



# Insights to Action at the Intersection of Climate Change and Financial Health

March 19, 2024 | 12:00-1:00 pm (ET)

**AFN** ASSET FUNDERS NETWORK Grantmakers Advancing Economic Equity  **SaverLife**<sup>®</sup>

## 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 SaverLife'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*

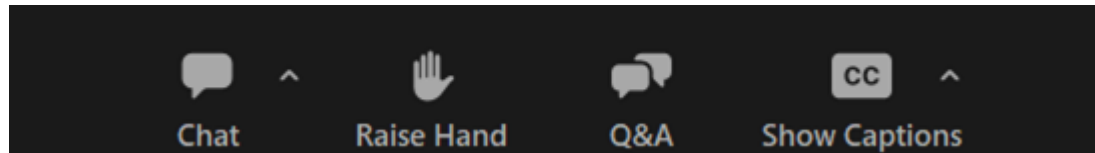
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# Speakers



**Paula D'Ambrosa**  
(moderator)

Prudential Financial



**Leigh Phillips**

SaverLife



**Alizha**

SaverLife Member



**Gregory Lopez**

Wells Fargo



A national nonprofit and advocacy organization  
using technology to improve the financial health  
of people living on low-to-moderate incomes

# OUR MEMBERS

Our 670,000 members come to SaverLife from all over the country to find the support they need to save more, build financial stability, and improve their financial health



- Our members make 80% or less than the area median income, earning between \$25,000 and \$50,000
- We have members across all 50 states
- 80% of members identify as a woman
- 60% of members identify as a person of color
- 65% of our members are single parents



## Why explore the intersection of climate change and financial health?

Prior research among SaverLife members raised questions about **how climate changes are impacting financial health**, as well as the level of preparedness required to **navigate weather-related events** over a longer time frame.





The Downpour:  
**How severe  
weather and  
disasters impact  
household  
financial health**

The chronic impacts of climate change on household budgets can take many forms, all of which put an additional and continuous strain on our members' financial realities. These can include:

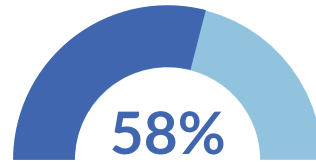
- More frequent and calamitous weather events and the financial resources needed to address these scenarios (including insurance, emergency savings, and safety net programs)
- Changing temperatures and the energy costs associated with increased heating and cooling
- Ongoing power outages and the supplies needed for the loss of electricity
- Unpredictable weather conditions that impact a person's work schedule and their resultant take-home pay

## Survey demographics

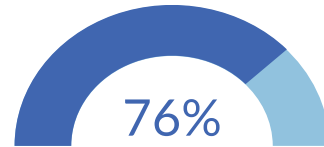
- 85% of survey respondents are between the ages of 30-64
- 53% of respondents are white, 36% are Black or African American, and 13% identify their ethnicity as Hispanic or Latino
- 77% of respondents are women, 20% are men
- 57% report their annual income as less than \$50,000
- 54% rent their homes, 43% own their homes

## Severe weather and disasters are affecting SaverLife members

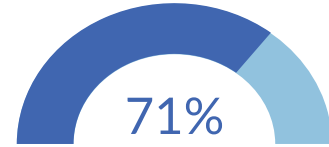
Survey data reveals that concern for severe weather events and disasters is consistent across demographics such as race, gender, and income.



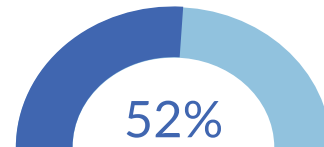
58% of SaverLife members say they are concerned about a severe weather event or disaster where they live



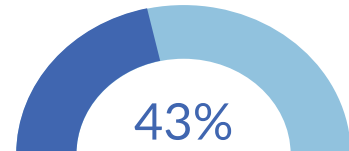
Long periods (three or more days) of unusually hot weather



Poor air quality

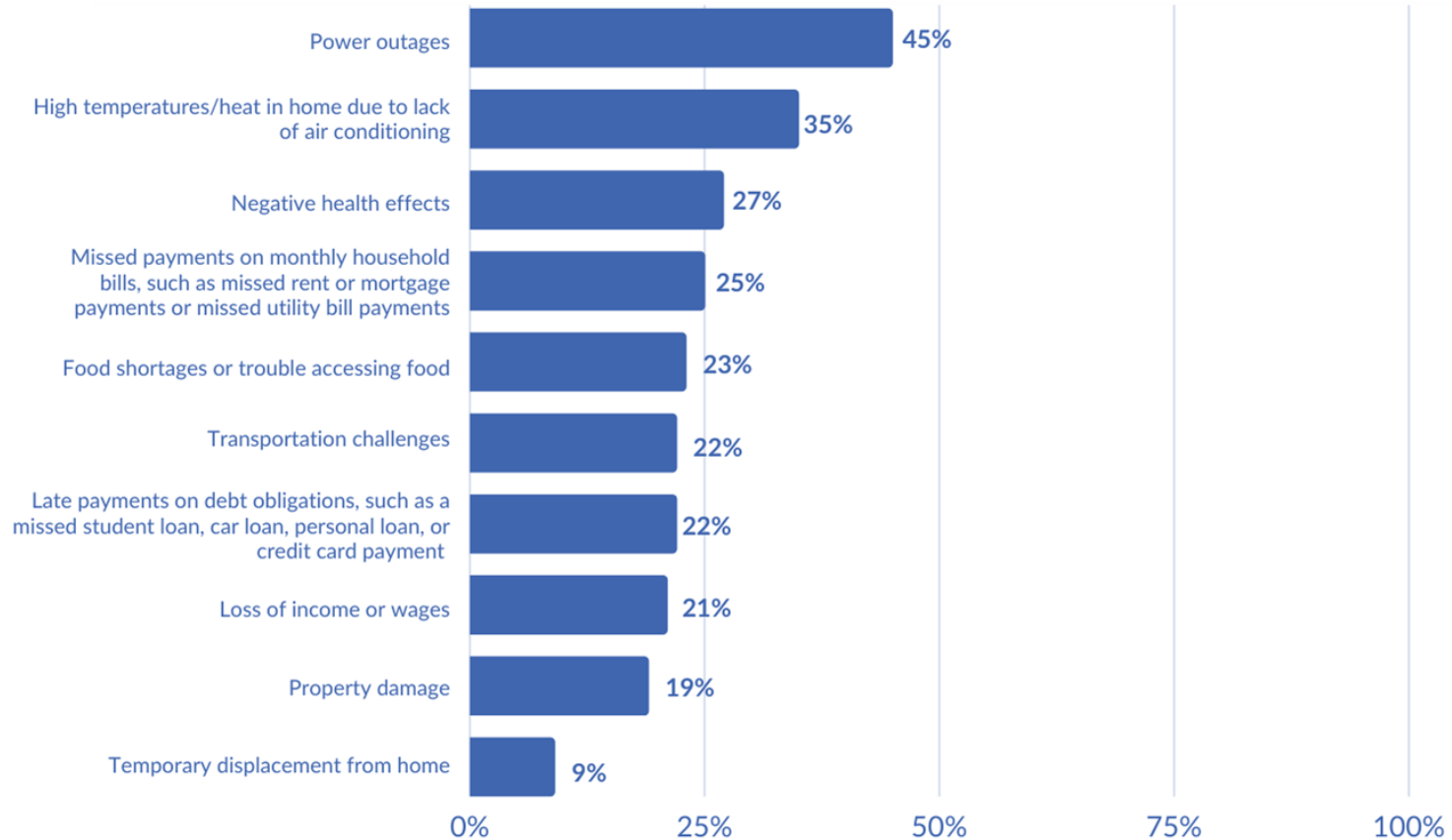


Severe weather, such as floods or more frequent/intense storms



Wildfire smoke

# Household impacts of weather events and disasters



% yes experienced the following because of severe weather or disasters

# Meet Alizha

## Financial health goal:

Alizha aspires to own a home in two years and build her savings so she can take her ten-year old son on a vacation.

## Challenges:

Alizha has inconsistent income which she supplements with a side hustle. She is affected by severe weather which wreaks havoc on her monthly budget and causes her to dip into savings — deferring her long-term homeownership goals.

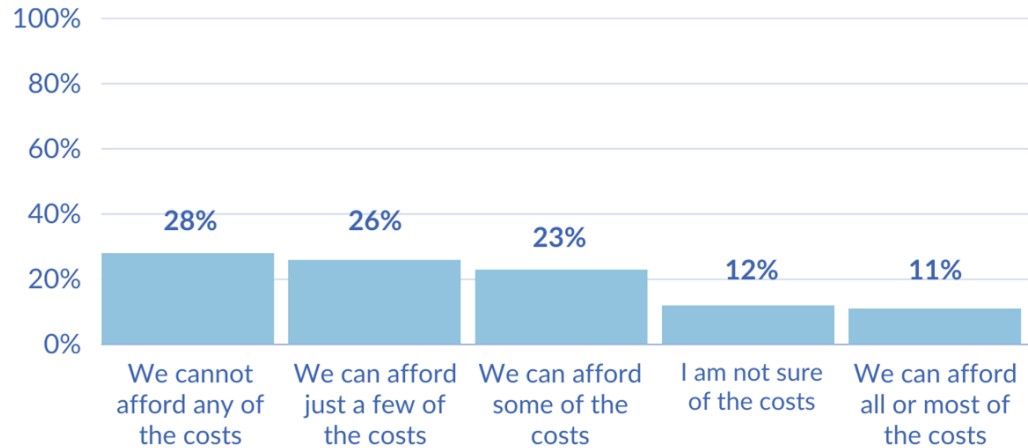
*“When Hurricane Harold happened,” she explains, “luckily I had just gotten paid. So in that instance, I knew what we **could do.**”*



## Preparing for a severe weather event or disaster is out of reach for many SaverLife members

65% of members say they need at least \$3,000 saved up for a weather-related event.

Transactional data shows that SaverLife members had an average of \$1,366 in savings during the period the survey was taken.



# Chronic Financial Stressors: Opportunities for Action

## Addressing income disruptions

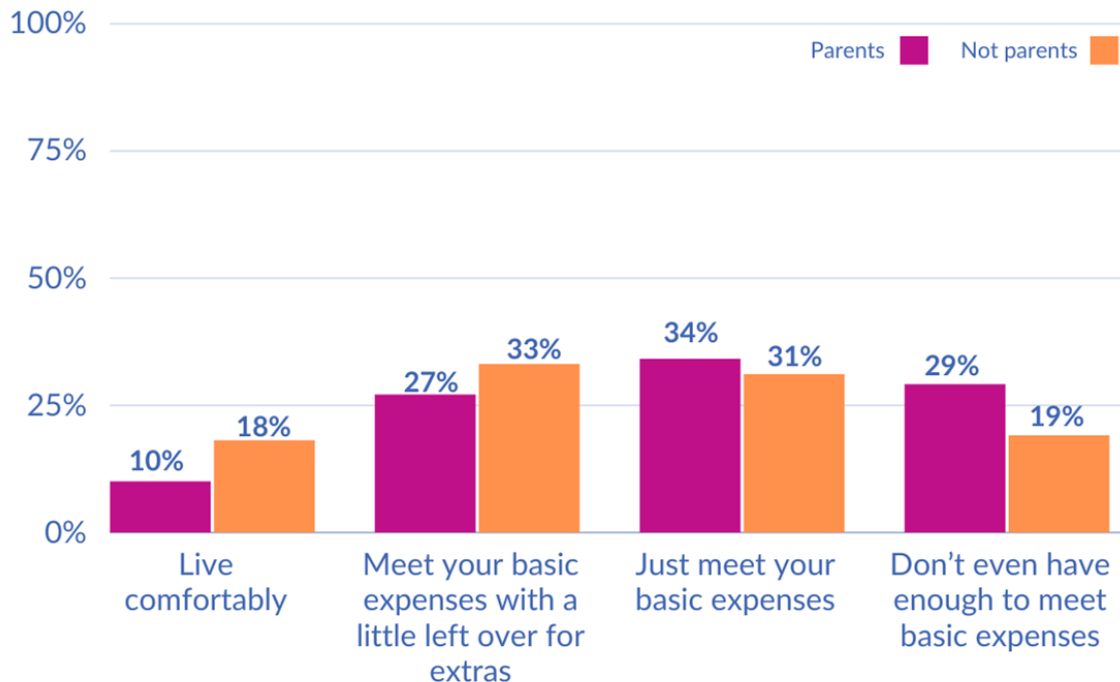
- Modernizing safety net programs to consider various forms of risk management, such as insurance, emergency cash, food security.
- Guaranteed income programs, with supplements for those most impacted by climate change, and expansion of cash assistance through policy advocacy.

## Addressing the cost of daily necessities

- Expansion and improved design of climate-related tax refunds and credits that lower energy costs (e.g., transferability, refundability, upfront capital)
- Expansion of programs to reduce energy cost burden, like Low Income Home Energy Assistance Program (LIHEAP).
- Efforts to reduce costs of essentials (e.g., health care) and unmanageable debt burdens.

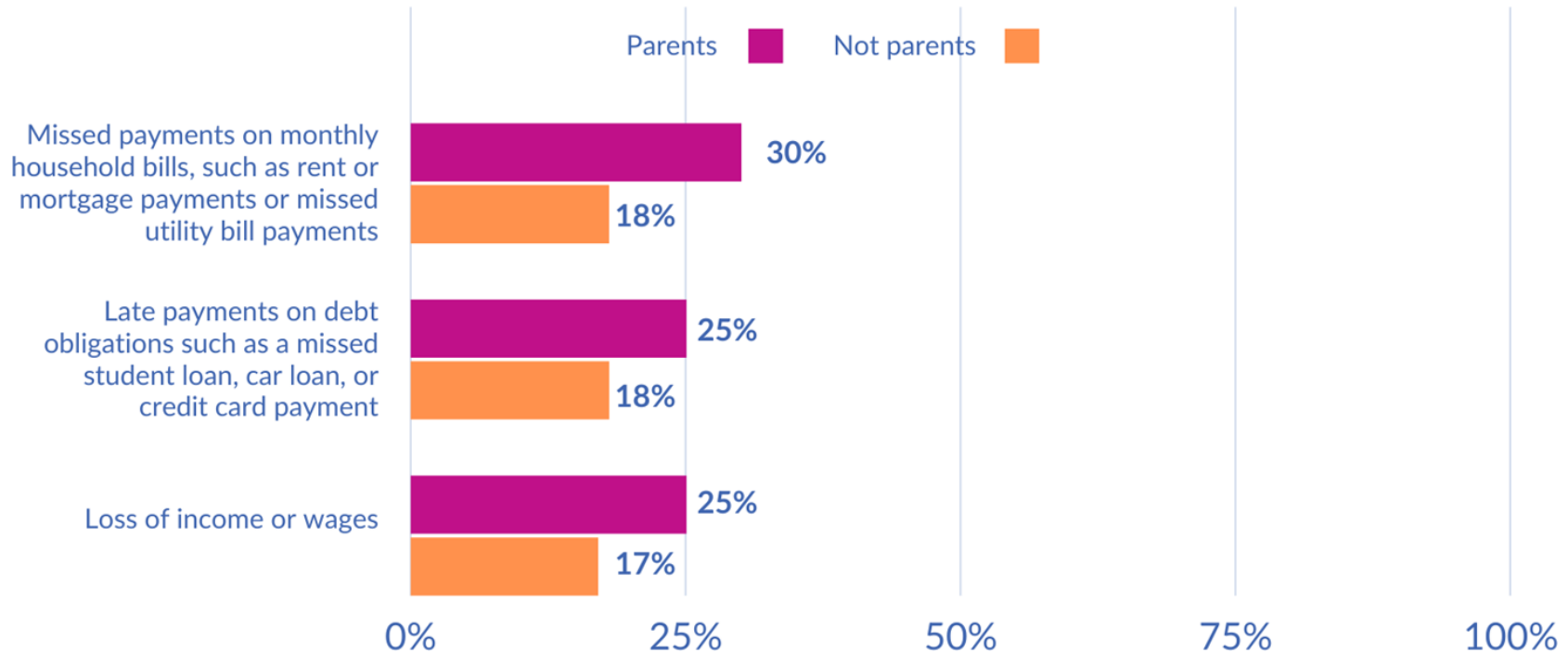
## Parents

SaverLife members face overwhelming financial challenges when it comes to handling emergencies caused by weather events, which makes preparing for and recovering from them even more difficult.





# Parents are more likely to experience financial impacts after a weather event compared to those who are not parents



% yes experienced the following financial impacts because of severe weather or disasters, by parents/not parents

# Struggling Parents: 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

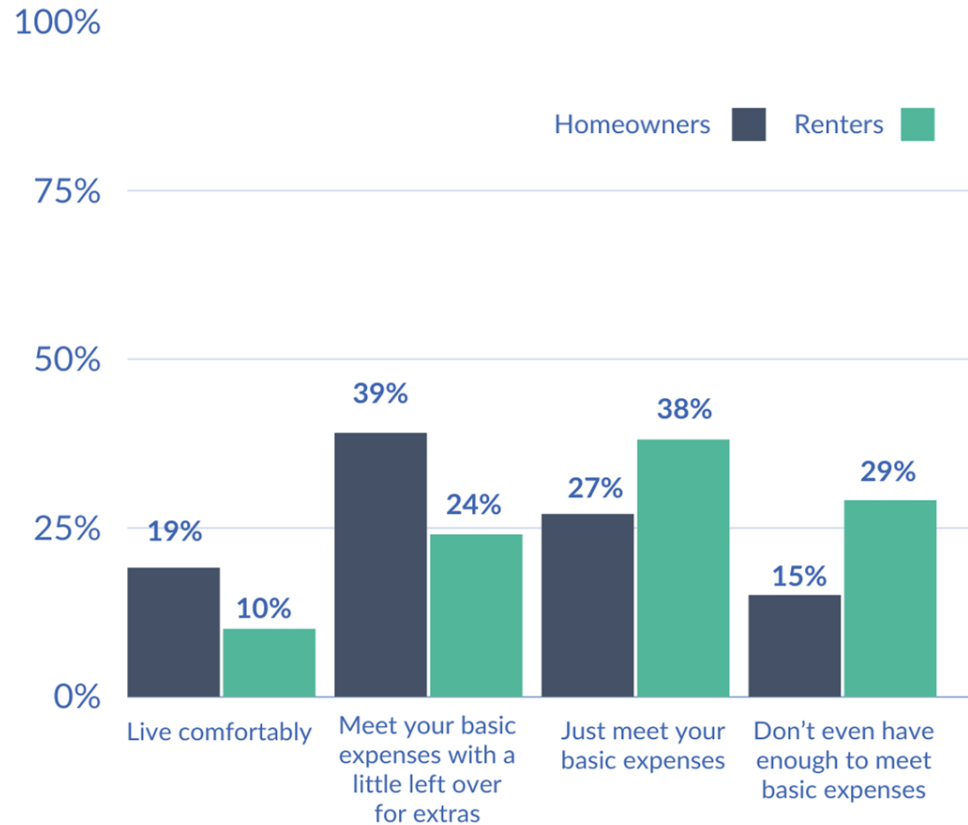
- Universal, free or affordable, high-quality child development and elder care funded through employers or a tax credit system.

## Addressing financial shocks

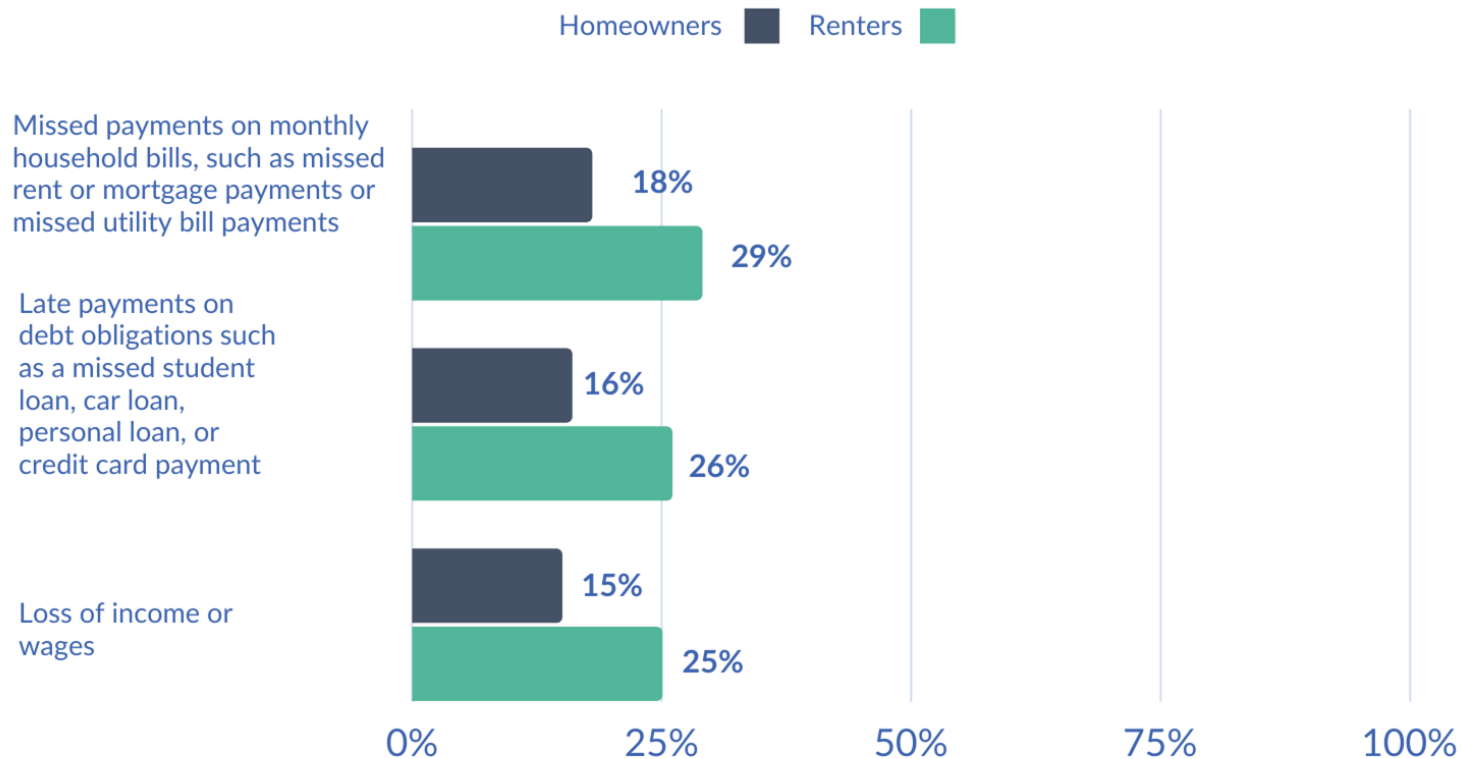
- Creating a marketplace with safe and affordable financial products responsive to climate events to relieve liquidity crunches or offer flexible debt payment schedules.
- Disaster recovery funds and emergency assistance following weather events for lost income or backup transportation.

## Renters

Renters struggle more financially than homeowners. They are also unable to make large-scale changes to their homes, making them reliant on their landlords to update their home or apartment.

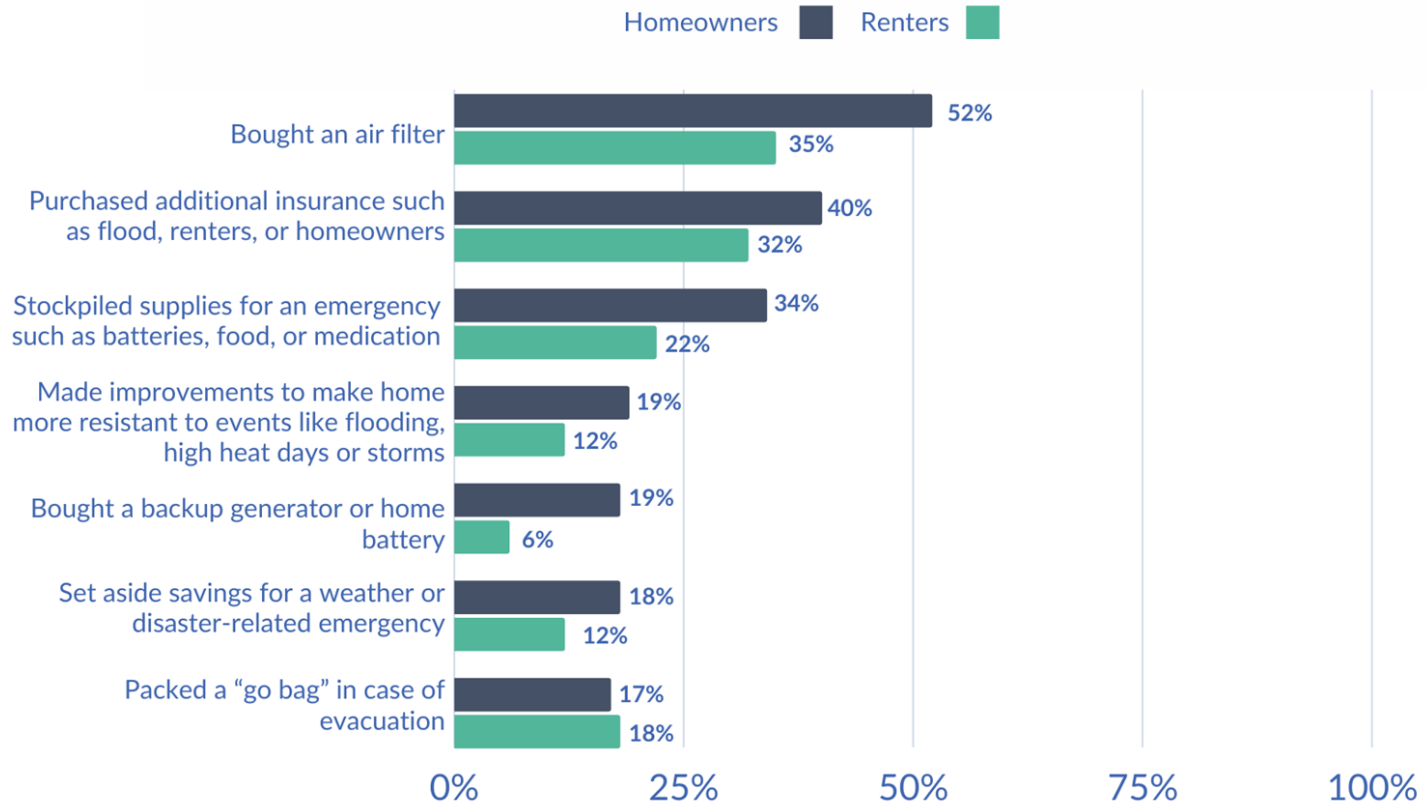


# Renters are more likely to experience financial impacts after a weather event compared to homeowners



% yes experienced the following financial impacts because of severe weather or disasters, by parents/not parents

# Homeowners are more likely to prepare for weather events compared to renters



# Renter Challenges: 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

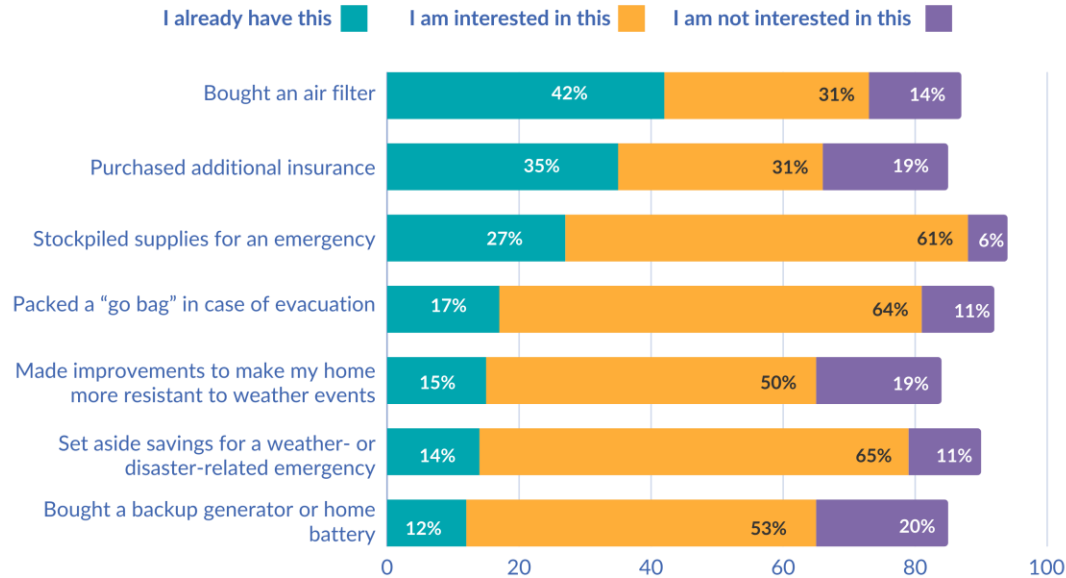
- Expansion of affordable insurance options to mitigate climate risks (e.g., renters, flood), including state-sponsored programs.

## Members are interested in climate resilience, but current supports are insufficient

SaverLife members are **interested** in solutions that proactively address the chronic climate impacts they're experiencing:

- Approximately 50% of members are interested in electric vehicles, solar panels, home weatherization, and more efficient appliances.
- The up-front costs associated with these products pose a major challenge to people who are already maintaining a tight budget.
- Climate-related policies, products, and services must be designed to meet the needs of people living on low-to-moderate incomes.

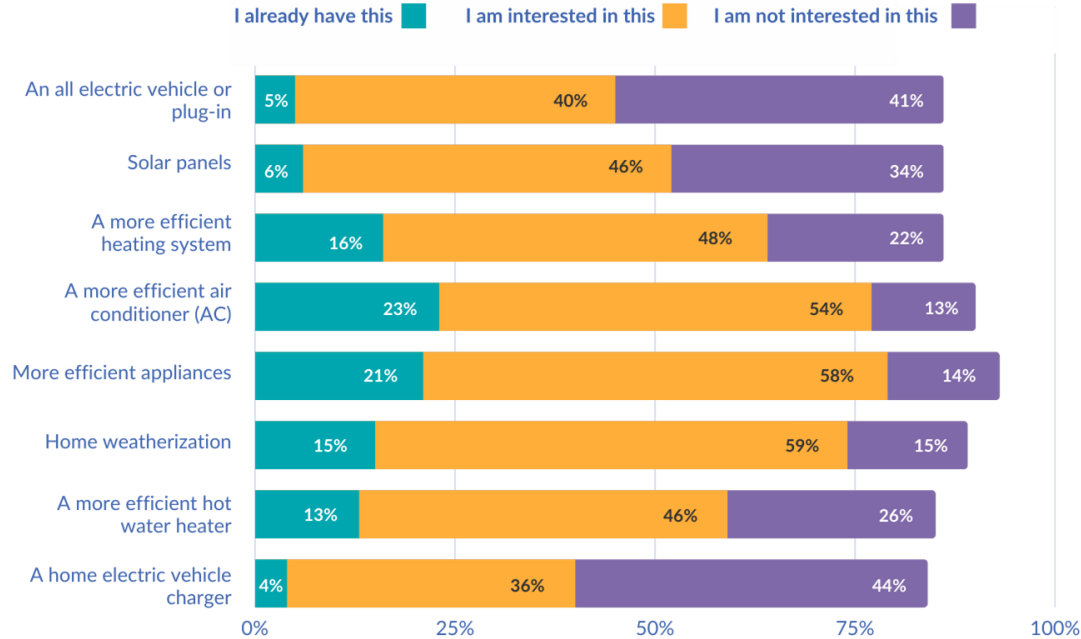
# Interest in weather-related disaster planning



Values may not add up to 100% because the category "not sure" is not shown.



# Interest in energy efficient products



Values may not add up to 100% because the category "not sure" is not shown.

## Addressing barriers to climate resilience strategies and products

- 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 technologies, tools to access incentives, credits, and rebates).
- Transferability of fully refundable energy investment tax credits to credit unions and non-predatory financial institutions.
- Expansion of consumer protections against predatory practices.

# Broad actions from insights

- Get involved
- Collaborate
- Listen deeply
- Invest in and leverage data
- Take risks



## Gregory Lopez

Senior Assistant Vice President  
of Sustainability,  
Wells Fargo



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