**Greater Access to Affordable Education Through Finance**

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**Background: What is Social Finance?**

Investors are looking for ways to finance their money and make an impact on society. To investors, social responsibility is a trend that has been steadily growing in recent years as more people become aware of their power as global citizens. Social responsibility is a moral obligation to take care of the needs and interests of society while maximizing shareholder value (*What is social responsibility to investors? n.d.*). A promising way to support change and positively impact society is through Social finance. According to Croll (2022), “Social finance is a term used to describe a range of financial products and services that have a social or environmental purpose”. This growing market of products and services allows investors and companies to use their money to make a positive impact.

**The FinTech Market and its products**

According to the Harvard Business Review, the Financial Technology (FinTech) Industry has seen enormous growth and has captured more impact-related investment funds than any other industry (Bulger and Rouen, 2022). At the same time, it has attracted the attention of many stockholders who want to invest in new business ideas. Statista shows that the value of the fintech companies worldwide reached 105 billion US dollars in 2020 and the United States generated 79 billion US dollars of value (AppStudio, 2022). Some popular FinTech products (apps) include digital banking, Investment, P2P Payment, Insurance, Money savings, Crypto exchange platform, RegTech Apps, and crowdfunding. A promising investment trend to focus on is crowdfunding. Through crowdfunding, people can raise money with the help of friends, family, individual investors, or customers. Some statistics of crowdfunding apps have positive results. The market crowdfunding is expected to reach $300 billion by 2025, and some projects are expected to generate 17.2 billion per year (Kishore, 2022).

**Problem Statement: Not Enough help with Education**

A market that can benefit from crowdfunding app opportunities can be Education. Americans believe college costs hold people back from pursuing higher education. In a survey done by the NORC, 75% cannot afford the cost of college, 30% don’t have the information needed to know how to apply to college, and 29% show that no one in their family has gone to college (University of Chicago, 2022). A big concern for students is student debt. Only 8% of students are confident that they will successfully be able to pay for college. Student debt is the second highest after mortgage debt, with $1.7 trillion (Redlin, 2022). Grants and scholarships are available to help fund educational costs however it is not enough for some who may fall short and the only option will be a loan. Some people consider whether taking a loan to obtain a degree is worth the cost. Education is a lifelong pursuit that can significantly impact the present and future of someone’s life. Forty percent of crowdfunding investments are focused on business and entrepreneurship, while only 20% focus on social causes (Stevanovic, 2022). Americans believe that people should be able to attend college regardless of income. Therefore, the focus on this sector is necessary. Participating in the education market can impact society, and benefit investors, big companies, students, and anyone who wants to achieve their educational goals.

**Our Solution: RainCoat**

With the large gap in educational funding taken into consideration, we introduce a potential product in social finance that creates a platform for students to showcase their career and academic journeys in a centralized manner to share with family, friends, and outsiders to seek scholarships to continue their path. Most students are more than just a student, with many responsibilities to themselves and others in their lives which causes many monthly expenses apart from tuition costs. To many students, monthly consistency in their finances could be a crucial factor in changes in their day to day thus, RainCoat ensures that supporters (referred to as RainCoats on the web application) grant their adopted students a small amount daily to make a large monthly difference. This product is intended for all people that are characterized as either a student or a supporter while allowing overlap between the two profiles. In order to create a stronger financial space for people of many backgrounds and communities, RainCoat is a friendly space for students or any academic journey all sharing the common goal of pursuing a dream greater than theirs for a brighter future.

**Our Solution: Donating on RainCoat**

There are multiple types of donations to fund students and our product. The first type of donation is round-up donations. Many companies already use this to donate to various charities. It is usually an option at checkout when purchases are already being made. When a big corporation partners with us they may have the option to do this. When these donations are made, the money will go to funding our website as there would be upkeep and server costs. Another type of donation is that of a typical donation. Our app features Students and RainCoats. Students are the users that would receive these donations to fund their education, while RainCoats can “adopt” Students or send a one-time donation. Adopting a Student is like agreeing to subscribe and send a monthly donation. Corporations also have the opportunity to sponsor a Student. When this is done, this means the student has received funding from the company and earns a badge on their account that shows they were sponsored. Companies also have the ability to send general donations which would then be pooled together and randomly distributed to any student on the website like a raffle. Students who have already reached their goal are able to also be a RainCoat by donating their extra funds to help other Students. All of these donations are kept like a savings account, and may only be used to cover school expenses. Tracking of these expenses would be done to make sure there are no fraudulent purchases. This tracking would be done by checking the receipts and making sure a school’s code is attached to the expense in some way (i.e. somewhere on the receipt).

**Our Competitors and What Makes Us Unique :**

What makes us unique compared to other products is that we have the users' full interest in mind and we make ways in which we make our donors save money in the long run. When our competitor companies have people donate they don’t provide ways for the donors to benefit from their donations. We give them the incentive to donate using our platform because there will be a massive amount of benefits for them. Some examples of large charitable donations made by organizations or billionaires are Warren Buffet who according to Forbes donated around “$4.1 billion worth of Berkshire Hathaway stock in June, helping bring his total lifetime giving to $44 billion. He noted in a [statement](https://www.berkshirehathaway.com/news/jun2321.pdf) that he has now given away half of his original Berkshire stake and wondered whether it would have been better to wait longer to start giving.” Just think about if billionaires are willing to give that much money without any expectation of somehow benefiting think about how much they would stand to gain if there was a benefit and at the end of the day its all for a good cause none of our competitors like gofundme or [donatestudents.com](http://donatestudents.com) have any program that is as similar diverse as ours.

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