

The background features three large, light gray, stylized letters: a large 'F' on the left, a vertical 'T' in the center, and another large 'T' on the right. The text is overlaid on this background.

# Families In Transition:

## Serving Families with Multiple Barriers to Self-Sufficiency

Policy Brief #2: Comparing Outcomes for  
Graduating and Non-Graduating Leavers

May 2002



**Berkeley Policy Associates**

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### INTRODUCTION

Like other communities in the greater San Francisco Bay Area, Santa Cruz County faces a severe shortage of affordable housing. Although the recent economic slowdown has eased the upward pressure on housing prices, this follows several years in which the high-tech boom in nearby Silicon Valley caused area housing costs to skyrocket. The limited supply of affordable housing places an especially large burden on low-income families. These families often are unable to locate suitable housing, and those that do typically must spend a very large portion of their limited incomes on housing costs. Thus, low-income families often must confront unstable housing arrangements and the prospect of homelessness.

Established in 1992, Families in Transition of Santa Cruz County, Inc. (FIT) provides transitional housing assistance and other services to a population considered among the hardest to serve: families that are homeless or at risk of becoming homeless. Although families enter FIT primarily to address housing needs, most participants face multiple barriers to employment and self-sufficiency, including substance abuse, domestic violence, and mental or physical health issues; involvement with Child Protective Services; lack of transportation or child care; limited work histories; and low levels of education or training. In order to help families progress toward self-sufficiency, FIT directly provides intensive case management and a range of supportive services, and refers clients needing more specialized services (such as mental health counseling, substance abuse treatment, and education or job training services) to appropriate providers in the community.

The inception of Temporary Assistance for Needy Families (TANF)—the result of federal welfare reform—has lent particular relevance to FIT’s service model. TANF imposes lifetime limits on the receipt of cash assistance and places a heavy emphasis on employment. As a result, social service providers are especially concerned about how to help the hardest-to-serve families to find work and achieve self-sufficiency. FIT’s apparent success in addressing participants’ barriers to employment suggests that the program may represent a promising model for assisting families that face numerous obstacles to self-sufficiency.

This policy brief, the second in a series from Berkeley Policy Associates’ (BPA’s) ongoing evaluation of FIT, is intended to share knowledge gained from the program’s experience in working with the hardest-to-serve families.<sup>1</sup> Following a short overview of the FIT service model and a discussion of recent changes in the program’s caseload, this policy brief focuses on two key facets of assisting the hardest-to-serve. First, we examine how the number and severity of employment barriers affect participants’ graduation from FIT and the length of time they spend in the program. Second, we look at changes in family well-being between program entry and exit,

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<sup>1</sup> The first FIT evaluation policy brief, *Families in Transition: Serving Families with Multiple Barriers to Self-Sufficiency* (May 2001), is available online at <http://www.bpacal.com/expertise/PolicyBrief.pdf>.

comparing outcomes for families that graduate from FIT with outcomes for families that do not graduate. Drawing on FIT's approach to helping families move toward self-sufficiency, we conclude by offering several lessons that can assist other social service providers in working with the hardest-to-serve.

Data sources for BPA's evaluation of FIT include the program's client database and tracking system, as well as interviews with FIT management, staff, and clients, and with service providers in the community. While BPA's analysis examines participant outcomes, the exact impact of FIT on these outcomes cannot be determined due to the lack of an appropriate control group for which data are available. Still, the existing data do suggest that families make significant progress while on FIT and yield valuable findings on the experience of program participants.

## OVERVIEW OF THE FIT SERVICE MODEL

Families are most commonly referred to FIT by the Santa Cruz Human Resources Agency—which administers the CalWORKs (TANF) program, Child Protective Services (CPS), and other services—and also are referred by other governmental agencies, community-based organizations, or sponsoring individuals (e.g., a clergy member). A family entering FIT begins with an intensive assessment process that takes place over the course of four to six weeks and allows FIT staff to determine the family's housing needs, financial situation, and barriers to employment and self-sufficiency. A case manager then works with the family to create an individualized service plan, which specifies the activities the family will undertake to obtain stable housing and find employment. The case manager also works with the family to create a realistic budget that helps the family to prepare for the cost of housing and address any existing debt. The family stays with the same case manager for its entire time on FIT.

After creating the individualized service plan and family budget, the case manager works with the family to determine the type of available housing assistance that will best meet its needs. FIT's housing assistance can take the form of time-limited rental subsidies to help families afford private-market rents, transitional housing in one of the eight units operated by FIT, emergency rental assistance, or loans to cover housing costs or other expenses. FIT also operates the Housing Scholarship Program, which provides rental assistance for participants who are completing education or job-training programs designed to prepare them for higher-paying career paths.

To address non-housing needs, the case manager refers the family to the appropriate public agencies or community-based organizations for any necessary employment services, drug and alcohol counseling, domestic violence services, mental health services, parenting services and support, transportation, and child care. The case manager meets monthly with all service providers working with a family in order to coordinate services and track the family's progress. Families graduate from FIT when they are in permanent or stable housing, have secured employment, can keep up with their expenses and—in most cases—are off CalWORKs.<sup>2</sup> In addition to helping families progress toward graduation, case managers provide post-program follow-up and support, working with families until they achieve self-sufficiency.

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<sup>2</sup> Families still on CalWORKs can graduate from FIT if they are permanently exempt from welfare-to-work requirements or if they are working full-time but not making enough to exit cash assistance (this is typical for large families). In addition, a family could graduate from FIT while still on CalWORKs if it is participating in a long-term educational program, but has stable housing.

## DEMOGRAPHIC PROFILE OF THE FIT CASELOAD

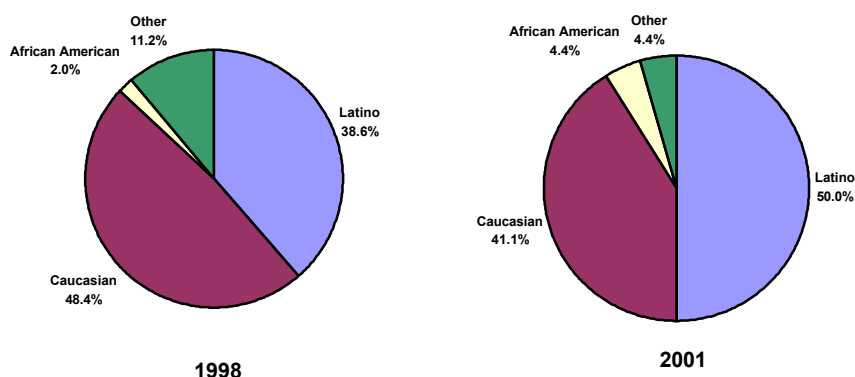
Demographic information provided at program entry offers a look at the types of families served by FIT and shows how certain client characteristics have changed in recent years. In this section, we briefly summarize personal and family characteristics of the 605 families that entered FIT between 1998 and 2001.

**Race and Ethnicity:** During the past four years, Latino families have continually increased as a proportion of FIT entrants. In 2001, Latinos accounted for 50 percent of new cases, up from 39 percent in 1998. Meanwhile, Caucasian families decreased from 48 percent of new FIT cases in 1998 to 41 percent in 2001. As noted in the previous FIT policy brief, this trend mirrors that found among TANF caseloads nationwide, which have increasingly consisted of non-Caucasian families.

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**Exhibit 1**  
**RACE AND ETHNICITY OF FIT ENTRANTS, 1998 AND 2001**

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**Family Composition:** Two-thirds (67 percent) of families entering FIT were headed by single mothers, 27 percent by married couples, and 5 percent families by single fathers. The 2001 cohort, while similar to prior cohorts with regard to marital status, reversed a two-year trend by having both fewer children and older children than did the 2000 cohort. Between 2000 and 2001, the share of families with only one child increased from 37 percent to 54 percent, while the share of families with children under age 6 dropped from 70 percent to 63 percent.

**Education Level:** FIT participants generally have low levels of educational attainment. For instance, more than one-third (39 percent) of adults entering FIT in 2001 lacked a high school diploma, a proportion similar to that in prior years. However, 2001 entrants were more likely than entrants in previous years to have attended college, even though—as will be discussed below—the 2001 cohort was considerably more disadvantaged than previous cohorts. Twenty-eight percent of

adults entering FIT in 2001 had attended some college, compared with 19 percent of entrants during the three previous years. This increase may be a result of the growing caseload in FIT's Housing Scholarship Program.

## **BARRIERS TO EMPLOYMENT AT PROGRAM ENTRY: AN INCREASE IN 2001**

The types of barriers to employment that participating families face at program entry are sometimes influenced by the funding sources that FIT is able to secure. This was especially the case in 2001, when FIT obtained 101 new Section 8 vouchers from the U.S. Department of Housing and Urban Development (HUD). Of this new pool of vouchers, 73 were earmarked for families involved with CPS, and the remaining 28 were earmarked for CalWORKs recipients.

Given that many of the families entering FIT in 2001 were involved with CPS, CalWORKs, or both, it is not surprising that the FIT caseload in 2001 was more disadvantaged than in prior years. Reversing a two-year trend toward fewer barriers, the average number of barriers among FIT entrants increased to 3.6 in 2001 (from 3.0 and 2.9 in 1999 and 2000, respectively), while the average number of severe barriers increased to 2.3 (from 1.9 and 1.8 in 1999 and 2000, respectively). As would be expected, the employment rate among FIT entrants declined in 2001, dropping from 51 percent (in both 1999 and 2000) to 46 percent.

Because FIT emphasizes housing assistance as a means of promoting family stability, it is especially notable that the 2001 cohort faced far worse housing situations at entry than did the two prior cohorts. Families in the 2001 cohort were more than twice as likely to be homeless as were families in the 2000 cohort (30 percent vs. 13 percent) and five times as likely to be homeless as were families in the 1999 cohort (30 percent vs. 6 percent). Only 3 percent of families in the 2001 cohort reported no housing problem upon entry, down from 11 percent in 2000.

Compared with 1999 and 2000 entrants, families in the 2001 cohort also faced greater needs with regard to job readiness, mental health, and substance abuse. In fact, of the various barriers tracked by FIT, there was only one barrier—domestic violence—for which the 2001 cohort was no worse off than other recent cohorts. Consequently, the FIT program will likely face special challenges in serving members of the 2001 cohort. BPA's future reports will explore how these families fared and discuss any program adjustments FIT made in helping them overcome their barriers to employment and self-sufficiency.

## **THE EFFECT OF BARRIERS TO EMPLOYMENT ON GRADUATION AND TIME IN PROGRAM**

Graduation rates and the length of time clients spend in the program are two important measures that describe the experience of participating families. Graduation rates indicate the extent to which families make progress in their service plans, and thus are important in understanding whether FIT participants will realize their desired outcomes. Time in program indicates how long it takes families to complete FIT's program requirements or—for those not graduating from FIT—how long families are exposed to FIT services.

In this section, we examine how the number of barriers to employment at entry influence a family’s likelihood of graduating from FIT as well as the time needed to graduate. Our analysis includes families that exited FIT between March 1, 1998 and September 30, 2001.

### ***Graduation from FIT***

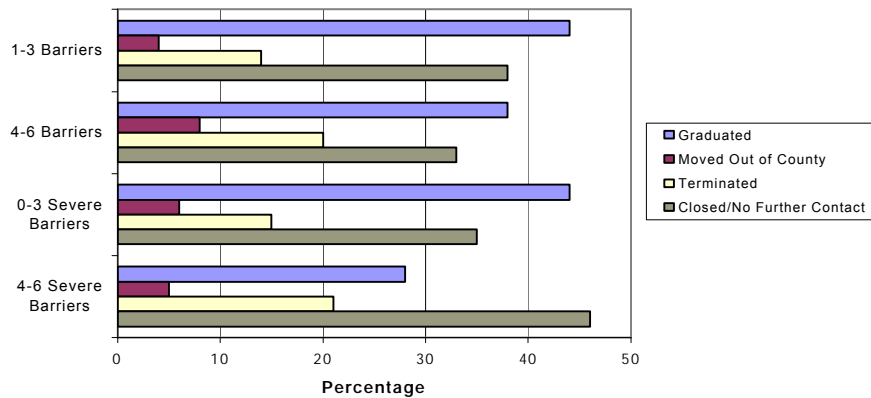
As indicated earlier, families graduate from FIT when they have stable housing, have secured employment, can keep up with their expenses, and are off CalWORKs. Families also exit FIT by moving out of the county, dropping out of the program, or being terminated for failure to comply with program guidelines.

During the entire period examined, 42 percent of families graduated from FIT, 6 percent moved out of the county, 16 percent were terminated from the program, and 36 percent dropped out. Exhibit 2 shows the reasons for case closure by number of barriers to employment. As would be expected, families with fewer barriers to employment and with fewer severe barriers were more likely to graduate. At the same time, families with greater barriers to employment were more likely to be terminated for noncompliance.

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**Exhibit 2**  
**EMPLOYMENT BARRIERS AT FIT ENTRY AND REASON FOR CASE CLOSURE**

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Note: Data include the 307 families that exited FIT between March 1, 1998 and September 30, 2001 and for which tracking information is available.

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### ***Time Spent in the Program***

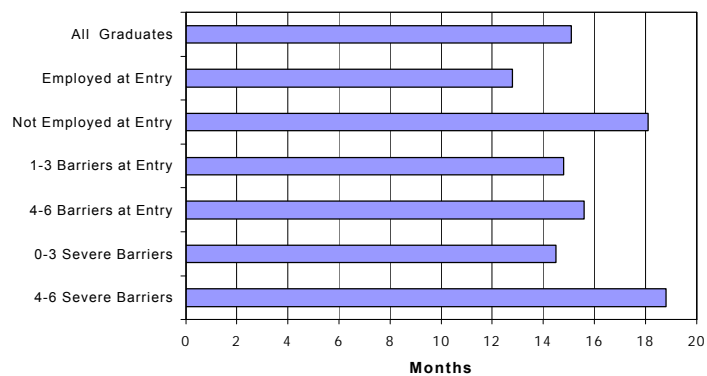
For families that graduated from FIT, the average length of time spent in the program was 15 months. (Families that left FIT for other reasons—moving out of the county, being terminated for noncompliance, or dropping out—had much shorter program stays, averaging 9 months.) As shown in Exhibit 3, the length of time needed to graduate from FIT depended on the family’s employment status at entry as well as the extent of the family’s barriers to employment. Among

families that graduated, being employed at entry was associated with shorter stays on FIT. In addition, although having more barriers to employment overall did not necessarily increase time on FIT, families with a greater number of *severe* barriers to employment stayed in the program longer than those with fewer severe barriers.

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**Exhibit 3**  
**LENGTH OF TIME ON FIT**

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Note: Data include the 214 families that graduated from FIT between March 1, 1998 and September 30, 2001.

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## CHANGES IN FAMILY WELL-BEING BETWEEN FIT ENTRY AND EXIT

How does overall family well-being change through participation in FIT? In this section, we examine changes in several key measures—housing status, employment and job readiness, participation in public assistance programs, and family income and poverty status—between FIT entry and exit, focusing on how outcomes varied between FIT graduates and non-graduating leavers. Our analysis includes families that exited FIT between March 1, 1998 and September 30, 2001 and for which tracking information is available. Available data do not allow us to ascertain that improvements in well-being were caused by FIT specifically, although the data are suggestive of this conclusion.

Our analysis indicates that FIT graduates experienced far greater improvements in family well-being between entry and exit than did non-graduating leavers. It is important to note that families that exited FIT without graduating were worse off at entry than were graduates. Therefore, non-graduating leavers might have experienced smaller improvements as a result of completing the program, when compared with those families that actually did graduate. Still, the fact that graduation was associated with major improvements in family well-being highlights for service providers the importance of keeping families engaged in program activities.

## Housing Status

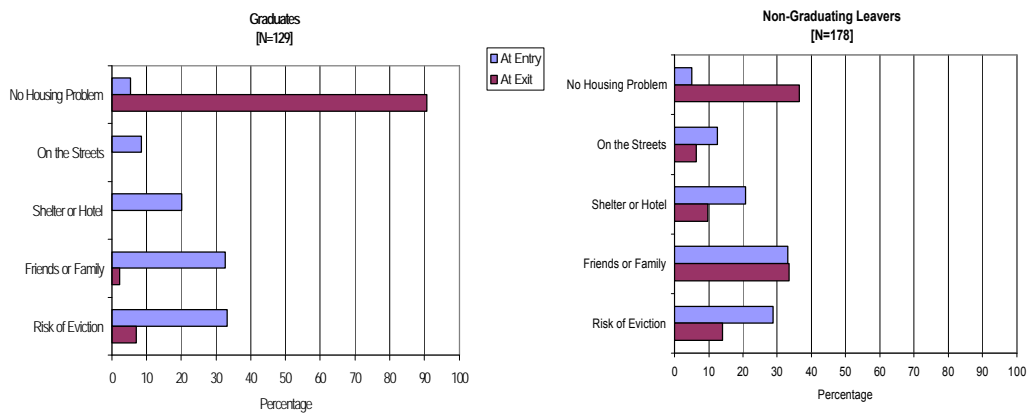
FIT graduates as a whole experienced a substantial improvement in housing status between entry and exit. As shown in Exhibit 4, virtually all FIT graduates (91 percent) reported no housing issue at exit, up from only 5 percent at entry. No FIT graduates were living on the streets at program exit, nor were any living in a shelter or hotel. In addition, whereas one-third of graduates reported living with friends or family at entry, and another one-third reported being at risk of eviction, by exit these figures dropped to only 2 percent living with friends or family and 7 percent at risk of eviction.

Non-graduating leavers also experienced an improvement in housing status, although it was not quite as dramatic as for FIT graduates. While the share of non-graduating leavers who reported no housing issue increased more than 30 percentage points between entry and exit, almost two thirds (64 percent) still had a housing issue upon leaving FIT.

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**Exhibit 4**  
**HOUSING STATUS AT FIT ENTRY AND EXIT**  
**GRADUATES AND NON-GRADUATING LEAVERS**

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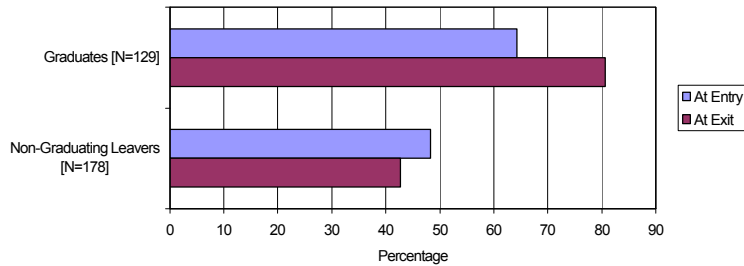
Note: Data include the 307 families that exited FIT between March 1, 1998 and September 30, 2001 and for which tracking information is available.

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## Employment

FIT graduates were much more likely to be employed at exit than were non-graduating leavers. Further, as shown in Exhibit 5, the employment rate among graduating families increased from 64 percent to 81 percent between entry and exit, while the employment rate actually *decreased* slightly among non-graduating leavers. This suggests that many families that leave FIT without graduating are still in need of services when they exit. It is important to note, however, that FIT case managers are not always aware of the employment activity of non-graduating leavers upon exit, especially for families that drop out. Thus, the available data might actually understate employment among non-graduating leavers.

**Exhibit 5**  
**EMPLOYMENT AT FIT ENTRY AND EXIT**  
**GRADUATES AND NON-GRADUATING LEAVERS**

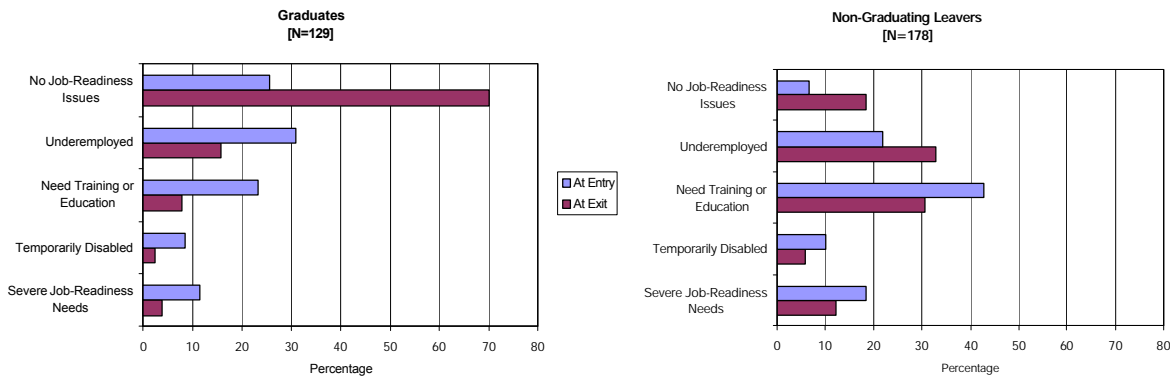


Note: Data include the 307 families that exited FIT between March 1, 1998 and September 30, 2001 and for which tracking information is available.

**Job Readiness**

Exhibit 6 indicates that graduates and non-graduating leavers both showed improvements in their readiness to enter the workforce. However, graduates were almost four times as likely as non-graduating leavers to be job-ready at exit. Among FIT graduates, the percentage who were job ready increased dramatically, from 26 percent to 70 percent, between entry and exit. Only 19 percent of non-graduating leavers were job-ready at exit, up from 7 percent at entry.

**Exhibit 6**  
**JOB READINESS AT FIT ENTRY AND EXIT**  
**GRADUATES AND NON-GRADUATING LEAVERS**



Note: Data include the 307 families that exited FIT between March 1, 1998 and September 30, 2001 and for which tracking information is available.

## Participation in Public Assistance Programs

Participation in public assistance programs is a useful gauge of families' overall financial standing and the extent to which families are utilizing supports that may help them progress toward self-sufficiency. In this section, we look at receipt of housing subsidies, child care subsidies, and TANF, as well as involvement in CPS, among FIT graduates and non-graduating leavers. Exhibit 7 shows participation in each of these programs at entry and exit.

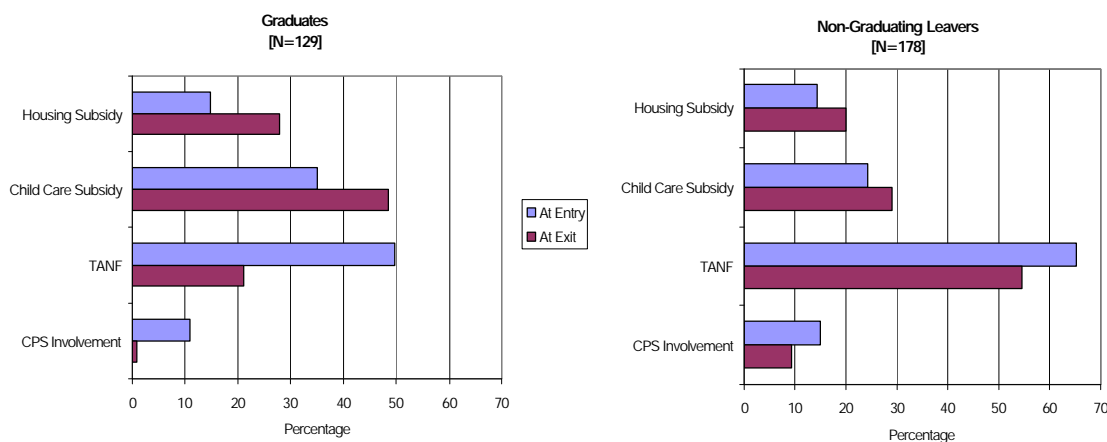
**Housing Subsidies:** Families use housing subsidies to gain the stability needed to pursue their employment and self-sufficiency goals. FIT graduates were almost twice as likely to be receiving housing subsidies at exit than at entry: 28 percent of graduates left the program with a housing subsidy, compared with 15 percent who entered with a housing subsidy. Receipt of housing subsidies among non-graduating leavers increased less substantially, from 15 percent at entry to 20 percent at exit.

**Child Care Subsidies:** Child care subsidies are a crucial support in helping parents find and keep employment. FIT graduates were much more likely to be utilizing child care subsidies upon exit than upon entry (49 percent vs. 35 percent). Non-graduating leavers were around half as likely as graduates to have a child care subsidy at exit. In addition, the proportion of non-graduating leavers with a child care subsidy increased only slightly between entry and exit, from 24 percent to 29 percent.

**TANF:** Among FIT graduates, TANF receipt was cut by more than half between entry and exit, from 50 percent to 21 percent. Non-graduating leavers were more likely, at both entry *and* exit, to receive TANF than were FIT graduates. Over half (55 percent) of non-graduating leavers received TANF at exit, down from 65 percent at entry.

### Exhibit 7

#### PARTICIPATION IN PUBLIC ASSISTANCE PROGRAMS AT FIT ENTRY AND EXIT, GRADUATES AND NON-GRADUATING LEAVERS



Data include the 307 families that exited FIT between March 1, 1998 and September 30, 2001 and for which tracking information is available.

**Involvement with Child Protective Services:** FIT works closely with the county CPS office in order to ensure that FIT clients are providing safe, stable environments for their children. Involvement with the CPS system among FIT graduates dropped dramatically—from 11 percent to just 1 percent—between program entry and exit. This 1 percent consisted entirely of families that had CPS cases open while in the FIT program, as all graduating families that entered FIT with CPS cases had their cases close before exit. Non-graduating leavers were more likely than graduates to be involved with CPS at exit. Among non-graduating leavers, 10 percent were involved with CPS upon exiting FIT, down from 15 percent at entry.

### **Family Income**

Exhibit 8 shows the change from entry to exit in total family income, which includes earnings, housing assistance, and TANF cash grants. As this analysis reveals, graduates and non-graduating leavers both experienced increases in average monthly family income between program entry and exit. However, graduating families—in addition to entering the program with higher incomes—experienced a larger gain in income between entry and exit, owing to much greater increases in earnings and housing assistance receipt. As a result, graduates exited FIT with an average total monthly income that was more than \$500 higher than that of non-graduating leavers.

**Exhibit 8**  
**CHANGE IN MONTHLY EARNINGS AND INCOME FROM FIT ENTRY TO EXIT**  
**GRADUATES AND NON-GRADUATING LEAVERS**

	Percentage at Entry	Average Amount	Percentage at Exit	Average Amount
<b>Graduates (N=129)</b>				
Earnings from Employment <sup>a</sup>	61.2	\$1,143.40	80.6	\$1,574.32
Housing Assistance	14.7	\$702.42	27.9	\$1,585.79
TANF	49.6	\$472.78	25.6	\$414.88
Total Monthly Income <sup>b</sup>	97.7	\$1,129.27	96.9	\$1,586.37
<b>Non-Graduating Leavers (N=178)</b>				
Earnings from Employment <sup>a</sup>	44.4	\$927.55	42.6	\$1,233.18
Housing Assistance	6.7	\$669.25	12.3	\$895.36
TANF	62.9	\$522.54	56.7	\$504.54
Total Monthly Income <sup>b</sup>	95.5	\$908.67	90.0	\$1,050.44

Note: Data include the 307 families that exited FIT between March 1, 1998 and September 30, 2001 and for which tracking information is available.

<sup>a</sup> The employment rates at entry indicated here differ slightly from those shown in Exhibit 5. This is because some FIT clients are identified as employed at program entry, but their entry wage information is missing.

<sup>b</sup> Income categories do not sum to total monthly income. Averages for earnings, housing assistance, and TANF are provided only for families that had these income sources. Because many families did not have these sources, average total income is less than the sum of the individual averages.

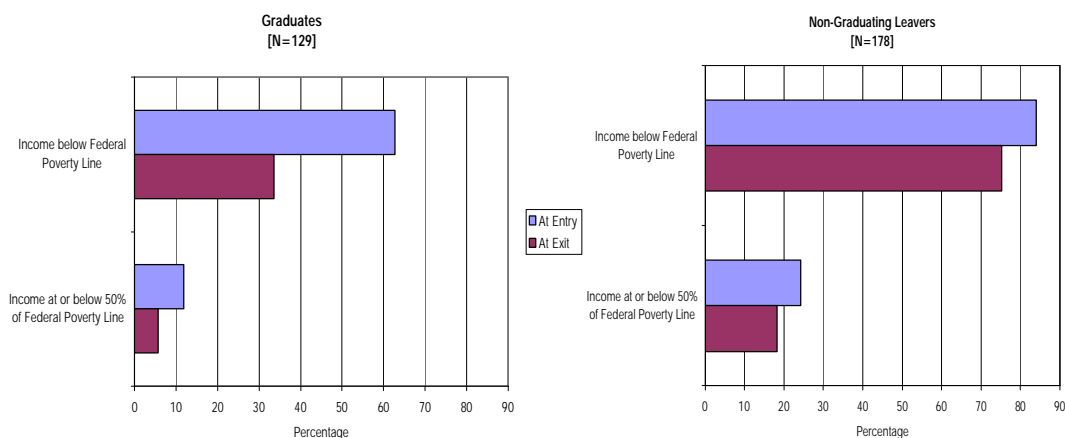
## Poverty Status

Even though employment increased substantially among graduates—while decreasing among non-graduating leavers—this alone does not indicate whether or not families are progressing toward self-sufficiency. The poverty rate, which measures a family’s monthly income (excluding in-kind contributions such as housing and child care subsidies) against federal policy guidelines, is a more effective gauge of economic well-being. Our analysis shows that graduating families were less likely than non-graduating leavers to be in poverty at program entry and, furthermore, were more likely to escape poverty during participation in FIT. As shown in Exhibit 9, the poverty rate among graduates was cut by almost half between entry and exit, from 63 percent to 34 percent. Moreover, the percentage of graduating families in severe poverty (income at or below 50 percent of the federal poverty line) dropped from 12 percent at entry to 6 percent at exit. Among non-graduating leavers, 84 percent had incomes below the federal poverty line at entry, and this proportion dropped only slightly to 75 percent at exit. The percentage of non-graduating leavers in severe poverty also saw a relatively small decrease between entry and exit, from 24 percent to 18 percent.

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### Exhibit 9 POVERTY STATUS AT ENTRY AND EXIT GRADUATES AND NON-GRADUATING

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Note: Data include the 307 families that exited FIT between March 1, 1998 and September 30, 2001 and for which tracking information is available.

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## CONCLUSION

BPA's analysis indicates that families made significant progress on a number of fronts while participating in FIT. Graduating families in particular took what appear to be major strides toward self-sufficiency, including stabilized housing situations, increased employment and earnings, and lower incidence of poverty. These promising outcomes suggest that FIT's approach can offer lessons that are applicable to other service providers working with hard-to-serve populations. Key lessons include the following:

- **Develop a diverse funding base.** Grants secured by FIT sometimes carry restrictions on the population to be served or the types of housing assistance to be provided. In order to offer clients the broadest possible range of housing assistance and supports, FIT has worked hard to develop a diverse funding base and to generate new, more flexible sources of funds.
- **Create strong connections with key partners, including public and private agencies.** FIT maintains extremely close relationships with the Santa Cruz Human Resources Agency as well as with other providers of employment services or services addressing mental health, substance abuse, and domestic violence issues. In addition to streamlining referrals to and from FIT, these relationships enable FIT case managers to more effectively coordinate services and track clients' progress.
- **Foster a cooperative team environment among case managers.** FIT encourages case managers to work together to problem-solve on more challenging cases, thereby enabling each individual case manager to draw on the collective expertise of the entire case management staff.
- **Offer budgeting assistance that helps families plan for and obtain stable housing situations.** In order to obtain stable housing, a family must have a clear and realistic picture of both its budget and the cost of housing. FIT's case management services include budget and debt reduction assistance that helps families understand their current financial situation and budget for future housing needs.
- **Require clients to be clean and sober as a condition of participation.** Substance abuse can often sabotage a family's efforts to achieve stable housing and self-sufficiency. Therefore, FIT requires that clients be clean and sober, and also that clients with substance abuse problems be enrolled in treatment. FIT's "clean and sober" policy ensures that the program's limited resources are directed to families that are most likely to progress toward self-sufficiency. This approach may not be applicable to public agencies, which typically are unable to limit eligibility for services.
- **Provide clients with regular, formal goal-setting and monitoring.** FIT case managers work with their clients to set specific, measurable monthly goals, which the case managers and clients use as basis for tracking progress. Regular monitoring of these goals helps clients stay focused on the individual steps toward self-sufficiency and provides clients with a visible indication of their progress.

In future reports from the FIT evaluation, BPA will further assess families' experiences in the program and provide additional insights on strategies for working with the hardest-to-serve.