



Employment of Families Experiencing Homelessness

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About the Family Options Study

This research brief takes advantage of data collected for the Family Options Study, sponsored by the U.S. Department of Housing and Urban Development. The study involves 2,282 homeless families with children who entered shelter between late 2010 and early 2012 in one of twelve communities across the country chosen based on willingness to participate and ability to provide a sufficient sample size and range of interventions: Alameda County, CA; Atlanta, GA; Baltimore, MD; Boston, MA; Bridgeport and New Haven, CT; Denver, CO; Honolulu, HI; Kansas City, MO; Louisville, KY; Minneapolis, MN; Phoenix, AZ; and Salt Lake City, UT. At the time they were recruited to participate in the study, each family had spent at least a week in an emergency shelter. The Family Options Study's main purpose is to determine whether the offer of a particular type of housing program—a short-term rent subsidy, a long-term rent subsidy, or a stay in a facility-based transitional program with intensive services—helps a homeless family achieve housing stability and other positive outcomes for family well-being. To provide the strongest possible evidence of the effects of the housing and services interventions, the study uses an experimental research design with random assignment of families to one of the types of housing programs or to a control group of “usual care” families that were left to find their own way out of shelter. For more information, see [Gubits et al., 2015](#) and [Gubits et al., 2016](#).

The study collected data from the families at the time they were recruited in emergency shelters, revealing that these are very poor families with significant levels of housing instability, weak work histories, and disabilities affecting both parents and children. The median age of the adults who responded to the survey was 29. Most had either one or two children with them in shelter. Seventy percent included only one adult, almost always the mother.

While the Family Options Study sample is not nationally representative, it has broad geographic coverage; and study families are similar in age and gender of parents, number and ages of children, and race and ethnicity to nationally representative samples of sheltered homeless families. Therefore, it is a good sample for studying the experiences of families that have an episode of homelessness.

The study followed the families over the next 37 months and surveyed them again 20 and 37 months after random assignment, collecting a rich set of information about changes to the family's composition, sources of income, use of benefit programs, and further episodes of homelessness. The 20- and 37-month surveys also measured indicators of well-being such as the health and mental health of adults and children.

This is the eighth in a [series of research briefs](#) commissioned by the Department of Health and Human Services (HHS) that draws on the Family Options Study to inform HHS and HHS grantees as they carry out their special responsibilities for preventing and ending the homelessness of families, children, and youth. Topics of briefs already published include connections of homeless families to the [social safety net](#), patterns of [benefit receipt](#) among homeless families, and [family transitions](#) during and after a stay in shelter.

Highlights:

- Compared to deeply poor families in the same communities, employment rates were lower among parents in families who experienced homelessness. In the week prior to entering emergency shelter, 17 percent of parents worked for pay, compared to 27 percent of parents in deeply poor families in the same communities.
- Most parents who were not working reported an inability to find work, family responsibilities, or health issues as the reason they were not employed. Of those parents who were not working in the week before shelter entry, about 33 percent reported that they were not able to find work, and another 17 percent cited family or child care responsibilities as the primary reason for not working.
- Although employment rates increased over time, to 38 percent three years after the shelter stay, employment during the three year period was very unstable. Only 7 percent of parents were employed at all three points in time – immediately before entering shelter, 20 months later, and 37 months later.
- Average total income (from all sources) for families in shelter was low and increased only modestly in the three years following the shelter stay, from about \$9,500 in the year before shelter entry to \$12,000 three years later.
- Families with parents who were not working for pay three years after entering shelter were more likely to have experienced another spell of homelessness or to have lived in a doubled up situation than families with parents who were working for pay three years later (37 percent compared to 28 percent), although the direction of causality is unclear.

The analysis conducted for this brief does not use the experimental design of the Family Options Study. Instead, the brief explores the employment, earnings, and income of families during and after a stay in emergency shelter, regardless of the intervention to which their families were randomly assigned. This brief presents results for the 1,621 families who responded to both the 20- and 37-month surveys.

Introduction

Economic hardship and lack of resources are strongly associated with homelessness (Bassuk et al., 1997). Existing research has established that homeless families are typically extremely poor, and few homeless mothers are working upon shelter entry (Rog and Buckner, 2007). While lack of employment can result in homelessness, in some cases housing instability can contribute to loss of employment. For example, a study of low-income renters in Milwaukee found that workers who face housing instability are more likely to face involuntary job loss than those without housing instability (Desmond and Gershenson, 2016). Dealing with a forced move or eviction court can consume workers' time and force them to miss work, while also increasing stress that might affect job performance.

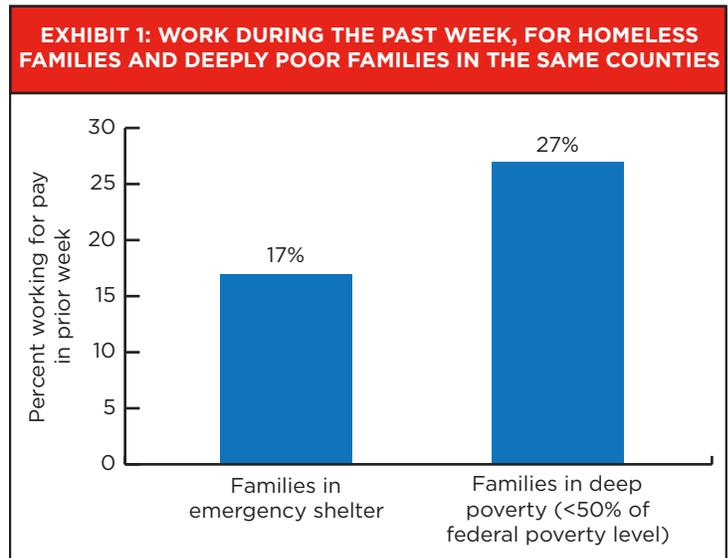
This brief explores the employment and income of families during a stay in emergency shelter and over the following three years.¹ We describe the employment and income status of families in shelter and discuss the reasons that parents report not working. We also examine how employment rates and income levels for these same families evolve over a three-year period, as well as whether low rates of employment and low levels of income are associated with future returns to homelessness.²

Families in emergency shelter had low rates of employment and low earnings

Among families in emergency shelter, a majority of parents³ were not employed, and many had been out of work for a year or more. Only about 17 percent of parents had worked for pay in the past week, with another 5 percent reporting that they were in school or in training. Asked about a longer time period, 42 percent said that they had worked at some point in the past six months, 54 percent during the past year, and 69 percent at some point during the past two years. This rate of employment while in shelter was lower than the employment rate of all families in deep poverty (those with incomes less than half of the federal poverty level) in the same communities. Among deeply poor households in the same counties, 27 percent of household heads had worked during the previous week (Exhibit 1).⁴

Among the 17 percent of parents who were employed in the week before shelter entry, most had low earnings. Employed parents worked an average of 27 hour per week at their main job, with an average hourly wage of \$9.40.⁵ Even if the parent was employed at this job continuously over a year, her annual earnings would total only \$13,200 per year.

In the year before entering shelter, total income for the families averaged about \$9,500,⁶ which was well below the 2011 federal poverty guideline of \$18,530 for a three-person family.⁷ Annual family income was less than \$10,000 for 61 percent of families in shelter and less than \$20,000 for 89 percent of families.



Source: Family Options Study baseline survey data; 2013 American Community Survey (ACS)

Note: ACS data is based on families in the same counties as the Family Options Study sites.

¹ Families were recruited into the study from emergency shelters. To be eligible to participate in the study, a family had to have been in shelter for 7 or more days and have at least one child age 15 or younger with them in the shelter. A typical family in the study consisted of a woman about 29 years old who had 1 or 2 children with her.

² All results in this brief are based on self-reported responses to surveys conducted in shelter and approximately 20 months and 37 months following enrollment in the study. The sample consists of the 1,621 families who responded to both the 20- and 37-month follow-up surveys. Results are weighted for survey non-response.

³ Throughout this brief, we use the term “parent” to refer to the adult respondent, who was typically a woman with no spouse present and one or more children with her in shelter. The baseline and follow-up surveys only asked detailed employment and earnings questions of the adult respondent, so employment and earnings results in this brief refer only to the adult respondent. Less than four percent of families reported another employed adult in the family.

⁴ Comparisons to deeply poor families are based on data from the 2013 American Community Survey (ACS) for families with children living in the same counties as the Family Options Study sites. Employment is measured for the head of household. Family Options Study families entered shelter between 2010 and 2012.

⁵ About one percent of parents held more than one job. Hours worked and wages are reported for the main job.

⁶ Families were asked to report income from all sources, including employment, welfare, Supplemental Security Income, child support, alimony, support from family and friends, and income received from other household members.

⁷ <https://aspe.hhs.gov/2011-hhs-poverty-guidelines>

Parents who were not working reported several barriers to employment, including inability to find work and child care or family responsibilities

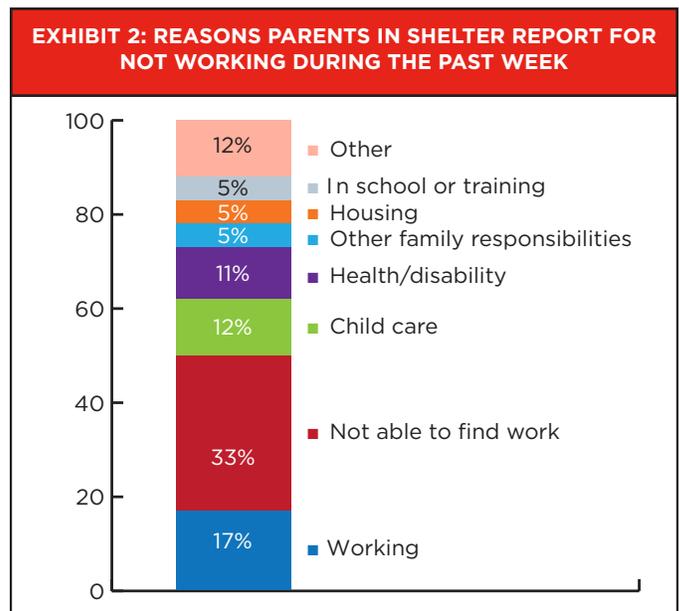
Parents who were not employed were asked to identify the primary reason for not working in the past week (Exhibit 2). Many parents cited their inability to find work as the primary reason for not working (33 percent). These individuals were interested in employment but were unable to find any work. Another 17 percent reported that child care or other family responsibilities were the main reasons for not working. In addition, 11 percent said that health issues or disability prevented them from working, and 5 percent said that they were in school or training.⁸ Taken together, these responses suggest that at least half of homeless parents appeared to be interested in employment if they could find a job and work supports.

Employment rates were lower for parents with disabilities and with less education

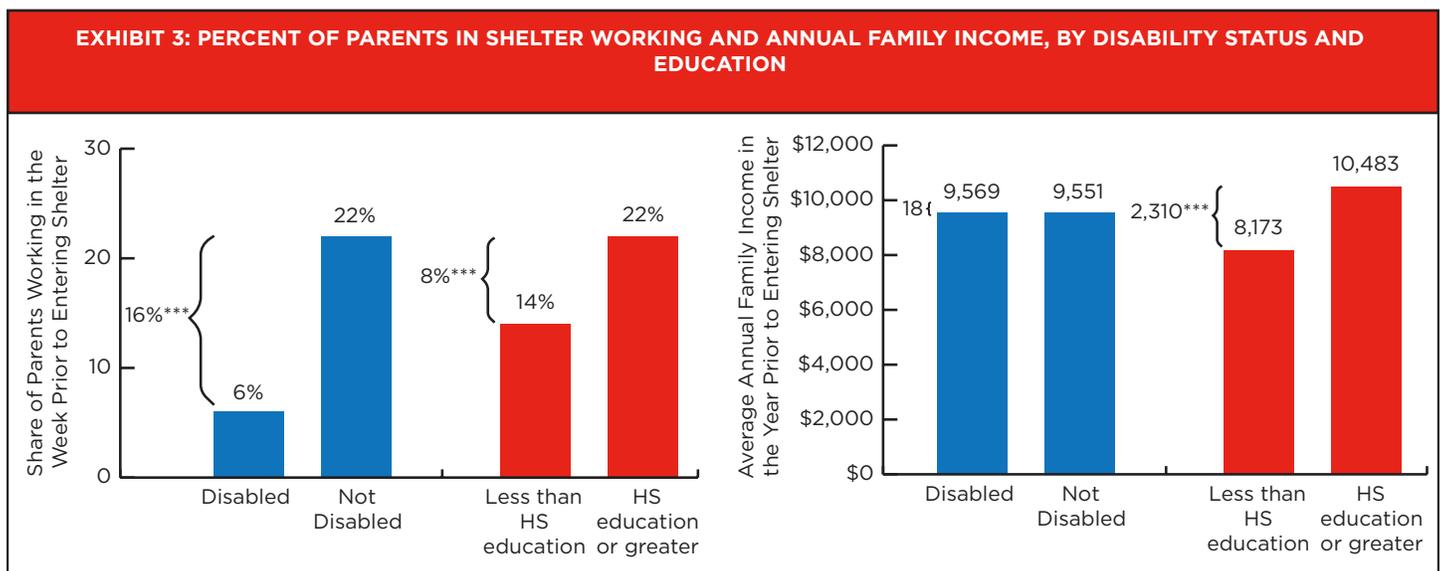
About 21 percent of parents reported that they had a disability. Those without a disability were employed at more than three times the rate of those with a disability (Exhibit 3). For those with a disability, only 6 percent worked in the week prior to their stay in emergency shelter, compared to 22 percent of parents without a disability.⁹

Parents with a disability in deeply poor families in the same communities were also less likely to be working than those without a disability (34 percent versus 14 percent). This result is similar to the pattern among homeless families, although deeply poor families both with and without disabilities are employed at higher rates than homeless families.¹⁰

Employment also varied by educational attainment. Homeless parents with a high school diploma were more likely to be employed in the week prior to their shelter stay than those without a high school diploma. Twenty-two percent of those with a



Source: Family Options Study baseline survey data
Sample includes 1,621 families who responded to both the 20- and 37-month follow-up surveys.



Source: Family Options Study baseline survey

Note: *** denotes difference is statistically significant at .01 level.

Sample Size: 1,621 families: 346 disabled; 1,275 not disabled; 640 with less than high school education; 981 with high school education or more.

⁸ Eleven percent of parents cited poor health or disability as the primary reason for not working. Answering a separate question, 21 percent reported that they had a disability that limited or prevented them from working.

⁹ Unless otherwise noted, differences reported in this section are statistically significant at the .01 level.

¹⁰ Comparisons to deeply poor families are based on data from the 2013 American Community Survey (ACS) for families with children living in the same counties as the Family Options Study sites. Employment is measured for the head of household.

high school diploma were working the week before a shelter stay, but only 14 percent without a high school diploma were working. Parents in deeply poor families in the same communities with a high school education were slightly more likely to be working than those without a high school education, although the difference was smaller than for homeless families. Among deeply poor families in the same communities, about 31 percent of parents with a high school education were employed, compared to 28 percent of those without a high school education.

Average total income in the year prior to entering shelter for families with a disabled parent was quite similar to that of families that did not include a disabled parent (\$9,569 versus \$9,551). While disabled families earned less income in the year prior to entering shelter from working, they were more likely to receive Supplemental Security Income and Social Security Disability Insurance than those without a disability, which appears to offset the lower employment income.

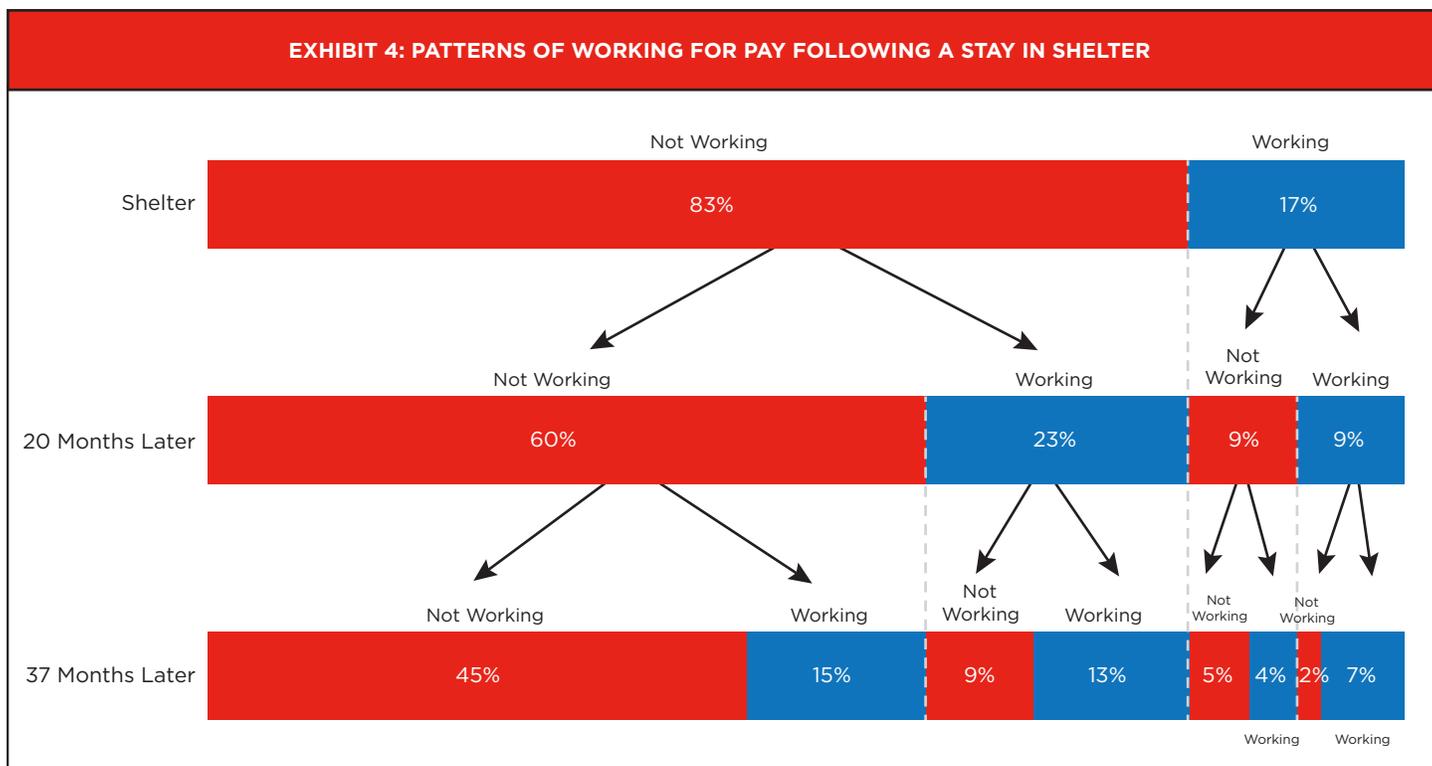
Employment and income increased in the three years after shelter but remained unstable

In the three years following their stay in shelter, parents' employment rates gradually increased from 17 percent while in shelter. Thirty-one percent of parents were working 20 months later, and 38 percent were working three years later.

However, for most families, employment was unstable over time, as few parents were working consistently over the three-year period (Exhibit 4). Nearly half (45 percent) of parents were not working for pay at any of the three points in time: while in shelter, 20 months later, or 37 months later. Only 7 percent were working for pay at each of these times. For example, of the 17 percent who were working at the time of the shelter stay, half (9 percent) were not working 20 months later, but about half of that group (4 percent) were again working 37 months later.

Overall, nearly three-quarters of parents reported that they had ever worked for pay during the three years after the shelter stay, not just at one of the three points in time shown in Exhibit 4.¹¹ Of the 73 percent of parents with some employment over the course of the three years after an initial shelter stay, more than 60 percent said that they had two or more different jobs during that period, and about a third said that they had three or more jobs.¹²

These patterns may show even weaker links to the workforce for families experiencing homelessness than for other low-income parents. For example, a study of Temporary Assistance for Needy Families (TANF) recipients found that 80 percent were employed at some point during a two-year period, but a majority had at least one spell of non-employment (Williams and



Source: Family Options Study baseline survey, 20-month follow-up survey, and 37-month follow-up survey

Note: Sample includes 1,621 families who responded to both the 20-month and 37-month follow-up surveys. Components may not sum to totals due to rounding

¹¹ Based on a question in the 37-month survey that asked whether parents had worked at all during the three years after their stay in shelter.

¹² Based on a 37-month survey question that asked how many different jobs the parent had since their stay in shelter. The question did not specifically ask whether jobs were held simultaneously or at different points during the period.

Freedman, 2010). This rate of employment is somewhat similar to the 73 percent of parents who worked at some point during the three years after shelter entry. Another recent study found that the typical parent without a high school diploma experienced a job loss twice during a five-year period (Winston, Groves, and Mellgren, 2017).

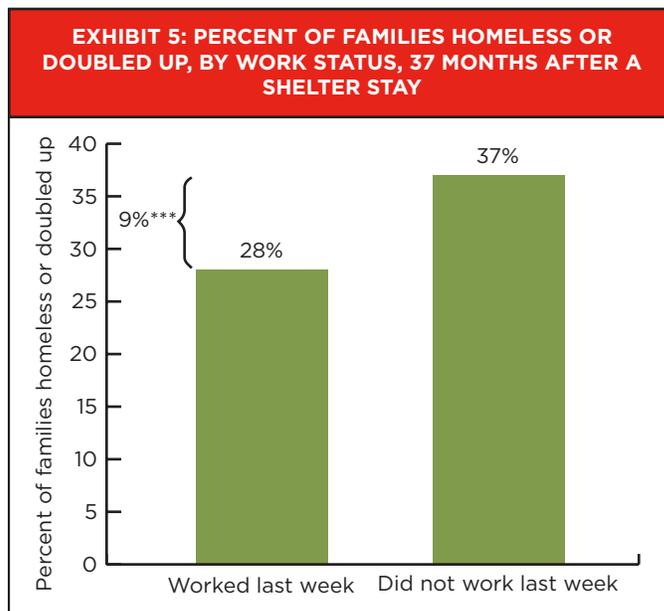
Among parents who were working, average hours worked per week increased slightly over time. Working parents averaged 27 hours per week at their main job while in shelter, 31 hours as of 20 months later, and 32 hours as of 37 months later. The average hourly wage also rose from \$9.40 in shelter, to \$10.13 after 20 months, and \$11.04 after 37 months. Across all families, average annual income rose from about \$9,500 in the year before shelter entry to \$12,000 three years later.

Three years after staying in shelter, families with lower levels of employment tended to experience more housing instability

Families with lower rates of employment appear to be more likely to return to homelessness. Three years after the stay in shelter, 28 percent of families with a parent who had worked during the past week had been homeless or doubled up in the prior 6 months.¹³ In contrast, 37 percent of families without a working parent had been homeless or doubled up in the prior 6 months (Exhibit 5). Previous research has found similar relationships between unstable housing and unstable employment. For example, Desmond and Gershenson (2016) found that, among a set of low-income renters in Milwaukee, about 20 percent experienced an involuntary job loss over a two-year period. Those who were evicted or otherwise forced to move had significantly higher rates of involuntary job loss.

However, the direction of causality is not clear: lack of employment income could lead to housing instability through financial hardship (e.g., difficulty paying rent or contributing to household expenses), or housing instability could make harder to find or maintain work. For example, a family with unstable housing might need to relocate away from an existing job or miss work while they search for new housing, or take other steps focused on finding a place to live.

Similarly, lower levels of family income appear to be associated with homelessness. Families who were homeless or doubled up 37 months after a shelter stay had lower total income than families who were not homeless or doubled up during this period (\$9,300 vs. \$13,500).



Source: Family Options Study 37-month follow-up survey
Note: Difference is statistically significant at .01 level.

¹³ In this section, numbers are based on families who responded to both the 20-month and 37-month follow-up surveys and who did not receive priority access to a housing intervention—that is, the study’s “usual care” group (N=489). This restriction ensures that any observed relationships between employment and housing did not result from the housing intervention offered to some families at the time of random assignment.

Conclusion

Many families who experience homelessness have weak connections to the workforce, as do many parents of families living in deep poverty. Homeless families have a lower employment rate than those whose housing is relatively stable and who do not enter emergency shelters, although their rate of employment does rise three years after entering shelter. At the time they were in shelter, parents reported difficulty finding jobs and barriers to work that included child care and other family responsibilities.

The unstable employment of parents during and after a stay in emergency shelter is not surprising, given the findings of other research that shows that TANF recipients and parents without a high school diploma have frequent spells of unemployment. Families who experience homelessness may have even weaker labor force connections than low-wage workers in general.

This brief finds that families in shelter experience unstable employment during the following three years, and those not currently working are more likely to return to homelessness. While consistent with other research that finds some low-income households have both unstable housing and unstable jobs, the direction of the relationship is not clear. Unstable employment can make it difficult to afford housing, but an unstable housing situation may also make it challenging for parents to find and maintain employment. Because the direction of the relationship cannot be determined, it is also possible that deeply poor families with employment instability are at an increased risk for housing instability and homelessness, which may have implications for communities engaging in homelessness prevention.

Families experiencing homelessness face multiple barriers to employment, including the inability to find a job and childcare and family responsibilities. Programs and funding streams such as TANF, the Workforce Innovation and Opportunity Act (WIOA), and the Supplemental Nutrition Assistance Program Employment and Training Programs (SNAP E&T) may support parents in overcoming barriers to seeking and maintaining employment. For example, supports from these programs might include subsidized child care or links to employment through referrals to job search assistance or skills training. When developing strategies for ending family homelessness, a community should look for employment services providers that follow evidence-based models and have strong track records of helping families find and retain employment and then work to link families experiencing homelessness to those programs.

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