

# Insights to Action

## at the Intersection of Climate Change and Financial Health

This Insights to Action guide offers solutions at the intersections of financial health and climate change for grantmakers. The actions for philanthropy are grounded in insights from SaverLife, a national nonprofit and advocacy organization, and their research initiative, “The Downpour.” The initiative features climate research based on SaverLife members’ financial data and personal experiences.

Leveraging the initiative’s first report, we are highlighting how people with low-to-moderate incomes are weathering climate change in their daily life. Additionally, we will share what climate resilience strategies they are most interested in and what we can do to make them more financially obtainable. This guide is intended to:

- Illuminate the reality of people with low incomes; climate change exacerbates ongoing financial insecurity, amplifying vulnerabilities and further jeopardizing individuals’ resilience to its impacts.
- Identify philanthropic solutions that support the needs and experiences of those most impacted by financial insecurity caused by climate change.

There is an opportunity for philanthropy to create informed solutions from what SaveLife’s members have shared as part of this initiative.

**Investing in the financial health of those most affected by climate change is paramount, as climate acts as a catalyst, intensifying threats and potentially pushing already stretched households beyond their limits.**

Regardless of sector or starting point, grantmakers can support climate change resilience efforts through programs and policies that bolster families’ financial security.



*“Living with limited income is such a delicate balance. I wish that policymakers would recognize and account for that.” - José*

## Moving Key Insights into Action

These key insights from lived experience offer a range of responsive program and policy opportunities for grantmakers aimed at financial security and/or climate change that can be applied and adjusted based on community needs and context.

CHRONIC FINANCIAL STRESSORS	
INSIGHTS AND OBSERVATIONS	OPPORTUNITIES FOR ACTION
<p><b>Chronic financial stressors (insufficient and inconsistent incomes, high costs of daily necessities, and unaffordable debt) prevent households with low incomes from adequately preparing for climate change.</b></p> <p>People are concerned about weather events and disasters but have little room in their already tight budgets to prepare for them. SaverLife's research with members shows that:</p> <ul style="list-style-type: none"> <li>■ 24% don't have enough money to meet their basic expenses.</li> <li>■ 32% just meet their basic expenses.</li> <li>■ 30% meet their basic expenses with a little left over.</li> <li>■ 11% say they can afford all the costs associated with preparing for a severe weather event.</li> <li>■ 54% say they can afford no or few preparation costs.</li> </ul>	<p><b>Addressing income</b></p> <ul style="list-style-type: none"> <li>■ Improved design (e.g., transferability, refundability, green tax credits, upfront capital for new appliances) and expansion of climate-related tax refunds and credits for people with low-to-moderate incomes.</li> <li>■ Guaranteed income programs, with supplements for those most impacted by climate change, and expansion of cash assistance through policy advocacy.</li> </ul> <p><b>Addressing daily necessity costs</b></p> <ul style="list-style-type: none"> <li>■ Expansion of programs to reduce energy cost burden, like Low Income Home Energy Assistance Program (LIHEAP).</li> <li>■ Efforts to reduce costs of essentials (e.g., health care) and unmanageable debt burdens.</li> </ul>

## STRUGGLING PARENTS

### INSIGHTS AND OBSERVATIONS

**Parents struggle more than people without dependents to maintain financial health and prepare for climate change.**

They are also more likely to experience loss of income when dealing with the effects of weather-related disasters. For the 55% of members who identify as parents, SaverLife's research shows that:

- 53% are more likely to say that they can't meet their basic expenses on a regular basis.
- 57% are more likely to say that they can't afford any of the costs associated with preparing for severe weather.
- 32% are more likely to experience a loss of income when dealing with the effects of weather-related disasters.

### OPPORTUNITIES FOR ACTION

#### Addressing income for parents

- Permanent expansion of inclusive Child Tax Credit to provide meaningful financial support for parents.
- Expansion of remote and flexible work options for parents.

#### Addressing daily necessity costs for parents (and income loss from climate events)

- Universal, free or affordable, high-quality child development and elder care funded through employers or a tax credit system.

#### Addressing financial shocks

- Creating a marketplace with safe and affordable financial products responsive to climate events to relieve liquidity crunches or offer flexible debt payment schedules.
- Disaster recovery funds and emergency assistance following weather events for lost income or backup transportation.

## RENTER CHALLENGES

### INSIGHTS AND OBSERVATIONS

**Renters are more financially impacted than homeowners by weather events and more reliant on landlords to ensure home safety.**

When a severe weather event occurs, renters are more likely than homeowners to experience negative impacts on their financial health. SaverLife's research shows that:

- Nearly 1/3 of renters have missed payments on monthly household bills.
- 25% have experienced a loss of income and wages.

And because renters have limited control over the changes that are made to their house or apartment, they often rely on their landlords to ensure their home can withstand severe weather. With renters already experiencing increased financial vulnerability, landlords can better support their tenants in preparing for and responding to climate-related events.

### OPPORTUNITIES FOR ACTION

#### Addressing renter vulnerability

- Expansion of regulations aimed at landlords to act sustainably and ensure home safety.
- Tax credits and incentives for clean energy (e.g., heat pumps, energy efficient AC) and weatherization for small landlords to increase climate resilience and reduce utility costs.
- Collaborating with municipalities to support the ecosystem of small landlords and their tenants in regularly impacted areas.

#### Addressing asset protection for renters and owners

- Expansion of affordable insurance options to mitigate climate risks (e.g., renters, flood), including state-sponsored programs to bridge private gaps.

FINANCIAL BARRIERS	
INSIGHTS AND OBSERVATIONS	OPPORTUNITIES FOR ACTION
<p><b>Climate resilience strategies and products are out of reach largely due to upfront costs.</b></p> <p>People are interested in pursuing opportunities and programs that will proactively address the chronic climate impacts they are experiencing. But climate-related policies (such as the Inflation Reduction Act), are not currently designed with people living with low incomes in mind. SaverLife’s research with members shows that:</p> <ul style="list-style-type: none"> <li>■ At least 40% are interested in electric vehicles, solar panels, home weatherization, and more efficient heating systems, air conditioners, and hot water heaters.</li> </ul> <p>The up-front costs associated with these products pose a major challenge to people who are already maintaining a tight budget.</p>	<p><b>Addressing barriers to climate resilience strategies and products</b></p> <ul style="list-style-type: none"> <li>■ Tailored financial products and financing to address the priorities and unique experiences of specific communities related to climate resilience (e.g., low-cost financing options and grants to access clean energy products and technology, tools to access incentives, credits, and rebates).</li> <li>■ Limits on fully refundable energy investment tax credits to credit unions and non-predatory financial institutions.</li> <li>■ Expansion of consumer protections against predatory practices.</li> </ul>

The opportunities included above focus on short-term impact. Increasing financial security and climate resilience also includes long-term strategies such as modernizing the safety net for those most impacted by climate change, securing adequate paid and sick family leave for weather-related disasters for all workers, and realizing a just and equitable transition to a green economy.

## Broad Actions from Insights

Alongside the specific opportunities are broad actions for philanthropy to deepen climate investments, including for those who have not invested yet.

**Get involved!** Climate change and financial health permeate all areas of daily life (e.g., childcare, medical debt, housing, food) and have ripple effects in the lives of people with low incomes. Examining all the intersections between climate and financial health and creating interconnected solutions is important but not necessary to get started. Chronic impacts and stressors can be addressed across all sectors and issue areas, not just financial health, to facilitate households preparing for or recovering from climate change. Leverage above insights to drive creative solutions with community members, local officials, business leaders, and financial institutions. Invest in national nonprofits examining the interconnectedness of financial health and climate change (e.g., SaverLife, Inclusiv) and community-based organizations implementing solutions. Become a champion for climate action in your organization, articulating how addressing climate change connects to your funding priorities.

**Collaborate.** To create real and lasting change, creative partnerships across all sectors are needed to increase impact and help communities build climate resilience. Philanthropy can complement federal efforts and bring together various sectors to discuss community-based solutions, leveraging philanthropic funds to help test and learn, evaluate impact, and incentivize participation.



***“As far as climate change goes, I can only prepare for the changing temperature. I can only take care of what’s in front of me right now. I have two children with special needs in the house, and I have my own health issues. How much do you expect one person to be able to take care of by themselves?” - Megan***

**Listen deeply** to understand the challenges and priorities of the people and communities you are trying to impact. One approach does not work for everyone. Different people and different communities have different needs and are impacted in different ways. It is imperative to understand specific, market segmented challenges before proposing solutions. To listen to the unique needs of residents, understand the local context, and act with accountability, grantmakers can support and work with a community-based organization that is on-the-ground or open dialogue with people and communities directly impacted. Create initiatives grounded in real data from those on the front lines for greater impact.

**Invest in and leverage data.** Local-level data is incredibly powerful when thinking through specific market challenges and solutions. Some communities will be experiencing extreme heat; some will be experiencing extreme cold. Locally and nationally more research is needed on barriers to climate resilience strategies and products disaggregated by race, ethnicity, gender and other identity factors to help prioritize those most at risk.

Climate change is wreaking financial havoc. It is overwhelming but not inevitable. Expanding on existing economic security strategies and applying a climate lens can make a difference. Individually and collectively, we can act now to create immediate and long-term solutions that support households living on low-to-moderate income, ensuring that all people have the means to weather climate change and move toward financial stability and well-being.

# Acknowledgments

## AUTHORS

### SaverLife:

Rebekah Collinsworth  
Director of Communications

Leigh Phillips  
President and CEO

### Asset Funders Network:

Christi Baker  
Director of Strategic Initiatives

## AFN EDITORS

Annika Little  
Managing Director

Jennifer Farland  
Communications Strategist

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