

Impact Data: Key Findings from April 2020 to April 2021

Canary helps companies support their employees in times of financial need. Through the emergency relief platform, Grant Circle, employees can both give and receive emergency funds in times of financial hardship efficiently, quickly, and with dignity. In this report, we've recapped the data from a year of grant making from employer-sponsored Grant Circle programs. Here is some of what we've learned:

Why do people ask for help, and how do they use the money?

The basic structure of the Grant Circle program is that eligible employees who experience financial hardship as a result of an unpredictable, unavoidable disruption are eligible to apply. Yet, half of grant applicants have annual household incomes under \$40,000. Nearly 80% are under \$70,000, which is roughly the median income in the U.S. Nearly all (98%) are not financially healthy, using the [Financial Health Network's](#) definition. Almost 60% report having less than a month's worth of expenses in liquid savings, and 80% report an unmanageable amount of debt.

Just over half of the grant requests (55%) we received between early April 2020 and early May 2021 cited COVID-19 among the precipitating events that led to the grant application. However, we asked people to tell us more than that. In other words, our grant program required people to experience something else bad in addition to living through a pandemic. Most commonly, people applied because they or someone in their household was not able to work, or was experiencing a medical issue. Among the 45% who did not cite COVID-19 as a cause of their hardship, the most common issues were medical or car-related.

"I was able to pay my rent while at home recovering. My family was able to take care of me without having to worry that I could be evicted while I could not work"

-GRANT RECIPIENT

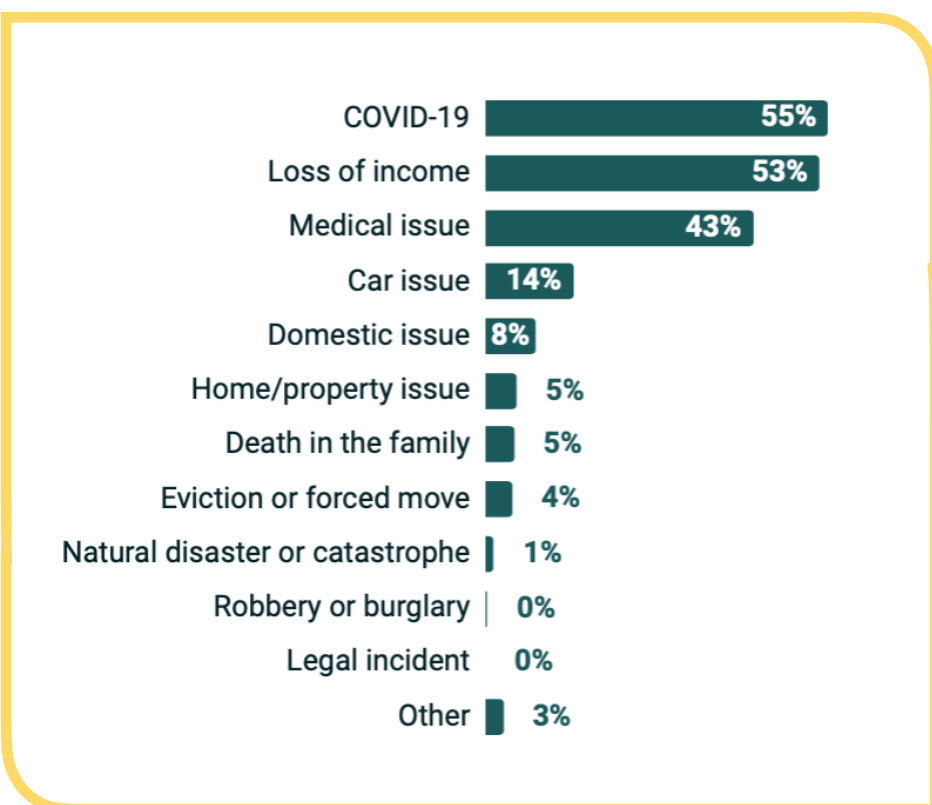
Even when people have health insurance to cover the costs of medical care itself, covering a deductible or the loss of income while recovering from surgery can push families to the brink financially. Similarly, car trouble is a consistent source of distress. Paying for a busted engine or new tires, and potentially not being able to work while waiting for that repair to be completed, is a regularly-cited worry among Grant Circle applicants.

What we hear from applicants is consistent with national data. Well before the pandemic, the [Pew Charitable Trusts reported](#) that 60% of households experienced at least one financial shock in the past year, and, for more than half of them, the most expensive shock was financially destabilizing even a year later. COVID-19 simply magnified the need that already existed among workers for emergency relief grants and other types of support.

Employee benefits, such as health insurance and [paid sick leave, go a long way toward bolstering employee financial health](#). Yet, the flexibility of cash grants can be powerful, enabling grant recipients to direct the help that is available to them to what they most need. And, what they need are the basics. Among those who cited COVID-19 as part of their hardship, 62% needed help purchasing food; 59% making mortgage or rent payments; and 46% covering utilities. Among those with non-COVID related hardships, the top need was medical at 41%, but utilities, housing, and food showed up in about a quarter of grant requests.

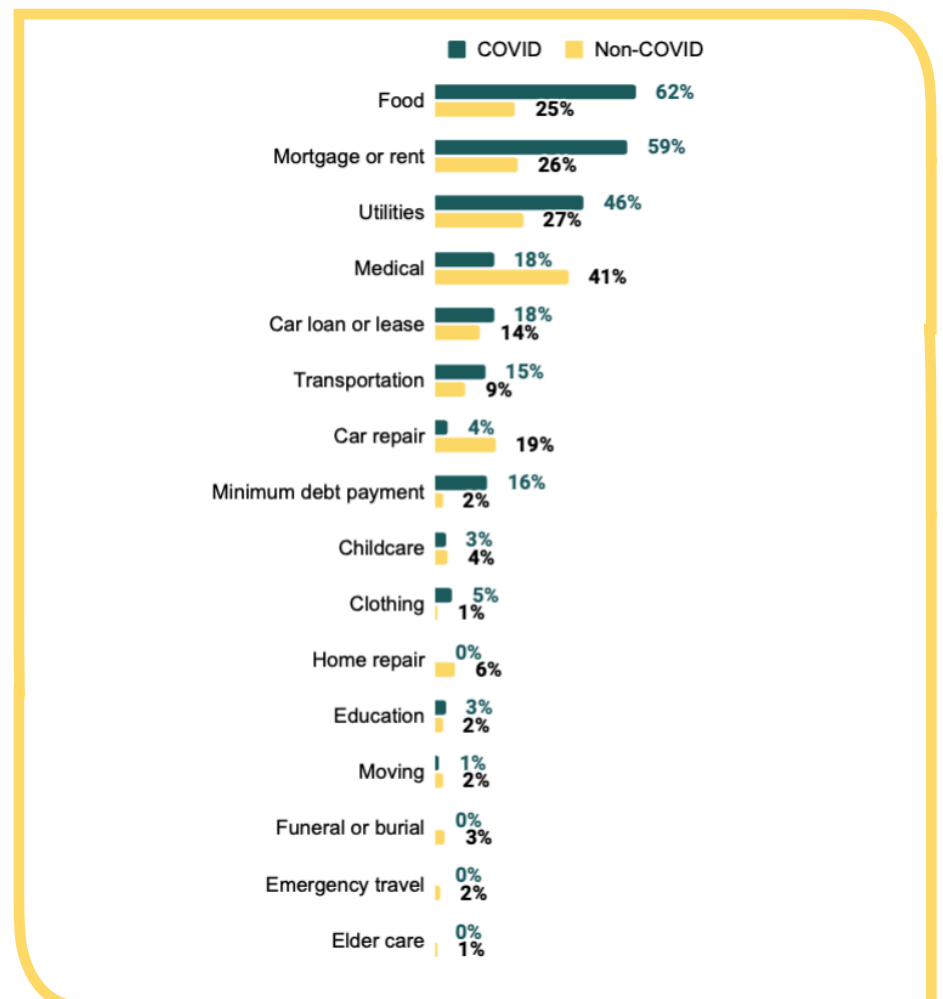
GRANT REQUESTS: PRECIPITATING EVENTS

(as % of total requests, multi-select possible)



GRANT REQUESTS: EXPENSES COVERED

(as % of total requests, multi-select possible)



How does the money help?

Nearly all of those who responded to post-grant surveys cite at least one immediate, positive change as a result of the grant. We ask about a variety of potential impacts -- things like feeling less stressed, avoiding eviction, or having more ability to focus on family or work. On average, respondents report 2.8 immediate changes that they attribute to the grant.

Just under a quarter of grant recipients report being able to direct more of their attention to work, with 14% saying they were late or absent from work before receiving the grant and 9% saying they were able to continue working when they otherwise might not have been able to.

“I felt like a weight had been lifted! My anxiety was significantly reduced, and I was able to focus more on being productive at work than having to try and work out the logistics of how to cover my expenses. Thank you!”

-GRANT RECIPIENT

Our long-term partner, Jenny Calvert Rodriguez, leader of Levi's Red Tab Foundation says it best:

“The real value of a hardship fund is giving your workforce the tangible, human sense that their employer has their back in a difficult time. And when that's true, it has a substantial positive impact on the culture of your company and the ability of your teams to be their best selves at work.”

-JENNY CALVERT RODRIGUEZ, LEVI'S RED TAB FOUNDATION

Over a third of grant recipients say they were skipping meals or not buying the amount or type of food that they preferred before the grant. Nearly the same percentage report that the grant helped them stop doing this. These numbers are surprising to many, especially because we are talking about individuals who work, but they are consistent with [the traumatic reality of food insecurity in the U.S.](#)



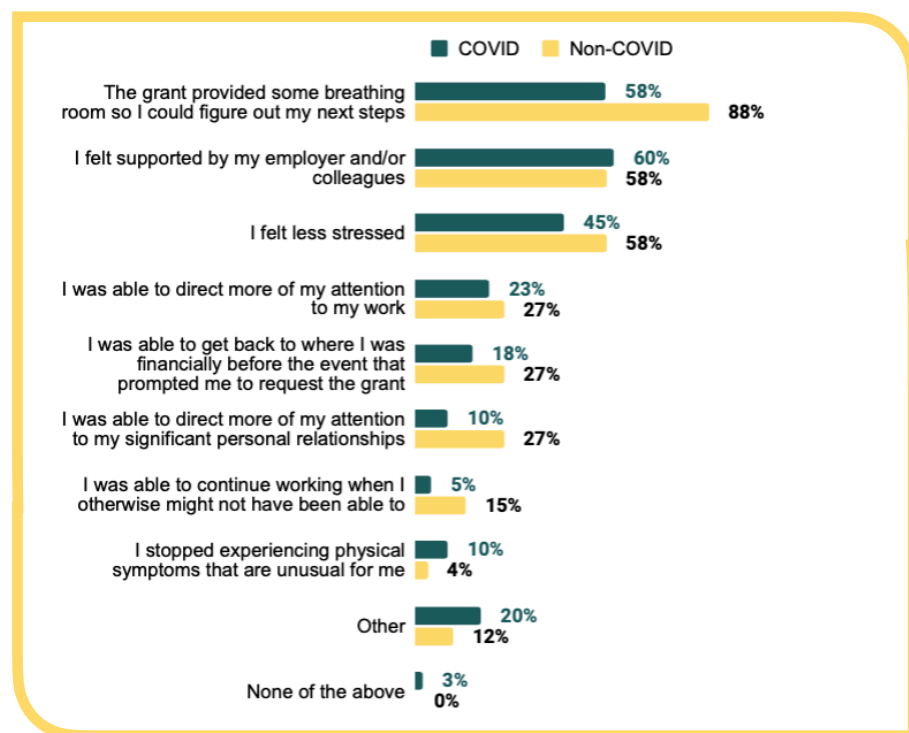
How does the pandemic impact employee relief funds?

While the novel COVID-19 pandemic complicates and exacerbates what people are experiencing, certain data remains constant.

For example, in our initial proof of concept tests in Fall 2019, 88% of people told us that the grant provided them with breathing room to figure out next steps. Among those who did not cite COVID-19 as one of their hardships in 2020-2021, that number stayed at 88%. But, for those who applied for a grant citing COVID-19 as one of their hardships, that number dropped to 58%. We suspect that, in the middle of a pandemic with an uncertain end, the ideas of “breathing room” and “figuring out next steps” were especially daunting.

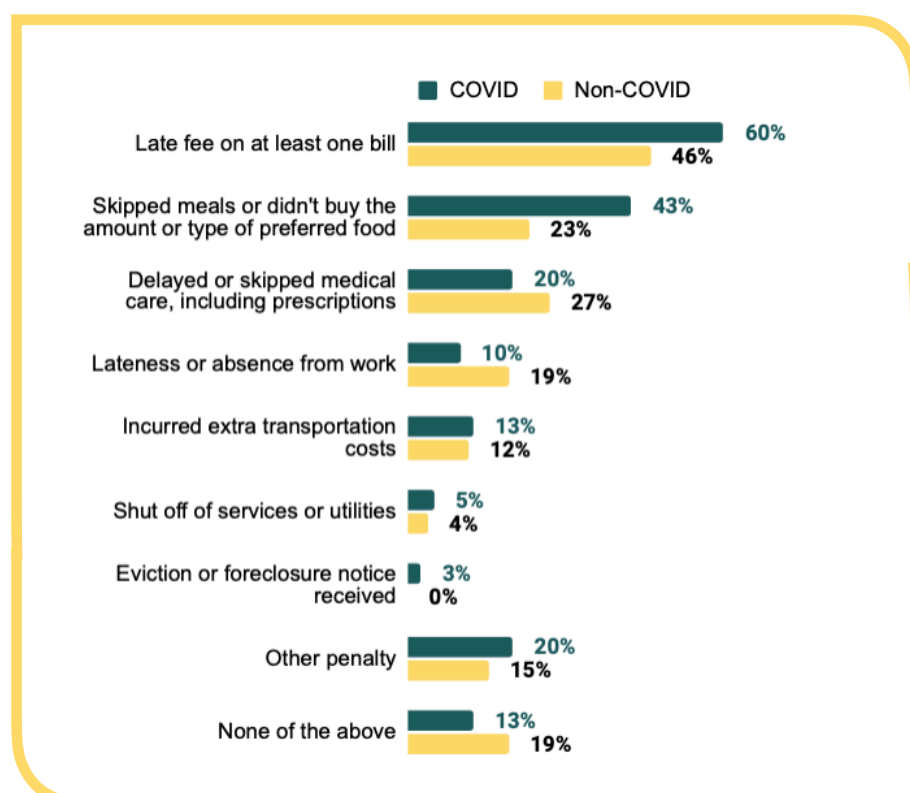
IMMEDIATE CHANGES AS A RESULT OF RECEIVING THE GRANT

(as % of total requests, multi-select possible)



HARDSHIPS EXPERIENCED BEFORE RECEIVING A GRANT

(as % of total requests, multi-select possible)



On the other hand, while COVID-19 may exacerbate the amount of need and the difficulty of rebounding from a hardship, there are many ways in which grantees are quite similar, irrespective of whether their hardship was precipitated by the pandemic. For example, when we look at survey responses from COVID-related and non-COVID-related grants, there is no statistical difference in the extent to which respondents report that the grant helped them direct more of their attention to work or made them feel supported by their employer or colleagues. There is also no difference in the extent to which grants helped workers avoid late fees on bills.

In conclusion, a key piece of what we're learning is that small grants are useful, regardless of whether or not the originating hardship is related to a global emergency like the pandemic or everyday emergencies. They help employees stabilize and avoid further financial decline. BreAnne McPhilamy, Employee Experience Manager and our client partner GreenPath Financial Wellness, summarizes the impact of these grants well by saying:

“We pay our employees well for the work that they do, especially as a nonprofit, but the reality is that life is expensive. Just a small \$400-500 expense can be a huge impact for someone who is trying to cover rent that’s \$1,000 a month. Canary’s message that the right money at the right time matters really resonated with me. A little money can go a long way toward keeping people on track.”

As an organization, we are proud of the impact we've been able to have so far, and are committed to continuing to evaluate the data and improve our product to best meet the needs of employers and their employees in times of need.



Rachel Schenider, CEO

Aliza Gutman, Chief Product Officer

We'd like to acknowledge The BlackRock Foundation and Citi for their support of this research initiative.

