



RESEARCH REPORT

# Effective Programs and Policies for Promoting Economic Well-Being

**Lessons from the Financial Security, Housing, Workforce Development, and Case Management Fields**

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# Contents

<b>Contents</b>	<b>iii</b>
<b>Acknowledgments</b>	<b>v</b>
<b>Glossary</b>	<b>vi</b>
<b>Introduction</b>	<b>1</b>
Notes	6
<b>Financial Security</b>	<b>8</b>
Evaluating the Evidence	9
Which Programs, Policies, and Interventions Have the Most Impact?	10
What Are the Conditions and Benchmarks of Success?	17
Which Organizations Are Working Within This Space?	19
What Is the Best Role in This Space for Organizations Serving Families with Low Incomes?	21
Recommended Reading	22
Notes	23
<b>Housing</b>	<b>25</b>
Evaluating the Evidence	28
Which Programs, Policies, and Interventions Have the Most Impact?	29
What Are the Conditions and Benchmarks of Success?	37
Which Organizations Are Working Within This Space?	38
What Is the Best Role in This Space for Organizations Serving Families with Low Incomes?	42
Recommended Reading	43
Notes	43
<b>Workforce Development</b>	<b>46</b>
The Public Workforce System	47
Why Are Workforce Programs Important?	48
Evaluating the Evidence	49
Which Programs, Policies, and Interventions Have the Most Impact?	50
What Are the Conditions and Benchmarks of Success?	56
Which Organizations Are Working Within This Space?	57
What Is the Best Role in This Space for Organizations Serving Families with Low Incomes?	60
The Urban Institute's Resources for Workforce Development Research	61
Recommended Reading	62
Notes	62

<b>Case Management</b>	<b>64</b>
Evaluating the Evidence	65
Which Programs, Policies, and Interventions Have the Most Impact?	66
What Are the Conditions and Benchmarks of Success?	70
Which Organizations Are Working Within This Space?	71
What Is the Best Role in This Space for Organizations Serving Families with Low Incomes?	73
Recommended Reading	73
Notes	74
<b>Discussion</b>	<b>75</b>
<b>Appendix. Methods</b>	<b>77</b>
Literature Review Methodology	77
Level-of-Evidence Criteria	77
Study Methods	78
Studies Cited	79
<b>Statement of Independence</b>	<b>80</b>

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# Glossary

**Adult basic education:** programs for adults without a high school equivalency that teach basic skills such as reading, writing, math, and English as a Second Language (ESL) for nonnative speakers.

**Asset:** a resource with economic value, including property, cash, estates, etc. Includes financial assets.

**Credit history:** credit bureaus' formal reporting of a consumer's predicted ability to repay debts and history of repayment.

**Financial assets:** liquid (or easily convertible) assets. Examples include cash, stocks, and bonds.

**Financial capability:** the capacity, based on knowledge, skills, and access to high-quality financial products, to manage financial resources effectively.

**Financial security:** being able to pay one's bills, being resilient to financial shocks, and being on track to meet one's financial goals.

**Food insecurity:** a lack of consistent, dependable access to enough food for all household members to live active, healthy lives.

**High-skill job:** a job that requires extended on-the-job training, prior work experience, or an associate's degree or higher.

**High-quality financial products:** products that enable consumers to affordably save, borrow, transact, and manage their finances in ways that are aligned with their financial goals. Generally, products should be low-cost, transparent, convenient, and easy to use. Especially strong products include features that support the broader financial security of the consumer.

**Homeless:** when an individual or family lacks a fixed, regular, and adequate nighttime residence or is at imminent risk of losing residence—including unaccompanied youth with persistent housing instability or those fleeing domestic violence.

**Housing assistance:** the group of federal programs that subsidize rents for families with low incomes.

**Housing-cost burdened:** describes homeowners and renters who spend more than 30 percent of their income on housing-related costs, including rent/mortgage and utility expenses.

**Housing instability:** describes numerous housing-related challenges, including trouble paying rent, overcrowding, moving frequently, staying with friends or relatives, being housing-cost burdened, and being homeless.

**Human capital:** the work-related knowledge, education, experience, and skills an individual possesses.

**Low-skill job:** a job that does not require specialized skills, training, or a postsecondary degree, which often pays a low wage.

**Nudges:** attempts to influence an individual's judgments or behaviors in a predictable way. Nudges are motivated by the fact that cognitive biases or habits in social decisionmaking create barriers for people to act in their own self-interest. Nudges typically use boundaries, biases, routines, or habits to "nudge" people into more "optimal" decisions.

**Public benefits:** government programs that provide households with food, income, housing, or health care assistance.

**Public workforce system:** a network of federal, state, and local offices that work together to develop the workforce's skills and support local economies.

**Some college:** those who have some college-level credits but no college degree or those who have completed a 2-year associate degree.

**Substandard housing:** housing with health and safety risks (such as rodents, mold, or inadequate heating systems) that pose a risk to the health and physical well-being of occupants and visitors.

**Trauma:** a painful or distressing experience that often results in lasting mental and physical effects.

**Underemployed workers:** workers with part-time work who prefer full-time work, marginally attached workers who looked for work in the past year but not the past month, and discouraged workers who have given up looking for employment.

**Unemployment rate:** the percentage of people who are jobless and actively looking for work.

**Workforce development:** programs or strategies that use employment assistance, education and training, and other supports to prepare people for employment, help workers advance in their careers, and build a skilled workforce to support employers and the local economy.

**Working poor:** individuals who spent at least 27 weeks in the labor force out of the past 52 weeks (i.e., working or looking for work) and have incomes below the federal poverty level.

**Worst-case housing needs:** households with very low incomes, without housing assistance, and with rent burdens that exceed 50 percent of their income and/or severely inadequate housing.





# Introduction

**Poverty** affects 38.1 million or about 12 percent of Americans.<sup>1</sup> These households have incomes below the minimum amount needed to cover basic needs.<sup>2</sup> Although about half of Americans will experience poverty at some point during their lives, most do not spend a long time in poverty.<sup>3</sup> Less than 20 percent of people who become poor will remain in poverty for over four years.<sup>4</sup> Because many households move in and out of poverty over a longer time horizon, typical single-year estimates understate the share of US households that have experienced poverty. However, those in poverty are not the only ones who struggle to make ends meet. Over 55 million or 17 percent of Americans are not poor but do have low incomes.<sup>5</sup> These people face many of the same difficulties as those in poverty.

Hardship is not evenly distributed across household type, demographics, or geography. Households with children are much more likely to have low incomes than those without.<sup>6</sup> In particular, children of color are vulnerable to persistent poverty. Two-thirds of black children born into poverty spend at least half of their childhoods in poverty.<sup>7</sup> Although households with low incomes are present in all US counties, there are distinct clusters in areas of disadvantage, such as the Mississippi Delta and Appalachia.<sup>8</sup> Other factors associated with low income include disability; lower levels of assets, savings, and access to credit; housing-related challenges; and low-wage, low-skill jobs.

**Ending poverty requires treating the causes: financial insecurity, joblessness, low-wage jobs, and expensive housing costs.**

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## BOX 1

### **Food Insecurity in the US and the Charitable Response**

This report was originally written to support the work of Feeding America and its member food banks in implementing and assessing interventions that support households' economic well-being. Feeding America is the largest hunger-relief organization in the United States.<sup>a</sup> Through its network of 200 member food banks, Feeding America serves more than 40 million Americans of all ages and backgrounds each year. As Feeding America and its member food banks are together the largest provider of charitable food across the US, they are in a unique position to help clients address both their food insecurity and other needs by connecting them with appropriate resources. Feeding America supports these efforts by providing food banks with resources and information about evidence-based practices and programs.

Food insecurity in the US is not uncommon; it affects 14.3 million households.<sup>b</sup> A household is food insecure if, over the course of a year, there are times when there is not enough food for all household

members to live an active, healthy life.<sup>b</sup> Food insecurity may affect a household frequently or sporadically and impacts households across income, demographics, and geography.

- The average household experiencing food insecurity during 2018 was food insecure for 7 months during the year.<sup>b</sup>
- For a quarter of food-insecure households, episodes of food inadequacy were even more frequent—occurring almost every month.<sup>b</sup>
- One percent of households remain food insecure for over five years.<sup>c</sup>
- The incidence of food insecurity is higher among households with children, households in the Mississippi Delta and Appalachia, and those in areas with high costs of living.<sup>d</sup>
- The primary drivers of food insecurity are low income and assets, as well as unemployment.<sup>e</sup>
- Other factors associated with food insecurity include limited financial-management skills and lower levels of assets, savings, and access to credit, as well as housing-related challenges and low-wage, low-skill jobs.<sup>f</sup>

**Notes:** <sup>a</sup> “About Us: Our History,” Feeding America, accessed September 19, 2019.

<sup>b</sup> Alisha Coleman-Jensen, Matthew P. Rabbitt, Christian A. Gregory, and Anita Singh, *Household Food Security in the United States in 2018*, Report ERR-270 (Washington, DC: US Department of Agriculture, Economic Research Service, 2019).

<sup>c</sup> Jeong-Hee Ryu and Judith S. Bartfield, “Household Food Insecurity During Childhood and Subsequent Health Status: The Early Childhood Longitudinal Study-Kindergarten Cohort,” *American Journal of Public Health* 102, no. 11 (2012): e50–5; and Parke E. Wilde, “In Longitudinal Data from the Survey of Program Dynamics, 16.9% of the US Population Was Exposed to Household Food Insecurity in a 5-Year Period,” *Journal of Hunger and Environmental Nutrition* 5, no. 3 (2010): 380–98.

<sup>d</sup> *Regions*: Craig Gundersen and James P. Ziliak, “Food Insecurity Research in the United States: Where We Have Been and Where We Need to Go,” *Applied Economic Perspectives and Policy* 40, no. 1 (2018): 119–35; and Craig Gundersen, Adam Dewey, Michael Kato, Amy S. Crumbaugh, and Mark Strayer, “Map the Meal Gap 2019” (Chicago: Feeding America, 2019). *Cost of Living*: Christian Gregory and Alisha Coleman-Jensen, “Do High Food Prices Increase Food Insecurity in the United States?” *Applied Economic Perspectives and Policy* 35 (2013): 679–707; and Mark Nord and Linda Kantor, “Seasonal Variation in Food Insecurity Is Associated with Heating and Cooling Costs among Low-Income Elderly Americans,” *Journal of Nutrition* 136 (2006): 2939–44. *Children*: Coleman-Jensen et al., *Household Food Security in the United States in 2018*.

<sup>e</sup> Craig Gundersen and James P. Ziliak, “Food Insecurity Research in the United States: Where We Have Been and Where We Need to Go,” *Applied Economic Perspectives and Policy* 40, no. 1 (2018): 119–35.

<sup>f</sup> Craig Gundersen and Steven B. Garasky, “Financial Management Skills Are Associated with Food Insecurity in a Sample of Households with Children in the United States,” *Journal of Nutrition* 142 (2012): 1865–70; and Katie Fitzpatrick and Alisha Coleman-Jensen, “Food on the Fringe: Food Insecurity and the Use of Payday Loans,” *Social Service Review* 88, no. 4 (2014): 553–93.

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## Financial Security

Financial insecurity affects a large portion of Americans, but it is more significant among families with low incomes. Forty percent of Americans cannot afford an emergency expense of only \$400, but this percentage is likely higher among families with low incomes.<sup>9</sup> In addition, poor credit or a lack of credit can lead these families to pay more than families with higher incomes for the same products.<sup>10</sup> **Financial**

**security** can be protective for families with low incomes; financially secure families with low incomes (those with savings of \$2,000–\$4,999) are more financially resilient than families with middle incomes without savings.<sup>11</sup> These families are less likely to get evicted, miss a housing or utility payment, or receive public benefits after a shock such as job loss, pay cut, or unforeseen medical expense. Given low-income families' low asset levels and lack of access to safe, affordable credit, it may be difficult for them to achieve economic mobility without meaningfully addressing financial security.

## Housing

High house prices and rent burdens, displacement and frequent moves, and homelessness limit the ability of families with low incomes to live in safe, stable housing located in neighborhoods with access to employment and high-quality schools and services.<sup>12</sup> Affordable housing in such neighborhoods is central to a family's economic stability, health, and well-being. However, affordable housing is out of reach for an increasing number of Americans, as nearly a quarter of homeowners and half of renters are **housing-cost burdened**, meaning that they spend more than 30 percent of their income on housing-related costs.<sup>13</sup> People with low incomes are most likely to be housing-cost burdened and may face frequent moves and school changes, have increased stress, or experience eviction, debt, or hunger because of housing loss.<sup>14</sup> As a result, housing security is an important component of helping families with low incomes maintain economic stability.

## Workforce Development

Good jobs and robust wages can also improve economic security. In June 2019, 3.7 percent of US workers were unemployed.<sup>15</sup> Although these are record-low unemployment rates, not all of the working-age population is doing as well. The number of “**underemployed workers**” (those who have part-time work but prefer full-time work, marginally attached workers who looked for work in the past year but not the past month, and discouraged workers who have given up looking for employment) is also at an all-time low, though at 7.2 percent this percentage is higher than the official unemployment rate.<sup>16</sup> Workers in low-paying and less-secure jobs (i.e., underemployed workers) may lack the skills and training (i.e., human capital) to be competitive in the job market and acquire high-quality jobs. This can have negative implications for their health, well-being, and future employment prospects.<sup>17</sup>

Even for workers who are fully employed, low-wage, low-skill jobs can make it difficult to make ends meet. This is a common challenge in the United States. In 2017, 1.8 million workers had wages at or below the federal minimum wage, but 6.9 million Americans were among the working poor.<sup>18</sup> Importantly, these workers may face barriers in gaining the appropriate skills to acquire higher-paying jobs, as only 5 percent of workers in low-wage jobs find a better (i.e., higher-skill, higher-paying) job in a

given year. Among the remaining workers in low-wage jobs, 70 percent stay in the same job, another 11 percent exit the labor force, 6 percent switch to a different low-wage job, and 7 percent become unemployed.<sup>19</sup> This suggests that low-wage, low-skill jobs are difficult to transition away from.

Workforce development programs seek to improve economic well-being by helping underemployed workers gain skills to advance in their jobs or change careers and can help unemployed people find jobs.

**Human capital** or work-related education and skills, housing, and financial assets are protective for families across many areas; they help families weather income shocks from unexpected medical expenses or other costs, income volatility from unpredictable work arrangements, and job loss.<sup>20</sup> Developing human capital through **workforce development** initiatives; improving housing outcomes through programs targeted to renters, homeowners, and individuals experiencing homelessness; and building financial assets and literacy are effective strategies for addressing poverty and households' risk of becoming poor.

## Scope of this Report

This study aims to identify proven, promising, and emerging practices in the areas of financial security, workforce development, housing, and case management. Within each area, we highlight some consensus findings and cite studies that reflect a body of representative literature for each finding. These findings examine employment, housing stability, financial security, earnings, and other outcomes. For each finding, we also provide a level of evidence, list the methods used, and explain the main outcomes. Many nonprofits serving families with low incomes already provide clients with outreach, education, referrals, and application assistance for federal nutrition programs, along with support in other areas such as job placement, financial and job training, and case management. This study provides these organizations with information they can use to expand their internal capacity, improve direct service delivery, and build partnerships to provide additional wraparound services to their clients.

## How to Use This Report

This report includes information on a broad set of interventions spanning financial security, housing, workforce development, and case management. It aims to give practitioners and policymakers: tools to orient themselves to the critical evidence within each area; the evidence underpinning policies and programs in each of these spaces; information on organizations working in these spaces for potential partnerships at the national level and for resources to move forward in this work; and areas for further exploration.

- In the beginning section of each chapter, we present the major issues within each field (financial security, housing, workforce development, and case management), including the following: What challenges exist for families and what are their implications? What are important systems dominating the space? What are key terms? This section orients practitioners and policymakers to the high-level issues at play in each field.
- In the “Which Programs, Policies, and Interventions Have the Most Impact?” section, we review the level of evidence and outcomes of policies and programs within each field. This section presents tables of major policy and program areas. Within each, individual types of programs or policies are highlighted, with a representative study to show outcomes achieved and their associated level of evidence. We use the level-of-evidence criteria established by Feeding America to distinguish between practices that are proven, promising, emerging, and not yet evaluated. These levels of evidence describe the strength of the research evidence underlying the intervention’s connection to the outcome of interest and do not necessarily describe how effective the program may be. What it does provide is a sense of how certain we may be about the intervention’s effect on outcomes of interest.
  - » These tables can be used in many ways by practitioners and policymakers: to identify new policies and programs to implement that have the potential to target outcomes of interest, to assess if their own policies and programs warrant further evaluation, or to identify further reading and resources among interventions they are interested in.
- In the “What Are the Conditions and Benchmarks of Success?” section, we describe the aspects of policies and programs within each field that research suggests may contribute to success (or better outcomes). This can be used by practitioners and policymakers to guide thinking on program development, although these points are not exhaustive but instead aim to provide a jumping off point.
- In the “Which Organizations Are Working Within This Space?” section, we list organizations that provide resources, implement programs, or serve as thought-partners in each domain. This list can be used by practitioners and policymakers to identify potential partners and move research into practice.
- In the “Recommended Reading” section, we list additional resources for readers who want to learn more about programs and policies in this space. The short list aims to get practitioners started and can lead to other resources on these topics.

**Author’s Note:** This report is written for practitioners and policymakers who are looking for ways to bring research to practice and may also be of use to researchers. In this research report, we use the term “proven” to describe the level of evidence of some of the research that underpins particular interventions. In an academic space, this is strong language, as researchers work with uncertainty (and as such, think about outcomes in more caveated terms) and are aware that “proven” is a difficult standard to achieve. However, we follow Feeding America’s established level-of-evidence criteria, which includes “proven,” noting that this may fit for policymaking and practitioner audiences but may be initially confusing for an academic audience.

## Notes

- <sup>1</sup> See Jessica Semega, Melissa Kollar, John Creamer, and Abinash Mohanty, *Income and Poverty in the United States: 2018*, Report P60-266 (Washington DC: US Census Bureau, 2019).
- <sup>2</sup> See Semega et al., *Income and Poverty in the United States: 2018*.
- <sup>3</sup> See Mark R. Rank and Thomas A. Hirschl, “The Likelihood of Poverty across the American Adult Life Span,” *Social Work* 44, no. 3 (1999): 201–16.
- <sup>4</sup> See Ann Huff Stevens, “Climbing out of Poverty, Falling Back in: Measuring the Persistence of Poverty Over Multiple Spells,” *The Journal of Human Resources* 34, no. 3 (1999): 557–88.
- <sup>5</sup> In 2018, 93.6 million or 28.9 percent of Americans had incomes below 200 percent of the poverty level—including 55.4 million or 17.1 percent whose incomes were above the poverty level and 38.1 or 11.8 percent whose incomes were below the poverty level. See Semega et al., *Income and Poverty in the United States: 2018*.
- <sup>6</sup> See Semega et al., *Income and Poverty in the United States: 2018*.
- <sup>7</sup> See Caroline Ratcliffe and Signe-Mary McKernan. *Child Poverty and Its Lasting Consequence* (Washington DC: Urban Institute, 2012).
- <sup>8</sup> See Paul R. Voss, David D. Long, Roger B. Hammer, and Samantha Friedman, “County Child Poverty Rates in the US: A Spatial Regression Approach,” *Population Research and Policy Review*, 25, no. 4 (2006): 369–91.
- <sup>9</sup> See Federal Reserve Board, *Report on the Economic Well-Being of US Households in 2018* (Washington, DC: Board of Governors of the Federal Reserve System, 2019).
- <sup>10</sup> See Diana Elliott and Ricki Granetz Lowitz, “[What Is the Cost of Poor Credit?](#)” (Washington, DC: Urban Institute, 2018).
- <sup>11</sup> See Signe-Mary McKernan, Caroline Ratcliffe, Breno Braga, and Emma Cancian Kalish, “[Thriving Residents, Thriving Cities: Family Financial Security Matters for Cities](#),” (Washington, DC: Urban Institute, 2016).
- <sup>12</sup> See Martha Galvez, Maya Brennan, Brady Meixell, and Rolf Pendall, *Housing as a Safety Net: Ensuring Housing Security for the Most Vulnerable* (Washington, DC: Urban Institute, 2017).
- <sup>13</sup> JCHS (Joint Center for Housing Studies), *The State of the Nation’s Housing 2019* (Cambridge, MA: Joint Center for Housing Studies of Harvard University, 2019).
- <sup>14</sup> Galvez et al., *Housing as a Safety Net*.

- <sup>15</sup> The U-3 unemployment rate is the official seasonally adjusted unemployment rate. BLS (Bureau of Labor Statistics), “Table A15. Alternative measures of labor underutilization,” accessed September 19, 2019, <https://www.bls.gov/news.release/empst.t15.htm>.
- <sup>16</sup> Rate as of June 2019. The U-6 unemployment rate, commonly referred to as the under- and unemployed rate, encompasses total unemployed people, plus people marginally attached to the labor force, plus those employed part time for economic reasons. BLS, “Table A15. Alternative measures of labor underutilization.”
- <sup>17</sup> See Daniel Friedland and Richard Price, “Underemployment: Consequences for the Health and Well-Being of Workers,” *American Journal of Community Psychology* 32, no. 1/2 (2003): 33–45.
- <sup>18</sup> The working poor are people who spend at least 27 weeks in the labor force (i.e., working or looking for work) and have incomes below the official poverty level. The working poor rate was 4.5 percent in 2017. See BLS, *A Profile of the Working Poor, 2017*, Report 1079 (Washington, DC: BLS, 2019) and BLS, *Characteristics of Minimum Wage Workers, 2017*, Report 1072 (Washington, DC: BLS, 2018).
- <sup>19</sup> See Todd Gabe, Jaison R. Abe, and Richard Florida, “Can Low-Wage Workers Find Better Jobs?” (New York: Federal Reserve Bank of New York, 2018).
- <sup>20</sup> See David Ribar and Karen Hamrick, “Dynamics of Poverty and Food Sufficiency” (Washington, DC: US Department of Agriculture, Economic Research Service, 2003); Colleen Heflin, Mary Corcoran, and Kristin Siefert, “Work Trajectories, Income Changes, and Food Insufficiency in a Michigan Welfare Population,” *Social Service Review* 81 (2007): 3–25; Laura Leete and Neil Bania, “The Effect of Income Shocks on Food Insufficiency,” *Review of the Economics of the Household* 8 (2010): 505–26; and Leah Gjertson, “Emergency Saving and Household Hardship,” *Journal of Family and Economic Issues* 37, no. 1 (2016): 1–17.

# Financial Security

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- Nearly 7 percent of US households do not have a bank account, and 40 percent of Americans cannot afford an emergency expense of \$400. Interventions focused on financial capability, incentivized savings, or credit and debt may improve a household's financial security.
  - Financial coaching is intended to improve financial capability. Promising evidence suggests that it has a large, positive impact on savings, debt, and credit.
  - Individual development accounts (IDAs) are incentivized savings interventions that have been shown to have a large, positive impact on savings, financial hardship, and homeownership.
  - Emerging evidence suggests that credit-building interventions may help people establish credit, increase their credit scores, and reduce their likelihood of default and amount of delinquent debt.
  - Organizations can play a role in this space by providing financial capability or credit-building programs or partnering with other organizations to provide these programs, implementing and evaluating the effects of financial capability programming, and supporting evidence-based savings products and other wealth-protective policies.
- 

Financial security is important for overall well-being, yet many individuals and families are financially insecure. A recent study finds that 40 percent of Americans cannot afford an emergency expense of only \$400.<sup>1</sup> Those without bank accounts may be especially in danger. In 2017, nearly 7 percent of American households were unbanked, meaning no one in the household had a checking or savings account.<sup>2</sup> These households are outside the mainstream banking system, where they may incur high costs to complete even basic financial transactions like cashing a check.<sup>3</sup> Additionally, these households are left behind by new financial technology innovations (e.g., mobile payment apps, cashless restaurants) because most of these products are layered on top of the traditional banking system.<sup>4</sup> Beyond those households that are unbanked and outside of the mainstream banking system, even more (about one-quarter) in 2017 were underbanked, meaning household members used alternative financial services—such as payday loans, pawn shop loans, rent-to-own services, and auto title loans—in addition to traditional banking services to meet their financial needs.<sup>5</sup> Using the Consumer Financial Protection Bureau's (CFPB's) abbreviated financial well-being scale, the 2018 National Financial Capability Study (NFCS) found that the average respondent scored only 52—where 100 is the highest score and indicates the greatest level of financial well-being.<sup>6</sup> The financial well-being scale measures an individual's control over their finances, their capacity to absorb a financial shock, whether they have and are on track to meet financial goals, and if they are able to make choices that allow them to enjoy life, like taking a



vacation.<sup>7</sup> These scores increase with age and income.<sup>8</sup> Among racial groups, white and Asian American respondents have higher average scores of 54 and 53, respectively, while African Americans and Hispanic respondents have average scores of 50.

Financial instability undermines financial security. People without checking accounts or credit cards and those with poor credit often pay more than those with prime credit for the same products because of higher interest rates and additional fees.<sup>9</sup> Even small amounts of savings can make a difference for family financial stability and security: families with a savings cushion as little as \$250 to \$749 are less likely to be evicted, miss a housing or utility payment, or receive public benefits after a job loss, health issue, or large income drop.<sup>10</sup>

As described below, programs, policies, and interventions that help people improve their financial security may increase their savings, **financial capability**, and access to safe, affordable credit, as well as reduce their debt. Increasing families' savings, financial capability, and access to credit is central to financial security, as those with savings are better able weather financial shocks, such as catastrophic health events and job loss, and build wealth (or assets minus debts). However, wealth is not evenly distributed across populations. In 2016, the typical non-Hispanic white family had almost 10 times more wealth than the typical non-Hispanic black family and 8 times more wealth than the typical Hispanic family.<sup>11</sup> Importantly, similar achievements (income increases, education, marriage) result in differential wealth gains for white and black families.<sup>12</sup>

Financial security can mean a lot of things depending on an individual's preferences and circumstances, but ultimately it means being able to pay one's bills, being resilient to financial shocks, and being on track to meet one's financial goals.

## Evaluating the Evidence

Next, we discuss some of the most recognized programs, policies, and interventions in the area of financial security. We distinguish between practices that are proven, promising, emerging, and not yet evaluated. Depending on the context and the question being posed, methodological tools include randomized control trials (RCTs), quasi-experimental designs, instrumental variable analyses, economic structural models, among others.

- **Proven practices** are those supported by strong evidence from high-quality studies that investigate causality between an intervention and outcomes of interest and where evidence of

causality has been replicated multiple times across populations and/or geographies to indicate generalizability.

- **Promising practices** are those supported by moderate evidence from high-quality studies that investigate causality between an intervention and outcomes of interest. Unlike with proven practices, causality is not considered generalizable because it has not been replicated multiple times across populations and/or geographies or has been replicated significantly fewer times.
- **Emerging practices** are based on studies that have preliminary or exploratory findings regarding their effectiveness.
- **Not yet evaluated practices** have little or no research that investigates impact on outcomes of interest.

We also include some studies whose impacts are negative, mixed, or not detectable, as they may have been programs previously considered effective or are relevant to understanding the range of impacts among interventions. Additional details on the level-of-evidence criteria applied in this literature review, along with detailed descriptions of the methods used, can be found in the appendix.

The tables below use the level-of-evidence framework to highlight some consensus findings and cite studies that reflect a body of representative literature for each finding. This means that all literature supporting the finding is not cited and that the level of evidence is reflective of the body of literature, rather than each individual study. These findings examine employment, housing stability, financial security, earnings, and other outcomes relevant to financial security, housing, and workforce development interventions. For each finding, we also list the methods used and explain the main outcomes.

## Which Programs, Policies, and Interventions Have the Most Impact?

### Financial Capability

The financial security of individuals and households is determined by a variety of factors, many of which are external to individuals and families but may be mediated in significant ways by programs, policies, and interventions.<sup>13</sup> Financial capability programs work with individuals and families to enhance their financial knowledge and help them overcome challenges they have in accessing high-quality financial products and services.<sup>14</sup>

Among interventions targeting families' financial capability, financial coaching is successful, with promising evidence of a large, positive impact on savings, debt, and credit.

## Financial Capability Programs, Policies, and Interventions

Evidence level	Findings	Methods	Outcomes
<b>Financial counseling</b> interventions are typically individualized, one on one, limited in duration, and focused on helping participants achieve particular goals—such as homeownership—or respond to particular crises or personal issues. <sup>a</sup>			
Promising <sup>b</sup>	<ul style="list-style-type: none"> <li>Financial counseling had a positive effect on debt outcomes among financially distressed people who were transitioning off public benefit programs.</li> <li>Integrating access to financial accounts with financial counseling increased the share of families with low incomes who were banked (i.e., had checking/savings accounts at a financial institution).</li> </ul>	Quasi-experimental	<ul style="list-style-type: none"> <li>Reduced past-due debt</li> <li>Increased share of families who are banked</li> </ul>
<b>Financial coaching</b> interventions are similar to financial counseling but tend to be longer in duration and focus on changing financial behavior to achieve long-term financial goals. <sup>a</sup> Like financial counseling, they tend to be one-on-one interventions.			
Promising <sup>a</sup>	<ul style="list-style-type: none"> <li>Financial coaching reduced participants' self-reported financial stress.</li> <li>Financial coaching helped participants increase their savings.</li> <li>Financial coaching helped participants reduce their overall and delinquent debt.</li> <li>At one of the two program sites, financial coaching helped participants reduce their payday loans.</li> <li>At one of the two program sites, financial coaching helped participants improve their credit scores.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Reduced self-reported financial stress</li> <li>Increased savings</li> <li>Reduced debt</li> <li>Reduced payday loans</li> <li>Increased credit score</li> </ul>
<b>Rules of thumb</b> are simple guidelines that aim to improve people's financial behaviors and decisionmaking. They are short phrases, such as "credit keeps charging," that can be delivered when participants are engaging in financial activities (i.e., a banner during bank login), via mail, or via email.			
Promising <sup>c</sup>	<ul style="list-style-type: none"> <li>Rules of thumb were found to effectively reduce revolving credit card debt carried over month to month; however, not all rules of thumb were effective.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Reduced credit card debt</li> </ul>
<b>Financial education</b> interventions usually include classroom education, such as workshops or classes, to improve participants' understanding of and ability to use basic financial and economic concepts.			
Emerging <sup>d</sup>	<ul style="list-style-type: none"> <li>The academic literature finds mixed results for the effects of classroom-based financial education on individual and family behavior.</li> </ul>	Experimental RCT, meta-analysis, association only	<ul style="list-style-type: none"> <li>Mixed results</li> </ul>

<sup>a</sup> Brett Theodos, Margaret Simms, Mark Treskon, Christina Stacy, Rachel Brash, Dina Emam, Rebecca Daniels, and Juan Collazos, *An Evaluation of the Impacts and Implementation Approaches of Financial Coaching Programs* (Washington, DC: Urban Institute, 2015).

<sup>b</sup> Kasey Wiedrich, Nathaniel Gons, J. Michael Collins, and Anita Drever, "Financial Counseling & Access for the Financially Vulnerable: Findings from the Assessing Financial Capability Outcomes (AFCO) Adult Pilot" (Washington, DC: CFED, 2014).

<sup>c</sup> Brett Theodos, Christina Plerhopes Stacy, Margaret Simms, Katya Abazajian, Rebecca Daniels, Devlin Hanson, Amanda Hahnel, and Joanna Smith-Ramani, *Don't Swipe the Small Stuff: An Evaluation of the Impacts of Two "Rules of Thumb" for Credit Card Revolvers* (Washington, DC: Urban Institute, 2016).

<sup>d</sup> Daniel Fernandes, John G. Lynch Jr, and Richard G. Netemeyer, "Financial Literacy, Financial Education, and Downstream Financial Behaviors," *Management Science* 60, no. 8 (2014): 1861–83; J. Michael Collins, "The Impacts of Mandatory Financial Education: Evidence from a Randomized Field Study," *Journal of Economic Behavior & Organization* 95 (2013): 146–58; and Alexandra Brown, J. Michael Collins, Maximilian Schmeiser, and Carly Urban, "State Mandated Financial Education and the Credit Behavior of Young Adults," Finance and Economics Discussion Working Paper 2014-68 (Washington, DC: Federal Reserve Board, 2014). Financial education may be delivered at the wrong time (to be real-life habit forming it is ideally taught at the time it is used), or financial knowledge may reflect individual and family characteristics, such as numeracy skills, that are difficult to change with classroom-based financial education interventions. See Breno Braga, Signe-Mary McKernan, and Andrew Karas, "Is Financial Knowledge Associated with Past-Due Medical Debt?" (Washington, DC: Urban Institute, 2017).

## Incentivized Savings

Incentivized savings interventions aim to improve the well-being of people with low and moderate incomes. They increase financial security by providing people with the means to help weather emergencies like a job loss, unexpected medical expenses, or a family death. Incentivized savings accounts also help families with low incomes develop financial capability through increasing their access to high-quality financial products that can increase their wealth. In addition, by demonstrating the value of saving and compound interest, they encourage people to save more.

Among incentivized savings interventions, individual development accounts (IDAs) are the most successful and have been shown to have large, positive impacts on savings and material hardship, as well as homeownership in the medium term. Incentivized tax-time savings accounts are a promising incentivized savings intervention with moderate impacts on savings.

A potential concern with incentivized savings interventions may be that families with low incomes cannot save or that savings may come from money set aside for essentials like food, housing, or health care. A randomized control trial that controlled for measurable differences between participants and nonparticipants at study enrollment found that families with low incomes can save without increased hardship when provided a high-quality savings vehicle, when savings penalties are removed, and when provided incentives.<sup>15</sup> This suggests that families with low incomes may not have to make trade-offs when saving that increase their hardship (i.e., by taking savings from household food budgets), allowing them to build protective savings to weather shocks such as job losses, pay cuts, and unforeseen medical expenses. To address these concerns, proposals to increase savings must take into account the profound challenges facing households with low incomes.

## Incentivized Savings Programs, Policies, and Interventions

Evidence level	Findings	Methods	Outcomes
<p><b>Individual development accounts (IDAs)</b> are savings accounts designed to encourage people with low and moderate incomes to save by matching personal deposits when account holders use the savings for specific asset purchases such as postsecondary education, homeownership, or starting or expanding a business. Account holders can also make unmatched emergency withdrawals. IDAs have been funded through federal legislation and tested or implemented in more than 40 states.<sup>a</sup> IDA-type programs are also active in many other countries.<sup>b</sup></p>			
Proven <sup>c</sup>	<ul style="list-style-type: none"> <li>Before receiving matched funds, IDA participants increased their savings by \$657 at the median compared to nonparticipants.</li> <li>IDA participants saved \$881 before matching funds compared with \$224 among nonparticipants.</li> <li>IDAs increase the share of individuals with savings.</li> <li>IDAs reduce material hardship in the short term, such as the inability to pay rent or utilities or afford medical care.</li> <li>IDAs reduce the likelihood that participants will use alternative financial services, specifically nonbank check-cashing services.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Increased savings</li> <li>Increased share of people with savings</li> <li>Reduced material hardship</li> <li>Reduced use of check-cashing services</li> </ul>
Promising <sup>d</sup>	<ul style="list-style-type: none"> <li>Among people with low incomes who were renting when they gained access to an IDA, participation increased their clearing of old debts (i.e., repayment of past-due debt to prepare for homeownership or improve credit).</li> <li>Among people with low incomes who were renting when they gained access to an IDA, participation increased their homeownership rates four years later.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Increased clearing of old debts</li> <li>Increased homeownership</li> </ul>
<p><b>Children's Savings Accounts (CSAs)</b>, although similar to IDAs, are designed to start at birth or very young ages. They are established in a child's name with an initial "seed" deposit from a sponsor—a community organization, private institution, or government. Some CSAs also include supplemental grants or matching incentives at different milestones throughout a child's life. Some CSAs are only intended for postsecondary education, while others can be used for homeownership and business capitalization.</p>			
Promising <sup>e</sup>	<ul style="list-style-type: none"> <li>Automatic CSAs increased the share of individuals with savings.</li> <li>Automatic CSAs increase savings compared with parents who save for their children's postsecondary education independently. Participants who received automatic CSAs saved \$63 in their own accounts compared with \$13 saved among nonparticipants.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Greater share of people with savings</li> <li>Increased savings</li> </ul>
Emerging <sup>f</sup>	<ul style="list-style-type: none"> <li>Children from low- and moderate-income families with CSA balances of less than \$500 are three times more likely to attend college than those without CSAs.</li> <li>Children from low- and moderate-income families with CSA balances of less than \$500 are four times more likely to graduate from college than those without CSAs.</li> </ul>	Association only	<ul style="list-style-type: none"> <li>Increased likelihood of college attendance</li> <li>Increased likelihood of college graduation</li> </ul>
<p><b>Incentivized tax-time savings accounts</b> encourage families with low and middle incomes to save part of their tax refunds. When families file their taxes, they can choose to directly deposit all or some of their tax refunds into</p>			

Evidence level	Findings	Methods	Outcomes
designated savings accounts, where they receive a match for funds that are saved for a designated period, typically six to twelve months.			
Proven <sup>g</sup>	<ul style="list-style-type: none"> <li>Access to incentivized tax-time savings accounts increased the share of people with low incomes who had emergency savings (i.e., nonretirement savings) almost four years after they were offered the intervention.</li> <li>Access to incentivized tax-time savings accounts increased average savings among people with low incomes by \$522.</li> <li>Incentivized tax-time savings improved financial security among people with low incomes. Almost four years after being offered the incentivized tax-time savings accounts, filers with low incomes were more likely to be able to cover one month of expenses.</li> <li>Almost four years later, people with low incomes who were offered incentivized tax-time savings accounts had lower levels of liquid-asset poverty (meaning they had sufficient liquid assets to live at the poverty level for three months without income).</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Increased share of people with emergency savings</li> <li>Increased savings</li> <li>Improved financial security</li> <li>Reduced liquid asset poverty</li> </ul>
Proven <sup>h</sup>	<ul style="list-style-type: none"> <li>Nudges to save in online tax-filing software increased the average amount of tax refunds deposited into savings by filers with low incomes and the proportion of filers who saved.</li> <li>Financially vulnerable individuals who were encouraged to save when filing their taxes were more likely than their peers to have portions of their refund saved six months after filing.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Increased share of people with savings</li> <li>Increased savings</li> <li>Built-up emergency savings</li> </ul>
<p><b>Prize-linked savings</b> encourage people to save by providing savers the opportunity to win prizes when they make deposits. These prizes are provided instead of traditional savings account interest rates. Prize-linked savings accounts are targeted to people with low incomes and other groups who are less likely to save by adding a “game” element to the financial product. These interventions, although still being piloted in the US, are grounded in behavioral economics research that demonstrates that prizes are powerful incentives. As of 2018, there are 17 active prize-linked savings products on the market, mostly available to consumers through credit unions. Other providers include banks, prepaid cards, and the financial technology industry, which provides web- or app-based products. These products were available in 20-plus other countries before coming to the US around 2006.<sup>i</sup></p>			
Not yet evaluated	<ul style="list-style-type: none"> <li><b>SaverLife</b>, by EARN, encourages people to save continuously by providing helpful reminders about saving and by incentivizing increased savings through prizes.</li> </ul>	Other	<ul style="list-style-type: none"> <li>Not yet evaluated</li> </ul>
Emerging <sup>j</sup>	<ul style="list-style-type: none"> <li>Prize-linked savings accounts reach financially vulnerable populations. Of prize-linked savings account holders, 85 to 93 percent were not regular savers, were asset poor, had low-to-moderate incomes, had high debt levels, or had no emergency savings.</li> </ul>	Other	<ul style="list-style-type: none"> <li>Share of prize-linked account holders who are financially vulnerable</li> </ul>
Emerging <sup>k</sup>	<ul style="list-style-type: none"> <li>People with low-to-moderate incomes who used prize-linked savings accounts saved an average of \$1,435. Emerging research indicates that these</li> </ul>	Other	<ul style="list-style-type: none"> <li>Saved</li> </ul>

Evidence level	Findings	Methods	Outcomes
	accounts created new savings from decreased lottery expenditures and decreases in current consumption and did not simply shift savings from other types of accounts.		
Emerging <sup>l</sup>	<ul style="list-style-type: none"> <li>People may be more likely to save when they are offered the possibility of winning large cash prizes, as in prize-linked savings accounts, instead of smaller fixed interest rates.</li> </ul>	Other	<ul style="list-style-type: none"> <li>Increased likelihood of saving</li> </ul>
Emerging <sup>m</sup>	<ul style="list-style-type: none"> <li>Prize-linked savings connected to individuals' payroll motivated youth workers to save money. Thirty-six percent of youth reported that the opportunity to win prizes prompted them to save.</li> </ul>	Other	<ul style="list-style-type: none"> <li>Increased self-reported savings behavior</li> </ul>
Emerging <sup>n</sup>	<ul style="list-style-type: none"> <li>Integrating prize-linked savings with prepaid cards motivated customers to save 35 percent more on average.</li> </ul>	Other	<ul style="list-style-type: none"> <li>Increased savings</li> </ul>

<sup>a</sup> CFED (Corporation for Enterprise Development), "Resource Guide: State IDA Program Support" Assets & Opportunity Scorecard (Washington, DC: CFED, 2011).

<sup>b</sup> Chang-Keun Han and Michael Sherraden, "Attitude toward Institutional Features and Savings in Individual Development Accounts: Latent Class Analysis," Working Paper 07-24 (St. Louis, MO: Washington University in St. Louis, Center for Social Development, 2007); and Michael Sherraden, Mark Schreiner, and Sondra Beverly, "Income, Institutions, and Saving Performance in Individual Development Accounts," *Economic Development Quarterly* 17, no. 1 (2003): 95–112.

<sup>c</sup> Gregory Mills, Signe-Mary McKernan, Caroline Ratcliffe, Sara Edelstein, Michael Pergamit, and Breno Braga, "First-Year Impacts on Savings and Economic Well-Being from the Assets for Independence Program Randomized Evaluation," *Journal of Consumer Affairs* Special Issue (2019): 1–21. Other IDA evaluations have found similar outcomes for earners with low incomes. Additional experimental and quasi-experimental evidence is available in the studies of the American Dream Demonstration.

<sup>d</sup> Michal Grinstein-Weiss, Jung-Sook Lee, Johanna K. P. Greeson, Chang-Keun Han, Yeong H. Yeo, and Kate Irish, "Fostering Low-Income Homeownership through Individual Development Accounts: A Longitudinal, Randomized Experiment," *Housing Policy Debate* 19, no. 4 (2008): 711–38.

<sup>e</sup> Yunju Nam, Youngmi Kim, Margaret Clancy, Robert Zager, and Michael Sherraden, "Do Child Development Accounts Promote Account Holding, Saving, and Asset Accumulation for Children's Future? Evidence from a Statewide Randomized Experiment," *Journal of Policy Analysis and Management* 32, no. 1 (2013): 6–33.

<sup>f</sup> William Elliott, Hyun-a Song, and Ilsung Nam, "Small-Dollar Accounts, Children's College Outcomes and Wilt," *Children and Youth Services Review* 35, no. 3 (2013): 535–47.

<sup>g</sup> Gilda Azurdia and Stephen Freedman, *Encouraging Nonretirement Savings at Tax Time: Final Impact Findings from the SaveUSA Evaluation* (New York: MDRC, 2016).

<sup>h</sup> Stephen Roll, Genevieve Davison, Michal Grinstein-Weiss, Mathieu R. Despard, and Sam Bufe, "Refund to Savings 2015–2016: Field Experiments to Promote Tax-Time Saving in Low- and Moderate-Income Households," Research Report 18-28 (St. Louis, MO: Washington University in St. Louis, Center for Social Development, 2018). Financially vulnerable people are those who indicated they couldn't access \$2,000 in an emergency.

<sup>i</sup> See Peter Tufano, Nick Maynard, and Jan-Emmanuel De Neve, "Consumer Demand for Prize-Linked Savings: A Preliminary Analysis" (Cambridge, MA: Harvard Business School, 2008); and Commonwealth, "The State of Prize-Linked Savings" (Boston, MA: Commonwealth, 2018).

<sup>j</sup> See Commonwealth, "Prize-Linked Savings in Credit Unions: 2018" (Boston, MA: Commonwealth, 2019).

<sup>k</sup> See Doorways to Dreams, "Save to Win: The Success of Prize-Linked Savings," (Arlington, VA: CFSI, 2017); and Kadir Atalay, Fayzan Bakhtiar, Stephen L. Cheung, and Robert Slonim, "Savings and Prize-Linked Savings Accounts," Economics Working Paper 2013-12 (Sydney: University of Sydney, 2013).

<sup>l</sup> Emel Filiz-Ozbay, Jonathan Guryan, Kyle Hyndman, Melissa Kearney, and Erkut Ozbay, “Do Lottery Payments Induce Savings Behavior? Evidence from the Lab,” *Journal of Public Economics* 126 (2015): 1–24.

<sup>m</sup> Commonwealth, “Prizes Facilitate Saving by Youth: Report on a Pilot Project” (Boston, MA: Commonwealth, 2017).

<sup>n</sup> Commonwealth, “Walmart MoneyCard Prize Savings: One Year Anniversary Brief” (Boston, MA: Commonwealth, 2017).

## Credit and Debt

Many families with low incomes have poor or no **credit history**, making it difficult to access quality financial products when they experience income shocks from unexpected life events such as a job loss or a major health episode. This diminishes their financial security and makes it difficult to accrue debt that could be used to own a home, pursue higher education, or start a business. These are all investments typically used to generate economic mobility and security.

This section discusses interventions that improve the ability of families with low incomes to navigate loan systems and build their credit. Among these, emerging evidence suggests that credit-building interventions can help people establish credit, increase their credit scores, and reduce their likelihood of default and amount of delinquent debt. Policies that reduce savings penalties are promising and have moderate impacts on savings, asset ownership, and the banked status of households.

### Credit and Debt Programs, Policies, and Interventions

Evidence level	Findings	Methods	Outcomes
<b>Credit building</b> interventions combine classroom-based financial education (e.g., credit-building workshops) and financial counseling with access to high-quality financial products (e.g., small-dollar installment loans, secured credit cards, matched employer contributions) to help families with low incomes build credit when they have poor or no credit.			
Emerging <sup>a</sup>	<ul style="list-style-type: none"> <li>■ Credit-building program participants without credit histories are more likely to have credit scores after 12 months.</li> <li>■ Over time, the share of participants in credit-building programs who have prime credit scores increased.</li> <li>■ Participants in credit-building programs improved their credit. Eighteen months after the program, participants' credit scores were higher by an average of 30 points. Workers in low-wage jobs showed an even higher credit score increase of 47 points. Black and Hispanic workers also showed higher-than-median credit score gains.</li> <li>■ Over time, a smaller share of participants in the credit-building intervention hold debt in collections or have delinquent debt.</li> <li>■ Over time, the share of participants in credit-building programs with \$1,000 or more in revolving credit (i.e., credit cards) increases.</li> </ul>	Association only	<ul style="list-style-type: none"> <li>■ Established credit history</li> <li>■ Increased share of people with prime credit</li> <li>■ Increased credit score</li> <li>■ Decreased share of people with delinquent debt</li> <li>■ Increased share of people with revolving credit</li> </ul>



Evidence level	Findings	Methods	Outcomes
<b>Reducing savings penalties</b> (i.e., asset limits): many means-tested public benefit programs (e.g., the Supplemental Nutrition Assistance Program) have asset limits designed to target benefits to the highest-need individuals and families. However, asset limits can discourage saving among households with low incomes and can lead to increased program costs as program participants leave and reenter the program for administrative reasons.			
Promising <sup>b</sup>	<ul style="list-style-type: none"> <li>■ Relaxing SNAP asset limits through broad-based categorical eligibility (BBCE) increases the likelihood that households with low incomes are banked.</li> <li>■ Relaxing SNAP asset limits increases the likelihood that households with low incomes will have at least \$500 in their bank accounts. However, there is no difference in liquid asset amounts, net wealth, or vehicle ownership.</li> <li>■ Relaxing SNAP asset limits reduces the likelihood that households cycle on and off SNAP (“program churn”) by 26 percent.</li> </ul>	Non-experimental	<ul style="list-style-type: none"> <li>■ Increased likelihood of households being banked</li> <li>■ Increased likelihood of having emergency savings</li> <li>■ Reduced likelihood households cycle on and off the program</li> </ul>
Promising <sup>c</sup>	<ul style="list-style-type: none"> <li>■ Eliminating vehicle asset limits increases the likelihood that households with low incomes own a vehicle by 3 to 6 percentage points.</li> <li>■ Relaxing TANF asset limits increases the likelihood that households have a checking or savings account.</li> <li>■ Relaxing TANF asset limits increases total wealth and net worth excluding home equity of program participants by about \$7,000.</li> </ul>	Non-experimental	<ul style="list-style-type: none"> <li>■ Increased likelihood of car ownership</li> <li>■ Increased likelihood of having a bank account</li> <li>■ Increased net worth</li> </ul>

<sup>a</sup> Diana Elliott, Christine Heffernan, and Adaeze Okoli, “Credit Building at the Workplace” (Washington, DC: Urban Institute, 2019).

<sup>b</sup> Caroline Ratcliffe, Signe-Mary McKernan, Laura Wheaton, Emma Kalish, Catherine Ruggles, Sara Armstrong, and Christina Oberlin, “Asset Limits, SNAP Participation, and Financial Stability” (Washington, DC: Urban Institute, 2016).

<sup>c</sup> Maureen Pirog, Edwin Gerrish, and Lindsey Bullinger, “TANF and SNAP Asset Limits and the Financial Behavior of Low-Income Households” (Washington, DC: Pew Charitable Trusts, 2017).

## What Are the Conditions and Benchmarks of Success?

Financial security is the extent to which people feel that they have control over their day-to-day and month-to-month finances; have the financial freedom to make choices that allow them to enjoy life; have the capacity to absorb a financial shock; and are on track to meet their financial goals.<sup>16</sup> Within financial security, key outcomes include participation in mainstream financial services (e.g., having a checking or savings account), credit scores and credit visibility (having a credit score), savings behavior, debt and delinquencies, and use of alternative financial services (e.g., payday lenders, auto title lenders), among others.

Below, we highlight evidence-based conditions for success across financial security interventions. Not all apply to all interventions, and it is not an exhaustive list. However, these features may be important to consider when designing, evaluating, and implementing such programs.

## **Access to High-Quality Financial Products**

For interventions that aim to bring families with low incomes into the mainstream financial system, an important component is offering high-quality financial products. Although low-quality financial products, such as payday loans, often have short-term benefits like increasing food security,<sup>17</sup> they do little to assist families with low incomes in achieving the goal of financial capability and can threaten their long-term financial security. Evidence suggests that although the demand for such credit is there, the additional credit provided through these loans may lead to increased difficulty making ends meet.<sup>18</sup> Given the demand for this type of credit, restraining these types of loans may not be most effective, as consumers respond by shifting to other forms of high-interest credit. This suggests that eliminating payday loans in isolation may not decrease consumer demand for high-interest credit.<sup>19</sup> Instead, alternatives to meet the need for credit among high-risk consumers are needed that allow them to meet their financial needs while providing opportunities to build credit, financial stability, and reduce debt and delinquencies. A broad body of research indicates that the quality and type of financial product provided to families with low incomes matters. Features including savings matches, incentives, low fees and fines, and a lack of savings penalties can create high-quality savings products that match the types offered to populations with high incomes and strong credit health and incentivize families with low incomes to save.

## **Tailored to the Needs of Families with Low Incomes**

For financial interventions that target financial knowledge, such as financial coaching, financial education, and financial counseling, it is important to meet families with low incomes where they are, understand the types of assets they hold and have access to, and use this information to create tailored and appropriate next steps.

# Which Organizations Are Working Within This Space?

## Cities for Financial Empowerment (CFE) Fund

CFE works directly with national and regional financial institutions to encourage the widespread availability of safe, low-cost transactional products. They developed the Bank on National Account Standards, which provides local programs with guidelines for account partnerships with financial institutions, including their local partners. Financial institutions with accounts that meet these standards can apply free for national certification. The CFE Fund's mission is to leverage municipal engagement to improve the financial stability of households with low and moderate incomes by embedding financial empowerment strategies in local government infrastructure. As part of this work, the CFE Fund leads a national movement supporting local Bank On coalitions, which are coalitions that work to expand banking access and connect it to municipal entities and services.

## Commonwealth

Commonwealth collaborates with consumers, the financial services industry, policymakers, employers, and nonprofits to pilot solutions and scale innovations that make people more financially secure. They produce useful briefs and tools on interventions and policies that affect families' financial security and well-being.

## Consumer Financial Protection Bureau (CFPB)

CFPB developed the CFPB Financial Well-Being Scale. It is a survey that allows a comparison of financial well-being across individuals and over time. The financial well-being scale measures an individual's control over their finances, their capacity to absorb a financial shock, whether they have and are on track to meet financial goals, and if they are able to make choices that allow them to enjoy life, like taking a vacation. By using the scale, financial education practitioners can measure, track, and compare client financial well-being; facilitate conversations about financial concerns, challenges, and goals that may influence or reflect financial well-being; and evaluate and improve programs designed to enhance consumers' financial well-being.

## Corporation for National and Community Service

The Corporation for National and Community Service sponsors [SaveUSA](#), an incentivized tax-time savings account program funded by a Social Innovation Fund grant. Under the program, tax filers who deposited part of their refund into a designated account and maintained the deposit for a year received a 50 percent savings match up to \$500. The program was piloted in four cities: New York City, Tulsa, San Antonio, and Newark.

## Credit Builders Alliance

[Credit Builders Alliance](#) is a network of nonprofits that bridges the modern credit reporting system to help millions of individuals with poor or no credit participate in the mainstream financial system by building credit.

## Financial Health Network (formerly Center for Financial Services Innovation)

Together with JPMorgan Chase & Co, the [Financial Health Network](#) founded the Financial Solutions Lab—a program that seeks to identify, test, and bring to scale promising innovations that help Americans increase savings, improve credit, and build assets.

## Inclusiv

[Inclusiv](#) aims to help people and communities with low and moderate incomes achieve financial independence through credit unions. They have initiatives to develop innovative financial products for consumers with low incomes; provide technical assistance through webinars and tools; and engage in strategic consulting, investing, and advocacy efforts to increase credit unions' ability to serve communities with low incomes.

## National Foundation for Credit Counseling

[The National Foundation for Credit Counseling](#) is the largest and longest-serving nonprofit financial counseling organization in the United States. Its mission is to help all Americans gain control over their finances. As a national network of nonprofit member agencies, it provides high-quality and highly useful financial education and counseling services.

## National League of Cities

[National League of Cities](#) is an advocacy organization that provides resources for city leaders and workers on issues that affect cities, including infrastructure, housing, tax policy, and community resilience. They do work on financial empowerment in cities, with resources on boosting financial security among residents.

## Prosperity Now (formerly CFED)

[Prosperity Now](#) works with community-based organizations to help them design and embed financial capability services in their existing programs to boost their own program outcomes. They use Building Financial Capability: A Planning Guide for Integrated Services<sup>20</sup> to guide their work. It's a tool they developed for the Administration of Children and Families within the Department of Health and Human Services. The guide references ten different services that organizations can provide, including financial education, financial coaching, financial counseling, credit counseling, credit building, access to safe and affordable financial products, free tax preparation assistance, access to federal and state benefits, incentivized saving programs, and asset ownership programs. Other organizations, such as the World Bank, have similar tools.

## Working Credit

[Working Credit](#) is a low-cost, high-impact partner for employers that want to provide their employees with the tools and information needed to advance their financial circumstances. Working Credit designed a flexible, scalable employee benefit (Make Credit Work for You) to help working families build and sustain strong credit scores and then use credit improvements to reduce expenses inflated by poor or no credit. Working Credit serves employers in the corporate, nonprofit, and public sectors.

# What Is the Best Role in This Space for Organizations Serving Families with Low Incomes?

## Provide Financial Capability or Credit-Building Programs

Organizations can provide financial capability and credit-building programs or partner with financial coaching, financial counseling, or financial education service providers to offer these programs. If there is no opportunity for organizations to host financial capability programs on-site, they could partner with

financial service providers to offer these programs at a trusted location or to develop and disseminate targeted financial capability materials for their clients.

## **Implement and Evaluate the Effects of On-Site Financial Capability Programming**

Organizations who have the capacity can adapt a financial capability or credit-building curriculum and implement it on-site. An important feature could be the opportunity to evaluate, scale, and deliver these interventions in settings that specifically serve families with low incomes..

## **Support Evidence-Based Savings Products and Other Wealth-Protective Policies**

Individual development accounts (IDAs) and children's savings accounts (CSAs) are proven evidence-based savings products that increase the share of families with low incomes who save and increase their savings. Organizations can support national and local partners implementing these savings products, recognizing that saving buying a house, starting a business, and higher education are important wealth-building strategies that have the potential to lift families out of poverty. Other wealth-protective policies that organizations can support include preserving broad-based categorical eligibility in SNAP to protect asset waivers, which are used to avoid savings penalties that can emerge in means-tested programs. Looking at these in tandem can be valuable to ensuring that families with low incomes can build wealth without losing benefits they may depend on.

## **Recommended Reading**

Brown, K. Steven, and Breno Braga. 2019. "Financial Distress among American Families." Washington, DC: Urban Institute.

McKernan, Signe-Mary, and Caroline Ratcliffe. 2008. "Enabling Families to Weather Emergencies and Develop: The Role of Assets." Washington, DC: Urban Institute.

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Urahn, Susan K., Travis Plunkett, Erin Currier, Diana Elliott, Sarah Sattelmeyer, Denise Wilson. 2013. "Moving on Up: Why Do Some Americans Leave the Bottom of the Economic Ladder, but Not Others?" Washington, DC: Pew Charitable Trusts.

# Notes

- <sup>1</sup> See Federal Reserve Board, *Report on the Economic Well-Being of US Households in 2018* (Washington, DC: Board of Governors of the Federal Reserve System, 2019).
- <sup>2</sup> See FDIC (Federal Deposit Insurance Corporation), “2017 FDIC National Survey of Unbanked and Underbanked Households” (Washington, DC: FDIC, 2018).
- <sup>3</sup> Alyssa Yun, “Financial Exclusion: Why It Is More Expensive to be Poor,” *Wharton Public Policy Initiative*, University of Pennsylvania, June 2, 2017, <https://publicpolicy.wharton.upenn.edu/live/news/1895-financial-exclusion-why-it-is-more-expensive-to-be>.
- <sup>4</sup> See Caroline Ratcliffe, Caleb Quakenbush, and William J. Congdon, *What Would It Take to Ensure That Every Family Can Achieve and Maintain Financial Security?* (Washington, DC: Urban Institute, 2019).
- <sup>5</sup> FDIC, “2017 FDIC National Survey of Unbanked and Underbanked Households.”
- <sup>6</sup> See Judy T. Lin, Christopher Bumcrot, Tippy Ulicny, Gary Mottola, Gerri Walsh, Robert Ganem, Christine Kieffer, Annamaria Lusardi, James Gatz, Jeff Larrimore, Genevieve Melford, and Phillip Zepp, *The State of the US Financial Capability: The 2018 National Financial Capability Study* (Washington, DC: FINRA Investor Education Foundation, 2019).
- <sup>7</sup> Consumer Financial Protection Bureau, “Measuring Financial Well-Being: A Guide to Using the CFPB Financial Well-Being Scale” (Washington DC: Consumer Financial Protection Bureau, 2015).
- <sup>8</sup> These range from 48 among 18–34-year-olds to 59 for those 55 or older and from 44 among those with an income less than \$25,000 a year to 59 among those who earn over \$75,000 a year. See Lin et al., “The State of the US Financial Capability: The 2018 National Financial Capability Study.”
- <sup>9</sup> See Diana Elliott and Ricki Granetz Lowitz, “[What Is the Cost of Poor Credit?](#)” (Washington, DC: Urban Institute, 2018).
- <sup>10</sup> See Signe-Mary McKernan, Caroline Ratcliffe, Breno Braga, and Emma Kalish, “[Thriving Residents, Thriving Cities: Family Financial Security Matters for Cities](#)” (Washington, DC: Urban Institute, 2016).
- <sup>11</sup> Signe-Mary McKernan, Caroline Ratcliffe, C. Eugene Steuerle, Caleb Quakenbush, and Emma Kalish, “Nine Charts about Wealth Inequality in America (Updated),” Urban Institute, updated October 5, 2017, <http://apps.urban.org/features/wealth-inequality-charts/>.
- <sup>12</sup> See Thomas Shapiro, Tatjana Meschede, and Sam Osoro, “The Roots of the Widening Racial Wealth Gap: Explaining the Black-White Economic Divide.” (Waltham, MA: Institute on Assets and Social Policy, 2013).
- <sup>13</sup> Kilolo Kijakazi, “50 Years after Martin Luther King’s Death, Structural Racism Still Drives the Racial Wealth Gap,” *Urban Wire* (blog), Urban Institute, April 6, 2018, <https://www.urban.org/urban-wire/50-years-after-martin-luther-kings-death-structural-racism-still-drives-racial-wealth-gap>.
- <sup>14</sup> See Annamaria Lusardi and Olivia S. Mitchell, “The Economic Importance of Financial Literacy: Theory and Evidence,” *Journal of Economic Literature* 52, no. 1 (2014): 5–44; and Joshua Sledge, Jennifer Tescher, and Sarah Gordon, “From Financial Education to Financial Capability: Opportunities for Innovation” (Chicago: Center for Financial Services Innovation, 2010).
- <sup>15</sup> Gregory Mills, Signe-Mary McKernan, Caroline Ratcliffe, Sara Edlestein, Michael Pargamit, and Breno Braga, “First-Year Impacts on Savings and Economic Well-Being from the Assets for Independence Program Randomized Evaluation,” *The Journal of Consumer Affairs* 53, no. 3 (2019): 848–68.
- <sup>16</sup> Consumer Financial Protection Bureau, “Getting Started with Measuring Financial Well-Being: A Toolkit for Financial Educators” (Washington, DC: Consumer Financial Protection Bureau, 2019).

- <sup>17</sup> Katie Fitzpatrick and Alisha Coleman-Jensen, "Food on the Fringe: Food Insecurity and the Use of Payday Loans," *Social Service Review* 88, no. 4 (2014): 553–93.
- <sup>18</sup> Brian Melzer, "The Real Costs of Credit Access: Evidence from the Payday Lending Market," *The Quarterly Journal of Economics* 126, no. 1 (2011): 517–55.
- <sup>19</sup> Neil Bhutta, Jacob Goldin, and Tatiana Homonoff, "Consumer Borrowing after Payday Loan Bans," *The Journal of Law and Economics* 59, no. 1 (2016).
- <sup>20</sup> Kori Hattemer, *Building Financial Capability: A Planning Guide for Integrated Services*, Prosperity Now (blog), April 2, 2015, <https://prosperitynow.org/blog/building-financial-capability-planning-guide-integrated-services>.



# Housing

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- Housing is a basic need that many people struggle to secure and maintain. More than half a million Americans are homeless on any given night, and nearly a third of those with housing are cost-burdened because they pay housing costs that exceed 30 percent of their income.
- Housing insecurity has ramifications beyond the physical security that housing provides. For example, children with unstable housing may experience food insecurity, poorer health, lower weight, and higher developmental risks.
- Among interventions that serve homeless populations, Housing First has been shown to have a large positive impact on homelessness and family food insecurity.
- Housing vouchers subsidize a portion of rent for families with low incomes, and have been shown to have a large positive impact on homelessness, housing instability, overcrowding, and neighborhood quality.
- HOME Investment Partnerships and Community Development Block Grants support homeownership. Although these programs have not yet been rigorously evaluated, early findings suggest they may increase homeownership among families with low incomes.
- Organizations can play a role in this space by becoming an access point for coordinated assessment for individuals facing homelessness, providing application assistance for public housing programs, partnering with affordable housing communities to provide site-based services, collaborating with community partners on data sharing to move toward coordinated services, and supporting additional housing assistance resources for families with low incomes.

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Households with low incomes often face multiple forms of material hardship—difficulties in meeting their basic needs.<sup>1</sup> For example, many families experience both housing and food insecurity, which has negative effects on their health and overall well-being. In particular, children experiencing housing instability are less likely to get enough food to live an active and healthy life and may experience poorer health, lower weight, and higher developmental risks.<sup>2</sup> **Housing instability** is also associated with poor access to prevention and primary medical care and high rates of acute care—or short-term treatment for severe injury or illness.<sup>3</sup> Without a safe and stable place to live, adults face significant barriers in finding and maintaining employment, and children’s educational achievement can be threatened through housing conditions’ effects on sleep, homework, and play.<sup>4</sup> For some, housing instability can be episodic and brought on by job loss or other household challenges, but for many families with low incomes it is chronic and compounding.<sup>5</sup>

Given these challenges, it's clear that families need safe, stable, affordable housing to be economically stable and support their overall health and well-being.<sup>6</sup> However, a shortage of housing in some areas results in high housing costs and unsustainable housing-cost burdens, which can undermine housing and economic stability—placing families with low incomes at risk of financial instability, displacement and frequent moves, **substandard housing conditions**, or in the worst cases, homelessness.<sup>7</sup>

Housing affordability in particular is important because food budgets are often among the first expenses cut when families with low incomes face high housing-cost burdens.<sup>8</sup> Although declining in recent years, high housing-cost burdens have become the norm for families with low incomes.<sup>9</sup> Nearly half of all renters pay housing costs (rent and utilities) that exceed 30 percent of their income, meeting the definition of being **housing-cost burdened**. And among renters with low incomes, 80 percent are cost burdened.<sup>10</sup> Moreover, the number of renters with worst-case housing needs has risen over time. The US Department of Housing and Urban Development (HUD) defines “**worst-case housing needs**” as a household with very low income and without housing assistance that spends more than half its income on housing and/or lives in severely inadequate housing. Over 8 million renters had worst-case needs in 2015, up from 6 million in 2005.<sup>11</sup>

Although all cost-burdened households may have to cut back on other expenses to pay for housing or accept poorer quality housing, research indicates that the stakes for households with low incomes are higher.<sup>12</sup> Renters with low incomes who face severe rent burdens, where they must spend over half their income on housing-related costs, typically reduce their food expenditures by more than a third.<sup>13</sup> Those with high rent burdens may experience eviction, debt, and food insecurity; have increased stress; and face frequent moves and school changes because of housing loss.<sup>14</sup>

Compounding the housing affordability problem is a combination of tight rental markets and the shortage of jobs whose wages meet rising housing costs. Nationally, a full-time worker must earn roughly \$23 per hour to afford the typical rent for a two-bedroom apartment.<sup>15</sup> However, workers in low-wage jobs earn far less than this amount. Those earning a wage at the 30<sup>th</sup> percentile make only \$14.13 an hour, and those earning a wage at the 10<sup>th</sup> percentile make only \$10.12 an hour.<sup>16</sup> At the same time, the rental vacancy rate is at its lowest point since the mid-1980s.<sup>17</sup> Although some metropolitan areas, such as Houston, Atlanta, and Phoenix, have seen sharp declines in rental vacancy rates in recent years, cities like Boston and New York City have always had low rental vacancy rates.<sup>18</sup> The rental affordability crisis is particularly pronounced among families with low incomes and in areas with restrictions on housing construction. Rental markets do not provide an adequate supply of affordable housing for these families in part because of increasing demand for rental housing from

families with higher incomes choosing to rent instead of buy their homes. Even with housing assistance, which itself is scarce, there is not enough affordable housing for families with the lowest incomes.<sup>19</sup> Although no county in the nation had a sufficient number of affordable housing units for households with the lowest incomes in their jurisdictions, the problem is especially difficult in urban counties.<sup>20</sup> A particular challenge is that the private market cannot produce housing for households with low incomes without significant subsidies and tax credits, as the expected rent revenue developers would receive is too low to cover maintenance costs or pay down debt incurred during the development process.<sup>21</sup> Although any new housing construction, even those targeted at the higher end of the market, increases the supply of affordable housing through filtering (where older housing becomes affordable with the construction of new housing), this process takes time—particularly in areas with high housing appreciation.<sup>22</sup> Further, the demand for rental housing has outpaced the increase in supply.<sup>23</sup> As a result, about 4 million lower-rent units (renting for under \$800) were lost from the market between 2011 and 2017.<sup>24</sup>

More than half of the units affordable to families with extremely low incomes—defined as households with incomes at or below 30 percent of the local area median income—were federally subsidized in 2014.<sup>25</sup> For example, the most common form of rental housing assistance provided directly to households with low incomes is through the federal Housing Choice Voucher program (formerly called the Section 8 voucher program), which pays a portion of the private market rental costs for about 2.2 million of these households.<sup>26</sup> But this assistance is scarce and has been declining over time; nationally, enough vouchers are available to support only about one in four eligible households.<sup>27</sup>

Housing affordability challenges also affect homeowners and access to homeownership. About 23 percent of homeowners paid more than 30 percent of their income on housing costs in 2017, with older homeowners and those with lower incomes even more likely to have high housing-cost burdens.<sup>28</sup> Beyond housing affordability challenges, homeownership itself is also less common among households with low incomes as only 43 percent of families with low incomes own their homes, compared with 87 percent of families with the highest incomes.<sup>29</sup> Today's buyers delay homeownership, renting for an average of six years before buying their first homes compared with fewer than three years in the 1970s.<sup>30</sup> This trend may not be fully attributable to a decline in demand for owner-occupied housing, as nearly three-quarters of nonhomeowners report that student loan debt has delayed them from buying a home.<sup>31</sup>

At the other end of the age spectrum, more older adults are retiring with mortgage debt. The share of 55–70-year-old homeowners with outstanding mortgage debt increased from 32 percent in 1989 to 46 percent in 2016, and the median amount of mortgage debt more than tripled from \$28,900 to

\$90,000.<sup>32</sup> High levels of mortgage debt are associated with poorer health outcomes and less financial investment among older Americans.<sup>33</sup>

In the worst cases, housing instability and high housing-cost burdens can lead to homelessness. As the availability of affordable housing has declined, homelessness has increased.<sup>34</sup> Approximately 553,000 Americans were **homeless** on a given night in 2018. About two-thirds were staying in sheltered locations—emergency shelters or transitional housing programs—and about one-third were in unsheltered locations such as the street or abandoned buildings.<sup>35</sup>

Given the challenges faced by homeless individuals, cost-burdened renters with low incomes, and homeowners, housing interventions aim to improve housing stability so that Americans can access affordable housing units that meet minimum quality expectations. Importantly, these programs can help food-insecure families achieve higher levels of housing security and alleviate some of the financial pressures created by housing costs.<sup>36</sup> This disrupts the cycle of trade-offs they face between paying for housing and other basic needs—including food, utilities, transportation, health care, and clothing—and improves their overall well-being.<sup>37</sup>

## Evaluating the Evidence

Next, we discuss some of the most recognized programs, policies, and interventions in the area of housing. We distinguish between practices that are proven, promising, emerging, and not yet evaluated. Depending on the context and the question being posed, methodological tools include randomized control trials (RCTs), quasi-experimental designs, instrumental variable analyses, economic structural models, among others.

- **Proven practices** are those supported by strong evidence from high-quality studies that investigate causality between an intervention and outcomes of interest and where evidence of causality has been replicated multiple times across populations and/or geographies to indicate generalizability.
- **Promising practices** are those supported by moderate evidence from high-quality studies that investigate causality between an intervention and outcomes of interest. Unlike with proven practices, causality is not considered generalizable because it has not been replicated multiple times across populations and/or geographies or has been replicated significantly fewer times.
- **Emerging practices** are based on studies that have preliminary or exploratory findings regarding their effectiveness.

- **Not yet evaluated practices** have little or no research that investigates impact on outcomes of interest.

We also include some studies whose impacts are negative, mixed, or not detectable, as they may have been programs previously considered effective or are relevant to understanding the range of impacts among interventions. Additional details on the level-of-evidence criteria applied in this literature review, along with detailed descriptions of the methods used, can be found in the appendix.

The tables below use the level-of-evidence framework to highlight some consensus findings and cite studies that reflect a body of representative literature for each finding. This means that all literature supporting the finding is not cited and that the level of evidence is reflective of the body of literature, rather than each individual study. These findings examine employment, housing stability, financial security, earnings, and other outcomes relevant to financial security, housing, and workforce development interventions. For each finding, we also list the methods used and explain the main outcomes.

## Which Programs, Policies, and Interventions Have the Most Impact?

### Homelessness

Various national, state, and local programs, policies, and interventions address homelessness. These interventions focus on providing permanent housing, or housing that does not have a set length of stay, unlike emergency shelters and other temporary housing arrangements. Interventions include permanent supportive housing—programs that pair permanent housing and case management—and provide supportive services to those experiencing homelessness.

Among interventions that serve homeless populations, Housing First, which provides permanent housing based on the belief that people experiencing homelessness need to address their basic housing needs before job and mental health challenges, has been shown to have a large positive impact on homelessness and family food insecurity.

## Homelessness Programs, Policies, and Interventions

Evidence level	Findings	Methods	Outcomes
<p><b>Housing First</b> provides permanent housing to people experiencing homelessness. It is guided by the belief that people need basic necessities such as food and housing before they can think about finding a job or getting help for substance abuse or mental health issues. There are two program models. The first is rapid rehousing, which provides short-term rental assistance and supportive services. Rapid rehousing, with all its local variations, is more of an approach than a specific model, which makes replication and scaling difficult. Further, it is not clear which components of rapid rehousing are critical to achieving success. The second is permanent supportive housing, which provides long-term rental assistance and is targeted to people with chronic illnesses, disabilities, or substance abuse and mental health issues.</p>			
Emerging <sup>a</sup>	<ul style="list-style-type: none"> <li>Most evidence suggests that rapid rehousing helps families leave homeless shelters. The intervention has low barriers to entry, high placement rates, and low rates of return to shelter.</li> <li>However, it does not solve long-term housing affordability problems. After families exit rapid rehousing, they often experience residential instability.</li> </ul>	Other	<ul style="list-style-type: none"> <li>High placement rates; low rates of return to homeless shelter</li> <li>Instances of housing instability</li> </ul>
Proven <sup>b</sup>	<ul style="list-style-type: none"> <li>Permanent housing subsidies reduced homelessness and instability for families with children more effectively than transitional housing or short-term rapid rehousing assistance.</li> <li>Providing permanent housing subsidies reduced the rate of food insecurity among participants by 10 percentage points. This intervention was unique among housing intervention evaluations, as it measured food insecurity as an outcome directly.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Reduced homelessness; reduced housing instability</li> <li>Reduced food insecurity</li> </ul>
<p><b>Collaborative Initiative to Help End Chronic Homelessness</b> is a pilot program coordinated by the United States Interagency Council on Homelessness (USICH)<sup>c</sup> to provide people experiencing chronic homelessness with permanent supported housing and related primary health care, mental health services, and social services.</p>			
Emerging <sup>d</sup>	<ul style="list-style-type: none"> <li>When provided with a mix of permanent housing, intensive case management, and access to primary physical health services, mental health services, and substance abuse treatment, a diverse population of chronically homeless adults can successfully be housed and maintain their housing (i.e., not face housing instability).</li> </ul>	Association only	<ul style="list-style-type: none"> <li>Reduced housing instability</li> </ul>
<p><b>HUD-VA Supportive Housing (HUD-VASH)</b> serves hard-to-house, homeless veterans and their families with significant housing subsidies and intensive supportive services. HUD-VASH, a collaboration between the US Department of Housing and Urban Development (HUD) and the Department of Veterans Affairs (VA), has grown from a small program serving fewer than 2,000 veterans in 2008 to a major program serving 87,864 veterans in 2017.</p>			
Emerging <sup>e</sup>	<ul style="list-style-type: none"> <li>Nearly 45 percent of veterans who exited the program during the observation period reported that they no longer needed its intensive support services.</li> <li>At least 90 percent of exiters did not return to the VA homeless programs during the observation period.</li> </ul>	Mixed methods	<ul style="list-style-type: none"> <li>Eliminated need for program services</li> <li>Reduced homelessness</li> </ul>

Evidence level	Findings	Methods	Outcomes
Emerging <sup>f</sup>	<ul style="list-style-type: none"> <li>For each additional voucher, permanent supportive housing units increased by 0.9 and the number of homeless veterans decreased by 1.</li> </ul>	Association only	<ul style="list-style-type: none"> <li>Reduced homelessness</li> </ul>
<p><b>HUD-DOJ Pay-for-Success Permanent Supportive Housing Demonstration</b> is a five-year grant, starting in 2016, for permanent supportive housing for people who cycle through homeless services and the criminal justice system. The program model combines a housing subsidy with intensive supportive services to help a portion of the reentry population who experience long-term homelessness and use crisis services including jails, homeless shelters, emergency care, and detoxification centers. In the pay for success financing model, philanthropic and private dollars are leveraged upfront to pay for the program, with the government paying after the program generates results.</p>			
Emerging <sup>g</sup>	<ul style="list-style-type: none"> <li>Process and implementation findings indicate that implementing the program model is feasible across the selected sites.</li> </ul>	Mixed methods	<ul style="list-style-type: none"> <li>Implementing the program model is feasible</li> </ul>

<sup>a</sup> Mary Cunningham, Sarah Gillespie, and Jacqueline Anderson, “Rapid Re-housing: What the Research Says” (Washington, DC: Urban Institute, 2015).

<sup>b</sup> Daniel Gubits, Marybeth Shinn, Michelle Wood, Stephen Bell, Samuel Dastrup, Claudia D. Solari, Debi McInnis, Tom McCall, and Utsav Kattel, “Family Options Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families” (Washington, DC: HUD, 2016).

<sup>c</sup> USICH is jointly funded by the Department of Housing and Urban Development, Department of Health and Human Services, and Department of Veterans Affairs.

<sup>d</sup> Alvin S. Mares and Robert A. Rosenheck, “HUD/HHS/VA Collaborative Initiative to Help End Chronic Homelessness National Performance Outcomes Assessment Preliminary Client Outcomes Report” (West Haven, CT: VA Northeast Program Evaluation Center, 2007).

<sup>e</sup> Ann Elizabeth Montgomery and Meagan Cusack, “HUD-VASH Exit Study: Final Report” (Washington, DC: HUD, 2017).

<sup>f</sup> William N. Evans, Sarah Kroeger, Caroline Palmer, and Emily Pohl, “Housing and Urban Development–Veterans Affairs Supportive Housing Vouchers and Veterans’ Homelessness, 2007–2017,” *American Journal of Public Health* 109, no. 10 (2019): 1440–5.

<sup>g</sup> Akiva Liberman, Mary Cunningham, Sarah Gillespie, Samantha Batko, Brian Bieretz, Matt Eldridge, Evelyn McCoy, Nicole DuBois, and Alexandra Ricks, *Evaluation of the HUD-DOJ Pay for Success Permanent Supportive Housing Demonstration Baseline Report* (Washington, DC: HUD, 2019).

## Renters

HUD and the US Department of Agriculture administer rental assistance programs through which families with low incomes are able to access affordable housing. Although eligibility may include families with incomes up to 80 percent of area median income, these programs tend to prioritize families with the lowest incomes.

Among interventions that serve renters, housing vouchers, like those offered in the Housing Choice Voucher Program, have been shown to have a large positive impact on reducing homelessness, housing instability, overcrowding, and improving neighborhood quality.

## Renters Programs, Policies, and Interventions

Evidence level	Findings	Methods	Outcomes
<b>Public housing:</b> approximately 1.1 million subsidized units house families with low incomes across the US. This program subsidizes the housing unit. Recipients must earn less than 80 percent of the local area median income to qualify, although preference is given to those making less than 30 percent, as well as to those who are homeless or over age 55. <sup>a</sup>			
Promising <sup>b</sup>	<ul style="list-style-type: none"> <li>Public housing improved children's long-term outcomes (employment, earnings, and reduced welfare receipt) compared with similar children who were eligible for but did not receive public housing.</li> </ul>	Non-experimental	<ul style="list-style-type: none"> <li>Increased employment and earnings</li> <li>Reduced welfare receipt</li> </ul>
Promising <sup>c</sup>	<ul style="list-style-type: none"> <li>Moving into public housing is not associated with sustained reductions in women's employment, work hours, or earnings relative to similar women who never moved into public housing.</li> </ul>	Non-experimental	<ul style="list-style-type: none"> <li>No long-term negative effects on employment and earnings</li> </ul>
<b>Housing vouchers:</b> at the federal level, approximately 2.2 million vouchers subsidize a portion of rents for families with low incomes through the Housing Choice Voucher Program. These vouchers are portable, meaning recipients take their vouchers and identify housing units that meet program guidelines across neighborhoods, instead of being constrained to a specific housing development. Beyond the Housing Choice Voucher program, localities have developed similar voucher programs.			
Proven <sup>d</sup>	<ul style="list-style-type: none"> <li>Vouchers reduced the share of families who lived in shelters, on the street, or with friends and family.</li> <li>Vouchers reduced the share of families who lived in crowded conditions from 46 percent to 22 percent.</li> <li>Black families who used vouchers lived in neighborhoods with slightly lower poverty rates than similar black families who did not receive vouchers. Vouchers had no significant effect on neighborhood poverty rates for whites and Hispanics.</li> <li>Although vouchers had an initial negative effect on earnings, this effect disappeared over time, and vouchers had no significant effect on work over a 3.5-year follow-up period among families with children.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Reduced homelessness</li> <li>Reduced instances of overcrowding</li> <li>Slightly improved neighborhood quality</li> <li>No effect on earnings</li> </ul>
Proven <sup>e</sup>	<ul style="list-style-type: none"> <li>Vouchers reduced homelessness and housing instability for families with children more effectively than transitional housing or short-term rapid rehousing assistance.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Reduced homelessness; reduced housing instability</li> </ul>

<sup>a</sup> Martha Galvez, Maya Brennan, Brady Meixell, and Rolf Pendall, *Housing as a Safety Net: Ensuring Housing Security for the Most Vulnerable* (Washington DC: Urban Institute, 2017).

<sup>b</sup> Sandra J. Newman and Joseph M. Harkness, "The Long-Term Effects of Public Housing on Self-Sufficiency," *Journal of Policy Analysis and Management* 21, no. 1 (2002): 21–43.

<sup>c</sup> Sandra J. Newman, C. Scott Holupka, and Joseph M. Harkness, "The Long-Term Effects of Housing Assistance on Work and Welfare," *Journal of Policy Analysis and Management* 28, no. 1 (2009): 81–101.

<sup>d</sup> Michelle Wood, Jennifer Turnham, and Gregory Mills, "Housing Affordability and Family Well-Being: Results from the Housing Voucher Evaluation," *Housing Policy Debate* 19, no. 2 (2008): 367–412.

<sup>e</sup> Daniel Gubits, Marybeth Shinn, Michelle Wood, Stephen Bell, Samuel Dastrup, Claudia D. Solari, Debi McInnis, Tom McCall, and Utsav Kattel, "Family Options Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families" (Washington, DC: US Department of Housing and Urban Development, 2016).



## Housing and Supportive Services

Many families with low incomes live in low-quality neighborhoods where affordable housing means being disconnected from employment opportunities, child care, education, recreation, health care, and grocery stores. This disconnect can have adverse effects on families' well-being, life chances, and life expectancy.<sup>38</sup> Recent efforts have focused on connecting affordable housing with other supportive services to improve outcomes for families with low incomes.

### Housing and Supportive Services Programs, Policies, and Interventions

Evidence level	Findings	Methods	Outcomes
<b>Rental assistance and supportive services</b> programs combine rental assistance (public housing, housing vouchers) with additional supportive services.			
Promising <sup>a</sup>	<ul style="list-style-type: none"> <li>Providing rental assistance and supportive services to families at risk of losing their children to the child welfare system produced savings in the emergency shelter and child welfare systems that offset the costs of providing rental assistance and supportive services.</li> </ul>	Association only; experimental RCT	<ul style="list-style-type: none"> <li>Systemwide cost savings</li> </ul>
Promising <sup>b</sup>	<ul style="list-style-type: none"> <li>Providing rental assistance and supportive services to homeless individuals with health challenges can produce savings in the health care, corrections, and emergency shelter systems that are close to or above the cost of providing rental assistance and supportive services.</li> </ul>	Other; quasi-experimental	<ul style="list-style-type: none"> <li>Systemwide cost savings</li> </ul>

<sup>a</sup> Corporation for Supportive Housing, "Is Supportive Housing a Cost-Effective Means of Preserving Families and Increasing Child Safety? Cost Analysis of CSH's Keeping Families Together Pilot" (New York: Corporation for Supportive Housing, 2011); and Josh Leopold and Amanda Gold, "The Costs and Potential Savings of Supportive Housing for Child Welfare–Involved Families Supportive Housing for Child Welfare Families Research Partnership," (Washington, DC: Urban Institute, 2019).

<sup>b</sup> Michael Nardone, Richard Cho, and Kathy Moses, "Medicaid-Financed Services in Supportive Housing for High-Need Homeless Beneficiaries: The Business Case" (Hamilton, NJ: Center for Health Care Strategies, Inc., 2012); Mary E. Larimer, Daniel K. Malone, Michelle D. Garner, David C. Atkins, Bonnie Burlingham, Heather S. Lonczak, Kenneth Tanzer, Joshua Ginzler, Seema L. Clifasefi, William G. Hobson, and G. Alan Marlatt, "Health Care and Public Service Use and Costs Before and After Provision of Housing for Chronically Homeless Persons with Severe Alcohol Problems," *Journal of the American Medical Association* 301, no. 13 (2009): 1349–57; Dennis P. Culhane, Stephen Mettraux, and Trevor Hadley, "Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing," *Housing Policy Debate* 13, no. 1 (2002): 107–63.

## Homeowners

For most American homeowners, a house is their most valuable **asset**, dwarfing financial assets and other nonfinancial assets.<sup>39</sup> Many homeowners have amassed equity in their homes and could tap into it to boost their incomes and maintain their economic well-being. Homeownership strategies may be more important in rural and suburban areas, as central cities historically have had lower homeownership

rates than suburban areas.<sup>40</sup> Although additional supports are available to homeowners (i.e., tax credits or deductions), the benefits are significantly larger for those with high incomes than for those with low incomes.<sup>41</sup>

Among interventions that serve homeowners, early findings from interventions focused on boosting affordable housing efforts through down-payment assistance or interest-rate buy-downs through HOME Investment Partnerships and Community Development Block Grants, although not yet rigorously tested, suggest that they may increase homeownership among families with low incomes. Housing counseling, an emerging intervention, has shown early evidence of moderately increasing homeownership and reducing mortgage defaults.

### Homeowners Programs, Policies, and Interventions

Evidence level	Findings	Methods	Outcomes
<b>Home equity line of credit (HELOC):</b> homeowners can convert a portion of their home equity into a line of credit, similar to a credit card, with limits based on the amount of equity in the home. They can withdraw money from the HELOC whenever they need to over a specified period and only pay interest on the amount borrowed.			
Not yet evaluated	<ul style="list-style-type: none"> <li>HELOC interest rates are typically lower than those of credit cards, since the debt is secured. HELOCs usually have adjustable interest rates, while home equity loans may have fixed rates.</li> </ul>	Other	<ul style="list-style-type: none"> <li>Lower interest rates than credit cards</li> </ul>
Not yet evaluated <sup>a</sup>	<ul style="list-style-type: none"> <li>Common concerns for consumers opening a HELOC are variable interest rates, overextending their debt, and higher payments after the draw period closes.</li> </ul>	Other	<ul style="list-style-type: none"> <li>Consumer concerns</li> </ul>
Not yet evaluated	<ul style="list-style-type: none"> <li>For homeowners with few liquid assets, a HELOC can provide options for funding emergency repairs, system replacements, and other needs.</li> </ul>	Other	<ul style="list-style-type: none"> <li>Provides access to emergency resources</li> </ul>
<b>Home equity loans:</b> homeowners can take out a home equity loan to pay for a large expense, with the loan limit based on the amount of equity in the home. They receive loan proceeds in one lump sum and then immediately begin repaying the loan plus interest through monthly payments.			
Not yet evaluated	<ul style="list-style-type: none"> <li>Home equity loan rates are more likely to have fixed rates than HELOCs. As a secured debt, the interest rates are typically lower than those of credit cards.</li> </ul>	Other	<ul style="list-style-type: none"> <li>Lower interest rates than credit cards</li> </ul>
Emerging <sup>b</sup>	<ul style="list-style-type: none"> <li>Home equity loans provide an alternative to a cash-out refinance, a method of accessing home equity that has a high default risk compared with other mortgages.</li> </ul>	Association only	<ul style="list-style-type: none"> <li>Provides access to emergency resources; has higher default risk than other mortgages</li> </ul>
<b>Reverse mortgages</b> are available to homeowners ages 62 and older who have amassed considerable equity in their homes. Homeowners can borrow against their equity and do not have to repay the loan until they die, move away permanently, or sell the home. Recently added protections ensure that repayment is not due after death as long as a surviving spouse remains in the home. At that time, the entire loan balance is due and is typically paid through home sale proceeds.			

Evidence level	Findings	Methods	Outcomes
	Most reverse mortgages are issued as home equity conversion mortgages, or HECMs, which are insured by the Federal Housing Administration (FHA), part of the Department of Housing and Urban Development (HUD). To qualify, one must attend a mandatory counseling session with a HUD-certified counselor to better understand the pros and cons of a reverse mortgage. Non-HECM reverse mortgage lenders offer their own products, but they do not have the same consumer protections as HECMs.		
Not yet evaluated <sup>c</sup>	<ul style="list-style-type: none"> <li>Strategically combining reverse mortgages with other financial investments can increase sustainable retirement income.</li> </ul>	Other	<ul style="list-style-type: none"> <li>Increased retirement income</li> </ul>
<b>HOME Investment Partnerships and Community Development Block Grant programs</b> provide block grants to cities and states to enhance affordable housing efforts that increase homeownership opportunities for families with low incomes. This can include paying a portion of down payment and closing costs, loan guarantees, write-downs of the sales price, and interest-rate buy-downs.			
Promising <sup>d</sup>	<ul style="list-style-type: none"> <li>No difference in mortgage performance (i.e., repayment) between those using down-payment assistance and those who did not.</li> </ul>	Non-experimental	<ul style="list-style-type: none"> <li>No difference in payment defaults</li> </ul>
Emerging <sup>e</sup>	<ul style="list-style-type: none"> <li>Simulations showed that small amounts of down-payment assistance (\$1,000 or more) led to a 19 percent increase in the number of families with low incomes buying a home. Larger amounts (up to \$10,000) led to a 34 percent increase in overall homeownership but had a stronger effect for households with low incomes.</li> </ul>	Association only	<ul style="list-style-type: none"> <li>Increased homeownership rates</li> </ul>
<b>Community Advantage Program (CAP)</b> is an affordable underwriting program for mortgages emerging from a partnership between the Center for Community Self-Help, the Ford Foundation, and Fannie Mae to make capital available for borrowers who are people of color or have low incomes. CAP provides 30-year, fixed-rate mortgages underwritten based on the household's ability to sustain homeownership and the household income, with the goal of increasing homeownership for people of color and people with low incomes, who face significant barriers to homeownership.			
Promising <sup>f</sup>	<ul style="list-style-type: none"> <li>Low- and moderate-income homeowners experience greater short-run increases in net worth, assets, and nonhousing net worth than renters do.</li> </ul>	Non-experimental	<ul style="list-style-type: none"> <li>Increased net worth</li> </ul>
Emerging <sup>g</sup>	<ul style="list-style-type: none"> <li>CAP homeowners were more likely than other renters with low incomes to carry credit card debt, owe money for an unexpected emergency, and borrow against their life insurance policy.</li> <li>One in three CAP homeowners borrowed against their home equity, with one-third putting themselves into negative equity. Sixty-four percent of those who borrowed against their home equity used cash-out refinancing, a second mortgage, or a home equity line of credit to pay down other debt.</li> </ul>	Association only	<ul style="list-style-type: none"> <li>Increased credit card debt, increased borrowing</li> <li>Increased refinancing, negative home equity</li> </ul>
<b>Housing counseling</b> interventions connect consumers with experienced and trained professionals who can provide guidance on preventing foreclosure (or when the bank takes possession of a mortgaged property when the mortgagor falls behind on payments), protecting your credit, and evaluating housing affordability. They are focused on addressing the consumer's housing barriers and can help them assemble an action plan.			

Evidence level	Findings	Methods	Outcomes
Emerging <sup>h</sup>	<ul style="list-style-type: none"> <li>An evaluation of the National Foreclosure Mitigation Counseling program found that housing counseling helped homeowners facing foreclosure by reducing their monthly mortgage payments and their likelihood of defaulting again.</li> </ul>	Mixed methods	<ul style="list-style-type: none"> <li>Reduced risk of mortgage default</li> </ul>
Emerging <sup>i</sup>	<ul style="list-style-type: none"> <li>An evaluation of HUD's prepurchase counseling (sessions on help with down-payment or closing costs; eligibility for loans) found that 18 months after seeking homebuyer assistance, 35 percent of study participants became homeowners.</li> </ul>	Case studies	<ul style="list-style-type: none"> <li>Increased homeownership</li> </ul>
Emerging <sup>j</sup>	<ul style="list-style-type: none"> <li>With foreclosure mitigation counseling, 56 percent of participants were able to become current on their mortgages and 69 percent obtained a mortgage remedy.</li> </ul>	Association only	<ul style="list-style-type: none"> <li>Increased on-time mortgage repayment</li> </ul>
Promising <sup>k</sup>	<ul style="list-style-type: none"> <li>Prepurchase counseling and education produced a one-third reduction in serious delinquency on mortgage payments two years following origination.</li> </ul>	Quasi-experimental	<ul style="list-style-type: none"> <li>Reduced mortgage payments past due</li> </ul>

<sup>a</sup> J.D. Power, "2019 US Home Equity Line of Credit Satisfaction Study," 2019.

<sup>b</sup> Laurie S. Goodman and Jun Zhu, "What Fueled the Financial Crisis? An Analysis of the Performance of Purchase and Refinance Loans," *Journal of Fixed Income* 28, no. 1 (2018): 27–37.

<sup>c</sup> Tom Davison and Keith Turner, "The Reverse Mortgage: A Strategic Lifetime Income Planning Resource," *Journal of Retirement* 3, no. 2 (2015): 61–79.

<sup>d</sup> Allison Freeman and Jeffrey J. Harden, "Affordable Homeownership: The Incidence and Effect of Down Payment Assistance," *Housing Policy Debate* 25, no. 2 (2015): 308–19.

<sup>e</sup> Christopher E. Herbert and Winnie Tsen, "The Potential of Downpayment Assistance for Increasing Homeownership among Minority and Low-Income Households," *Cityscape* 9, no. 2 (2007): 153–83.

<sup>f</sup> Michal Grinstein-Weiss, Clinton Key, Shenyang Guo, Yeong Hun Yeo, and Krista Holub, "Homeownership and Wealth Among Low-and Moderate-Income Households," *Housing Policy Debate* 23, no. 2 (2013): 259–79.

<sup>g</sup> Michael Stegman, Allison Freeman, and Jong-Gyu Paik, "The Portfolios and Wealth of Low-Income Homeowners and Renters: Findings from an Evaluation of Self-Help Ventures Fund's Community Advantage Program" (San Francisco: Federal Reserve Bank of San Francisco, 2007).

<sup>h</sup> Corianne Payton Scally, Camille H. Anoll, Jung Choi, Patrick Spauster, Leah Hendey, Diane K. Ley, and Bing Bai, "Responding to a Crisis: The National Foreclosure Mitigation Counseling Program, 2008–2018" (Washington DC: Urban Institute, 2018).

<sup>i</sup> Jennifer Turnham and Anna Jefferson, "Pre-Purchase Counseling Outcome Study: Research Brief; Housing Counseling Outcome Evaluation" (Washington, DC: HUD, 2012).

<sup>j</sup> Anna Jefferson, Jonathan Spader, Jennifer Turnham, and Shawn Moulton, "Foreclosure Counseling Outcome Study: Final Report; Housing Counseling Outcome Evaluation" (Washington, DC: HUD, 2012).

<sup>k</sup> Neil S. Mayer and Kenneth Temkin, "Pre-Purchase Counseling Impacts on Mortgage Performance: Empirical Analysis of NeighborWorks® America's Experience" (Albany, CA: Neil Mayer & Associates, 2013).

# What Are the Conditions and Benchmarks of Success?

Housing insecurity encompasses numerous challenges, including trouble paying rent, overcrowded housing conditions, frequent moves, staying with friends and family, or being overburdened by housing costs. To measure whether program interventions affect housing security, the following outcomes are typically used: access to housing loans, neighborhood quality, and housing affordability, stability, and quality. For rehousing programs in particular, lengths of stay, exits, turnovers, and permanent housing placements after program exit are also performance indicators. Finally, the general consensus is that secondary performance measures should include family stability, physical and mental health, and self-sufficiency. However, these are not the only measures of success for housing security interventions' efficacy.

Below, we highlight evidence-based conditions for success across housing security interventions. Not all apply to all interventions, and the list is not exhaustive. However, these features may be important to consider when designing, evaluating, and implementing such programs.

## Local Public Housing Authorities' Implementation of the Voucher Program

How local housing authorities implement the housing voucher programs, including the Housing Choice Voucher (or "Section 8") program, matters. In places where the local housing authority is known for delays in inspecting units or approving leases, responding to landlord concerns and inquiries, or for delayed rent payments, it may be less likely that local landlords participate in the program.<sup>42</sup> Or housing authorities may not provide adequate time for voucher holders to search for housing. These are important concerns given that households with low incomes depend on coordination between households, local housing authorities, and potential landlords. Or landlords may discriminate against voucher holders based on assumptions about tenants with low incomes. High-quality program administration and local antidiscrimination protections for voucher holders can help level the playing field for families using vouchers.

## Housing First Program Best Practices

The National Alliance to End Homelessness, in collaboration with the United States Interagency Council on Homelessness (USICH), the Department of Housing and Urban Development (HUD), and the Department of Veterans Affairs (VA), has identified three core components of rapid rehousing or Housing First programs: (1) identifying housing; (2) providing rent and move-in assistance; and (3)

providing case management services and connecting participants to community and mainstream services. As research indicates that the implementation of rapid rehousing programs matters for the outcomes that they achieve, attention to these core components may lead to more successful programs.

## High-Quality Financial Products

One way that homeowners can access some of the wealth tied up in their home is through home equity lines of credit (HELOCs), home equity loans, and reverse mortgages. Although these financial products can serve important purposes, it is critical to consider their terms and potential effects on the financial security of families with low incomes. For example, HELOCs with a balloon feature (or that do not fully amortize over the term of the loan, resulting in a lump-sum repayment at the close) are more likely to result in defaults, and the risk is even greater for borrowers with lower credit scores who may have more difficulty refinancing into a new HELOC than borrowers with good credit scores.<sup>43</sup> Given this evidence, it is clear that a debt product's features can influence financial outcomes for families with low incomes, including their risk of default, credit score, and ability to repay.

## Which Organizations Are Working Within This Space?

### Enterprise Community Partners, Inc.

[Enterprise Community Partners](#) is a social enterprise whose mission is to provide people with low and moderate incomes with affordable housing in diverse, thriving communities by providing capital, developing innovative programs, and supporting transformative policies.

### GreenPath

[GreenPath](#) is a national nonprofit that guides people through financial decisions and financial crises, including debt, foreclosure, bankruptcy, or credit challenges, to empower them to lead financially healthy lives.

## Joint Center for Housing Studies at Harvard University

The [Joint Center for Housing Studies](#) conducts research, provides education, and engages in public outreach programs to advance an understanding of housing issues across the nation. They also provide courses and internship opportunities as trainings.

## Local Public Housing Agencies (PHAs)

PHAs are local agencies that oversee and implement the public housing and federal Housing Choice Voucher programs across the United States. They provide decent and safe rental housing for eligible families with low incomes, the elderly, and persons with disabilities. In addition to approximately 2.2 million voucher-assisted households, approximately 1.2 million households live in public housing units managed by 3,300 PHAs that can include scattered single-family houses and high-rise apartments.

## National Alliance to End Homelessness

The [National Alliance to End Homelessness](#) is a nonpartisan organization committed to preventing and ending homelessness in the United States. They use research and data, through their Homelessness Research Institute, to find solutions to homelessness; work with federal and local partners to create a solid base of policies and resources that support those solutions; and help communities implement them through their Center for Capacity Building.

## National Center on Family Homelessness

The [National Center on Family Homelessness](#) is a nonprofit organization working toward long-term solutions that help homeless families become self-supporting and active participants in community life. Its mission is to translate research findings and field experience into innovative programs benefiting homeless families across the country. In 2013, the National Center merged with American Institutes for Research (AIR) and continues to inform policymakers and practitioners about the conditions of homeless families. As part of AIR's Health and Social Development Program, NCFH develops and conducts evidence-based strategies and resources to prevent and address homelessness and trauma; assesses and trains social service systems on trauma-informed care; identifies and develops best practices that are culturally competent, consumer informed, and based on research, evaluation, and clinical expertise; and develops and disseminates products and findings.

## National Community Reinvestment Coalition

The [National Community Reinvestment Coalition](#) and its more than 600 community-based member organizations create opportunities for people to build wealth. They work with community leaders, policymakers, and financial institutions to promote access to basic banking services, affordable housing, entrepreneurship, job creation, and vibrant communities for America's working families.

## National Health Care for the Homeless Council

The [National Health Care for the Homeless Council](#) is a network of more than 10,000 doctors, nurses, social workers, patients, and advocates who share the mission to eliminate homelessness. They collaborate with government agencies and private institutions to solve complex problems associated with homelessness. Additionally, they provide support to more than 200 public health centers and Health Care for the Homeless programs in all 50 states.

## National Housing Law Project

The [National Housing Law Project](#) is a nonprofit whose mission is to advance housing justice for poor people and communities by strengthening and enforcing tenants' rights, increasing housing opportunities for underserved communities, and preserving and expanding the nation's supply of safe and affordable homes.

## National Low Income Housing Coalition

The [National Low Income Housing Coalition](#) educates, organizes, and advocates to ensure decent, affordable housing for everyone. Their goals are to preserve existing federally assisted homes and housing resources, expand the supply of housing for people with low incomes, and establish housing stability as the primary purpose of federal low-income housing policy.

## NeighborWorks America

[NeighborWorks America](#) is a congressionally chartered nonpartisan nonprofit with a network of nearly 250 community development organizations that help individuals, families, and communities thrive through comprehensive approaches to affordable housing and community development. NeighborWorks builds the skills, supplements the funding, and amplifies the reach of these



organizations so they can build more houses, empower more individuals, and transform more communities than they would be able to do on their own.

## **Stewards of Affordable Housing for the Future (SAHF)**

[SAHF](#) is a consortium of national affordable housing nonprofit organizations that has been working to develop a data-collection strategy, known as the Outcomes Initiative, for housing and coordinated service efforts across its member housing providers. It has worked to develop 30 outcome measures for health and wellness; work, income, and assets; housing stability; children, youth, and education; and community engagement that it can collect in a standardized way. Their goal is to improve the evidence that integrating housing and supportive services improves outcomes for vulnerable populations. They also seek to partner with external organizations to share data to serve the “whole” person who lives in their housing communities.

## **Substance Abuse and Mental Health Services Agency (SAMHSA)**

[SAMHSA](#) is an agency within the Department of Health and Human Services that provides programs and resources to help prevent and end homelessness among people with mental or substance use disorders. Men, women, youth, and families living with mental or substance use issues may need treatment, case management, and discharge planning in addition to financial support (e.g., employment assistance, Housing First programs, targeted rental/housing subsidies) to avoid or escape homelessness. Being homeless, no matter how long it lasts, is a life-altering and traumatic event that creates major stress in any person’s life, regardless of age.

## **US Department of Housing and Urban Development (HUD)**

[HUD](#) is the federal agency responsible for administering and overseeing public housing and housing assistance programs at the national level. They can provide guidance, oversight, and research support to understand how housing functions as a support for families with low incomes in the US.

## **US Interagency Council on Homelessness**

The [US Interagency Council on Homelessness](#) leads the national effort to prevent and end homelessness in America. It includes 19 federal member agencies and fosters partnerships at every level of government and within the private sector.

# What Is the Best Role in This Space for Organizations Serving Families with Low Incomes?

## **Become an Access Point for Coordinated Assessment for Individuals Facing Homelessness**

As HUD moves toward routing all requests for homeless assistance through a coordinated assessment process, it becomes important for organizations who serve people and families who may be vulnerable to homelessness to (1) be aware of these assessment processes and (2) consider how intake processes can work synergistically alongside them. Combining these two systems will enable organizations to connect households with low incomes experiencing housing instability to housing providers and the support and prevention services they need.

## **Provide Application Assistance for Public Housing Programs**

As accessing voucher and public housing programs can be difficult for clients, organizations who serve families with low incomes can serve as a liaison and guide people through this process. They can build on existing case management and application services that they provide and partner with local PHAs to provide timely, valuable, and easy-to-process information to clients as they navigate the public housing system.

## **Partner with Affordable Housing Communities to Provide Site-Based Services**

Site-based services can be an important component that pairs housing assistance with supportive services. As many families with low incomes living in affordable housing communities live in low-quality neighborhoods, site-based services could address a meaningful need. Organizations can partner with local PHAs and other low-income housing providers to deliver on-site supportive services, including, for example, food services and nutrition education. Organizations can explore partnerships with affordable housing providers who are expanding supportive services to residents.

## **Collaborate with Community Partners on Data Sharing to Move Toward Coordinated Services**

As more affordable housing providers bring together housing assistance and supportive services, centralized data on the health, well-being, and financial situations of residents become more valuable.

This information can be used to track outcomes and processes, better target interventions, and iterate program development. Organizations who serve families with low incomes can consider ways to partner with local health organizations, housing providers, education providers, local food banks, and government entities to provide better data sharing that protects clients and allows approved organizations to track a robust set of outcomes.

## Support Additional Housing Assistance Resources for Families with Low Incomes

Given that the housing market does not provide units affordable to families with low incomes without investment from the public sector, organizations in this space can play a role in ensuring that levels of public investment are adequate to meet these families' needs.

## Recommended Reading

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## Notes

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- <sup>3</sup> Margot B. Kushel, Reena Gupta, Lauren Gee, and Jennifer S. Haas, "Housing Instability and Food Insecurity as Barriers to Health Care Among Low-Income Americans," *Journal of General Internal Medicine* 21, no. 1 (2006): 71–77.
- <sup>4</sup> Mary K. Cunningham, and Graham MacDonald, "Housing as a Platform for Improving Education Outcomes among Low-Income Children" (Washington, DC: Urban Institute, 2012).

- <sup>5</sup> See Martha Galvez, Maya Brennan, Brady Meixell, and Rolf Pendall, *Housing as a Safety Net: Ensuring Housing Security for the Most Vulnerable* (Washington, DC: Urban Institute, 2017).
- <sup>6</sup> Galvez et al., *Housing as a Safety Net*.
- <sup>7</sup> Galvez et al., *Housing as a Safety Net*.
- <sup>8</sup> Waxman, “US Commentary: The Family Options Study and Food Insecurity.”
- <sup>9</sup> JCHS (Joint Center for Housing Studies), “New Harvard Report Shows US Housing Supply Falls Far Short of What Is Needed” (Cambridge, MA: Joint Center for Housing Studies of Harvard University, 2019).
- <sup>10</sup> Here low income is defined as household incomes below \$30,000. JCHS, *The State of the Nation’s Housing 2019* (Cambridge, MA: Joint Center for Housing Studies of Harvard University, 2019).
- <sup>11</sup> Nicole Elsasser Watson, Barry L. Steffen, Marge Martin, and David A. Vandenbroucke, “Worst Case Housing Needs: 2017,” Report to Congress (Washington, DC: US Department of Housing and Urban Development, Office of Policy Development and Research, 2017).
- <sup>12</sup> Rebecca Cohen, Keith Wardrip, and Laura Williams, “*Rental Housing Affordability: A Review of Current Research*” (Washington, DC: Center for Housing Policy, 2010).
- <sup>13</sup> Joint Center for Housing Studies of Harvard University, “America’s Rental Housing: Expanding Options for Diverse and Growing Demand” (Cambridge, MA: Joint Center for Housing Studies of Harvard University, 2015).
- <sup>14</sup> Galvez et al., *Housing as a Safety Net*.
- <sup>15</sup> The housing wage is the hourly wage a full-time worker must earn to afford a modest rental home while spending no more than 30 percent of his or her income on housing costs. See National Low Income Housing Coalition, “Out of Reach 2019” (Washington, DC: National Low Income Housing Coalition, 2019).
- <sup>16</sup> National Low Income Housing Coalition, “Out of Reach 2019.”
- <sup>17</sup> Federal Reserve Bank of St. Louis, “Rental Vacancy Rate for the United States,” accessed September 20, 2019, <https://fred.stlouisfed.org/series/RRVRUSQ156N#0>.
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- <sup>26</sup> HUD, “Housing Choice Vouchers Fact Sheet,” accessed September 20, 2019, [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/about/fact\\_sheet](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/about/fact_sheet).
- <sup>27</sup> JCHS, “America’s Rental Housing- Evolving Markets and Needs” (Cambridge, MA: Joint Center for Housing Studies of Harvard University, 2013).

- <sup>28</sup> Nearly 64 percent of homeowners with incomes below \$30,000 were cost-burdened in 2017 (authors' calculations from table A-2 in JCHS, *The State of the Nation's Housing* 2019). Among homeowners ages 65 and older, 26 percent were cost-burdened in 2017—43 percent of those with mortgages and 16 percent of those without mortgages (JCHS, *Housing America's Older Adults* 2019, and authors' calculations from table W-7 of the accompanying web tables).
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- <sup>31</sup> National Association of Realtors (NAR), "Student Loan Debt and Housing Report 2016: When Debt Holds You Back" (Washington, DC: National Association of Realtors, 2016).
- <sup>32</sup> Barbara A. Butrica and Nadia Karamcheva, "Is Rising Household Debt Affecting Retirement Decisions?" in Olivia S. Mitchell and Annamaria Lusardi (eds.), *Remaking Retirement: Debt in an Aging Economy* (Oxford, UK: Oxford University Press, 2019).
- <sup>33</sup> Thomas Becker and Reza Shabani, "Outstanding Debt and the Household Portfolio," *The Review of Financial Studies* 23, no. 7 (2010): 2900–34; Cassie Lau and Leigh Ann Leung, "Effect of Mortgage Debt on Health" (Unpublished manuscript, 2011).
- <sup>34</sup> Mary Cunningham, Sarah Gillespie, and Jacqueline Anderson, "Rapid Re-housing: What the Research Says" (Washington, DC: Urban Institute, 2015).
- <sup>35</sup> Meghan Henry, Anna Mahathey, Tyler Morrill, Anna Robinson, Azim Shivji, and Rian Watt, "The 2018 Annual Homeless Assessment Report (AHAR) to Congress. Part 1: Point-in-Time Estimates of Homelessness" (Washington, DC: HUD, 2018).
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- <sup>37</sup> Waxman, "US Commentary: The Family Options Study and Food Insecurity."
- <sup>38</sup> Bill Kelley and Fred Karnas, "Affordable Housing as a Platform for Resident Success: Building the Evidence Base" (Washington, DC: Stewards of Affordable Housing for the Future, n.d.).
- <sup>39</sup> Jesse Bricker, Lisa J. Dettling, Alice Henriques, Joanne W. Hsu, Lindsay Jacobs, Kevin B. Moore, Sarah Pack, John Sabelhaus, Jeffrey Thompson, and Richard A. Windle, "Changes in US Family Finances from 2013 to 2016 Evidence from the Survey of Consumer Finances," *Federal Reserve Bulletin* 103-3 (Washington, DC: Board of Governors of the Federal Reserve, 2017).
- <sup>40</sup> HUD, "Paths to Homeownership for Low-Income and Minority Households," updated fall 2012, <https://www.huduser.gov/portal/periodicals/em/fall12/highlight1.html>.
- <sup>41</sup> James Poterba and Todd Sinai, "Tax Expenditures for Owner-Occupied Housing: Deductions for Property Taxes and Mortgage Interest and the Exclusion of Imputed Rental Income," *American Economic Review* 98, no. 2 (2008): 84–9; Kamila Sommer and Paul Sullivan, "Implications of US Tax Policy for House Prices, Rents, and Homeownership," *American Economic Review* 108, no. 2 (2018): 241–74.
- <sup>42</sup> Margery Austin Turner, Susan J. Popkin, and Mary K. Cunningham. *Section 8 Mobility and Neighborhood Health* (Washington, DC: Urban Institute, 2000).
- <sup>43</sup> Kathleen Johnson and Robert Sarama, "End of the Line: Behavior of HELOC Borrowers Facing Payment Changes" (Washington, DC: Board of Governors of the Federal Reserve System, 2015).

# Workforce Development

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- Close to 2 million workers earn wages below the federal minimum wage, and nearly 7 million Americans are among the working poor. Interventions like employment services, education and training, and supportive services can help people secure high-quality jobs.
  - These interventions are typical in workforce development programs whose goals are to prepare people for employment, help workers advance in their careers, and build a skilled workforce to support employers and the local economy.
  - Sector-focused programs are training programs shown to have large, long-term positive impacts on earnings and employment.
  - The Registered Apprenticeship Program, a workforce program that combines paid work, work-based learning, mentorship, education and instruction, and industry-recognized credentials, is shown to have large, long-term positive impacts on earnings, productivity, and reduced use of government programs.
  - Other workforce development interventions include job search assistance, where certain models have been shown to have positive, mainly short-term impacts on employment and earnings.
  - Organizations can play a role in this space by leveraging existing resources to increase workforce development activities, increasing employer engagement, developing new and revitalizing existing partnerships with nonemployers, and promoting higher wages and higher-quality jobs.
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Jobs and job quality play an important role in household economic security. Households with low-wage, nontraditional, or underemployed workers, as well as those with unemployed family members, are more likely to experience economic hardship. For example, working-age poverty rates in 2017 were only 2.2 percent for people who worked full time and year-round but were 13.4 percent for those working less than that and 30.7 percent for those who worked less than a week during the calendar year.<sup>1</sup> However, economic outcomes are not as positive for workers in low-wage jobs. In 2017, 1.8 million workers earned wages at or below the federal minimum wage of \$7.25 per hour, but 6.9 million Americans were among the **working poor**.<sup>2</sup> Although nearly all workers in higher-wage jobs have paid leave benefits—including sick leave, vacation, and holidays—less than a third of workers in the lowest-wage jobs are employed in jobs offering these benefits.<sup>3</sup> Moreover, prolonged unemployment, underemployment, low-wages, and work in jobs without benefits can contribute to cumulative financial challenges, which often lead to housing loss, poor health, and/or food insecurity and create barriers to future employment.

Studies confirm that education can improve high-quality job prospects, which can be seen in the economic outcomes achieved at different education levels. In 2018, the **unemployment rate** among people without high school diplomas was 5.6 percent. In contrast, it was 2.8 percent for those with two-year college degrees. For full-time hourly and salary workers, median weekly earnings were around \$550 for those without high school diplomas and \$860 for those with two-year degrees. Unemployment rates were even lower and weekly earnings even higher among people with four-year college degrees and master's, professional, and doctoral degrees.<sup>4</sup>

Given this evidence, **workforce development** programs can help people secure good jobs that pay family-sustaining wages by facilitating their continued education, giving them marketable skills, and providing them with supports to facilitate success. Program activities typically include education and training, job search, and job placement but can also include supportive services such as dependent care, transportation, and income support.

## The Public Workforce System

The **public workforce system**,<sup>5</sup> as defined by the US Department of Labor, is a network of federal, state, and local government-funded agencies and programs that provide services to workers, job seekers, and employers “to support economic expansion and develop the talent of our nation’s workforce.”

Workforce development has a long history dating back to 1933 with President Roosevelt’s New Deal, a set of programs designed to help people get back to work after they lost their jobs during the Great Depression. Currently, the [Workforce Innovation and Opportunity Act \(WIOA\)](#), which took effect on July 1, 2015, establishes state and local structures for coordinating many public workforce system programs.<sup>6</sup> However, there are multiple federal programs funding and governing workforce development services. Further, the locus of workforce development activity is at the state and local levels, as described in further detail below.

A key feature of WIOA is the coordination of workforce activities among multiple stakeholders to ensure a skilled workforce exists to support local industries and economies. The law requires that states deliver core workforce services—including adult employment and training, dislocated workers’ employment and training, and youth activities—and it delegates most employment and training service decisions to state and local workforce boards. State governors establish state workforce development boards (WDBs) to set workforce systems policy across the state, often leveraging additional state resources to support these efforts.<sup>7</sup> Local WDBs oversee programs and services at the local level, which are accessed through American Job Centers (formerly One-Stop Career Centers) and delivered through

a range of service providers, including community colleges, faith-based organizations, community-based organizations, unions and trade associations, and other government agencies. WDBs include employers, local community college representatives, elected officials, workforce program leaders, and other training providers.

Within the local workforce system, WDBs coordinate workforce services and funding with other federal workforce programs and organizations, as well as numerous other programs and initiatives that receive state and local funds. Other federally funded workforce development programs include federal funds for employment programs through the Temporary Assistance to Needy Families (TANF) program, the Supplemental Nutrition Assistance Program (SNAP), and the SNAP Employment and Training (E&T) program, as well as federal funds for career and technical education through the Carl D. Perkins Career and Technical Education Improvement Act.<sup>8</sup> Publicly funded community colleges also play an important role in the workforce system and provide numerous credit and noncredit programs that improve workers' skills. Federal financial aid programs, such as the Pell grant program and federal loan programs, fund people's skill development. Coordination between public workforce system programs funded directly under WIOA and other publicly funded workforce development programs varies significantly by state and locality.

## Why Are Workforce Programs Important?

Workforce programs serve an important purpose. Through employment assistance, education and training, and other support services, they help unemployed people find jobs and help underemployed workers gain skills to advance in their jobs or change careers. These investments benefit workers, but they also benefit employers, especially given how the nature of work has changed dramatically over the past 25 to 30 years. According to a 2016 Pew Research Center survey,<sup>9</sup> the number of jobs requiring above-average skills increased from 49 million in 1980 to 83 million in 2015 (68 percent), while those requiring **high skills** increased from 22 to 39 million (80 percent). In contrast, the number of jobs requiring below-average skills increased from 50 to 65 million (31 percent) over the same period. It's not clear how much employers themselves are willing to invest in training employees, especially at the lower level, particularly given that today's workers change jobs frequently and are likely to quit before employers can recoup their training costs. Research presents a mixed picture on the extent to which employer investments in training have declined, but note that employers still likely spend more on training than the public workforce system does.<sup>10</sup>



Nearly all workers in a Pew Research Center survey said that training throughout their work life is essential or important to career success.<sup>11</sup> Among workers who participated in job training programs, those with low incomes were significantly more likely than those with higher incomes to say they were motivated by higher wages or a new job to participate.<sup>12</sup> However, adults with low incomes participate in job-related education and training programs at significantly lower rates than adults with high incomes.<sup>13</sup> Low literacy and lack of basic skills, particularly among those in **low-skill** or physically demanding jobs, may impede some workers' participation in education and training programs.<sup>14</sup> In the Pew survey, most workers said they did not take a class or get extra training because it was unnecessary to advance in their jobs. The majority who cited some other reason said that they could not take time off from work or could not afford it.<sup>15</sup>

These findings suggest that on-the-job training may be more appealing to workers with low incomes than other types of training because it is low cost or free for the worker and does not require extra unpaid time away from work. However, it is also important to consider that different kinds of training programs will appeal to different workers and have different effects on employment and earnings outcomes. Programs that are well aligned with the labor market, involve partnerships with employers, and are designed to meet the scheduling, skill, and supportive service needs of participants have generally been more effective.

## Evaluating the Evidence

Next, we discuss some of the most recognized programs, policies, and interventions in the area of workforce development. We distinguish between practices that are proven, promising, emerging, and not yet evaluated. Depending on the context and the question being posed, methodological tools include randomized control trials (RCTs), quasi-experimental designs, instrumental variable analyses, economic structural models, among others.

- **Proven practices** are those supported by strong evidence from high-quality studies that investigate causality between an intervention and outcomes of interest and where evidence of causality has been replicated multiple times across populations and/or geographies to indicate generalizability.
- **Promising practices** are those supported by moderate evidence from high-quality studies that investigate causality between an intervention and outcomes of interest. Unlike with proven practices, causality is not considered generalizable because it has not been replicated multiple times across populations and/or geographies or has been replicated significantly fewer times.

- **Emerging practices** are based on studies that have preliminary or exploratory findings regarding their effectiveness.
- **Not yet evaluated practices** have little or no research that investigates impact on outcomes of interest.

We also include some studies whose impacts are negative, mixed, or not detectable, as they may have been programs previously considered effective or are relevant to understanding the range of impacts among interventions. Additional details on the level-of-evidence criteria applied in this literature review, along with detailed descriptions of the methods used, can be found in the appendix.

The tables below use the level-of-evidence framework to highlight some consensus findings and cite studies that reflect a body of representative literature for each finding. This means that all literature supporting the finding is not cited and that the level of evidence is reflective of the body of literature, rather than each individual study. These findings examine employment, housing stability, financial security, earnings, and other outcomes relevant to financial security, housing, and workforce development interventions. For each finding, we also list the methods used and explain the main outcomes.

## Which Programs, Policies, and Interventions Have the Most Impact?

### Employment Services

Workforce programs provide employment services such as helping job seekers or workers find and retain good jobs or advance in their careers; navigate information about careers and the labor market; and learn soft skills such as teamwork, critical thinking, and communication. As discussed above, key organizations providing employment services include American Job Centers, community- and faith-based organizations, public libraries, and nonprofit workforce service providers.

Among these interventions, job search assistance has shown positive impacts on employment and earnings in the short term, but impacts often fade over time and earnings are not high enough to promote long-term self-sufficiency.

## Employment Services: Programs, Policies, and Interventions

Evidence level	Findings	Methods	Outcomes
<p><b>Job search assistance</b> aims to help people find jobs and provides basic workforce preparation. This can include providing job listings, résumé support, and interview training, as well as nontechnical skill development such as teamwork, conflict resolution, and communication needed for employment. Service providers include American Job Centers (formerly One-Stop Career Centers), as well as local workforce service providers, faith- and community-based organizations, and public libraries.</p>			
Proven <sup>a</sup>	<ul style="list-style-type: none"> <li>Job clubs increase the likelihood of finding a job quickly and have been shown to be effective for a variety of job seekers.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Increased likelihood of securing employment</li> </ul>
Promising <sup>b</sup>	<ul style="list-style-type: none"> <li>Work First strategies (designed to quickly place welfare recipients in jobs) increased earnings in the short term, but have no long-term impact on earnings.</li> </ul>	Quasi-experimental; Non-experimental	<ul style="list-style-type: none"> <li>Increased earnings in the short term, but not long term</li> </ul>
Proven <sup>c</sup>	<ul style="list-style-type: none"> <li>Intensive job search assistance and career readiness strategies have shown positive effects on employment and earnings.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Increased employment and earnings</li> </ul>
<p><b>Subsidized job programs</b> are designed to provide income support, improve the employment prospects of hard-to-employ job seekers, or provide short-term support during economic downturns. Public funds are used to pay some or all of workers' wages. Enhanced subsidized job programs may include longer-term subsidies (of 12–24 months) or income support paired with supportive services including child care, transportation, skill development, or computer training. These interventions target those who are disconnected from the labor force or reside in areas with limited employment opportunities. Research suggests that various supportive services that accompany subsidized jobs may be necessary to maximize prospects for increasing participants' workforce outcomes.<sup>d</sup></p>			
Proven <sup>e</sup>	<ul style="list-style-type: none"> <li>Subsidized jobs programs have generally shown a positive effect on earnings and employment in the short term but not in the long term.</li> <li>Subsidized job programs have generally reduced welfare receipt in the short term, but effects fade in the long term.</li> <li>There are mixed results of subsidized jobs' effects on the recidivism—or risk of reoffending—of former prisoners.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Increased earnings and employment in the short term</li> <li>Reduced welfare receipt in the short term</li> <li>Effects on recidivism mixed</li> </ul>
Proven <sup>f</sup>	<ul style="list-style-type: none"> <li>Summer youth employment programs, involving subsidized or short-term jobs have been shown to reduce criminal activity, improve some educational outcomes, improve soft skills, and provide income for youth and their families, but do not have effects on employment beyond the summer of participation.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Decreased crime, improved attendance, increased income in the short term</li> </ul>
Promising <sup>g</sup>	<ul style="list-style-type: none"> <li>Enhanced subsidized job programs have shown positive effects on both short- and long-term earnings and employment outcomes for some groups.</li> <li>Enhanced subsidized jobs for noncustodial parents increased the proportion of noncustodial parents paying some child support, but did not increase the amount of child support paid.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Increased employment and earnings</li> <li>Increased proportion of parents paying child support</li> </ul>

- Enhanced subsidized jobs reduced incarceration among formerly incarcerated individuals but had no effect on most other measures of recidivism.

- Reduced incarceration

<sup>a</sup> Nathan H. Azrin, Robert A. Philip, Patricia Thienes-Hontos, and Victoria A. Besalel, "Comparative Evaluation of the Job Club Program with Welfare Recipients," *Journal of Vocational Behavior* 16, no. 2 (1980): 133–45; David Navarro, Gilda Azurdia, and Gayle Hamilton, "A Comparison of Two Job Club Strategies: The Effects of Enhanced Versus Traditional Job Clubs in Los Angeles" (New York: MDRC, 2008).

<sup>b</sup> David H. Autor, Susan N. Houseman, and Sari Pekkala Kerr, "The Effect of Work First Job Placements on the Distribution of Earnings: An Instrumental Variable Quantile Regression Approach," *Journal of Labor Economics* 35, no. 1. (2017): 149–90; Andrew Dyke, Carolyn J. Heinrich, Peter R. Mueser, Kenneth R. Troske, Kyung-Seong Jeon, "The Effects of Welfare-to-Work Program Activities on Labor Market Outcomes," *Journal of Labor Economics* 24, no. 3 (2006): 567–607.

<sup>c</sup> Kenneth Fortson, Dana Rotz, Paul Burkander, Annalisa Mastri, Peter Schochet, Linda Rosenberg, Sheena McConnell, and Ronald D'Amico, "Providing Public Workforce Services to Job Seekers: 30-Month Impact Findings on the WIA Adult and Dislocated Worker Programs" (Washington, DC: Mathematica Policy Research, 2017).

<sup>d</sup> Anne Roder and Mark Elliott, "Stimulating Opportunity: An Evaluation of ARRA-Funded Subsidized Employment Programs: Summary of Findings" (New York: Economic Mobility Corporation, 2013).

<sup>e</sup> Indivar Dutta-Gupta, Kali Grant, Matthew Eckel, and Peter Edelman, "Lessons Learned from 40 Years of Subsidized Employment Programs: A Framework, Review of Models, and Recommendations for Helping Disadvantaged Workers" (Washington, DC: Georgetown Center on Poverty and Inequality, 2016).

<sup>f</sup> Erin Jacobs Valentine, Chloe Anderson, Farhana Hossain, and Rebecca Unterman, "An Introduction to the World of Work: A Study of the Implementation and Impacts of New York City's Summer Youth Employment Program" (New York: MDRC, 2017); Alicia Sasser Modestino, "How Can Summer Jobs Reduce Crime among Youth: An Evaluation of the Boston Summer Youth Employment Program" (Washington, DC: Brookings Institution, 2017).

<sup>g</sup> Brett Barden, Randall Juras, Cindy Redcross, Mary Farrell, and Dan Bloom, "New Perspectives on Creating Jobs: Final Impacts of the Next Generation of Subsidized Employment Programs" (New York: MDRC, 2018).

## Education and Training

Education typically takes place in a classroom where individuals are given knowledge about a set of topics—a curriculum. These interventions include traditional education in high school and college or **adult basic education** for individuals without a high school equivalency and performing below the 12th grade level in reading, writing, mathematics, or English language fluency. Training programs provide individuals with skills and knowledge targeted for particular jobs, occupations, or sectors. Training can take place in the classroom or on the job or combine classroom and job-based training, as is the case with registered apprenticeships. A variety of organizations provide training, including high schools, community colleges, trade or professional organizations, and employers. Training can be short term or long term and culminates in industry-recognized certificates or degrees.

Among these interventions, the Registered Apprenticeship Program has been shown to have large, long-term positive impacts on earnings, productivity, and reduced use of government programs. Sector-focused programs have also been shown to have large, long-term positive impacts on employment and earnings. Although employer engagement is also believed to have large impacts on outcomes, this strategy has not been individually tested.

## Education and Training Programs, Policies, and Interventions

Evidence level	Findings	Methods	Outcomes
<b>I-BEST</b> is a nationally known model targeted at adult basic education and English-as-a-second-language students that aims to increase access to and completion of college-level occupational training in various in-demand occupational areas. Its signature feature is team teaching by a basic skills instructor and an occupational instructor during at least 50 percent of occupational training class time.			
Promising <sup>a</sup>	<ul style="list-style-type: none"> <li>I-BEST increased the number of credits earned, credential attainment, and participation in college-level courses.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Increased credits earned; increased college-level course credit</li> </ul>
<b>Career Pathways and Stackable Credentials</b> are defined by the US Department of Labor as “post-secondary education and training that is organized as a series of manageable steps leading to successively higher credentials and employment opportunities in growing occupations.” They often involve stackable credentials that are sequenced and connected and supportive services to facilitate career progression and advancement. Some models also involve integrated instruction, as described above.			
Promising <sup>b</sup>	<ul style="list-style-type: none"> <li>Career pathway programs have positive effects on hours in education, credits earned, and credentials attained.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Increased hours in education, credits earned, and credentials attained</li> </ul>
Proven <sup>c</sup>	<ul style="list-style-type: none"> <li>Career pathway programs have shown short-term employment effects, but evidence is still emerging on longer-term effects and career advancement.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Short-term employment effects</li> </ul>
<b>Competency-Based Credentials</b> use learning assessments, including standardized tests and work portfolios, to understand the skills individuals have acquired to receive credit toward a degree or certificate. They often, but not always, focus on career preparation.			
Emerging <sup>d</sup>	<ul style="list-style-type: none"> <li>Students with portfolio credit, or academic credit granted on this basis of prior work portfolios, have higher degree-completion rates than all other student groups.</li> <li>Students who earned portfolio credit had higher overall persistence, or continued enrollment and degree completion.</li> <li>Using standardized tests and portfolio assessments as prior learning assessments was particularly associated with higher degree completion and persistence than other methods.</li> </ul>	Association only	<ul style="list-style-type: none"> <li>Higher degree completion</li> <li>Higher persistence</li> </ul>
<b>Apprenticeships, Internships, and On-the-Job Training (OJT):</b> employers provide work-based learning experiences through apprenticeships, internships, and other on-the-job training programs. The Registered Apprenticeship Program is an apprenticeship model that has been validated by the DOL or a State Apprenticeship Agency. The program model includes paid work, work-based learning, mentorship, education and instruction, and industry-recognized credentials. In federally sponsored OJT programs, employers hire eligible workers and are reimbursed for the training costs.			

Evidence level	Findings	Methods	Outcomes
Promising <sup>e</sup>	<ul style="list-style-type: none"> <li>Apprenticeship program participants have higher earnings than nonparticipants, and these earnings differences are sustained over time.</li> <li>The benefits of the apprenticeship program, from the increased productivity of the trained apprentices to their higher earnings to their reduced use of government programs, exceed the costs of administering the program.</li> <li>State-level programs help foster local relationships with workforce development programs and educational institutions.</li> </ul>	Mixed-method: quasi-experimental and cost-benefit	<ul style="list-style-type: none"> <li>Increased earnings</li> <li>Positive net benefits</li> <li>Improved local partnerships</li> </ul>
Emerging <sup>f</sup>	<ul style="list-style-type: none"> <li>Although OJT is perceived as highly effective, the evidence is weak and mixed.</li> </ul>	Other	<ul style="list-style-type: none"> <li>Mixed evidence</li> </ul>
<b>Sector-Focused Programs:</b> these industry-specific training programs prepare underskilled workers for skilled positions. There is no common model, although most programs target specific high-growth industries that offer competitive wages, full-time hours, and advancement opportunities.			
Emerging <sup>g</sup>	<ul style="list-style-type: none"> <li>Training is more effective when targeted to a sector expected to have high growth and offer high-wage jobs.</li> </ul>	Literature review	<ul style="list-style-type: none"> <li>Increased program efficacy</li> </ul>
Proven <sup>h</sup>	<ul style="list-style-type: none"> <li>WorkAdvance, a sector-specific training program, increased earnings among people with low incomes; however, benefits take time to emerge, and the level of impact differs depending on how experienced providers are in delivering services.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Increased earnings</li> </ul>
Proven <sup>i</sup>	<ul style="list-style-type: none"> <li>In addition to higher earnings, participants in sectoral employment programs were more likely to work in jobs that offered benefits (e.g., paid sick leave, health insurance, paid vacation).</li> <li>Sectoral job training increases the likelihood that participants find work and steadier employment.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Increased earnings; higher job quality</li> <li>Increased likelihood of securing employment</li> </ul>
<b>SNAP Employment and Training:</b> the SNAP E&T program is administered by the Food and Nutrition Service within the US Department of Agriculture. The program's goal is to help SNAP participants gain the skills, training, and work experience that will lead to self-sufficiency by preparing them for well-paying employment.			
Proven <sup>j</sup>	<ul style="list-style-type: none"> <li>The only rigorous program evaluation of the SNAP E&amp;T program found no evidence that it increased the likelihood of participants finding jobs, nor did it have any significant effect on hourly wages, hours worked per week, or job retention for those who did find employment.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>No effects</li> </ul>

<sup>a</sup> Asaph M. Glosser, Karin Martinson, Sung-Woo Cho, and Karen Gardiner, "Washington State's Integrated Basic Education and Skills Training (I-BEST) Program in Three Colleges: Implementation and Early Impact Report: Pathways for Advancing Careers and Education (PACE)," OPRE Report No. 2018-87 (Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, US Department of Health and Human Services, 2018).

<sup>b</sup> Karen Gardiner and Randall Juras, "Pathways for Advancing Careers and Education (PACE) Cross-Program Implementation and Impact Study Findings," OPRE Report No. 2019-32 (Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, US Department of Health and Human Services, 2019).

<sup>c</sup> David Fein and Jill Hamadyk, "Bridging the Opportunity Divide for Low-Income Youth: Implementation and Early Impacts of the Year Up Program Pathways for Advancing Careers and Education (PACE)," OPRE Report No. 2018-65 (Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, US Department of Health and Human Services, 2018); Sheila Maguire, Joshua Freely, Carol Clymer, Maureen Conway, and Deena Schwartz, "Tuning in to Local Labor Markets: Findings from the Sectoral Employment Impact Study" (Philadelphia, PA: Public/Private Ventures, 2010); Deena Schwartz, Julie Strawn, and Maureen Sarna, "Career Pathways Research and Evaluation Synthesis: Career Pathways Design Study" (Bethesda, MD: Abt Associates, 2018).

<sup>d</sup> Rebecca Klein-Collins and Sean Hudson, "What Happens When Learning Counts? Measuring the Benefits of Prior Learning Assessment for the Adult Learner-A CAEL Self-Study of the Academic Outcomes of LearningCounts Students" (Chicago: CAEL, 2017)

<sup>e</sup> Debbie Reed, Albert Yung-Hsu Liu, Rebecca Kleinman, Annalisa Mastri, Davin Reed, Samina Sattar, and Jessica Ziegler, "An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States" (Oakland, CA: Mathematica Policy Research, 2012).

<sup>f</sup> Burt S. Barnow and Shayne Spaulding, "Employer Involvement in Workforce Programs: What Do We Know?" in *Transforming US Workforce Development Policies for the 21<sup>st</sup> Century*, edited by Carl Van Horn, Tammy Edwards, and Todd Greene, 315–24 (Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 2015).

<sup>g</sup> Deborah Kogan, Anne Paprocki, and Hannah Diaz, "Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) Best Practices Study: Final Report" (Oakland, CA: Social Policy Research Associates, 2016).

<sup>h</sup> Richard Hendra, David H. Greenberg, Gayle Hamilton, Ari Oppenheim, Alexandra Pennington, Kelsey Schaberg, and Betsy L. Tessler, "Encouraging Evidence on a Sector-Focused Advancement Strategy: Two-Year Impacts from the WorkAdvance Demonstration" (New York: MDRC, 2016).

<sup>i</sup> Sheila Maguire, Joshua Freely, Carol Clymer, Maureen Conway, and Deena Schwartz, "Tuning in to Local Labor Markets: Findings from the Sectoral Employment Impact Study" (Philadelphia: Public/Private Ventures, 2010).

<sup>j</sup> Michael J. Puma and Nancy R. Burstein, "The National Evaluation of the Food Stamp Employment and Training Program," *Journal of Policy Analysis and Management* 13, no. 2 (1994): 311–30.

## Supportive Services

Many local workforce programs recognize common barriers to employment for families with low incomes and provide supportive services to help with child care, housing, transportation, financial and personal counseling, tutoring and other academic support, and mentoring and peer support. Providers often include community- and faith-based organizations, public social service agencies, colleges, and nonprofit workforce service providers. Although supportive services have not been individually tested, they may improve outcomes.

### Supportive Services: Programs, Policies, and Interventions

Evidence level	Findings	Methods	Outcomes
<b>Wraparound Services:</b> this service-provision model brings together a comprehensive set of supportive services for individuals and families based on their needs. Instead of having families coordinate a set of decentralized programs and services, programs and services are integrated to better serve the families.			
Emerging <sup>a</sup>	<ul style="list-style-type: none"> <li>More intensive wraparound services targeted to individual needs improve participants' employment prospects, earnings, and odds of long-term success.</li> </ul>	Literature review	<ul style="list-style-type: none"> <li>Increased employment; increased earnings</li> </ul>

Emerging <sup>b</sup>	■ Combining workforce development services with access to income supports and other financial services improves financial outcomes for families with low levels of assets, including their public benefit receipt and length of stay in employment.	Case studies	■ Increased public benefit receipt
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**Academic and Personal Supports:** these interventions provide supportive services, such as child care, transportation, financial assistance, academic coaching, and college and career navigation, to help people overcome barriers to participating in and completing education and training or employment programs. This is important because workforce development program participants have four to five financial challenges beyond being unemployed that are barriers to gaining and maintaining employment.<sup>c</sup>

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Emerging <sup>d</sup>	■ Meeting child care needs is essential to help clients overcome barriers to work. Across the US, about 2 million parents reported that they or someone in their family had to quit a job, not take a job, or significantly alter their employment because of difficulties with child care over the past year.	Association only	■ Reduced employment disruptions
Emerging <sup>e</sup>	■ Access to campus child care improved student parents' persistence—or continued enrollment in college—and on-time graduation rates.	Association only	■ Increased persistence; increased on-time graduation

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**Financial Counseling** interventions are typically individualized, one-on-one, limited in duration, and focused on helping participants achieve particular goals—such as homeownership—or responding to particular crises or personal issues.<sup>f</sup>

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Promising <sup>g</sup>	■ Financial counseling had a positive effect on debt outcomes among financially distressed individuals.	Quasi-experimental	■ Reduced debt past due
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<sup>a</sup> Deborah Kogan, Anne Paprocki, and Hannah Diaz, “Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) Best Practices Study: Final Report” (Oakland, CA: Social Policy Research Associates, 2016).

<sup>b</sup> SeedCo., the Annie E. Casey Foundation (ACF), *Center for Working Families EarnBenefits Evaluation/Learning Paper* (Baltimore: ACF, 2005).

<sup>c</sup> Corporation for Enterprise Development (CFED), “Gaining and Retaining Employment” (Washington, DC: CFED, 2005).

<sup>d</sup> Leah Schochet and Rasheed Malik, “2 Million Parents Forced to Make Career Sacrifices Due to Problems with Child Care” (Washington, DC: Center for American Progress, 2017); and Rasheed Malik and Katie Hamm, “Mapping America’s Child Care Deserts,” (Washington, DC: Center for American Progress, 2017).

<sup>e</sup> Lindsey Reichlin Cruse, Barbara Gault, Jooyeoun Suh, and Mary Ann DeMario, “Time Demands of Single Mother College Students and the Role of Child Care in their Postsecondary Success” (Washington, DC: Institute for Women’s Policy Research, 2018).

<sup>f</sup> Brett Theodos, Margaret Simms, Mark Treskon, Christina Stacy, Rachel Brash, Dina Emam, Rebecca Daniels, and Juan Collazos, “An Evaluation of the Impacts and Implementation Approaches of Financial Coaching Programs” (Washington, DC: Urban Institute, 2015).

<sup>g</sup> Kasey Wiedrich, Nathaniel Gons, J. Michael Collins, and Anita Drever, “Financial Counseling & Access for the Financially Vulnerable: Findings from the Assessing Financial Capability Outcomes (AFCO) Adult Pilot” (Washington, DC: CFED, 2014).

## What Are the Conditions and Benchmarks of Success?

Workforce programs are typically measured on the following outcomes: employment, job retention, increased earnings, and credential attainment. Increasingly, there has been an emphasis on indicators of job quality, including access to jobs that offer family-sustaining wages, regular hours, and health



benefits. Other secondary outcomes of interest may include child outcomes or financial well-being. However, this is not an exhaustive list of the ways to measure success of workforce development programs.

To simplify performance reporting for organizations using different public funding streams, there have been some efforts in the public workforce system to implement “common measures” across different programs. WIOA requires common performance measures across its six core programs. These include the following:

- the percentage of participants in unsubsidized employment in the second and fourth quarters after exit;
- median earnings;
- the percentage of participants who obtain a postsecondary credential or diploma during participation or within one year of exit;
- the measure of participants achieving measurable skill gains; and
- the measure of effectiveness in serving employers.

The Department of Labor (DOL),<sup>16</sup> Third Way,<sup>17</sup> Public/Private Ventures,<sup>18</sup> and others generally agree that successful workforce programs are those that engage local employers, rely on needs of businesses and the local economy to drive workforce solutions, provide education and training targeted at occupations or sectors with potential for high growth and high wages, coordinate multiple individualized services, engage local partners, tap innovative funding sources, and embrace evaluation to understand what works and does not work. Although these features of successful workforce programs have been identified by the US Department of Labor, Third Way, and Public/Private Ventures, they do not represent a complete set of programmatic features for successful workforce programs and may not be applicable across program models.

## Which Organizations Are Working Within This Space?

### **American Association of Community Colleges (AACC)**

[AACC](#) is the primary advocacy organization for US community colleges. The association represents nearly 1,200 two-year, associate degree-granting institutions and more than 12 million students. As part of its vision, the AACC promotes community colleges as the premier workforce development

providers in America and influences government and corporate funding policies to support the colleges in this key role. It also forges community development and renewal by working to ensure access to lifelong learning to benefit individuals and communities.

### **Corporation for a Skilled Workforce (CSW)**

[CSW](#) is a national nonprofit that partners with government, business, and community leaders to connect workers with good jobs, increase the competitiveness of companies, and build sustainable communities. CSW leads a number of efforts including the Workforce Benchmarking Network (WBN) and recently the Labor Market and Workforce Development System Data Toolkit. WBN was started by Public/Private Ventures (P/PV) and taken over by CSW when P/PV closed. WBN connects community-based organizations providing workforce development services around the country—along with public and private funders and other intermediaries—to support better and more equitable results for job seekers, employers, and communities. The Labor Market and Workforce Development System Data Toolkit is for regions and cities interested in identifying and aligning different workforce development efforts and investments.

### **Council on Adult and Experiential Learning (CAEL)**

[CAEL](#) is a nonprofit that brings together educators, employers, and states, cities, and localities to create solutions that integrate meaningful work and lifelong learning. They create learning pathways for adults that have recognizable and relevant value to employers.

### **Bill and Melinda Gates Foundation**

The [Bill and Melinda Gates Foundation](#) has an initiative to help lift Americans out of poverty through economic mobility and opportunity. The foundation provides grants to organizations to understand what career pathways and interventions lead to upward mobility; define what attributes make a job “good” from the perspective of both workers and employers; encourage employers to adopt practices that help workers address the challenges they face in and out of the workplace, build inclusive talent pipelines, and make sense for the business; help workers access supports that make stability possible and ultimately lead to economic mobility and security; and invest in viable job-training models that reach noncollege-educated workers.

## **JPMorgan Chase & Co**

[JPMorgan Chase](#) is a leading global financial services firm that has invested millions of dollars in the New Skills at Work initiative, whose goals are to provide access to middle-skills jobs for high-school-educated people without four-year college degrees and to prepare for the future of work and meet the growing demand for skilled workers.

## **Lumina Foundation**

The [Lumina Foundation](#) is an independent, private foundation in Indianapolis committed to making opportunities for learning beyond high school available to all. The Lumina Foundation works with governmental, nonprofit, and private-sector organizations to bring about change. They rely on communications outreach, meetings, and events that engage and mobilize people; state and federal policy outreach; investments in proven and promising practices; and targeted efforts to measure and evaluate progress.

## **National Association of Workforce Boards (NAWB)**

[NAWB](#) represents and advocates for Workforce Development Boards (WDBs) and their business members. NAWB coordinates and leverages workforce strategies with education and economic development stakeholders within local communities to ensure that state and local workforce development and job training programs meet employers' needs. NAWB works closely with policymakers to inform national strategy as it relates to WDBs and their partners in education, economic development, labor, and business.

## **National Fund for Workforce Solutions**

The [National Fund for Workforce Solutions](#) is a network of 33 regional collaboratives and 70 active industry partnerships operating in 26 states across a wide range of sectors including manufacturing, retail, hospitality, health care, and information technology in 2018. Their mission is to drive practices, policies, and investments that enable workers to succeed in good jobs, provide employers with a skilled workforce, and build more prosperous communities. They use an employer-driven model of industry partnerships that enables communities to prepare individuals with in-demand skills, connect companies to trained employees, and generate a stronger workforce and economy.

## National Skills Coalition

The [National Skills Coalition](#) is a broad-based coalition working to raise American workers' skills across a range of industries. The organization engages in organizing, advocacy, and communications to advance state and federal policies that support these goals.

## Single Stop USA

[Single Stop USA](#) supports families in meeting their basic needs. Single Stop's national network of partner organizations meets clients at their point of need in the places they frequent the most. Whether they are community-based organizations like food pantries, libraries, veterans' centers, or community colleges and universities, their locale offers a unique vantage point from which to connect individuals and families to much-needed resources, including food stamps, local food pantries, housing programs, and jobs.

## WorkLab Innovations

[Worklab Innovations](#) was founded to expand access to the Sustainable Workforce Model (SWM) through a national network of nonprofit partners. SWM minimizes work disruptions, decreases absenteeism, improves workers' financial stability, and ultimately increases employee retention and engagement by offering personalized, immediate, and human-to-human assistance when workers need it most. Resource Navigators, who have deep knowledge of local community resources and supports as well as specialized training, assist workers in addressing complex work-life challenges by helping them set goals, develop budgets, and create long-term plans. Employers offer SWM as part of their benefits package.

# What Is the Best Role in This Space for Organizations Serving Families with Low Incomes?

## Leverage Existing Resources to Increase Workforce Development Activities

Many organizations engage in a variety of activities that could be expanded to provide clients with job search assistance, sector-based training or apprenticeships, adult basic education, or other supports, such as child care or transportation, to increase their employment prospects.

## **Increase Employer Engagement**

Employer engagement is critical to helping workers with low incomes advance at their current place of employment through additional on-the-job training, employer-sponsored training, or external training. Many organizations are already engaged with employers and these relationships could be broadened and strengthened. Organizations that serve families with low incomes are well positioned to establish new relationships with employers in in-demand industries (e.g., hospitality, health care). Where possible, they may want to focus their efforts on large employers that have an unmet need for middle-skill workers.

## **Develop New and Revitalize Existing Partnerships with Nonemployers**

Organizations who serve families with low incomes can develop new and revitalize existing partnerships with nonemployers such as workforce development boards (WDBs), various sector-based training providers, community colleges, supportive service providers, and community-based organizations to develop local strategies for improving their outreach. A recent survey of WDBs found that they commonly partnered with external organizations to provide clients with TANF, child care, financial assistance, and food and nutrition services. They also partnered with organizations to provide transportation, housing, and health services; however, these partnerships were less common.<sup>19</sup>

## **Promote Higher Wages, Better Jobs, and Paid Leave Policies**

Organizations serving our nation's most economically vulnerable populations understand the problems people face and can be a voice working with policymakers to promote worker protections for higher wages, better jobs, and paid leave benefits. They can also seek to engage employers in changing hiring and employment practices to improve their clients' well-being.

# **The Urban Institute's Resources for Workforce Development Research**

The Urban Institute has conducted numerous studies and developed resources as part of its Building America's Workforce initiative.<sup>20</sup> Urban has also created targeted resources for understanding the workforce system and workforce programs, including an online Local Workforce System Guide and related infographic.<sup>21</sup>

In addition, Workforce System Strategies (WSS), administered by the US Department of Labor, Employment, and Training Administration, provides a tool for workforce professionals and their partners who strive to improve outcomes for job seekers and employers through informed decisions. They have a comprehensive database containing over 1,200 profiles that summarize a wide range of reports, studies, and papers focusing on career pathways, postsecondary education, job search assistance, registered apprenticeships, case management, employer engagement, partnerships, and many more workforce-development-related topics. The profiles highlight recent research and evaluation reports or technical assistance tools and guides that support program management and operations; education and training; or employment, retention, or advancement activities.<sup>22</sup>

## Recommended Reading

Education Strategy Group. 2018. *Credential Currency: How States Can Identify and Promote Credentials of Value*. Chevy Chase, MD: Education Strategy Group.

National Conference of State Legislatures (NCSL). 2014. "Workforce Development Initiatives: Collaborating to Prepare for the Jobs of the Future." Washington, DC: NCSL.

Urban Institute. 2016. "[Building America's Workforce](#)." Washington, DC: Urban Institute.

Van Horn, Carl, Tammy Edwards, and Todd Greene. (Eds). *Transforming US Workforce Development Policies for the 21st Century*. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research.

## Notes

<sup>1</sup> Kayla Fontenot, Jessica Semega, and Melissa Kollar, "Income and Poverty in the United States: 2017," *Current Population Reports* No. P60-263 (Washington, DC: United States Census Bureau, 2018).

<sup>2</sup> The working poor are people who spend at least 27 weeks in the labor force (i.e., working or looking for work) and have incomes below the federal poverty level. The working poor rate was 4.5 percent in 2017. See Bureau of Labor Statistics (BLS), "A Profile of the Working Poor, 2017" (Washington, DC: BLS, 2017), <https://www.bls.gov/opub/reports/working-poor/2017/home.htm>; BLS, "Characteristics of minimum wage workers, 2017" (Washington, DC: BLS, 2017), <https://www.bls.gov/opub/reports/minimum-wage/2017/home.htm>.

<sup>3</sup> BLS, "Higher Wage Workers More Likely Than Lower Wage Workers to Have Paid Leave Benefits in 2018" (Washington DC: BLS, 2018).

<sup>4</sup> BLS, "Unemployment Rates and Earnings by Educational Attainment," updated September 4, 2019, <https://www.bls.gov/emp/chart-unemployment-earnings-education.htm>.

<sup>5</sup> Much of this description comes from the Urban Institute's online Local Workforce System Guide and description of the public workforce system: <https://workforce.urban.org/topics/public-workforce-system>.

- <sup>6</sup> Before WIOA, there were several federal workforce development statutes: Manpower Development and Training Act (1962–73), Comprehensive Employment and Training Act (1973–82), Job Training Partnership Act (1982–98), and Workforce Investment Act (1998–2014).
- <sup>7</sup> Kelly S. Mikelson and Ian Hecker, “Public Funding for Job Training at the State and Local Level: An Examination of Massachusetts, Texas, and Washington” (Washington, DC: Urban Institute, 2018).
- <sup>8</sup> For example, the Temporary Assistance to Needy Families program, the Supplemental Nutrition Assistance Program, and the Employment and Training program, as well as the Carl D. Perkins Career and Technical Education Improvement Act. See “The Public Workforce System,” Urban Institute, accessed September 20, 2019, <https://workforce.urban.org/topics/public-workforce-system>.
- <sup>9</sup> Pew Research Center, “The State of American Jobs: How the Shifting Economic Landscape is Reshaping Work and Society and Affecting the Way People Think about the Skills and Training They Need to Get Ahead” (Washington, DC: Pew Research Center, 2016).
- <sup>10</sup> Robert Lerman, *Are Employers Providing Enough Training? Theory, Evidence, and Policy Implications*, prepared for the Committee on the Supply Chain for Middle-Skill Jobs, NASEM, accessed August 31, 2019, <http://sites.nationalacademies.org/pga/step/middleskilljobs/index.htm>.
- <sup>11</sup> Pew Research Center, “The State of American Jobs: How the Shifting Economic Landscape is Reshaping Work and Society and Affecting the Way People Think about the Skills and Training They Need to Get Ahead” (Washington, DC: Pew Research Center, 2016).
- <sup>12</sup> Pew Research Center, “The State of American Jobs.”
- <sup>13</sup> OECD, “Getting Skills Right: Engaging Low-Skilled Adults in Learning” (Paris: OECD, 2019).
- <sup>14</sup> See Larry Good, “Michigan’s No Worker Left Behind: Lessons Learned from Big-Picture Workforce Policy Change” (Washington, DC: National Skills Coalition, 2011); Maria Heidkamp and William Mabe, “The Great Recession and Serving Dislocated Workers with Disabilities: Perspectives from One-Stop Career Centers and Rapid Response Coordinators” (New Brunswick, NJ: Heldrich Center for Workforce Development, 2011).
- <sup>15</sup> Pew Research Center, “The State of American Jobs.”
- <sup>16</sup> Workforce Innovation and Opportunity Act, US Department of Labor, Employment and Training Administration, accessed September 20, 2019, <https://www.doleta.gov/wioa/>
- <sup>17</sup> Alicia Mazzara and Gabe Horwitz, “The 7 Habits of Highly Effective Workforce Programs” (Washington, DC: Third Way, 2014).
- <sup>18</sup> Sheila Maguire, Joshua Freely, Carol Clymer, Maureen Conway, and Deena Schwartz, “Tuning in to Local Labor Markets: Findings from the Sectoral Employment Impact Study” (Philadelphia, PA: Public/Private Ventures, 2010).
- <sup>19</sup> Shayne Spaulding and Semhar Gebrekristos, “Family-Centered Approaches to Workforce Program Services” (Washington, DC: Urban Institute, 2018).
- <sup>20</sup> “Building America’s Workforce,” Urban Institute, accessed September 20, 2019, <https://www.urban.org/policy-centers/cross-center-initiatives/building-americas-workforce/about>.
- <sup>21</sup> “Local Workforce Systems Infographic,” Urban Institute, accessed September 20, 2019, <https://www.urban.org/policy-centers/income-and-benefits-policy-center/projects/local-workforce-system>.
- <sup>22</sup> “Welcome to Workforce System Strategies,” WorkforceGPS, accessed September 20, 2019, <https://strategies.wfgpspractice.org/>.

# Case Management

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- Some people in poverty do not apply for public benefits they are eligible for because they are unaware of the programs, are psychologically overloaded from the stresses of living in poverty, or have stigma-related barriers.
- Living in poverty can contribute to trauma and sustained, substantial stress. Poverty and trauma alter how brains develop and function throughout life. This can result in poorer outcomes, including impaired cognitive functioning, increased risk for chronic disease, and accelerated aging.
- Case management interventions improve the ways that people in poverty access public benefits and manage their resources. They also help individuals navigate a complex and fragmented system of service providers and programs. Interventions are typically in the areas of public benefits coordination and leveraging brain sciences to improve human services delivery.
- The EMPath program is a model within the area of brain sciences and human services delivery. Early findings suggest that EMPath may improve parenting skills and stress management, as well as increase earnings, employment, and job quality.
- Organizations can play a role in this space by partnering with agencies who implement coach-navigator interventions, expanding and scaling behaviorally informed process redesign interventions, and developing programs for trauma-informed human services delivery.

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Families with low incomes seek a variety of **public benefits** to better manage the economic trade-offs they face in their household budgets between paying for food, housing, utilities, transportation, medical expenses, and clothing.<sup>1</sup> These public benefits programs reduce the likelihood of being poor.<sup>2</sup> However, as families face increasing costs of housing, health care, and child care with shrinking low-end wages and rising educational requirements for good jobs, the likelihood of escaping poverty declines.<sup>3</sup> In fact, fewer than one in four impoverished people will escape it.<sup>4</sup>

For many reasons, families struggling to meet their basic needs often do not get the benefits they qualify for. Many lack the knowledge to navigate complex benefit systems. Confusion over public benefit programs' requirements can also have a "chilling effect" where potentially eligible families do not apply for benefits because they do not understand the program requirements or think they are ineligible.<sup>5</sup> Other families may experience "survival fatigue"<sup>6</sup> and poor decisionmaking<sup>7</sup> from the stress of living in poverty. Still others do not claim benefits because of the stigma associated with receiving them.<sup>8</sup>



Given these challenges, case management interventions can improve the ways that people in poverty access public benefits and manage their resources. Ultimately, such interventions aim to make human service programs more responsive to the needs of those experiencing poverty and help participants achieve economic mobility.

## Evaluating the Evidence

Next, we discuss some of the most recognized programs, policies, and interventions in the area of case management. We distinguish between practices that are proven, promising, emerging, and not yet evaluated. Depending on the context and the question being posed, methodological tools include randomized control trials (RCTs), quasi-experimental designs, instrumental variable analyses, economic structural models, among others.

- **Proven practices** are those supported by strong evidence from high-quality studies that investigate causality between an intervention and outcomes of interest and where evidence of causality has been replicated multiple times across populations and/or geographies to indicate generalizability.
- **Promising practices** are those supported by moderate evidence from high-quality studies that investigate causality between an intervention and outcomes of interest. Unlike with proven practices, causality is not considered generalizable because it has not been replicated multiple times across populations and/or geographies or has been replicated significantly fewer times.
- **Emerging practices** are based on studies that have preliminary or exploratory findings regarding their effectiveness.
- **Not yet evaluated practices** have little or no research that investigates impact on outcomes of interest.

We also include some studies whose impacts are negative, mixed, or not detectable, as they may have been programs previously considered effective or are relevant to understanding the range of impacts among interventions. Additional details on the level-of-evidence criteria applied in this literature review, along with detailed descriptions of the methods used, can be found in the appendix.

The tables below use the level-of-evidence framework to highlight some consensus findings and cite studies that reflect a body of representative literature for each finding. This means that all literature supporting the finding is not cited and that the level of evidence is reflective of the body of literature,

rather than each individual study. These findings examine employment, housing stability, financial security, earnings, and other outcomes relevant to financial security, housing, and workforce development interventions. For each finding, we also list the methods used and explain the main outcomes.

# Which Programs, Policies, and Interventions Have the Most Impact?

## Brain Sciences and Human Service Delivery

Emerging science can be leveraged to design programs that not only create stability, but also pathways out of poverty by understanding how poverty affects behavior and decision making. Living in poverty can contribute to **trauma** and sustained, substantial stress. Poverty and trauma alter how brains develop and function throughout life. In particular, they affect the prefrontal cortex, which controls the ability to focus, analyze problems, and achieve goals (all executive-function skills), and the limbic brain, which assesses threats and produces “fight-or-flight” responses.<sup>9</sup> Sustained and substantial stress can result in a prefrontal cortex that is not well practiced at executive-function skills (focusing on and analyzing problems) and a hypervigilant limbic brain ready to respond to perceived threats.<sup>10</sup> The following sets of interventions build on this knowledge to improve human-services delivery in various ways.

Among interventions that combine brain sciences and human services delivery, early findings suggest that EMPath, a coach-navigator model that helps program participants consider how their health, education, family, and finance goals interrelate, may have a high impact on parenting skills and stress management, as well as increase earnings, employment, and job quality.

### Brain Sciences and Human Service Delivery: Programs, Policies, and Interventions

Evidence level	Findings	Methods	Outcomes
	<b>Trauma-informed human service delivery:</b> these approaches use brain science research about trauma and stress to improve participants’ program engagement and completion. To do this, human service programs are adjusted to consider aspects of safety, transparency, empowerment, and peer support. These programs are widely used in mental health, child welfare, veterans’ health, criminal justice, health, and homelessness interventions.		

Evidence level	Findings	Methods	Outcomes
Promising <sup>a</sup>	<ul style="list-style-type: none"> <li>When used alongside other treatments, trauma-informed care can improve mental health and substance abuse problem severity among women with co-occurring mental health and substance abuse disorders.</li> </ul>	Quasi-Experimental	<ul style="list-style-type: none"> <li>Improved mental health; improved substance abuse problem severity</li> </ul>
<p><b>Coach-navigator interventions</b> help participants navigate paths out of poverty by bringing together many siloed resources. They tend to be client directed and focus on improving participants' problem-solving and self-regulation skills that may have been compromised by the stresses of poverty.</p>			
Promising <sup>b</sup>	<ul style="list-style-type: none"> <li>Coach-navigator programs improved employment and family income, particularly for those families who are most disadvantaged. This study provided services to hard-to-employ TANF recipients in rural Nebraska through home visits.</li> <li>Coach-navigator programs reduced poverty over two years after the program ended.</li> </ul>	Mixed-method: Experimental RCT	<ul style="list-style-type: none"> <li>Increased employment; increased family income</li> <li>Reduced poverty</li> </ul>
<p><b>EMPath program model:</b> EMPath is a coach-navigator program model grounded in brain science that helps program participants consider how their health, education, family, and finance goals interrelate. By organizing all these aspects on one piece of paper, EMPath aims to help participants avoid "tunnel vision," think beyond current circumstances, develop concrete steps, and find alternative strategies when they encounter challenges.</p>			
Emerging <sup>c</sup>	<ul style="list-style-type: none"> <li>The EMPath program improved parenting skills and stress management among program participants.</li> <li>The EMPath program improved earnings and employment among program participants.</li> </ul>	Association only	<ul style="list-style-type: none"> <li>Improved parenting skills; improved stress management</li> <li>Increased earnings; increased employment</li> </ul>
Emerging <sup>d</sup>	<ul style="list-style-type: none"> <li>An intensive EMPath program helped participants increase their earnings to a family-sustaining wage (\$27 per hour) and helped increase participants' savings over \$3,400.</li> <li>An intensive EMPath program showed positive benefits by year five from increases in participants' earnings, increases in taxes paid by participants, and reductions in subsidies received by participants. These positive benefits outweighed program costs.</li> </ul>	Association only	<ul style="list-style-type: none"> <li>Increased earnings; improved job quality</li> <li>Positive net benefits</li> </ul>
<p><b>Motivational interviewing</b> interventions encourage program participants to vocalize their desire to overcome challenges to achieve their goals. Typically, motivational interviewing is used to enhance other programs. Critical program components include trained staff guiding the conversation and maximizing the quality and quantity of "change talk," or the discussion of why and how participants intend to change their current circumstances.</p>			
Promising <sup>e</sup>	<ul style="list-style-type: none"> <li>Motivational interviewing can enhance program outcomes where behavior change of participants is required. Substance abuse programs with motivational interviewing components had twice the three- to six-month abstinence rate compared with substance abuse programs without motivational interviewing.</li> </ul>	Experimental	<ul style="list-style-type: none"> <li>Improved behavior change; increased substance abuse abstinence</li> </ul>

Evidence level	Findings	Methods	Outcomes
Emerging <sup>f</sup>	<ul style="list-style-type: none"> <li>Motivational interviewing substantially improved employment rates for high-risk and disabled populations compared with traditional vocational training programs.</li> </ul>	Other	<ul style="list-style-type: none"> <li>Increased employment</li> </ul>
<b>Behaviorally informed process redesign</b> strategies, or “nudges,” use insights from brain science to improve the design of human-service processes to enhance participant outcomes. Common strategies include using social influences and deadlines, making interactions personal, leveraging people’s desire to avoid losses, automating processes, and providing text or postcard reminders.			
Proven <sup>g</sup>	<ul style="list-style-type: none"> <li>Nudges, such as materials that reference peer behavior, those that make deadlines prominent, reminders, those that emphasize the risk of losses, or those that reduce the steps in the process, had a small (between 2 and 4 percentage points) but positive effect on program outcomes ranging from payment rates for child support to attendance at scheduled program appointments, subsidy renewals, and engagement in programs.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Improvements in key program outcomes</li> </ul>
Promising <sup>h</sup>	<ul style="list-style-type: none"> <li>Nudges in postsecondary education increased financial aid form completion, freshman-year retention rates for high-risk students, and tutoring session attendance.</li> </ul>	Experimental RCT	<ul style="list-style-type: none"> <li>Increased financial aid form completion; increased retention rates</li> </ul>

<sup>a</sup> Joseph Morrissey, Elizabeth W. Jackson, Alan R. Ellis, Hortensia Amaro, Vivian B. Brown, and Lisa M. Najavits, 2005, “Twelve-Month Outcomes of Trauma Informed Interventions for Women with Co-occurring Disorders,” *Psychiatric Services* 56 (10): 1213–22.

<sup>b</sup> Refers to Building Nebraska’s Families (BNF), a program that taught life skills through home visiting to high-risk TANF clients in rural Nebraska. It operated in 10 multicounty rural service areas from 2002–5; Elisabeth Babcock, “Using Brain Science to Transform Human Services and Increase Personal Mobility from Poverty” (Washington DC: US Partnership on Mobility from Poverty, 2018); Alicia Meckstroth, Andrew Burwick, Quinn Moore, and Michael Ponza, “Teaching Self-Sufficiency Through Home Visitation and Life Skills Education” (Princeton, NJ: Mathematica Policy Research, 2009).

<sup>c</sup> Washington State Department of Early Learning, “ECEAP Year 2 Family Support Pilot Outcome Evaluation” (Olympia: Washington State Department of Early Learning, 2017).

<sup>d</sup> J. Prottas et al., “Return on Investment of Career Family Opportunity” (Brandeis University, Unpublished Manuscript, 2015).

<sup>e</sup> William Mille and Gary S. Rose, 2009, “Toward a Theory of Motivational Interviewing,” *American Psychologist* 64 (6): 527–37.

<sup>f</sup> Janice M. Brown and William R. Miller, “Impact of Motivational Interviewing on Participation and Outcome in Residential Alcoholism Treatment,” *Psychology of Addictive Behaviors* 7 (1993): 211–18; “Supported Employment/Individual Placement and Support,” Case Western Reserve University, Center for Evidence Based Practices, accessed February 26, 2018, <https://www.centerforebp.case.edu/practices/se>.

<sup>g</sup> Elisabeth Babcock, “Using Brain Science to Transform Human Services and Increase Personal Mobility from Poverty”; Lashawn Richburg-Hayes, Caitlin Anselone, and Nadine Dechausay, with Patrick Landers, *Nudging Change in Human Services: Final Report of the Behavioral Interventions to Advance Self-Sufficiency (BIAS) Project* (New York: MDRC, 2017).

<sup>h</sup> ideas42, “Nudging for Success: Using Behavioral Science to Improve the Postsecondary Student Journey” (New York: ideas42, 2016).

## Public Benefits Coordination

Public benefits may have similar program and eligibility requirements for families with low incomes. Coordinating such programs and services can support the well-being of families and expand their access to needed income supports, health services, and child services. These can be brought together in variety of contexts, including during the application processes for public benefit programs or in postsecondary education offices.

Postsecondary education can promote economic mobility, yet lack of sufficient financial aid and family income is one of the most significant barriers to completing a community college degree.<sup>11</sup> The unmet need between the cost of the degree and the funding received contributes to failure to complete these programs, particularly among students of color. The intermingling of educational and financial security challenges has led researchers and practitioners to evaluate how traditional public benefit programs and refundable tax credits can provide additional support to students and reduce the financial pressure that contributes to noncompletion rates. Public benefits coordination in postsecondary education has moderate impacts on outcomes, including on persistence and credits attempted by students.

### Public Benefits Coordination: Programs, Policies, and Interventions

Evidence level	Findings	Methods	Outcomes
<b>Coordinating benefits in postsecondary education:</b> higher education institutions connect students with comprehensive financial supports, including public benefits, as a way to address nonacademic barriers to college completion. This can include individual-level connections to additional supports and educating students with low incomes more broadly about their potential eligibility for benefits.			
Promising <sup>a</sup>	<ul style="list-style-type: none"> <li>Program participants were more likely to stay another year in college and attempt more college credits than similar students who did not use the program.</li> <li>Program participants who were age 25 or older, independent students, or nonwhite students experienced particularly positive effects in terms of the credits they attempted and persistence—remaining in college another year—compared with other program participants.</li> </ul>	Quasi-Experimental	<ul style="list-style-type: none"> <li>Increased persistence; increased credits attempted</li> <li>Increased persistence; increased credits attempted among students of color and nontraditional students</li> </ul>
Promising <sup>b</sup>	<ul style="list-style-type: none"> <li>Program participants had higher graduation rates and grade point averages than similar students who did not use the program.</li> </ul>	Quasi-Experimental	<ul style="list-style-type: none"> <li>Higher graduation rates; higher GPA</li> </ul>

**Aligning benefit application processes:** families with low incomes can gain access to a broader suite of supports when programs align application procedures. This can eliminate duplicative paperwork across agencies and simplify the processes that families face when they attempt to access services.

Emerging <sup>c</sup>	<ul style="list-style-type: none"> <li>Enrolling SSI recipients in SNAP based on information they provided in the initial SSI application increased SNAP participation in one-person SSI households by 48 percent.</li> </ul>	<ul style="list-style-type: none"> <li>Increased program participation</li> </ul>
Emerging <sup>d</sup>	<ul style="list-style-type: none"> <li>Using income determinations from human services programs for Medicaid enrollment increased the number of uninsured children covered.</li> </ul>	<ul style="list-style-type: none"> <li>Number of children insured</li> </ul>

<sup>a</sup> Lindsay Daugherty, William R. Johnston, and Tiffany Tsai, “Connecting College Students to Alternative Sources of Support: The Single Stop Community College Initiative and Postsecondary Outcomes” (Santa Monica, CA: RAND Corporation, 2016).

<sup>b</sup> Jing Zhu, Susanne Harnett, and Michael Scuello, “Single Stop Final Impact and Implementation Report” (New York, NY: Metis Associates, 2018).

<sup>c</sup> Stan Dorn, Sarah Minton, and Erika Huber, *Examples of Promising Practices for Integrating and Coordinating Eligibility, Enrollment, and Retention: Human Services and Health Programs Under the Affordable Care Act* (Washington, DC: Urban Institute, 2014).

<sup>d</sup> Dorn, Minton, and Huber, *Examples of Promising Practices for Integrating and Coordinating Eligibility, Enrollment, and Retention*.

## What Are the Conditions and Benchmarks of Success?

Case management intersects with various other program areas, including housing, workforce development, and financial security, and aims to improve the ways that people in poverty access public benefits, manage their resources, and navigate a complex and fragmented system of service providers and programs. The success of these interventions is typically measured using the following outcomes: program compliance and participation, goal attainment, increased access to public benefits, and improvements in key program outcomes from leveraging insights from brain science (e.g., employment and earnings). Although these measures are most common, other measures of success can be used to evaluate the efficacy of case management interventions.

### Holistic Approach

Successful case management strategies move beyond connecting people in poverty with benefits to considering the ecosystem of challenges that a family faces and the supports they need to become economically mobile. For example, if someone is homeless and has a sick child, they may want to focus primarily on securing housing, as this is the most immediate need. However, if they do not treat their child’s illness, they may have to miss work to care for them, potentially risking their job. This could lead to taking on risky debt to make ends meet or another bout of homelessness for the family.<sup>12</sup> By considering the broader context of potential challenges a family faces and the support needed, case

management strategies can connect families with a wider set of supports and empower them to make progress toward self-sufficiency.

## **Trained Facilitators**

Trained facilitators are an important component of administering programs. For many case-management strategies, including motivational interviewing and coach-navigator programs, the quality of coaching or interviewing sessions has a large influence on program outcomes. Thus, it is important that the facilitating staff are adequately trained so they can maximize potential positive outcomes for program participants.

## **Trauma-Informed Design**

Case management interventions can benefit from a clear understanding of the effect of trauma and poverty on brain development and a flexible program design that can account for these challenges. Such flexibility allows programs to be responsive to the experiences of those living in poverty and to better meet their needs.

## **Evidence-Based Program Model**

Successful case management strategies use the appropriate program model based on program participants' needs and the organization's capacity. Case management strategies can range from low-cost and easy-to-implement “**nudges**” to intensive long-term programs. Effective case management interventions match program needs to the appropriate model, allowing program implementers to be flexible to participants' needs and leverage the best available research on brain science and behavior to achieve positive outcomes.

# **Which Organizations Are Working Within This Space?**

## **US Partnership on Mobility from Poverty**

The [US Partnership on Mobility from Poverty](#) was a collective assembly of 24 academics, practitioners, and other leaders focused on efforts to help people achieve a reasonable standard of living with dignity. They produced papers on poverty, mobility, and related issues to help move the conversation forward

with concrete strategies that contribute to economic mobility. Though the group is no longer assembled, the website remains active and their papers and briefs are valuable resources for supporting future action.

## **Economic Mobility Pathways (EMPath)**

[EMPath](#) developed the Bridges framework—a structured roadmap for people in poverty to reach economic independence by optimizing family stability, health and well-being, financial management, education and training, and employment outcomes. As of 2019, EMPath partners with 115 organizations in 29 states, is used as a program model at the national level, and publishes research on the program’s outcomes.

## **ideas42**

[ideas42](#) develops, tests, and scales policies and programs that reflect how people actually make decisions and take action. They look at low-cost, easy-to-implement solutions across areas of education, health, justice, nutrition, and poverty. Previously, ideas42 worked in California on the Supplemental Nutrition Program for Women, Infants, and Children (WIC) application and implementation process to eliminate bottlenecks that reduced the program’s intended impact.

## **Single Stop USA**

[Single Stop USA](#) partners with community colleges to integrate economic empowerment programming in the student financial aid process. Through their partnerships, Single Stop USA coordinates access to safety net and public benefit programs, increasing the financial security of vulnerable students and enabling them to complete their degrees. Single Stop USA provides a program model and produces research about the coordination of public benefits within postsecondary education.

## **Center on the Developing Child at Harvard University**

[The Center on the Developing Child](#) at Harvard University produces policy-relevant research about the implications of trauma and poverty on the brain development of young children. It also evaluates and creates policy briefs on innovative programs that address these issues.



# What Is the Best Role in This Space for Organizations Serving Families with Low Incomes?

## **Partner with Agencies Who Implement Coach-Navigator Interventions**

Partnering with agencies who use coach-navigator interventions would allow organizations serving families with low incomes to connect their clients to services that focus on economic mobility and pathways out of poverty. This could be an option for organizations who do not have the capacity to implement their own coach-navigator programs or who are in communities where a partner organization has this expertise. Some organizations may seek to develop this expertise and provide this service.

## **Expand and Scale Behaviorally Informed Process Redesign Interventions**

As some organizations already implement behaviorally informed process redesign pilots and programs (i.e., “nudges”), these and additional interventions can be piloted, evaluated, and scaled to improve program delivery. Successful findings could be widely published and shared so other practitioners and policymakers can build on these behavioral insights.

## **Develop Programs for Trauma-Informed Human Services Delivery**

As many organizations serving families with low incomes interact with a population at-risk for trauma, trauma-informed program delivery may improve client engagement and outcomes. This would be a “next” practice to test, as few studies have been implemented outside of health fields, and would allow organizations to move the field forward with additional evidence.

## Recommended Reading

Babcock, Elisabeth. 2014. “Using Brain Science to Design New Pathways Out of Poverty.” Boston: Crittenton Women’s Union.

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Babcock, Elisabeth, and Nicki Ruiz de Luzuriaga. 2016. “Families Disrupting Poverty: Coaching with an Intergenerational Lens.” Boston, MA: Economic Mobility Pathways.

- Center on the Developing Child at Harvard University. 2016. "Building Core Capabilities for Life: The Science Behind the Skills Adults Need to Succeed in Parenting and in the Workplace." Cambridge, MA: Center on the Developing Child at Harvard University.
- Center on the Developing Child at Harvard University. 2016. "From Best Practices to Breakthrough Impacts: A Science-Based Approach to Building a More Promising Future for Young Children and Families." Cambridge, MA: Center on the Developing Child at Harvard University.
- Daminger, Allison, Johnathan Hayes, Anthony Barrows, and Josh Wright. 2015. "Poverty Interrupted: Applying Behavioral Science to the Context of Chronic Scarcity." New York: ideas42.

## Notes

- <sup>1</sup> Christine Borger, Amaris Kinne, Meghan O'Leary, Sheila Zedlewski, Theresa DelVecchio Dys, Gregory Mills, David Watsula, Emily Engelhard, Jilly Montaquila, Elaine Waxman, Monica Hake, Brittany Morgan, and Nancy Weinfield, "Hunger in America 2014" (Chicago, IL: Feeding America, 2014); Claudia Williams, James Rosen, Julie Hudman, and Molly O'Malley, "Challenges and Tradeoffs in Low-Income Family Budgets: Implications for Health Coverage" (Menlo Park, CA: The Henry J. Kaiser Family Foundation, 2004).
- <sup>2</sup> Signe-Mary McKernan, Caroline Ratcliffe, and John Iceland, "Policy Efforts to Reduce Material Hardship for Low-Income Families" (Washington, DC: Urban Institute, 2018).
- <sup>3</sup> Elisabeth Babcock, "Using Brain Science to Transform Human Services and Increase Personal Mobility from Poverty" (Washington, DC: US Partnership on Mobility from Poverty, 2018).
- <sup>4</sup> Isabel V. Sawhill, Scott Winship, and Kerry Searle Grannis, "Pathways to the Middle Class: Balancing Personal and Public Responsibilities" (Washington, DC: Brookings Institution, 2012).
- <sup>5</sup> Heather Hahn, "Navigating Work Requirements in Safety Net Programs: Potential Pathways for Parents" (Washington, DC: Urban Institute, 2019).
- <sup>6</sup> Vicki Lens, Margo Nugent, and Christopher Wimer, "Why Don't Low-Income New Yorkers Seek Help?" (New York: Columbia Population Research Center, 2016).
- <sup>7</sup> Anuj K. Shah, Eldar Shafir, and Sendhil Mullainathan, "Scarcity Frames Value," *Psychological Science* 26, no. 4 (2015): 402–12.
- <sup>8</sup> Lens, Nugent, and Wimer, "Why Don't Low-Income New Yorkers Seek Help?"
- <sup>9</sup> Russell Carlock, "EF in Adult Education Programs" (Cambridge, MA: Center on the Developing Child at Harvard University, 2011); Russell Carlock. 2011, "Executive Functions: A Review of the Literature to Inform Practice and Policy" (Cambridge, MA: Center on the Developing Child, 2011); Center on the Developing Child at Harvard University, "Building the Brain's 'Air Traffic Control' System: How Early Experiences Shape the Development of Executive Function" (Cambridge, MA: Center on the Developing Child, 2011).
- <sup>10</sup> Carlock, "EF in Adult Education Programs"; Carlock, "Executive Functions: A Review of the Literature to Inform Practice and Policy"; Center on the Developing Child at Harvard University, "Building the Brain's 'Air Traffic Control' System."
- <sup>11</sup> Amy Ellen Duke-Benfield, "Bolstering Non-Traditional Student Success: A Comprehensive Student Aid System Using Financial Aid, Public Benefits, and Refundable Tax Credits" (Washington DC: CLASP, 2015).
- <sup>12</sup> Babcock, "Using Brain Science to Transform Human Services and Increase Personal Mobility from Poverty."

# Discussion

Millions of Americans face economic insecurity each year and are forced to make trade-offs between paying for basic needs, such as food, housing, utilities, health care, and clothing. Through a combination of enhanced assistance programs and some of the interventions described in this report, economic insecurity can be reduced.

Many organizations who serve families with low incomes are developing and engaging in creative strategies that go beyond providing their clients with immediate services to tackling the root causes of poverty and the other hardships that often accompany economic insecurity, including joblessness, housing instability, and financial insecurity. Many organizations who serve families with low incomes already partner with employers, local agencies, and community organizations to provide clients with education, community referrals, and application assistance for federal programs, along with support in other areas such as job placement, financial programming, and case management. Organizations who serve families with low incomes can support these efforts by sharing information and resources about key systems and evidence-based practices and programs.

This study provides organizations with information they can use to expand their internal capacity, improve direct service delivery for clients, and build partnerships to provide clients with additional wraparound services. The study identifies the salient issues within the areas of financial security, housing, workforce development, and case management; research-driven policies and practices for addressing these issues; the organizations working in this space; and the best role for organizations that want to expand their footprint in these areas.

This study highlights interventions that are proven, promising, and emerging within the areas of financial security, housing, workforce development, and case management using Feeding America's level of evidence framework. Some of the studies highlighted effectively control for unobserved participant characteristics using experimental and quasi-experimental designs. However, studies of programs that show effects for particular subgroups of participants may not be generalizable to the populations targeted by organizations serving families with low incomes or their partners. In particular, determining the effectiveness of interventions is difficult because many studies test bundles of services provided for participants, making it difficult to determine what specific components of programs are effective or how components contribute to particular outcomes of interest. To better understand how particular components of programs impact people and families with low incomes to support evidence-

based program development and policymaking, future evaluations could tease out the impact of particular program pieces on outcomes of interest.

Many of the interventions produce outcomes that vary among participants along different dimensions—including race and ethnicity, education, and income. We’ve noted where differences in outcomes have already been established; however, there could be other differences that have not yet been explored. For example, few interventions that we’ve identified distinguish between rural and urban families, a key demographic for organizations serving families across diverse geographies. This distinction may matter as expenses—particularly housing expenses—are significantly higher in urban areas. On the other hand, transportation can be more expensive in rural areas, particularly when a car is needed. As a result, the studies featured in this report may provide key information about the practices that yield positive outcomes in financial security, housing, workforce development, and case management, but they may not account for all the diversity in the population that organizations serve. Organizations who serve families with low incomes have an opportunity to build on this body of evidence and pilot interventions in new geographies—serving different populations with different supportive services to gain new evidence and improve outcomes for Americans who experience economic insecurity.

# Appendix. Methods

## Literature Review Methodology

We conducted semistructured interviews with Urban Institute experts in financial security, housing, workforce development, and case management. We asked them about the salient issues within their domains, such as financial insecurity, homelessness, and joblessness, and best policies and practices for addressing these issues. For each policy or practice, the experts provided us with information about who administers it, who the recipients are, when and where it was administered, what worked and did not work, whether there is a role in this space for organizations serving families with low incomes, and the main bodies of literature.

We then reviewed the information gathered from the semistructured interviews and conducted a thorough, but narrow, literature review of studies recommended by our experts. We summarized and incorporated our findings in the report, highlighting those that are generally agreed upon and key within each domain. We organized the key findings into tables, citing one to two selected studies that reflect a body of representative literature and listing the study methods, main outcomes, and levels of evidence.

As the literature review progressed, we consulted the domain experts to review written materials and identify gaps in the literature and suggest other sources and bodies of literature where additional effective practices are being tested. These sources were incorporated throughout the process of compiling and synthesizing the literature.

## Level-of-Evidence Criteria

In this literature review, we use the level-of-evidence criteria established by Feeding America to distinguish between practices that are proven, promising, emerging, and not yet evaluated.

- **Proven practices** are those supported by strong evidence from high-quality studies that demonstrate *causality* between an intervention and outcomes of interest and where causality has been replicated *multiple* times across populations and/or geographies to indicate *generalizability*. These practices are typically based on studies using experimental methods, including randomized controlled trials (RCTs)—the gold standard for measuring effectiveness—quasi-experimental, or non-experimental studies with controls for selection bias. These

practices tend to be single multisample studies (tested in sites across diverse geographies) or have multiple studies across populations and geographies of interest.

- **Promising practices** are those supported by moderate evidence from high-quality studies that demonstrate *causality* between an intervention and outcomes of interest. As with proven practices, the evidence is based on rigorous methods. Unlike with proven practices, however, causality is not considered generalizable because it has not been replicated multiple times across populations and/or geographies studies or has been replicated significantly fewer times.
- **Emerging practices** may have preliminary or exploratory findings regarding their effectiveness. These practices can include correlational findings, administrative or program pre-post data analysis, or descriptive data from case studies. Although some evidence of impact exists, there is a lack of rigorous causal evidence. These practices could be new interventions that may not be rigorously evaluated but have the potential for impact.
- **Not yet evaluated** practices have little or no research that documents their effects.

## Study Methods

We also categorize each study by the method used to generate evidence about outcomes of interest. Quantitative methods include experimental designs, quasi-experimental designs, non-experimental studies with controls for selection bias, and association only studies.

- **Experimental methods** use random assignment to create comparable treatment and control groups; when implemented without bias and with an adequate number of participants (i.e., strong design elements), these studies can determine whether an intervention causes a specific outcome.
- **Quasi-experimental designs** do not have intentional random assignment of treatment and control groups but use statistical techniques to create a comparison group to evaluate against the treatment group's outcomes. This is done by taking advantage of naturally occurring variation in exposure to an intervention to mimic some elements of a randomization.
- **Non-experimental studies** do not have randomly assigned treatment or comparison groups but rather control statistically for biases that arise from, for example, who chooses to participate in the intervention and who does not (or other biases) in estimating effects.

- **Association only studies** typically explore the correlation, or the strength and direction of the relationship, between the outcome of interest and the intervention. Based on this study design, it is not clear whether the intervention being studied caused any changes observed in the outcome, or some other factor related to participation in the intervention caused changes observed in the outcome.

Additional study methods include literature reviews, meta-analyses, and case studies.

- **Literature reviews** are systematic overviews of existing evidence in a particular field using standardized methods to identify and evaluate the research included.
- **Meta-analysis** is a statistical method to evaluate the data of individual studies about the same type of outcome to determine the overall trend.
- **Case studies** are descriptive and exploratory analyses of an intervention to provide a robust understanding of the intervention and its context.

Some studies are **mixed method**, meaning that they use multiple methods to evaluate an intervention's effects, and **other** information sources include those that do not fit the above categories, such as briefs and fact sheets. These communicate the results of various studies.

## Studies Cited

The tables included in the report use the levels of evidence framework to highlight some consensus findings, citing studies that reflect a body of representative literature for each finding. This means that all literature supporting the finding is not cited and the level of evidence is reflective of the body of literature, rather than each individual study.

The findings examine employment, housing stability, financial security, earnings, and other outcomes relevant to financial security, housing, and workforce development interventions. For each finding, we also list the methods used (see "Study Methods" above) and explain the main outcomes.

## STATEMENT OF INDEPENDENCE

The Urban Institute strives to meet the highest standards of integrity and quality in its research and analyses and in the evidence-based policy recommendations offered by its researchers and experts. We believe that operating consistent with the values of independence, rigor, and transparency is essential to maintaining those standards. As an organization, the Urban Institute does not take positions on issues, but it does empower and support its experts in sharing their own evidence-based views and policy recommendations that have been shaped by scholarship. Funders do not determine our research findings or the insights and recommendations of our experts. Urban scholars and experts are expected to be objective and follow the evidence wherever it may lead.





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