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# Nonprofit insights: Why and how one leader is using Kroger gift cards to help feed families in need

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The highest level of job loss in more than 70 years is one of the broad-reaching financial consequences of Covid-19. In April 2020, the country's unemployment rate reached 14.8%, a level not seen since 1948. In total, more than 20 million people across the country lost their jobs. With 78% of Americans living paycheck to paycheck, the pandemic created a financial crisis on top of the health one.

#### Bridging the assistance gap

There are many assistance programs for people living below the poverty level, including TANF -



At its essence, NeighborRelief is a crowd funding site where people in the community can make direct donations for someone's specific needs, such as assistance with rent, groceries, utility bills, internet service, cell phone payments, etc.

#### Temporary Assistance for Needy Families, which

is funded by the government. During the pandemic, however, it has been difficult for families who have suddenly found themselves without means of support due to a job loss to find the assistance they normally do not need.

Spurred by the need from the pandemic, several nonprofits in Ohio came together to develop a program designed to help families undergoing temporary financial stress. Set out to find technology that would help align funding with people's needs, they approached the GroundWork group, a nonprofit that works with more than 200 nonprofit agencies to deliver cost-effective technology solutions to run their organizations and drive social impact. The collaboration led to the October 2020 launch of NeighborRelief, an innovative financial assistance program.

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All the client requests on the NeighborRelief website are prequalified by nonprofit organizations to validate the need. This gives donors confidence their aid will be used in the manner intended. Donations are also 100% tax deductible.

"Most of the families we help are non-TANF," said Tony Wells, president of the Wells Foundation. "They're above the poverty line, but find themselves in a temporary situation where they need assistance for a few months while they're transitioning to another job."

The most commonly requested type of aid by non-TANF families is assistance with electric bills and groceries. Close to a quarter of the non-TANF requests — 23.22% — are for help with groceries. The average grocery request is \$129.55.

#### Using Kroger's gift cards to fulfill grocery requests

NeighborRelief, which is based in Columbus, partnered with Kroger, based in Cincinnati, to fulfill the high demand for grocery help. The organization fills the grocery requests through Kroger gift cards, both physical and digital, to assist hundreds of families.

"We leverage our partnership with Kroger to provide families in need with gift cards that can be used at Kroger stores for groceries and other essential items," said Wells. "Having immediate access to activate the physical gift cards we have in stock or process digital cards allows NeighborRelief to assist families within 24 hours." Wells added, "Using Kroger for groceries is a secure and confident way of giving someone a gift card. It's targeted and can only be used on groceries, in the Kroger pharmacy, and on things that are really needed for the family. It brings confidence to our donors that people will use their donations for what's really needed."

#### Involvement with Kroger increased the nonprofit's credibility

NeighborRelief's partnership with Kroger provided expanded recognition of the program and its potential. This led to the addition of other companies willing to accept the program's payments of their customers' bills.

"The involvement of Kroger lent a lot of credibility to other philanthropic partners who were considering getting involved with NeighborRelief," said Wells. "We were able to get other service providers, that are for-profit companies, to want to be part of the NeighborRelief program and accept people's bills electronically."

#### Expanding NeighborRelief nationwide

As NeighborRelief, which is currently affiliated with 26 nonprofit organizations, continues to add more nonprofits, it will expand its service area throughout the state of Ohio. It then plans to extend its reach across the country.

A key part of its expansion plans is its partnership with Kroger. Through Kroger and its Family of Stores, including Fry's and King Soopers, the company has more than 2,700 stores in 35 states.

"We've informed Kroger that, as we expand, we're going to move into cities that have Kroger or one of its other brands," said Wells. "Kroger is a great partner, and we won't need to establish relationships with other grocery chains."

### Advice for nonprofits that want to establish a similar program

With such ongoing demand for families needing aid, Wells offered the following steps for other organizations to set up assistance programs:

Understand the needs of the neighborhood.

Partner with local nonprofits that can validate the needs of its clients.

Identify the distance between typical neighbors and the local grocery store chain.

Partner with the grocery chain for physical and digital gift cards.

Partner with grocery stores, utility, internet and cell phone companies to accept customer payments.

Set up a website to share anonymous client stories to potential donors and accept

donations.

Spread the word to potential donors.

Kroger gift cards are a great way to support your community, and they make it easy to make a big impact. Learn more.

The Kroger Co. serves over 11 million customers daily through a seamless shopping experience under a variety of banner names, serving America through food inspiration and uplift, and creating #ZeroHungerZeroWaste communities by 2025. For more information, visit www.TheKrogerCo.com.

*Certain operational restrictions apply to redeeming the Kroger Family of Companies egift cards. Click here for details.*