



Funding Direct Cash Initiatives

How and Why DC's THRIVE East of the River Project Quickly Financed Cash Transfers for Ward 8 Residents in Response to the COVID-19 Pandemic

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THRIVE East of the River provides emergency relief for up to 500 households in Ward 8 of the District of Columbia. The effort grew from an existing partnership of four community-based organizations to address the disproportionate economic impact of the COVID-19 pandemic on their clients. THRIVE has raised \$4 million—most of it early in the pandemic—from a mix of mostly DC-area sources, including individual donors, small family foundations, corporations, and several large foundations. THRIVE donors say these robust, swift donations to the effort were motivated primarily by three factors: increased attention to human need and racial justice brought on by both the pandemic and the murder of George Floyd, the increased popularity of giving cash to people directly, and the strength of the partnership that underlies THRIVE. This brief summarizes the challenges and successes of the THRIVE fundraising process, with the aim of sharing lessons learned that could be useful to entities and collaborations seeking to launch cash pilots in their areas.¹

After the COVID-19 pandemic struck the US and Washington, DC, went into lockdown in March 2020, four community-based organizations (CBOs) moved swiftly to provide households in Ward 8 (a predominantly Black, low-income ward that was hit hard by the pandemic) with \$5,500 and monthly food and household goods, as well as help connecting to stabilizing social services and government cash relief (e.g., federal stimulus payments). The CBOs' alacrity in forming and launching THRIVE East of the River can be credited to the established capacity of all four CBOs, as well as the collaborative

conversation they had already begun. The remarkably robust response of DC's local philanthropic community also enabled rapid action.

THRIVE's three goals during the COVID-19 pandemic are the following:

1. **Alleviate crisis** by providing up to 500 families in Ward 8 with five months of financial support, healthy food, and dry goods (e.g., cleaning supplies, detergent, toiletries).
2. **Stabilize families**, connecting them to the full range of supportive resources for which they are eligible, including tax credits, unemployment insurance, and health and safety net programs.
3. **Foster mobility** and assist families in securing a more resilient future through coordinated wraparound services and connections to jobs.²

The centerpiece of the partnership is the \$5,500 that goes to enrolled households, delivered in one payment or in monthly payments of approximately \$1,100 each. Enrolled households also receive weekly groceries and, if requested, assistance securing other resources, such as government relief funds. The first payments began in July 2020, and participants will continue to be recruited until the funding has been exhausted.

The full THRIVE partnership involves six organizations: the four CBOs and two supporting partners. The four CBOs that formed THRIVE are Bread for the City, Martha's Table, the Far Southeast Family Strengthening Collaborative, and the 11th Street Bridge Park (a project of Building Bridges Across the River). The supporting partners are LISC DC, which provides technical assistance and fundraising support, and the Urban Institute, which is documenting outcomes of the emergency intervention and providing rapid-cycle data and evidence to inform ongoing program design and management.

THRIVE is privately funded, and as of late April 2021, the partners had raised more than \$4 million from foundations, corporations, and individual donors. Large corporate, family, or private foundations made more than 15 large gifts, which were supplemented by more than 350 smaller contributions from individual donors.

How Did THRIVE Raise Funds?

Soon after Mayor Muriel Bowser declared a state of emergency for the District of Columbia, representatives from the six THRIVE partners began to convene weekly to discuss how to quickly establish the collaboration. The early planning conversations focused primarily on fundraising. These efforts were able to come together quickly and easily because the four CBOs had been convening (as a whole or in smaller groups) since late 2019 to discuss a potential collaboration centered on transferring cash to people served by their programs. The CBOs were interested in the potential of unconditional cash transfers to prevent the displacement of the people they serve, who are predominantly Black and have low incomes, from Ward 8. The people served by the CBOs are also predominantly renters who have high housing cost burdens and live in historically underresourced neighborhoods that are experiencing a lot of development activity and, as a result, increases in the cost of living.

The fundraising tasks the partners took on in the early months of the initiative's development fall into three categories: (1) developing the THRIVE concept, (2) setting up joint administrative structures, and (3) conducting donor outreach.

Developing the Concept and a Proposal

The THRIVE partners shaped the THRIVE concept and their collaboration while they shaped a proposal to likely funders. In other words, as the partners reviewed and discussed iterations of the proposal, they refined the concept so it would be a compelling statement on how THRIVE could help meet people's needs while leveraging the unique strengths of each partner to do so. Bridge Park staff took the lead in developing the initial THRIVE proposal, with Urban research and development staff providing hands-on administrative and pitch-development support.³ LISC DC played a key role in fundraising and in providing technical assistance, from its unique vantage point as a longtime and respected community development financial institution in Washington, DC. Martha's Table contributed design and development insights based on lessons learned from the cash relief they offered their clients soon after the pandemic's onset.

Early on in THRIVE's development, the partners recognized that their collaborative decisionmaking model required a formal statement of shared values explicitly rooted in racial equity. In late April 2020, all six partners adopted the following values:

- We value the power of our residents to make their own decisions.
- We treat our community with respect.
- We will always act with integrity.
- We believe in a racially and economically equitable community.

As the concept and proposal took shape, the THRIVE partners set an overall budget and fundraising goal of \$4 million, 75 percent of which was to cover the direct cash payments for 500 Ward 8 households. A little more than 5 percent was allocated for groceries and dry goods for families, and an estimated 20 percent was budgeted for program staffing and evaluation costs.

Setting Up Administrative Structures for Fundraising and Fiscal Oversight

The THRIVE CBO partners set up three administrative components to support fundraising and fiscal oversight: a single fiscal agent to receive and manage funds, a platform capable of transferring funds to participants, and an online giving portal for individual donations. The first component, the fiscal agent role, was taken on by Bread for the City, which consolidated almost all aspects of funds management and distribution. All checks written to THRIVE, no matter which organization raised the funds, were directed to Bread for the City for deposit. THRIVE donations that came into the other three CBO organizations were transferred to Bread for the City's accounting staff for oversight. The other partners invoiced Bread for the City to cover their administrative costs and special functions like service navigation, food distribution, and evaluation. THRIVE's second administrative component, established

early on by Bread for the City, was a platform to transfer funds directly to participants. The third component was an online giving portal that Building Bridges Across the River established to receive small donations from individual donors.⁴ These funds are collected by Building Bridges Across the River and regularly transferred directly to Bread for the City for fiscal management purposes.

Identifying Donor Prospects and Conducting Donor Outreach

From March to April 2020, all six THRIVE partners contacted more than 50 potential donors, generally local foundations, requesting funding support for the initiative. Donor identification and contact management were handled via an online spreadsheet set up by Bridge Park staff. Fundraising started slowly, with a single \$50,000 donation that went directly to Bridge Park between late March and early April and was transferred to Bread for the City in June. Though discouraged by the initially slow response, the partners were encouraged by the large initial donation, as well as by the growing interest in cash transfer programs nationally and strong and early expressions of interest from one small donor and a few large donors. Several large commitments arrived in May, pushing the total funds raised over the \$400,000 threshold that the CBOs had set for launching a first phase of the program for up to 100 families (25 per CBO).

Local media attention on THRIVE and word of mouth among funders propelled large bursts of funding in June, July, and August, with momentum slowing somewhat by September and October. As of late October 2020, the partners had raised a little over \$3.5 million; more than 15 large gifts had come in from large corporate, family, or private foundations, and more than 350 smaller contributions had come in from individual donors. Through the end of 2020 and early 2021, the THRIVE partners continued to receive funds; a significant amount was from online donations made via the Building Bridges Across the River portal. Although we have no way to track how individual donors arrived at the fundraising page, influxes of online funds appear to align with the publishing of local media reports on THRIVE. For example, numerous online donations were made after an article about THRIVE titled “Nonprofit Project Offers Cash Lifeline to District’s Poorest” appeared in the *Washington Post* on July 7, 2020.⁵ As of March 2021, THRIVE had met its full fundraising goal.

THRIVE leaders say the philanthropic response to THRIVE, especially from local funders and individual donors, and the quick financial response were unprecedented. Said one CBO leader,

[The fundraising] has exceeded my expectations. When we [hit] \$400,000, I believed we were going to raise that. Then we got another four-something. A lot of work went into getting this far. Then [funders] started showing up on our doorsteps. The funding community is stepping up. You have different funders coming to the table [who had thought] a cash transfer program is government-sponsored, but it doesn’t have to be.

The THRIVE cash transfer program is not the only cash transfer program under way nationally, but several aspects of THRIVE are notable: its “no strings attached” approach to the transfers, its collaborative nature, and the resources and supports provided to participants (such as access to service navigators in tandem with the cash transfers). All of these contributed to the success of THRIVE’s fundraising and are outlined in more detail in the next section.

What Motivated Donors to Give to THRIVE?

THRIVE donors represent a mix of old and new, big and small donors. The earliest donors were ultimately not the largest donors—they were often individuals or family foundations that made large donations relative to their normal giving levels. Donors we spoke with were compelled by a desire to do something to address the COVID-19 crisis quickly and the opportunity that THRIVE presented. The first THRIVE donor stated,

We were very concerned about how the response to the pandemic would affect the most marginalized communities in the city. I was grateful that [Bridge Park and its partners] had, not a solution, but a way to help. The greatest privilege...during a fire is to have a bucket in your hand, and [my partner] and I felt like we had this bucket in our hand.

We interviewed THRIVE donors, both individual and institutional, about their decision to donate to THRIVE. They told us that their robust and swift response was motivated primarily by the confluence of three factors: the context created by the pandemic and the murder of George Floyd, the concept of giving cash directly, and the strength of the partnership that underlies THRIVE.

Compelled by Context

The sudden onset of the COVID-19 pandemic created a sense of purpose and urgency among philanthropists. As one expert on philanthropy told us, “Something different happens at the height of an emergency or crisis with people and their ability to give in a liberated way.” One THRIVE donor said the sense that there was a “tsunami of need” led to dramatic increases in their short-term giving.

As of April 2021, foundations had donated nearly \$13 billion in the United States alone toward responses to the COVID-19 pandemic.⁶ Surveys have confirmed that the pandemic changed how individuals donate: 21 percent of donor households say they have increased their donations, and an estimated 40 percent of individual donors say they have changed their giving patterns because “charities needed their dollars more now.”⁷ Services to address food insecurity such as food pantries have experienced the most growth in giving since the pandemic started. Donations to cash transfer programs have also grown, with major donors such as Google, the Robert Wood Johnson Foundation, and Charles Koch all supporting cash programs of some sort.⁸ The GiveDirectly platform alone has raised more than \$313 million for direct cash transfers.⁹ For its part, THRIVE offers donors an opportunity to support an initiative that helps meet people’s basic needs, such as food, and reflects the increase in support for giving money directly to those who need it.

The composition of the community in Ward 8 was another factor that motivated donors to give specifically to THRIVE: Black people make up 90 percent of Ward 8 residents, and 64 percent of residents make less than \$50,000 per year.¹⁰ One donor elaborated, “It felt like the city was burning, particularly east of the river.” Another donor noted, “It was at that time [after the killing of George Floyd] that funders got more specific about applying a racial equity lens.” For donors looking to address the racial disparities and racism that the COVID-19 pandemic and the Floyd murder brought into painfully clear focus in 2020, THRIVE presented a way to take decisive and tangible action and to give

money directly to those who needed it, namely low-income Black women in Ward 8. Table 1 compares the socioeconomic and education statuses of the residents of Ward 8 with those of Washington, DC, and the United States, highlighting that incomes are lower, the poverty and unemployment rates are higher, and the education levels are lower in Ward 8 than in the rest of the city. This underscores funders’ understanding that even before the pandemic, Ward 8 residents were experiencing large financial disparities and were in need of economic supports.

TABLE 1
Economic and Educational Characteristics of the District of Columbia’s Ward 8, DC Overall, and the United States, 2014–18

	Ward 8	DC	US
Median household income	\$34,034	\$82,604	\$57,129
Poverty rate (%)	34.2	16.8	14.1
Unemployment rate (%)	18.6	7.4	5.8
Housing-cost burdened (%)	56.5	44.2	46.5
Employed in industry affected by COVID-19 (%)	41.7	32.6	43.6
Highest level of education (%)			
Less than high school diploma	14.7	9.4	12.3
High school diploma or GED	38.7	17.2	27.1
Some college	24.4	12.9	20.6
Associate degree	5.6	3.0	8.4
Bachelor’s degree	9.5	24.4	19.4
Postgraduate degree	7.2	33.2	12.1

Source: Authors’ analysis of 2014–18 American Community Survey five-year estimates.

Notes: Housing-cost-burdened households spend 30 percent or more of their income on total housing costs, including rent, mortgage payments, utilities, and real estate taxes. Industries affected by the COVID-19 pandemic include retail trade; educational services, health care, and social assistance; and arts, entertainment, recreation, and accommodation and food. Highest level of education is for adults 25 years and older.

Compelled by Cash

Philanthropic experts say that donors nationwide are following new patterns in their giving that reflect a shift toward giving directly to individuals, rather than to 501(c)(3)s, a growing acceptance of cash transfer programs, and emerging interest in trust-based philanthropy as a response to racial inequity in philanthropic giving. These patterns appear to be reflected in the motivations of THRIVE donors.

Cash transfers are not new, and the momentum for them has been growing internationally since the 1990s (Soskis 2021). Within the United States, the growth has been more recent. In 2021, at least 11 government-run direct-cash transfer pilots will take place in cities across the country.¹¹ And more than 20 mayors have signed on to the Mayors for a Guaranteed Income coalition in the past year.¹² The executive director of one CBO indicated that a desire to support cash transfers compelled most of THRIVE’s donors, particularly the new donors. Pilot programs cropping up across the country vary in their scope and eligibility—many are setting income and other eligibility thresholds, while others are focusing on less-restricted giving to the target populations they work with.

One foundation leader traced donor motivation to give directly via THRIVE and other vehicles to the 2019 federal government shutdown:

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. There were mechanisms in place to support small businesses, to support contractors—even federal employees would get some repayment of cash that was not being made available immediately. But everyday individuals who were shut down, we couldn't figure it out and even then, the appetite wasn't there. 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...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.

A THRIVE leader confirmed the foundation leader's observation, saying that "a lot of [funders] were thinking... 'Why don't I just put that money in someone's hands [so that they can get it] in their landlord's hands, put the heat on, get gas in their car.'"

Philanthropists and policymakers alike appear to recognize that local cash transfer programs have the potential to address deficiencies in the social safety net, partly because they are tied to a more nuanced understanding of local need and enable recipients to address their own needs. An Urban Institute report on norms in philanthropic giving notes:

Providing cash to those in need puts authorship of the giving story more firmly in the hands of recipients...In fact, the popularity of cash transfers promotes a particularly powerful giving norm that prioritizes the agency of recipients in the giving exchange and that affirms the belief that the people closest to a problem know best how to deal with it (Soskis 2021, 24).

This understanding, coupled with the growing body of evidence that recipients of cash are more likely to spend the money on key needs (and not on temptation goods), has led to increased acceptance of cash transfers (West et al. 2021).¹³

The movement toward cash transfer giving runs in parallel to the movement toward trust-based philanthropy, which generally involves institutional funders giving more general support to CBOs. Trust-based philanthropy seeks to address power imbalances and build equity in philanthropy.¹⁴ This often entails shifts toward less grantee management (i.e., less institutional management of CBOs) and fewer barriers to entry. According to one philanthropic expert interviewed, the goal of trust-based philanthropy is "proximity, listening to communities, and trusting nonprofits and the communities they serve."

Although trust-based philanthropy was growing before the pandemic, the need created by the pandemic catalyzed rapid acceptance of trust-based principles. In 2020, a group of foundations that practice trust-based philanthropy pushed a coalition of more than 800 major national funders to sign "A Call to Action." The pledge outlines eight guidelines for implementing trust-based practices during a crisis, including making grants "as unrestricted as possible," postponing reporting requirements, and listening to the "communities least heard."¹⁵ Although trust-based philanthropy is not the same as giving

cash directly to individuals, trust-based practices by institutional donors can enable CBOs to work more flexibly with their communities, including via mechanisms like cash transfer.

According to one philanthropic expert we spoke with, many donors, especially individual donors, also “are moving away from intermediated social change, which is what we call it when people don’t want to give to a 501(c)(3), so we’re in this era of nonintermediated impact.” This desire for nonintermediated impact is evidenced by the pandemic-era growth of GoFundMe pages and the resurgence on a national scale of mutual aid groups, which enable people to give directly to other people in need. According to the GoFundMe CEO, an estimated one in three new fundraisers is related to the COVID-19 pandemic, often seeking assistance to cover basic needs such as food, housing, or health care.¹⁶ In many ways, the growth GoFundMe has seen over the past year and even before the pandemic reflects both a larger shift in giving patterns and a response to a growing need in the United States that federal, state, and local safety net mechanisms have not been able to keep up with.

As discussed in greater detail later, donors to THRIVE said giving to the highly respected 501(c)(3)s involved in the partnership was a key motivation for them, in addition to their interest in increasing nonintermediated giving and the perception that THRIVE’s administrative and overhead costs are low. One donor expressed the existing tension within philanthropy that the THRIVE approach appeared to resolve: “People and foundations and government feel conflicted: they hate administrative costs, but they also don’t trust the people they call poor with money, so they made a deal with the devil and hold their nose about the overhead.” Several donors pointed to THRIVE’s direct cash to participants and the low overhead associated with giving cash to those who need it as factors that attracted them to the project, as well as THRIVE’s continuous improvement and external evaluation practices.

Clearly, the values that THRIVE leaders laid out early on and donor trends related to trust-based philanthropy and nonintermediated giving are aligned. THRIVE has made dignity a key principle of its work, meaning that recipients are not asked to prove they are eligible to receive a cash transfer. This principle points to the concept undergirding most cash transfer models: recipients themselves are more likely than third-party “rule makers” to apply the money to the challenges in their lives. And, indeed, the four THRIVE CBOs—which have long worked in Ward 8 and other underresourced communities in Washington, DC—say that they prefer to offer choices to the households they serve but that public sources often restrict benefits, preventing them from doing so. One CBO director explained the value in providing cash directly:

The way most of us solve child care, or rent, or a flat tire is we go to the bank and we pay for those things and continue our lives because we don’t have to go to the extra step [of going to a recertification office or going to a food bank]. If you have to make ends meet that way, it’s not the most rational way to conduct your life.

Compelled by the Collaboration

Multiple donors cited the strength of the THRIVE partnership as a key motivation. One donor said the CBOs in the THRIVE partnership were well known within the human services, nonprofit, and philanthropic communities in Washington, DC. “You had people who wanted to meet the needs of the

community, and you had some of the most trusted social services figures in DC with a plan to act,” the donor said. The spirit of collaboration, rather than competition, also enabled the partners to create efficient shared systems and eliminated the administrative redundancies of creating multiple cash transfer programs.

Both donors and the CBO leaders highlighted the strong collaboration that underlies THRIVE as a key factor in the success of their fundraising. Together, the CBOs likely raised more than they would have individually. Although THRIVE attracted some new donors—a few even approached the CBOs, rather than vice versa—the CBOs built their fundraising around outreach to previous donors who knew their services and reputations well.

CBO leaders found that many donors were willing to give to both their organization and to THRIVE, without one coming at the expense of the other. One CBO leader explained,

People hold their donors close to the chest. There’s a scarcity mindset...but we threw open our doors, and it turns out that it was not competitive, it was additive. [Donors] recognized our organizations *and* gave to THRIVE, so I think it started to dispel that scarcity mindset, and I think that’s important. It’s something to highlight that working together is a rising tide that lifts all boats.

Another leader, when asked what they would do differently, said:

I personally was too conservative about leveraging and merging our fundraising efforts with THRIVE. It was midway through that I got less concerned about cannibalizing my own fundraising. That’s because a lot of our funders were savvy enough to say, “We’d like to do both of those things.”

Both CBOs and donors said they felt that the fundraising would not have been as successful had the CBOs raised money individually. One executive director noted his impression that donors approved of the collaboration as a “selfless thing to do in the face of crisis.”

What Themes Emerged around Raising Funds for Direct Cash Efforts?

As local partnerships centered on direct giving emerge across the nation, a few themes for fundraising stand out from the data we collected:

- **Small beginnings can generate momentum.** The earliest donors to THRIVE were not the largest donors but were often individuals or family foundations that made large donations relative to their normal giving levels. These early donors were compelled by a sense of obligation and the opportunity that THRIVE offered to act on that impulse. Larger funders, on the other hand, typically came on board once THRIVE had gained some momentum or had hit a minimum funding threshold. Part of this difference can be attributable to varying perspectives around the goal of cash transfers. Several small donors saw cash transfers as an innovative solution with

potential catalytic promise, whereas larger donors appeared to see THRIVE as a partnership between trusted entities offering an opportune avenue of support.

- **Collaboration may be a best practice for direct cash efforts and for fundraising.** CBO leaders found that many donors were willing to give to both their organization and to THRIVE, without one coming at the expense of the other. This bodes well for organizations seeking to establish a track record of offering maximal benefit to participants at minimal administrative cost.
- **Staking out a learning agenda is essential to the value proposition of local cash initiatives.** Across the board, the THRIVE donors we interviewed underscored that philanthropists cannot provide cash transfers in perpetuity. Rather, the donors see their role as supporting experimentation that will provide proof of concept to government policymakers on the efficacy of cash transfers for ameliorating poverty, mobilizing economic security, and ending racial disparities. Thus, organizations should take care to design efforts that deliver not only results for participants but also clear evidence and lessons learned for practitioners and policymakers.
- **Values matter.** The values that THRIVE leaders laid out for the effort and donor trends toward trust-based philanthropy and nonintermediated giving are clearly aligned. THRIVE centers dignity as a key principle of its work. Recipients are not asked to prove that they are eligible to receive a cash transfer, which inherently provides participants with greater choice. These factors appear to appeal greatly to THRIVE donors.

What Is Next for Funding Direct Cash Transfers?

As discussed earlier, THRIVE is at the strategic intersection formed by the movements for trust-based philanthropy and cash transfers. Furthermore, demands for progress on equity accelerated after pandemic shutdowns and George Floyd's murder laid bare the US's legacy of systemic racism and disparities. "THRIVE 2.0," the term partners have informally adopted to refer to the next iteration of the direct giving collaboration, is getting under way. While the strategic footing for an ongoing effort exists, on a tactical level, the future of THRIVE 2.0 depends on raising the large sums of money needed for meaningful direct giving.

The donors that the Urban research team spoke with were clear that their giving to THRIVE—and in response to the pandemic in general—was extraordinary. Both philanthropic and individual donors underscored that continuing to give at the scale seen in the previous year was not tenable. One donor said: "We've pushed out a lot of resources, and we have not replenished them at the same rate." Another donor explained,

This is not something that philanthropy can sustain for a long time. We can't afford it, not our regional philanthropy: we just don't have enough money to sustain the kind of long-term investments in cash transfer. We can't do universal basic income. Those are things that have to be government at some level. We can do pilots, but how many pilots do we have to do to prove that people need money, or wages need to increase, or the cost of living needs to be more affordable. Philanthropy can't sustain at scale.

The view that many philanthropies will not be able to maintain pandemic giving patterns beyond the height of the crisis is not unique to Washington, DC. According to the Urban Institute report on philanthropic giving norms, surveys have found that a wide swath of foundations expanded their unrestricted giving during the pandemic but that about half of those that had started this practice during the crisis would not be able to continue it at the same level moving forward (Soskis 2021).

Shifts in giving that resulted from the pandemic have changed the way philanthropy operates. But the extent to which these changes are permanent varies, and cash transfer programs must adapt accordingly. According to one of our interviewees, the role of philanthropy will be to “show what’s possible with public dollars at greater scale.” Multiple donors expressed the belief that philanthropy has an obligation to, as one said, “take risks that politicians cannot take.” Across the board, THRIVE donors underscored the notion that long term, the role of philanthropy in cash transfer policy will not be to provide funding in perpetuity but to innovate and educate government policymakers about whether cash transfers work and, if so, what the best practices are.

As THRIVE leaders turn their attention to shaping THRIVE 2.0, two strategies stand out: advocating for cash transfer as a public policy and using the THRIVE platform to experiment with how cash transfers can alleviate financial hardship and stress for participants, as well as enhance the CBOs’ ongoing efforts around health care, child care, family support, and equitable development. A document the THRIVE partners have created outlining their intentions for the next iteration of the project says they intend to push public policy “toward sustainable solutions for racial inequality,” with a focus on asset building for families who live in the wards east of the Anacostia River. This means the CBOs will explore joint advocacy and shift THRIVE’s direct service emphasis from seeking household stability to advancing economic mobility and the creation of wealth for Ward 8 households that have been systemically excluded from economic opportunity for centuries. On a practical level, THRIVE 2.0 could provide eligible families with flexible cash for periods as long as 10 years, in tandem with other resources, such as child care, employment training, and service navigation.

Donors saw promise in the THRIVE model for testing new ways to break the cycle of poverty and address resilience in a world made increasingly unstable by income inequality. One interviewee characterized the collaboration’s efforts as keeping “the promise of being a catalytic way of addressing crisis—this is a totally different way of doing things.” This may become more relevant as the effects of the pandemic continue to be felt and if long-standing inequities, particularly in hard-hit areas such as Ward 8, remain in the national spotlight.

Although the broad outlines of THRIVE 2.0 are becoming clearer, its specific components—and how they will interact across public policy change and the direct service goals of the CBOs—continue to emerge. THRIVE leaders and donors offered several insights that may be useful to others exploring local direct giving initiatives as they consider their fundraising options and goals. We synthesized these data with other research to present possibilities for designing cash programs that are compelling to funders and, combined with robust data collection and analysis, might present important lessons for the field:

- **Aim cash toward specific populations.** Some donors said they felt that policymakers and philanthropists would be more likely to support cash transfer initiatives that target specific groups. One donor expressed a preference for aiming cash stipends toward families with children, as the temporarily expanded child tax credit does. Whether or not the CBOs wish to restrict eligibility for THRIVE 2.0, they might consider robust testing to discover how cash transfers affect various populations. For example, partnerships between researchers and practitioners can illuminate results for households of various sizes and compositions, as well as for single people, families, or age groups partially or completely excluded from public sources of help. In addition, the CBO partners might experiment with how THRIVE funds interact with the new child tax credit and use cash transfer programs as a tool for broader social policy reform by leveraging findings on cash transfers and poverty and well-being outcomes.
- **Provide cash as a programmatic supplement.** One THRIVE leader expressed interest in using cash transfers to stabilize program participation. For example, training or degree programs often force participants to quit their jobs or reduce their work hours, which can make the journey toward economic security a “one step forward, two steps back” proposition. Cash infusions could combat the churn and high attrition often found in programs focused on workforce development. An important consideration would be whether to frame or test the cash as conditional or an “incentive” for advancing down a program pathway, rather than as a “no strings attached” feature.
- **Use cash to smooth the transition from stability to mobility.** The idea of using cash to offer clients a bridge out of poverty has emerged from multiple, ongoing discussions among THRIVE organizers, as well as among program designers and policy analysts across the nation. Safety net program participants often hit “benefit cliffs” in their journeys to economic security. As THRIVE leaders know well, even small increases in income can lead to large decreases in benefits as means tests and other eligibility requirements that are ubiquitous across safety net programs often destabilize the already precarious budgets of individuals and families with low incomes. Experiments that use cash benefits as “shallow subsidies” to smooth transitions from poverty while illuminating systemic barriers that will continue, especially as pandemic moratoriums lift, could be an effective use of the THRIVE 2.0 platform.

Notes

¹ A field guide on all aspects of how THRIVE formed and operates and a report on outcomes are forthcoming.

² “Thrive East of the River,” Building Bridges Across the River, accessed September 7, 2021, <https://bbardc.org/thrive/>.

³ Urban staff members do not usually assist research project partners directly with administrative and fundraising tasks. However, Urban leaders at all levels decided that given the institute’s location in Washington, DC, and its longtime relationship with numerous Ward 8 residents through Urban–Greater DC, it was appropriate for Urban to divert internal resources toward helping neighbors facing extraordinary hardships. Urban–Greater DC works with community members, local governments, nonprofits, and the private sector to build knowledge that

empowers our partners to build on the region’s assets to confront inequities and create a region of shared prosperity.

- ⁴ “THRIVE East of the River: Donate to THRIVE East of the River’s COVID Relief Efforts Below,” Building Bridges Across the River, accessed May 1, 2020, <https://bbardc.org/thrive/>.
- ⁵ Joe Heim, “Nonprofit Project Offers Cash Lifeline to District’s Poorest,” *Washington Post*, July 7, 2020, https://www.washingtonpost.com/local/nonprofit-project-offers-cash-lifeline-to-districts-poorest/2020/07/07/80cb55b0-bd54-11ea-8cf5-9c1b8d7f84c6_story.html.
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- ⁷ See Kristin Toussaint, “How the COVID-19 Pandemic Has Changed How We Give to Charity,” *Fast Company*, October 16, 2020, <https://www.fastcompany.com/90563856/how-the-covid-19-pandemic-has-changed-how-we-give-to-charity>. See also Emily Haynes, “40 Percent of Donors Expect to Give More in 2020,” *Chronicle of Philanthropy*, November 19, 2020, <https://www.philanthropy.com/article/40-percent-of-donors-expect-to-give-more-in-2020>.
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