

Claremont McKenna College BA Economics And
Data Science '16–'20

WORK EXPERIENCE

Intuit — Product Manager QuickBooks Live
Aug '22–Dec '23

*Expanded the total addressable market by
25%, resulting in ~$10M+ in additional FY24
revenues, by extending services to previously
untapped customer segments.*

Intuit — Rotational Product Manager
Aug '20–Aug '22

*One of 9 new grads selected for Intuit's
Rotational PM program. Rotated through 3
teams - localizing QuickBooks for emerging
markets, working on new bank connect and
payments flows in one of our fintech apps
(QuickBooks money), and discovery for how
to win the Brazilian micro-entrepreneur
market. Across my rotations I improved 92d
retention and subscription rates in our
emerging markets by 2 pts, increased invoice
sends by 20% by launching 'send invoice via
WhatsApp', and improved activation rates
and risk measures in our banking products.*

Claremont Consulting Group — Managing
Director   Aug '16–May '20

One of 4 leaders of a student-run consulting firm; ~$2k a year profit, 30+ members.

Your LinkedIn URL

https://linkedin.com/in/sssinha20

What is your title, or if you haven't set it yet, main responsibility?

CEO

What percent equity do you have?

50

If accepted to YC, will you commit to working exclusively on this project for the next year?

Yes

Please tell us in one or two sentences about the most impressive thing other than this startup that you have built or achieved.

After graduating from college, during the covid-lockdown in India, I taught myself how to build apps using Youtube tutorials.

I built a proof of concept web app called LookBooks demonstrating an improved way of browsing + purchasing products via WhatsApp (a problem I saw my mom facing while shopping via WhatsApp). You can play with a live version here - https://ssinha98.github.io/#/ > Select "Basic - Proof of Concept". I also have a demo here lookbook.landen.co.

Please tell us about a time you most successfully hacked some (non-computer) system to your advantage.

To pass 7th grade math, we had to complete all the problems in an online portal (called Aleks). Problems were divided by units, and the idea was to complete problems as we covered the units in class. Naturally, almost everyone waited until the last minute to complete them.
In the last week of school, many students discovered they were stuck on several problems from units we had

already covered. This was a problem because asking the teacher for help would reveal how far behind they were.

I posted on Facebook that I was available for 'tutoring' to help everyone complete Aleks, especially for earlier units. I made about 300 INR (~6 USD), which was soda money for the next month or so.

Sidhartha Premkumar (sidpremkumar1)

EDUCATION

Boston University MS Computer Science '17–'20

WORK EXPERIENCE

Titan — Software Engineer   Jun '22–Present
Backend + Infra team member. Responsible for EC2->ECS migration along with new cash management system.

BastionZero — Senior Software Engineer
                                        Jan '21–Jun '22
Cited on the MrZAP Protocol white paper. Designed and implemented the integration of MrZAP with Kubernetes.

Your LinkedIn URL

https://linkedin.com/in/sidpremkumar

What is your title, or if you haven't set it yet, main responsibility?

CTO

What percent equity do you have?

50

If accepted to YC, will you commit to working exclusively on this project for the next year?

Yes

Please tell us in one or two sentences about the most impressive thing other than this

startup that you have built or achieved.

I built and designed our new cash and equity management system at work (Titan) that is used to move over $100M of funds for over 50,000 clients over the past 6 months.

Please tell us about a time you most successfully hacked some (non-computer) system to your advantage.

I learned in college that if you do the easy homework early and then give out the answers to my smarter peers, they would always help me with the much harder homework's later in the year.

Who writes code, or does other technical work on your product? Was any of it done by a non-founder? Please explain.

Both write code - no work done by anyone external.

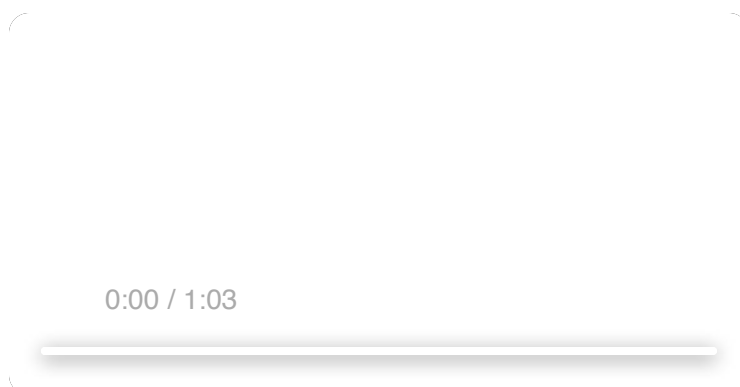**How long have the founders known one another and how did you meet? Have any of the founders not met in person?**

Known each other for 9 years. We met in high school.

Are you looking for a cofounder?

Not necessarily.

Please record a one minute video introducing the founder(s).

This video is an important part of the application. Read the **Guidelines**.

0:00 / 1:03

COMPANY   **Company name**

Spare Change

Describe what your company does in 50 characters or less.
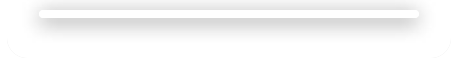
Acorns for charity - donate with every transaction

Company URL, if any

sparechange.xyz

If you have a demo, attach it below.
Anything that shows us how the product works. Please limit to 3 minutes / 100 MB.

Please provide a link to the product, if any.

https://testflight.apple.com/join/mGnSdt2z

What is your company going to make? Please describe your product and what it does or will do.

Spare Change helps customers donate more to the charities they care about. Users round up each of their transactions to the nearest dollar, and set the 'spare change' aside. With the tap of a button, users can then donate their spare change to vetted charities working on causes they're passionate about. Afterwards, users get to see the impact they made with their donations (in a feed and/or Spotify-wrapped style experience), and effortlessly enjoy the tax benefits.

Looking ahead, this could become the central tool customers use to engage with charitable causes they're passionate about (similar to what Cash App did for consumer finance, and Robinhood did for investing).

Where do you live now, and where would the company be based after YC?

New York City

PROGRESS   ### How far along are you?

We have a live beta we're testing with a small circle of our friends. We've processed ~$10 in donations from 5 users.

How long have each of you been working on this? How much of that has been full-time? Please explain.

Started working on this as a side project in April 2023 and published the first beta to the app store in August 2023. All part-time.

Are people using your product?

Yes

How many active users or customers do you have? How many are paying? Who is paying you the most, and how much do they pay you?

We have 5 users (so far) who have donated via the app. In total we've processed ~$10 in donations to various charities.

Do you have revenue?

Yes

How much revenue?

Sep 2023: $0

Aug 2023: $0

Jul 2023: $0

Jun 2023: $0

May 2023: $0

Apr 2023: $0

Mar 2023: $0

Feb 2023: $0

Where does your revenue come from? If your revenue comes from multiple sources (ex. multiple products, multiple companies or a mix of consulting and this product), please break down how much is coming from each source.

Today we have only one source of money in - donations. Users send us money (via the app) to donate to their chosen charity on their behalf. Users have the option to add a voluntary 'tip', which will go towards supporting Spare Change.

We've processed ~$10 in donations ($0 in voluntary tips - so far).

Anything else you would like us to know regarding your revenue or growth rate?

October money in: ~$10 in donations via the app. August - September: Our MVP couldn't process payments, it only calculated a customers 'spare change', and users would to donate manually. 3 users self-reported ~$7 in donations.

If you are applying with the same idea as a previous batch, did anything change? If you applied with a different idea, why did you pivot and what did you learn from the last idea?

n/a

If you have already participated or committed to participate in an incubator, "accelerator" or "pre-accelerator" program, please tell us about it.

n/a

IDEA **Why did you pick this idea to work on? Do you have domain expertise in this area? How do you know people need what you're making?**

We had the need ourselves. We wanted to contribute more to the causes we care about. We also felt like the experience of donating is stuck in the past. Consumer finance, investing in stocks and buying crypto, have all

become seamless and beautiful experiences, raising the bar for how we engage with our money. This makes todays arduous donation flows even more painful.

We grew up very socially active throughout high school and college - founding social entrepreneurship projects and leading volunteer clubs. But when we started working, we felt we weren't able to contribute to those causes as much as wanted. Donating to charity was nowhere as easy or fun as buying stocks through Robinhood, paying my friends through Cash app or buying crypto with Coinbase. So we started building to solve our own problem. We decided on the 'spare change' approach after seeing Acorns' success with their 'round up' model to help people passively save money.

We believe people want what we're making because of upcoming behavioral changes around charity and social impact. Gen-Zs are the most charitable and socially conscious generation. They're also backing this up with their wallets - donating more of their income to charity than previous generations, and opting to pay more for socially conscious products. Gen-Zs are about to become a large percentage of the global economy's purchasing power. We see this as evidence of growing demand, and an opportunity to make a huge impact.

Domain expertise: both have experience in fintech (Sid - software engineer at Titan, Sahil - PM at QuickBooks). We're also both technical/can build product.

Who are your competitors? What do you understand about your business that they don't?

Our competitors fall into 3 categories -
1. Other round up + donate apps (i.e. RoundUp App and CoinUp)
2. Philanthropic arms of big tech companies (i.e. Lyft's Lyft Up, Google's One Today app, or Amazon Smile).
3. Social-impact dedicated fintech startups.

Despite solving individual parts of the problem well, each fail to solve the whole customer problem and/or have shaky paths to being financially self-sustainable.

Specifically -

1. The other round up apps showed initial success with letting users contribute as much as they wanted to. However, they fail to appeal to Gen-z and todays young professionals, and have proven to be unsustainable. RoundUp showed a lot of early success, raising ~$30+ per donor and quickly expanding into tools for non-profits and e-commerce (both positively reviewed). But they appear to no longer be working on this (last app store update was April 2022). We believe the core RoundUp app lacked features that we've learned are critical. Features like flexibility with how much you donate (RoundUp introduce a $5 donation-minimum shortly before their last app update), helping users 'vet' the charities they want to donate to, and letting users donate to 'causes' rather than individual charities. The app was just as sterile as the web donation flows that exist today. And customers got no sense of the impact from their contributions. Our hypothesis is that they

expanded into other sectors too quickly, without solving their core problem first. CoinUp appears to rely on donations, an unreliable path to self-sustainability. The app is also full of bugs and rarely works (3.8 on the app store).

2. 'Charity' projects spun up by big tech companies fail on 3 fronts. Firstly - consumers are 'on guard' against big-tech companies spinning up 'seemingly-charitable' features to enjoy tax breaks or to generate positive PR (i.e. greenwashing). Secondly - the donation experiences themselves are sterile. Consumers get no flexibility on where to donate, no visibility into the impact they made, or ability to enjoy the tax benefits from their donations. While it's theoretically possible for these companies to improve their donation experiences, we believe that fully delivering what customers want requires too much continued investment given the risk associated. Evidenced by these projects being discontinued so frequently.

3. There are several startups in the 'fintech <> social impact' space - some live today (i.e. Atmos financial, CharityVest, Cause Card), and many which failed (i.e. Swell Investing). These typically do well at giving customers the confidence of making deep impact in these areas. But these companies face 2 headwinds that we will not. First - the narrow focus on a single cause. This generates deep engagement from those who are interested in that cause, but fails to excite those who are not. From our research and testing, we've found that young people typically only have 1-2 charities or causes they'd be interested in donating to. Our approach gives us a wider acquisition funnel, because we offer deep impact in a variety of causes. Second - they exist primarily as financial products. In order to be financially sustainable, they require that their customers use them as their daily driver. From both of our fintech experience, we've seen how this is a huge challenge, and introduces too much friction. We will avoid this by pursuing low-friction strategies that still allow our users to donate (for example the Spare Change app lets users continue using their existing bank account/cards).

How do or will you make money? How much could you make?

We'll experiment with a variety of revenue streams:

From the app itself -
1. Accepting a transaction fee per transaction. The Gen-z space has ~450m dollars in annual donations - 10% of the market would yield 41m * 2.5% would yield $1M in revenues.
2. Receiving voluntary 'donation tips' from users (i.e. Wikipedia Foundation, the Signal app and GoFundMe). We're testing with this today (none so far have left tips).
3. Cause + charity themed merch (similar to Cash App's merchandise and card)
4. Selling ad-space to socially conscious businesses (Shop by Shopify and Klarna's advertising model)

We could also experiment with building tools for SMBs looking to raise money for their favourite causes:
1. E-commerce, social commerce and point-of-sale checkout flows with 'donate your spare change'

experiences at point of purchase (i.e. companies like onetreeplanted and ecocart)
2 - Integrate with payroll services (i.e. Rippling or Gusto), to let employees auto-donate from their paycheck.

Finally - we could also experiment with externalizing our round up + donate experiences into a service, that other fintechs could use to add social impact features to their products (i.e. a "Plaid for social impact"). Consumer finance is becoming a crowded space, and companies will be looking for ways to differentiate themselves against the growing Gen-Z market.

How do users find your product? How did you get the users you have now? If you run paid ads, what is your cost of acquisition?

Today - Spare Change is spread only through word of mouth, for an invite-only beta.

Moving forward, we see a few avenues for acquiring new customers:

1. Word of mouth
2. Shares on social media from monthly "impact made" flows (i.e. Spotify wrapped).
3. Advertising + re-marketing to customers of SMBs that use our 'donate at checkout' checkout flows.
4. Partnerships with mission-driven/socially conscious brands (i.e. Patagonia, Toms shoes).

If you track metrics around user engagement and retention, what are they?

No engagement/retention metrics yet. So far, users log in once to see their spare change, and typically donate in the same session. Users rarely log in again (unless we have asked them to).

Where will most of your initial users be located?

US

Which category best applies to your company?

Financial Services

EQUITY   ### Have you formed ANY legal entity yet?

No

How much money have you raised from investors in total in US Dollars?

Are you currently fundraising?

No

If you have not formed the company yet, describe the planned equity ownership breakdown among the founders, employees and any other proposed stockholders. If there are multiple founders, be sure to give the proposed equity ownership of each founder and founder title (e.g. CEO). (This question is as much for you as us.)

We plan to split equity evenly between the founders.

OTHERS

If you had any other ideas you considered applying with, please list them. One may be something we've been waiting for. Often when we fund people it's to do something they list here and not in the main application.

1. Help estimating and managing costs of cloud services
2. Shopping assistant for social commerce in India (Shop by Shopify/Klarna for WhatsApp shopping)

CURIOUS

What convinced you to apply to Y Combinator? Did someone encourage you to apply? Have you been to any YC events?

1. We have mentors who went through YC and/or started companies. They said YC was the only accelerator we should try.
2. Never been to any YC events.

How did you hear about Y Combinator?

1. Word of mouth
2. Youtube content

INVITED

Phone number:

+19095417822

Have you issued stock to investors?

No

Have you raised money using crowdfunding?

No

Please provide any other relevant information about the structure or formation of the company.

No legal entity yet, no funding raised. Co-founders have
agreed to split equity evenly between us.

**Are any of the founders covered by
noncompetes or intellectual property
agreements that overlap with your project? If so,
please explain.**

No.

**Is there anything else we should know about
your company? Pending lawsuits, cofounders
who have left, etc.**

No.

Y

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