

WHAT INTERVENTIONS WORK BEST FOR HOMELESS FAMILIES? IMPACTS AND COST ESTIMATES FROM THE FAMILY OPTIONS STUDY

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The Family Options Study, a rigorous three-year experiment sponsored by the U.S. Department of Housing and Urban Development (HUD), examined which housing and services interventions work best to improve the housing stability and well-being of families experiencing homelessness. Families were randomly assigned to receive priority access to one of three programs: long-term housing subsidies; community-based rapid re-housing assistance; service-intensive, project-based transitional housing; or access to “usual care” available within the community. By far, priority access to long-term housing subsidies led to the best outcomes for reducing family homelessness. Compared to usual care, priority access to long-term subsidies reduced by more than one-half the proportion of families who reported being homeless within the last six months. Families with priority access to long-term subsidies also reported improved measures of adult and child well-being, and reduced food insecurity. Although providing priority access to such long-term subsidies cost 9% more than not giving families priority access to any particular program, the benefits suggest a return on investment for long-term subsidies. The other two interventions demonstrated few positive impacts across any of the domains, compared to usual care. The striking positive impacts of providing priority access to long-term subsidies suggest that for most families, homelessness is a housing affordability problem that can be remedied with long-term housing subsidies, without specialized services.

WHAT IS THE FAMILY OPTIONS STUDY?

In 2008, the U.S. Department of Housing and Urban Development (HUD) launched the Family Options Study to learn which housing and services interventions work best to improve the housing stability and well-being of families and children experiencing homelessness. The study team followed families for three years and measured outcomes in five domains of family well-being: housing stability, family preservation, adult well-being, child well-being, and self-sufficiency.

The study used a rigorous, experimental methodology to best ensure that results reflect actual effects of each intervention rather than pre-existing differences in the families. Approximately 2,300 families from 12 communities across the country participated in the study (see Table 1).¹ Families included at least one child age 15 or younger, and had to have resided in an emergency shelter for seven or more days.

The Family Options Study measured impacts on housing stability, family preservation, adult well-being, child well-being, and self-sufficiency.

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TABLE 1
Family Options Study Sites

Alameda County, CA	Honolulu, HI
Atlanta, GA	Kansas City, MO
Baltimore, MD	Louisville, KY
Bridgeport and New Haven, CT	Minneapolis, MN
Boston, MA	Phoenix, AZ
Denver, CO	Salt Lake City, UT

WHICH INTERVENTIONS WERE STUDIED?

After spending at least seven days in emergency shelter, families were randomly assigned to one of four groups. Each of the interventions is described below:

1. **Long-term housing subsidy:** Families were given priority access to a long-term housing subsidy, typically a Housing Choice Voucher, which might have included assistance to find housing but did not include other support services.
2. **Community-based rapid re-housing:** Families were given priority access to a temporary housing subsidy, lasting up to 18 months, paired with limited, housing-focused services to help families find and rent conventional, private-market housing.
3. **Project-based transitional housing:** Families were given priority access to a temporary stay, lasting up to 24 months, in agency-controlled buildings or apartment units, paired with intensive support services.
4. **Usual care:** Families had access to the usual care and services homeless people might access within the community, but were not given priority access to any particular program. This typically included some additional stay in the emergency shelter from which families were enrolled.

Families were randomly assigned to receive priority access to one of three housing interventions or usual care available in their community.

The interventions reflect different underlying theories about the nature of family homelessness and the best way to address the problem. **Long-term housing subsidies** and **community-based rapid re-housing** are based on the view that family homelessness is primarily a consequence of a mismatch between housing costs and the income of poor families. This is a problem subsidies can solve. As suggested by the names of the programs, long-term subsidies focus on long-term housing stability, while rapid re-housing programs seek to get families housed as quickly as possible. Proponents of rapid re-housing programs suggest that such an approach may encourage family economic self-sufficiency sooner, while proponents of long-term subsidies question whether such short-term assistance is sufficient. **Project-based transitional housing** focuses on the idea that many families who become homeless have other barriers besides poverty that make it difficult for them to secure and maintain stable housing. These programs are designed to address these barriers with an array of services in a supervised residential setting, theoretically, to build the best foundation for ongoing stability.²

Families who were randomly assigned to one of the three program interventions (not usual care) were given “priority access” to a program slot. They still needed to meet eligibility criteria of the program to which they were referred, complete required paperwork, and, in some cases, find an acceptable housing unit. Families were not prohibited from using other programs outside the study. Although families were most likely to use the program to which they were given priority access, not all families took up such services. The take-up rate for long-term subsidies was highest (83%); take-up rates for community-based rapid re-housing and project-based transitional housing were lower (59% and 53%, respectively). As a result, the Family Options Study evaluated the effect of priority access to a program, which might be of high interest to policymakers because it measures the impact of emphasizing a particular policy approach—i.e., providing more availability of a program in a community.³

Researchers measured impacts of the programs 20 months after random assignment; however, this time period was not long enough to evaluate priority access to temporary programs that could last up to two years. Therefore, researchers also measured impacts approximately three years (37 months) after random assignment. Some impacts detected at 20 months were not detected at 37 months, and other impacts detected at 37 months were not detected at the earlier follow-up point. Impacts found at either time point are important when considering the overall benefits and return on investment of the interventions.⁴

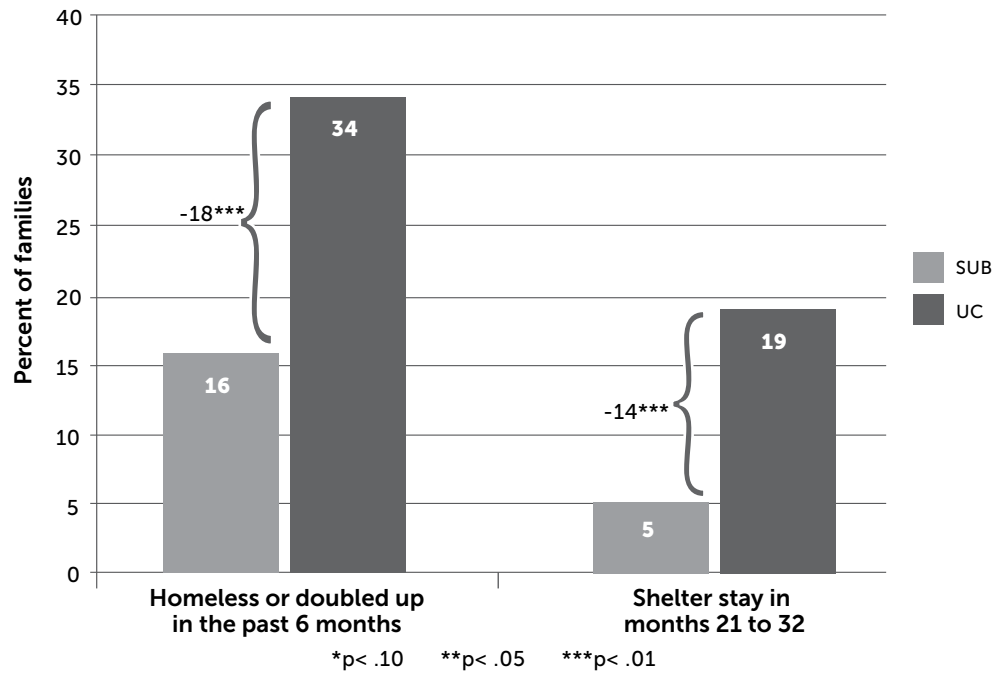
HOW DID THE IMPACTS OF LONG-TERM SUBSIDIES COMPARE TO USUAL CARE?

By far, priority access to a long-term housing subsidy led to the best outcomes for reducing family homelessness. As shown in Figure 1, three years after random assignment, priority access to long-term subsidies reduced by more than one-half the proportion of families who reported being homeless (i.e., having spent at least one night in a shelter or in places not meant for human habitation, or doubled up) in the past six months. The intervention also reduced the proportion of families with a stay in shelter by almost one-half at the 20-month follow-up point, and by more than three-fourths at the 37-month follow-up point.⁵

Priority access to long-term subsidies led to the best outcomes for reducing family homelessness.

FIGURE 1
Long-Term Housing Subsidy Versus
Usual Care at the 37-Month Follow-up

Assignment to long-term subsidy results in large improvements in average housing stability over usual care



SUB = priority access to long-term housing subsidy. UC = usual care.

In addition, at both the 20- and 37-month follow-ups, the proportion of families living in their own place increased by 15 percentage points and the number of places lived in the past 6 months was reduced in the housing subsidy group, compared to the usual care group.

Compared to usual care, long-term subsidies reduced psychological distress, intimate partner violence, the number of schools children attended, and food insecurity.

Assignment to the long-term subsidy intervention also produced beneficial effects in other areas of family well-being. Compared with usual care, long-term subsidies reduced:

- the proportion of families separated from a child who had been present at baseline (at 20 months);
- psychological distress of the family head (at both time points);
- intimate partner violence (at both time points);
- evidence of alcohol and drug problems (at 20 months);
- the number of schools that children attended after random assignment (at both time points);
- the number of school or child care absences for children (at 20 months);
- behavior problems of children, as reported by parents (at 37 months); and
- the proportion of families who were food insecure (at both time points).

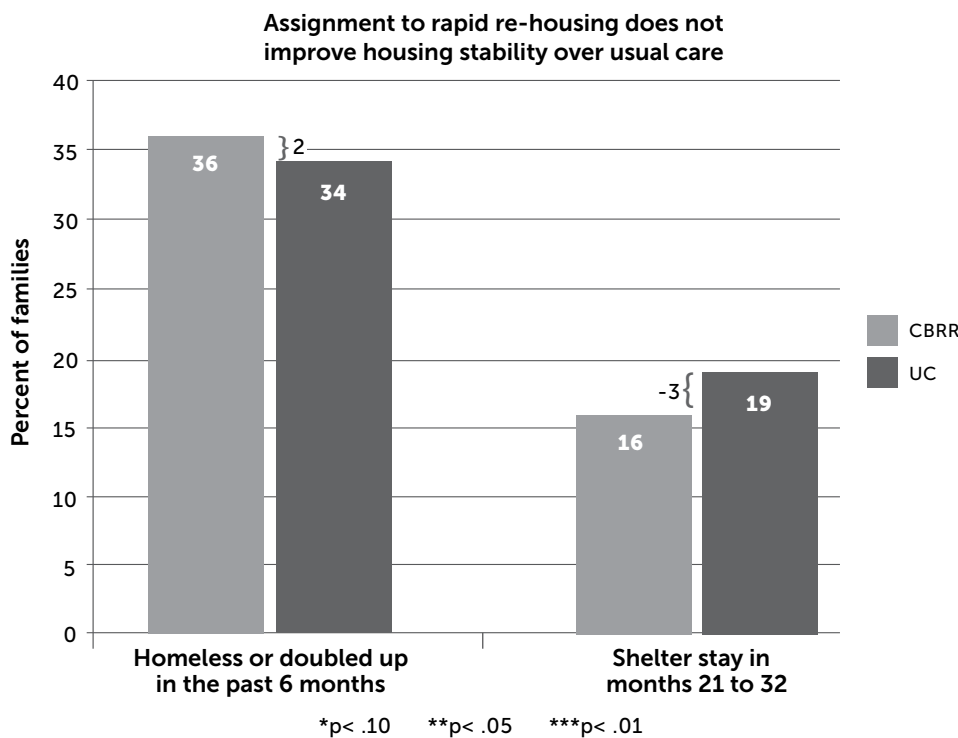
In contrast to these beneficial findings, assignment to long-term subsidies compared to usual care reduced the proportion of family heads who were working at 20 months (30% compared to 24%) and reduced the proportion of those who had worked between follow-up surveys (64% compared to 58%).⁶

An ambiguous finding was that at 37 months, a higher proportion of families in the long-term subsidy group (48%, compared to 34% of families in usual care) experienced separations from the spouse or partner present at baseline. Because of the high rate of intimate partner violence reported in the baseline survey, it is possible that subsidies actually enabled some respondents to escape violent relationships.⁷

HOW DID THE IMPACTS OF COMMUNITY-BASED RAPID RE-HOUSING COMPARE TO USUAL CARE?

At both follow-up points, almost no evidence suggests that assignment to the community-based rapid re-housing intervention improved outcomes for families, compared to assignment to usual care. Most strikingly, assignment to community-based rapid re-housing did not reduce stays in shelter or places not meant for human habitation, at either 37 months, as illustrated in Figure 2, or at 20 months.⁸

FIGURE 2
Community-Based Rapid Re-Housing
Versus Usual Care at the 37-Month Follow-up



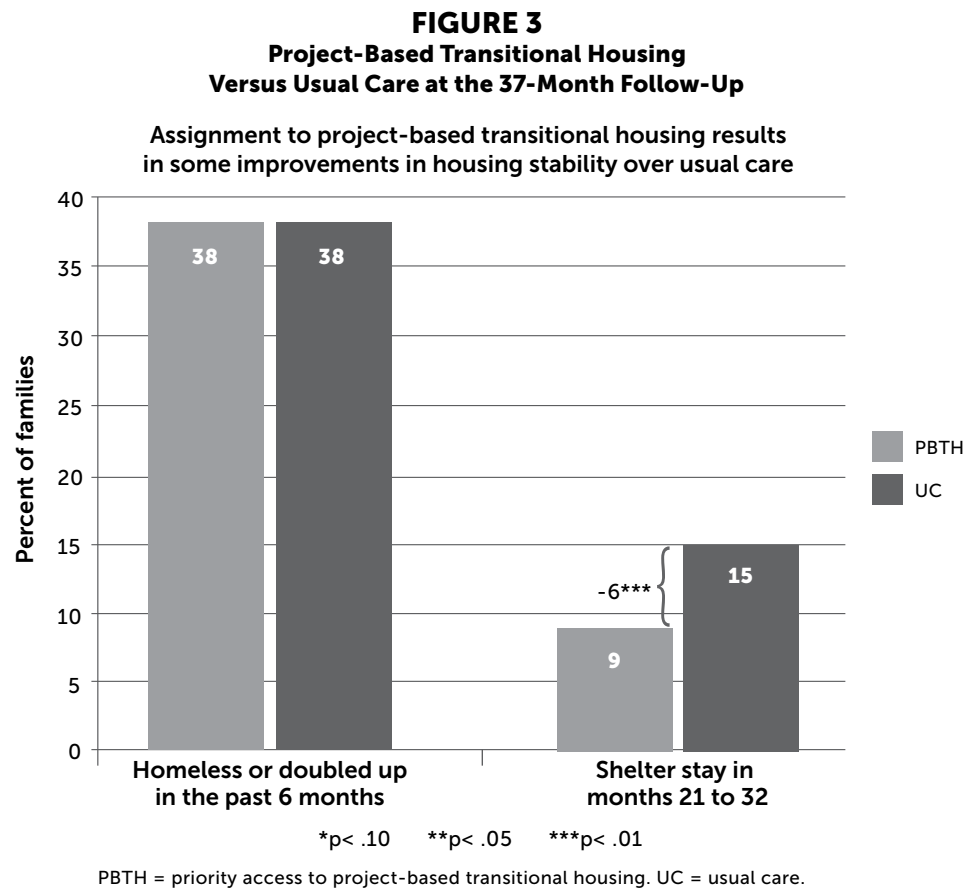
CBRR = priority access to community-based rapid re-housing. UC = usual care.

Almost no evidence suggests that assignment to community-based rapid re-housing improved outcomes for families, compared to usual care.

Only a few effects were found in other domains. Compared to usual care, community-based rapid re-housing appeared to reduce school or childcare absences (at 20 months) and behavior problems of children as reported by parents (at 37 months). At 20 months, the intervention also appeared to improve food security and family income, although neither of these effects were evident at the 37-month follow-up.⁹

HOW DID THE IMPACTS OF PROJECT-BASED TRANSITIONAL HOUSING COMPARE TO USUAL CARE?

As shown in Figure 3, relative to usual care, assignment to project-based transitional housing reduced stays in emergency shelter during the intervention period; however, it did not improve families' likelihood of living in their own place, or reduce the likelihood of being homeless or the number of places lived in the last six months.¹⁰



Despite the emphasis on service provision, project-based transitional housing had no positive effects on adult well-being or family sufficiency.

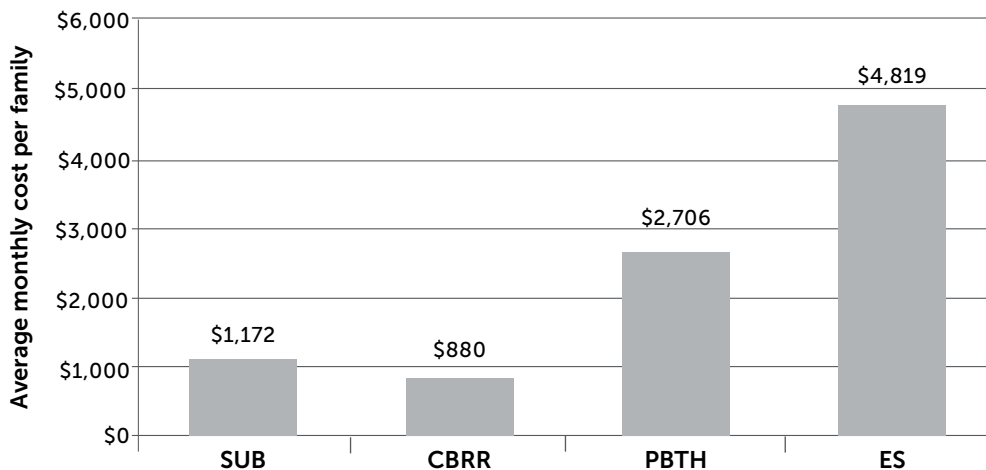
Perhaps most striking, given the intervention's emphasis on service provision, assignment to project-based transitional housing produced no positive effects on any of the other measures of adult well-being or family sufficiency. In other words, after three years, families participating in this intensive service-based intervention were no better off than those in the usual care group.¹¹

WHAT WERE THE COSTS OF THE INTERVENTIONS?

The Family Options Study also analyzed the costs of emergency shelter and the three programs offered, including all resources used to provide shelter or housing with supportive services to a family during the course of one month. Figure 4 shows the average per-family monthly cost of shelter or housing, with supportive services, across program types.¹²

The analysis shows that on a per-month basis, emergency shelters are very expensive compared to all of the other interventions. Both emergency shelters and transitional housing are more expensive than the two rent subsidy programs, most likely due to the cost of providing supportive services. The community-based rapid re-housing monthly costs are smaller than the long-term subsidy costs, as these programs do not use the U.S. Housing and Urban Development Housing Choice Voucher formula, and provide a somewhat smaller monthly rental subsidy to families.

FIGURE 4
Average Per-Family Monthly Cost of Shelter or Housing,
With Supportive Services, Across Program Types



CBRR = rapid re-housing programs offered to the CBRR group. ES = emergency shelter.
PBTH = transitional housing programs offered to the PBTH group. SUB = housing subsidies offered to the SUB group.

Sources: Family Options Study cost data (CBRR, PBTH, and ES); HUD Public and Indian Housing Information Center, Tenant Rental Assistance Certification System, and Financial Data Schedule records (SUB)

On a per-month basis, emergency shelters are very expensive compared to all of the other interventions.

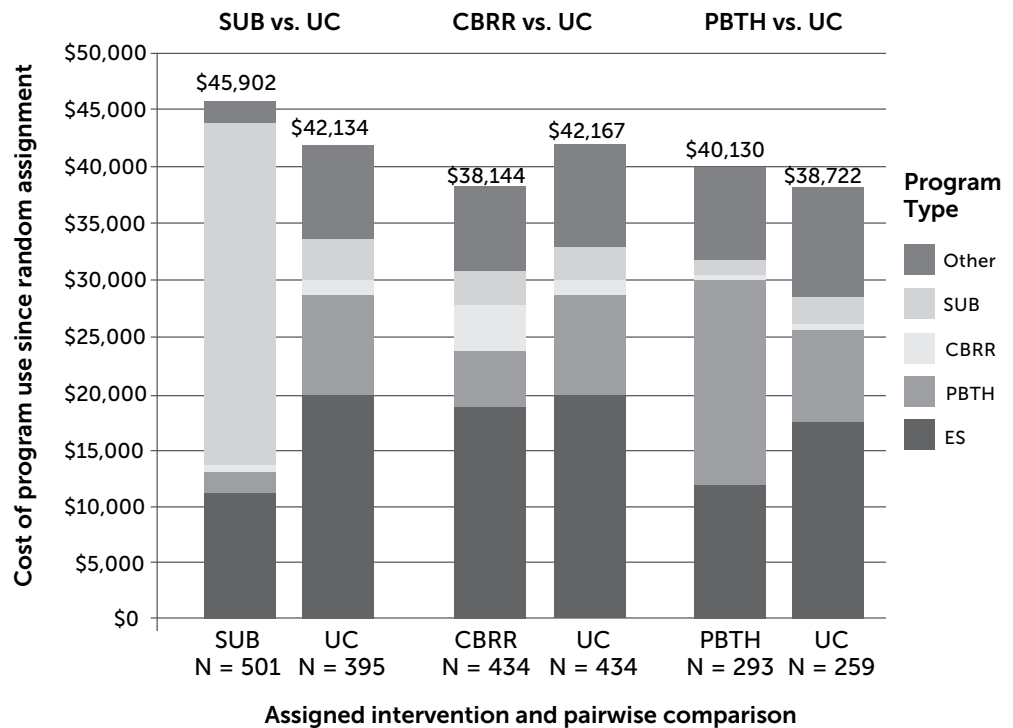
The study also measured the costs of all the programs families used during the three-year follow-up period, accounting for both the programs they were offered in the study and those they found on their own. It is important to note that over time, families in the usual care group found their way to programs similar to the interventions. For example, by the 37-month follow-up, 37% of families in the usual care group had used some type of long-term housing subsidy, 30% had used transitional housing, and 20% had used rapid re-housing. Over time, their use of housing subsidies increased, and the use of temporary homeless assistance (e.g., emergency shelter, transitional housing, and rapid re-housing) decreased.

As stated in the beginning of this chapter, some interventions appear to have been more attractive to homeless families, and resulted in higher take-up rates than others. One contributing factor may be that community-based rapid re-housing and project-based transitional housing programs often had screening criteria that would exclude families with greater challenges.

The average cost of all programs used by families assigned to the usual care group was about \$41,000 per family.

Figure 5 shows the costs of all programs used by families in the 37 months after random assignment to each intervention group, compared to the costs of services used by families assigned to usual care. In the three-year study period, the average cost of all programs used by families assigned to the usual care group was about \$41,000 per family. Families in community-based rapid re-housing incurred the lowest average costs over three years; however, all of the costs illustrated in Figure 5 are best considered in the context of both the short- and long-term benefits associated with each intervention.

FIGURE 5
Costs of All Programs Used in the 37 Months Since Random Assignment for Intervention Comparisons With Usual Care



CBRR = priority access to community-based rapid re-housing. PBTH = priority access to project-based transitional housing. SUB = priority access to housing subsidy. UC = usual care

Notes: Averages are for all 37-month survey respondents in each arm of each pairwise comparison and are weighted for survey nonresponse to represent full comparison sample. Cost estimates assume a site-specific average cost per month based on the Family Options Study cost data and HUD administrative data. The *other* category refers to other long-term housing subsidies and includes permanent supportive housing, public housing, and project-based assistance (project-based vouchers or Section 8 projects).

Sources: Family Options Study cost data; HUD, Public and Indian Housing Information Center, Tenant Rental Assistance Certification system, and financial Data Schedule records (SUB); Family Options Study Program Usage Data

WHAT ARE THE POLICY IMPLICATIONS OF THE FAMILY OPTIONS STUDY?

The Family Options Study shows that homelessness is expensive for families and communities. Over three years, even families who were not assigned to receive priority access to services used housing and other programs that cost approximately \$41,000. Yet, despite these substantial public (and sometimes private) investments, about one-third of families in the usual care group were recently homeless, nearly one-half were food insecure, and family incomes averaged less than two-thirds of the poverty threshold.¹⁶

The Family Options Study also points to some interventions that can make a difference in the lives of homeless families. In particular, access to long-term housing subsidies helped families find stable housing, improved multiple measures of adult and child well-being, and reduced food insecurity. Although providing priority access to long-term subsidies cost 9% more than not giving families priority access to any particular program (usual care), the substantial benefits suggest there may be a positive return on investment for long-term subsidies.¹⁷

Families given priority access to community-based rapid re-housing did about as well as families assigned to usual care, but at about 9% lower cost, primarily due to less use of expensive transitional housing programs. Families given priority access to project-based transitional housing programs saw few positive impacts compared to families in the usual care condition, at higher expense.

The study suggests that families who experience homelessness can successfully use and retain housing vouchers. The current homeless assistance system does not provide immediate access to such subsidies for most families in shelters, although more than one-third of families without priority access obtained some type of long-term housing subsidy during the three-year follow-up period.¹⁸

The striking positive impacts of providing priority access to long-term subsidies also suggest that for most families, homelessness is a housing affordability problem that can be remedied with long-term housing subsidies, without specialized services.

Jill Khadduri is Principal Associate and one of eight Senior Fellows at Abt Associates, where she is noted for her ability to translate the results of research into policy guidance. Dr. Khadduri specializes in conducting research about programs targeting vulnerable sub-populations, including individuals, youth, and families experiencing homelessness, and in research on the Low Income Housing Tax Credit and other rental housing subsidy programs such as housing vouchers and public housing. Prior to this position, she was the Director of the Division of Policy Development at the U.S. Department of Housing and Urban Development (HUD), where she worked for over two decades to apply the results of HUD's research program to discussions of budget and legislative proposals within HUD, the Office of Management and Budget (OMB), and Congress. She recently contributed a chapter documenting the history of the agency to the book, HUD at 50: Creating Pathways to Opportunity, published in 2015. Dr. Khadduri earned her PhD from The Johns Hopkins University.

Although providing priority access to long-term subsidies cost 9% more than offering usual care, benefits suggest subsidies may provide a return on investment.

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