

EXECUTIVE SUMMARY

PURPOSE

This report presents the results to date of the Job Training for the Homeless Demonstration Program (JTHDP) and assesses its implications for providing effective employment and training services for homeless persons in the United States. As specified in the Stewart B. McKinney Homeless Assistance Act, the evaluation of the demonstration presents data on and includes an assessment of:

- the number of homeless individuals served;
- the number of homeless individuals placed in jobs;
- the average length of training time under the project;
- the average training cost under the project; and
- the average retention rate of placements of homeless individuals after training.

To that end, this report is intended to address four major questions:

- Who does JTHDP serve? (see Chapter 2)
- How does it serve these participants? (see Chapter 3)
- What are the outcomes for participants and costs related to serving these participants? (Chapter 4)
- What lessons have been learned about providing job training services for homeless individuals and what should be done in the future to better serve this population? (Chapter 5)

BACKGROUND

Under Section 731 of the McKinney Homeless Assistance Act (Public Law 100-77), the U.S. Department of Labor (DOL) was authorized to plan, implement, and evaluate a job training demonstration program for homeless persons. The resulting JTHDP, which is

administered by DOL's Employment and Training Administration (ETA), is the first comprehensive nationwide federal program specifically designed to train homeless individuals and assist them in securing jobs and permanent housing.

JTHDP has been implemented in three distinct phases. Exhibit ES-1 provides an overview of these phases. In order to respond to the mandate of the McKinney Act, DOL/ETA provided \$7.7 million in funding for 33 local projects' beginning in September 1988. This phase -- to which we refer in this report as an exploratory or planning phase -- was designed to initiate the demonstration effort, test its feasibility, help shape the direction of the demonstration, and develop a methodology for the evaluation. The results of this exploratory phase were reported on in detail in an earlier DOL/ETA report.'

This report focuses on the two phases -- what we have termed Phase I and Phase II -- that followed the exploratory phase. As shown in Exhibit ES-I, during Phase I, which extended from September 1989 through April 1991, DOL provided \$17 million in grant funds to 45 projects. Fifteen of the Phase I projects had been funded previously under the exploratory phase.

In November 1990, ETA announced a new initiative for JTHDP based on a Memorandum of Understanding between DOL and the Department of Housing and Urban Development. This initiative placed greater emphasis on enrolling adults, providing comprehensive supportive services, providing more job development and retention services, and providing transitional housing during training and permanent housing after placement. Although program activities under this initiative -- to which we refer as

'One grantee, the Boston Indian Council, was terminated early in the program.

'R.O.W. Sciences, Job Training for the Homeless: Report on Demonstration's First Year, Research and Evaluation Report, Series 91-F, DOL/ETA, 1991.

**EXHIBIT ES-1: OVERVIEW OF JTHDP IMPLEMENTATION EXPERIENCE
AND OUTCOMES, BY PHASE**

CHARACTERISTIC/ OUTCOME	EXPLORATORY PHASE	PHASE I	PHASE II	TOTAL
DURATION	Sept. 1988- Aug. 1989	Sept. 1989- Apr. 1991	May 1991- Apr. 1992	Sept. 1988- Apr. 1992
FUNDING (\$ MILLIONS)	\$7.7	\$17.0	\$8.5	\$33.2
PROJECT SITES	32	45	20	62
NUMBER OF PARTICIPANTS	7,396	13,920	6,740	28,056
NUMBER TRAINED	4,600	10,629	4,980	20,209
NUMBER PLACED IN EMPLOYMENT	2,435	4,676	2,351	9,462
NUMBER OF HOUSING UPGRADES	1,993	4,935	2,847	9,775
% OF PARTICIPANTS PLACED	33%	34%	35%	34%
% OF PLACED PARTICIPANTS EMPLOYED AT 13 WEEKS	40%	43%	53%	44%

Notes: There was a total of 62 sites because of multi-year funding of some projects. During Phase I, 15 of 32 exploratory sites were re-funded. In Phase II, 20 of the Phase I sites were refunded. The Tucson Indian Center was added as a grantee in September 1991 (bringing the total number of JTHDP sites to 63); however, it was not included in the analysis because results from the first year of operation were not yet available.

Source: Quarterly Reports submitted to DOL/ETA by JTHDP sites.

Phase II in this report -- are still underway, results from the first year (lasting from May 1991 through April 1992) under the latest initiative are now available. A limited competition among the 45 Phase I sites resulted in a total of 20 projects funded for Phase II (beginning in May 1991), receiving total grant funds of \$8.5 million.

Study findings and implications are based on the following sources: (1) summary quarterly outcome and financial reports submitted by JTHDP sites, (2) client-level data maintained by sites, (3) local evaluation reports produced by sites, (4) visits to sites by staff from the national evaluator, and (5) telephone discussions and regular contacts with sites.

RESULTS IN BRIEF

Based on JTHDP experience to date, we conclude that it is feasible to establish employment and training programs at the local level to serve successfully the general homeless population and specific subgroups of the homeless population. Such programs are relatively effective, when taking into account the difficulty of serving this extremely disadvantaged population. Since its inception in 1988, over 28,000 homeless individuals have been served by demonstration sites, about 20,000 individuals have received training, about 9,500 individuals have obtained employment, and about 9,800 individuals have upgraded their housing condition. About 4,200 of the 9,500 individuals placed in jobs remained employed 13 weeks after placement.

Demonstration experience clearly indicates, though, that it takes more than employment and training services to help many homeless individuals to find and keep jobs. If the Job Training Partnership Act or other nationwide employment and training initiatives are to serve effectively a large number and cross-section of America's homeless population, the results imply that such programs will need to specifically target outreach

and enrollment efforts on homeless individuals. In addition, such programs will need to provide a wide array of services -- including job training, job development and placement services, housing assistance, post-placement follow-up and support, and a range of other supportive services -- and through assessment and case management tailor such services to specific needs of each participant. A number of options for expanding availability and enhancing effectiveness of employment and training services for America's homeless population are discussed below.

PRINCIPAL FINDINGS

1. Employment and Training Programs Can Successfully Serve a Wide Spectrum of the Homeless.

Based on JTHDP experience to date, it can be concluded that it is feasible to establish employment and training programs at the local level to serve successfully the general homeless population and specific subgroups of the homeless population. As designed and implemented by DOL, program sites have served the full spectrum of the homeless population, including mentally ill individuals, chemically dependent persons, dislocated workers, displaced homemakers, families, individuals who have been homeless for long periods, physically disabled persons, and many other subgroups. A significant minority of those served were able to overcome multiple barriers to employment to secure (and retain) jobs and permanent housing. In fact, one of the surprising findings of the analyses of participant-level data was that once homeless individuals were enrolled in JTHDP the chances of successful employment outcomes (i.e., job placement and retention) were not all that different across specific homeless subpopulations, and that it was difficult to predict success based simply on the circumstances *or* characteristics of participants at the time of intake. Some general characteristics of JTHDP participants

during Phases I and II include the following:

- . Participants ranged in age from 14 to 79 years. The average age was 32 years -- with about half (51 percent) being young adults between 22 and 34 years of age.
- . About two-thirds (65 percent) were male.
- . Slightly over half (52 percent) were black; 38 percent were white.
- . Approximately 10 percent were currently married.
- . Slightly more than one-third (37 percent) had not received a high school diploma or GED.
- . Half (50 percent) indicated that they had **not** been employed for 20 or more weeks during the 26 weeks prior to JTHDP participation.
- . Two-thirds (66 percent) had no health insurance.
- . Half (50 percent) spent the night before they applied for JTHDP services in a shelter and 9 percent were living on the street.
- . Most participants had recently become homeless -- 60 percent had been homeless for less than four months.

A comparison of the characteristics of homeless individuals enrolled in JTHDP with those in other studies of homeless individuals suggests that although similar in terms of race and marital status, JTHDP participants were somewhat more employable -- as measured by level of education, length of homelessness, and recent work experience. Nevertheless, the population served by JTHDP was clearly characterized by substantial barriers to employment.

Participants in JTHDP and in programs for adults funded under JTPA Title II-A were similar with regard to age and educational achievement. About the same proportion of JTHDP participants (11 percent) were employed at intake as for adult JTPA participants (13 percent). However, compared to adult participants in JTPA, JTHDP participants were more likely to be black. JTHDP participants were considerably more likely to be male, and

accordingly, were less likely to receive food stamps and Aid to Families with Dependent Children (AFDC) assistance. As might be also expected, the characteristics of JTHDP participants were more like the characteristics of homeless individuals served by JTPA than the characteristics of the general adult population served by JTPA.

2. A Small Percentage of the U.S. Homeless Population Are Currently Being Served by DOL Employment and Training Programs.

In FY 1991, approximately 8,000 homeless participants were served under the JTPA Title II-A program. An additional 6,750 were served by JTHDP in 14 urban areas across the country. Given recent estimates of the homeless population at nearly one million in the **U.S.**,³ only a small proportion are receiving services from DOL employment **and training programs. JTHDP** experience gives evidence that a substantial minority of the homeless population can immediately benefit from employment and training programs.

3. A Wide Variety of Public and Private Agencies Can Successfully Establish and Operate Employment and Training Programs for Homeless Persons.

There are many organizations -- both public and private -- at the state and local level that can effectively design and operate employment and training programs for homeless populations. In fact, during the last open competition for JTHDP grant funds, DOL/ETA received over 300 grant applications. A total of 62 grantees -- including JTPA Service Delivery Areas (SDAs), mental health organizations, shelters, a variety of agencies operated under city governments, community action committees, education agencies (e.g., a community college, a vocational training institute, and a county public school system),

³For example, if the Urban Institute's estimate that more than one million persons in the United States were homeless at some time during 1987 is used, the number of homeless persons served through JTPA Title II-A annually represents less than one percent of America's homeless population. Even including the homeless persons served by JTHDP and the Homeless Veterans' Reintegration Projects, all three programs served an estimated two percent of the homeless population.

and a variety of other agencies -- have designed, developed, and implemented demonstration efforts serving varying homeless subpopulations. However, there was substantial variation in employment and housing outcomes across grantees during both Phases I and II; based on data available from the demonstration, it is not yet possible to determine whether any specific approach to service delivery is clearly more or less effective in serving homeless persons.

4. Employment and Training Programs for Homeless Persons Must Offer a Wide Array of Services (Including Housing Services), Often Requiring Linkages with Other Service Providers.

JTHDP experience underscores the importance of providing a comprehensive range of services to meet the varied needs and problems faced by homeless persons. It is not enough for programs serving homeless persons to provide only direct job search or occupational training services. As discussed in Chapter 2, each homeless person faces a different mix of barriers to overcoming homelessness. These barriers must be addressed before individuals are likely to secure long-term employment and permanent housing. Program experience suggests that at a minimum -- either through the sponsoring agency or effective linkages with other local service providers -- the following core services must be made available to serve homeless individuals responsively:

- case management and counseling;
- assessment and employability development planning;
- chemical dependency assessment and counseling, with referral as appropriate to outpatient and/or inpatient treatment;
- other supportive services (e.g. child care, transportation, mental health assessment/counseling/referral to treatment, other health care services, motivational skills training, and life skills training);
- job training services, including (a) remedial education and basic skills/literacy instruction, (b) job search assistance and job preparatory training, (c) job counseling, (d) vocational and occupational skills training, (e) work

- experience, and ff) on-the-job training;
- . job development and placement services;
- . post-placement follow-up and support services (e.g., additional job placement services, training after placement, self-help support groups, mentoring); and
- . housing services (e.g., emergency housing assistance, assessment of housing needs, referrals to appropriate housing alternatives, and development of strategies to address gaps in the supply of housing for participants).

5. Employment and Training Programs Serving Homeless Individuals Require Comprehensive Assessment and Ongoing Case Management.

Analyses of participant-level data, as well as evidence from interviews with JTHDP staff, suggest that most homeless individuals face multiple barriers to employment and that these barriers are not always evident at the time of intake. For example, chemical dependency, poor reading skills, a history of domestic abuse, and mental health issues are often not revealed by participants at the time of intake. Hence, comprehensive and ongoing participant assessment is critical to identifying specific obstacles to employment and to tailoring services to meet the specific needs of each individual. Closely related to comprehensive assessment is the need for ongoing case management. Program experience suggests that a case management approach -- typically, under which a participant is assigned to and monitored by an agency case worker -- is a critical ingredient in tailoring services to specific needs of the homeless participants. Case management also enables agency staff to monitor the progress of participants toward their individualized goals and alter the mix of services to respond to changing circumstances or needs of the participant. For some subpopulations of the homeless -- particularly individuals who (a) have severe and prolonged mental illness, (b) are actively (or have recently been) chemically dependent, or have been homeless over long periods -- there is likely to be a

greater need for intensified case management and long-term support services than normally provided through traditional employment and training programs.

6. Employment and Training Programs for Homeless Persons Need to Provide Short-Term Job Search/Placement Services.

A substantial proportion of homeless individuals served under the demonstration were primarily interested in obtaining employment and improving their housing situation in the shortest time possible. This was particularly the case among many non-disabled males, who had no access to AFDC or SSI, and generally did not qualify for housing assistance (such as Section 8 or public housing). Even though many homeless individuals lack the education and occupational training/experience to qualify for higher paying jobs, their urgent need for income and housing often means they have little interest in (or ability to attend) longer-term occupational training needed to obtain higher skilled/paying jobs. Hence, unless an agency is serving a special needs population (such as mentally ill persons), employment and training programs serving homeless individuals need to include a program component that provides short-term job search and placement services. These services should be structured so that participants can move from intake through assessment and a job search workshop, and into job search/job development, within a two- to three-week period. Such direct employment strategies should be supplemented by an array of support services to meet special needs of participants and provide information and referral services so that interested participants can obtain longer-term occupational training/education once they have stabilized their situations.

7. Long-Term Follow-Up and Support Is Needed to Effectively Serve Homeless Persons.

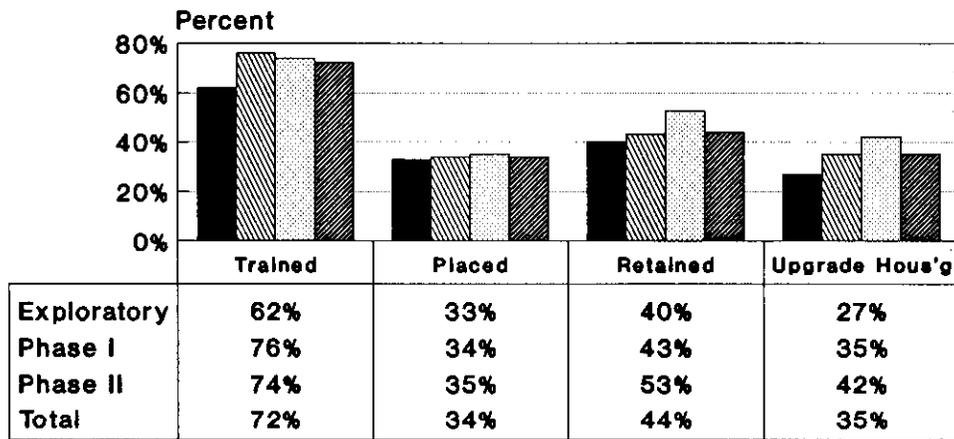
JTHDP experience suggests that as part of the case management process, it is important to provide long-term follow-up and support for program participants. For most

homeless individuals, the problems that led to homelessness do not suddenly disappear upon entering the workplace or securing permanent housing. Hence, even after job placement, many homeless individuals still need supportive services and an objective and informed person to guide them. By providing follow-up services and ongoing case management (for six months or even longer after a participant has secured a job), agencies can help to troubleshoot problems (before they become bigger problems) and assure that participants do not return to homelessness. An added benefit is that agencies are better able to track long-term success of their services and adjust service delivery strategies accordingly.

8. JTHDP Suggests That About One-Third of Homeless Participants in a Mature National Employment and Training Program Would Be Likely to Secure Jobs, and Nearly Half of Those Securing Jobs Would Be Likely to Be Employed 13 Weeks Later.

Since its inception in 1988, despite considerable cross-site variation, job placement rates (when combined across all grantees) have been relatively stable at about one-third of JTHDP participants. Job placement rates were 33 percent for the exploratory phase, 34 percent for Phase I, and 35 percent for Phase II (see Exhibit ES-2). If mature programs are carefully structured to include follow-up and retention strategies, about half of those placed in jobs can be expected to be employed (in the same or a different job) 13 weeks after the initial placement. Retention rates have increased for grantees since the inception of JTHDP -- from 40 percent during the exploratory phase to 43 percent during Phase I to 53 percent during Phase II. Anecdotal evidence from sites suggests that case management, long-term (six months and later) follow-up with program participants, and a variety of other retention strategies (e.g., mentoring) were important factors in boosting retention rates.

Exhibit ES-2: Summary of JTHDP Key Outcome Rates

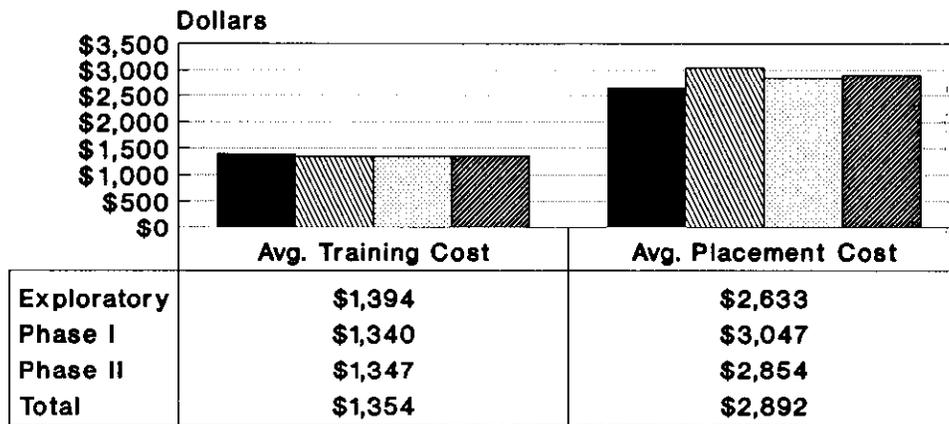


Program Outcomes

Exploratory
 Phase I
 Phase II
 Total

Note: Rates are a percent of the # of participants, except retention which is based on # placed.

Exhibit ES-3: Average Training and Placement Costs for JTHDP Participants



Exploratory
 Phase I
 Phase II
 Total

Note: Training costs are per JTHDP participant; placement costs are per participant placed.

Demonstration experience indicates the likelihood of wide variations in employment outcomes across agencies involved in providing employment and training services for homeless individuals. For example, during Phase II, placement rates ranged from below 20 percent to nearly 90 percent -- with sites arrayed at various points between these two extremes. Variation in employment and housing outcomes across sites may be explained by a number of factors, including:

- differences in characteristics of participants served (e.g., number and types of barriers to employment),
- differences in service delivery strategies, and
- differences in local employment and housing conditions.

In terms of employment outcomes, all subgroups of the homeless population experienced relatively similar placement rates. While there was some variation in outcomes across distinct homeless subgroups, what was most surprising was the lack of substantial variation. For example, among the five subgroups profiled in Chapter 4, there was only a difference of six percentage points between the subgroup with the highest job placement rate (participants with chemical dependency problems, 37 percent) and the subgroup with the lowest placement rate (mentally ill individuals, 31 percent). This lack of variation suggests that it is possible for properly structured employment and training programs to serve successfully a wide spectrum of homeless persons.

9. JTHDP Suggests About 40 Percent of Homeless Participants in a Mature National Employment and Training Program Would Be Likely to Upgrade Their Housing and About One-Fourth Would Secure Permanent Housing.

During Phases I and II, at the time of exit from JTHDP, about 40 percent of those that participated in the program upgraded their housing and about one-fourth secured permanent housing. However, to achieve these (or better) housing outcomes it is necessary to incorporate housing services into such programs. During Phase II, DOL/ETA

required sites to implement strategies aimed at assisting participants to secure not only jobs, but also improved housing. Because these strategies have been tested by sites for only one year (during Phase II), it is possible that, over time and with refinement of housing intervention strategies, even better results could be achieved in this area.

In comparison to job placement rates and employment retention rates, there was considerably greater variation in housing outcomes among program participants. In particular, among the various subpopulations served, families (i.e., participants with children) generally were substantially more successful in securing permanent housing. The success of families in securing housing appears to be related to greater availability of housing assistance for families versus single individuals. This points to the need for programs serving homeless persons to consider carefully how housing assistance is made available to all types of homeless persons -- including, for example, single males who are generally unable to secure subsidized housing within local communities.

10. Average Training and Placement Costs for Employment and Training Programs for the Homeless Are Likely to Vary Substantially Across Sites Depending Upon the Types of Participants Served and Types of Training Provided.

The average cost of training per JTHDP participant in federal grant funds was about \$1,350 and the average cost per placement was about \$2,900 (see Exhibit ES-2). These costs are based on the annual JTHDP grant dollars expended by each site divided by the number of participants trained/placed by each site. Costs of services provided through linkages with other organizations and from required grantee matching funds are not included. There was substantial variation across sites in these costs. For example, during Phase II, the average training cost per participant from federal funds ranged from \$669 in one site (offering primarily direct job placement services) to \$2,961 in another site (offering substantial occupational-skills training). A number of factors contributed to these

cross-site differences, including: differences in participant characteristics, program size, intensity and types of training services provided, and ability of sites to leverage assistance through other service providers. The service delivery model used by sites appeared to have particular impact on average training costs -- sites utilizing a direct employment model (e.g., primarily providing job search/placement assistance) for most of their participants typically had substantially lower training costs per participant than those sites that provided longer-term occupational skills training.

CONCLUSIONS AND IMPLICATIONS

To date, JTHDP has provided a wealth of data and analysis on possible options for serving homeless persons and suggests ways in which a national employment and training policy might be structured to help America's homeless population to move along the path toward self-sufficiency. Based on this analysis, a series of implications of the findings are offered that suggest ways to improve both access to and quality of employment and training services for homeless persons in the United States.

Implication #1 : Access of America's Homeless Persons to Employment and Training Services Through JTPA Title II-A Could Be Enhanced. As discussed above, relatively few homeless persons (8,000 individuals in PY 1991) have been served in recent years under JTPA Title II-A. In addition to recent changes (introduced by the JTPA Amendments) targeting "hard-to-serve" individuals, it may be necessary for the federal government to provide SDAs technical assistance on the most effective ways to structure services for homeless subpopulations. As demonstrated under JTHDP, there are a number of strategies that SDAs should consider in order to increase the number of homeless persons served and to ensure effective service delivery:

Expand outreach and recruitment practices to include linkages with homeless-serving agencies (e.g., shelters, soup kitchens) so that staff and participants of those agencies are familiar with the services JTPA has to offer and the procedures for obtaining those services.

Incorporate a housing intervention strategy into the program. SDAs need to develop a housing intervention strategy, including linkages with local providers of transitional and permanent affordable housing.

Housing stability is a key element in providing employment and training services and assuring post-job placement success for homeless people.

Expand their current coordination arrangements to ensure that homeless participants have access to a wide range of support services, including chemical dependence counseling, health services, and transportation assistance.

Seek state incentive grant set-asides to enhance SDAs' ability to meet the various needs of homeless people, particularly housing-related needs. These set-asides are a source of funding to enable SDAs to provide housing and other support services.

Provide additional training to their staff and to their service providers on the needs of homeless people, the variety of referral agencies locally available to meet those needs, and the best practices for serving homeless participants as identified through JTHDP evaluation findings and program experience. They should also consider joint training with agencies whose primary mission is serving homeless individuals.

Implication #2: Encourage Employment and Training Programs Serving Homeless Individuals to Use a Long-Term Job Retention and Housing Strategy. A next step in the development of strategies to serve homeless persons is to recommend strongly that prospective grantees (under JTHDP or other initiatives serving the homeless) develop long-term (up to a year after initial placement) job retention and housing strategies. Several JTHDP sites have experimented with longer-term case management and follow-up. They report that these strategies have been instrumental in helping program participants to maintain employment and secure permanent housing.

Implication #3: Extend the Period for Tracking Employment and Housing Outcomes of Participants of Employment and Training Programs for Homeless Persons. Longer-term (six months and beyond) follow-up of employment and housing outcomes for JTHDP participants is needed in determining the effectiveness of specific employment and training interventions. When possible, the use of unemployment insurance records to monitor -- perhaps only for a random sample of program participants -- would provide a way of tracking longer-term employment and earnings. Future research and evaluation should be directed toward discovering how vulnerable program participants are to returning to homelessness because of skills deficits, chemical dependency abuse, mental illness, or other factors. Finally, to the extent possible, evaluation efforts should build in comparison and control groups that permit analyses of the net effects of interventions such as JTHDP on program participants.

- **Implication #4: Encourage Local Housing Authorities to Target Homeless Participants in Federal Employment and Training Programs for Transitional and Permanent Housing Opportunities.** Homeless families served by JTHDP were substantially more likely to secure permanent housing than homeless individuals. In part, the success of families in securing permanent housing was related to generally greater access to housing assistance through programs such as Section 8 and public housing. Because of inadequate supply of public housing units, Section 8 housing certificates, and low-cost single room occupancy (SROs) units in some JTHDP sites, a considerable number of JTHDP participants (particularly single males) have encountered serious obstacles to securing permanent housing. This points to the need for even closer cooperation between agencies providing housing assistance and those providing employment and training services. Local housing authorities and other providers of low-cost housing and assistance need to be strongly encouraged to serve homeless persons enrolled in employment and training programs, including single males. For example, several JTHDP sites have suggested that specific guidelines on methods for implementing the DOL/HUD Memorandum of Understanding are needed.
- **Implication #5: When Funding Permits, Provide Multi-Year Grants to Successful Employment and Training Programs for Homeless Persons.** JTHDP sites report that it has been difficult to maintain continuity of staff and to plan for future years with one-year grants and uncertainty surrounding future availability of funding. In addition, grantees report that a one-year period is often insufficient to plan and implement the comprehensive services that are needed to serve effectively many homeless individuals. Hence, consideration should be given to making multi-year funding commitments (three-to-five years in duration), contingent upon satisfactory performance and continued availability of program funds.