

Cash relief for COVID-19: GiveDirectly US Emergency Fund

Why Cash?

We believe cash is the right tool for helping those impacted by the economic fallout from COVID-19. It is fast, efficient, effective, and minimizes person-to-person interaction. We're glad the federal government included a cash-based response in the federal stimulus bill for those reasons, but we think their bill isn't enough for the most vulnerable, nor will it get to them fast enough.

Operational Model

GiveDirectly is targeting low-income families who qualify for the federal Nutrition Assistance (SNAP) program. SNAP recipients are having a particularly difficult time coping with this new economic environment (e.g. childcare, climbing expenses, stocking up on groceries). Based on a survey of FreshEBT users, it's clear the economic fallout of COVID-19 has already put this group in immediate danger:

- 1/3 of families have less than \$100 and won't receive benefits or income by April; 79% have only enough money and goods to get through 3 days or less
- 88% of those working on March 1st are earning less because of the virus. Of them, 29% have been let go completely and 32% have lost all their income
- The next SNAP deposit is at least a week away for most and even further away for many. Regardless, SNAP can't be used for household supplies like soap and toilet paper.

To target SNAP recipients quickly and efficiently, we are partnering with Propel, the creators of Fresh EBT, an app that helps verified SNAP recipients manage their benefits. Fresh EBT has over 2M active users in all 50 states, D.C., and Puerto Rico. Using Propel's zip-code level database of verified SNAP recipients, we are quickly able to vet and pay low-income families across the country.

Once GiveDirectly sends the funds, recipients receive a notification to log on to their portal and select their cash-out mechanism (list below). Both the pre-paid card and Moneygram option are available to the unbanked. GiveDirectly then conducts follow-up to ensure recipients received and were able to use their transfers.

| Payout option | Description |
|---------------|--|
| Check | Physical check mailed to recipient |
| Bank Transfer | Direct deposit into recipient bank account |
| PayPal | Transfer sent to recipient paypal account; they can cash out into their bank account |
| Venmo | Transfer sent to recipient Venmo account, they can cash out into their bank account |
| Prepaid Card | Debit card is sent to recipient and remote-loaded once received |
| Moneygram | Recipient visits an agent to cashout |

Locations

GiveDirectly and Propel are raising funds to be deployed nationwide (over \$2M raised to date) but are also working with organizations who want to specifically deliver relief within their own communities. So far, we have launched campaigns targeted at the Bay Area and New York City in partnership with corporate and philanthropic donors. We are open to working with organizations to deploy existing funds to other cities using our platform and/or to help raise funds for that community if we have anchor funding of at least \$100,000.

Organizational Capacity

GiveDirectly has been delivering cash since 2009 and is the only NGO dedicated exclusively to delivering unconditional cash transfers, giving us the operational expertise needed to quickly and efficiently deploy resources in this crisis.

Our work has impacted over 700,000 people across 9 countries in a range of contexts from post-hurricane Caribbean to refugee settlements in Uganda, and urban areas in Nairobi. Beyond our operational track-record and efficiency (e.g. >90% of funds delivered to recipients), we have helped start a broader conversation on sector change with extensive media coverage including from the New York Times, the Economist and the Atlantic.

Our team of ~300 people, 97% of whom are local hires, are recruited from top global organizations. GiveDirectly has consistently been recognized as high-performing, receiving a top recommendation from nonprofit evaluator GiveWell for eight years running, winning the inaugural Google Global Impact Award, and being listed as one of the "Most Innovative Nonprofits" by FastCompany.

Budget

In this first, emergency phase of our U.S. response, we are targeting \$10M in total funding to provide cash transfers of \$1,000 to ~9,500 families across the US by the end of April. At this scale, we expect 95% of funding would go directly to recipients, with the remaining 5% covering overhead, salaries, and fees.