



Economic Empowerment for Families

Lessons for Homeless Service Providers

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The long-term financial stability of families is a common concern among homeless service providers, but one that they rarely have the resources or capacity to address. As part of an evaluation the Urban Institute is conducting for Hamilton Families, a homeless service provider in San Francisco, we interviewed four programs focused on asset building, workforce development, work support strategies, and other approaches to improve families' financial circumstances.¹ To guide our interviews, we identified three key areas of programmatic work that would be important considerations when serving families experiencing homelessness:

- improving employability, particularly for populations with special needs (programming in this category includes training and education support as well as subsidized or transitional jobs);
- providing individualized services and supports to match participant goals (programming in this category includes individualized job search, service plans, and job opportunities development); and
- supporting long-term career development and savings to mitigate future financial crises that may result in returns to housing instability or homelessness (programming in this category includes rent disregards, savings matches, and post-employment and educational supports).

The economic empowerment programs we interviewed provided these types of assistance and were evidence-based with rigorous evaluation or recommended as a promising, innovative program by an Urban Institute expert. The programs we interviewed ranged in focus from helping people access employment and education or training opportunities to helping participants reach savings goals. Interviews included

- a subsidized/transitional employment program in Seattle, Washington;²

- a technical skills education “bridge” program in Washington State;³
- an individual development account (IDA) program in Albuquerque, New Mexico;⁴ and
- a Jobs Plus Program in Chicago, Illinois.⁵

Across these economic empowerment programs, five key takeaways emerged for programs serving homeless families.

Programs Hoping to Improve Long-Term Trajectories Out of Poverty Set Short-Term Employment and Financial Goals

Many of the programs interviewed view their programming as part of a participant’s longer-term trajectory to a full education and/or a living wage, and ultimately an exit from poverty. Despite this, participant engagement in these programs is short relative to those longer-term goals so programs set short-term, achievable goals for participants to measure program effectiveness. For all the programs interviewed, the goal is for the participant to be engaged, complete the program, and achieve one short-term goal by program exit. For the subsidized/transitional employment program, the short-term goal is that the participant has full-time employment at exit; for the education program, the goal is that the participant completes one year of postsecondary education.

For homeless service providers, this means creating employment, education, and financial goals that are achievable in the time a program serves a family and are indicative of a family’s long-term outcomes. Examples of this could include

- full-time employment at exit;
- completion of one year of postsecondary education or another short-duration training program; and
- a completed savings goal at exit.

Working on Economic Empowerment Requires Multiple Service Strategies

When describing their programs, economic empowerment staff indicated that their programs included a few key strategies:

- employment and/or education and training, such as developing relationships with and facilitating access to employers and educational opportunities;
- financial incentives, such as paying a person’s wage during a training period, matching savings, or disregarding increases in income when calculating a tenant’s rent portion;

- wraparound services that address needs that support employment and education, such as transportation, child care, and clothing; and
- community supports and engagement, such as referrals to additional services that a participant may need.

For homeless service providers, this may require some specialization in staff. For example, similar to how homeless service providers have staff that cultivate relationships with landlords, homeless programs may consider having specialized staff that cultivate relationships with employers, serve as navigators for participants enrolled in educational programs, or who are otherwise dedicated to services associated with supporting employment and education.

Financial Literacy Skills Are a Critical Foundation for Participants

Programs varied widely with regards to service requirements and these were sometimes dictated by program funders. However, program staff largely agreed that basic financial literacy skills established a critical foundation for participants. Two programs required participation in a financial literacy curriculum to complete the program, and a third offered it as an optional service to participants. In one program, financial literacy was a relatively recent addition to the program and the program saw such value in it that it created a two-generation approach to begin introducing financial literacy to children in participant households.

Many homeless service providers currently offer or make referrals to financial literacy services. For those that don't, establishing the service option could have a high payoff for a relatively low cost. There are often local providers of these classes so programs can make referrals to these classes as opposed to providing it themselves, and there are a number of curriculums publicly available that could be adapted by a program.

Regional Collaboration and Mutual Referral Networks Feature Prominently

The economic empowerment programs we interviewed often identified themselves as one part of a service infrastructure that participants needed for long-term success. The programs frequently relied on community-based organizations for referrals to their program and used other community-based organizations to ensure participants had the full supports they needed. Additionally, these programs used existing regional networks—regional planning bodies for state offered social services (e.g., WorkFirst Local Planning Area Partnerships), education councils (e.g., Washington State Council for Basic Skills), statewide legislative convenings and consortiums (e.g., New Mexico Consortium), and community college networks—to navigate across siloes, facilitate referrals and collaboration, and discuss challenges and strategies for improving services.

Homeless service providers often rely on other community-based organizations to provide services they do not specialize in, and regional collaboration is required for a variety of federal and state funds that flow into homeless services systems. It is possible, however, that homeless service providers may not have a seat at the table in some of the above-mentioned regional networks. When building relationships with local employment or education partners, inquiring about regional networks they may participate in and working to gain a seat at the table may improve access to these types of services for people experiencing homelessness.

Long-Term Follow-Up Is a Challenge for Economic Empowerment Programs

Despite programs' hopes to affect long-term trajectories out of poverty for participants, the programs we interviewed do not conduct or conduct very limited follow-up after program completion. Some programs attempt light touch follow-up in the weeks after exit, and one program indicated that they attempt to reach out to some former participants at the six-month mark, but those efforts were limited. The reasons given for this were both a lack of resources to conduct the follow-up as well as a lack of response from former participants. Programs indicated they used email, phone calls, and text messages to attempt to contact families.

For homeless service providers, this will feel familiar; post-program follow-up is a challenge for those who have attempted it. Programs attempting to follow up with participants should consider partnering with an experienced evaluation firm to increase response rates or should account for the significant staff time needed to conduct follow-up and the impact of low response rates on analysis.

Notes

- ¹ Four programs—YWCA WorkFirst in Seattle; Prosperity Works IDA in Albuquerque; Altgeld Gardens Jobs Plus in Chicago; and I-BEST in Washington State—were selected for interviews on the basis of several criteria: (1) evidence and/or researcher-identified promising or innovative practice—program models identified must have been rigorously studied and found to have significant impacts and/or be identified by an Urban expert as being innovative and promising; (2) alignment with key programming—programs must address at least one of the three key areas of programmatic work identified above; (3) scale—programs should have the capacity to serve at least 100 families per year; and (4) maturity—programs should have been operating for at least five years, allowing for refinement of program design. As a limited number of programs was interviewed, our findings are not generalizable to all economic empowerment programs. Also, programs interviewed are not targeted to homeless families, so there is no expectation that program results would be the same if applied to families experiencing homelessness. The primary interview candidate was the program director responsible for operating the program within an agency. One program included in the interview staff members who were responsible for program components. Capacity across programs at the time of interview varied because of fluctuations in funding between when the programs were studied and when they were identified as part of criteria 1 for inclusion in the interview. The program with the smallest family capacity at the time of interview had served larger numbers of participants in previous years.
- ² Subsidized/transitional employment programs have been shown to improve employment rates and income gains, especially among the “hard to employ” (Martinson and Holcomb 2007).
- ³ Bridge programs are innovative programs that provide low-skilled participants with better access to higher education programs, particularly at community colleges (Martinson and Holcomb 2007).
- ⁴ IDAs provide matching funds to allow participants to save for specific approved purposes as higher education, homeownership, and business start-ups (can include purchasing a car in some instances). A rigorous evaluation found a 34 percent reduction in hardships related to utilities, housing, or health, equivalent to one less hardship experienced for IDA participants (Mills et al. 2016).
- ⁵ Evaluations of Jobs Plus have shown that residents in Jobs Plus sites make more money than those in non-Jobs Plus sites and that they continue to make more after the program ends (MDRC 2014).

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