

THE CASE FOR DIRECT CASH TRANSFERS

*How Organizations Can Support Communities in
Navigating the Covid-19 Financial Crisis*

PROSPERITY
NOW

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How Organizations Can Support Communities in Navigating the Covid-19 Financial Crisis

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ABOUT PROSPERITY NOW

Prosperity Now believes that everyone deserves a chance to prosper. Since 1979, we have helped millions of people, especially people of color and those of limited incomes, to achieve financial security, stability and, ultimately, prosperity. We offer a unique combination of practical solutions, in-depth research and proven strategies, all aimed at building wealth for those who need it most. We recognize the devastating impact of the racial wealth divide on people and our economy, and we strive to equip organizations of color and others with the capacity, tools and cultural competency necessary to address structural and systemic barriers facing families of color. **Gary Cunningham** is our President and CEO.

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About this Brief

In the spring of 2020, the United States and the rest of the world experienced a once-in-a-generation phenomenon of the COVID-19 global pandemic. In addition to the devastating public health impacts of the pandemic, COVID-19 has devastated the American economy and led to massive job losses. The economic pain and social distancing requirements have forced non-profits to change nearly everything about how they operate. This brief will highlight key lessons learned from four social service organizations that pivoted from offering emergency savings programs to offering emergency assistance, also known as direct cash transfer programs, to meet the needs of their participants during this crisis. This brief is aimed at nonprofit and social service organizations that are serving vulnerable populations and are interested in offering cash assistance programs. This brief is also a helpful resource for funders or intermediary organizations who are seeking strategies for funding or supporting similar programmatic efforts. This brief is rooted in real-life examples from the organizations and includes lessons learned and promising practices. Part one of the brief shares background information on the project and discusses the impact of COVID-19 on the organizations and their communities. Part two offers overviews of the participating organizations and their emergency assistance program models, including their target audiences and the emergency assistance fund amounts. Part three describes key findings, which include rich qualitative and quantitative data about the impact of the project on participants and their families. Part four provides specific recommendations for nonprofit organizations and funders, including how to create equitable and accessible cash assistance funds, customize these cash assistance programs to account for the differing regional impacts of COVID-19 and the needs of program participants, and ensure that organizations have the support and flexibility they need to do their work. Part five discusses the critical need for interventions like cash assistance.

PART 1

Project Background and the Impact of COVID-19

In early 2020, Prosperity Now, in partnership with the Wells Fargo Foundation, launched an Emergency Savings Pilot, with the goal of supporting four community-based organizations in launching emergency matched savings programs.¹ The four partner organizations had established criteria for their matched savings programs, including savings requirements and match amounts. They were engaged in offering other services, such as financial education and coaching. But when COVID-19 struck, it affected nearly every aspect of society, including the financial lives of the communities our partner organizations were serving.

Starting in March 2020, mandatory stay-at-home policies, business closures and social distancing regulations, although critical for public health, led many low-wage workers, mostly racial and ethnic minorities, immigrants and women, to lose all streams of income.² Roughly 30 million people in the US had filed for unemployment by April. Unemployment benefits made available through the CARES Act and state funds helped some families. But many people, such as undocumented immigrants, those in the gig economy and domestic services, who are disproportionately Hispanic or Latinx and Black, and those who were furloughed, were unable to access the resources that were made available. Moreover, those funds were simply not enough.³

Prosperity Now and its partners knew that a significant pivot was necessary. In addition to grappling with service delivery disruptions and transitioning to working virtually, our partners found the communities they serve, which are predominantly low-income, immigrant or undocumented and female, were deeply impacted by the crises. Many participants lost their jobs or had a reduction in hours, were tapping into their savings to make ends meet and were expressing dire need for support with rent, food and other bills. In short, it no longer made sense to offer matched emergency savings programs, especially those requiring participants to save, when communities had lost all streams of income and were grappling with how they would support their families.

Given this reality, Prosperity Now shifted the Emergency Matched Savings Pilot to an Emergency Assistance Program so that participants could access the funds they needed to support themselves and their families during this time. Under the original Emergency Matched Savings Pilot, each of the organizations was to receive \$20,000 to provide a match amount for what participants were able to save. When the project shifted to Emergency Assistance, Prosperity Now increased the funds so that each organization received \$21,000 and an additional \$500 to provide incentives for participants who chose to talk about their experiences in interviews. Participants were able to receive direct cash transfers of varying amounts. These transfers were not contingent on how much they saved or whether they participated in a particular service. Rather, each organization developed strategies for determining participant need and gave the funds out that way. In reviewing the successes of Universal Basic Income demonstrations,⁴ like those happening in Stockton, CA, or unrestricted cash transfers, like LIFT's Family Goal Fund⁵, Prosperity Now felt confident that giving participants access

¹ <https://prosperitynow.org/blog/announcing-emergency-matched-savings-pilot-helping-families-weather-financial-emergencies>

² https://prosperitynow.org/sites/default/files/PDFs/Scorecard%202020/Unequal_Impact_of_COVID-19.pdf

³ <https://www.washingtonpost.com/business/2020/04/16/unemployment-claims-coronavirus/>

⁴ <https://www.newyorker.com/news/news-desk/the-promising-results-of-a-citywide-basic-income-experiment>

⁵ <https://www.liftcommunities.org/why-lift/family-goal-fund/>

to the funds would empower them to make the decisions they needed to best help their families during this complex time.

After the programs shifted away from the Emergency Matched Savings Program to the Emergency Assistance Program, each organization continued to receive technical assistance, program design tools and opportunities to engage with their peers to discuss their projects. The technical assistance helped the organizations formulate plans for data tracking, determine how they would equitably measure need among their participants, create simple application processes that didn't impose unnecessary barriers on clients and settle on ways to distribute the funds. Each organization also was able to collect quantitative and rich qualitative data about how those funds impacted families. The primary takeaways were that this money helped prevent or delay crises like eviction and food insecurity, but that one-time-payments were not sufficient. Many of the families are continuing to struggle to cover their basic costs of living.

PART 2

Partner Profiles

Prosperity Now selected organizations with geographical distinctions that have deep ties to their communities, experience running matched savings programs and a multitude of social service options for their clients. These attributes made the organizations especially well-situated to pivot to distributing emergency assistance funds. Below, are descriptions of each of the organizations and an overview of the emergency assistance programs that they created.



East LA Community Corporation

Los Angeles, CA

East LA Community Corporation (ELACC) advocates for economic and social justice in Boyle Heights and East Los Angeles by building grassroots leadership, developing affordable housing and neighborhood assets and providing access to economic development opportunities for low-and moderate-income families.

TARGET AUDIENCE

Street vendors, mariachi musicians and low-income renters in East Los Angeles. Many of these workers are undocumented, worked in the gig economy and had their income sources disrupted as a result of COVID-19 and were ineligible for unemployment benefits and stimulus payments.

NUMBER OF PEOPLE SERVED

64 (35 street vendors and mariachi musicians; 29 low-income renters).

AMOUNT OF EMERGENCY ASSISTANCE PROVIDED

\$400/person for street vendors and mariachi musicians;
\$200/person for low-income renters for grocery and utility expenses.

“It’s been a desperate situation, little work and sometimes none, when the pandemic started everything fell through, we had nothing, all the contracts and the work ended, we don’t have money to pay rent or bills”

ELACC Participant #3



Foundation Communities

Austin, TX

Foundation Communities (FC) is a housing-plus-services model that ensures low-income residents and community members have the tools and support they need to stabilize and increase their economic standing. They own and manage 3,513 affordable homes and 727 supporting housing units for single adults and 156 apartments for families that are exiting homelessness.

TARGET AUDIENCE

Families with young children who were part of the Children's Home Initiative (CHI) Program, which supports families that are transitioning from homelessness to stable housing. Because many families were undocumented and had "informal" jobs they were unable to receive unemployment benefits and stimulus payments.

NUMBER OF PEOPLE SERVED

41 families

AMOUNT OF EMERGENCY ASSISTANCE PROVIDED

\$500/family

"I was only able to work a little because of the pandemic. My hours were shortened. My daughters are worried because my work did not give me gloves or masks."

FC Participant #4



Texas Muslim Women's Foundation

Plano, TX

Texas Muslim Women's Foundation (TMWF) works to empower, promote and support all women by strengthening the individual, her family and the community without regard to race, ethnicity, sexual orientation or religious affiliation. The Peace in the Home Domestic Violence intervention program promotes self-sufficiency, safety and long-term independence for people who have experienced family violence.

TARGET AUDIENCE

Participants in the Peace in the Home Social Services Program (domestic violence survivors, refugees, immigrants). TMWF determined client eligibility based on income verification and prioritized requests for housing, utilities and food assistance.

NUMBER OF PEOPLE SERVED

50 individuals

AMOUNT OF EMERGENCY ASSISTANCE PROVIDED

\$410/person

"I'm a house cleaner and have had no income for the past two months. I used to have savings, but I used my savings to pay for rent, gas, etc. during this time. Prior to COVID I was able to save.

TMWF Participant #3



University of Arkansas and Arkansas Coalition of the Marshallese

Fayetteville, AK

University of Arkansas (UA) IDEALS Institute and Arkansas Coalition of the Marshallese (ACOM) have previously partnered on several race equity projects designed to build pathways for children to attain post-secondary education/job training through Child Savings Accounts and for adults to build wealth through homeownership, small business development and post-secondary education/job training via IDA accounts. ACOM focuses on providing leadership, education and cultural integrity to the Marshallese community in Northwest Arkansas.

TARGET AUDIENCE

Marshallese adults in Northwest Arkansas who are unemployed or whose income has been reduced because of COVID-19. Many participants have had family members fall ill or die because of COVID-19 outbreaks at meat-packing centers.

NUMBER OF PEOPLE SERVED

71

AMOUNT OF EMERGENCY ASSISTANCE PROVIDED

\$288/person (average)

"We were both working up until I got sick. I lost my job because of COVID 19. My husband was also a COVID patient and so both of us were out of work. He was able to go back to work."

UA and ACOM Participant #3

PART 3

Key Findings

Our partner organizations collected participant-level quantitative and qualitative data to assess the impact of emergency savings (see Table 1). Prosperity Now designed an Excel spreadsheet to support the four organizations in collecting participant-level data and worked with each organization to determine when to collect this information for each participant who received emergency assistance funding. Prosperity Now and partners also conducted 40 interviews (10 interviews per site) to better understand participants' financial situations and their experiences accessing the funds.

DATA COLLECTION	
<p><i>Quantitative</i></p> <ul style="list-style-type: none"> • Age • Gender • Race • Household size • Employment status • Intended use(s) of funds 	<p><i>Qualitative</i></p> <ul style="list-style-type: none"> • Impact of COVID-19 on participant • Experience accessing emergency assistance • Savings situation prior to COVID-19 • Other resources accessed • Resources not accessed that would have been helpful

Emergency Assistance Pilot Snapshot

Listed below are the aggregate demographics, fund amounts and payment methods of participants served by our four partner organizations. Percentages reflect averages across all four sites. The majority of participants served by the Emergency Assistance Pilot are immigrants and refugees, female and underemployed or unemployed as a result of COVID-19. Notably, 42% of participants had savings prior to the pandemic but reported having depleted them within a month or two after the pandemic hit.

AGGREGATE PARTICIPANT DATA (226 participants)	
AGE	Median Age Range: 31-45
GENDER	Male: 34.5% Female: 65% Prefer not to say: 0.4%
RACE	Hispanic or Latinx: 39.8% Native Hawaiian or other Pacific Islander: 31.4% Asian or Asian American: 10.2% Black or African American: 6.2% Middle Eastern: 5.3% White: 4% Other: 2.7% American Indian or Alaska Native: 0.4%
EMPLOYMENT STATUS	Employed, but reduced wages and/or hours: 54% Unemployed: 38.5% Other: 5.3% Furloughed: 1.8% Blank: 0.4%
AVERAGE FUND AMOUNT	\$359
PAYMENT METHODS	Gift cards, direct payment towards rent, paper checks

Across the four organizations, 226 participants accessed the emergency assistance funds. Initially, when the project was a matched savings initiative, each organization was asked to serve 40-60 participants. But when the pilot shifted to an emergency assistance initiative, it was up to each organization to determine the target number of individuals served. Partners grappled with how to balance inclusivity (how to serve as many people as possible) and equity (how to target the funding to those who needed it the most and who couldn't access federal or state relief) in their project designs. Ultimately, they ended up serving about the same number of participants as they had originally expected to serve.

Some 65% of participants identified as female compared to 34.5% who identified as male. The participants identified predominately as Hispanic/Latinx (39.8%) and Native Hawaiian or Other Pacific Islander (31.4%) because of the target audiences of the East LA Community Corporation and the University of Arkansas and Arkansas Coalition of the Marshallese. Participants had varying employment statuses, with most indicating either that they were employed but had reduced wages and/or hours (54%) or completely unemployed (38.5%). Those who reported a reduction in wages and/or hours worked at restaurants, hotels and meat-packing factories. Most of the participants from East LA Community Corporation reported being unemployed because of the inability to work as street vendors and mariachi musicians because of COVID-19 restrictions.

The average amount of funds dispersed per participant was \$359. Each organization considered how many participants they wanted to serve, how the funds would likely be utilized and the impact of COVID-19 on their communities to determine the amount to distribute per participant. Across all four sites, participants indicated that they planned to spend the funds on addressing immediate expenses. Allocating the funds towards rent, a huge stressor for many participants, was the most mentioned

across the four sites. Rent was the second most intended use of funds for participants at East LA Community Corporation and the first intended use of funds for participants at ACOM (62%) and Foundation Communities (100%).⁶ At ELACC, 73% of participants mentioned they intended to use funds for food, a plan shared by only 9.9% of ACOM participants. This may have been, in part, because of when ELACC distributed the funds (after the first of the month). Other possible factors were that children were at home because of school closures and that the participants knew the amount of money would be sufficient for groceries because they understood their monthly expenses.

Site-specific findings

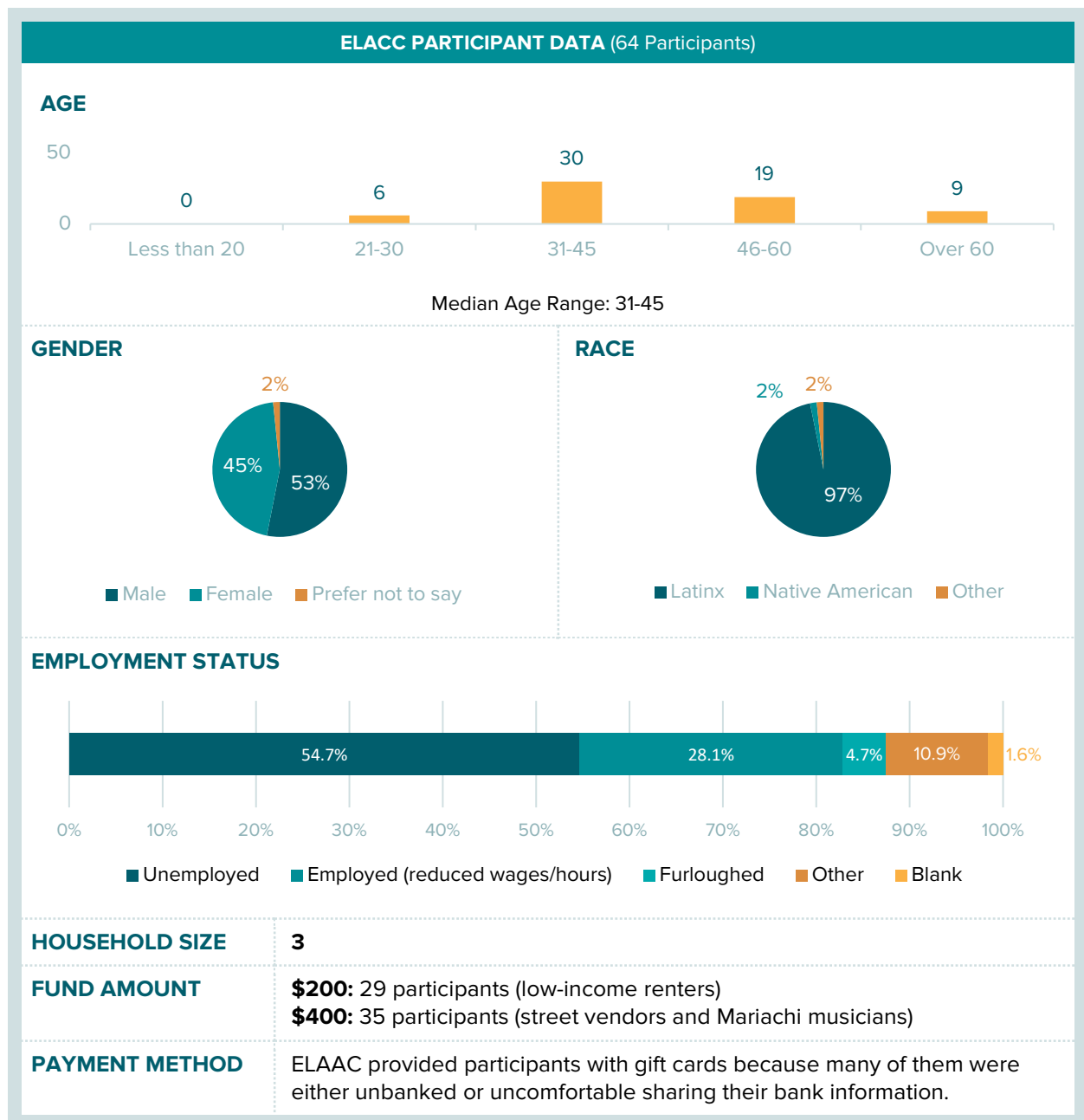
Listed below is information about each organization's participants, fund amounts and payment methods, as well as more context about their communities and how they designed their pilots.

EAST LOS ANGELES COMMUNITY CORPORATION

"They cancelled all my gigs, a lot of contracts, a lot of cancellations, I had to return many deposits back to a lot of people because they asked for them back. Overall, my work went to the lowest point."

ELACC Participant #3

⁶ Foundation Communities targeted the emergency assistance initiative to participants residing at their housing properties and applied the emergency assistance funds to participants' rent ledgers.



East LA Community Corporation dispersed funds to 64 individuals, overwhelmingly Latinx, 53.1% male and 45.3% female (most mariachis are male). Some 55% of the participants were unemployed, and 28.1% were employed with reduced wages and/or hours. In deciding how to share these resources, ELACC focused on two target audiences—street vendors and mariachi musicians, whose work came to a screeching halt because of social distancing measures, and low-income individuals who were struggling to pay rent. They set slightly different amounts for each participant group (\$400 for street vendors and mariachi musicians and \$200 for low-income renters) based on employment status and overall impact of COVID-19 on participants.

Immediate needs such as food and monthly bills were participants' highest priorities. Seventy-three percent of clients intended to use their funds for food purchases, and 67% indicated that they would use the funds for rent. When asked about their biggest financial burden, most participants cited ability to pay rent, understandably so given that many worked in the informal economy or performed gig work and suffered immediate economic consequences of social distancing measures once they were put in place.

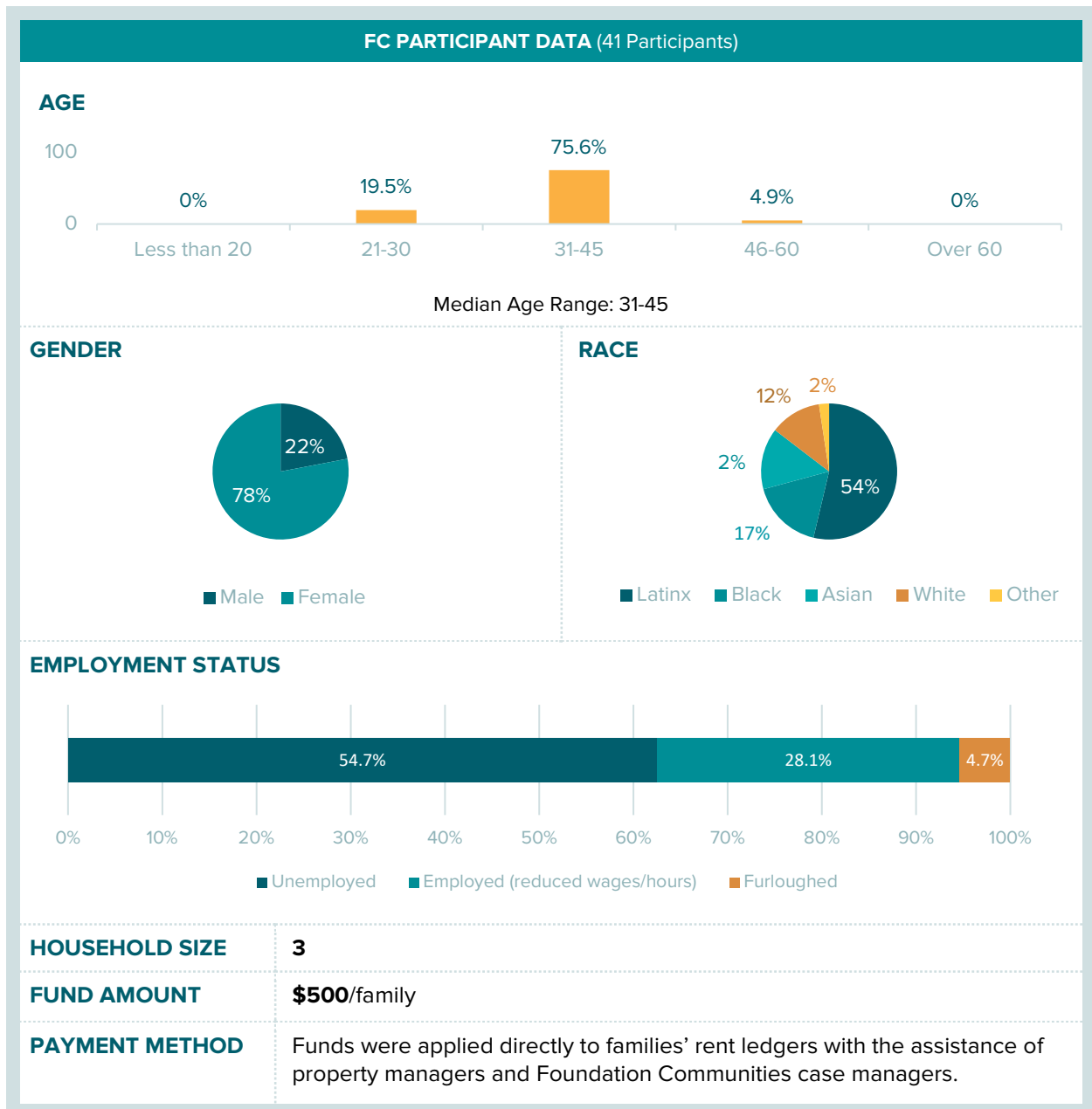
"We've been greatly impacted because, you know, bills don't stop coming. They didn't even lower them. They just gave us a forbearance of one or two months but not one bill was forgiven. And the rent too. Although they didn't ask for it, we still have to pay it. The government said they would give us time, but in the meantime, we are getting into more debt and that doesn't help us at all."

ELACC Participant #5

FOUNDATION COMMUNITIES

"During this time, my financial situation has truly been a rollercoaster. At the beginning of closings, I felt secure in my job and finances as I like to feel that I am very on top of my budget. Although to my surprise my hours at work decreased drastically and quickly ran through my savings and was not receiving child support due to my child's father not being able to work due to the pandemic."

FC Participant #4



Foundation Communities served 41 participants through this project, allocating \$500 apiece to participants' rent ledgers. The majority of the participants identify as female (78%) and Hispanic or Latinx (53.7%). An overwhelming 71% of participants were unemployed at the time they received the cash assistance.

Foundation Communities targeted the program to families with young children who are part of the Children's Home Initiative (CHI) Program, which supports families in transitioning from homelessness to stable housing. Many families are undocumented and had "informal" jobs, so they could not obtain letters from their employers stating they have been furloughed or laid off. When asked what other resources or services they wish they could have accessed, about 37% of participants said federal or state benefits, like unemployment benefits and stimulus payments. Given that they were serving families transitioning from homelessness to stable housing, Foundation Communities decided to target the emergency assistance dollars towards rent to ensure residents and families stayed housed during the crisis.

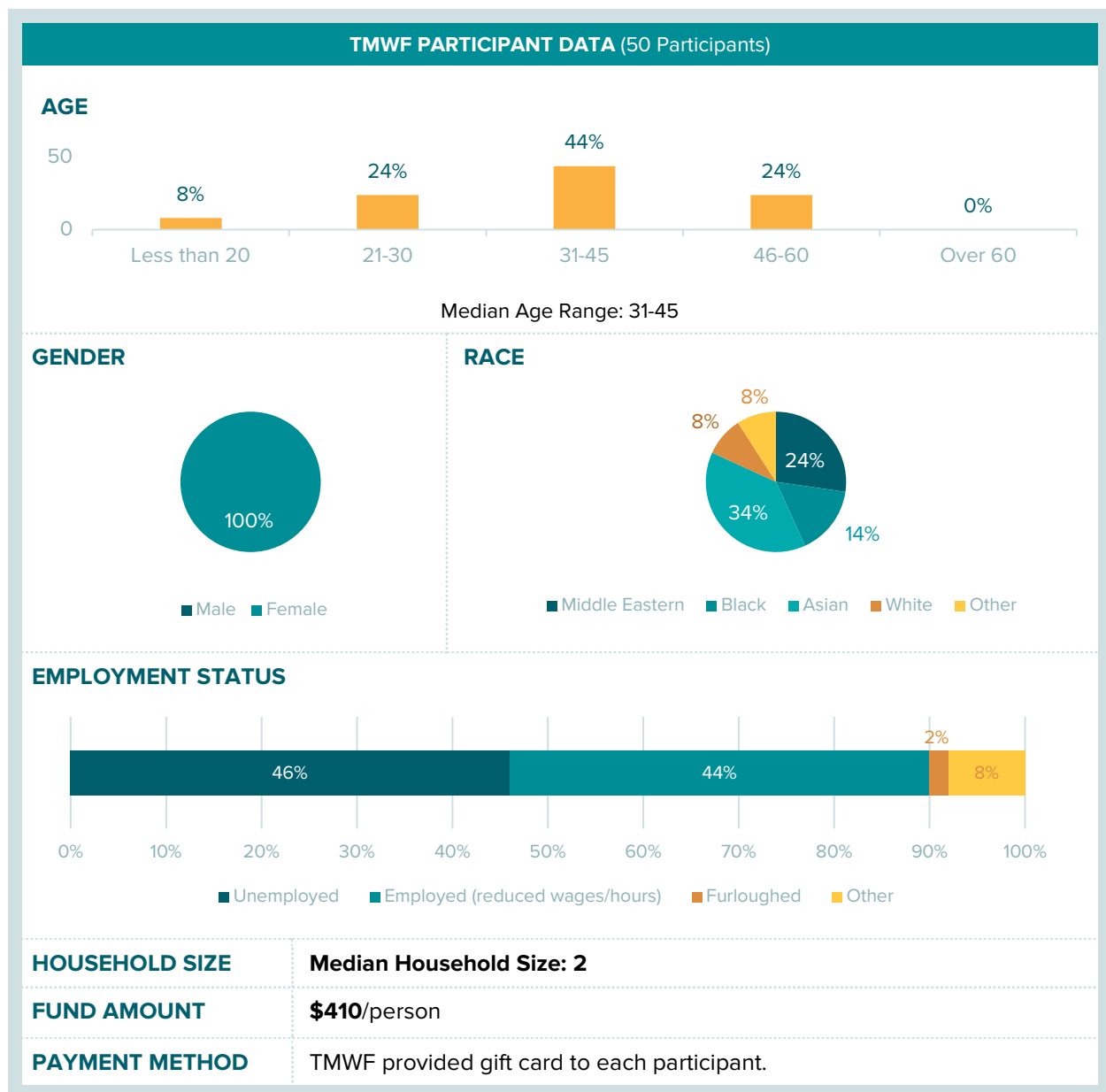
"I was working for a reputable university and still living paycheck to paycheck. Since COVID-19 there are no students, the university like many other schools had to close. I lost my job in May and have been actively searching for a work at home position in the same field in education but it has been very difficult. I'm looking for work that keeps me as an essential employee so that being out of work doesn't happen to me again. I really can't afford to lose my job because everything like food and housing will be lost as well."

FC Participant #8

TEXAS MUSLIM WOMEN'S FOUNDATION

"Before Coronavirus, things were normal -- I was struggling but everything closing made everything worse. School was a form of childcare and now the economic situation is even worse. I have spent all of my money on taking care households. I was working part time and had just gotten full time but I was unemployed before that and so the money I was making was paying off bills and so I couldn't save--I had to spend everything as soon as I got it."

TMWF Participant #2



The Texas Muslim Women’s Foundation dispersed \$410 gift cards to 50 female participants to be used at their discretion. The majority of participants identified as South Asian (34%) or Middle Eastern (24%). At the time they accessed the emergency assistance funds, 46% of participants were unemployed and 44% had experienced a reduction in hours or wages. Given that TMWF serves domestic violence survivors, they decided to distribute funds through gift cards to protect participants and avoid leaving a paper trail.

TMWF participants specifically highlighted their need for childcare as impeding their ability to work, with 12% of respondents indicating that they had trouble returning to or continuing to work because of childcare needs.

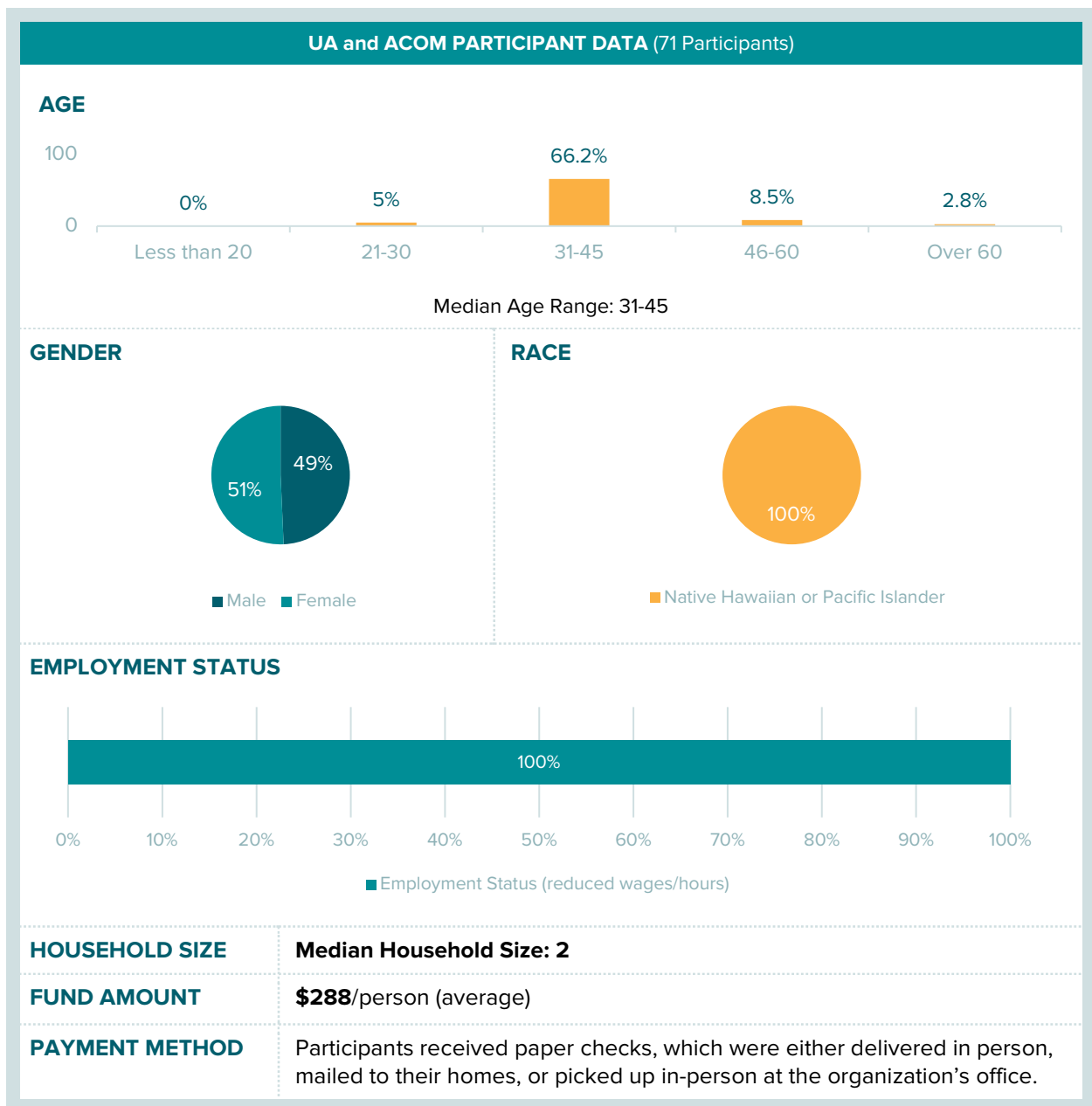
"I was self-sufficient before COVID-19 but have used up savings for day to day expenses and resources for [my] child at home. I am actively looking for employment that would let me work from home since I don't have childcare. I don't want son in school until there is stabilization around COVID-19. I am looking for mental health services, triggered anxiety around being alone and the world not being safe. Need mental health resources for son as well [who is] dealing with the trauma."

TMWF Participant #4

UNIVERSITY OF ARKANSAS AND ARKANSAS COALITION OF MARSHALLESE

"We had a little savings before the crisis, so when COVID hit we were able to use that. With my unemployment we get an extra \$600. But the little we have saved we have used it towards our expenses and bills. We are running out. My husband had [when we got the money] been out of work for two months and now...been out of work since May."

UA and ACOM Participant #8



University of Arkansas and the Arkansas Coalition of Marshallese distributed an average of \$288 per person to 71 participants. In several instances, multiple members from the same household received funds. But for analysis purposes, every participant was represented individually, not by household grouping. Some 50% of participants identified as female, and 49% identified as male; 100% of the participants were from the Marshallese Islands. At the time they received funds, all participants shared that they were employed at meat-packing factories but had experienced reduced wages and/or hours. However, during the interviews which took place a few weeks later, all of the interviewees shared they had been fired for taking time off because either they or a family member had fallen sick because of COVID-19.

Sixty-two percent of participants intended to use the funds to pay for rent, which is much higher than any of the other intended uses, including food, car repairs, utilities and funeral costs. Additionally, 57.7% of respondents mentioned that COVID-19 has affected their ability to pay rent fully or partially on time.

[My husband] got fired because he was awaiting a note from a doctor to excuse his days away from work. Right now we are still trying to fight for his job back. The people we are working with are busy helping other people. So when he went to the community clinic it was during the week he didn't go to work because he started having COVID symptoms. When he got the results back it was late and he got let go. Totally not his fault."

UA and ACOM Participant #53

PART 4

Recommendations

Prosperity Now is a national intermediary that has developed deep ties with local organizations through our technical assistance relationships. Prosperity Now has developed a set of recommendations, both for funders and/or national technical assistance organizations and for local organizations that are looking to implement emergency cash assistance programs. We often serve as a pass through entity that identifies local organizations to receive funding and then provides support to those organization through our technical assistance.

Recommendations for Non-Profits

Make it simple and accessible for participants to access funds: Low-income communities and communities of color are repeatedly asked to jump through hoops and hurdles to demonstrate need and intention before accessing timely and much-needed resources. Often underlying cumbersome processes are racist and patronizing assumptions about people's behaviors and values. Among many other things, what COVID-19 has brought to light is that our most marginalized and vulnerable communities are fundamental to our society. From grocery store and meat-packing workers to hotel and service industry employees, all of whom are most often low-income and people of color, people who performed the most essential functions of our society were also the hardest hit with the economic and health impacts of COVID-19. We need to, once and for all, dismantle the problematic myth that people are struggling and unable to provide for themselves and their families because of laziness and an unwillingness to work. If given the opportunity and resources to offer emergency/cash assistance to your community members, start from a place of trust, respect and empathy for those you serve, and make sure that your program can be accessed with little to no barriers. ELACC recognized that, to ensure their undocumented communities accessed the funding easily, they could not require paperwork and bank account information. Instead, they asked very few questions and opted to distribute gift cards. TMWF serves immigrant women who have experienced domestic violence and realized that, just like all their other services, they would have to implement trauma-informed processes to support their participants in accessing the emergency assistance funds.

Think about how you will balance being inclusive and equitable: Unless you have access to endless funds, chances are, you will have a finite amount of funds to distribute to meet a huge need. Our partners faced this exact dilemma. Although they were grateful to distribute \$21,000 to community members, the impact of COVID-19 was so dire and pervasive that this funding was insufficient to meet their communities' needs. Partners grappled with how to distribute funds to as many people as possible and make sure that those most impacted by COVID-19, especially participants who were unable to access federal and state benefits, were prioritized. Each partner balanced this tension slightly differently. ELACC identified two target audiences—street vendors and mariachi musicians, all of whom are undocumented and unable to work due to COVID-19, and low-income community members who were struggling to pay rent—with the rationale that, this way, they could serve community members disproportionately impacted by COVID-19. UA and ACOM decided to distribute funds to multiple members within the same household. Program staff knew that many households had a primary breadwinner, and once that person became unemployed, it made sense to offer substantial support at the household level. When designing your program, keep in mind how

decisions—like target audience, amount distributed and payment methods—will influence the depth and breadth of your impact.

Communicate, with transparency, how the fund works: Before you begin distribution, take time to figure out how and what you are going to communicate about your program. Think about how you will let participants know that you have this funding available—will you call participants, post flyers, communicate via social media and/or rely on word of mouth? Our partners had close relationships with their participants and used a blend of these approaches to make sure they knew of these funds. Make sure you are communicating in the language(s) spoken by your community members. All our partners serve immigrants and refugees, so materials were translated into and services provided in Spanish, Arabic, Urdu and Marshallese. It is also important to think about how your community perceives cash or emergency assistance and how you will build confidence and trust with your participants. For example, many of the Marshallese community members shared that they felt embarrassed accessing funds, and it was important for them to have a point person to ask questions and share their concerns. Organizations like ELACC and Foundation Communities that are working with undocumented communities will likely experience suspicion from participants and will want to make sure to prioritize safety and confidentiality throughout the process. ELACC asked participants to bring IDs when they came to pick up their gift cards—for transparency and safety reasons. IDs allowed ELACC to keep track of who received money and demonstrated to participants that ELACC was only giving funding to those who had signed up. Furthermore, IDs avoided confusion for everyone involved, especially when multiple participants had the same name. Also, think about what participants need to know about the program—eligibility requirements (if any), application process and any expectations you may have. If operating more than one emergency assistance program, consider how to balance different funder requirements. For instance, TMWF was also operating a federal cash assistance program that had many eligibility and verification requirements. Participants ended up being confused as to why some of them were being asked to provide so much documentation while others faced little to no barriers accessing funds.

Connect participants to other resources: In a pre-COVID era, in-person contact served as an excellent opportunity to raise participant awareness and offer access to other resources. Unfortunately, our partners had to figure out how to distribute emergency assistance funds with social distancing regulations and office closures. Even when they met with participants in person (with masks, hand sanitizers and six feet distance), there was a great deal of stress and anxiety for all involved. Our partners had to be even more intentional about using their limited time with participants to connect them to other services like pantries, housing, COVID testing and other cash assistance programs. Foundation Communities leveraged their relationships with property managers to ensure that residents not only heard about the emergency assistance but were made aware of other community resources. Partners felt this was also critical, given the lack of information/misinformation about COVID-19 in many communities and the purposeful exclusion of their communities in stimulus bills and other benefit processes. Our partners should ensure that whoever is seeing participants at the time of disbursement is knowledgeable about available resources.

Leverage pilot programs to seek more funding: As with any other program, it is okay to start small. If you are operating a smaller-scale emergency assistance program and unable to reach as many people as you would like, think about how you can measure the impact and lift learnings to raise awareness of your work and advocate for more funding. As shared earlier, our partners recognized early on that the funding they received was needed but insufficient. They focused on implementing strong processes and documenting learnings and were able to advocate for more funding through

other philanthropic and government entities. Focus on developing a strong model, and you will be better positioned to seek additional funding. In fact, TMWF was able to secure \$1.2 million through the city of Plano and ELACC obtained \$12,000 from Unidos US and Mission Asset Fund combined for COVID-19 emergency assistance relief in their communities!

Recommendations for Funders and Intermediary Organizations

Work with Organizations that Have Deep Ties to Their Community: While all funders or national intermediaries would state that they want to work with organizations that have close ties to their communities, these relationships were absolutely critical for this type of project and were one of the greatest factors in the project's overall success. All the organizations we partnered with demonstrated deep ties to their communities in their applications. This came through in the multitude of channels that they used to communicate with community members and the examples they shared of ways that they have sought feedback and changed programs or policies based on community's needs.

Close relationships with community members are especially important during COVID-19 since the impact of the pandemic has varied considerably by region and community. For example, many members of ACOM work in the meat-processing plants which have had high rates of infection. This has meant that many of their members or their members family members have been sick, and some have died from COVID-19. Other organizations like ELACC are serving members who often have been unable to access things like the stimulus checks or unemployment because they are undocumented. Having these close relationships with the community has meant that the organizations understand the local impact of COVID-19 and can tailor their programs to meet community member needs. These close relationships also meant that it was easier to publicize the programs. For example, ACOM has an active Facebook page that is already used to communicate with their members about events and opportunities. This existing channel was used to help publicize their program. Organizations that have close relationships with community members are also able to provide payments using methods that they know will work well. For example, ELACC knew that many of their participants were unbanked and/or distrustful of banks, so they chose to provide their participants with gift cards as opposed to checks.

Prioritize Flexibility and Responsiveness: Being flexible and being responsive to the needs of local organizations has never been more important. Local non-profits are dealing with unprecedented challenges because of COVID-19. However, it is also a time for organizations to be creative in how they respond to the increasing demands of their communities. This is only possible if funders are flexible in what they are asking of organizations and responsive in providing the support that organizations need to do their work. During this project, all the organizations noted that the flexibility that Prosperity Now and the Wells Fargo Foundation provided allowed them to meet community needs and shift the design of the project when they encountered challenges. For the organizations, it simply didn't make sense to continue with an emergency matched savings project because so many of their clients had lost their jobs. To do so, would have made the organizations seem unresponsive to the needs of their communities. In addition to shifting the overall focus of the project, it is also important to provide organizations with the discretion to make changes in how programs are implemented so that they can reduce barriers for clients. For example, TMWF realized that the eligibility criteria created for their cash-assistance program was a barrier to clients accessing this resource. They adjusted the program, giving case managers the authority to improve the application process by pulling information from existing records to expedite the eligibility process. If TMWF had

had to seek additional approval from PN or the Wells Fargo Foundation, the project could have been delayed.

Create Opportunities for Peer-to-Peer Connection: Prosperity Now hosted five peer learning calls and had plans for an in-person convening until COVID-19 struck. All the organizations noted that these peer learning calls were incredibly helpful. The calls took place approximately every six weeks and served several purposes: 1.) The calls were an important opportunity for the sites to connect with each other and learn about program models, both pre- and post-COVID-19. The organizations have fewer opportunities to network, so these calls were an important space that allowed the groups to share how they were doing more generally and how their organizations were pivoting in light of COVID-19. 2.) The calls were an important way for Prosperity Now to communicate with the organizations and set expectations. After COVID-19 caused Prosperity Now to shift to emergency assistance, many of the administrative pieces of the project needed to be redesigned, including the timeline, how funds would be distributed and the TA tools the sites would use to design their programs. Peer learning calls were an excellent platform to discuss these changes 3.) The calls were an important way to connect the sites to experts. Some programs had not operated emergency assistance programs before, so Prosperity Now brought in experts who had run such programs so that the sites could ask questions of organizations that had more experience in this field.

PART 5

Conclusion

The inequitable impact that the COVID-19 crisis has had and continues have on low-income communities and communities of color is not shocking. These communities are at a greater risk now because they were at a greater risk before. Prior to the pandemic, the liquid asset poverty rate was 58% for Black and Latinx families, one-third of U.S. families had no savings at all, and four in 10 adults would either not be able to cover an unexpected expense of \$400 or would cover it by selling something or borrowing money. This was our “normal,” not because families were not working or were not working hard enough but because of low wages, rising costs of living and rampant institutional, structural and systemic racism in all aspects of U.S. society. Since COVID-19 disrupted all aspects of our society, these same families have lost the low-wage jobs that supported them in staying afloat, depleted the savings they had. They are now facing evictions, unpaid bills and accumulating debt.

In June and July 2020, Prosperity Now conducted a [survey](#) of 2,252 low-income individuals throughout the country to better understand the impact of COVID-19 on their lives. Here are a few notable findings:

- Nearly 40% of lower-income households feel worse off financially as a result of the pandemic.
- Because of COVID-19, almost half of the households surveyed were unable to fully cover at least one basic expense, such as housing, food, or medical care.
- The most common strategies lower-income households relied on to navigate the financial impact of COVID-19 included using the economic impact payment (if they qualified for or received one), resorting to savings, skipping bill payments (partially or in full), and filing taxes to obtain a refund.

We must do better. It is important to explore why so many need unrestricted cash transfers in the first place. We need to dismantle common tropes such as “people are unwilling to work” and recognize that the reality is far more painful and complex and not because of individual failures. Structural inequities, entrenched long before the COVID-19 crisis, have created this need, and addressing it will require a comprehensive effort. As we work together to address deeply rooted structural inequities, we must continue to get unrestricted cash in the hands of families so that they can stabilize and take care of themselves. Unrestricted cash transfers need to be a core part of a spectrum of social services, even in “good times”, so that families can access holistic services and resources to support themselves.

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