A Letter from Jesús Gerena, Chief Executive Officer

In early March, nearly 200 FII families began requesting access to their remaining funds to stock up on food and other household items. A new virus was spreading and they wanted to prepare in case they had to shelter in place.

Soon after, FII received a call from our partners at the City of Chicago who were bracing for the pandemic’s economic impact on hospitality and restaurant workers across the city. As the days passed, additional calls came, from both existing FII partners and those who had heard of our work, all asking the same question: could FII assist in driving cash to individuals affected by this pandemic? It became clear pretty quickly that we were in the middle of an unprecedented crisis. COVID-19 was not only taking lives, but destroying livelihoods too, and our Black and Latinx communities were being hit hardest. On March 26th, in response, and in partnership with Stand Together, we launched #GiveTogetherNow, our national effort to support those hit hardest economically.

As I sit here at the end of August, our partnerships with philanthropy, local government agencies and individuals from all across the country have yielded $100 million to invest in nearly 200,000 households across all 50 states, the District of Columbia and Puerto Rico. With a goal of getting cash into the hands of those needing it most as quickly as possible, we are proud to say many in our target populations received funds just three days after submitting their applications. In addition, we made the decision to disperse nearly $1 million in remaining fund commitments to 540 pre-COVID FII families now rather than later. As is always the case, we trust that families know best how to use cash investments received to support their households and communities.

We fully understand that philanthropic and municipal dollars can only do so much, yet with the lack of leadership and action from the federal government during this crisis, the dollars we’ve distributed have been absolutely critical in keeping many households afloat. While we celebrate the impact of our collective work, we know there is much more to be done. As one of our COVID-19 relief recipient’s email relays:

I am not giving up on hope, but the longer this goes on, the less hope I have.
I fear for my partner, who is a bartender at a busy restaurant. He hasn’t received unemployment for almost 7 weeks due to bureaucratic back-ups, has been forced back to work for less pay than before, and is feeling taken advantage of by a society that sees him as an “essential servant.”

I am still thankful for the support I received from [FII]. I hope this organization continues to uplift people. I hope that when I have the resources I can do the same.

As you read through this COVID-19 relief impact report, please keep this recipient’s sentiment in mind and remember the many, many others like them.

Jesús Gerena
CEO, Family Independence Initiative
About Family Independence Initiative

Since 2001, Family Independence Initiative (FII) has been at the center of a community-led movement that trusts and invests in the initiative of hard-working individuals and families to lift themselves out of poverty.

After working with thousands of families, FII is certain that people don’t live in poverty because they are lazy, uneducated or mismanage money as stereotypes would indicate. Instead, the poverty cycle, which disproportionately impacts Black and Latinx communities, can be traced to well-intentioned but inadequate governmental and charitable policies and practices that rely on a traditional top-down approach. FII’s approach views low-income individuals and families from a position of strength, recognizing that they have the capacity and insight needed to make decisions for themselves and don’t need outside saviors or solutions.

FII’s three-pronged strength-based approach includes:

1. Capital—direct cash investments
2. Choice—freedom for families to use the cash as they see fit
3. Community—a platform for people to build and strengthen their social networks

To execute its approach, FII built UpTogether, a technology platform that transfers cash investments directly into families’ bank accounts (or sends them a prepaid card if they prefer) and offers an interactive component for individuals to grow and strengthen their social networks, and support one another so they can move up together.

The FII Approach

IT’S TIME TO MAKE POVERTY ESCAPABLE

Our social welfare system has helped many people survive crises and made poverty more tolerable, but has not been effective at moving families to stable self-sufficiency. The current welfare system penalizes low-income individuals by removing support services as they begin to move above the poverty line. This illogical penalty equates to taking one step forward and two steps back. Instead of punishing them as the current system often does, FII rewards their initiative.
FII’s Approach Works

While FII families use their cash investments in unique and individual ways, their successes consistently result in pathways to prosperity. Historically, on average, over two years, FII families:

- Increased their monthly savings account balance from $311 to $976 and increased monthly income by 23%
- Increased retirement investment account from $602 to $1,256
- Increased total liquid assets from $759 to $2,396
- Increased monthly business income by 77% (from $164 to $290) with 66% of new family-owned business activity
- Reported their children had excellent, good or improvement in grades (88%)

Families made other notable progress, too, like dropping government subsidies, increasing their civic engagement and pooling resources with others to support collective economic mobility.

It’s important to note these data represent families’ experience from the nearly twenty year period before the coronavirus pandemic and it is difficult, if not impossible, to predict outcomes moving forward in light of COVID-19’s disruption.

FII Families See Improvement in:

- Monthly Savings
- Retirement Investment
- Total Liquid Assets
- Monthly Business Income
- Children’s Grades

“I need stable financial wealth so that I can provide for my family and not have to worry about missed income. I need a support system to help me succeed in my business that I plan to launch soon after this pandemic.”

#GiveTogetherNow Recipient
Meeting the Moment

With almost two decades of experience partnering with and investing in families and UpTogether, its technology platform, FII was uniquely qualified to quickly jump in and support individuals and families financially impacted by COVID-19. The City of Chicago was the first to recognize this and contacted FII in early March to assist hospitality and restaurant workers across the city. Several other FII partners followed, leading to the creation of a national #GiveTogetherNow campaign in partnership with Stand Together. By early April, more than 250 community groups, nonprofits, philanthropists and government agencies across the country partnered with the campaign to raise and distribute dollars for COVID-19 relief. Because of the trusted relationship these local organizations have with people in their communities, they were able to quickly identify the most severely impacted individuals and families and connect them with FII’s UpTogether platform so they could easily request and receive cash very quickly—most in just three business days.

“I was very stressed due to the unexpected loss in income. I wasn’t sure how I was going to pay my bills. Then my friend told me about #GiveTogetherNow. The fact that the application was easy and I received funds quickly really blew me away. Most of all, during this time, I want to feel heard, like I matter. This generous donation to me eased my stress and, most of all, made me feel like I matter.”

#GiveTogetherNow Recipient
COVID-19 Relief by the Numbers

To date, thanks to generous donations from individuals, organizations, and partnerships with local government agencies, the #GiveTogetherNow campaign has raised more than $100 million for hardworking families and individuals who have been most affected by the COVID-19 crisis.

FII’s COVID-19 relief efforts began in March, after families who were already engaged with FII started requesting access to their remaining funds to stock up on food and other items as cities began to lock down. In response, FII invested nearly $1 million in all 540 active FII families to ensure some modicum of crisis preparedness.

To understand the impact of the COVID-19 investments, FII surveyed more than 7,000 #GiveTogetherNow recipients, asking questions about their family, education, careers, lives before the pandemic and how the relief funds were used.

You will find survey results, along with select quotes from survey respondents, highlighted throughout this report.

#GiveTogetherNow Campaign Numbers*

DOLLARS RAISED
$100,925,895

HOUSEHOLDS INVESTED IN:
200,000

AVERAGE INVESTMENT PER HOUSEHOLD:
$500

TOTAL COVID-19 RELIEF DONORS:
1,800

LOCATIONS REACHED:
All 50 states, District of Columbia, and Puerto Rico

* As of July 2020

“I know that things will never go back to ‘my personal normal’ again, and that’s ok. I have worked so hard to make it in life to have something that wasn’t even my fault take me ‘down’ I can handle the struggle, just as long as it’s not all for nothing.”

#GiveTogetherNow Recipient
People who received COVID-19 relief funds from FII live in every state, the District of Columbia and Puerto Rico. They are parents and college students. Entrepreneurs and bartenders. They represent multiple races and ethnicities. And they are just a small sliver of the millions financially impacted by efforts to stop the spread of the coronavirus.

The pandemic exacerbated existing inequities and disproportionately impacted poor Black and Latinx communities, so FII was intentional about ensuring people in those communities received relief. Other often overlooked groups like the recently incarcerated, domestic violence survivors and undocumented immigrants were also prioritized.

Here is a snapshot of relief fund recipients.

"By being able to stay in school, I was able to help support friends and my community. I did this by allowing them to stay with me if they had unstable housing, offering my apartment to others as a study space with wifi, and helping a local daycare fundraise to provide childcare for essential workers."

#GiveTogetherNow Recipient

Takeaway

#GiveTogetherNow recipients are demographically similar to the low-income families FII has traditionally invested in.
#GiveTogetherNow Recipients
Where Funds Were Used

Individuals and families who received #GiveTogetherNow funds received, on average, $500. The funds were completely unrestricted, so recipients were able to use the money any way they wanted. Choice, or agency, is an integral component of FII’s three-pronged strength-based approach.

Not surprisingly, most used the funds for basic needs although some also diverted a portion of their relief funds to help others. While many may not have been able to give money to their friends, neighbors or co-workers, nearly half of the surveyed fund recipients were able to provide invaluable support for members of their community. From emotional support to grocery delivery to free childcare, they helped provide safety and stability through the uncertainty of the pandemic, highlighting a second component of FII’s approach: community.

"We gave my sister’s family $100. They own their own business and have 5 children including one foster son. Their business is struggling because of the pandemic and they are living off their savings. We bought $100 worth of basic clothing items for a friend in need. The rest of the money we used to pay off credit card debt. We don’t have a lot of extra money in our budget. The money we received allowed us the dignity and joy of giving to others while we ourselves were in need."

#GiveTogetherNow Recipient

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**THE ESSENTIALS**

- **74%** Invested the money back into their family on essentials.
- **43%** Food
- **41%** Housing
- **50%** Utilities

**HELPING OTHERS**

- **26%** Used their funds to help family or friends
- **21%** Used their funds to help their community

- **48%** Provided Emotional Support
- **41%** Gave Food/Groceries
- **34%** Shared Information/Skills
- **28%** Provided Transportation
- **18%** Loaned/Donated Money or Items
- **15%** Provided Childcare/Caregiving

**Takeaway**

Even during a crisis when they may be struggling themselves, people find ways to support others.
Feeling the Impacts of COVID-19

Despite working hard, even before the crisis 24% of adults reported not being able to pay all of their bills in full in a typical month. Thus, it’s no surprise that many #GiveTogetherNow recipients did not have an emergency fund to prepare them for the COVID-19 crisis, making them even more vulnerable to the pandemic’s financial impact.

While many #GiveTogetherNow recipients lost their income due to layoffs, some had the difficult decision of going to work to earn money or staying at home to keep themselves and their loved ones safe.

“Theit’s been since March 19th and still no unemployment money. I’ve worked since I was 15...I honestly just want to pay my bills and not lose everything I’ve worked so hard for as a single mother. Thank you for helping me and giving me some stability.”

#GiveTogetherNow Recipient

Financial Life Before COVID-19

- 40% of recipients were living paycheck to paycheck
- 62% of recipients had an income less than $25,000*

*The poverty level for a family of 3 is $21,720

COVID-19’s Impact on Employment

- 35% Lost their job
- 24% Experienced reduced hours at work
- 19% Took unpaid leave to care for themselves or their children

Takeaway

Many #GiveTogetherNow recipients had financial challenges before COVID-19 and therefore were not financially prepared for the crisis.
An Inadequate Federal Response

When compared to the recipients of government or nonprofit relief programs, #GiveTogetherNow investments reached a more diverse subset of the population. Additionally, investments were intentionally made accessible to families regardless of their income, immigration or formal banking status, which were barriers in receiving some federal funds.

While the federal government has a strong track record of industry bailouts, the COVID-19 stimulus response proved inadequate or absent for millions of individuals and families. The CARES Act provides an estimated $877 billion in relief funding for corporations and businesses, compared to just an estimated $560 billion for people.\(^2\)

Even though the government provided stimulus checks to individuals that make below $75,000, there are still many individuals who were not eligible, or had to go to great lengths to secure their check.

\[ \text{"I feel like what gives me this sense of hopelessness was seeing how our infrastructure could not handle taking care of our working class citizens. Bills and rent piling up make you feel buried under financial stress and you turn to financial aid outlets only to be pending or even disqualified. I have no faith in the government. In the future, what will help me thrive is being financially independent by having a savings plan for my future."} \]

\#GiveTogetherNow Recipient

Comparison of Eligibility for Funds

<table>
<thead>
<tr>
<th>Recipients*</th>
<th>Federal Stimulus</th>
<th>#GiveTogetherNow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undocumented immigrants</td>
<td>✗ Not even those who pay income taxes</td>
<td>✓ Citizenship is not a prerequisite to receive funds</td>
</tr>
<tr>
<td>Unbanked adults</td>
<td>✓ BUT They may have to wait months for a paper check and are subject to check cashing fees.</td>
<td>✓ After applying, they receive the funds within 1 week. They have the option of a digital prepaid card (received immediately) or a physical prepaid card (received in approximately 5-7 business days.)</td>
</tr>
<tr>
<td>Those who don’t file tax returns because income falls below the requirement</td>
<td>✓ BUT They need to take additional action with the IRS in order to receive payment.</td>
<td>✓ Tax returns not required to receive funds.</td>
</tr>
</tbody>
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‘According to the Urban Institute, there were also clear disparities depending on race and citizenship status. Almost 74% of white adults got a stimulus check by mid-May, compared with 69% of Black adults and 64% of Hispanic adults. In Hispanic families with non-citizens, just 54% of adults received a payment.’\(^3\)

Breakdown of Federal Relief Funds:

- $877 B Business
- $560 B People
- $153.5 B Public Health
- $43.7 B Education/Other

Takeaway

#GiveTogetherNow has been the only source of relief for most recipients and reached people ineligible for federal stimulus funds.
Relief in Action & Life After COVID–19

#GiveTogetherNow distributed dollars rapidly and was the major—if not only—source of COVID-19 relief for many individuals and families. Uncertainty around access to additional relief funding highlights the importance of these cash investments.

Under normal circumstances, the individuals and families FII invests in are focused on economic mobility. However, with the “new normal” created by the pandemic, the primary concern is financial stability. People want to be able to pay their mortgage, rent and utilities, and put food on the table without getting behind in bills, going further into debt, or depleting their savings. Thus, it’s no surprise that a strong theme among #GiveTogetherNow relief fund recipients is the need for ongoing support through cash investments, primarily due to concerns around finding job opportunities that lead to reliable, consistent income.

Families who partnered with FII prior to the pandemic indicated they were better able to stay on track with their financial goals, even during the crisis. This underscores the importance of FII’s proactive—rather than reactive—approach to sustainable pathways for economic mobility.

Stories of Success

Tanya Jones joined FII in 2019. For her family, it was a relief to have consistent money coming in through FII. She was able to improve her credit, invest more into her business, and pay things that she had been putting off. Tanya was able to use the FII investment she received in March 2020, just before the economic downturn, for a down payment on a home. She and her family moved into the house in May 2020. She describes the feeling of being approved for her mortgage as “so surreal.”

“Honestly, I need more money. I’m not getting paid enough working on the front lines of the hospital, let alone getting my hours cut. My check doesn’t even help me enough to buy formula for my baby, groceries, my car note, my mortgage, and all my utilities. I risk my life as well as my son’s life everyday when I step foot in that hospital, and I don’t get paid enough for it. The money from you really saved me from some more hardships, and I’m forever grateful. I just hope I’m able to make my next payments.”

#GiveTogetherNow Recipient

Takeaway

#GiveTogetherNow helped recipients weather the initial stages of the pandemic, but many say they need ongoing financial support.
Join the Movement

While the COVID-19 crisis has shone a spotlight on the economic inequalities and inequities in the United States, these systemic issues are not new. They were here before the pandemic and unless we act—as nonprofits, philanthropy and government, with community at the helm—they will continue well beyond it.

We believe FII’s strength-based approach of capital, choice and community is the solution to the economic stability people need during this crisis and the economic mobility they desire for their future. Join us in our movement.

Learn More and Get Involved

Thank You to our Partners

We would be completely remiss if we didn’t thank all of you, our collaborative partners. You stepped up to the plate in a big way, generously supporting our emergency fundraising efforts and making unrestricted cash payments available to over 200,000 households struggling as a result of the COVID-19 pandemic.

See the complete list of our loyal and generous COVID-19 donors.
Endnotes


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