



# Employment Among Homeless Services Clients UC Sacramento, November 2020

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## Partners for this Project

- Los Angeles Homelessness Services Authority (LAHSA)
- LA County Homelessness Initiative
- California Employment Development Department (EDD)



## Four Main Research Questions

**Using linked administrative data, what can we learn about people experiencing homelessness and their employment patterns?**

1. What proportion of homeless service clients are employed?
2. Who is employed by service type? In what industries?
3. What are the employment & earnings dynamics around homeless service enrollment? *More generally, is homelessness related to a loss in employment?*
4. What are the earnings of those individuals who work?



## Related Literature

### **Related study of employment dynamics by Metraux, Fargo, Eng, Culhane (2018) based on sheltered individuals in NYC**

- Like us, they do not find a change in employment at shelter entry, but they do find a temporary reduction in earnings.
- We study broader range of service types, have some additional detail. Focus on LA, different homelessness context.

Also related to ongoing work by Bruce Meyer based on sheltered individuals observed in the ACS merged to administrative earnings.

- Like us, they do not find a change in employment at shelter entry
- Less detail on relation to type of homeless shelter and services



## Two Administrative Data Sources

- Los Angeles Homeless Services Authority (LAHSA)
  - **Client demographics, program intake, and service records** for LAHSA-administered homeless services in Los Angeles, entered into the Homeless Management Information System (HMIS).
  - 2010-2018 (9 years)
- California Employment Development Department (EDD)
  - **Quarterly earnings** from Unemployment Insurance-covered **employment**. Includes information on sector of employment.
  - Does not include informal work, out-of-state work, self employment, domestic work, etc.
  - 1995 to 2018 (24 years)

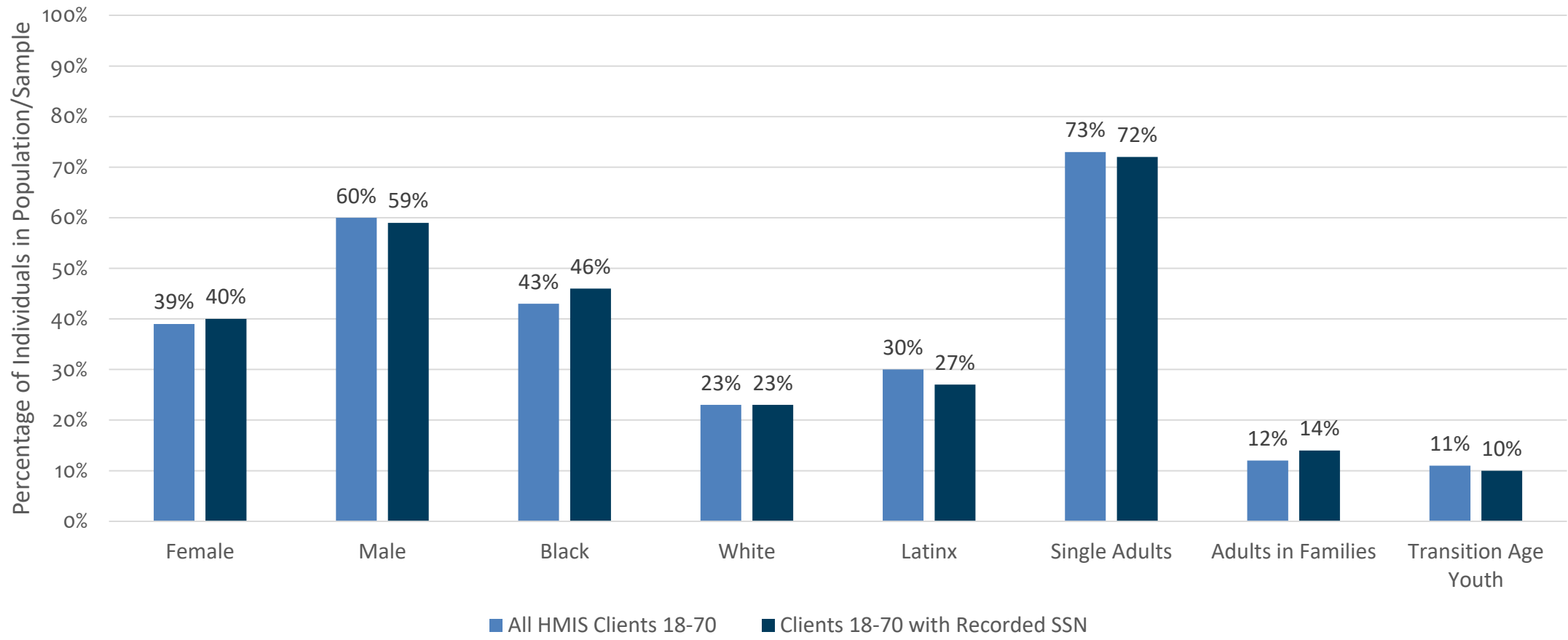


## Study Sample

- Sample limited to working age adults (18-70) at entry into HMIS
- EDD wage records matched to HMIS clients with Social Security Number
- Over 70% of HMIS clients ages 18-70 have an SSN on record
- These clients become our study sample (N=156,275)
  - 6,460 clients in prevention programs analyzed separately- do not meet HUD definition of homeless
- Examined reweighted and unweighted estimates for all outcomes
  - no substantive differences



The general HMIS population and study sample (those with recorded SSNs) are similar demographically.



Source: HMIS, 2010-2018. To observe dynamics of employment and earnings for the homeless population, we drop prevention program clients in all statistics except those which focus on project type. The sample size without this project type is 149,815.

## Questions

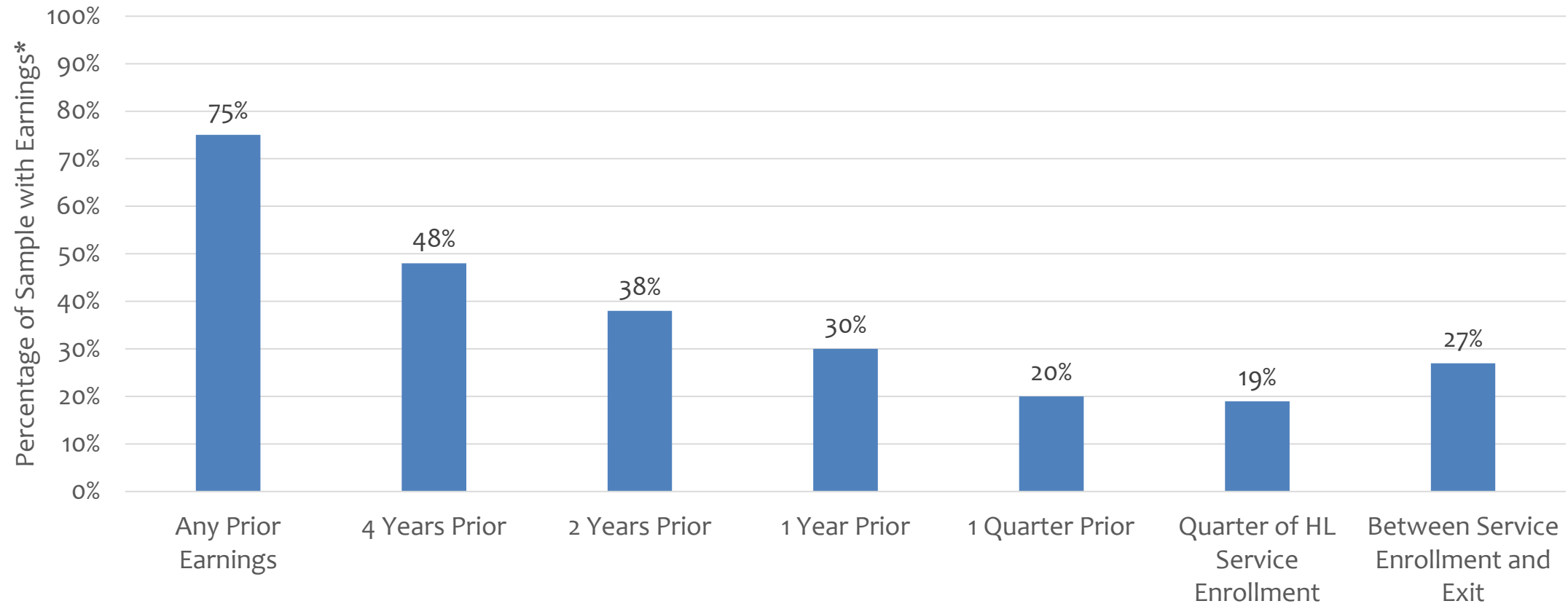


- **What proportion of homeless service clients are employed?**
- Who is employed?
- What are the employment dynamics around homeless service enrollment?
- What are their earnings?





# 75 percent of homeless service clients have earnings records in California prior to service enrollment.



Source: HMIS, 2010-2018. \*Percent of sample successfully matched to at least one quarter of covered employment in given time period relative to homeless service enrollment. To observe dynamics of employment and earnings for the homeless population, we drop prevention program clients in all statistics except those which focus on project type. The sample size without this project type is 149,815.



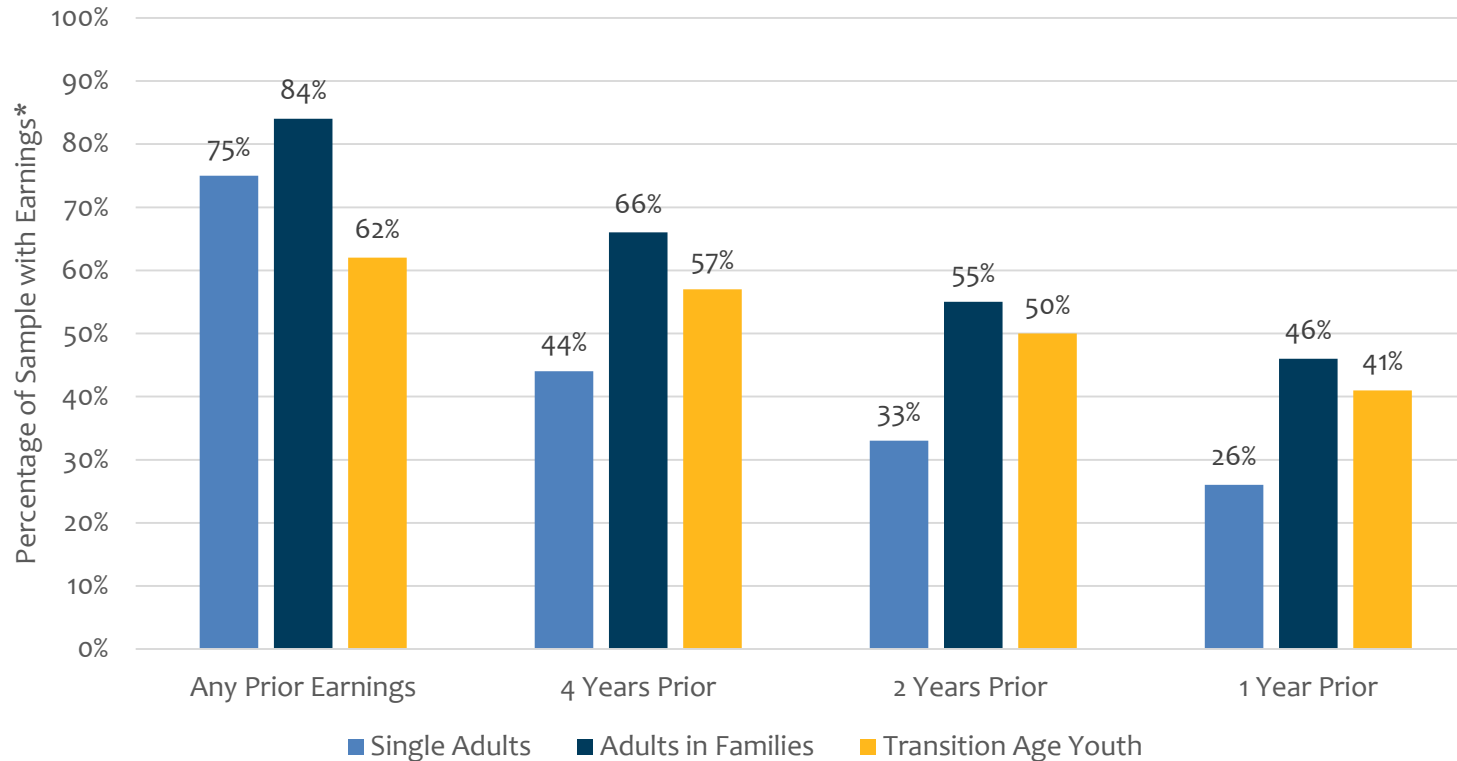
## Questions

- What proportion of homeless service clients are employed?
- **Who is employed?**
- What are the employment dynamics around homeless service enrollment?
- What are their earnings?

## RESULTS



# Adults in families have highest rates of recent employment.

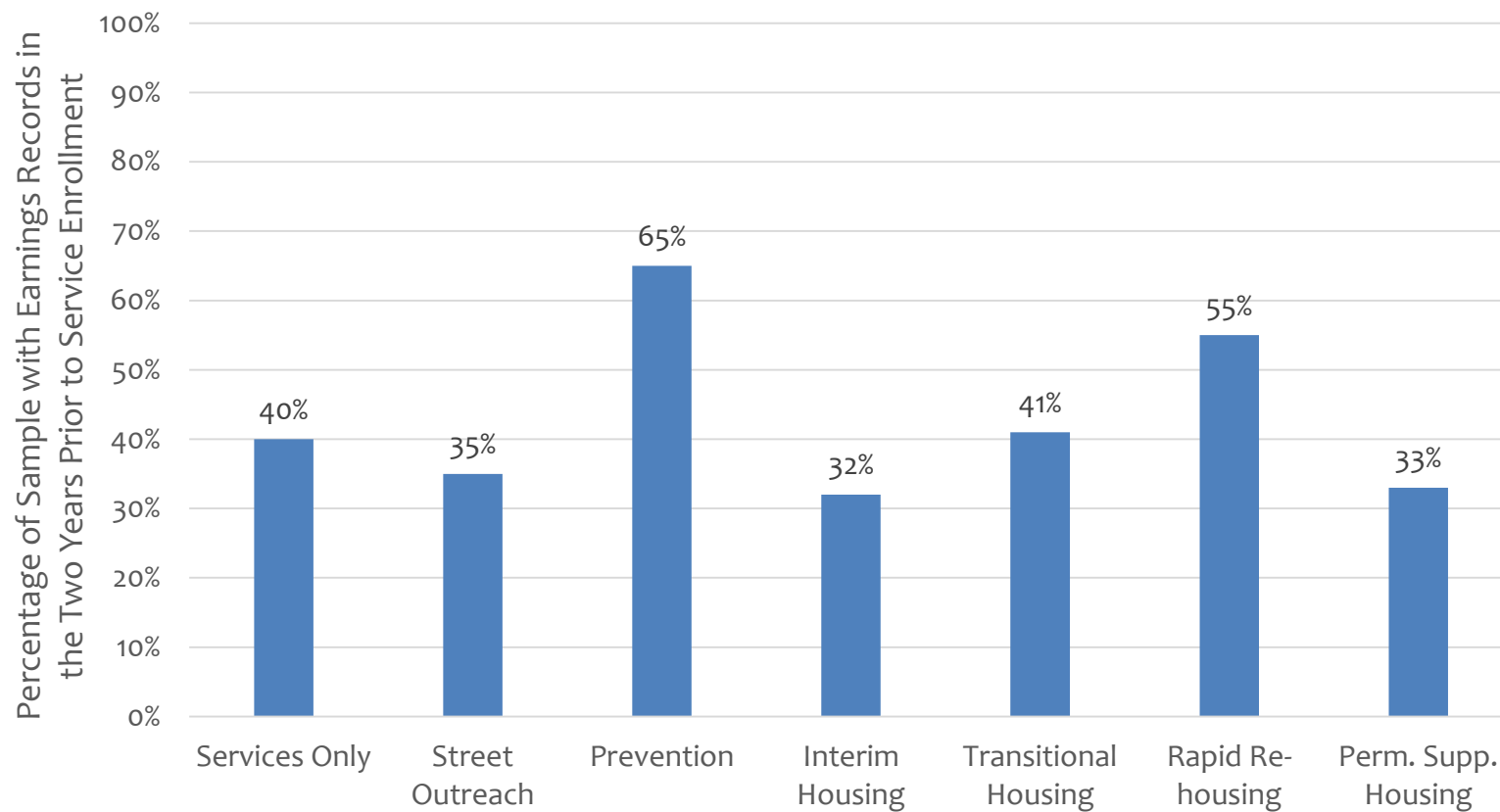


| Household Type     | Median qtrs. since last qtr. with positive earnings |
|--------------------|---|
| Single Adult       | 12.0  |
| Adults in Families | 4.0   |
| TAY                | 3.0   |

Source: HMIS, 2010-2018. \*Percent of sample successfully matched to at least one quarter of covered employment in given time period relative to homeless service enrollment. To observe dynamics of employment and earnings for the homeless population, we drop prevention program clients in all statistics except those which focus on project type. The sample size without this project type is 149,815.



Prevention and rapid re-housing clients are more recently employed and employed at higher rates than clients in other HMIS project types.



| Project Type                 | Median qtrs. since last qtr. with positive earnings |
|------------------------------|---|
| Services Only                | 9.0   |
| Street Outreach              | 12.0  |
| Prevention                   | 3.0   |
| Interim Housing              | 11.0  |
| Transitional Housing         | 8.0   |
| Rapid Re-housing             | 4.0   |
| Permanent Supportive Housing | 14.0  |

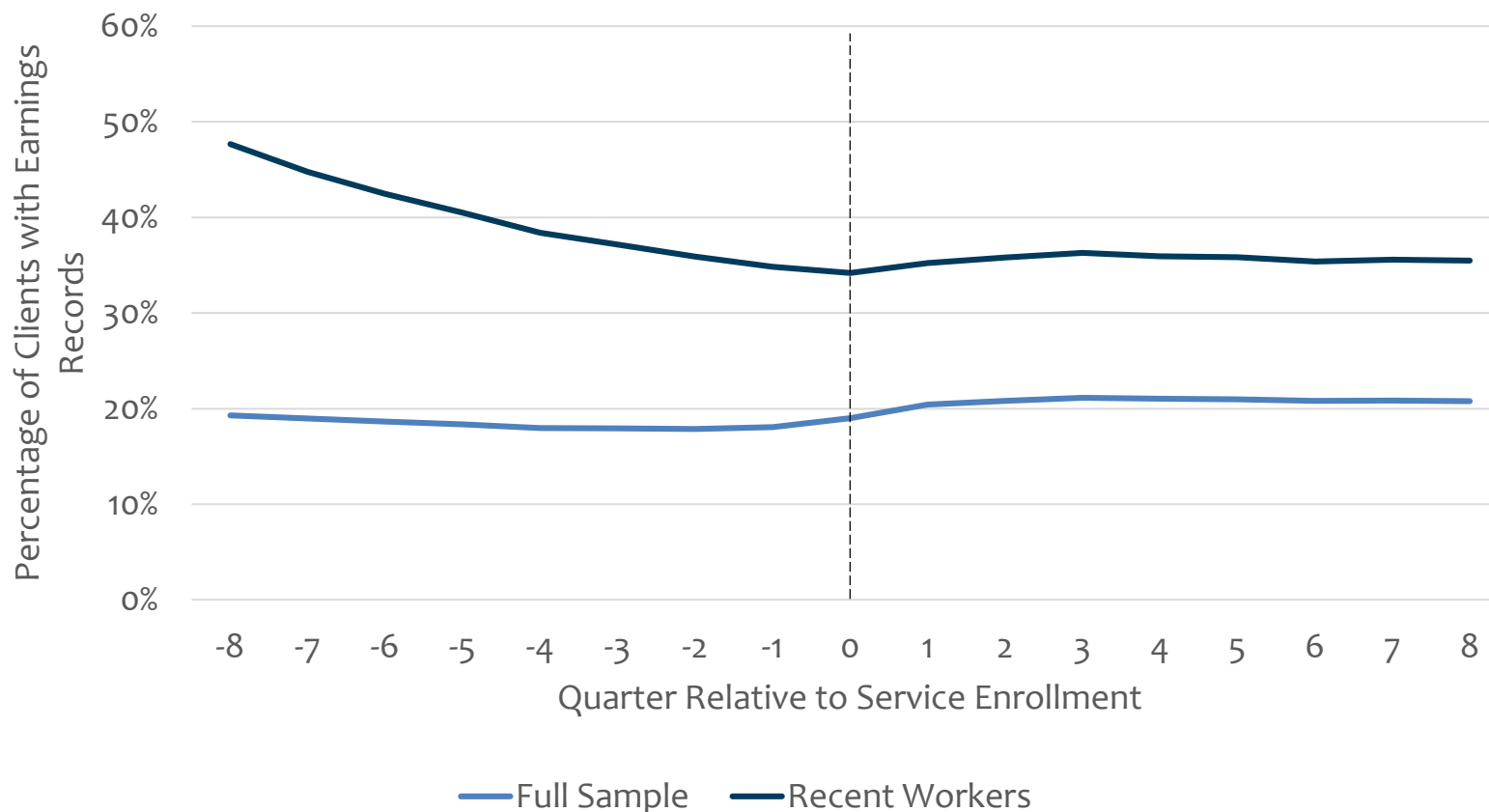
Source: HMIS, 2010-2018; Note: Our sample only includes clients with recorded Social Security Numbers in the HMIS.

## Questions

- What proportion of homeless service clients are employed?
- Who is employed?
- **What are the employment dynamics around homeless service enrollment?**
- What are their earnings?



## Recent workers experience a decline in employment prior to HMIS service enrollment.



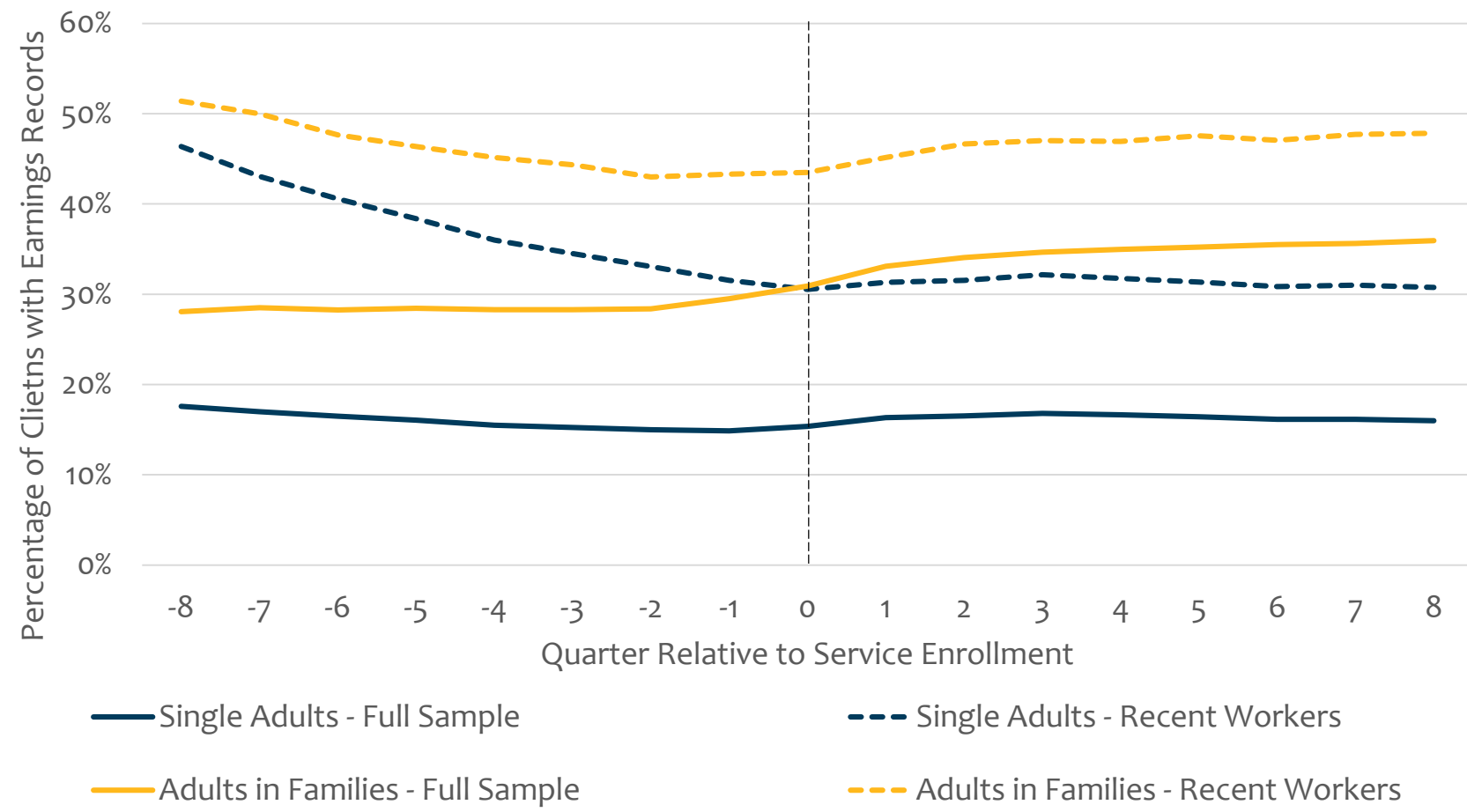
Source: HMIS, 2010-2016; Here, we define recent workers (N = 41,539) as those with any recorded earnings in quarters -16 to -9, relative to service enrollment. Our sample only includes clients with recorded Social Security Numbers in the HMIS. To observe dynamics of employment and earnings for the homeless population, we drop prevention program clients in all statistics except those which focus on project type. The sample size without this project type is 149,815.



# RESULTS



## Single adults with recent employment experience a sharp decline in employment prior to service enrollment.



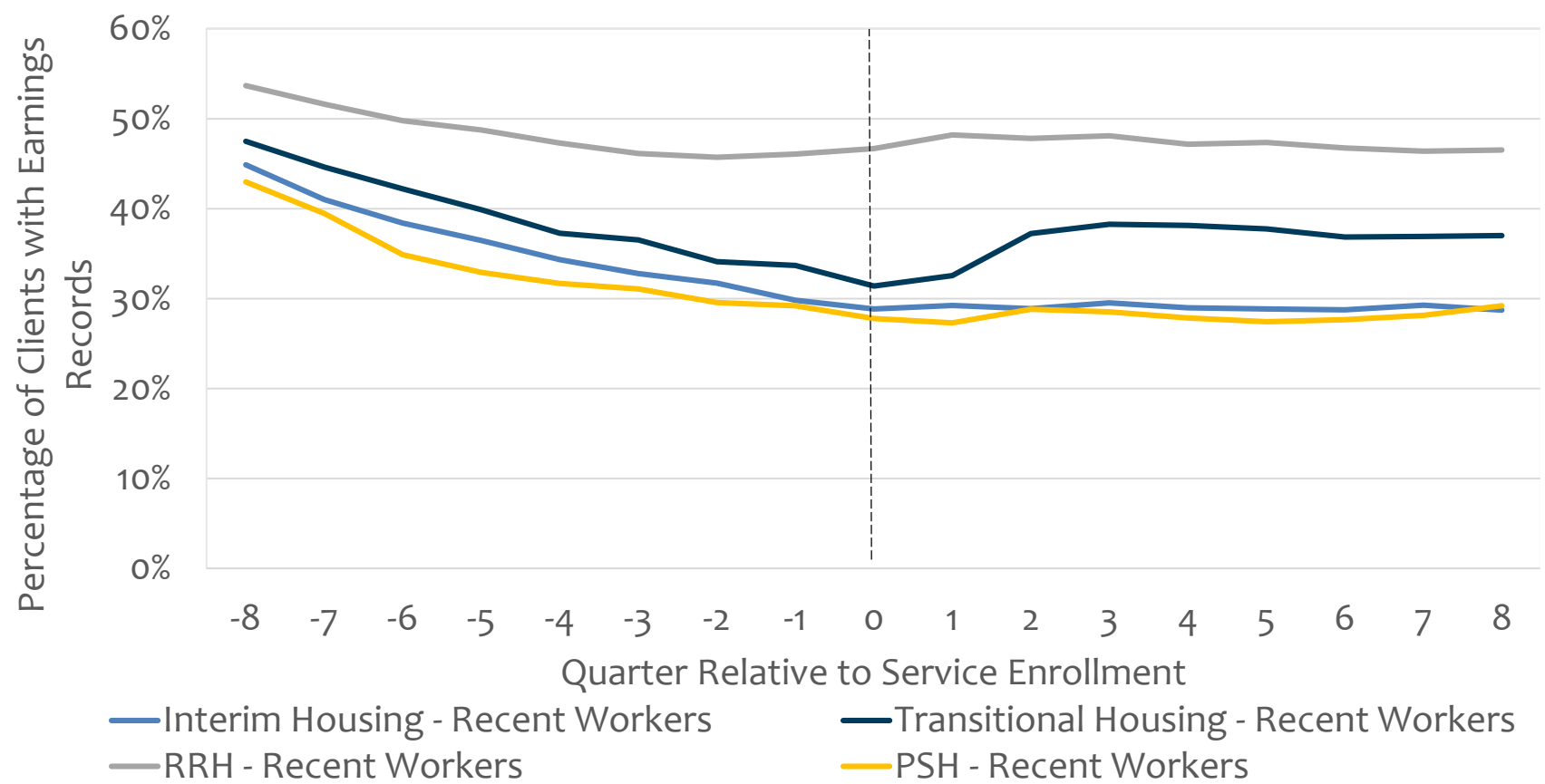
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# RESULTS



## Recently employed transitional and rapid re-housing clients see an increase in employment after service enrollment.



Source: HMIS, 2010-2016; Here, we define recent workers (N = 41,539) as those with any recorded earnings in quarters -16 to -9, relative service enrollment. Our sample only includes clients with recorded Social Security Numbers in the HMIS. To observe dynamics of employment and earnings for the homeless population, we drop prevention program clients in all statistics except those which focus on project type. The sample size without this project type is 149,815. 16



## Employment after entry into homelessness: Linear regression models

**Which factors are associated with employment after entry?**

**Outcomes of interest:**

1. Employment within 1 year entry
2. Earning above the FPL in any of the 4 quarters after entry
3. Log total earnings within 1 year of entry  
(Conditional on any employment)
4. Log-transformed total quarters worked after entry  
(Conditional on any employment)

**Explanatory Variables:**

Demographics, health/disability status, employment/earnings history, prior homelessness, Service Provider Area (SPA)



## Regression models help refine descriptive findings

### **Strong predictors of employment after entry:**

- Any prior employment (in 2 years prior to entry)
- Prior earnings *above the poverty line*

### **• Heads of Households in *Families* see better outcomes than *Single Adults***

### **• Demographics:**

- White adults *less likely* to gain employment (holding constant other factors)
- Females tend to work and earn more than males
- Employment probability decreases as age increases

### **• Disabling conditions inhibit employment**

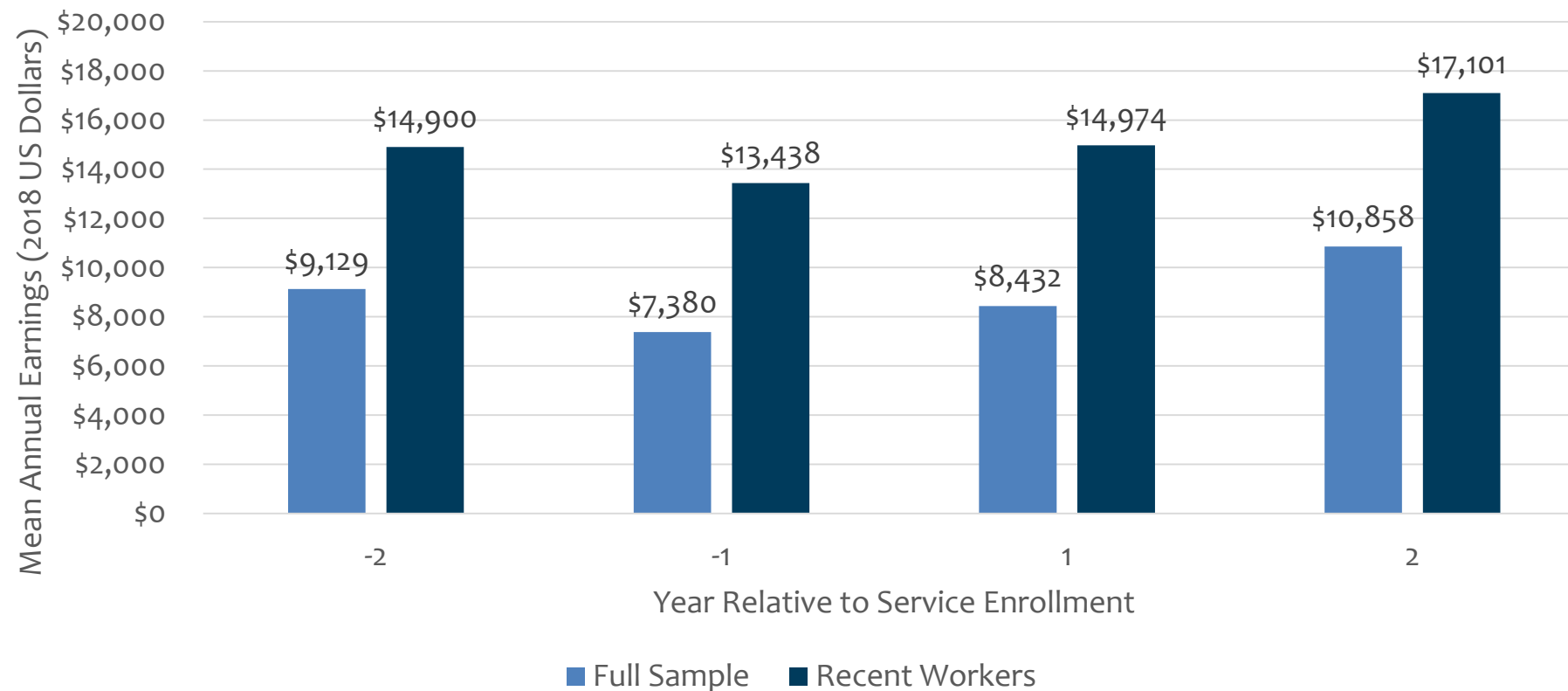


## What can we learn about people experiencing homelessness and their employment patterns?

- What proportion of homeless service clients are employed?
- Who is employed?
- What are the employment dynamics around homeless service enrollment?
- **What are their earnings?**

## RESULTS

Average annual earnings are higher in the second year after service enrollment than in the previous three years.



Source: HMIS, 2010-2016; Here, we define recent workers (N = 41,539) as those with any recorded earnings in quarters -16 to -9, relative service enrollment. If a client has earnings records at any point in the year, they are included in the percentage. To observe dynamics of employment and earnings for the homeless population, we drop prevention program clients in all statistics except those which focus on project type. The sample size without this project type is 149,815. To reduce any possible effects of extreme outliers, we limit extreme values in the data, a technique known as Winsorizing. Note: Our sample only includes clients with recorded Social Security Numbers in the HMIS.

## Four Broad Takeaways

- **A substantial fraction of homeless clients had employment within two years of entry, though for many employment was less recent**
- **There are systematic differences in employment rates among demographic groups and service groups and by industries**
- **While recently attached workers experience employment declines at entry, others do not experience any change in employment.**
- **Earnings among employed homeless clients are very low.**

## Takeaways (1)

**A substantial fraction of homeless clients had employment within two years of entry, though for many employment was less recent**

- 75% of the homeless population have recorded earnings in CA prior to homeless service enrollment, but for most those records lie further back.
- Nearly 40% of clients have earnings records within two years prior to their homeless spell. On average, they worked 2 of the 4 quarters in the year before service enrollment.

## Takeaways (2)

**There are systematic differences in employment rates among demographic groups and service groups and by industries**

- Adults in families have highest rates of recent employment.
- Prevention and rapid re-housing clients are more recently employed and employed at higher rates than clients in other HMIS project types.
- 75% of clients' most recent employment is in just seven industries.

## Takeaways (3)

**While recently attached workers experience employment declines at entry, others do not experience any change in employment.**

- For workers with recent labor market attachment, employment decreases in the quarters before service enrollment. For others, it increases slightly or remains flat.
- Recently employed transitional and rapid re-housing clients see an increase in employment after service enrollment; prevention clients see a decrease.



## Takeaways (4)

### **Earnings among employed homeless clients are very low.**

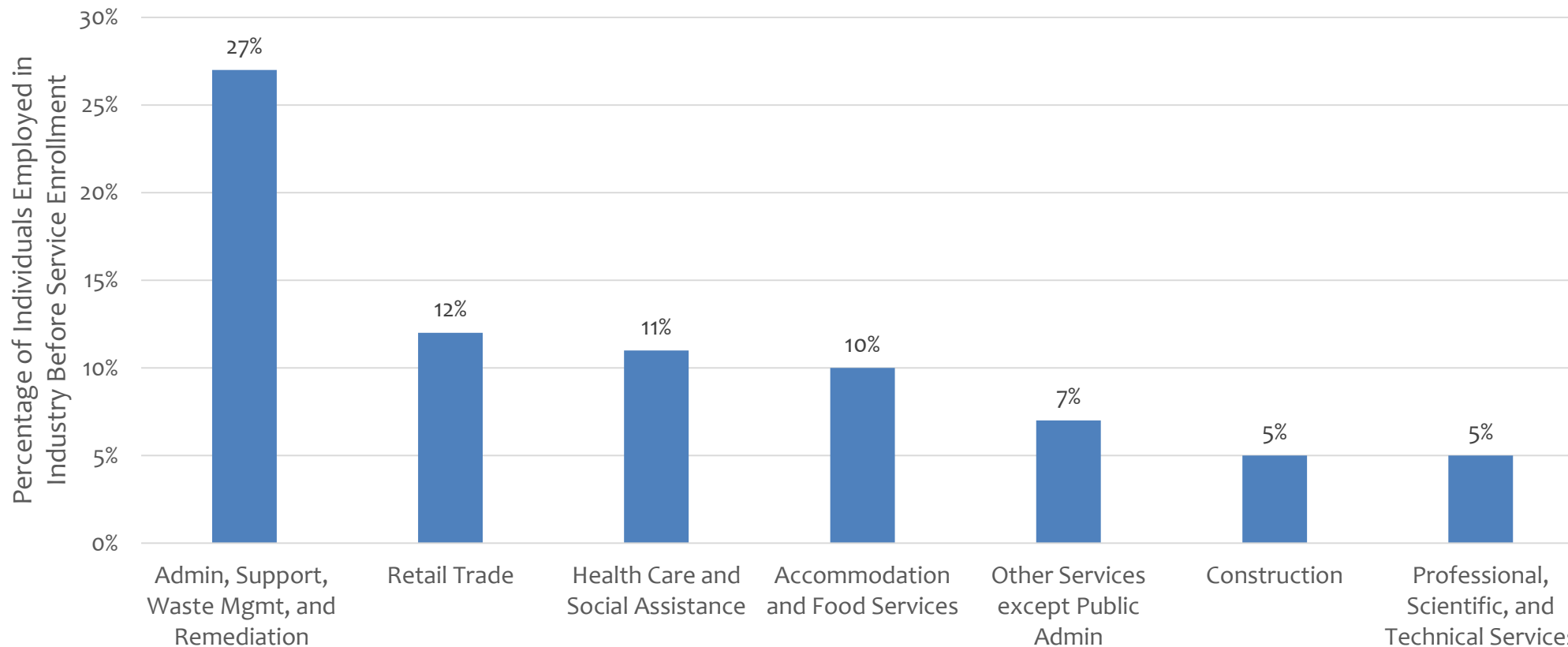
- Mean earnings are low for all workers, no matter the service receipt or household type.
- Mean earnings among the employed drop in the quarter of HMIS entry before rising again.

## Questions

- What proportion of homeless service clients is employed?
- Who is employed?
- **In what industries are they employed?**
- What are the employment dynamics around homeless service enrollment?
- What are their earnings?



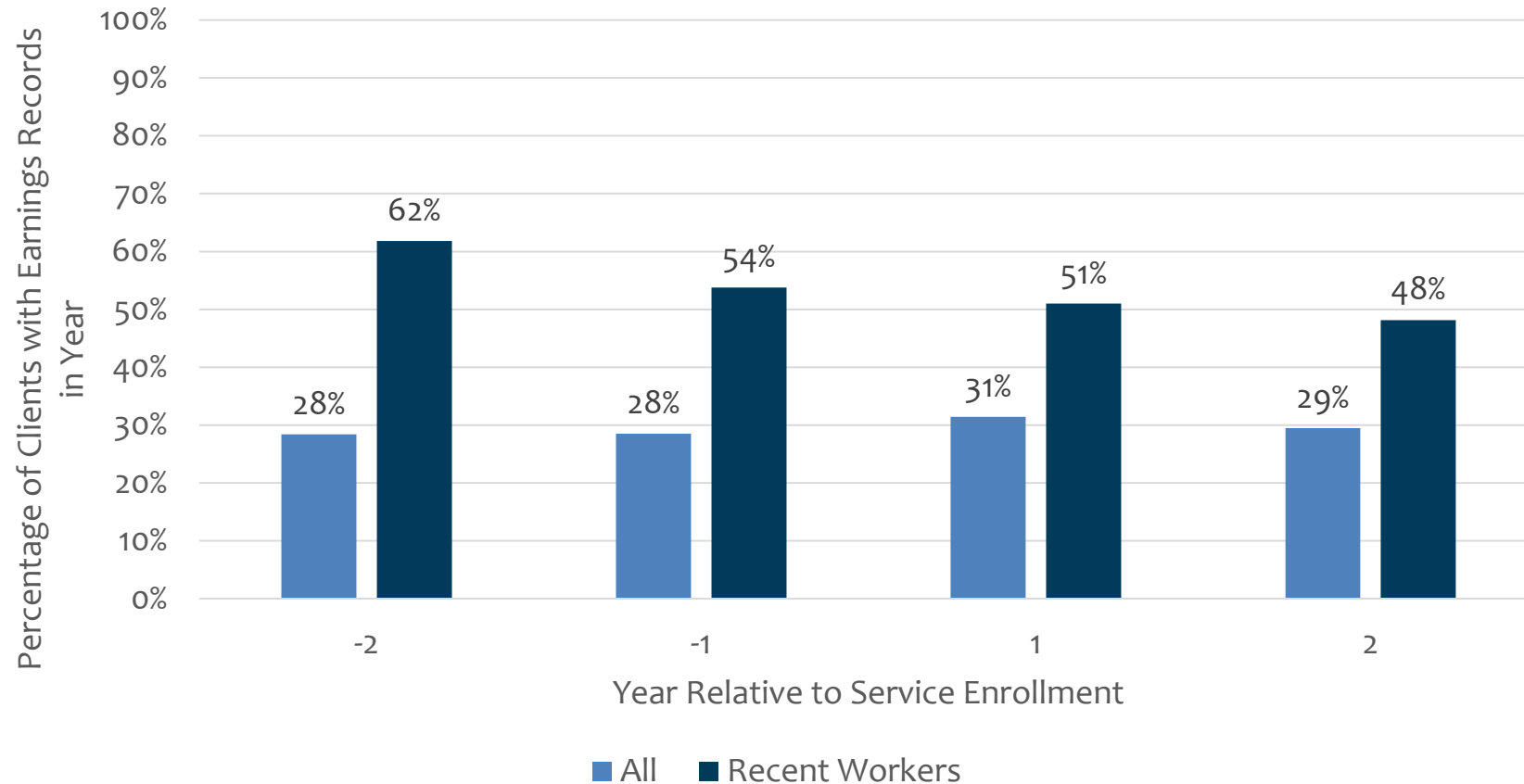
3/4 of those employed before service enrollment worked most recently in seven industries.



Source: HMIS, 2010-2018; Industry defined by most recent employment before service enrollment. Approximately 118K individuals had earnings prior to enrollment. Note: Our sample only includes clients with recorded Social Security Numbers in the HMIS. To observe dynamics of employment and earnings for the homeless population, we drop prevention program clients in all statistics except those which focus on project type. The sample size without this project type is 149,815.

## RESULTS

When analyzing earnings among the employed over time, we are looking at a fraction of all homeless services clients.



Source: HMIS, 2010-2016. Note: Our sample only includes clients with recorded Social Security Numbers in the HMIS. If a client has earnings records at any point in the year, they are included in the percentage. To observe dynamics of employment and earnings for the homeless population, we drop prevention program clients in all statistics except those which focus on project type. The sample size without this project type is 149,815.

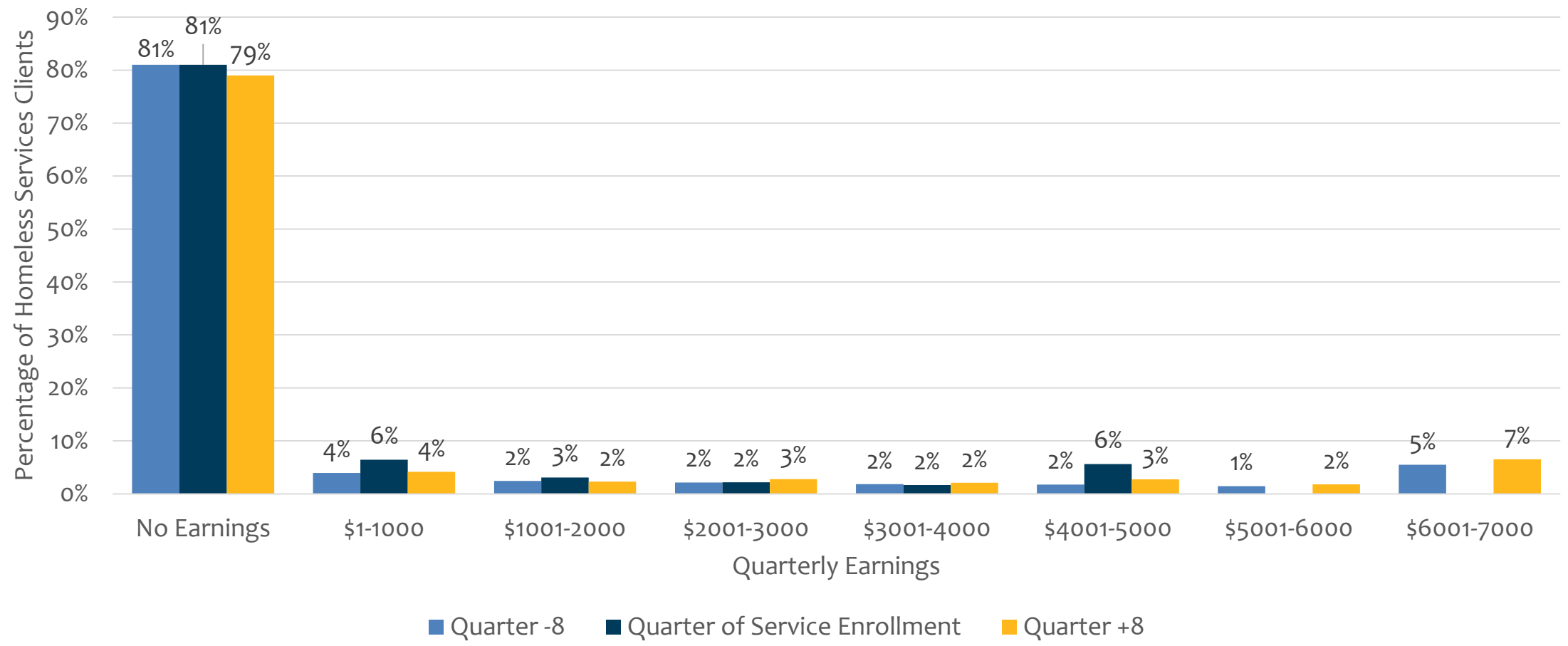


## Appendix slides

Earnings by demographic groups



The majority of clients had no earnings throughout the observation period.

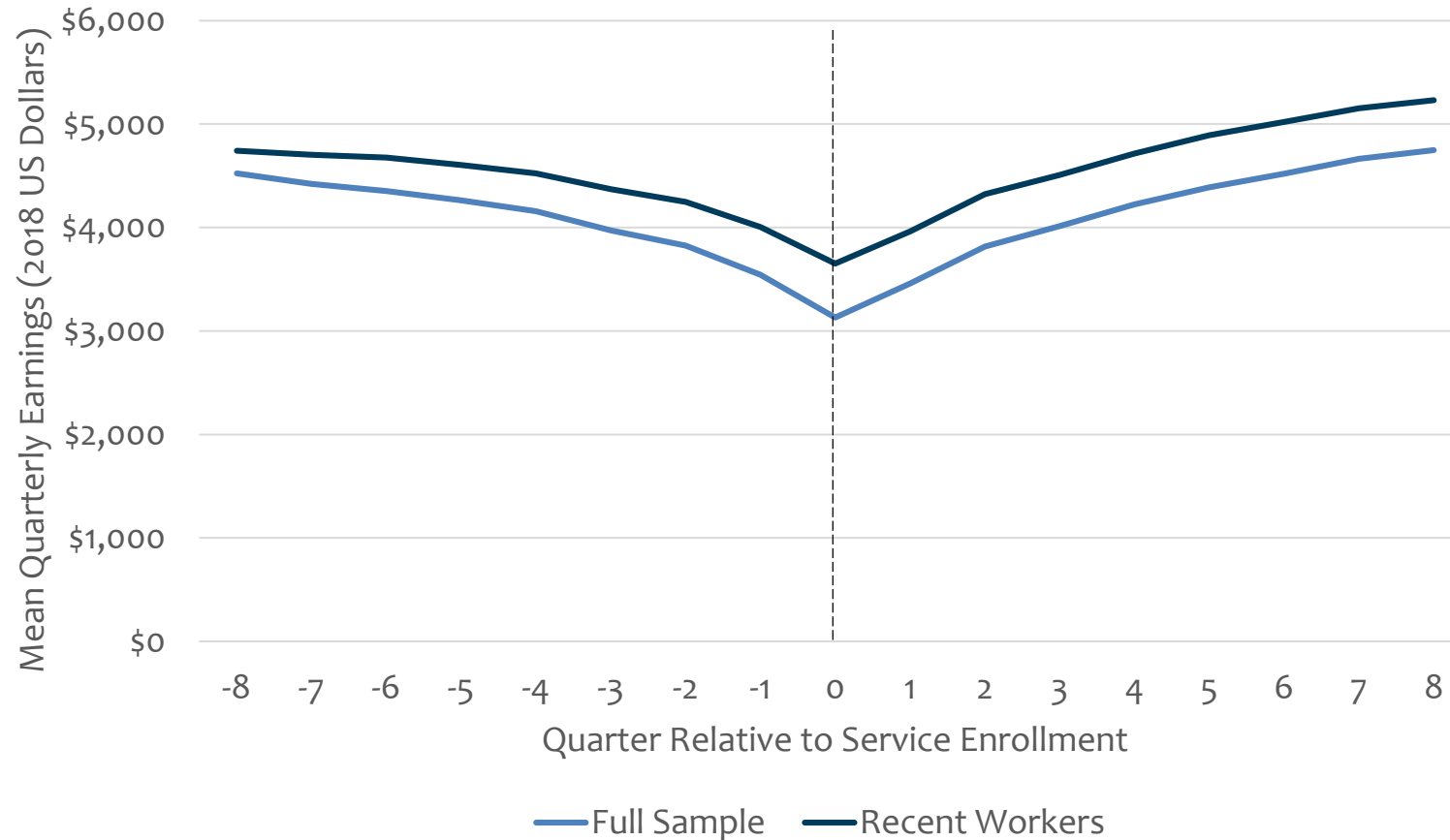


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## RESULTS



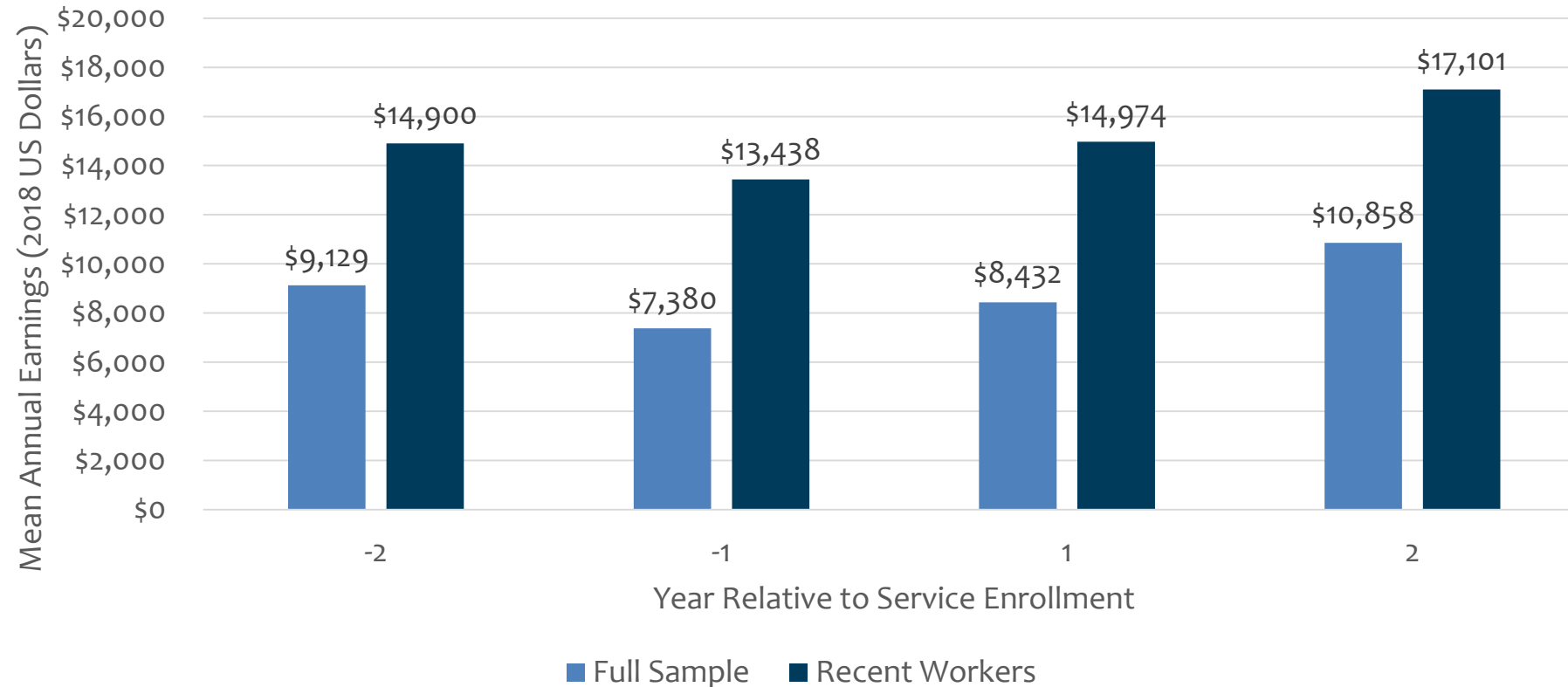
Mean quarterly earnings among the employed drop in the quarter of service enrollment.



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Average annual earnings are higher in the second year after service enrollment than in the previous three years.

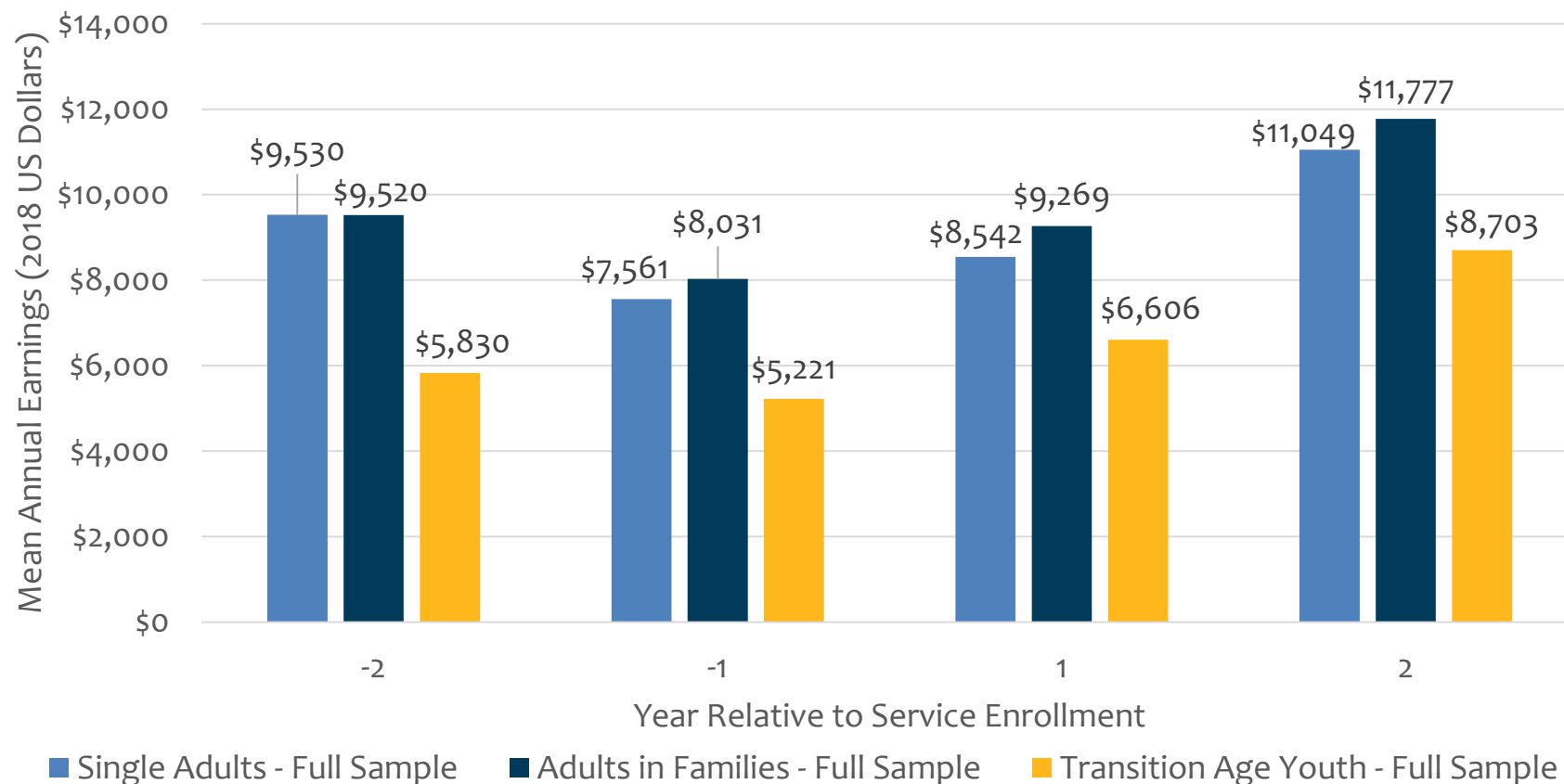


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# Adults in families have the highest annual earnings after service enrollment.

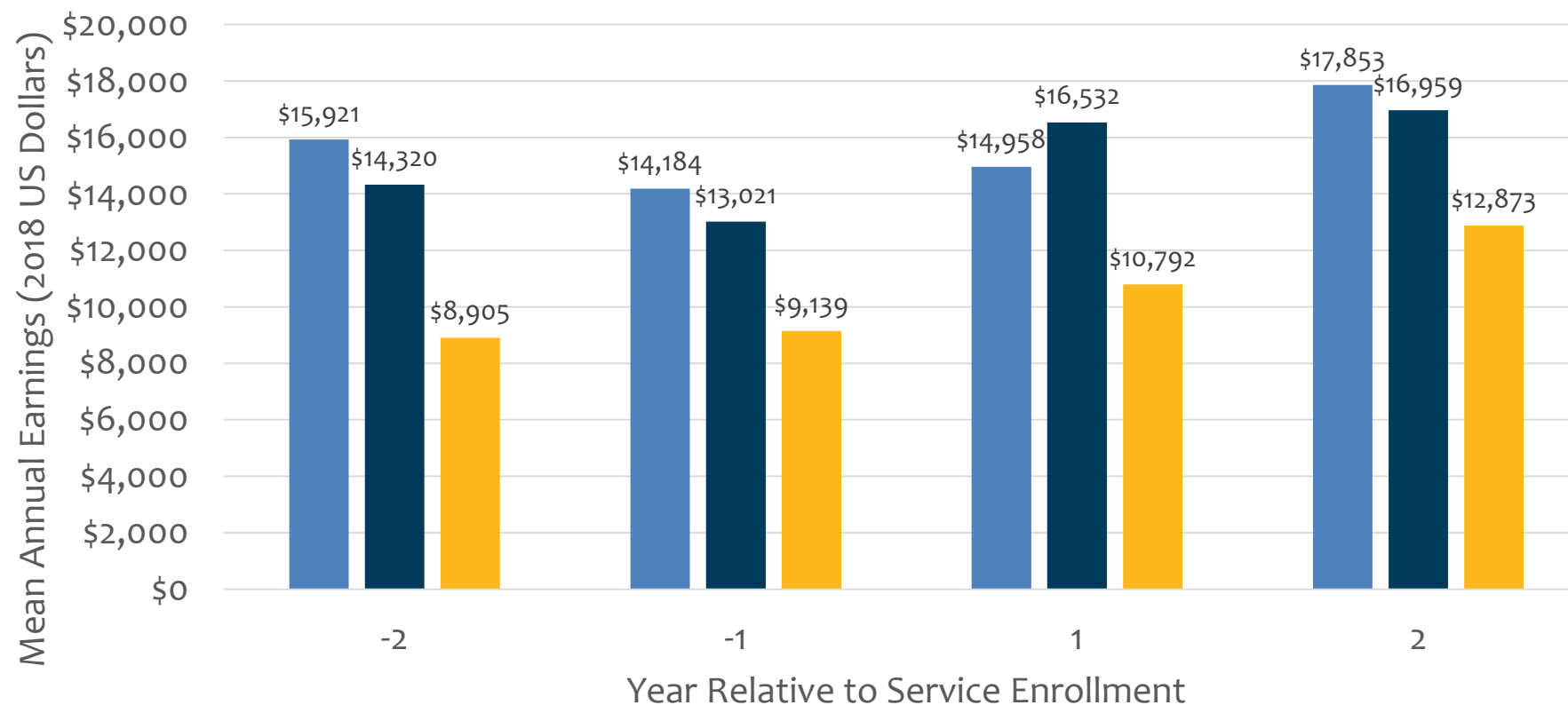


Source: HMIS, 2010-2016; To reduce any possible effects of extreme outliers, we limit extreme values in the data, a technique known as Winsorizing. Mean annual earnings calculations only include those who are working in the year. If a client has earnings records at any point in the year, they are included in the percentage. To observe dynamics of employment and earnings for the homeless population, we drop prevention program clients in all statistics except those which focus on project type. The sample size without this project type is 149,815. Note: Our sample only includes clients with recorded Social Security Numbers in the HMIS.

## RESULTS



Among recent workers, single adults have the highest earnings two years before and after service enrollment.



■ Single Adults - Recent Workers ■ Adults in Families - Recent Workers ■ Transition Age Youth - Recent Workers

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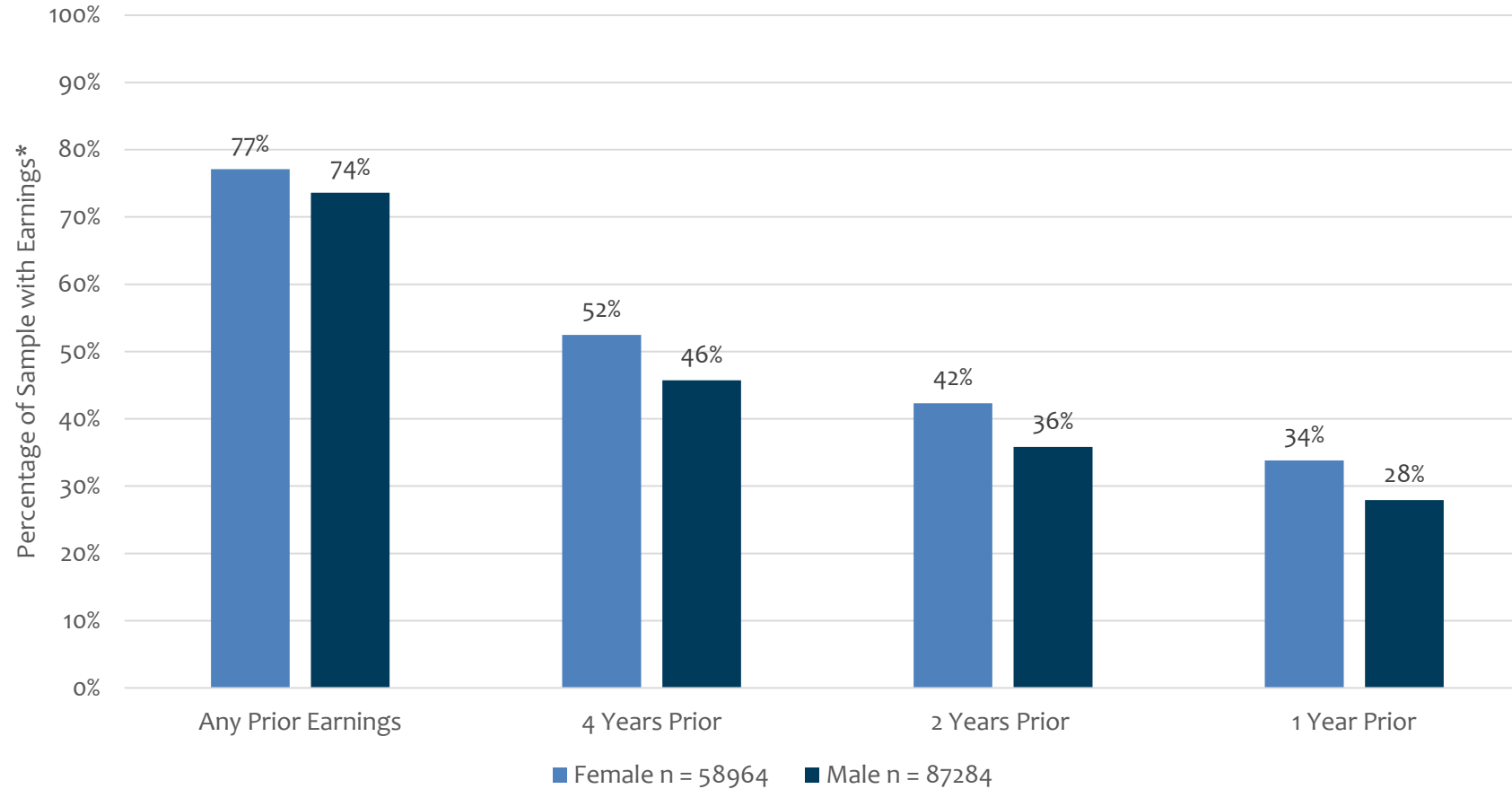


## Appendix slides

Employment by demographic groups



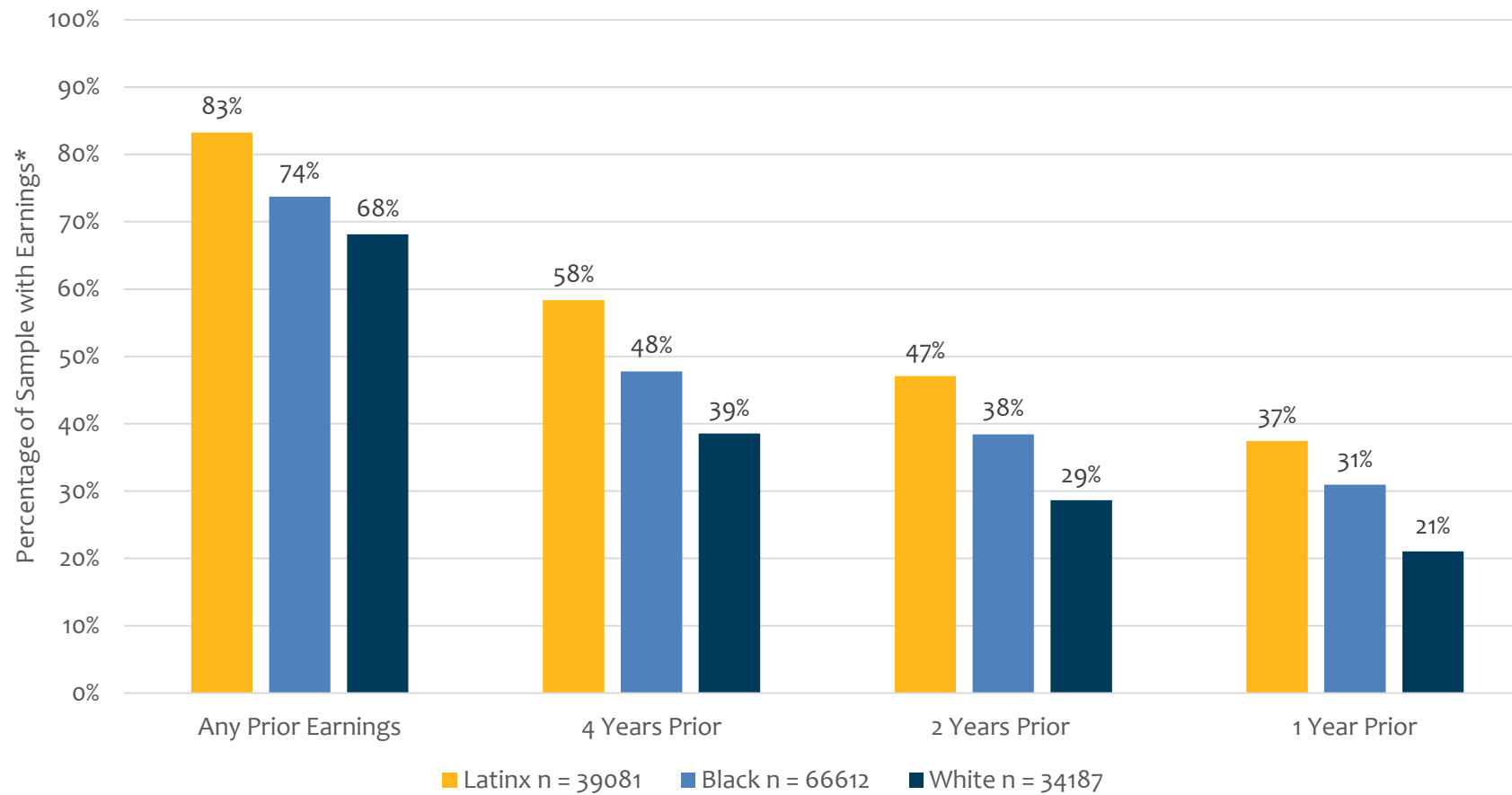
# Females have higher rates of recent employment than males



Source: HMIS, 2010-2018. \*Percent of sample successfully matched to at least one quarter of covered employment in given time period relative to homeless service enrollment. To observe dynamics of employment and earnings for the homeless population, we drop prevention program clients in all statistics except those which focus on project type. The sample size without this project type is 149,815.



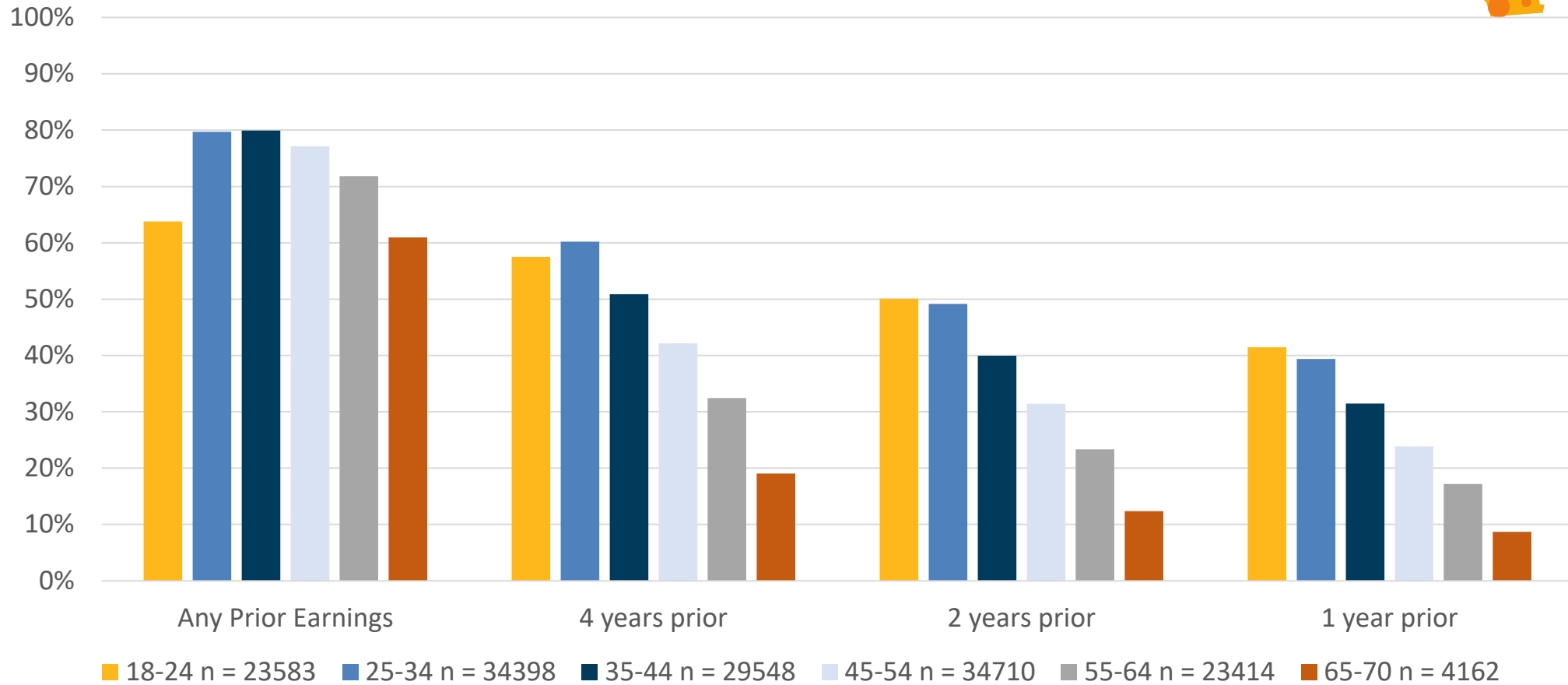
# Latinx have highest rates of recent employment.



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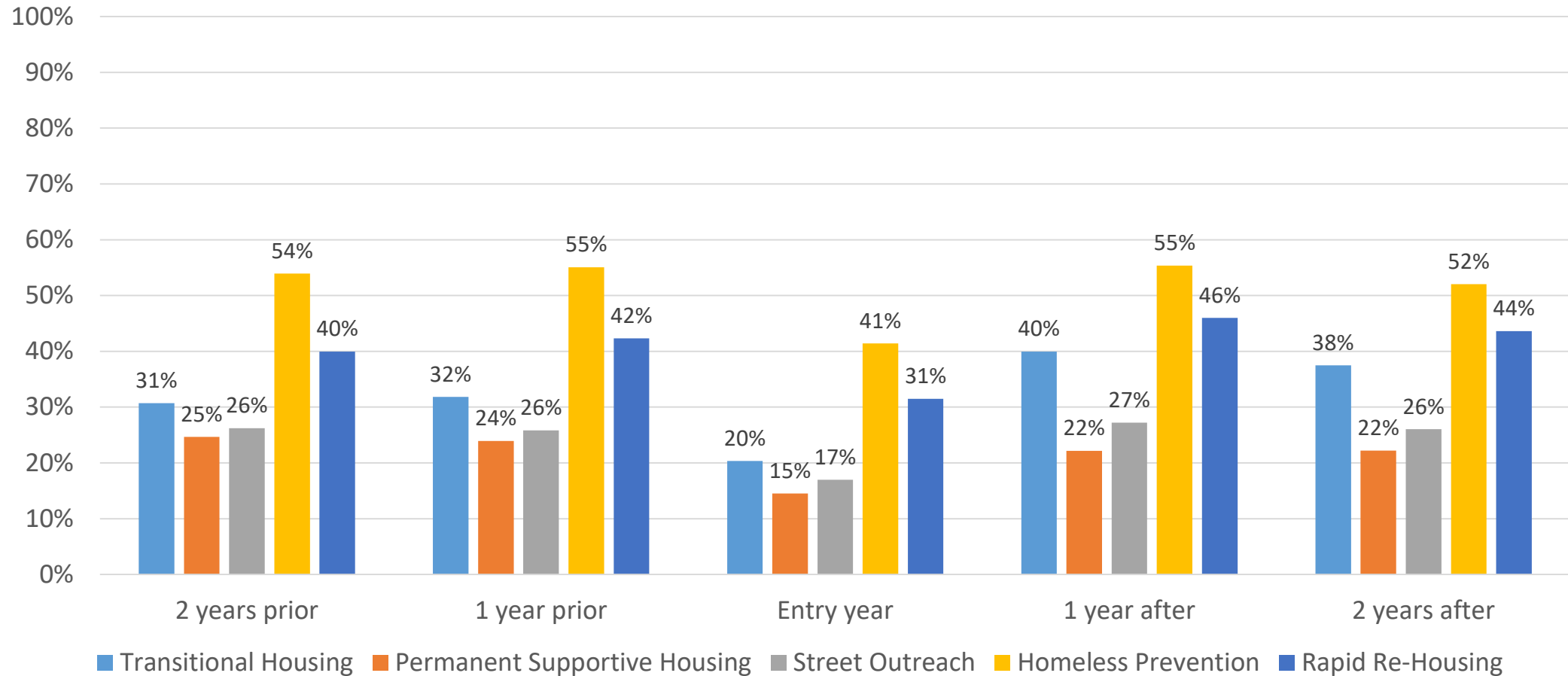
# Recent employment by age group at HMIS entry



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# Employment over time by project type



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## Appendix slides

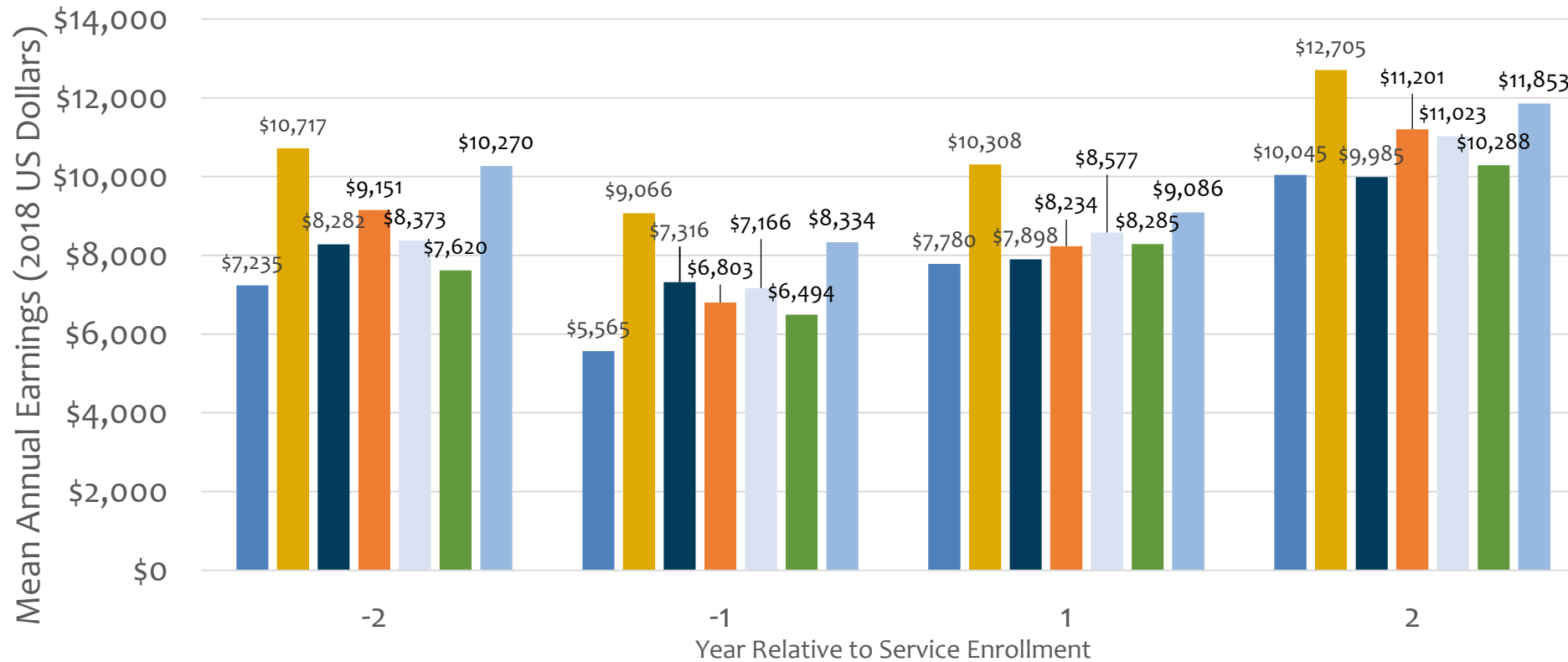
### Employment By Industry



## RESULTS



# Health care and social assistance workers have the highest earnings before and after service enrollment.

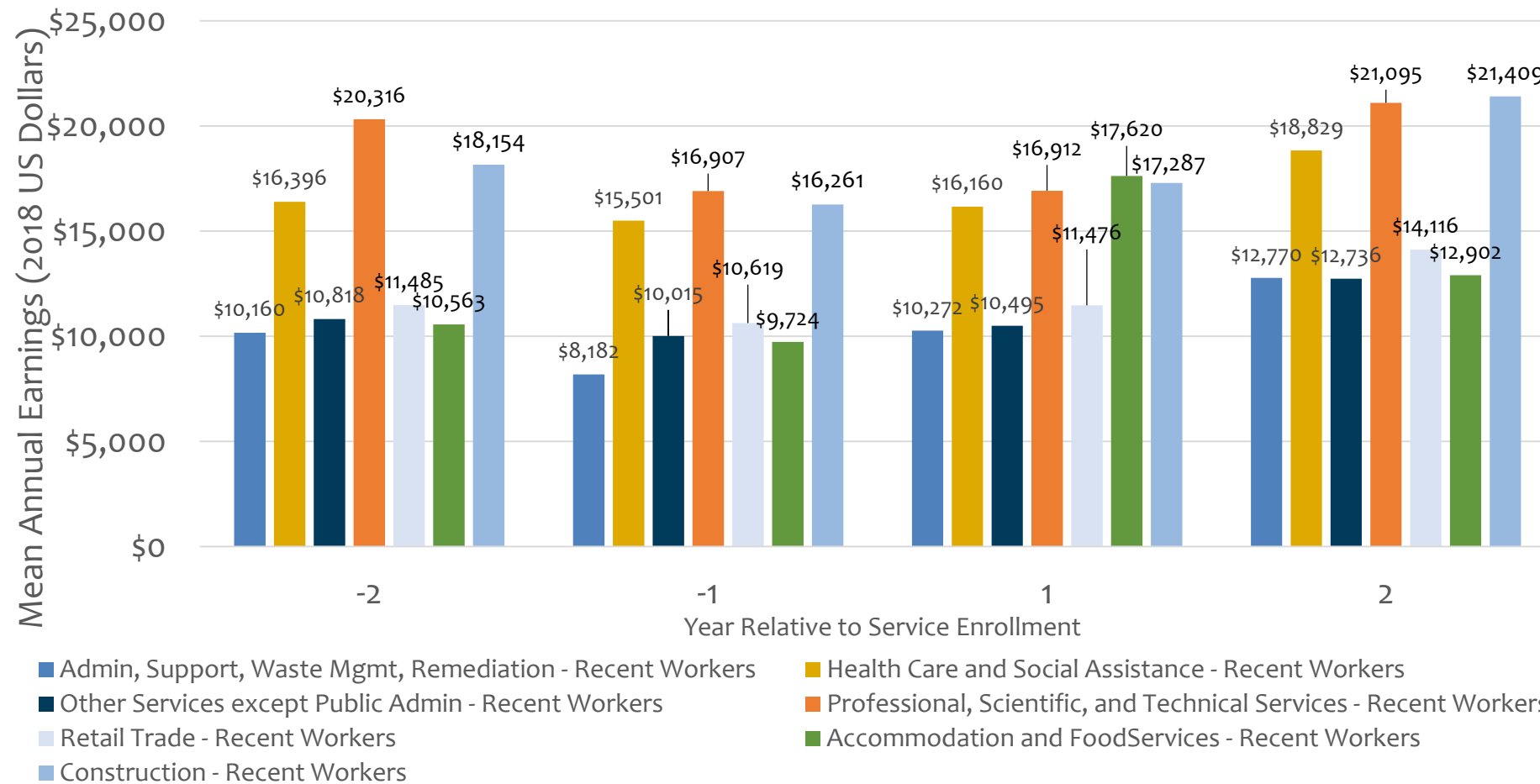


- Admin, Support, Waste Mgmt, Remediation - Full Sample
- Health Care and Social Assistance - Full Sample
- Other Services except Public Admin - Full Sample
- Professional, Scientific, and Technical Services - Full Sample
- Retail Trade - Full Sample
- Accommodation and Food Services - Full Sample
- Construction - Full Sample

Source: HMIS, 2010-2016; Here, we categorize individuals into industries based on their most recent employment prior to service enrollment. To reduce any possible effects of extreme outliers, we limit extreme values in the data, a technique known as Winsorizing. Mean annual earnings calculations only include those who are working in the year. Note: Our sample only includes clients with recorded Social Security Numbers in the HMIS.

## RESULTS

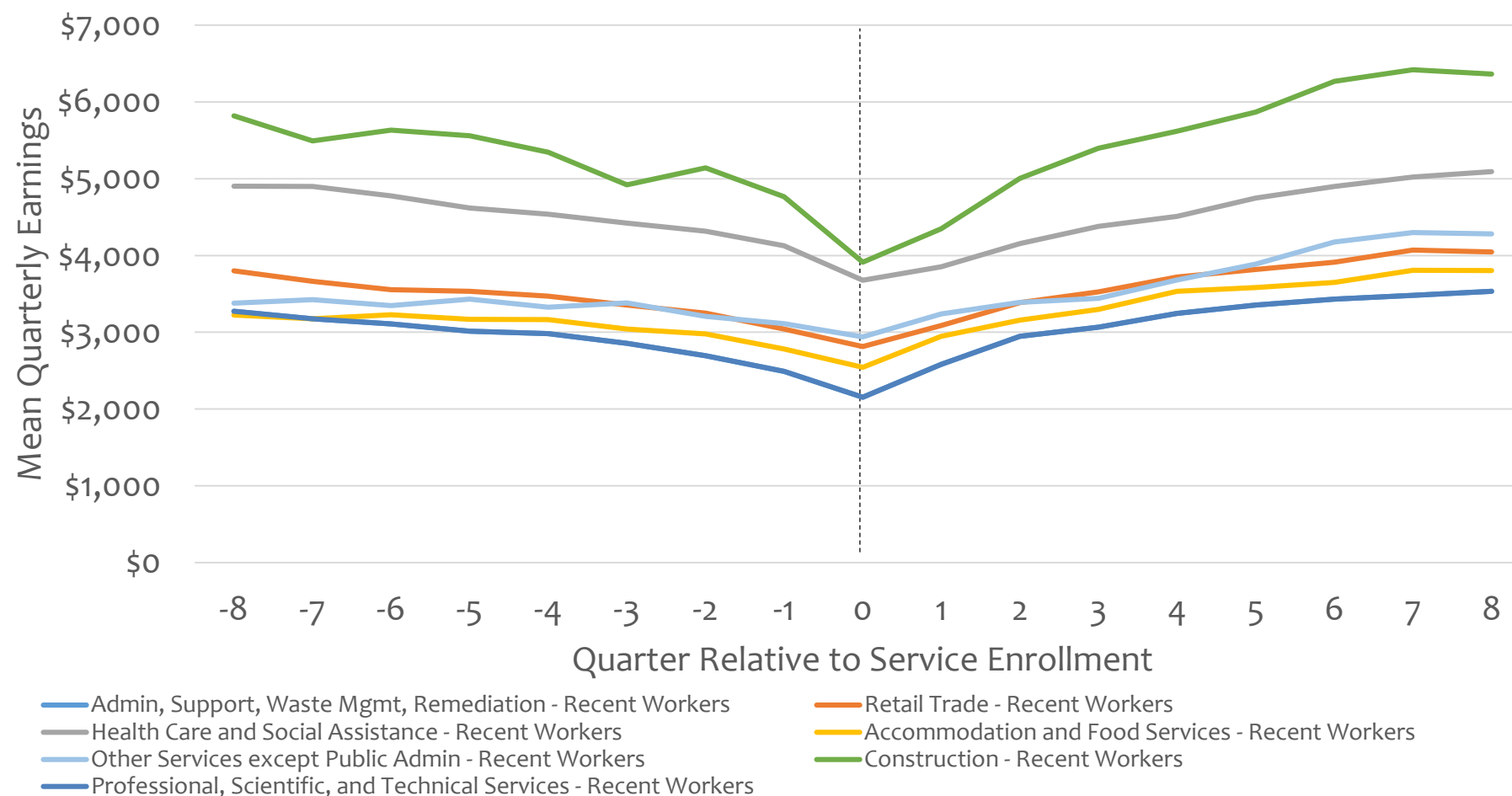
Among recent workers, those in professional, scientific, and technical services and construction have the highest earnings except in the year after service enrollment.



Source: HMIS, 2010-2016; Here, we categorize individuals into industries based on their most recent employment prior to service enrollment, and we define recent workers as those with any recorded earnings in quarters -16 to -9, relative service enrollment. If a client has earnings records at any point in the year, they are included in the percentage. To reduce any possible effects of extreme outliers, we limit extreme values in the data, a technique known as Winsorizing. Mean annual earnings calculations only include those who are working in the year. Note: Our sample only includes clients with recorded Social Security Numbers in the HMIS.

## RESULTS

Among recent workers, individuals in the construction and professional, scientific, and technical services industries have the highest mean earnings.



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