

Innovations for Poverty Action and the Citi Foundation Launch Fund to Create Evidence on Financial Capability

For Immediate Release:

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(New Haven, CT & New York, NY - June 19, 2012) Innovations for Poverty Action and the Citi Foundation announced today the creation of the **Citi IPA Financial Capability Research Fund**. The \$3.4 million program focusing on emerging economies seeks to incubate, develop, and rigorously study products and product-linked interventions to improve the poor's financial capability.

The Citi-IPA Financial Capability Research Fund is supported by the Citi Foundation and will administer a competitive project solicitation process inviting expressions of interest from teams of practitioners and researchers seeking to test products and interventions aimed at improving the behavior of users of financial services.

“The Citi Foundation has long supported financial capability programs around the world because we know that positive financial behaviors are a key factor in achieving economic stability,” said Pam Flaherty, President & CEO of the Citi Foundation. “We are pleased to partner with IPA to launch this Fund that will identify innovative approaches to building consumer financial capabilities and, most importantly, measure their impact.”

Dean Karlan, President of Innovations for Poverty Action and Professor of Economics at Yale University commented that “this fund represents an important contribution to the development of rigorous research on financial capability. We look forward to seeing innovations in product design and evaluations of cost-effective interventions change behavior and improve the way clients manage their money.”

Access to financial services is improving across the world, thanks to technological innovations and the expanded operations of microfinance providers. However, financial capability, or the ability to make informed decisions about the use and management of one's money, has not kept pace with these advances.

This financial capability gap threatens the progress of financial inclusion for low- and moderate-income individuals across the world. There is little evidence, however, about which

products and interventions improve financial capability.

The Citi Foundation and Innovations for Poverty Action have designed this fund with the goal of contributing to the sparse evidence in this field. With a focus on cost-effective, client-based interventions, the fund seeks to generate rigorous evidence on products and product-linked innovations aiming to improve individuals' abilities to make informed judgments and effective decisions about the use and management of their money.

The competitive fund will provide support for approximately ten randomized evaluations across at least two competitive funding rounds. The first Call for Expressions of Interest is now open and will accept applications through **October 19, 2012**.

Practitioners or researchers seeking to build a research partnership in order to pursue a promising idea in this area are encouraged to apply to the fund's matchmaking program. The program will take place during the Impact and Policy Conference on Evidence in Governance, Financial Inclusion and Entrepreneurship from August 30 to September 1, 2012. The most promising partnerships will be awarded research preparation grants to conduct research and pilot testing in preparation for the competitive fund submission. Applications for the matchmaking program are due **July 6, 2012. (Deadline extended to July 20th)**

For more information and to apply to the competitive fund or the matchmaking program, please visit www.poverty-action.org/financialcapability.

About the Citi Foundation

The Citi Foundation is committed to the economic empowerment and financial inclusion of low- to moderate-income individuals and families in the communities where we work so that they can improve their standard of living. Globally, the Citi Foundation targets its strategic giving to priority focus areas: Microfinance, Enterprise Development, College Success, and Financial Capability and Asset Building. In the United States, the Citi Foundation also supports Neighborhood Revitalization programs. The Citi Foundation works with its partners in Microfinance, Enterprise Development, and Neighborhood Revitalization to support environmental programs and innovations. Additional information can be found at www.citifoundation.com.

About Innovations for Poverty Action

Innovations for Poverty Action (IPA) is dedicated to discovering what works to help the world's poor. Established in 2002, IPA designs and evaluates programs in real contexts with real people, and provides hands-on assistance to bring successful programs to scale. IPA partners with researchers in top universities and implementing organizations around the world to ensure that poverty-fighting activities are supported by the utmost methodological rigor. IPA shares the evidence generated with development practitioners, policymakers and donors, and provides technical assistance and support to governments and non-governmental actors to implement successful programs and bring them to scale around the world. IPA has ongoing research operations in 48 countries across Africa; North and South America; and South and



South East Asia. Additional information can be found at www.poverty-action.org.

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