



Design Sprint for Social Change: Workers Strength Fund Pre-Pilot Report

Executive Summary

Far too many workers in the United States are vulnerable to falling into poverty. Their [incomes don't allow them to meet basic needs](#), their [hours are long and unpredictable](#), and they have [no real ability to save for an emergency](#), let alone their futures. Existing solutions to meet workers' day-to-day financial needs are insufficient, often [predatory, stressful to whole communities](#), and can result in devastating financial and emotional costs. **Workers are in urgent need of a safety net for times of financial stress.**

The Workers Lab's Design Sprint Team is piloting the [Workers Strength Fund](#) (WSF) to better understand how providing gig platform workers up to \$1,000 to cover unexpected expenses impacts their financial and psychological well-being and future.

From **November – March 2019**, our team ran an initial Pre-Pilot test of WSF to understand the feasibility of providing \$1,000 in grant funds to help gig platform workers manage emergency expenses. Our Pre-Pilot team lead, [Commonwealth](#), facilitated the fund request and distribution process. To generate user interest in WSF, we worked with [Steady](#) – a platform that makes it easier for individuals to find flex-work opportunities and steady their incomes – to introduce WSF to its New York City and San Francisco members. The Pre-Pilot was designed to only allow Steady members who signed up for a waitlist to access WSF.

In total, **29 people** requested and received funds via WSF. Below is an overview of our key findings to date:

- 1. Demographics:** Users were racially diverse and the average age was 33 (range was 18-62). The majority reported making household incomes of less than \$20,000 a year and working on a wide variety of gig platforms such as Uber, DoorDash, Postmates, Etsy, Instacart, as well as several e-commerce platforms like StockX, Society6, Facebook Marketplace, and Instagram.
- 2. Usage:** By far, the most common request was for housing-related expenses (e.g. rent/utilities), followed by auto repairs. Almost everyone requested the full \$1,000 and nearly all users requested the full amount all at once. Several people used funds beyond the purpose of their original request, citing the cascading effect of emergencies.
- 3. Impact:** Generally, people felt they had the ability to pay for necessities in the month after they received funds, but they were less confident about their ability to pay for necessities over the next 3-6 months. The impact seemed to further vary by income levels and life circumstances.
- 4. Request Process:** Through our third-party outreach partner, we learned that inviting people to a waitlist acted as an unnecessary barrier and verifying users are associated with outreach partners will allow for a more robust post-pilot evaluation. We also discovered that several people heard about WSF through word-of-mouth, which reduced skepticism and increased willingness to request funds. To further increase trust in the pilot, we will emphasize strong customer service and provide more room for people to describe their challenges without creating an application burden.
- 5. Payment Challenges:** Payments were more difficult than anticipated as existing systems seem limited when it comes to engendering trust and responding to emergency needs. Users most frequently chose PayPal, followed by direct deposit as preferred payment methods. Checks were the least chosen and most challenging option. All three options had specific challenges that led to payment delays, which we will course correct in the pilot.
- 6. Website Layout/Design:** Overall, users said the website was simple, straightforward, and relatively easy to use. Transparency over who is funding and coordinating the pilot is important, as is providing a smoother, more automated experience.



Key Findings

Note: All data provided via WSF was self-reported by users.

1. Demographics

Demographic Data

Below is the demographic breakdown of the 29 people who requested and received funds:

Race/Ethnicity:	8 identified as Black/African American, 2 identified as White, 13 identified as Hispanic/Latinx, and 6 identified as mixed race.
Age:	Ages of fund requesters ranged from 18 to 62 with the average age being 33.
Income:	Users' incomes skewed lower, with 22 users reporting incomes under \$20,000 per year. Of the remaining 7 users who completed a profile, 4 had incomes between \$20,000- \$39,999 and 3 had incomes over \$40,000.
Platforms:	Users worked on a number of platforms, including, but not limited to Uber, DoorDash, Postmates, Etsy, Instacart, as well as several e-commerce platforms like StockX, Society6, Facebook Marketplace, and Instagram.

2. Usage

Fund Request Data

During the Pre-Pilot, 30 users created an account and 29 requested funds. Of the 29 users who requested and received funds, 27 requested the full \$1,000 at the time of their first request. One user requested the full \$1,000 across three separate requests, and one user requested a total of \$900 across two separate requests.

The most common financial emergencies listed were:

- Expenses related to housing, including rent/utilities (20 users)
- Auto costs/repair (9)
- Medical (3)
- Emergency travel (3)
- Childcare expenses (2)

Cascading Effects of Emergencies

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Several users utilized their funds for purposes beyond what they originally listed in their WSF fund request because one emergency usually led to another. For example, one user who worked on Postmates requested \$1,000 for car repairs so they could resume generating Postmates income between freelancing gigs. Although the total cost of the repairs was \$2,500, they chose to spend \$600 of their WSF funds on the car to ensure it would be drivable and utilized the remaining \$400 to pay for rent, which they could not afford due to their inability to generate income without a car. When asked if there were other emergencies they considered when requesting funds, they said, "It's not just about your car - it affects literally your entire life." For this user and many others, one emergency expense caused ripple effects that impacted other aspects of their lives. WSF funds helped them address their primary emergency as well as subsequent emergencies that occurred.

3. Impact

Impact Can Vary by Income

One of the main goals of the Pre-Pilot was to understand the impact WSF had on users' financial well-beings and futures. In our interviews, we asked users about their feelings on financial security and their ability to meet their short- and long-term needs. We generally heard that users felt positively about their ability to pay for necessities in the month after they received funds. However, several users were not as confident about their ability to pay for necessities over the next 3-6 months. The impact of the funds on users' time horizons seemed to vary by income level and life circumstance. Our interviews surfaced distinct themes for three separate groups of users: those who made less than \$30,000, those who made more than \$30,000, and traditional college students.

"I'm feeling pretty good because my car works and I don't have to worry about missing work...I would have lost out on way more if this program wasn't there...[But things are] still murky long-term."

- Users who made less than \$30,000** shared that WSF funds only partially covered the full cost of their emergency expense. They also did not feel confident about their ability to cover bills beyond the month following fund receipt. This quote from a user who made less than \$20,000 annually and needed the funds for rent and car repairs exemplified these findings: *"I'm feeling pretty good because my car works and I don't have to worry about missing work... I would have lost out on way more if this program wasn't there... [But things are] still murky long-term. Right now the job is only part time and I work when I can, but my daughter is in school and I'm trying to start school so I just can't really say. A lot of uncertainty about the future."*

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- Users who made more than \$30,000** shared that income volatility was their main challenge. *WSF funds helped them smooth over gaps in income, enabling them "get back on [their] feet" when waiting for income to arrive.* For example, one user requested funds during the holiday season to pay for rent and utilities. If WSF funds were not available, they would have asked their landlord for an extension on rent, which they would have paid once invoices for previous design work were fulfilled. Notably, these users were more confident about their long-term financial outlook. For example, one user shared that the funds helped them to both cover their immediate need and stay on track to start their own clothing business.

College students...engaged in gig work mainly to pay for emergencies or less essential expenses like going out to lunch and cosmetics...they used a portion of the \$1,000 to cover an initial expense and used the remainder...essentially as savings...

- College students** who received WSF funds relied mostly on financial aid to cover the cost of their tuition and most of their living expenses. They engaged in gig work mainly to pay for emergencies or less essential expenses like going out to lunch and cosmetics. They explained that they used a portion of the \$1,000 to cover an initial expense and used the remainder of the money essentially as savings they would access throughout the year as needed. This behavior was unique to these college students as all other WSF users spent their funds immediately.

4. Request Process

Pre-Pilot Launch and User Growth

We partnered with Steady to distribute email invites to their New York City and San Francisco users to sign up for the WSF Pre-Pilot waitlist. Within 24 hours of Steady sending initial invitations, 65 users signed up for the waitlist. Although WSF was not discoverable via Google at the time, 6 users found the website, registered and requested funds within two hours after receiving the email. At that point, we were not prepared to accept fund requests as we were finalizing the website and our internal processes to ensure the Pre-Pilot would run smoothly. To prevent more people from requesting funds, we decided to close down registration until we officially launched the Pre-Pilot. After this experience, we expected that users would immediately register and request funds once the Pre-Pilot was live.

Once we were ready, we notified 20-25 Steady users from the waitlist that WSF was live. The results surprised us – only 5 users registered and requested funds during the first two weeks of the Pre-Pilot. We then followed up with Steady to see if its users would be more responsive to an email from Steady. On two separate occasions, Steady sent emails to two different groups of users on the waitlist. These emails also proved ineffective as only 3 additional people from the waitlist registered and requested funds. We learned from our evaluation interviews that emails from both Steady and WSF might have ended up in spam folders, preventing people from discovering they were invited to participate in the Pre-Pilot.

While we struggled to attract new users from the waitlist, people who were not on the waitlist began to register and request funds. We initially decided to decline these requests because we originally intended to only allow users from the waitlist to access WSF. However, we surmised that these new users were being referred to WSF by users who were previously funded. When Steady's second email produced minimal uptake, we decided to open the fund to these new users. This resulted in 21 new fund requests over 9 days.

Fund Request Details

In order to receive funds, users were required to provide a reason for their request using a minimum of 100 characters. The first 10 users adhered to this minimum and provided no further details. Our 11th fund request was especially vague and confusing, so we decided to email this user for more information. They, in turn, responded with more detail than we anticipated and clarified any confusion we had about the request. We decided to continue this practice to see how users would respond, and we consistently received significantly more detail than what was provided in the original fund request.

Word-of-Mouth

In addition to asking for more information about their fund request, we asked users to share how they found out about WSF to prove our hypothesis that they learned of WSF from previously funded users. We found that this hypothesis was generally true with most previously funded users being family, friends, or colleagues of new users.

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The users we interviewed after the conclusion of the Pre-Pilot told us that hearing about WSF from someone they trusted reduced skepticism and increased their willingness to request funds.

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Although word-of-mouth was the most common and trusted way to hear about WSF, relying on word-of-mouth to generate users for the Pilot may pose challenges for the Pilot evaluation. We learned from our Pre-Pilot evaluation interviews that only 3 users heard about WSF through Steady and most users did not have a relationship with Steady. Because all the WSF data we have from users is self-reported, relying only on this data for the Pilot will produce a less robust evaluation. Being able to pair outreach partner data with self-reported data will allow us to produce a more robust evaluation.



Strong Customer Service

Users cited direct communications with WSF staff throughout the request and payment process as a major source of trust-building.

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Even though users experienced issues with payments, their communications with WSF staff helped build their trust as users appreciated the positive and helpful tone of the communications. For instance, one user explained that they initially chose PayPal to avoid sharing their bank account information "with an unknown company." When their transfer was denied, they felt comfortable providing WSF with their account information because their communications with staff reassured them that WSF was legitimate and they would eventually receive their funds.

5. Payment Challenges

Payments during the Pre-Pilot were more difficult than we anticipated. We allowed approved users to choose between check, PayPal, and direct deposit as their payment method.

- **The payment option most frequently chosen was PayPal** since users only had to provide the email address associated with their PayPal account to receive funds.

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Early on, PayPal proved to be efficient and mostly instantaneous. However, because these payments were atypical for Commonwealth, we quickly encountered PayPal's fraud prevention protocol, which forced a 5-7 day delay in payment. We also had a couple transfers rejected due to unspecified flags on certain users' accounts.

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- **Direct deposit was the second-most chosen payment option.** Users were less likely to turn to direct deposit because of the sensitive account information they were required to share. The first few direct deposits occurred efficiently with few problems. However, we quickly experienced our bank's fraud protection protocol because of our unusual account activity. This led to a 5-7 day payment delay for some users.
- **Checks were the least chosen and most challenging payment option.** The first user to request funds chose to receive funds via check. However, when she attempted to cash the check, she was refused service because the issuing bank was out of state. This user did eventually cash the check after we had paid her via PayPal, which highlighted a flaw in our internal fraud prevention processes. For the two other users who requested checks, we chose to send them money orders through USPS as this seemed like a safer and more secure option. One was fulfilled successfully but the other failed due to an incomplete home address.

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The challenges with sending checks and money orders are numerous, including the high cost of overnight distribution and the possibility of them getting lost, damaged, or stolen.

6. Website Layout/Design

Overall, users said the website was simple, straightforward, and relatively easy to use. Most users liked the website's simplicity, especially when it came to navigating the funding process. One user said,

"[The] layout of the site was super easy and didn't feel like a government website that is meant to make things hard or make you feel bad."

"[The] layout of the site was super easy and didn't feel like a government website that is meant to make things hard or make you feel bad." Another user explained that the simplicity of the site allowed him to easily navigate the entire process on his phone, which he appreciated. However, some users did share that the website's simplicity engendered skepticism, especially when they were first learning about WSF. For the Pilot, it will be important to ensure that the website continues to offer a seamless fund request process while providing key information in an appealing way.