

The role of employee disaster and personal hardship relief funds

An analysis of employers' preparedness and relief options for their employees



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An ideal employee disaster and personal hardship relief fund should be comprehensive, accessible, and non-discriminatory. It should prioritize the overall well-being of employees, providing them with crucial aid in times of need, such as natural disasters or personal hardships.

Executive summary

This report provides an insightful evaluation of the current effectiveness of employer-sponsored disaster and personal hardship relief funds. Drawn from the responses of various organizations, it highlights the effectiveness of these programs and their advantages for both employees and companies.

The report also reveals a general confidence in HR's efficiency, yet uncovers a disparity in perception among those planning to offer relief, suggesting the need for improved communication and disaster response strategies.

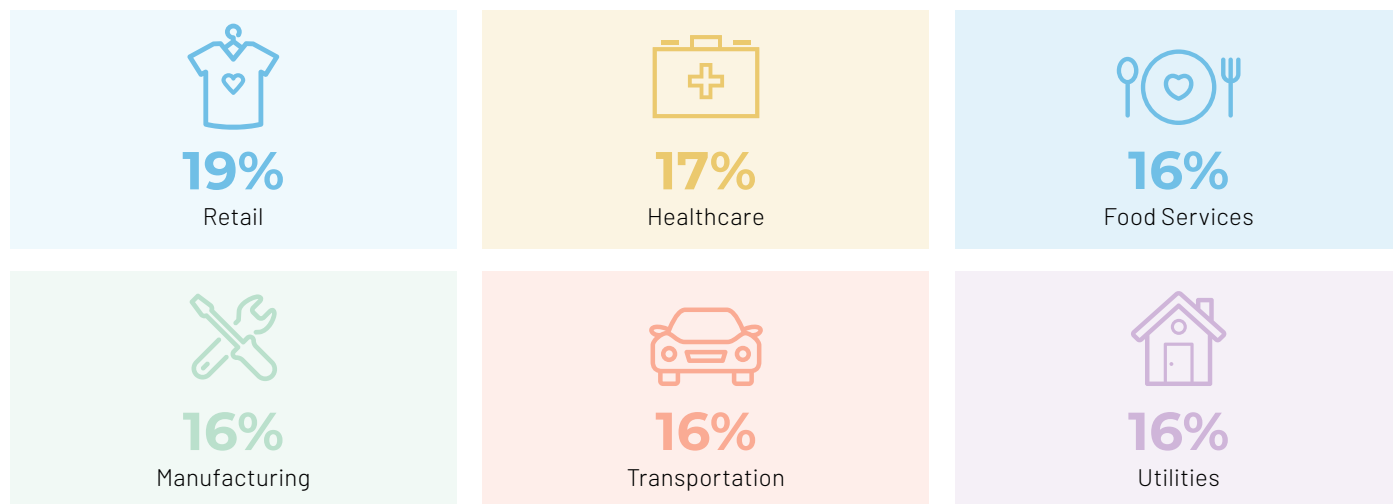


About the respondents

The WBR Insights research team surveyed 100 HR, people, and workforce leaders from across the U.S. and Canada to generate the results featured in this report.



In which industry does your company operate?



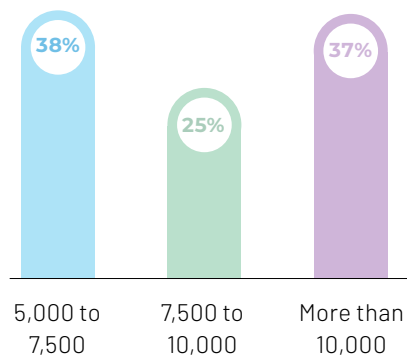
The companies represented in the report operate in a variety of industries, including retail (19%), healthcare (17%), and manufacturing (16%), among others.

The companies represented in the report vary in size, as measured by number of employees. More than one-third of the respondents (37%) represent companies with more than 10,000 employees.

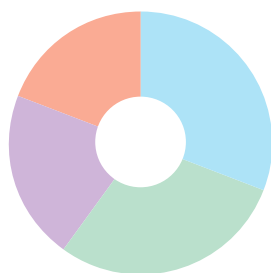
The respondents occupy roles in people management (31%), human resources (29%), employee experience (21%), and workforce management (19%).

The respondents are C-suite executives (30%), vice presidents (24%), department heads (16%), and directors (30%).

How many employees does your company have?

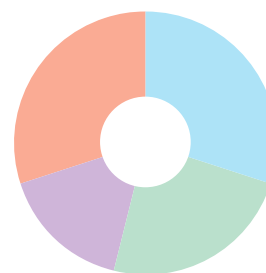


What is your role?



- 31%** People
- 29%** Human Resources
- 21%** Employee Experience
- 19%** Workforce

What is your seniority?



- 30%** C-Suite
- 24%** Vice President
- 16%** Department Head
- 30%** Director

Key insights

Among the respondents:



The most common types of disasters to impact employees are **storms** and **flooding** (58%) as well as **hurricanes** or **typhoons** (56%).



The most common types of personal hardships to impact employees are **serious illness** or **injury** (69%) and **death of an employee or loved one** (53%).



The most significant impacts caused by disasters and personal hardships are **impacts on job performance** (63%) and **mental health and wellbeing** (61%).

56%

currently offer their employees disaster and personal hardship relief.

72% of these respondents offer flexible work arrangements, while 68% offer a disaster and personal hardship relief fund.

34%

who don't offer employees disaster and personal hardship relief funds say they lack the budget or resources to support it – 30% say senior leaders won't sign off on it.

71%

claim their employees are more commonly impacted by personal hardships as opposed to disasters.

59%

of all the respondents claim instances of employees being impacted by personal hardships and disasters have increased at least somewhat.

68.19% of those who are planning or interested in offering employees a relief fund say instances of employees being impacted have increased.

56%

say communicating effectively with employees is a very significant challenge for HR.

55%

believe their HR departments are only somewhat effective when dealing with disasters or personal hardships, but 40% believe their departments are very effective.

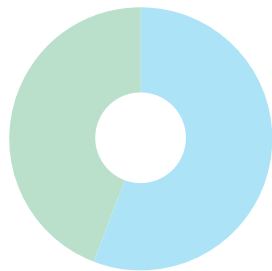
Most companies offer employees relief or plan to do so

Disaster and personal hardship relief funds provide critical financial support to employees during unforeseen catastrophic events, ensuring they have the necessary funds to weather and recover from crises. These types of relief funds provide direct funds to employees, acting as a safety net.

In this context, a disaster could be classified as a widespread event such as a hurricane, heat wave, power outage, flood, or other qualifying event. A personal hardship could be classified as an event that impacts an individual, such as the loss of a loved one, a serious illness, an employee's flight from domestic violence, or another similar event.



Does your organization currently offer employees disaster and/or personal hardship relief of any kind?



56% Yes
44% No

The survey results indicate that a majority of the participating organizations (56%) extend disaster or personal hardship relief to their employees. This demonstrates the willingness of organizations to support their employees during challenging times.

Since you said, "Yes," what types of relief do you currently offer employees experiencing personal hardship or the effects of a disaster?

Flexible work arrangement



Disaster and personal hardship relief fund



Paid leave

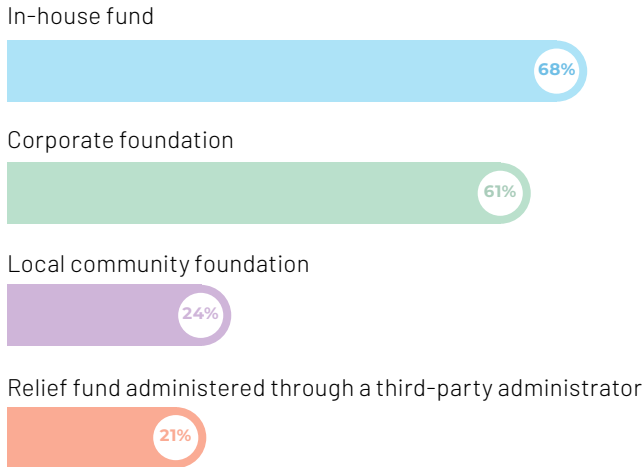


Employee assistance programs (e.g., counseling, grief management)



Among the organizations offering relief, a variety of strategies are employed. The most common approach is to offer flexible work arrangements, with 72% of these organizations opting for this method. This is followed closely by relief funds, utilized by 68% of these organizations.

Since you currently sponsor or administer a relief fund, in what capacity do you do so?



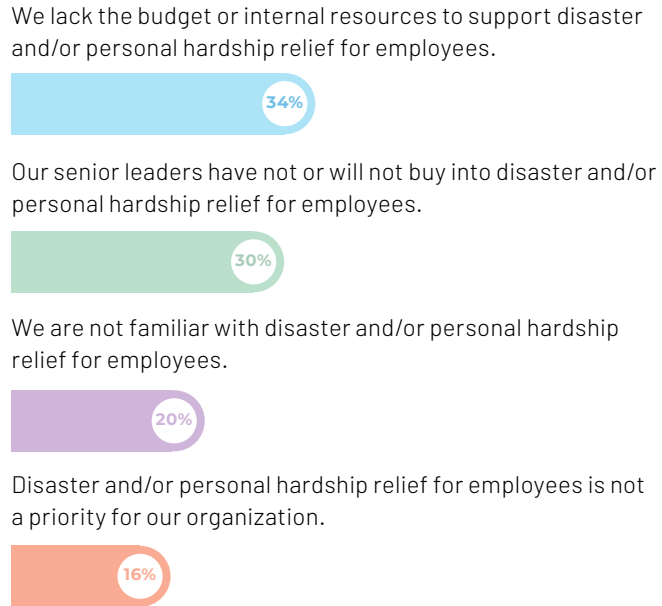
When it comes to administering these relief funds, most organizations that offer them do so internally (68%), while 61% do so through a corporate foundation (some companies may use multiple methods, such as a third-party administrator as well as a corporate foundation, to administer relief funds). Many companies choose to handle relief funds in-house because they believe it gives them more control, but this can result in significant challenges.

Companies that self-administer relief funds must navigate a complex legal framework, and they must adhere to strict rules set by the IRS. Internally-managed funds are also resource intensive, which can take away from the core operations of the business and come at a significant cost.

Using a third-party administrator, as 21% of the respondents do, enables the company to gain the advantages of a relief fund without having to worry about regulations, legal liability, or high administrative costs. Instead, the tasks of managing the fund are passed on to the third party.

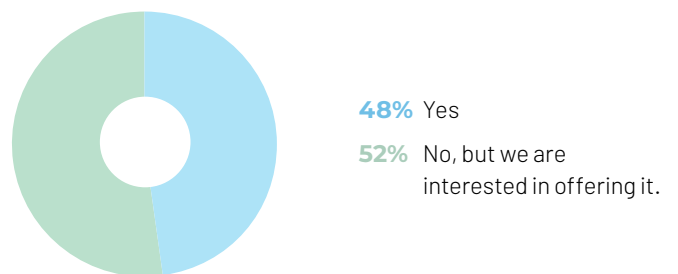
Companies that self-administer relief funds must navigate a complex legal framework, and they must adhere to strict rules set by the IRS.

Since you said, “No,” what is the primary reason you do not offer a relief fund for your employees?



Notably, 44% of the surveyed organizations do not currently offer any form of disaster or personal hardship relief to their employees. The primary reasons cited for this are either budget constraints (34%) or a lack of buy-in from senior leadership (30%).

Does your organization have plans to begin offering employees disaster and/or personal hardship relief in the next two years?



However, there is a positive outlook among these organizations as well.

Half of these organizations (48%) have plans to start offering disaster or personal hardship relief within the next two years. The remaining 52% expressed interest in providing such relief, although they do not currently have any concrete plans to do so.

Overall, the survey results reveal a growing recognition of the importance of providing disaster and personal hardship relief among organizations.

The impacts of disasters and personal hardships on employees have increased

Disasters and personal hardships can profoundly impact employees, affecting their physical and mental health, productivity, and overall job satisfaction. The toll of navigating personal tragedies or crises often leads to increased stress, absenteeism, and burnout in the workplace.

Factors such as climate change, economic instability, and global health crises are contributing to a rise in these challenges, making them an increasingly common aspect of the modern work environment.



Over the past three years, have instances of employees being impacted by personal hardships and/or disasters increased or decreased at your organization?

Increased substantially



Increased somewhat



Stayed about the same



Decreased somewhat



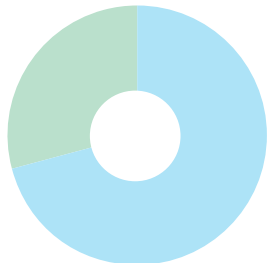
Indeed, the survey findings indicate a significant increase in the instances of employees affected by personal hardships and/or disasters in various organizations.

Notably, 48% of the respondents reported a somewhat increased occurrence of disasters and personal hardships, while 11% claimed a substantial increase. This trend underscores the necessity for companies to be aware of such circumstances and strive to create supportive mechanisms for their employees.

Interestingly, respondents who are considering offering relief in the subsequent two years perceived a higher increase in these instances, with 54.55% reporting a 'somewhat increased' occurrence and 13.64% a 'substantial increase'. This is compared to respondents who already offer relief, at 42.86% and 8.93% respectively.

This suggests that the anticipation of providing relief might make these organizations more attuned to the personal hardships their employees face.

In your experience, are employees more commonly impacted by personal hardships or by disaster conditions?



71% Employee personal hardship

29% Disasters impacting employees

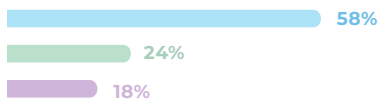
The data also showed employees more often contend with personal hardships rather than disasters, with 71% of respondents indicating that their employees were more commonly affected by personal hardships.

This bias was more apparent among companies that already offer relief (80.36%), compared to those planning or considering such measures (59.09%). This could indicate that these organizations have a more nuanced understanding of their employees' struggles, recognizing the prevalence of personal hardships.

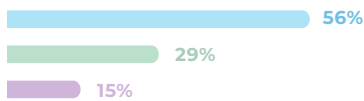
Which of the following types of disasters most commonly impact your employees?

- This is among the most common disasters that impact our employees.
- This is among the least common disasters that impact our employees.
- This disaster never impacts our employees.

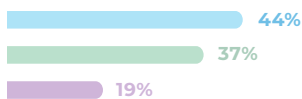
Severe storms, winter storms, and/or flooding



Hurricanes/typhoons



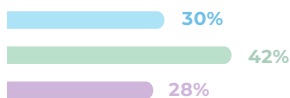
Tornados



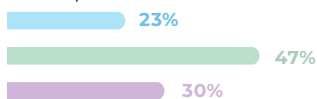
Wildfires



Civil unrest



Earthquakes

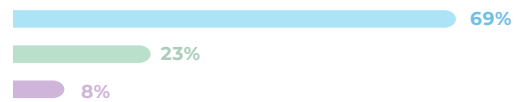


In terms of the types of disasters affecting employees, severe storms, winter storms, and flooding were most reported (58%), followed by hurricanes and typhoons (56%).

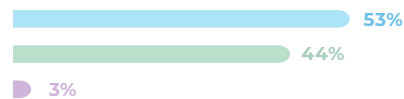
Which of the following personal hardships most commonly impact your employees?

- This is among the most common personal hardships that impact our employees.
- This is among the least common personal hardships that impact our employees.
- This personal hardship never impacts our employees.

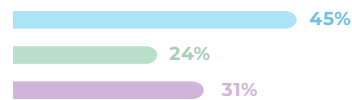
Serious illness or injury



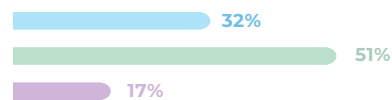
Death of the employee or loved one



Impact to primary residence (e.g., house fire, homelessness)



Domestic violence



Violent crime



As for personal hardships, serious illness or injury (69%) and the death of an employee or a loved one (53%) were identified as the most common. These findings emphasize the broad range of challenges employees may face, and companies should consider this when formulating their relief efforts.

Contrastingly, respondents planning on or interested in offering relief perceived all five personal hardships measured in the study as more common, compared to those already offering relief. Likely, this perceived increase in personal hardships is driving these organizations to explore relief funds.

Which of the following are the two most significant impacts that disasters and personal hardships have on your employees and your business when they occur?

Employee job performance (e.g., attendance and personal productivity)



Employee mental health and wellbeing



Overall business performance (e.g., revenue and business productivity)



Employee turnover



Staff morale



Finally, respondents identified employee job performance impacts, such as attendance and productivity (63%), and employee mental health and wellbeing (61%) as the most significant effects of these personal hardships and disasters. This observation highlights the critical need for companies to extend support to their employees, not only for the individuals' welfare but also for overall business success.

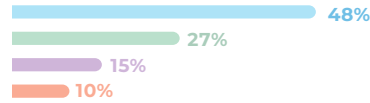
The interdependency of employee well-being and business productivity cannot be overstated, and these findings provide a clear demonstration of this relationship.

Considering these results, researchers asked the respondents how important the different potential features of a relief fund are, regardless of whether they currently have an employee relief fund to help employees during times of disaster or personal hardship.

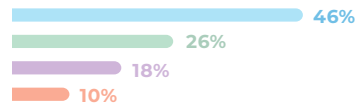
Regardless of whether you currently have an employee relief fund to help employees during times of disaster or personal hardship, how important are the following features of such a fund?

- Very important
- Somewhat important
- Not very important
- Not important at all

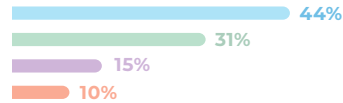
Real-time data reporting on the fund



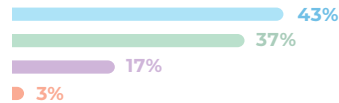
Tax-advantaged donations and grants



A simple and intuitive applicant experience



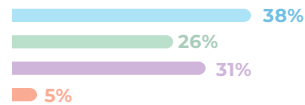
Easy and efficient grantmaking



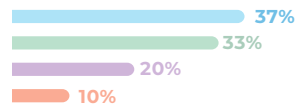
Easy regulatory compliance



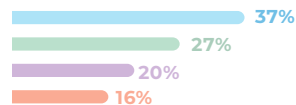
Global grantmaking capabilities (e.g., for global corporations)



Objective application review processes



Low administrative costs



The survey results present significant insights into how respondents perceive the importance of various features of a disaster or personal hardship relief fund. Notably, across all eight potential features measured in the study, a majority of those surveyed deem them as somewhat or very important. However, real-time data reporting (48%), tax-advantaged donations and grants (46%), and a simple interface for applications (44%) were some of the features to be deemed very important.

This highlights a broad consensus among respondents on the value of such features, suggesting that any organization implementing a relief fund should consider including these elements to align with employee expectations.

There are also differences in attitudes between those who are planning on or interested in offering relief in the next two years, versus those who already offer such relief.

The former group is more likely to see the eight potential features studied as being very important. This could indicate that those in the planning stages have higher expectations or a more idealized view of what a relief fund should encompass. Alternatively, most those respondents who already offer a fund are doing so in-house. They must devote considerable internal resources to managing these funds, which makes some of the features presented in the study more difficult

to achieve. If the respondents choose instead to work with a third-party to manage the fund, they could more easily achieve features like low administrative costs, an objective application review process, an intuitive applicant experience, and more.

Understanding that a majority of companies see these potential features as crucial could guide the development of a fund that meets worker expectations and therefore has a better uptake. The higher expectations of those in the planning stages could also be leveraged to create a more ambitious or holistic relief fund.



For employees, these findings offer reassurance that their needs are recognized.

This could encourage greater engagement with the relief fund, knowing that it is likely to reflect their own beliefs about what is important in disaster or personal hardship relief. The results also create a call to action for those already offering relief to consider whether a fund meets the 'very important' standard and, if not, to explore ways of enhancing the offering.



For companies, these results underscore the importance of carefully designing relief funds.



HR departments face communication and staffing challenges

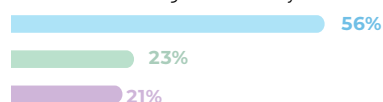


The survey results provide crucial insights into the challenges that human resources departments face during disaster situations. These challenges play a pivotal role in shaping the response of companies to their employees' needs during difficult times.

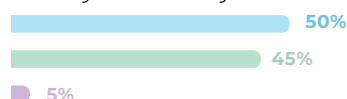
How significant are the following challenges for your HR department when disasters occur?

- This is a very significant challenge.
- This is a somewhat significant challenge.
- This is not a challenge.

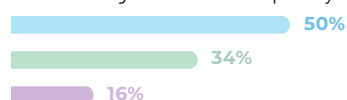
Communicating effectively with employees



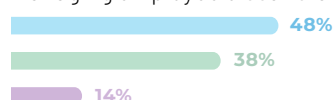
Dealing with staffing issues



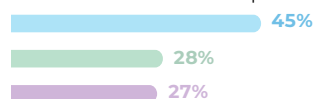
Maintaining relations and quickly addressing employee concerns



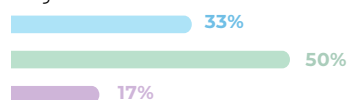
Managing employee dissatisfaction and wellbeing



Talent and succession planning



Legal issues



For example, 56% of the respondents say effective communication with employees is a significant challenge. This indicates that companies may struggle to disseminate critical information efficiently when disasters strike, which could potentially exacerbate the situations their employees find themselves in.

In addition to communication problems, dealing with staffing issues and maintaining relations, as well as quickly addressing employee concerns, are identified as major challenges by 50% of the respondents. These statistics suggest that HR departments may find it difficult to manage their workforce effectively during disasters.

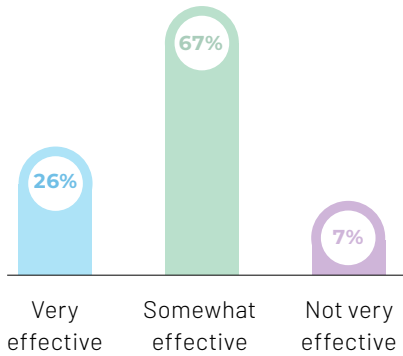
There's an urgent need for companies to develop contingency plans that address potential staffing issues and ensure employee relations are not strained during these times.

The survey also reveals that respondents planning on or interested in offering relief in the next two years are more likely to cite these challenges as significant. This could reflect their heightened awareness of the potential difficulties that disasters can bring about – a foresight that perhaps comes from their intent to provide relief.



The interdependency of employee well-being and business productivity cannot be overstated, and these findings provide a clear demonstration of this relationship.

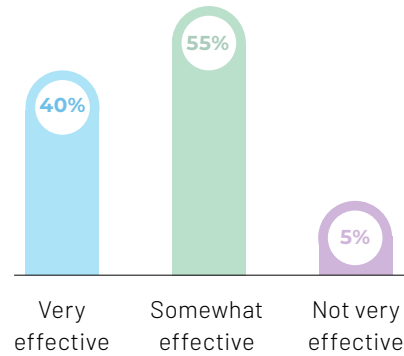
In your view, during the COVID-19 pandemic, how effective was your organization at supporting employees who were struggling with personal hardship?



Interestingly, 67% of the respondents believe that their organizations were somewhat effective, and 26% believe they were very effective at supporting employees during the personal hardship of the COVID-19 pandemic.

Yet, it's worth noting that 13.64% of those planning to offer relief felt their organizations were not very effective in this regard compared to just 7% of all the organizations surveyed. This contrast might be indicative of a disparity in perception, which calls for organizations to ensure that their support is not only adequate but also well-communicated and accessible by their employees.

In your view, how effective is your HR department when dealing with disasters and personal hardships that impact employees?



Finally, most respondents believe their HR departments are somewhat effective (55%) or very effective (40%) when dealing with disasters and personal hardships that impact employees.

This shows a general confidence in HR's ability to manage crises. However, those planning on or interested in offering relief again showed more skepticism with 9.09% claiming their HR departments are not very effective – that's compared to just 5% overall.

This suggests that companies keen on providing relief are possibly more critical of their disaster response strategies, pointing to a need for improvements in their response framework.



Conclusion: What is an ideal disaster and personal hardship relief fund?

In their final line of questioning, researchers asked the respondents to describe what an ideal disaster and personal hardship relief fund might look like.

From the diverse perspectives shared by respondents, an ideal employee disaster and personal hardship relief fund should be comprehensive, accessible, and non-discriminatory. It should prioritize the overall well-being of employees, providing them with crucial aid in times of need, such as natural disasters or personal hardships.



Several respondents highlighted the importance of financial support, as expressed in the quote: “The company needs to be able to provide emergency funds to employees in case of any accidents or a personal loss.”

The respondents portrayed an ideal fund as one that offers immediate and direct financial assistance.

Another key aspect highlighted by respondents is the provision of medical and mental health support. One respondent posited, “During and after a personal tragedy, mental health counseling can be provided by the company.”

This underscores the importance of emotional and mental health support in times of crisis. This might be provided through an employee assistance program (EAP), a separate type of assistance program from a relief fund. Relief funds provide critical financial support during unforeseen catastrophic events, whereas an EAP might provide counseling and other types of non-monetary support.

Regarding relief funds, many respondents emphasized the need for quick and effective responses that can provide immediate financial assistance in the wake of a disaster. This reflects the importance of having a proactive system in place that can address the immediate financial needs of employees.

Employee awareness of and engagement with relief funds also surfaced as a crucial factor. One respondent noted that their fund had been active for a long time, but didn't have much engagement. The company is now “bringing awareness” to the fund and making it easier for employees to apply for aid.

This draws attention to the need for adequate employee education about relief funds. It also suggests that companies must remove any barriers that may impede employees' ability to access assistance.



Key suggestions



Prioritize creating a relief fund that is fast-acting, objective, and easy to access.

Employees must be able to access the fund quickly when they need assistance. The grant application process must be intuitive and user-friendly.



Develop comprehensive contingency plans.

These plans should specifically address potential staffing issues and ensure that employee relations are not strained during crises. This involves proactively identifying potential risks and creating strategies to mitigate them.



Invest in robust, efficient HR communication systems that can disseminate critical information swiftly and accurately during crises.

This can help to alleviate any misconceptions or fears among employees and create a platform for open dialogue.



Partner with a third-party relief fund administrator.

This will significantly reduce the amount of in-house resources you have to devote to your relief fund. It will also allow you to outsource navigating the legal and regulatory requirements of managing the relief fund.



Foster awareness and accessibility of your relief fund among employees. Companies should consider ways to raise awareness about the existence of these funds and remove any barriers that may impede employees' ability to access assistance. This could involve simplifying the application process, conducting regular awareness campaigns, or offering training sessions to educate employees about the availability of such funds and how they can benefit from them.

About the authors



Emergency Assistance Foundation partners with companies to help their employees and team members who are struggling through difficult times. Following an unexpected disaster or personal hardship, our employer-sponsored relief funds award grants that provide essential financial assistance on the path to recovery.

We are resourceful and fearless financial first responders, ensuring that financial assistance reaches individuals and families in need as quickly as possible, no matter the location or obstacle.

As an efficient third-party administrator, we independently and objectively manage all relief fund activities – including accepting donations, objectively reviewing grant applications, and awarding and distributing grants – while also maintaining legal and regulatory compliance.

For more information, please visit eafrelief.org



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