RESEARCH REPORT

Direct Cash Transfer as a Vehicle for Speed, Inclusivity, and Equity

The Greater Washington Community Foundation's Response to COVID-19

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Contents

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Direct Cash Transfer as a Vehicle for Speed, Inclusivity, and Equity

During the COVID-19 pandemic, philanthropic entities across the US embraced giving directly—transferring cash to people—as an effective and efficient means of providing relief to those hit hard by the sudden economic and health emergency. Since the onset of the pandemic and in partnership with donors, nonprofit organizations, and local government agencies, the Greater Washington Community Foundation (The Community Foundation) has facilitated the administration of approximately $26 million in funds, distributed in increments of $50 to $2,500 to approximately 60,000 residents across the Greater Washington, DC, region. This report describes the goals, strategies, and short-term achievements of The Community Foundation and its partners in developing and implementing cash transfer strategies at the height of the pandemic. Closer examination of The Community Foundation's role provides insight for private donors, government agencies, and nonprofits into how partnership with local philanthropy can help them deliver a speedy and equitable response to populations hit hardest by a crisis.

Early in March 2020, the mayor of the District of Columbia and the governors of Maryland and Virginia responded to the rapid escalation of COVID-19 infections along the eastern and mid-Atlantic seaboards by declaring public health emergencies in their jurisdictions. Within a week, gatherings of 10 or more people across the DMV (i.e., the Greater Washington, DC, region, or the metropolitan area formed by the District of Columbia and its immediately surrounding communities in Maryland and Virginia) had been banned, businesses were reducing or altering their operations, and school systems had halted in-person instruction and shifted to remote education.

In the DMV, as was true across the country, the COVID-19 "lockdown" had a disproportionate impact on small businesses and workers in service-sector jobs who could not shift to a remote-work environment. Workers in industries such as food service, hospitality, arts and entertainment, child care, and transportation were hit particularly hard. Other "essential workers" who did not lose or get laid off from their jobs—including grocery store workers, postal service staff members, hospital custodians, and nursing home caregivers—struggled with the added costs and burdens of losing child care and other crucial work supports such as public transportation, which had become dangerous to access. Affected people were disproportionately people with low incomes and Black and Latine communities.*

As the DMV's largest local grantmaker, stewarding more than $397 million in charitable assets from a wide range of individual and institutional donors, The Community Foundation and its funding and grantee partners were uniquely positioned to respond. Early on, The Community Foundation established a unifying goal for its COVID-19 Emergency Response Fund that dovetailed with the funding efforts it coordinated in partnership with jurisdictions and peer funders: to address immediate needs and reach adversely affected communities, particularly low-income households and communities of color (box 1). Although the goal was adapted to meet pandemic conditions, it aligned with The Community Foundation's well-established community investment strategy to work closely with like-minded partners by "supporting marginalized neighbors to find pathways out of poverty, creating diverse and inclusive spaces to deepen human connection, and preparing workers to succeed in our region's changing economy."[1]

Cash transfer became one of the dominant strategies The Community Foundation and its partners used to reach marginalized people quickly and with flexibility during the pandemic.

BOX 1

Related Publication and Study Methods

This report complements information provided in an earlier Urban Institute report—*Balancing Speed, Equity, and Impact during a Crisis*—that chronicles the genesis and evolution of the Greater Washington Community Foundation's efforts to raise and coordinate funding from a wide range of individual and institutional donors to address the devastating effects of the COVID-19 pandemic (Soskis et al. 2020).

In particular, the report focused on The Community Foundation's COVID-19 Emergency Response Fund, which supported a wide variety of emergency relief projects. A small number of nonprofit grantees requested to transfer cash directly to their clients in lieu of services that they might normally provide but that had been shut down, such as high-quality early childhood education. The report highlights the balance of various grantmaking imperatives that characterized the Washington, DC, area's philanthropic response to the pandemic generally, covering how the fund was established and aspects of its implementation.

* For the purposes of this report, the authors identify Latinx, Latino, Latina, and Hispanic people and households as Latine to inclusively refer to people of Latine origin of all gender identities. We choose this term because it aligns most closely with existing gender-neutral terms in Spanish, but we acknowledge that not all Latine people use the term. The authors are committed to the use of inclusive language wherever possible.

For this report, we draw on program data provided by The Community Foundation and on interviews with 13 people affiliated with six cash transfer initiatives in the DMV, including the COVID-19 Emergency Response Fund. All the initiatives studied were affiliated with The Community Foundation and formed after March 2020 in response to the COVID-19 pandemic. The goal of this research inquiry was to determine the motivations and methods of The Community Foundation and its partners for using cash assistance as a tool to respond to a crisis, as well as to evaluate the implications of direct giving against broader contexts, including rising awareness of racial inequity in American society and trends such as trust-based philanthropy.

Qualitative data collection and analysis consisted of a stakeholder analysis, virtual interviews, transcription of interviews, inductive coding of key themes, and consolidation of key findings for publication. We supplemented this analysis with a brief quantitative analysis of administrative data, as well as a document and literature review. Findings are primarily descriptive, as evaluation of the outcomes was beyond the short-term scope of this project.

Direct Cash Transfer Initiatives during the COVID-19 Crisis

At the onset of the pandemic in March 2020, The Community Foundation coordinated or partnered with other local funders on five direct cash transfer initiatives for DMV residents experiencing a sudden drop in income because of the region's economic lockdown (table 1). These efforts were in addition to cash distribution projects funded by The Community Foundation's COVID-19 Emergency Response Fund. The goals of The Community Foundation's funder partners aligned well with The Community Foundation's goal of addressing immediate needs and reaching communities, particularly low-income households and communities of color, adversely affected by the pandemic. In turn, The Community Foundation's grantmaking capacities aligned well with the following funder partner needs.

- **Funds management:** stewarding the funds provided, including monitoring the progress of nonprofit partners via reports and check-ins
- **Technical assistance:** helping design and advise on programmatic details such as how to develop and structure partnerships with the nonprofits responsible for identifying and reaching people in greatest need
- **Cash transfer facilitation:** investigating complicated financial mechanisms (e.g., debit card, bank transfer) for getting cash into the hands of people in need

TABLE 1

Greater Washington Community Foundation–Affiliated Initiatives That Facilitated Cash Transfers

Key partners and recipients for cash transfer programs during the COVID-19 pandemic in the DMV

Program	Partners and funders	Target population
DC Cares, Phases 1 and 2	Events DC and the District of Columbia Executive Office of the Mayor	Excluded workers in Washington, DC
Fairfax County Excluded Workers Program	Fairfax County and Open Society Foundations	Excluded workers in Fairfax County, Virginia
Montgomery County Emergency Assistance Relief Payment	Montgomery County	COVID-19 positive excluded workers with loss of income in Montgomery County, Maryland
Neighbors in DIRE Need	Greater Washington Community Foundation, past Montgomery County Philanthropist of the Year honorees and their families, and community matches	Low-income families with loss of income in Montgomery County
BMC Cares	Diane and Norman Bernstein Foundation, Bernstein Management Corporation, and its affiliated ownership entity BDC Properties	Bernstein Management Corporation tenants

Source: Interviews.

Notes: DMV = the District of Columbia and its immediately surrounding communities in Maryland and Virginia. Excluded workers are workers who were excluded from federal or local pandemic relief programs because of their immigration, tax, or returning citizen status. The COVID-19 Emergency Response Fund is not in this table because it was a direct initiative of the Greater Washington Community Foundation, which funded various grant requests from nonprofit partners, including cash transfer efforts.

DC Cares

DC Cares, a partnership between the Washington Convention and Sports Authority (Events DC) and the District of Columbia Executive Office of the Mayor, distributed about $13.3 million over two phases to six nonprofit partners. The nonprofits, in turn, distributed the funds as direct financial assistance to workers in the District of Columbia who were experiencing financial hardship from the COVID-19 pandemic and were ineligible for federal stimulus programs. The purpose of the DC Cares program was to provide immediate financial assistance to excluded workers who, because of their immigration, tax, or returning citizen status, did not have access to other public relief programs related to COVID-19.

Fairfax County Excluded Workers Program

The Fairfax County Excluded Workers Program was a partnership between The Community Foundation and Fairfax County government to distribute $1.1 million collaboratively to three nonprofit partners. The nonprofits, in turn, distributed funds as direct financial assistance to workers in Fairfax County, Virginia, who were experiencing financial hardship from the COVID-19 pandemic and were ineligible for federal stimulus programs. The goal of the partnership was twofold: (1) to deliver needed financial resources to a population suffering disproportionately from the health, social, and economic impacts of the COVID-19 pandemic, thereby strengthening relationships with nonprofits led by and serving immigrants, and (2) to enhance the county's basic needs assistance system through community-centered approaches that facilitated better coordination of efforts and maximized understanding of and capacity to address the needs and interests of this population. The Fairfax County Excluded Workers Program was catalyzed by a $500,000 donation from the Open Society Foundations to support direct cash assistance.

Montgomery County Emergency Assistance Relief Payment Program

The Montgomery County Emergency Assistance Relief Payment (EARP) program was a partnership between Montgomery County's Department of Health and Human Services (DHHS) and The Community Foundation to initially distribute $5 million (with the county later contributing an additional $5 million in funding) of the county's emergency relief grants to individuals and families ineligible for federal and state pandemic aid and households that have a member who has tested positive for COVID-19 and whose incomes are less than 150 percent of the federal poverty level. Recognizing that the COVID-19 pandemic caused unprecedented hardship for many Montgomery County residents, the EARP program aimed to provide immediate financial assistance for households in need.

Neighbors in DIRE Need

Neighbors in DIRE Need was a partnership between The Community Foundation and past Montgomery County Philanthropist of the Year honorees and their families to raise and distribute funds to support neighbors affected by the public health and economic crisis. Philanthropist of the Year honorees pledged $340,000 and offered to match $1 for $1 donations from others, up to $680,000. This effort was launched through the Neighbors in Need Montgomery Fund, created in response to the 2008 economic crisis as a way to invest in trusted nonprofits that could economically support people who would have otherwise fallen through the cracks. Residents who were in crisis and were not eligible for

EARP (especially those whose incomes were too high) but whose incomes still fell well below the self-sufficiency wage for the county were referred to Neighbors in DIRE Need.

BMC Cares

BMC Cares was a cash transfer fund established in April 2020. The initial financing was provided by the Diane and Norman Bernstein Foundation; Bernstein Management Corporation (BMC), a private property management company; and its affiliated ownership entity, BDC Properties. BMC owns and manages an investment portfolio of more than 80 properties, including 3.5 million square feet of commercial space and more than 5,100 apartments in Washington, DC, Maryland, and Virginia. The goal of BMC Cares was to provide need-based financial support to residents of the Washington, DC, area. The fund provided relief grants to residents affected by COVID-19 for assistance with immediate life expenses, including groceries, medication, and bills. In addition to the resident support, BMC distributed close to $200,000 to help nonprofit and retail commercial tenants.

COVID-19 Emergency Response Fund

The Community Foundation created the COVID-19 Emergency Response Fund to raise and deploy critical resources to stabilize nonprofits and aid community members facing food insecurity, lost wages or work, lack of access to medical care, or child care or distance learning challenges, among other hardships in the DMV. Although this fund is overseen solely by The Community Foundation, it includes financing from other funders. Assisted by staff from The Community Foundation's community investment team, a steering committee and working groups composed of donors and other external partners reviewed more than 1,600 proposals to distribute $11 million that was raised from more than 1,300 foundations, corporations, individuals, and families. A small portion of the funds raised was used for direct cash transfer across various grants, with 43,864 individuals benefiting. A previous Urban Institute report (box 1) provides more extensive details on the management and other uses of the resources in this fund, including paying for food distribution, distribution of personal protective equipment, and provision of legal services.

Amount of Cash Distributed and Number of People Reached

All together, these programs distributed $26 million in funds to approximately 60,000 residents. The allocated funds and the number of people engaged overall by each effort are compiled in table 2.

TABLE 2

Direct Cash Distribution Facilitated by the Greater Washington Community Foundation during the COVID-19 Pandemic

Approximate amount of cash transferred and people reached via each fund and program

Program	Allocated funds ($)	People engaged
DC Cares, Phase 1	5.15 million	5,250
DC Cares, Phase 2	8.1 million	8,100
Fairfax County Excluded Workers Program	1.1 million	~1,227[a]
Montgomery County Emergency Assistance Relief Payment	10 million	n/a[a]
Neighbors in DIRE Need	680,000	1,776
BMC Cares	1.05 million	530
COVID-19 Emergency Response Fund	n/a[a]	43,864
Total[b]	~26 million	~60,000

Sources: Interviews and program data.

[a] Values are missing or estimated because of data collection challenges associated with rapid response and flexible reporting requirements.

[b] Total excludes missing values.

The Advantages of Cash Transfer in a Crisis

The Community Foundation and its partners say three motivations drove their cash relief efforts during the pandemic. All three motivations have distinct and overlapping characteristics.

1. **Speed:** Cash was a fast and efficient response in a crisis.
2. **Inclusivity:** Local public and private dollars filled income gaps for those excluded from federal sources of cash relief.
3. **Equity:** Cash stood out as an equitable response to the enormous and long-standing racial health, justice, and economic inequities laid bare by the co-occurring events of the pandemic and George Floyd's murder.

Speed

The immediate, catastrophic health and economic impacts of the COVID-19 pandemic inspired an accelerated fundraising effort by philanthropies. As of June 2021, US philanthropies had donated nearly $7.5 billion toward pandemic response in the United States alone, with 49 percent of gifts awarded by community foundations (Candid and the Center for Disaster Philanthropy 2020). These gifts funded different strategies, including typical grants for nonprofit programs and those such as direct cash transfer that were less common and smaller in scale before the pandemic. One such effort, Project 100, a direct cash project administered by GiveDirectly, raised more than $50 million from donors such as

Google, MacKenzie Scott, Steve and Connie Ballmer, and Blue Meridian Partners.[2] Another project, the California Immigrant Resilience Fund, administered by Grantmakers Concerned with Immigrants and Refugees, raised more than $75 million to provide cash assistance to undocumented Californians affected by the pandemic.[3] Both of these efforts resulted in expedited distribution, appropriate for meeting needs during the pandemic.

Aligning with national trends, The Community Foundation and its partners considered expediency the primary appeal of direct cash transfer as a response to the pandemic's economic fallout. Simply put, direct cash was the most efficient tool for getting help to DMV residents in need. Local DMV funders, both private entities and local governments, were not alone in wishing to act quickly during the pandemic. For example, a Community Foundation staff member familiar with BMC Cares shared that "BMC Cares was launched by the Bernstein Management [Corporation] when they knew lots of people were hurting, and they wanted a mechanism of providing direct support."

The COVID-19 pandemic is not the first regional crisis to which The Community Foundation has had to respond with alacrity. For decades, it has undertaken emergency response initiatives, including the following:

- the local 9/11 Survivor's Fund initiative for victims after the attack on the Pentagon in 2001
- the Montgomery County Neighbors in Need fund for those hit hardest by the 2008 economic crisis
- the Resilience Fund, established in 2017 to support the critical needs of nonprofits responding to Trump administration changes in federal policy and budget priorities as well as to a rising tide of hate against people of color
- a 2019 revival of the Resilience Fund to support workers displaced by the partial federal government shutdown that year

Tonia Wellons, President and CEO of The Community Foundation, reflected on how her experience with the government shutdown provided The Community Foundation and its partners with insight into the importance of having cash as a tool at the ready to help people in sudden need:

> I think that was the most recent emergency event that took place where we were trying to figure out how we could get cash into the hands of individuals…People saw lines at the grocery stores, food bank partners throughout the region. Middle-class government workers were in line to get food and other basic needs. Even then we started the conversation with some…partners about how we can respond differently next time…We knew we needed to be more open to direct cash assistance and we needed to figure out mechanisms. So when the pandemic happened and we witnessed all the restaurant, gig, low-wage folk [losing income], we knew that had to be part of our strategy, getting money into the hands of those who needed it most.

Several local philanthropists said they felt an acute need to respond quickly to the economic calamity caused by the pandemic, driving their interest in cash transfers. One leader of a foundation that partnered closely with The Community Foundation on a direct cash fund recalled the reaction of a landlord donor who often directly supports tenants in need: "He was in a state of distress that I had never seen. Everyone…was getting calls from residents saying that they were not going to be able to work and that they were not going to be able to pay their rent. His need to care for people was shaken, because he always wants to help people." Wellons herself recalled how The Community Foundation was under "immense pressure" to develop a coordinated emergency response effort to support a broad range of needs across the region, leading to an early response that was "at times chaotic" but always adaptive (Soskis et al. 2020, v).

One nonprofit leader, whose efforts centered on cash transfer and food distribution to young people and their families in Wards 7 and 8 of the District of Columbia, lauded the responsiveness of the COVID-19 Emergency Response Fund:

> The Greater Washington Community Foundation was the first to [offer a] rapid response call, and by first, I mean that my [grassroots partners] were doing the planning [to offer a mutual aid hotline] in early March, and we got the grant by late April. Very quick, very timely…We requested money to support the East of the River Mutual Aid network…and were dropping off groceries and essential items at different school sites, and we were also doing expedited deliveries or direct cash transfers to young people and their families. This was the plan, and it all came out of what young people said they needed. We wrote our proposal based on that.

Inclusivity

Reaching people who were excluded from federal assistance, as well as various forms of local help, was also a key motivation for both the private and public funders who collaborated with The Community Foundation to provide direct cash assistance. According to a Community Foundation staff person responsible for administering funds targeted at Montgomery County residents, "There was especially concern that stimulus checks were likely to be slow and maybe inefficient, or [that they would] not get to everybody. [Funders] wanted a mechanism for responding, knowing that people in their community were suffering."

Federal relief efforts, including stimulus payments and Pandemic Unemployment Assistance provided through the CARES (Coronavirus Aid, Relief, and Economic Security) Act, did not cover undocumented individuals or US citizens and legal immigrants in mixed-status families, excluding about 5.1 million US citizens and legal immigrants because they were children or spouses of unauthorized immigrants.[4] Similarly, although unemployment insurance was expanded at the federal level to include workers typically excluded from traditional unemployment insurance (such as independent contractors), this expansion still required workers to demonstrate wages earned during a base period. Workers who could not demonstrate loss of income, such as street vendors, or other workers in cash-based industries, such as sex workers, were excluded. Workers unemployed before the pandemic—for example, returning citizens who could not obtain a job after a recent incarceration—were excluded from federal measures as well. Finally, even for those who did qualify for unemployment insurance under either traditional or expanded eligibility requirements, the average waiting time during 2020 has been alarmingly long, on average six to seven weeks, with many people waiting months.[5]

DC Cares and the Fairfax County Excluded Workers Program used an expansive definition of "excluded worker" to reach the diverse array of area residents not included in federal cash relief. One local organizer involved with the DC Cares response commented on how the wide gaps in support became apparent during webinars meant to educate the community on available federal cash relief:

> We had people saying the biggest problem is that undocumented folks can't get any money. They can't get stimulus checks; they can't get unemployment. There were other people who, even with the [Pandemic Unemployment Assistance expansion], fall between the cracks. That's people who can't really prove that they lost income, like restaurant workers and street vendors who are working with cash. Also, returning citizens, who didn't have a work history and thus couldn't get unemployment…and other cash economy workers, including sex workers.

Federal cash assistance was not the only form of assistance from which marginalized groups were excluded. Several of The Community Foundation's suburban partners in Maryland and Virginia said that both before and during the pandemic, cash was an effective tool for reaching people who have very low incomes but live in areas where poverty is less concentrated and the nonprofit social services sector is less robust. A high-level official involved in the Fairfax County Excluded Workers Program expressed the need for cash transfers to support these populations:

> [The pandemic] let us know where there was a huge gap in our system. There were clearly some people who, while we thought we were meeting everyone's needs, were falling through the cracks. That revealed something that we know now, whether it's through this program or another program, we need to address it.

Geographic exclusion of suburban residents with low incomes is compounded by the requirement from county social services programs that people provide proof of established residency to enroll. A foundation staff person affiliated with the Neighbors in DIRE Need campaign said:

> [The pandemic has] illuminated how many people can only afford to rent a sofa or spare room. In fact, our nonprofit partners saw many cases in which three families were crammed into a two-bedroom apartment. Unfortunately, traditional legal protections for renters do not generally apply to people who are not officially on the lease. This meant many families experienced compounding stress, worrying how they would keep a roof over their heads, put food on the

> table, and support kids struggling in virtual school. Of course, the overcrowding also increased their exposure to COVID-19. We heard many stories of families who found themselves in dire need again after a primary caregiver or breadwinner fell ill or died.

A Fairfax County official noted that even though the county's system of using local nonprofits as its primary human services delivery system is highly effective in reaching and gaining trust with marginalized residents, cash transfers were crucially needed:

> Barriers in our programs that required ID or a Social Security number or that received federal funding made it so that certain groups could not gain access [to help at a time of urgent need]…This is what led us to the path of cash assistance…It was not my goal to set up some complicated referral structure that was basically a replication of the same types of things that created barriers in the first place. We were trying to minimize that.

Equity

Equity was the third major reason The Community Foundation and its funding partners mobilized to provide cash. The "advancing equity" motivation is linked heavily to the "addressing exclusion" motivation, in that Black and Latine people were disproportionately excluded from the cash-based stimulus that other US households were receiving. To provide pandemic-related support equitably would require assisting everyone to first reach the floor of supports created by the federal government.

The disproportionate impact of the pandemic on the health and economic well-being of people of color, as well as the murder of George Floyd and the racial reckoning sparked over the spring and summer of 2020, provided key context for why philanthropies were motivated by equity. One Community Foundation staff leader said: "These two events have been so catalytic, have caused people to question so many long-held assumptions about how philanthropy can and should operate. The long-held assumption that giving money to individuals is problematic, we are stepping away from that."

Demand from the public has played a role in shaping funder perceptions of cash transfer as a tool for advancing equity. The large and successful advocacy push that catalyzed DC Cares (for more on that effort, see the section titled "Partners' Roles in Advocacy and Distribution") illustrates how pandemic conditions advanced public and private funder openness to using cash as an instrument for ensuring equity. A prominent DC advocacy organization linked cash distributed under DC Cares to equity in this way:

> A coalition of DC's mostly Black and brown excluded workers are calling upon the DC Council to invest $200 million in cash assistance for excluded workers to help them afford basic needs such as medicine, transportation, child care, and debt incurred throughout this pandemic. This $200 million investment is less than half of the $511 million required for 15,000 excluded workers to

> achieve parity with the average benefits received by workers eligible for unemployment insurance throughout the first year of the pandemic (Crawford 2021, 1).

In June 2020, Wellons and Ursula Wright, managing director of consulting firm FSG, wrote a *Washington Post* op-ed linking the disruptive events of 2020 to the longer arc of systemic inequities that preceded them, describing how weak cash flow and savings at the household level disproportionately affects the economic security and well-being of African Americans in Washington, DC:

> We are in a trifecta of crises that threatens our nation's public health, economic security, and democracy. Though this pandemic is new, racism and economic injustice are not. The pandemic has served to further reveal preexisting inequities in housing, education, health care, food security, policing and criminal justice, income and employment.
>
> This trifecta of crises has awakened a lethargic nation. Today, more Americans than ever before understand the depths of societal inequities and systems failures. This expanded awareness should be leveraged to reconstruct a more just society rather than merely "recovering" a flawed one.
>
> A recent study from the Greater Washington Community Foundation found that African American residents of the Washington region are more than twice as likely to say that economic conditions are getting worse, they are finding it very difficult to manage financially and are very worried about paying their rent or mortgage. More than half said they could survive for only about a month or less if they lost all current sources of income.[6]

The Fairfax County Excluded Workers Program was part of Fairfax County's COVID-19 targeted mitigation strategy and, as such, was explicitly grounded in the One Fairfax Policy, which aims to advance equity in the policy and resourcing decisions of county entities. The policy begins with the following:

> Fairfax County embraces its growing diverse population and recognizes it as a tremendous asset but also knows that racial and social inequities still exist. This policy defines expectations for consideration of racial and social equity, and in particular, meaningful community involvement when planning, developing, and implementing policies, practices, and initiatives. It provides a framework to advance equity in alignment with our stated visions and priorities. This policy informs all other policies and applies to all publicly delivered services in Fairfax County Government and Fairfax County Public Schools.[7]

Distribution of Cash Transfers

Community-based organizations (CBOs) performed crucial advocacy, outreach, and administrative roles in distributing the cash that local government, donor, and peer foundation partners placed under The Community Foundation's purview. These distribution partners were nonprofits that varied in size, mission, and tenure. The nonprofits that received funding from the COVID-19 Emergency Response

Fund for the purpose of transferring cash to their clients are too numerous to list here. The partnerships involved in the five other cash transfer efforts that The Community Foundation facilitated are described below.

DC Cares

Cash transfer under the DC Cares partnership unfolded in two phases.

The first phase took place between June and October 2020 and included five distribution partners: Bread for the City, Mary's Center, CentroNía, Central American Resource Center (CARECEN), and the Latin American Youth Center. Each distribution partner recruited DC residents, processed applications, assisted residents with applications, and distributed $1,000 prepaid debit cards. The partners also processed application requests from "feeder organizations" predominantly associated with DC's Excluded Worker Coalition, a group made up of both excluded workers and advocacy organizations that pressed DC government to provide cash relief for residents who could not access federal cash benefits.

The second phase began in January 2021, adding a sixth distribution partner, the Far Southeast Family Strengthening Collaborative. This organization offered strong connections with Black residents in Wards 7 and 8, as well as contacts developed with the returning citizens community. During this phase, distribution partners took on somewhat more differentiated roles. The Far Southeast Family Strengthening Collaborative oversaw outreach, Mary's Center oversaw the database, CentroNía oversaw responses to the DC Cares phone hotline, CARECEN and the Latin American Youth Center oversaw application processing, and Bread for the City oversaw prepaid debit card distribution. This change improved the efficiency of the distribution process because each organization fulfilled a role that more closely matched its staff capacity. Improvement in efficiency was crucial for meeting the demand in phase 2, when DC Cares received a much larger volume of applications.

Fairfax County Excluded Workers Program

In Fairfax County, Virginia, the county government identified three well-positioned local organizations with deep knowledge and experience working with immigrant residents to implement the Fairfax County Excluded Workers cash transfer program. The partners, listed and described in table 3, were also identified for their distinct neighborhood-level connections with the community through legal services, schools, and other immigrant-serving organizations, through which they could accept referrals for cash transfer applications.

TABLE 3

Distribution Partners for the Fairfax County Excluded Workers Program

Distribution partner	Population served	Outreach method	Per person award	Method of distribution
Fairfax CASA (Court Appointed Special Advocates)	Latine immigrants and families	Member based	$200–1,000	Debit card
Edu-Futuro	Latine immigrants and families	Member based	$1,000	Check
Ayuda	Latine immigrants and families	Member based	$1,000–1,500	Check

Sources: Interviews and program data.

The Maryland Partnerships

Two programs distributed cash to Montgomery County, Maryland, residents in partnership with The Community Foundation during the pandemic: EARP and Neighbors in DIRE Need.

EARP was a program of the county government led by DHHS. In collaboration with The Community Foundation, 10 CBOs served as processing partners to promote the relief program, screen potential applicants for eligibility, collect and securely maintain necessary documentation, and complete submissions through the county's application portal. In addition to their own clients, the 10 CBOs screened hundreds of referrals from other nonprofits and inquiries from the public that came through the county's 311 information line. DHHS administered relief grants directly to approved applicants. The Community Foundation administered payments to nonprofits based on the volume of applications assigned by DHHS and successfully processed through the system. Eventually, DHHS made an online application available to the public, enabling the CBOs to focus their support on people who needed technical support.

The Neighbors in DIRE Need effort was a collaboration between private funders, The Community Foundation, and 4 of the 10 CBOs engaged in the EARP program. These two efforts acted somewhat in tandem so the CBOs had the flexibility to help households that were facing immediate crises or did not meet the EARP eligibility criteria. Thanks to the partnerships with Montgomery County's DHHS, the CBOs were able to employ the HIPPA-compliant screening tool used for the EARP program to prevent duplication of applications and track results. The DHHS screening tool also produced reports that included the aggregate demographics of relief grant recipients, side-by-side comparisons of each organization's relief distribution rates and amounts, and heat maps showing where the dollars were going within the county. The Community Foundation and the 4 CBOs used these reports to evaluate the results collaboratively and strategize about how to make sure they were effectively meeting needs throughout the county.

The Maryland distribution partnerships are described further in table 4.

TABLE 4

Distribution Partners for the Montgomery County Cash Transfer Programs

Cash transfer program	Distribution partner	Population served	Outreach method	Per person award	Method of distribution
Emergency Assistance Relief Payment (EARP)	10 affiliated community-based organizations (CBOs)	Montgomery County residents	Online application, 311 hotline, and CBO referral	$500–1,950	Check or prepaid debit card in the mail
Neighbors in DIRE Need	Family Services; Identity, Inc.; Impact Silver Spring; and Interfaith Works	Montgomery County residents, including some who did not qualify for EARP	CBO referral	$500–2,500	Check or bank transfer

Sources: Interviews and program data.

BMC Cares

BMC Cares was a private effort initially created to assist BMC residential tenants in neighborhoods across the DMV, where the property management company offers both market-rate and affordable housing. The distribution partner was Capital Area Asset Builders, a local nonprofit that supports financial independence for low- and moderate-income individuals in the greater DC region. Together, Capital Area Asset Builders and BMC Cares reached out to all residents, offering an opportunity to apply for cash transfers to help cover needs such as groceries or prescription medications.

Partners' Roles in Advocacy and Distribution

Across the cash transfer efforts, the distribution partners are well-known for their deep and extensive relationships to Black, Latine, immigrant, and low-income communities. As a result, they were among the first to recognize the economic impact that the COVID-19 pandemic would disproportionately impose on their communities. Even before formalizing their distribution partnerships with The Community Foundation, many of the groups named in the previous section had played an important role in communicating the urgent need for cash relief to the funding partners, particularly in Washington, DC. For example, in summer 2021, the Excluded Worker Coalition called on the DC Council to invest $200 million into cash assistance for DC's excluded workers, whose total need was estimated to be $511 million (Crawford 2021). These advocacy efforts culminated in the investment made in DC Cares and ongoing conversations about how to continue supporting excluded workers in getting out of debt and paying for basic needs. More than 60 DC-based organizations coordinated to place calls and send emails to the mayor and council members, circulated sign-on letters to nonprofit and grassroots advocacy leaders, pushed Twitter campaigns, and mounted formal protests outside council members' houses. In acknowledgment of these origins, the resulting DC Cares collaboration between Events DC and the District of Columbia Executive Office of the Mayor designated 6 of the 60 advocacy organizations to serve as distribution partners.

The response to the COVID-19 pandemic was the first time most distribution partners had ever directly managed a cash transfer program. Why did they choose to mount a new service component during a crisis when their staff capacity was already limited? For the distribution partner leaders our research team interviewed, the investment of time and organizational resources was more than justified. Organizations saw a vital opportunity to advance equity in the face of the acute economic challenges that Black and Latine families were experiencing because of the COVID-19 pandemic, police-related incidents, and long-standing housing and food insecurity conditions.

To handle the targeted outreach, screening, and in some cases management responsibilities involved in distributing cash from a fund to people, each distribution partner needed to offer significant staff and organizational capacity. One central coordinator for the DC Cares program shared,

> We needed organizations that were operating at a scale that they could take on the administrative responsibilities of this program, without it overwhelming them. So they needed to be big. And they needed to be able to operate in Spanish and be trusted within the immigrant community. We talked to some people who in the end said that this was too much work for them to take on, especially because there was no overhead money [during phase 1].

During phase 1, the CBO distribution partners offered to forgo advocating for the city to cover their administrative costs in favor of maximizing payments to recipients. For phase 2, the DC Council recognized the significant administrative costs being borne by the CBO partners and authorized that about 20 percent of the funds be used to cover their operational expenses.

Conducting Targeted Outreach

Distribution partners' first responsibility was identifying people who were excluded from federal benefits and were in need of assistance primarily because pandemic conditions cost them work. To this end, almost all the partners created a public-facing website or web-based application. Most partners also created a hotline to answer potential applicants' questions. Many partners reached out to their program participants via emails, handwritten notes, and phone calls. Some partners raised the availability of cash relief during well-being calls to participants or members. In the context of these regularly scheduled calls, distribution partners could directly ask clients how they were being affected by the pandemic and offer emergency resources not subject to standard eligibility requirements or other barriers.

In addition to using public-facing mechanisms for outreach, the core distribution partners also developed partnerships with nonprofit organizations that had advocated for cash assistance for clients but did not have the staff and organizational capacity to implement a cash transfer program on short notice. One funding partner expressed approval for the high-touch outreach mechanisms the distribution partners used, voicing concern that online outreach and application portals often favor those who are technologically savvy over those in greatest need, a group that can include older adults and other people with less equitable access to computers or smartphones.

One exception to this mode of outreach was the BMC Cares program. This program's outreach mechanisms focused primarily on BMC residents. Thus, the process was simpler than for a countywide program, because staff affiliated with BMC Cares already had residents' names and addresses. In this way, the BMC outreach process was similar to that used by the COVID-19 Emergency Response Fund, whose nonprofit grantees distributed funds to their clients.

The trust the distribution partners had built with their participants and with their surrounding neighborhoods was in many ways the most important asset they brought to outreach. Most of the core distribution partners had been reaching either immigrant (usually Spanish-speaking) or Black communities in the DMV with vital services for more than 20 years. An especially difficult challenge during the pandemic was to provide greater access to local services for immigrants who contribute much to the DMV's cultural vibrancy and productivity but who often avoid using services for fear of repercussions, such as being disqualified from applying for or receiving legal residency (Bernstein et al. 2020). One county funding partner saw providing short-term cash relief as an opportunity for local government to build on this trust:

> We were thinking of how to build relationships with this community. We wanted to understand who the trusted partners were and the things that the community was fearful of accessing now. If we built relationships through trusted community partners, the community could gain access

> to services and supports, especially services where their immigration status didn't matter, and it was just the fear that was disconnecting them from the resource.

The trust factor that many distribution partners offered was especially vital for a cash relief program, considering that some recipients perceived cash assistance as more likely to be fraudulent than other forms of support. One staff person deeply involved in reaching out to immigrants said: "People actually got this money because they trust us, they know who we are. At the very beginning, it was very tough, they were very skeptical, [saying things like], 'I'm getting money, but is it free? Are you going to sell my information?'"

Screening for Need

Although none of the cash relief partnerships set eligibility requirements commonly found in public benefits programs, such as documented proof of income or job loss, most did screen potential beneficiaries in some way to ensure that the limited cash available went to those most in need. To this end, screening procedures were generally light, running the gamut from requests for basic demographic information to proof of county residency. A few distribution partners offered cash assistance only to their own participants or members, as they could most easily verify need in these cases. Most partners, however, favored broader outreach mechanisms for equity reasons, making "proof" of need somewhat harder to gauge in many instances.

Because the funds were meant to reach people excluded or marginalized from mainstream support, all partners sought to target the cash assistance under their purview in the most equitable and effective way possible. Typically, the funding partners set basic eligibility requirements, but either the funding or the distribution partners could establish the screening procedures. For larger initiatives, including EARP, the funders set up the application and data-processing system, while smaller initiatives sometimes set their own screening procedures (for instance, using Google Forms).

In general, distribution partners saw self-attestation (i.e., the practice of allowing potential beneficiaries to provide information about themselves without external corroboration) as the best screening method for breaking down the barriers to access that participants frequently experience. One distribution partner offered,

> I am really proud of the implementation team, all the ways our programs have been low-barrier and that we have used community relations…and self-attestation…to verify. The reality is that, on a practical level, what were we going to ask for from street vendors to verify that they had lost income? Or to prove to us that they were undocumented?…We would have cut people out if we hadn't done [self-attestation].

When screening procedures went beyond self-attestation, applicants could provide a wide range of documentation as proof of eligibility: an official limited purpose ID, an individual tax identification number approval letter, an unemployment insurance or Pandemic Unemployment Assistance rejection or delay letter, or a signed letter from a trusted member in the community (a priest or a neighbor) verifying documentation status.

Many funding and distribution partners also precluded any individual who had applied for private cash assistance early in the pandemic from applying again later. The intent was to stretch the cash across as many people as possible. Some distribution partners chose to grant repeat applications for support because they had the funding to do so—for example, later in 2020 and early in 2021, when the volume of applications began to decrease and some funds were still unallocated. Some distribution partners also recognized that the needs of some families were so significant that they justified multiple rounds of assistance.

Transferring the Cash

Both funding and distribution partners generally had to balance factors such as speed, inclusivity, and equity when deciding how to distribute the cash under their purview. Although transferring cash was in many ways preferable to providing in-kind goods and services, given the social-distancing conditions created by the COVID-19 pandemic, this form of service still presented logistical considerations and challenges.

Most cash transfers were one-time $1,000 gifts, but the amount given sometimes varied depending on funding or distribution partner guidelines. At the lowest end, a few distribution grantee partners associated with the COVID-19 Emergency Response Fund provided $50 to $100 per person to cover short-term food or laundry needs. The nonprofits giving cash at this level were typically smaller and more open to distributing funds more than once to the same person and often supplemented the cash with clothing and food donations. At the highest end, some partners distributed $1,000 to $2,500 per household. Amounts at this level were calibrated to come close to the federal cash assistance that excluded workers were barred from accessing. Across most of the efforts, the cash distributed per person was typically a set amount the funders decided up front. In a few cases, when the distribution partner had more latitude, the amount given was based on the circumstances each applicant described. For example, one distribution partner maximized the transfer for one family after learning that someone in the household had contracted COVID-19. Another partner set a minimum gift of $500 per person, with an additional $500 if the person had lost 100 percent of income, capping the total gift possible at $2,500 per home.

Distribution partners used a range of methods to transfer money to applicants, including prepaid debit cards, Cash App, checks, or bank transfers. Prepaid debit cards were the dominant distribution method because of the expediency they offered distribution partners (i.e., no money handling) and the equity they offered applicants. Immigrants and people with low incomes often lack access to banking services or rely heavily on predatory cash-checking services (FDIC 2018). A partner involved in DC Cares shared the organization's rationale for choosing prepaid cards:

> One of the big things we had to figure out was that we wanted to give people debit cards where they could get cash back. We didn't want to give people checks because we knew that might be a barrier for undocumented people. We didn't want this money to go to check-cashing places. Also, we wanted them to be able to pay their rent. And a lot of folks are in informal rental situations where they owe somebody a couple hundred dollars…We wanted to be real that people needed to access this as cash.

Nevertheless, the card approach required that a debit card vendor be contracted with, so cards often had an overhead cost for the funder or distribution partner ($1 to $5 per card) and required additional administrative support.

A few small distribution partners chose Cash App, a popular fintech product, which also does not require the recipient to have a bank account. And, finally, in a few cases, distribution partners chose to cut checks to applicants. One partner explained, "We don't need lots of middlemen for money; tracking that is a nightmare. We told our bank to send it to these people. What they needed was [to] check that their stories were legitimate, that they weren't sending any money to Russian robots."

The Experiences of Cash Transfer Recipients

The handful of recipients we interviewed said the cash transfer they received had a meaningful and positive impact on the economic stability and well-being of their households at the height of the pandemic. Although this input is consistent with findings in the research literature on how even modest cash transfers can produce significant economic stability results for beneficiaries (Hagen-Zanker et al. 2016), our findings are purely anecdotal. The scope of this study, as well as the human subject protections we used when conducting our interviews, limited our interview sample to just three people.

All three people we spoke with described facing myriad challenges produced by pandemic economic conditions; topping the list was difficulty paying for basics such as rent and food. Recipients of cash we interviewed also said the outlays relieved their burdens in both tangible and psychological ways. For one recipient, the pandemic compounded already challenging life circumstances:

> I am a breast cancer survivor, and I came back to work when the pandemic hit. During that time, I couldn't recuperate because I had spent a year without working and had the strong treatments for the cancer…It was a significant hit that we had because I hadn't worked the previous year and then the pandemic that no one expected came and I wasn't allowed back to work. I felt like the world was falling on top of me. I wasn't working, and we were suffering a lot.

For this person, the cash brought immediate and palpable relief:

> I am so grateful to [the funders] because, really, when I got those funds, it had been months that I wasn't buying medicine. Since we are undocumented, we don't have health insurance. And when they told me that the funds were coming, I acted fast and was able to buy medicine, food, and water. Practically, what I needed it most for was for my monthly cancer treatment.

Another individual, who had just begun to feel economically stable before the pandemic began, told us that losing their job was an enormous setback: "It's a bigger plate of worry and stress. Last year, I at least had the hope that [my economic stress] would [blow] over. So, everything has changed dramatically." This person was reapplying for a second outlay of cash support because the first outlay was running out fast. "Even the money I got two months ago, I ration it for food and small bills that pile up," the person said. "I have my light bill that I'm worried about…If this second grant doesn't come through, I will be out on the street. I am counting on them to survive. The stress is more than it was last year. Last year, I was at least hopeful for my job."

Another recipient shared that the pandemic created additional financial stress for the entire household: "For my family, it's been a little difficult. We have not had enough money for rent. My dad provides the main income…[He] had two jobs, and he had to stop working a lot [of hours] in his first job. It's been difficult to have enough money for rent and bills." The relationship and the trust the nonprofit distribution partner built with this family before providing them with financial assistance was key in helping this young person overcome the shame associated with asking for financial help. "[They] helped me a lot [by] providing assistance," the young person said. "I'm a very shy person, and I don't like asking [for] help, because I'm not that type of person, but I'm proud I did my part in supporting my family."

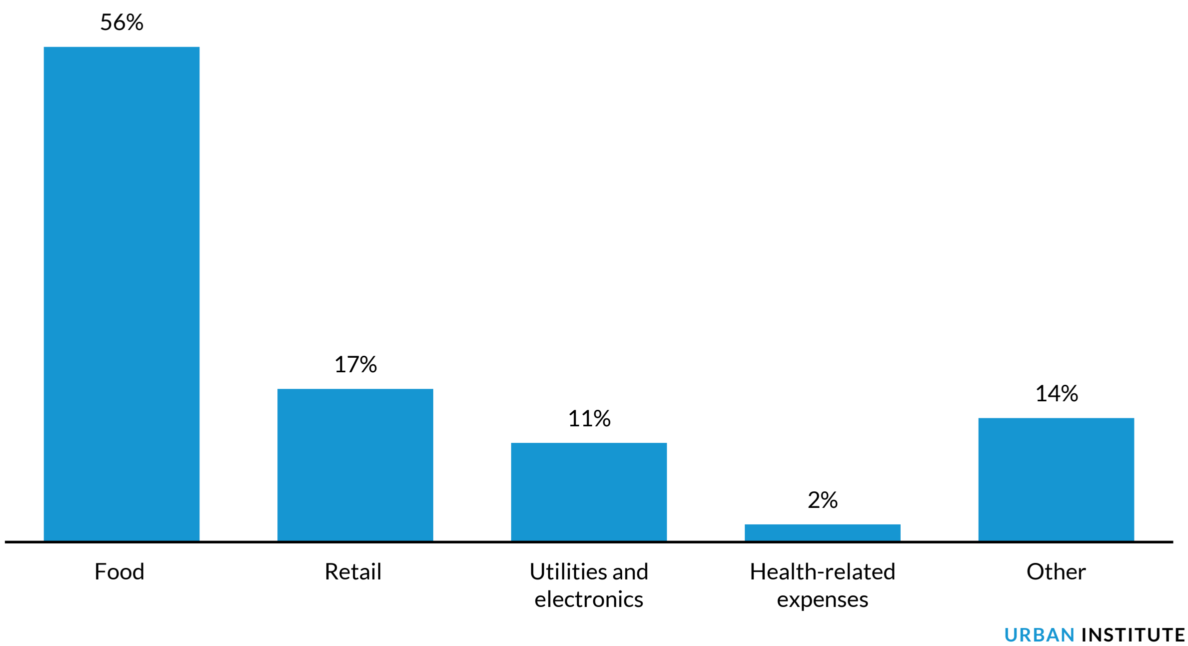
All the recipients we interviewed referenced the cash they received as a solid source of support at a time when other forms of help were inaccessible or unreliable. For example, one participant mentioned that the cash transfer funds helped fill a gap in income during the many months they waited to receive the unemployment benefits they had applied for early in the pandemic.

In addition, all interviewees affirmed the importance of the distribution partners being trusted CBOs with track records of care for and connection to their communities. One interviewee said: "My parents didn't believe that the money was from an organization. They were angry with me and asking where I was getting the money. I had to show them where it was coming from. I think this is because families in need and in poverty are not used to receiving help." Another interviewee shared that the cash support was easier to accept because they felt "really comfortable in an environment with Black and brown people." The person went on: "It's easier for us to understand each other. I went to school with Black and brown kids. Most of my friends have come to be family. If it were another group of people, I don't know if I would be as comfortable. Their responses to our struggles are not the same." Our third interviewee noted that the organization providing her with cash had been advocating for immigration reform for many years and said she felt more comfortable accepting the funds without fear of repercussion.

Data from Usio, a prepaid card processing and management platform used for the DC Cares program, suggest that recipients applied large sums toward basics such as food, clothing, utilities, and medical expenses (figure 1). Because 70 percent of DC Cares phase 1 recipients withdrew the full amount in cash, a comprehensive picture of how the money was applied is difficult to paint, but anecdotal data and findings from other studies suggest that the bulk of withdrawn funds likely covered rent payments.

FIGURE 1

Breakdown of Noncash Gift Card Purchases during Phrase 1 of DC Cares



Source: Authors' calculations based on data from the Usio prepaid card processing and management platform.
Note: Gift card purchases made up 30 percent of spending during phase 1 of DC Cares; 70 percent of the $5 million distributed was withdrawn as cash.

Early Insights for Future Cash Transfer Programs

The lessons learned from the COVID-19 pandemic are still unfolding and will likely continue to unfold for decades to come. For now, reflection upon The Community Foundation efforts to respond to pandemic conditions at the level of people and place can provide insights for funders who wish to explore supporting cash-based interventions in collaboration with other stakeholders. When it comes to the efforts profiled in this report, the chief insight is that the funders' impulse to support cash transfer as a means of responding with speed, inclusivity, and equity has been, at least in part, validated. Although the number of distribution partners and recipients we spoke with was necessarily limited, the themes of speed, inclusivity, and equity dominated every interview. And when framed by larger trends and conditions—both current and historical, within and outside philanthropy—these themes stood out in bold relief.

The COVID-19 pandemic and the American legacy of systemic racism are compounding catastrophes that disproportionately affect Black people, Indigenous people, and people of color. Families with low incomes, workers in vulnerable industries, and people without taxable income (such as returning citizens or sex workers) have been especially affected by both problems. These communities experience higher rates of infection and death from COVID-19, as well as higher firing rates or greater loss of work hours: Black, Native American, and Latine workers are more likely than white workers to have jobs that place them at greater risk of exposure to and transmission of COVID-19 (Dubay et al. 2020), and Black and Latine families lost their jobs or work-related income disproportionately during the pandemic.[8]

The roots of cash transfer as a mechanism for ameliorating poverty and racial disparities can be found in the history of 20th century social insurance and antipoverty policies. Further, racial justice leaders, including Martin Luther King Jr. (1967), have espoused such ideas since the civil rights era. More recently, evidence for the impact of cash transfer has grown. International cases from more than 165 studies on 56 cash transfer programs in low- to medium-income countries show that cash transfer can reduce monetary poverty, improve school attendance and child health outcomes, and increase economic autonomy for beneficiaries (Hagen-Zanker et al. 2016).

Public awareness of cash-based social policies was growing before the COVID-19 pandemic, and public support has proliferated since the pandemic first started to roil the US economy in March 2020. During the 2020 presidential campaign, nearly 400,000 people signed an online petition calling on Joe Biden to support a program such as universal basic income during the pandemic. By early April 2020, more than 250 community groups, nonprofits, philanthropists, and local government agencies across the country had partnered with the #GiveTogetherNow campaign to raise and distribute dollars for COVID-19 relief.[9] By November, Andrew Yang's Humanity Forward foundation had delivered nearly $10 million in cash relief to more than 20,000 US families affected by the pandemic. Although a majority of Americans still oppose universal basic income, a recent Pew Research Center survey showed that the gap is closing and that 45 percent of Americans would support a universal basic income of $1,000 per month for all Americans.[10]

Growing interest in cash as a mechanism for stabilizing households in poverty—and perhaps even for helping people move out of poverty—has been, in part, stoked by the willingness of a few philanthropic entities to explore cash transfer as a means of addressing short- and long-term economic crises more equitably. Privately funded cash pilots such as the Stockton Economic Empowerment Demonstration, or SEED, are showing promising results (West et al. 2021). Process data from smaller pilots such as Magnolia Mother's Trust[11] are fueling interest in how program designs grounded in the lived experience of families with low incomes may produce more meaningful outcomes than more traditional service models. As evidence for the benefits of cash-based social policy has increased, interest in cash transfer experiments has grown across research and policy circles, proliferating on public and social media outlets. At least 11 privately funded direct-cash-transfer pilots are expected to take place in cities across the country in 2021, and 20 mayors have signed on to the Mayors for a Guaranteed Income coalition.[12]

In keeping with the growing public interest, smaller donors have been moving toward cash transfer as a means of supporting family, friends, neighbors, and causes they care about. This phenomenon is evidenced by the expansive growth of GoFundMe pages, which enable people to ask for assistance and to give directly to other people in need. More than $625 million had been raised for COVID-19 relief via GoFundMe as of September 2020, and the day with the single highest number of donations in GoFundMe history was June 2, 2020, amid the racial uprisings that followed the killings of George Floyd and Breonna Taylor.[13] According to the GoFundMe CEO, an estimated one in three new fundraisers during 2020 was related to COVID-19, often seeking assistance to cover basic needs such as food, housing, and health care.[14]

Community foundations present a particularly interesting "donor case" when it comes to giving money directly to individuals as a means of resolving urgent situations under circumstances rife with barriers and disparity. Such philanthropic entities are, by definition, intensely place-based and partnership-driven in their work. A community foundation is "a public charity that typically focuses on supporting a geographical area, primarily by facilitating and pooling donations used to address community needs and support local nonprofits" and is "funded by donations from individuals, families, businesses, and sometimes government grants."[15] This means that community foundations are closely tied to their local regional context and the interests of their surrounding communities.

One tension to note, however, is that even though all forms of organized philanthropy—be they driven by endowment, legacy, or a family—are to one extent or another tied to the will of their donors, community foundations are particularly bound to the requirements of well-resourced partners and wealthy donors, many of whom retain functional control of their donations. Yet, because community foundations offer a more agile and expert infrastructure for making grants than most other local entities can, they also enjoy a unique level of influence with the people and places they serve. Community foundations often form close relationships with local government officials, corporate giving programs, and other civic-minded actors, and these ties give them significant leverage to form both timely and long-term collaborations among various sectoral partners, to augment local strategy with funds from nationwide funders, and even to provide primary leadership by setting their own short- and long-range philanthropic agendas.

In the foreword to a previous Urban report on the COVID-19 Emergency Response Fund, Wellons sums up the niche that community foundations often fill in marshaling local partner resources: "In times of crises, The Community Foundation is our region's philanthropic first responder, bringing together individuals and families, philanthropic peers, corporate partners, and local government advisors to address community issues" (box 1; Soskis et al. 2020, v).

Although community foundations vary by place and business model, the experience they have developed in using cash to respond to disaster and to prioritize community-driven concerns is also illustrated well by the efforts of the Greater Houston Community Foundation (GHCF). GHCF has developed cash-based partnership, fundraising, disbursal, and reporting mechanisms to respond to repeated climate crises in the region over the past 20 years, including Tropical Storm Allison in 2001, Hurricane Katrina in 2005, Hurricane Ike in 2008, and Hurricane Harvey in 2017.[16] It has addressed the immediate and long-term post-disaster needs of communities in the Houston area by raising funds with other nonprofits and local governments to provide direct cash relief to people and through nonprofit services, as well as in partnership with employers that make funds available to support their affected employees. Between 2017 and 2019, in the aftermath of Hurricane Harvey, GHCF distributed 15 percent of the $114 million it raised in emergency relief funds (the rest went to nonprofit organizations addressing areas like basic needs, behavioral health, and legal services), assisting about 15,235 people (Greater Houston Community Foundation 2019). At the start of the pandemic, GHCF partnered with United Way of Greater Houston to invest $18.4 million in local nonprofit partners, which used part of those funds to provide 30,482 people with flexible emergency financial assistance and 12,990 people with emergency housing assistance (United Way of Greater Houston and Greater Houston Community Foundation 2021).

Across the wide variety of foundations and donors in the US, interest in using cash to reduce exclusion and promote equity during the pandemic and in the aftermath of the murder of George Floyd may be fueled by larger discussions and movements such as #philanthropysowhite and trust-based philanthropy.[17] Trust-based philanthropy "is about redistributing power—systemically, organizationally, and interpersonally—in service of a healthier and more equitable nonprofit sector," and "on a practical level, this includes multiyear unrestricted funding, streamlined applications and reporting, and a commitment to building relationships based on transparency, dialogue, and mutual learning."[18]

The movement toward trust-based philanthropy is highlighted in a Center for Effective Philanthropy survey released in November 2020 (Orensten and Buteau 2020). It reported that since the pandemic began, 66 percent of foundations surveyed were loosening or eliminating restrictions on existing grants, 64 percent had reduced what they asked of grantees, and 57 percent were making new grants as unrestricted as possible. It is perhaps not surprising, then, that philanthropic entities, many eager for the distribution of their resources to be more intentional, equitable, and influential, are turning to cash transfer pilots, which pair well with programs that eliminate restrictions on grant funding. This trend, combined with a growing commitment to equity, has also sparked some philanthropies to further diversify the organizations, individuals, and programs their dollars fund, particularly by directly funding the individuals most proximate to the issues and communities affected.

Often, resistance to providing cash assistance—within and far beyond philanthropy—is rooted in a fear of fraud, a perception that people will spend the money on "nonessential things," concerns that Americans will become less productive, and qualms about being unable to measure impact. A growing number of studies indicates that the concerns that recipients will spend cash transfers on "temptation goods" such as alcohol and tobacco are unfounded, but these concerns persist in the public perception, nonetheless (Evans and Popova 2017). Indeed, arguments against experiments with and the eventual widespread use of cash as a tool for addressing poverty and other disparity-driven conditions all touch on the theme of trust laced throughout this report. One foundation representative the research team spoke with expressed concern that the stigma associated with giving cash to individuals could be an impediment to strategic innovation in this space, offering that donors often say things like, "We don't do grants with individuals, that's too hard, there's too many opportunities for fraud." A government leader in Fairfax County found that even grassroots organizations have trouble coloring outside the lines of a traditional service provision model when it comes to giving directly:

> [One organization] had to learn to let go of the model of paying bills [on behalf of recipients]. They were really trying to set themselves up as a basic needs provider. They were holding on to the money and were not giving the money directly to people. Took a while to get them into true cash assistance mode…They wanted to stick to the model that the other nonprofits supported by the community do.

The stark reality that so many families experiencing financial instability during the COVID-19 pandemic could not access support from traditional services systems has raised questions about how governments and philanthropies should respond to crisis, whether the crisis is unfolding rapidly during a pandemic or slowly over centuries of structural and systemic racism. One philanthropic official summed up this circumstance from a practical vantage point:

> COVID-19 really prompted a deeper exploration of the philanthropic space. It also fully exposed the thin margins that many in our region are living within. Wages have not kept pace with the cost of living in our region. As we put out the local call for proposals for nonprofits to send their applications for what they wanted to do [to respond to COVID-19], we were really struck by how many grantee partners, like child care programs who did not typically do cash transfer work, were asking for emergency funds for the clients in their programs. This was a wake-up call that so many of their programs embedded this as part of their proposal requests.

Wellons explains The Community Foundation’s openness to facilitating cash transfer to individuals during the pandemic this way:

> I think it’s just a recognition that with so much unemployment, people need food assistance, they need rent assistance, but they also need just the basic capital to handle their day-to-day business. The widespread impact has forced people to say, “Yep, people need money.” They need money in their own hands so they can have agency over how they respond to this pandemic.[19]

Ultimately, conversations across the public, nonprofits, philanthropists, and government officials may benefit from consideration of the underlying and unifying motivation for direct giving that was highlighted by Wellons and ran through all our interviews: the belief that people know how to help themselves and their families best.

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