Homelessness and Employment

Unemployment is a prominent factor in the persistence of homelessness across the country. In Los Angeles County, 46% of unsheltered adults cited unemployment or a financial reason as a primary reason why they are homeless (LAHSA, 2019a). Researchers have estimated unemployment rates among people experiencing homelessness ranging from 57% to over 90% compared to 3.6% for the general United States population (Acuña & Ehrlenbusch, 2009; Institute for Children, Poverty & Homelessness, 2013; Bureau of Labor Statistics, 2020a). Being unemployed while experiencing homelessness also makes it difficult to exit homelessness, and people experiencing homelessness face a range of barriers to employment (Poremski et al., 2014). However, even though unemployment rates are high among people experiencing homelessness, evidence also suggests that many people experiencing homelessness want to work and, with the right supports and opportunities, can achieve positive employment outcomes (Shaheen & Rio, 2007). This literature review will synthesize research on unemployment as it relates to homelessness as well as promising strategies for facilitating the employment of people experiencing homelessness.

### Key Takeaways:
- People experiencing homelessness are unemployed or underemployed at disproportionately high rates, but many want to work.
- Individual barriers to employment include mental and physical health challenges, substance use issues, and lack of vocational training.
- Institutional barriers to employment include inhospitable labor market conditions, discrimination in hiring practices, bureaucratic red tape, and strict shelter policies.
- Evidence-based interventions for individual barriers emphasize recognizing the unique needs and challenges of people experiencing homelessness.
- Policy recommendations for overcoming institutional barriers include “Ban the Box” and “Ban the Address” legislation, employment-based intake questions, and hiring people with lived experience of homelessness at service provider agencies.
Literature Review & Data Analysis

Background and Research Motivation
According to the Los Angeles Homeless Services Authority’s (LAHSA) 2019 Adult Demographic Survey, over 50% of single adults (24 and older) experiencing unsheltered homelessness in Los Angeles County are unemployed (LAHSA, 2019a). Of those unemployed, approximately half reported that they are actively looking for work. The same survey found that 49% of unsheltered adults in family units are unemployed, but a much higher percentage of them (36%) are actively looking for work than single adults. Additionally, 46% of unsheltered adults cited unemployment or a financial reason as a primary reason why they are homeless (LAHSA, 2019a). According to the same survey, about 20% of single adults experiencing unsheltered homelessness in Los Angeles County are working, including full-time, part-time, seasonal, and self-employment compared to about 32% of unsheltered adults in family units (LAHSA, 2019a). Not only are people experiencing homelessness employed at low rates, but evidence shows that those who are employed report very low annual earnings (California Policy Lab, 2020). In Los Angeles County, employed people experiencing homelessness earned an average of just under $10,000 in the year prior to experiencing homelessness (California Policy Lab, 2020). The chart below details the employment statuses reported by participants in LAHSA’s Adult Demographic Survey:

The unemployment rate is even higher for sheltered adults – in 2019, only 16% of adults experiencing homelessness in Los Angeles County emergency shelters and transitional housing units reported being employed (LAHSA, 2019b). Of these not employed, over half reported that they were actively looking for work, and one-third reported that they were unable to work (LAHSA, 2019b).

The intersection of unemployment and homelessness is particularly salient for Black people experiencing homelessness because unemployment among Black people nationwide is already disproportionately high due to structural and institutional racism (LAHSA, 2018).
Black people face systematic discrimination in the labor market based on their race and earn lower wages than white workers on average. In January 2020, prior to the onset of the COVID-19 pandemic, the national unemployment rate among Black adults was 6% compared to 3.1% among white adults, 4.3% among Latinx/Hispanic adults and 3% among Asian adults (Bureau of Labor Statistics, 2020b). In March 2020, during the first month of widespread workplace closures due to the pandemic, the Black unemployment rate rose to 6.7% compared to 4% for white adults and will likely continue to rise as the economic impact of the pandemic deepens (Bureau of Labor Statistics, 2020b).

Additionally, higher incarceration rates for Black and Latinx people present an additional barrier to finding employment and housing. The incarceration rate among Black Americans is nearly six times the incarceration rate for whites and almost double the rate for Latinx/Hispanic adults (Gramlich, 2019). Evidence suggests that formerly incarcerated individuals are more likely to be unemployed than the general population and that incarceration history is associated with fewer types of employment opportunities post-release (Couloute & Kopf, 2018; Cooke, 2004). Further compounding the issue, formerly incarcerated individuals are almost ten times more likely to experience homelessness than those without an incarceration history (Couloute, 2018). The interaction between incarceration, institutional racism in hiring practices, and homelessness makes Black people experiencing homelessness particularly vulnerable to unemployment (LAHSA, 2018).

Barriers to Employment

People experiencing homelessness face several barriers that make it difficult to find and maintain employment. These include individual barriers like mental health and substance use challenges and systemic or institutional barriers like discrimination in hiring practices and shelter regulations.

Individual barriers

Mental health challenges are a common individual barrier to securing and maintaining employment (Poremski et al., 2014; Ferguson et al., 2012a; Radey & Wilkins, 2010). According to Perry and Craig (2015), rates of mental health challenges, including depression, schizophrenia, bipolar disorder, personality disorder, self-harm, and attempted suicide are disproportionately high among people experiencing homelessness. The same study found that rates of serious mental illness (including major depression, schizophrenia, and bipolar disorder) was between 25-30% amongst the population experiencing homelessness, both sheltered and unsheltered. This finding, combined with the findings that jobseekers with mental health challenges face difficulty securing and maintaining employment, suggest that people experiencing homelessness with mental health challenges face a compounded set of employment barriers. The episodic nature of some mental illnesses makes it difficult for job seekers with mental health challenges to be consistently available and highly functioning for work (Harris et al., 2013). Job seekers with mental health challenges also face stigma associated with mental illness, which can lead to low expectations of these job seekers from employers (Harris et al., 2013). Poremski et al. (2015) found that trauma from past experiences with homelessness played a factor in dissuading newly housed jobseekers from pursuing employment because they feared their anxieties associated with their trauma would resurface on the job.

Challenges related to substance use and addiction can also pose barriers to employment for people experiencing homelessness (Ferguson et al., 2011). Tam et al. (2003) found that consistent substance use was negatively associated with long-term labor force participation both for the housed and unhoused populations, but that people experiencing homelessness were more likely to have
substance abuse challenges than their housed peers. Survey respondents in a Canadian study of adults experiencing homelessness with mental health issues expressed that it was difficult to hide substance use from potential employers when searching for jobs (Poremski et al., 2014). For employed people experiencing homelessness, substance use challenges make it difficult to maintain employment, especially when combined with depression or other mental health challenges (Poremski et al., 2014). Additionally, employed people experiencing homelessness who have substance use disorders are more likely to have lower-level jobs that provide less income than those without substance use challenges (Zuvekas & Hill, 2000).

Physical disability is also a well-documented barrier to employment for people experiencing homelessness (Shier et al., 2012; Makiwane et al. 2010; National Coalition for the Homeless, 2009; Long et al. 2007). Workers with disabilities – regardless of housing status – are underrepresented in the labor force and tend to earn lower wages and hold lower-status jobs than those without disabilities (Snyder et al., 2009). In the Los Angeles area, about 16% of all people experiencing homelessness and 19% of people experiencing unsheltered homelessness have a physical disability (LAHSA, 2019). In San Francisco, upwards of 23% of people experiencing homelessness reported having a physical disability (USICH, 2018). Not only can physical disability prevent workers from performing specific tasks, but it can also make it difficult for individuals to access worksites (National Transitional Jobs Network, 2012b).

Jobseekers experiencing homelessness often lack vocational skills or workforce training, which serves as an additional barrier to employment. One study found that people experiencing homelessness are more likely to lack skillsets like stress management, social skills, independent living skills, and skills for vocational engagement, all of which affect an individual’s job readiness (Muñoz et al., 2005). Another study found that youth experiencing homelessness had low levels of educational and vocational preparation, which negatively impacts job prospects and career mobility (Barber et al., 2005). According to Ferguson et al. (2012), young adults experiencing homelessness are alienated from formal employment for many reasons, including disconnection from educational and vocational settings.

Institutional barriers
In a qualitative study based on interviews with a sample of people experiencing homelessness in Calgary, Canada, Shier et al. (2012) make note of several features of the labor market that result in barriers to stable employment for this population. The authors note that the commonly held belief that stable, long-term employment is key in solving homelessness does not align with what people experiencing homelessness actually face in the job market: temporary work, inconsistent pay, and hostile relationships with employers (Shier et al., 2012). Furthermore, the employment opportunities generally available to people experiencing homelessness are not only precarious but, in many cases, undesirable, dangerous, and/or exploitative (Shier et al., 2012).

Bureaucratic barriers can also be factors that discourage stable employment among people experiencing homelessness. Findings from a 2010 survey of people experiencing homelessness in Sacramento, CA found that 35% of respondents reported things like long waiting lists, red tape, and lack of agency follow-up as reasons why they felt employment assistance agencies were not helpful in connecting them with work (Sacramento Steps Forward, 2010). Additionally, homeless service systems are often not asking the right kinds of questions – specifically about the employment needs...
Discrimination during the hiring process is a major barrier to employment for people experiencing homelessness. Golabek-Goldman (2017) found that homeless jobseekers face discrimination in the hiring process when they are unable to provide a home address on their applications or use the address of a shelter. Even individuals with lived experience of homelessness who have found stable housing face discrimination based on gaps in their work history due to previous homelessness, mental health challenges, and substance use (Poremski et al., 2015). Criminal history is also a source of discrimination in this context. Despite the passing in many states of “Ban the Box” legislation, which limits the ability of employers to consider criminal record during the hiring process, many employers still discriminate against applicants with criminal histories even if their crime is not relevant to the job or occurred a long time ago (National Health Care for the Homeless Council, 2012). So entrenched is this practice that some homeless job seekers with criminal records report that they avoid applying for jobs altogether because they anticipate rejection (Poremski et al., 2014). Occupational licenses and certifications for many professions are also commonly denied to those with criminal histories (National Conference of State Legislatures, 2018). Black people experiencing homelessness face compounded layers of employment discrimination – one study found a 50% gap in resume callback rates between applicants with Black-associated names and White-associated names (Bertrand & Mullainathan, 2004). Even companies with organizational diversity statements were found by researchers to be no less likely to discriminate based on race during the hiring process than companies with no diversity commitment (Kang et al., 2016).

Poremski et al. (2014) also found that shelter regulations could serve as barriers to stable employment for those staying in emergency shelters or temporary housing. These regulations include strict schedules or curfews that do not make exceptions for work hours, unsatisfactory sleeping arrangements that leave individuals unrested for their shifts, and the lack of security for personal belongings when individuals are away from the shelter at work (Poremski et al., 2014).

**Intervention Strategies**

A number of interventions exist that are designed to improve job readiness and employment outcomes for people experiencing homelessness who have disabling conditions like mental health and substance use challenges as well as physical health and disability issues. Four promising interventions are: 1) individual placement and support, 2) the social enterprise intervention, 3) work skills training programs, and 4) transitional jobs programs. The following chart compares the features of the four the models, and more detail on each intervention follows the chart:

<table>
<thead>
<tr>
<th>Program Features</th>
<th>Individual Placement and Support (IPS)</th>
<th>Social Enterprise Intervention (SEI)</th>
<th>Moving Ahead Program (MAP) Work Skills Training</th>
<th>Transitional Jobs (TJ) Programs</th>
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<tbody>
<tr>
<td>Focus on permanent employment</td>
<td>x</td>
<td>x</td>
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<td>x</td>
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<tr>
<td>Focus on temporary, transitional employment</td>
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<td>Clinical mental health services</td>
<td>x</td>
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<td>Vocational skills training / courses</td>
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<td>Client assessment pre-program participation</td>
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<tr>
<td>Focus on rapid employment (no assessment period)</td>
<td>x</td>
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<tr>
<td>Post-program follow-up and support</td>
<td>x</td>
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<td>x</td>
<td></td>
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<tr>
<td>Internship / real work placement built into program</td>
<td>x</td>
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**Individual Placement and Support**

Also known as “supported employment,” individual placement and support (IPS) is an evidence-based practice aimed at improving employment outcomes for job seekers with severe mental illness. A 2004 study found that 40-60% of people enrolled in supported employment programs get a job, compared with just 20% of similar individuals (Bond, 2004). While not specifically designed for people experiencing homelessness with severe mental illness, the intervention has been used for homeless jobseekers and has yielded positive outcomes (Leddy et al., 2014; Ferguson, 2013). Ferguson (2017) even found that IPS resulted in positive non-vocational outcomes among homeless youth with mental illness, including increased self-esteem, housing stability, and decreased attention deficit problems.

The components of IPS are as follows (Bond, 2004):

- **Services focused on competitive employment** – the goal is to help participants obtain and maintain permanent competitive jobs as opposed to day treatment or sheltered work;
- **Eligibility based on consumer choice** – the only requirement for inclusion in an IPS program is a desire to work in a competitive job. Job seekers will not be excluded due to mental or physical health challenges, substance use challenges, lack of job-readiness, or disability;
- **Rapid job search** – IPS programs avoid lengthy pre-assessment and training periods to expedite the job search process;
- **Integration of rehabilitation and mental health** – IPS program staff meet and interact regularly with treatment teams that work with the jobseekers;
- **Attention to consumer preferences** – IPS program staff works with job seekers to find individualized jobs based on job seeker preference, strengths, and work experience;
- **Time-unlimited and individualized support** – IPS programs continue to support clients even after they have found employment and are individualized to the specific situation of each worker/jobseeker.

**Social Enterprise Intervention**

Another evidence-based intervention for helping people experiencing homelessness find and maintain employment is the Social Enterprise Intervention (SEI). The model has been used with both adults and youth experiencing homelessness, both with and without mental illness (Ferguson, 2013). A social enterprise is a revenue-generating venture established to create positive social impact, and the SEI model equips people experiencing homelessness to establish their own social enterprises (Ferguson, 2013). In the context of youth experiencing homelessness, SEI seeks to divert homeless youth away from high-risk behaviors like substance use and crime by engaging them in vocational
training and mental health services (Ferguson, 2013). In addition to providing youth with vocational and business skills, research suggests that SEI improves life satisfaction, family contact, peer support, depressive symptoms, and linkages to services among these youth (Ferguson 2007; Ferguson & Xie, 2007). A 2013 study found that 67% of young people enrolled in an SEI program remained employed ten months after the completion of an SEI program, compared to just 25% of a similar control group (Ferguson, 2013).

The SEI model lasts 20 months and has four stages (Ferguson, 2013):

- **Vocational skills acquisition** – a four-month course in which youth receive education and technical training concerning specific vocational skills;
- **Small-business skills acquisition** – a separate four-month course on business-related skills such as accounting, budgeting, marketing, and management;
- **Social enterprise formation and distribution** – a year-long stage in which participating youth establish a social enterprise in a supportive, empowering, and community-based setting;
- **Clinical services** – mental health services provided by a clinician and/or case managers, interwoven across the entire 20-month period.

**Work Skills Training Programs**

The first part of the SEI model, the vocational skills acquisition course, can be an intervention on its own. A notable example of a successful work skills training program is the Moving Ahead Program (MAP), utilized by New England homelessness service provider St. Francis House. An evaluation of the program found that six months after completion, participants showed improvements in employment, housing stability, general health status, substance use, self-esteem and self-efficacy, and criminal justice system involvement (Nelson et al., 2012). Eighty-four percent of participants maintained some level of employment after graduation, in comparison to just 52% of the same sample without the work skills program (Nelson et al., 2012). The evaluation also revealed that there is an association between improvements in work skills and improvements in self-esteem and self-efficacy, which then predicted stable housing situations (Nelson et al., 2012).

The phases of MAP are as follows (Nelson et al., 2012):

- **Strengths and abilities assessment** – five-day program to explore job seeker strengths, weaknesses, abilities, and interests;
- **Regular class meetings** – participants attend class five days per week for 14 weeks. Class sizes are small, generally with 12-15 individuals. Each week of class focuses on a different subject, ranging from career exploration, to career goal-setting, to appropriate workplace behavior;
- **Internship** – after classes are complete, a partner employment agency arranges a 6-week internship for participants;
- **Post-graduation** – the employment agency continues to assist participants in searching for employment after the completion of the program.

**Transitional Jobs Programs**

Another promising intervention is the Transitional Job (TJ) model, which connects job seekers experiencing homelessness with temporary, competitive jobs that combine real work with skill development and supportive services (National Transitional Jobs Network (NTJN), 2012a). Unlike the IPS model, which is not time-limited,
TJ programs are intended to be temporary and act as a stepping-stone for participants entering the labor market (NTJN, 2012). The TJ model is appealing to service providers because it generally operates as a form of subsidized public or private employment, and thus is ideal for participants receiving benefits like Temporary Assistance for Needy Family (TANF) (Baider & Frank, 2006). TJ programs aim to help participants begin work as quickly as possible and typically offer a nurturing work environment, additional training, and enhanced connections to other services that help job seekers experiencing homelessness succeed in the labor market after they have transitioned out of their temporary job (Baider & Frank, 2006). An analysis of one such program at Central City Concern’s Employment Access Center in Portland, Oregon, found that 71 percent of participants obtained employment while part of the program, and that 77 percent of these participants who found employment remained employed nine months later (NJTN, 2012).

The core program elements of a TJ program include (NTJN, 2012):

- **Orientation & assessment** – individualized approach that identifies participant strengths and barriers;
- **Job readiness and life skills classes** – vocational skills training to support successful workplace behaviors;
- **Employment-focused case management** – helps participants coordinate services and manage individual barriers;
- **A transitional job** – the program connects each participant with a transitional job, which provides real, wage-paying work experience and development of vocational skills;
- **Unsubsidized job placement and retention** – program helps participants find a job in the labor force to replace their temporary job and then provides support to help participants stay in that job;
- **Linkages to education and training** – supports further career and skills development.

**Job Coaches**

Evidence suggests that jobseekers experiencing homelessness are more likely to find and sustain competitive employment if they have access to a job coach (Hoven et al., 2016). Support from a job coach improves employment outcomes for all age groups but is especially impactful with homeless jobseekers under the age of 25 years old (Hoven et al., 2016). Evidence also suggests that receiving support from a job coach may strengthen the jobseeker’s motivation to continue applying for jobs even after rejections (Hoven et al., 2016).

**Policy Recommendations to Address Structural Barriers**

Whereas the above intervention strategies are designed to help job seekers experiencing homelessness overcome individual barriers to employment, researchers and practitioners also recommend policy reforms to address institutional and structural barriers to employment for people experiencing homelessness.

**Ban the Box / Ban the Address**

“Ban the Box,” or fair chance hiring legislation, which prevents employers from asking job seekers about their criminal history on job applications, exists in 35 states and over 150 cities and counties across the country (National Employment Law Project (NELP), 2019). However, in about two-thirds of these states and municipalities, the legislation only applies to public-sector jobs (NELP, 2019). A federal ban the box policy and an expansion of this type of legislation to the private sector will help jobseekers experiencing homelessness who have criminal histories secure employment.
A “Ban the Address” policy, which would remove questions about home address on job applications, is similar to ban the box but is specifically intended to support jobseekers experiencing homelessness (Golabek-Goldman, 2017). In addition, businesses, government agencies, and non-profit organizations can create programs where they provide P.O. boxes or mailing addresses for job applicants who are experiencing homelessness (Golabek-Goldman, 2017).

Enhancing Mainstream Social Services
According to Shaheen and Rio (2007), access to mainstream, federally funded employment resources has not kept pace with the urgent need for services among people experiencing homelessness. In other words, communities and states have difficulty accessing funding for employment services, which could come from mainstream employment programs like vocational rehabilitation programs, Workforce Investment Act-funded employment services, Community Services Block Grants, Mental Health and Substance Abuse Block Grants, and Medicaid (Shaheen & Rio, 2007). States and communities must do a better job of prioritizing employment as a solution to homelessness and leverage federal dollars towards this end.

Los Angeles County is directing funding towards employment programs for people experiencing homelessness, including bolstering the CalWORKs subsidized employment program for homeless families and supporting social enterprise interventions for adults (Los Angeles County Homeless Initiative, 2016). In 2019, the Los Angeles County Board of Supervisors established a Homeless Employment Innovation Fund, which includes funding for stipends for homeless participants in vocational training programs and performance-based innovation funds for America's Job Centers of California (Los Angeles County Board of Supervisors, 2019). Additionally, the County is working to strengthen coordination between departments, including the Department of Public Social Services and the Department of Workforce Development, Aging and Community Services (Los Angeles County Homeless Initiative, 2019).

Coordinated Entry System Intake Questions
HUD mandates that continuums of care use a centralized, coordinated intake process, widely known as a coordinated entry system (CES) for their homeless services systems (HUD, 2015). The CES intake process involves an assessment of each individual’s needs and preferences to connect them with the appropriate housing and homeless services. However, CES assessments do not necessarily address the employment needs and preferences of people seeking homeless services (Heartland Alliance, 2019). Continuums of care can add questions about employment history and preferences to their CES assessments to better connect people experiencing homelessness with vocational training programs, subsidized employment programs, or job coaches (Heartland Alliance, 2019).

Hiring People with Lived Experience at Service Provider Agencies
One way that service provider agencies can addressing discrimination in the hiring process is to institute policies that ensure that lived experience of homelessness is a desired and valued qualification in the hiring process (LAHSA, 2018). By bringing in people who have experienced homelessness in the past, service provider agencies can start to shift at an organizational level towards a system that does not discriminate against those who are currently homeless, or those with substance use and/or mental and physical health challenges. Having people with lived experience on staff also helps create mentorship relationships and peer support networks that can help boost self-esteem and determination among job seekers experiencing homelessness (Heartland Alliance, 2017).
Flexible Shelter Policies
To address the barriers to employment that strict shelter rules pose, shelter providers can institute policies that allow for a more flexible schedule that allows people to build their days around meaningful activities like employment (Poremski et al., 2014). Shelters could provide exceptions to curfew rules to those who have night jobs or whose hours conflict with the curfew. Shelters can also provide secure lockers for the personal belongings of those who have jobs or are actively seeking work so that they can leave the shelter without fearing for the theft of their belongings.

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