

# WHERE EMPLOYERS ARE TAKING FINANCIAL HEALTH: A DISCUSSION WITH CANARY AND SPRINGFOUR LEADERS

May 2021

SpringFour and Canary are partnering together through the Nonprofit-Fintech Exchange, part of the Financial Solutions Lab managed by the Financial Health Network. The Nonprofit-Fintech Exchange seeks to cultivate, support and scale innovative ideas that advance the financial health of low- to moderate-income (LMI) consumers and historically underserved communities.



SpringFour is a Certified B Corporation and social impact fintech focused on bringing financial health resources to consumers through innovative call center and direct-to-consumer cloud-based applications. In 2020, SpringFour provided more than 3.2 million referrals to over 20,000 local nonprofit and government resources to help consumers improve cash flow, payment performance, and financial wellness.



Canary is a mission-driven enterprise contributing to the evolution of the 21st century social safety net. Canary's emergency relief platform, Grant Circle, helps organizations offer security to their employees or program participants in times of personal financial hardship or disaster. With Grant Circle, people can give and receive emergency funds and other help in times of financial hardship - efficiently, quickly and with dignity.



**KIMBERLY GARTNER, CO-FOUNDER AND CHIEF GROWTH OFFICER, CANARY** leads Canary's business development and marketing efforts. She is passionate about working collaboratively with others to ensure that in times of financial need, all individuals can access cash assistance with dignity. With expertise in financial services, underbanked consumers, and financial health, Kimberly works hand-in-hand with Canary's clients to help them launch their own Grant Circle, Canary's community-funded emergency relief fund platform.

For almost 10 years, Kimberly held senior leadership roles with the Financial Health Network (then, the Center for Financial Services Innovation, CFSI). As the original driver of the Financial Health Network's consulting business, Kimberly has deep experience in advising enterprises large and small on how to develop products and services that build financial security.



**KATY JACOB, VP OF RESEARCH AND IMPACT, SPRINGFOUR** joined SpringFour in May 2020. Over more than 20 years, Katy has served in a variety of roles in the public, private and nonprofit sectors in order to advance research, product development and thought leadership to support financial inclusion and community reinvestment. Katy's past roles include Vice President, Strategy and Operations, Corporate Social Responsibility, U.S. Bank; Senior Payments Consultant, Federal Reserve Bank of Minneapolis; Business Economist, Federal Reserve Bank of Chicago; and Research Director, Financial Health Network (then CFSI).

Katy has authored more than 50 papers on financial health, payments, financial institution strategy, community development, community reinvestment, and financial system equity and accessibility.



**ROCHELLE GOREY, CO-FOUNDER AND CEO, SPRINGFOUR** started SpringFour in 2005 with more than 25 years of experience in public policy, government relations, homeownership, and asset building skills that led her to the fintech industry. She believes that people experiencing financial challenges need and deserve to be connected to local resources that can help. She leads her company with the mindset of working to erase the stigma surrounding financial struggle and incorporate personal finance as a normal course of business.

SpringFour is an award-winning, social impact, Certified B Corporation that works with many of the leading banks, loan servicers, small-dollar lenders, credit card issuers, and fintechs to connect their borrowers with financial health resources that provide assistance during financial challenges and get consumers back on track.

In April 2021, Katy Jacob and Rochelle Gorey of SpringFour talked with Kimberly Gartner of Canary about financial health and employer-fintech collaborations. These three leaders in the financial health industry have more than 75 years of combined experience in helping families and communities access the tools, resources, products and services they need to become and remain financially stable.

**KATY JACOB, VP OF RESEARCH AND IMPACT, SPRINGFOUR:** Let's talk a little bit about why employers are interested in doing financial health work right now.

**KIMBERLY GARTNER, CO-FOUNDER AND CHIEF GROWTH OFFICER, CANARY:** There are a lot of reasons why employers are interested in financial health right now. We know that companies lose \$250 billion in productivity annually due to financial stress. And we know that 37% of adults could not cover an unexpected \$400 expense with their savings, and that those data points were before COVID-19 hit. Companies understand that helping their employees achieve financial health is the right thing to do--that people are struggling, and they want to figure out ways to be helpful to them. Many companies have a family culture. We want to help one another. When something happens in our neighborhood, we want to care for our neighbors. Companies want to do that as well.

**ROCHELLE GOREY, CO-FOUNDER AND CEO, SPRINGFOUR:** I think there's been a sort of a reckoning that's happened in our industry. And like you said, Kimberly, these financial health solutions that were once considered super innovative, or maybe out there a little bit--employers or financial institutions viewed them as a nice to have, lower on the priority list. It's now become not just the right thing to do, but it is seen as a necessity: We're going to help our customers through this and see them end up on the right side of things. We've got to put measures like SpringFour and Canary into place. And when we do, it's not just good for our customer. It's good for our bottom line, and it's good for our brand and our reputation. And we've had many, many organizations and clients and companies tell us it's a win win win. It's very rare to find a solution that has impact in all of those areas.

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**- Rochelle Gorey, SpringFour**

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**KIMBERLY GARTNER:** That's absolutely right. There's another point I'd make about why companies are engaging right now. We have more and more natural disasters happening, whether it's the ice storms in Texas or hurricanes or wildfires, companies have gone through that and have struggled sometimes with how to get help to people when they need it. There's more and more interest in figuring out disaster responses from an employer perspective.

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**KATY JACOB:** The natural disaster discussion is a good segue into something we in the financial health field have been working to change for decades: the stigma surrounding financial challenges. We know that roughly 1 in 10 Americans experienced food insecurity during COVID. For some families, this was the first time they were in such dire financial straits that they couldn't afford basic necessities like food. People might have felt not only a stigma about not being able to put food on the table, but confusion about where to go for help. On the other hand, there can sometimes be stigma on the supply side. Kimberly, you talked about this-- how do we as employers think about it if our employees are struggling? What is our role in that? Employers are trying to make sure that the focus is on helping employees' financial health journey in a multitude of ways that isn't just providing that paycheck. At SpringFour, we are trying to erase the shame associated with needing these types of resources. When we think about the 20,000 resources in our database--that shows that there IS a lot of help out there, and the reason that it's out there is because people need it. And so the work we're trying to do together is to erase some of that stigma at different levels, for the employees, for families, for companies.

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**- Katy Jacob, SpringFour**

**KIMBERLY GARTNER:** On the employer side, I think the potential stigma of offering financial health resources can be erased by saying we're really committed to this vision of helping our employees. At Canary, we also really strongly believe that our Emergency Relief Fund program works best in the context of a good job, a job that pays good wages, and has good benefits. This assistance is an additional component of that. Another way that we can help combat hesitancy an employer might have in offering these resources is by providing confidentiality. People don't always want other people to know they're struggling, especially their employer. So we see it as more than confidentiality--it's respecting dignity. And when you go into our platform, you can also donate to others. That is part of dignity--providing a way for you to be able to give back if you can to help contribute to your community--or if you need help yourself, you can access grants and resources through SpringFour.

**ROCHELLE GOREY:** Absolutely. That was very purposeful in our design, because people ought to be able to find assistance and resources without sharing personal identifying information. Unfortunately, there is a lot of shame attached to financial challenges. But, as we are aware, the majority of people are experiencing financial challenges, at least at some point in their lives. So let's figure out a way to route them to resources, so that they can get the help they need and deserve. And I think as far as employees are concerned, it is really important to have a comprehensive strategy and solution that offers your workers dignity in the context of a job at a good place to work. And part of being a good place to work is being able to access emergency funds or solutions that can help you no matter what. Financial health should be a part of that broader conversation. We know that 80% of Americans don't have savings. So we're moving past that stigma and to a place where employers see the value of offering innovative solutions in financial health.

**KIMBERLY GARTNER:** We all want to work for someone who we feel cares for us and our livelihood and our whole selves, not just the fact that we show up every day to get the work done.

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**ROCHELLE GOREY:** People want to have broader relationships with the institutions in their lives. For example, in a survey we did last summer, we found that 83% of households would like to receive additional financial assistance and resources from their bank, above and beyond just that account or loan relationship. People are looking for more holistic relationships with the entities that they engage with every day.

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**KIMBERLY GARTNER:** We see that in our own data as well. A data point we often share is that 73% of employees feel better about working for their company if they have financial health resources, whether they use them or not. It makes them feel better just knowing that it's there. There's that aspect to just knowing that help is available. We think about SpringFour from this perspective--knowing that help is there, particularly in times of natural disasters.

**KATY JACOB:** I agree, and one of the things that we see in our referral data is that when there is one of these acute natural disasters, we don't necessarily see the impact in our referrals right away. It sometimes takes a few months. Folks are in immediate crisis or trying to find a place to live, and then, a few months later, they find they still have a variety of needs that aren't being met by the Red Cross or another relief agency. Families find they still need that assistance in an ongoing way. At SpringFour we think a lot about that kind of longevity--people want to know that help is there, even if they're not using it today.

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**ROCHELLE GOREY:** And going back to what Kimberly said at the beginning of our discussion about the ice storms in Texas-- there are so many families that were really hurt by that through no fault of their own. Those storms led to very, very unexpected high costs and even lost wages. And so again, having a Grant Circle program through Canary is very important, because people are going to need help when they didn't need resources before--it's just something that no one can predict. We are all subject to natural disasters or bad things happening to us that we can't predict. And if you don't have a large savings account, you're going to need some assistance. The majority of us do not have those large savings accounts.

So I'm going to close by sharing with you some ways that we've assisted people. We hear from our clients all the time about how providing SpringFour has really transformed their customer experience. We hope that it will just become routine that banks or employers will refer folks to these community resources--but today, it's not. And so what we find first and foremost is that people are so appreciative and excited that their employer or their bank is going a step further and helping to connect them to an organization that can help them. We hear examples of people who are routinely having their prescription drug costs cut in half, or they're being referred to a financial counselor that helps them get their overall debt and financial obligations under control. We had an example of a family who was in a tough situation of choosing between making their mortgage payment that month or feeding their family. We were able to refer them to some discounted food organizations, and they were able to then make both of those payments. In fact, we are working with a new client, and they just sent in a story this morning about a customer who saved hundreds of dollars a month using SpringFour. She was so happy--people just don't know where to turn for help. And when they get that assistance they need, they do see that their expenses are reduced. It's a win for everyone involved.

**KATY JACOB:** Thank you both so much for doing this. On a personal level, I am really pleased that we all have the opportunity to keep working together after all these years, doing this work in financial health.

**KIMBERLY GARTNER:** I agree, Katy. It's an honor to partner with both of you and with SpringFour. This work - to ensure people have the right money and resources at the right time - is more important than ever.