



Impact Data: How Emergency Relief Funds Support a Modern, Diverse Workforce

INSIGHTS INTO CANARY'S LAST YEAR OF GRANT-MAKING

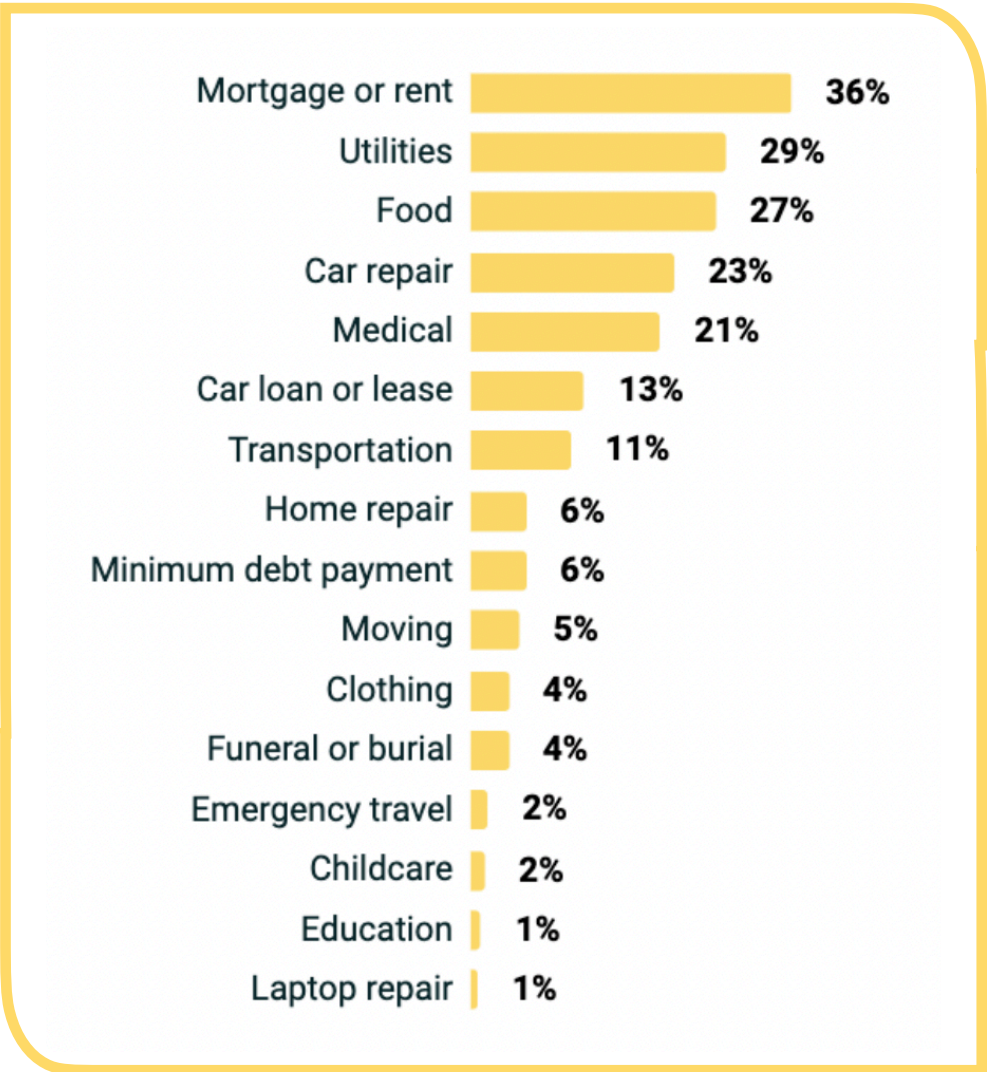


Canary’s technology and services enable our clients to give individuals money at pivotal moments in their lives, with dignity and efficiency. We believe that the right money at the right time matters: it gives people the peace of mind and confidence to recover from emergencies and to invest in their futures.

To do this, we work with organizations across various industries to make employee relief funds available to their employees when they need it most. Through Grant Circle, our grant-making platform, employees can receive grant money when they experience an unexpected, unavoidable emergency that causes financial hardship, most often the inability to afford basic living expenses. Standard, precipitating emergencies include: natural disaster or catastrophe, medical issue, car issue, home or property issue, domestic issue, loss of income, eviction or forced move, death in the family, robbery or burglary, or past due bills.

For this report, we looked specifically at the data and stories from employer-sponsored grant recipients over the last year of grantmaking* and how fund usage shapes our understanding of who needs financial help. What we see helps us understand the national experience – one currently dominated by record-high inflation and dramatic increases to cost of living – and builds empathy for how national economic numbers impact real people’s lives.

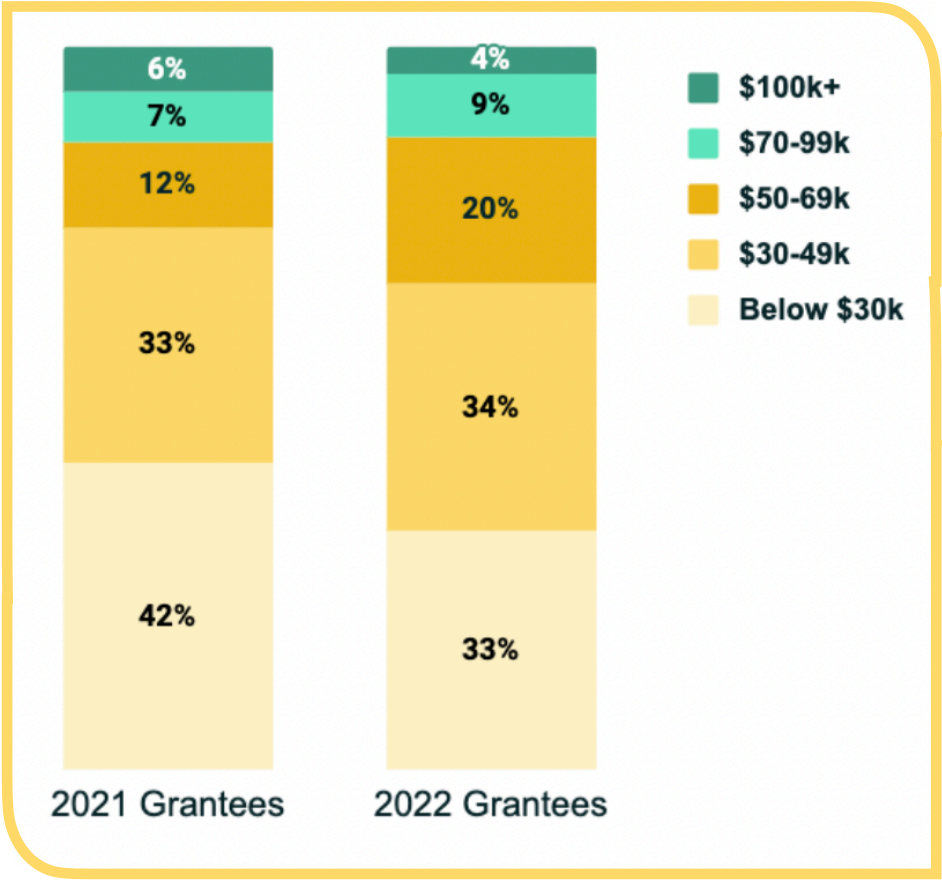
GRANTEE EXPENSES COVERED



* Data from September 2021-September 2022.

The first thing that jumps out when we look at these grants is that the reported income levels of people asking for emergency relief is higher than it was last year. To be sure, the majority of grantees are still lower income. However, this year we have seen an increase in the percentage of grantees making between \$50,000-\$125,000/year and a decrease in the percentage of grantees making below \$30,000/year. This partly reflects that we have added employers in this last year whose staff likely bring the average income of employees across our platform up. This change could make us think that grants are not going to the right people. After all, emergency relief is intended for individuals who are struggling and we know that lower-wage earners are likely to be struggling the most. But, the data actually tells a more nuanced story.

GRANTEE INCOME LEVELS

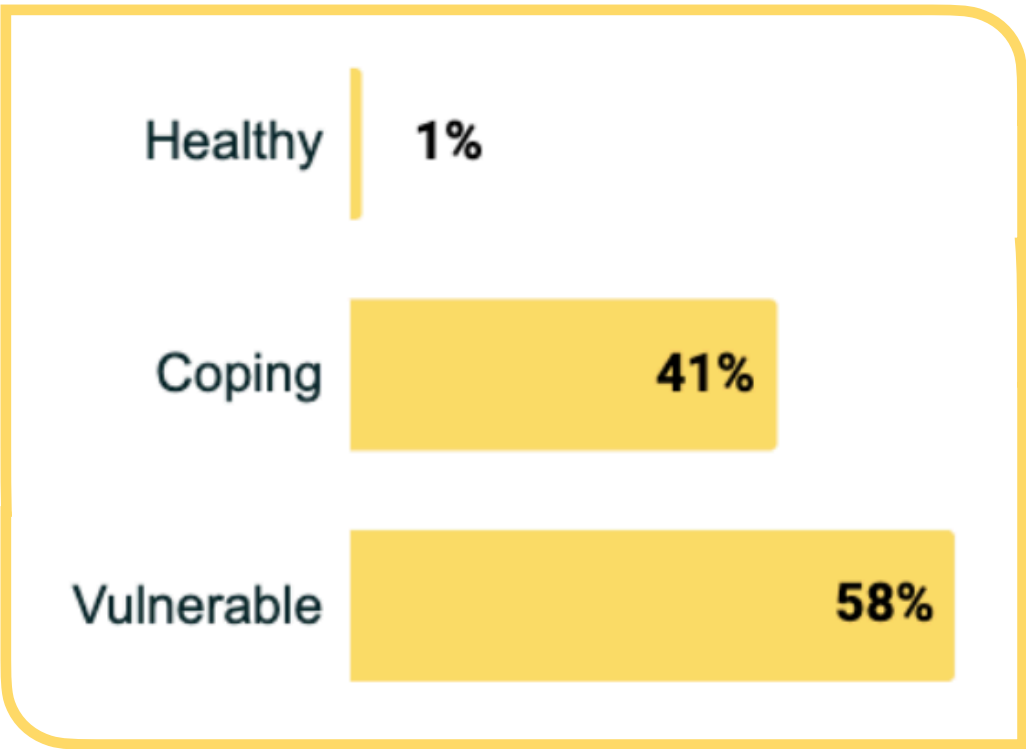


How employee relief fund usage shapes our understanding of financial insecurity in America

First, almost all individuals who received grants (99%) reported being financially unhealthy, as defined by [The Financial Health Network \(FHN\)](#).

These percentages are drastically higher than the national numbers, where 66% of all Americans are financially unhealthy (among these, 58% are considered vulnerable, and 41% are coping). Citing causes like the end of pandemic-era government benefits, inflation, and stock market volatility, FHN’s 2022 Financial Pulse report found that, for the first time in five years, [“the percentage of people considered Financially Healthy decreased”](#).

GRANTEE FINANCIAL HEALTH LEVELS

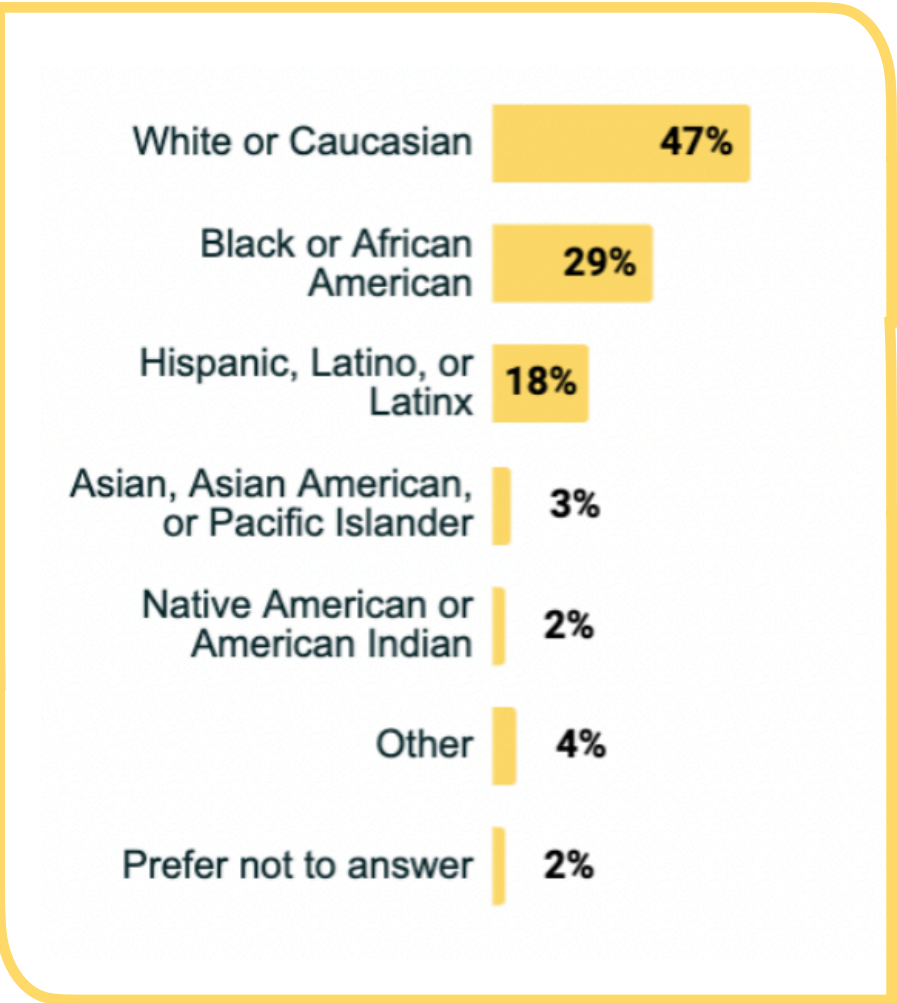


Second, the grantees are disproportionately people of color and women.

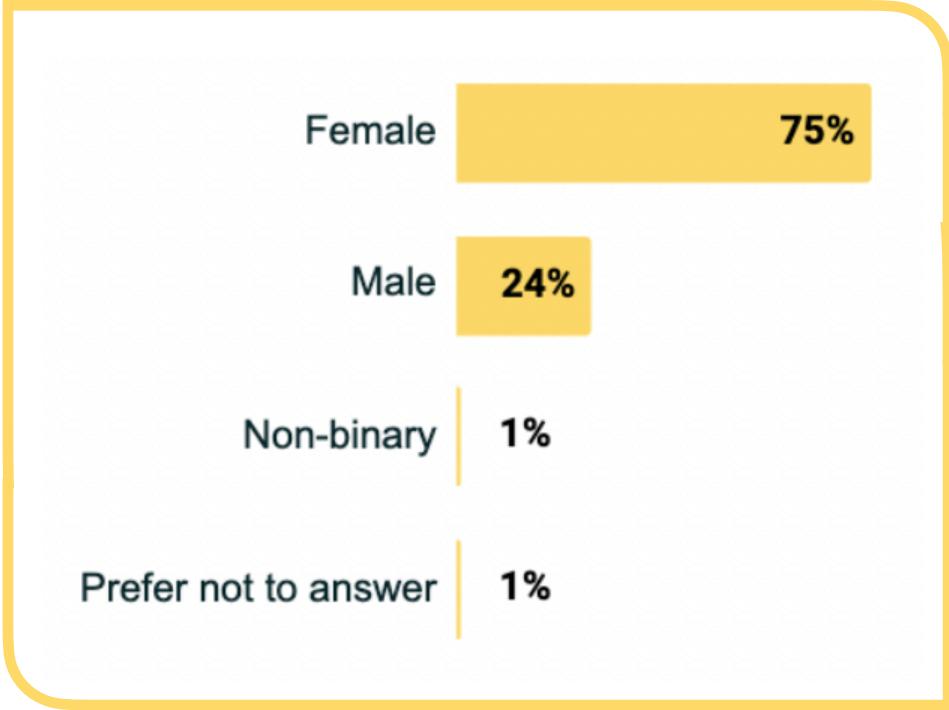
More than half of all grantees (52%) are people of color. This is more than double the [percentage of Americans who identify as non-white](#). This isn't surprising. It is likely a result of the fact that, [according to the Federal Reserve](#), "the average Black and Hispanic or Latino households earn about half as much as the average White household and own only about 15 to 20 percent as much net wealth.". The racial wealth gap means that people of color are less likely to be able to weather financial shocks without support. This is why [an emergency fund is crucial](#) for companies committing to advance racial equity in the workplace.

In a country where [women represent 50.5% of the entire population](#), it's interesting to note the percentage of females requesting emergency grants through our platform (75%) far outpaces their national representation. This is likely partially the result of who is in our sample. While we don't have the data to confirm this, it is likely that the employers we work with employ a large percentage of women. Women also might find it easier to raise their hands and ask for help. That said, some of what we are seeing probably reflects the fact that women make ["83 cents for every dollar earned by men"](#), which contributes to a gender wealth gap with the same result as the racial wealth gap: women often have weaker financial safety nets than men.

PERCENTAGE OF GRANTEES BY RACE



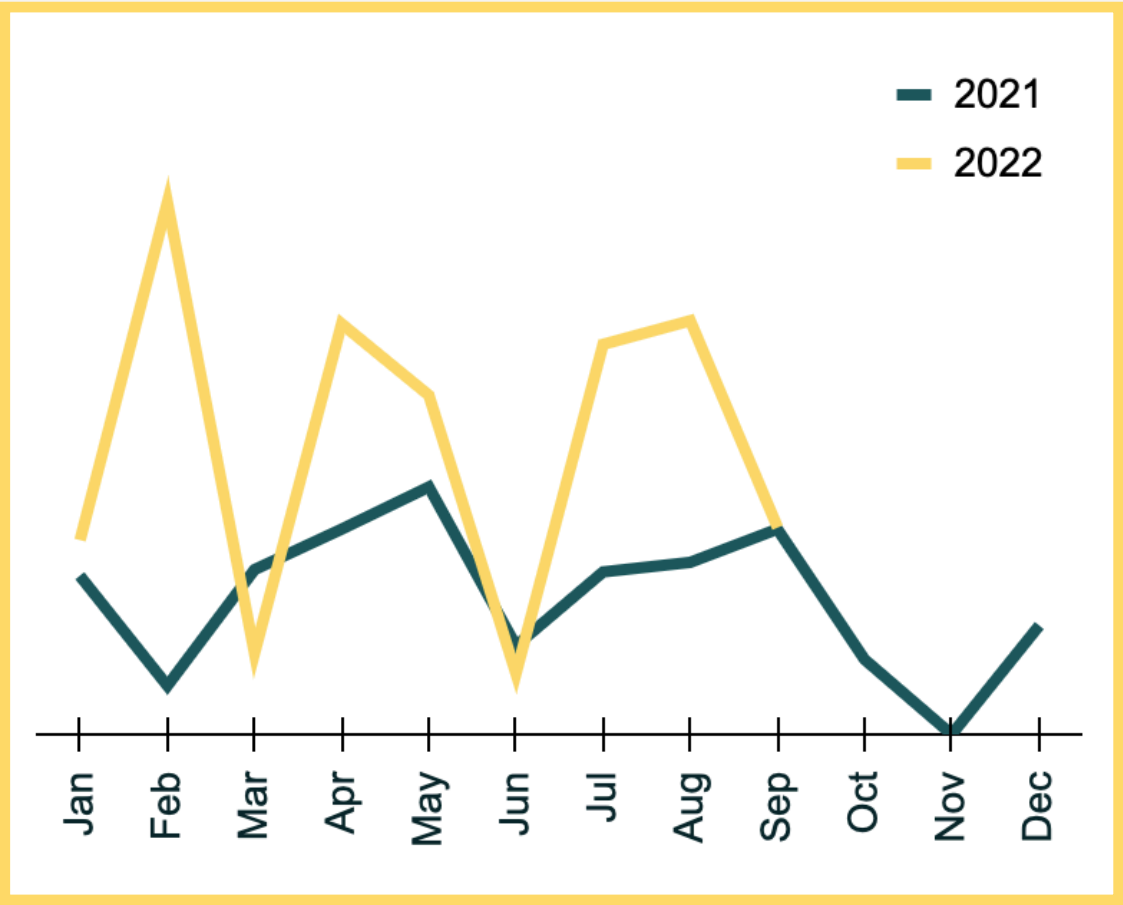
PERCENTAGE OF GRANTEES BY GENDER



Third, we have also seen a significant increase in grant requests due to forced moves or eviction this year.

While inflation and cost of living increases won't show up in our platform as selectable emergencies, they are essential variables to consider when understanding the shift in the socioeconomic realities of an individual's ability to maintain financial security.

PROPORTION OF REQUESTS WITH EVICTION/FORCED MOVE OVER TIME



These numbers make sense amid the context of the economic backdrop of our lives — [inflation at a 40-year high](#), rising housing costs across the country, and the end of pandemic stimulus payments that were propping up savings.

These economic trends connect directly to the income distribution we describe above, highlighting the changing dynamic of who is financially struggling and how it maps to the workforce. We are seeing this grantee data at a time when the [average U.S. income is \\$35,805](#) and the number of Americans living in poverty has increased ([11.4% according to the U.S. Census](#)) – which, for a family of four, is just shy of that \$30,000/year threshold. It's worth noting that the percentage of lower-income grant recipients has gone down as the national poverty rate goes up.

Simultaneously, the increase in grants distributed to higher-income workers reflects other data on the financial realities of high-wage individuals. In fact, [a recent PYMNTS study](#) found that “53% of those who are considered upper-income — those earning between \$50,000 and \$100,000 — are living paycheck to paycheck.”

It's still true that low-wage workers are still the people closest to financial trouble when facing big, life-changing emergencies. It is also true that amidst inflation and increases in the cost of living across the country, more people, including those with incomes that sound high might also live on the edge financially. The two ends of the spectrum are not mutually exclusive and serve as a call to employers everywhere to broaden our definition of the income band that needs this type of help.

Relatively small cash infusions can help anyone bridge the gap

Consider that, as families now calculate their monthly budgets, their normal, pre-inflation grocery budget no longer covers even the essentials, And, for many, their monthly rent requires a higher percentage of their income than ever before. Variables like this can thrust even the most prepared, fiscally conservative individuals to the edge of a financial cliff. There's an argument to be made that no matter the employee breakdown at a company – full-time, salaried contributors, part-time hourly workers, contractors – there is a growing need to offer innovative financial help, like an emergency relief fund, to help the entirety of the workforce cope with financial challenges.

At the end of the day, people still need help affording the basics. Whether impacted by Hurricane Ian or dealing with how rising costs impact their ability to get by week-to-week, applicants most commonly ask for help with living expenses like mortgage payments, utilities, and food. When relatively small cash infusions can make such direct, tangible differences in a person's life, it's easy to see how organizations can play a role in closing the gap. It shows that leaders are serious about taking care of their people and becomes a clear sign that they are an employer of choice for a generation of workers looking for businesses to care about their personal and professional well-being. We are happy to see an increasingly broad range of employers consider emergency relief funds as a core part of their financial health portfolio. Emergency grant programs are especially appropriate for the current moment in the economy and labor market.

Impact spotlight: Letting our grantees tell the story



“I was living in a sublet unit with my children. Everything was somewhat okay until I [missed some work]. ***After already living paycheck-to-paycheck*** I could no longer even support minor things. Currently, ***we’re basically homeless*** until I can provide some sort of payment within 10 days. Or lose our home completely. So we’ve been living in my car.”

“I really appreciate the Grant Circle. It really helped and gave me some breathing room so I can figure out my next steps. ***The cost of living and everything is so very high.*** The challenge is trying to keep up and deal with the unexpected things that life can throw at us. However, when people come together and help one another along the way it makes life so much easier and lifts some weight off your shoulders.”



“I cried tears of relief when my grant was approved. We were so relieved that ***we would not be on the street and that we would be able to get food for our kids.***”



Rachel Schneider, CEO

Catherine Scagnelli, Marketing Director