



# Gateway Housing Program Report to Congress



# **Gateway Housing Program Report to Congress**

Prepared for:  
U.S. Department of Housing and Urban Development  
Office of Policy Development and Research

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March 1997

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## FOREWORD

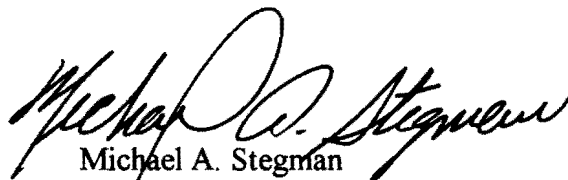
The U.S. Department of Housing and Urban Development (HUD) is committed to helping public housing residents achieve self-sufficiency and end their dependence on need-based assistance. The Gateway Program of Charlotte, North Carolina, is one of HUD's self-sufficiency demonstration programs.

The Gateway Program, authorized by the Housing and Community Development Act of 1987, Section 126, was designed for Charlotte Housing Authority tenants who want to move out of public housing in 5 to 7 years. Participants attended educational programs and worked, while their rent and benefits remained at a fixed amount. Gateway escrow savings accounts were established so that participants could save for the down payment for a home or for the security deposit needed to move into the private rental market.

*The Interim Report to Congress: Public Housing Comprehensive Transition Demonstration*, published in 1991, provided preliminary findings for the first 2 years of the Charlotte Gateway program. *Gateway Housing Program: Report to Congress*, evaluates the Gateway program for the 6-year period, 1989-95. In addition to summarizing findings regarding participants of the program, the Gateway report outlines many of the challenges in administering self-sufficiency programs. It emphasizes the need for more flexible requirements for participants, the importance of case management, and the difficulties tenants face when working to improve their lives.

Since the Gateway program began, HUD has administered other self-sufficiency programs. In 1990, Congress authorized the Family Self-Sufficiency (FSS) program, designed to help families living in assisted housing achieve economic independence. HOPE IV, authorized by Congress in 1993, is HUD's effort to revitalize the most distressed public housing developments through flexible funding for buildings and community empowerment services. In March 1997, the Jobs-Plus initiative began through a partnership with HUD, The Rockefeller Foundation, Manpower Demonstration Research Corporation, and The Surdna Foundation. This demonstration program is aimed at substantially increasing the employment rates of urban public housing residents.

*Gateway Housing Program: Report to Congress* has provided information that will be useful in the administration of the Department's current self-sufficiency programs. The Gateway program and other self-sufficiency programs are part of the Department's continuing effort to empower individuals and to improve the lives of families through the promotion of housing choice and economic opportunity.



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## EXECUTIVE SUMMARY

The Housing and Community Development Act of 1987 (Public Law 100-242) authorized the Public Housing Comprehensive Transition Demonstration, a program intended to move residents out of public housing and into their own homes. The Gateway Housing Program in Charlotte, North Carolina, is the only demonstration site in the country. This report, mandated by Section 126 of the Act, assesses the effectiveness of the program and responds to the Congressional charge for a final report.

### Program Design and Development

In 1987, the staff of the Charlotte Housing Authority (CHA) developed a variation of Project Self-Sufficiency, one of the Quality of Life Demonstrations developed under the Reagan Administration. They called their new program the Gateway Transitional Families Program. The Gateway program began on January 1, 1989. It built on the core elements of Project Self-Sufficiency, which were:

- A coordinating committee composed of representatives of the local housing authority and major social service providers in the area;
- A procedure for conducting assessments of participant needs in order to develop individualized program plans; and
- Case managers to help participants obtain the necessary support and to provide encouragement to achieve self-sufficiency.

The program grew out of a survey of CHA families who wanted to leave public housing but lacked the work experience and skills needed to obtain the kinds of jobs that would make this possible. These families were asked what it would take to enable them to leave public housing, and this led to two new program elements:

- Escrow accounts; and
- A freeze of rent and need-based benefits.

The freeze on rent and need-based benefits occurs during the program's two-year *remediation stage* and is designed to provide participants with an additional incentive to work. This freeze is only effective, however, for those with incomes of less than 50 percent of the local Aid to Families with Dependent Children (AFDC) and Food Stamps qualifying median income. If a participant's income rises above 50 percent of the median income, the local department of social services determines their benefits in the normal way. The remediation stage is designed to allow time for participants to develop the skills necessary to obtain jobs that will pay them enough to move out of public housing and purchase a home.

The escrow accounts begin during the *transitional stage*. Participants can take an additional five years to strengthen their employment skills, increase their incomes, and save for a down payment for a house. Rents rise to 30 percent of their incomes during this time, with any portion beyond the operating cost of the unit, set at \$274, going into an escrow account. The escrow accounts are to be used to help them buy their own homes.

## Target Population

A family must meet several criteria to qualify for the Gateway Program:

- The family's annual income must be no more than \$12,500.
- The head of the household must have a high school degree or a high school equivalency diploma.
- The head of the household must be willing to commit to educational and vocational goals aimed at long-term upward mobility.
- The family must already be living in public housing or be on the waiting list, where they will be given priority for public housing over those on the waiting list who have not applied to participate in the program.
- The family must commit to leaving public housing in five to seven years.

## **Evaluation Method**

The evaluation design is longitudinal, following program participants and comparison group members over a six-year period. Between January 1989 and June 1993, 153 people entered the program. These are the persons that comprise the treatment group. The comparison group is composed of 71 people who applied to the program during the same time period but either did not complete the application process or declined participation once accepted. Data were collected from four sources: interviews with program participants and comparison group members; reviews of program records; interviews with representatives of the service agencies involved in the program; and focus groups with participants, drop-outs, graduates, and persons who did not complete their application. Of the original 153 program entrants, 128 were interviewed at least once, for a response rate of 84 percent; of the comparison group, 76 percent consented to be interviewed.

## **Characteristics of Program Participants and Comparison Group Members**

Program participants and comparison group members had similar characteristics:

- Just over half of the program participants and half of the comparison group members came from the public housing waiting list.
- More than 94 percent of both groups were African-American, female, and single.
- Roughly half of both groups were receiving AFDC at the time they applied to the program.
- About two-thirds of both groups were working; one-third, full-time and another third, part-time.
- Almost all had children under the age of 17 when they were first surveyed, while 91 percent of program entrants and 87 percent of the comparison group had children younger than 12 years of age.

- Incomes among 84 percent of participants and 93 percent of comparison group members were below \$1,000 a month at application.
- The only significant difference between the participant and the comparison groups is that program entrants had somewhat more education.

Of course, the fact that the comparison group chose not to participate in Gateway suggests that they may be different from the participants in some unknown respects.

### **Program Outcomes**

The program had difficulty graduating participants, with only 32 percent of those who entered the program from 1989 until mid-1993 finishing. Another 62 percent dropped-out of the program while the remaining 6 percent continued with the program. The main reasons for the high drop-out rate were:

- Inadequate staffing;
- Non-compliance with program or public housing rules by participants;
- The difficulty of juggling both student and parental responsibilities; and
- The necessity to supplement AFDC payments during the remediation stage by working.

Regardless of whether the participant dropped out or graduated, the average program cost for the first 153 participants was \$15,909 per participant.

## **Program Impacts**

For those who graduated, the program had a moderate impact on their post-program educational level, employment, receipt of AFDC and Food Stamps, and their dependence on public housing assistance.

### **Education**

- The majority of both program participants and comparison group members attended education programs during the time of the program. However, a greater proportion of program participants attended school, 90 percent compared to 74 percent of comparison group members.
- On average, participants attended more months of school than the comparison group, but a large majority of each group did not complete their education programs.
- Program graduates completed education programs at a higher rate than other program participants or the comparison group.

### **Employment and Income**

- The majority of program participants and comparison group members shifted from part-time to full-time work during the time of the study. However, the greatest increase in full-time employment occurred among program graduates.
- Program graduates had increased their average incomes and hourly wages by the last observation more than other program participants or the comparison group.

### **Need-Based Benefits**

- Both graduates and withdrawals decreased their dependence on AFDC at a higher rate than the comparison group. By the end of the evaluation, 10 percent of graduates received AFDC, compared to 37 percent of the comparison group.

- Graduates also decreased their dependence on Food Stamps more than the comparison group: 27 percent of program graduates received Food Stamps, compared to 48 percent of comparison group members.
- The greatest monetary reduction in both AFDC payments and Food Stamp benefits was among graduates.

### **Housing Assistance**

- Graduates received housing assistance at a lower rate than other program participants and the comparison group. Thirty-two percent of graduates received housing assistance after leaving the program, compared to 56 percent of the comparison group and 46 percent of program withdrawals.
- Dependence on housing assistance among graduates declined by 26 percent, where the comparison group experienced a 9 percent increase.
- Graduates were able to own homes by the last observation at a higher rate than other program participants or the comparison group--more than one third of graduates owned a home, compared to 9 percent of the comparison group.

### **Recommendations for Other Self-Sufficiency Programs and Welfare Reform**

The program's modest impacts point to recommendations for other self-sufficiency programs and welfare reform.

**Two years for remediation is too short.** Gateway participants were the most educated and motivated of public housing residents, but they had a 62 percent withdrawal rate. For those who are less educated and less motivated than the people who entered the Gateway Program, becoming self-sufficient could take much longer. These results suggest that it will take most public housing residents more than two years to complete the education necessary to substantially increase their incomes and to become totally self-sufficient. Likewise, it will likely take those on welfare more than two years to gain the skills to find jobs that pay enough to be self-sufficient.

**Leaving need-based benefits is the most difficult part of achieving self-sufficiency.** Roughly a third of graduates still received welfare, and 10 percent still depended on Food Stamps after leaving the program.

**Without funding for adequate staffing, a program based upon case management will likely fail.** One over-arching reason for the high drop-out rate among Gateway participants was the lack of adequate staffing to guide them through the program. Those who are trying to leave welfare and public housing need help negotiating the many obstacles to self-sufficiency.

**Moving people off public subsidies will be very expensive in the short run.** The Gateway Housing Program cost more than \$15,000 per participant, and only 32 percent of those participants graduated. Furthermore, the increases in wages and employment were moderate, compared to the comparison group. The Gateway Program offered stable benefits as long as the participant's income remained at less than 50 percent of the area median. The question for welfare reform is if threatening to end and actually terminating those same benefits will be any more successful in moving people, not simply off public subsidies, but also out of poverty.





## CHAPTER 1: INTRODUCTION

The traditional goal of federally funded housing programs has been to provide decent, affordable housing to those who could not otherwise pay for it. As a number of critics have noted, however, this has resulted in inequities. Only about a quarter of the households potentially eligible for housing subsidies actually receive them. In addition, the traditional goal of providing decent housing ignores the more fundamental problems of unemployment, low wages, lack of job skills, and substance abuse. The provision of decent housing, therefore, only addresses a symptom of more fundamental problems. In light of these limitations, Congress has given public housing programs a new charge: to help families achieve economic independence.

The Housing and Community Development Act of 1987 (Public Law 100-242) authorized the Public Housing Comprehensive Transition Demonstration, a program intended to move residents out of public housing and into their own homes. The Gateway Housing Program in Charlotte, North Carolina, is the only demonstration site in the country. This report, mandated by Section 126 of the Act, assesses the effectiveness of the program and responds to the Congressional charge for a final report.

### **The Gateway Program**

The Gateway Housing Program is one of the first in a series of self-sufficiency programs sponsored by the U.S. Department of Housing and Urban Development (HUD). It grew out of Project Self-Sufficiency, a demonstration program introduced by HUD in 1984 to provide additional Section 8 Certificates to public housing authorities interested in developing programs to help single heads of households achieve economic independence. Project Self-Sufficiency contained what have become the core elements of today's self-sufficiency programs: (1) a coordinating committee composed of representatives of the local housing authority and major social service providers in the area, (2) a procedure for conducting individualized assessments of participant needs in order to develop program plans, and (3) case managers to help participants obtain the necessary support and to provide encouragement throughout the program. According to a HUD interim report published in 1988, a total of 155 housing authorities participated in Project

Self-Sufficiency, providing ten thousand Section 8 Certificates. Of the 9,928 single mothers who entered the program, 42 percent completed it and either obtained full-time jobs with growth potential or enrolled in college degree programs (U.S. HUD, 1988). In 1989, a demonstration program named Operation Bootstrap superseded Project Self-Sufficiency. While housing authorities that had active Project Self-Sufficiency programs continued operation, the new program expanded the clientele to include all families and not just single parent families. An additional 61 housing authorities, with nearly 3,000 families, participated in the next 30 months. The participating families made modest but noticeable progress toward employment but not necessarily toward greater self-sufficiency (U.S. HUD 1994a).

In 1987, the staff of the Charlotte Housing Authority (CHA) developed a variation on Project Self-Sufficiency that they called the Gateway Transitional Families Program. The program grew out of a survey of CHA families who wanted to leave public housing but lacked the work experience and skills needed to obtain the kinds of jobs that would make this possible. These families were asked what it would take to enable them to leave public housing, and this led to two new suggestions: escrow accounts and a freeze on need-based benefits or rent, Aid to Families with Dependent Children (AFDC) payments, and Food Stamps. The escrow accounts, funded with a portion of participants' rent payments, were to be used to help them buy their own homes. The freeze would prevent benefits from being reduced or rents increased as incomes went up, providing participants an additional incentive to work.

In March 1987, the CHA recommended these changes in a letter to Representative J. Alex McMillan (R-NC) and Senator Terry Sanford (D-NC); and they, in turn, introduced the bill authorizing the Public Housing Comprehensive Transition Demonstration (Section 126 of the Housing and Community Development Act of 1987). Although the bill allowed for up to nine additional sites, CHA was the only public housing authority in the country to launch the program. It began on January 1, 1989, after CHA obtained the appropriate waivers and support from the U.S. Department of Agriculture, the U.S. Department of Health and Human Services, the North Carolina Department of Social Services, and the Mecklenburg County Department of Social Services.

Soon after the Gateway Housing Program began, Congress authorized the Family Self-Sufficiency Program (FSS) in the National Affordable Housing Act of 1990. The Family Self-Sufficiency program contains many of the elements of the Gateway program, including a provision for escrow accounts. As of 1993, all housing authorities receiving additional units or Section 8 Vouchers or Certificates are required to offer self-sufficiency programs. The program size is in proportion to the total number of new public housing units and Section 8 Vouchers or Certificates. Housing authorities may receive waivers from this requirement for several reasons, including lack of cooperation from local social service agencies. Currently, approximately 1,200 housing authorities sponsor Family Self-Sufficiency Programs.

## Method

The evaluation design for the Gateway Housing Program is longitudinal, following program participants and a comparison group over a six-year period. Between January 1989 and June 1993, 153 people entered the program. The comparison group is composed of 71 people who applied to the program but either did not complete the application process or declined participation once accepted.<sup>1</sup>

Data were collected from four sources: interviews with program entrants and the comparison group, program files, interviews with service agencies involved in the program, and focus groups.

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<sup>1</sup> In most cases, the reason for declining participation was a reluctance to move from their current unit as required by the authorizing legislation. The units offered to approved applicants were perceived, in many instances, as less desirable than the ones in which they were currently living.

First, an attempt was made to interview everyone in both groups three times over a five-year period, 1990-1995 (see Appendix). We were able to successfully interview 128 of the original 153 program entrants, a response rate of 84 percent, and 54 of the 71 comparison group members, a response rate of 76 percent, were interviewed at least once. The first interview included retrospective questions, allowing those who were interviewed only once to be included in some longitudinal analyses.

We also extracted data from program files on each person who applied for the program between 1989 and 1995. Application information provided baseline data on educational attainment, employment status, and wage levels, as well as such basic information as the date of application, the date of entrance into the program, and the date of birth for each applicant. Because the program files also contain outcome information (e.g., drop-out, graduate, continuing participant) for each entrant, we have been able to show program outcomes for those we were unable to survey more than one time.

Third, we conducted annual, semi-structured interviews with representatives of the agencies involved in the program, including the Charlotte Housing Authority, the Charlotte-Mecklenburg Department of Social Services, the Charlotte Department of Employment and Training, and Child Care Resources Incorporated. These interviews covered a variety of topics, including the role of the agency in the program, the amount of staff time devoted to the program, special considerations given to Gateway participants, problems with the program, and the progress of participants through the program.

Last, we conducted separate focus groups with those who are still participating in the program, those who withdrew, those who graduated, and those who applied but did not follow-through on their applications. The questions posed to these groups included their reasons for participating or not participating in the program, their difficulties staying with the program, what they liked and disliked about the program, why those who withdrew left, and what could have helped them complete the program

## Report Outline

Chapter 2 of this report presents the basics of the Gateway Housing Program—its elements and implementation and the demographics of its participants. The chapter also examines the importance of various elements of the program to those who entered. Chapter 3 gives an overview of program outcomes and how problems in implementation contributed to those outcomes. Chapter 4 compares program entrants and comparison group members on a number of outcomes: education, employment and wages, dependence on AFDC and Food Stamps, the use of housing assistance, and homeownership. Chapter 5 presents the costs of the program. The final chapter, Chapter 6, draws conclusions from the Gateway demonstration program and offers recommendations for designing and implementing self-sufficiency programs in the future.



## CHAPTER 2: THE GATEWAY PROGRAM

This chapter discusses the elements of the Gateway Program and then examines the program's implementation. It compares Gateway's elements to those of the Family Self-Sufficiency Program, discusses the importance of the various elements in attracting participants, follows and ends with a description of participant demographic characteristics.

### Program Elements

To qualify for the Gateway Program, a family must meet several criteria. The family's annual income must be no more than \$12,500,<sup>2</sup> and the head of the household must have a high school degree or a high school equivalency diploma and be willing to commit to educational and vocational goals aimed at long-term upward mobility. The family must already be living in public housing or be on the waiting list, where they will be given priority for public housing over those on the waiting list who have not applied to participate in the program. Lastly, the family must be willing to commit to leaving public housing in five to seven years.

The Gateway program has two stages--remediation and transitional. The remediation stage is designed to address deficiencies in the participants' educational and vocational skills and begins with a diagnostic test to identify reading level, occupational preferences, and skill levels. During the first four years of the program, the tests were administered by both CHA staff and the city Employment and Training Department, but since 1994, the tests have been entirely the function of the CHA. Based upon the test results, the program staff and the participant then put together an Employability Development Plan for additional education and job training. The program entrant signs a contract, in the form of a lease addendum, specifying both the

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<sup>2</sup> The CHA has a separate program for those whose incomes are above \$12,500, called the Stepping Stone Program.

services the housing authority and other city agencies will provide and the family's participation in the plan for up to two years.

The goal for participants in the remediation phase is to develop the skills necessary to obtain the jobs that will pay them enough to move out of public housing and into their own homes. This phase is designed to last up to two years, because program designers believed that would be the time needed to complete a remedial education program. Those needing more than two years of education or training to qualify for a job paying at least \$8 an hour, considered the minimum wage that makes owning a home feasible, are not accepted to the program. Thus, nearly everyone has a high school degree on entering the program.<sup>3</sup>

During the remediation phase, a rent freeze is in effect, holding the participant's maximum rent to the level she or he was paying upon entering the program. If the family's income goes down during the remediation phase, the rent is reduced, but an increase in wages does not trigger a corresponding rent increase. At the same time, the amounts received in AFDC and Food Stamps also are frozen, as long as the family's income does not exceed 50 percent of the local median income.

The transitional stage is designed to last up to five years. The purpose of this phase is to allow participants time to strengthen their employment skills and increase their incomes. Rents are unfrozen and set at 30 percent of participants' incomes. However, any amount paid over \$274, the average operating cost for a public housing unit in Charlotte, goes into an escrow account to be used for a down payment on the purchase of a home or for a security deposit on a private rental. Thus, if a participant's rent is \$324 a month, \$50 would go into the escrow account. During the transition phase, participants also receive home-buying assistance, homeownership counseling, and financial management training.

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<sup>3</sup> When the program first began, having a high school diploma was not mandatory. However, as the program participation progressed, the staff soon realized that, without a high school diploma, participants would not be able to meet the program goal of earning \$8 or more by the end of the two-year remediation period. Therefore, the majority of initial participants have a high school diploma. Later participants all have high school diplomas.



## **Clustering**

The program began with an attempt to cluster some participants in one housing development. Of the first 100 participants, 50 were clustered in a section of a 250-unit development called Piedmont Courts, with the remaining participants scattered throughout the city's other public housing developments. In 1985, Piedmont Courts had experienced city-wide publicity about violent and drug-related crime. In an effort to change its image, a portion of the development had been modernized recently, making 50 contiguous units available. The CHA saw clustering as a way to test the importance of peer counseling and support on participants' success.

Unfortunately, the experiment in clustering broke down. Many early participants dropped out of the program, remaining in Piedmont Courts as neighbors to people in the program. In focus groups, many participants talked about their desire to be clustered with people who had similar goals. Having neighbors who left the program did not help them meet their goals. Furthermore, these participants wished they could have had units in a development that was more desirable than Piedmont Courts.

## **Recruitment**

The program began on January 1, 1989, with the goal of having 100 new participants each year. However, it took nearly two years to enroll the first 100 participants. To recruit participants, the staff asked for referrals from public housing managers, distributed flyers, informed tenant leaders, sent letters to residents and other agencies, and made presentations at tenant meetings. Interested applicants were required to complete both an application and an employability assessment before being screened for selection into the program.

There were several reasons for the difficulty in recruiting qualified participants. First, the program required participants to have a high school degree. Most of the public housing residents who applied did not have a high school degree. Thus, this requirement eliminated a large portion of public housing residents. The staff expanded the application pool to include people on the public housing waiting list so that they might have a larger pool from which to draw qualified applicants.

Second, some applicants were rejected because they had a history of drug use, criminal behavior, or late rental payments.

Third, a number of applicants did not attend all of the meetings required to qualify for the program. Applicants first met with the staff to discuss the Gateway Program, returned for reading skills and occupational preference tests, and returned again to discuss their personal improvement plans. They also had to complete the application forms and provide additional information, all requirements that were used intentionally to eliminate applicants who were not highly motivated.

Fourth, in focus groups of qualified applicants who did not follow through with their applications, a number said they felt that the program did not meet their needs. Some were more interested in on-the-job training than the educational opportunities offered through the program (primarily community college degree programs). Others said they were reluctant to leave their children in day care or that working, going to school, and managing a home with children was too much for them to handle. Still others did not want to leave their current jobs to go back to school for two years.

Fifth, many people were reluctant to participate in the program because it meant moving to a new public housing unit, a requirement of the program's enabling legislation as interpreted by HUD officials. Many liked where they were living. Others simply were unwilling to move to Piedmont Courts, which despite its recent modernization, had one of the worst reputations among the city's public housing developments.

Sixth, public housing residents, who had seen many programs come and go, were skeptical about yet another new program and distrustful of housing authority programs in particular.

Finally, many residents may have feared leaving the security of public housing. In focus groups, participants said that some site managers discouraged participation by telling residents they would not be able to get back into public housing if they lost their homes.

In spite of these problems, the staff felt that once there were some individual success stories, more public housing residents would become interested. In fact, by 1991, recruitment was no longer a problem and there was a backlog of applicants. However, many participants came from the public housing waiting list rather than from existing public housing rolls, as was the program's original goal.

## **Educational Opportunities**

Most of those in the Gateway Program who attended school participated in two-year programs at Central Piedmont Community College, ranging from respiratory therapy to automotive body repair. Initially, the program staff steered some students away from traditional female occupations, such as day care workers, hair stylists, and secretaries, in favor of higher paying, traditionally male occupations, such as automotive body work and welding, in order for participants to maximize their earnings. However, after the first two years of the program, the CHA dropped this emphasis because many participants had become disenchanted with these programs and had switched to more traditional female occupations. This disenchantment seemed to be caused by both a lack of real interest in the occupations and a perceived discrimination against women in these fields. In one focus group, for example, a woman who majored in auto body repair recalled being laughed at when she went for informational interviews at body shops.

## **Staffing and Services**

From 1989, when the program started, until mid-1993, one full-time staff person managed the entire program, including acting as case manager for all program participants. Occupational tests for new participants were administered by the staff of the city's Employment and Training Department. Since 1994, however, the City of Charlotte has provided funds for an expanded staff. A manager now oversees all CHA self-sufficiency programs, with the Gateway Program demanding about half of that time. There are two and a half full-time equivalent case managers, and the occupational testing is done by an in-house intake person. Since the program's inception, case workers with the Department of Social Services (DSS) have consulted with the Gateway staff on Gateway participants receiving AFDC. Child care arrangements for program participants are made by Child Care Resources, the local nonprofit agency that manages child care for Jobs Training Partnership Act (JTPA) participants.

## **Benefits-Freeze**

The freeze on AFDC and Food Stamp allotments created confusion among many participants. During the remediation phase of the program, the amount of the allotments were frozen as long as participants' incomes remained less than half of the local median income. Although this qualification

was explained at the time people entered the program, many did not understand it. For example, when the first family in the program bought a house, the head of the household thought she would continue to receive all her benefits, but she lost the Food Stamps because her income had risen above the 50 percent cutoff. She was working two jobs, but when she lost her Food Stamp benefits, she found she had to struggle to make ends meet. Others still in the program saw her situation and became discouraged. In response, the DSS case manager met with the other families to explain the regulations and how they could receive the maximum Food Stamp benefit. However, the termination of benefits remained a cause for confusion within the program.

### **Comparing Gateway and FSS**

The Gateway Program differs from the current Family Self-Sufficiency Program in a number of elements. Both have local oversight boards, escrow savings accounts, and case management. However, the benefits-freeze and the emphasis on homeownership are unique to Gateway. The Gateway program works toward moving people from public housing dependency to homeownership or private market rental. The FSS program attempts to assist people to end their dependency on welfare. The FSS program has a greater emphasis on case management and emphasizes increasing wages so that 30 percent of a family's adjusted gross income equals or exceeds the fair market rent for the area. In the FSS program, escrow funds are dispensed after a family has remained independent of welfare assistance for one year. In order for Gateway entrants to receive their escrow funds, they must use them to move out of public housing.

Participants in the Gateway Program have up to seven years to complete the program and leave public housing. Typically, FSS Program participants must finish the program in five years; however, they may also take up to seven years to finish with good cause. Entrants to the FSS program must be current public housing tenants or Section 8 recipients; they cannot, as is possible in the Gateway Program, come from the public housing waiting list. However, FSS participants are not subject to the high school degree educational requirement of the Gateway Program; any public housing resident or Section 8 recipient can enter the FSS Program, as long as slots are available. This is an attempt for the FSS program to be more inclusive. There is a need to assist more people, especially with welfare reform when people may be faced with losing benefits.

FSS does not offer the up-front financial incentives of the benefits-freeze of Gateway. Gateway allows participants to remain on AFDC and Food Stamps at levels they received upon entry to the program as long as their incomes do not exceed 50 percent of the area median. That way, if people get jobs, they will not lose their AFDC or Food Stamps. This is an incentive for participants to work for additional income, rather than have their AFDC and Food Stamps replaced by earned income.

The timing of saving in an escrow account is also different in the two programs. In Gateway, participants do not begin saving in an escrow account until after the first two years of the program and when their earned income increases their now unfrozen rent above the average operating cost of CHA units. In the FSS program, people begin to save as soon as their incomes allow for savings. Any increase in rent caused by an increase in earned income is deposited in the escrow account. Once the family reaches 50 percent of the area median income, the monthly escrow deposit amount is frozen. The escrow account ends when the family reaches 80 percent of the area median income.

### **Importance of Program Elements**

One goal of our research was to identify the elements of the Gateway Program that were particularly important in attracting participants. Thus, entrants were asked in their first interview to rate how specific elements affected their desire to participate in the program, and the most frequently cited element was the possibility of owning a home (see Table 1). A full 94 percent of program entrants reported that this element was very important in their desire to participate in the program. This feeling was echoed in focus groups, where one woman commented, “[Homeownership] was the number one reason.... I wanted a home, you know,...ever since I came out of high school, I wanted a home. And I was always saving for it.”

Table 1: The Importance of Program Elements in Participants' Desire to Participate (n=128)

| Program Element                                     | Very Important | Somewhat Important | Not Very Important |
|---|----------------|--------------------|--------------------|
| The possibility of owning a home                    | 94%            | 6%                 | 1%                 |
| The job training or education offered               | 86             | 7                  | 7                  |
| The freeze in benefit levels                        | 69             | 21                 | 10                 |
| The immediate availability of a public housing unit | 56             | 20                 | 23                 |
| The day care provided                               | 51             | 8                  | 41                 |

Rows may not add up to 100% due to rounding.

The next most critical element was the job training or education offered. Eighty-six percent said this was very important in attracting them to the program. The freeze in benefit levels, cited as very important by 69 percent of program entrants, was not as compelling. Less frequently cited as very important were the immediate availability of a public housing unit (56 percent) and the day care provided (51 percent).

Information about the importance of the escrow accounts came from interviews and focus groups rather than from the survey. This is because the escrow accounts, which did not begin until the transition stage, did not mean much to the families when they entered the program. Graduates, however, found that although they had prized the rent and benefits-freeze more highly, the escrow account helped them when it came time to move out of public housing.

### Characteristics of Gateway Participants

Just over half of the program participants and half of the comparison group members came from the public housing waiting list (see Table 2). Large

majorities of both groups were African-American, female, and single. The majority of both groups also were receiving AFDC at the time they applied to the program. About two-thirds of both groups were working, although a larger proportion of the control group were working full-time than among program entrants. Almost all had children under the age of 17 when they were first surveyed, while 91 percent of program entrants and 87 percent of the comparison group had children younger than 12 years of age. Income among 84 percent of participants and 93 percent of the comparison group were below \$1,000 a month at application, in compliance with the program requirements limiting an applicant's income to less than \$12,500 a year. The only significant difference between the participant and the comparison groups is that program entrants had more education, likely due to the program screening requirements.<sup>4</sup> This may be a difference that can explain the variation in outcomes between the groups.<sup>5</sup>

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<sup>4</sup>A chi-square test indicated a lack of fit between the expected frequencies and actual distribution of educational attainment ( $X^2=90284$ ,  $\alpha>1\%$ ).

<sup>5</sup> In Rohe and Kleit (Forthcoming) education at application is not a significant explanatory variable in explaining all program outcomes. We performed regression analyses on program outcomes including: hourly wages, hours worked per week, monthly welfare payments, monthly Food Stamp payments, receipt of housing assistance, and homeownership. In each of these analyses, we controlled for education at application, as well as the application value of the dependent variable and the time between observations. We also included dummy variables and identified graduates, withdrawals, and continuing participants, with the comparison group as the reference category. We found that education did not explain differences between application and last observation for hourly wages, hours worked per week, Food Stamp levels, housing assistance receipt, or homeownership. Education was only a significant explainer of changes in the amount of AFDC received at last observation. Those with more than a high school education received an average of \$63 less than those without a high school education; those with only a high school education received on average \$73 less than those without a high school degree. Thus, while the program participants and comparison group differed in their level of education, this difference does not appear to explain differences in most of their program outcomes.

Table 2: Characteristics of Program Entrants and Comparison Group Members

| Characteristic                         | Program Entrants |         | Comparison Group |         |
|--|------------------|---------|------------------|---------|
|  | Frequency        | Percent | Frequency        | Percent |
| <u>Race</u>                            |                  |         |                  |         |
| White                                  | 1                | .8      | 0                | 0.0     |
| Black                                  | 127              | 99.2    | 54               | 100.0   |
| <u>Sex</u>                             |                  |         |                  |         |
| Male                                   | 2                | 1.6     | 1                | 1.7     |
| Female                                 | 126              | 98.4    | 53               | 98.3    |
| <u>Education<sup>1</sup></u>           |                  |         |                  |         |
| 0-8 years                              | 1                | .8      | 2                | 3.7     |
| 9-11 years                             | 12               | 9.4     | 13               | 24.1    |
| 12 years                               | 78               | 60.9    | 22               | 40.7    |
| Some College                           | 28               | 21.9    | 17               | 31.5    |
| Associate Degree                       | 4                | 3.1     | 0                | 0.0     |
| 4 Year Degree                          | 5                | 3.9     | 0                | 0.0     |
| <u>Monthly Wage Income<sup>2</sup></u> |                  |         |                  |         |
| \$0-\$200                              | 34               | 41.5    | 14               | 46.7    |
| 201-600                                | 16               | 19.5    | 2                | 6.7     |
| 601-1,000                              | 20               | 24.4    | 12               | 40.0    |
| 1,001-1,400                            | 10               | 12.2    | 1                | 3.3     |
| 1,400+                                 | 2                | 2.4     | 1                | 3.3     |

<sup>1</sup> Significant difference between comparison group and program entrants.

<sup>2</sup> Wage income is calculated by multiplying reported hourly wage and hours per week at application by 4.5, the number of weeks in a month. However, respondents general did not have full-year employment. Their incomes, therefore, would not have exceeded the program's income guidelines. Data for wage income at application were taken from application forms. Distribution is based on forms for 82 people. In some cases, employment information was written into the application form, but the wage information was blank. In one case, the application was not available.



Table 2 (continued): Characteristics of Program Entrants and Comparison Group Members

| Characteristic   | Program Entrants |         | Comparison Group |         |
|--|------------------|---------|------------------|---------|
|  | Frequency        | Percent | Frequency        | Percent |
| <u>Employment<sup>3</sup></u>                                |                  |         |                  |         |
| Full   | 20               | 24.4    | 9                | 30.0    |
| Part   | 31               | 37.8    | 10               | 33.3    |
| None   | 31               | 37.8    | 11               | 36.7    |
| <u>Resident of Public Housing When Applied to Program?</u>   |                  |         |                  |         |
| Yes  | 60               | 46.9    | 27               | 50.0    |
| No   | 68               | 53.1    | 27               | 50.0    |
| <u>Received AFDC When Applied to Program?</u>                |                  |         |                  |         |
| Yes  | 72               | 56.3    | 32               | 59.3    |
| No   | 56               | 43.8    | 22               | 40.7    |
| <u>Married at Application?<sup>3</sup></u>                   |                  |         |                  |         |
| Yes  | 6                | 4.7     | 3                | 5.6     |
| No   | 121              | 95.3    | 51               | 94.4    |
| <u>Children Age 12 and Under at First Survey<sup>3</sup></u> |                  |         |                  |         |
| Yes  | 116              | 91.3    | 47               | 87.0    |
| No   | 11               | 8.7     | 7                | 13.0    |
| <u>Children Age 17 and Under at First Survey<sup>3</sup></u> |                  |         |                  |         |
| Yes  | 124              | 97.6    | 54               | 100.0   |
| No   | 3                | 2.4     | 0                | 0.0     |

<sup>3</sup> Data taken from application form. Application form not available for all 128 respondents.



## CHAPTER 3: PROGRAM OUTCOMES

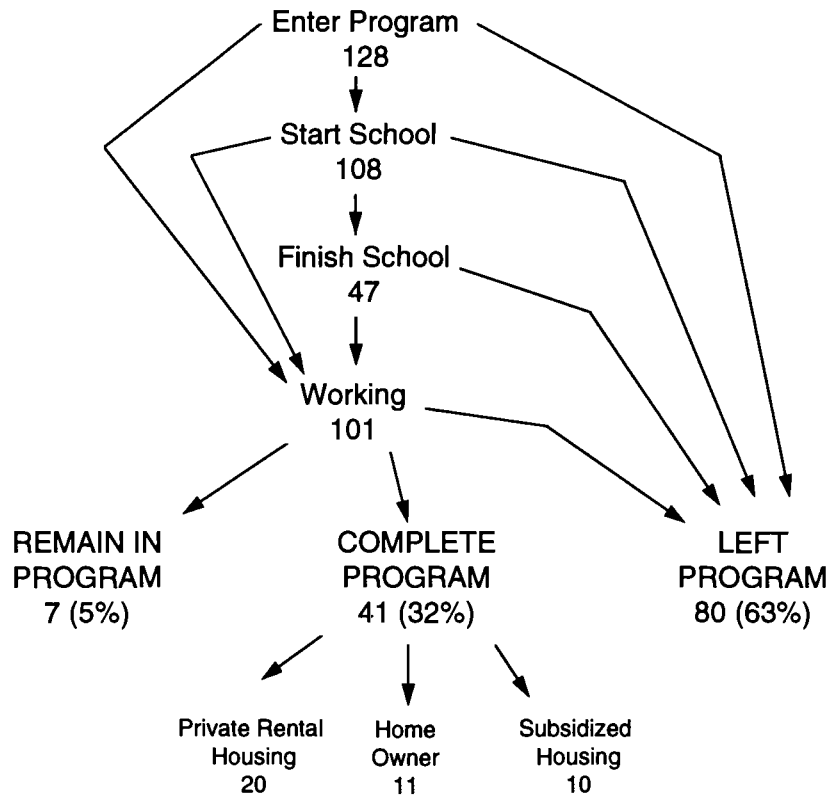
This chapter discusses the program outcomes for the 128 participants that we were able to interview and describes the paths they took through the program and the barriers they encountered in completing it.

By the end of the evaluation period, 41 people (32 percent) had completed the program and become program graduates, while 7 (6 percent) were still in the program as continuing participants. However, 80 people (62 percent) had left the program without completing it and are considered program withdrawals.

To arrive at one of these outcomes, program entrants took many different paths (see Chart 1). Of the 128 program entrants who completed at least 2 interviews, 20 never began an education program, choosing instead either to work and stay in the program or to leave the program all together. Many of these 20 people had full-time jobs and did not want to quit work to go back to school, so they did not follow through with their agreed-upon plans.

Of the remaining 108 who began an education program sometime during their tenure in the Gateway Program, almost all attended Central Piedmont Community College. Of those, 47 finished school while 61 did not. As became apparent in focus group interviews, the remedial education often took much longer than the two years that had been allocated, largely because of family responsibilities. Almost all of the program entrants were single parents with AFDC as their only source of income. Many participants left school temporarily because of illness, either their own or their child's, child care responsibilities, or pregnancy. When they were ready to return, the quarter would have ended, and they would have to wait until the next year to repeat it. Others felt they could not carry a full school load and still care for their families. Some, feeling that AFDC did not provide enough support for their family, tried working and going to school part-time rather than full-time. Furthermore, the same family responsibilities that prevented some from completing schooling within the time allotted prevented others from finishing at all.

Chart 1: Path Through the Gateway Program



Additionally, some people were unhappy with the educational program they first chose and simply dropped out. These included many who had entered training for non-traditional careers for women, such as auto mechanic or welding. Others switched to programs more suited to their needs, but this increased the time they needed for remedial education.

After ending their schooling, some participants left the program while others remained in it and found jobs. We estimate that 101 entrants (79 percent) worked during their tenure in the program.<sup>6</sup> Of those, 60 entrants (59 percent) never had an escrow savings account, because the accounts went into effect only when the participant's rent (30 percent of adjusted income) rose above the operating cost of the unit. In many cases, incomes did not increase to that level.

### **Factors Contributing to the Drop-out Rate**

The factors that contributed to the drop-out rate are varied. Some are common to public housing programs in general, such as terminations for illegal activities and lease violations. Other factors were unique to the Gateway Program: participants drawn from the public housing waiting list, a small initial staff with high turnover, participants' dissatisfaction, and family responsibilities.

In the first four years of the program, a number of participants were dropped because of lease violations and criminal behavior, such as involvement with illegal drugs. Of the withdrawals, more than one third were for illegal activity, another third were for lease violations, while the remaining third failed to attend classes or otherwise complete their Employability Development Plans.

The design of the program itself also contributed to the high drop-out rate. In the beginning, the staff had difficulty finding public housing residents who were both interested and qualified for the program. In response, the CHA opened the program to people on the public housing waiting list, and those who applied and qualified for the program were given priority for housing. Unfortunately, many of the early waiting list participants may have feigned interest in the program in order to get into public housing. As stipulated in an

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<sup>6</sup> We estimate this number because we were able to interview 29 percent of the program's participants only once. Therefore, for roughly a third of the program's entrants, we do not know what they did beyond their first two years in the program. Most did not work during these first two years, but instead went to school. Using information from the last two waves of interviews, we estimate that 101 participants worked during the program.

addendum to the lease of all program participants, the CHA can move program drop-outs from their units to others but cannot expel them from public housing altogether. Thus, people who left the program were guaranteed housing. As a result of this early experience with participants from the waiting list, Gateway regulations were changed to require a family to be on the waiting list for six months or more before qualifying for the program.

The fact that the program was understaffed in the beginning also contributed to the high rate of withdrawals. The initial plan was to have 100 families enrolled at any one time with one staff member as case manager. It soon became clear, however, that one person could not process applications and oversee the program for 100 families. During the first four years, about 80 people were enrolled in the program, and they were too many for one case manager. In addition, helping families apply for the program and follow through on their commitments was more time consuming than had been anticipated. Program designers had thought that participating families would be highly motivated and fairly stable, but participants needed a great deal of personal support to help them stay with the program. CHA's housing services director believes the lack of a sufficient full-time staff was the greatest hindrance to the full implementation of the program.

Staff turnover also caused problems. Until 1993, the program was staffed entirely by one full-time program coordinator/case manager. When the first coordinator left in 1992, a replacement was not hired for six months. When the second case manager left in 1994, it took another six months to hire another replacement. Both times, the case managers had established close relationships with the participants, which had to be re-established by their replacements, and both times, participants were largely on their own during the hiring process. Since 1994, however, the City of Charlotte has provided funding for the CHA to adequately staff the program with an administrative coordinator and two and a half full-time case managers.

A number of participants dropped out because they became dissatisfied for various reasons. Some were disenchanted with their chosen curricula, while others were not academically inclined; a community college program was just not for them. Many of those who pursued non-traditional careers became discouraged, because they did not enjoy or feel comfortable in these training programs. They either changed their fields of study or dropped out. Again, the lack of staffing prevented adequate intervention that might have addressed some of the problems and made it possible for some participants to remain in the program.

Some participants withdrew because they became impatient with the length of time required for them to become self-sufficient. Many found that the requirements of supporting a family intensified when they entered the program. In one focus group, many of those who withdrew from the program made it clear they did not wish to depend upon AFDC and Food Stamps while they attended school full-time. They wanted to work, but case workers discouraged their taking jobs; a job could prevent them from completing school. Others especially were unhappy that it would take them five to seven years to finish their training programs, and some of those sought more short-term educational opportunities, such as hospital training programs or the Urban League office training program. Several years into the Gateway Program, when the educational options were expanded, these choices were added to participants' options.

Lastly, family responsibilities often contributed to participant's inability to meet their responsibilities under the program, because being a single parent made it difficult for many participants to go to school and take care of their families. Juggling both education and child-rearing sometimes meant that school took a back seat. In focus groups, participants who had withdrawn from the program talked of missing school to care for sick children or to give birth. Others started, stopped, and started programs over and over as they dealt with various family problems.





## CHAPTER 4: IMPACTS OF THE GATEWAY PROGRAM

While only about 32 percent of program entrants completed the program, those who finished did benefit. Of the 41 graduates, a full 76 percent moved out of subsidized housing and into either their own homes or into privately owned rentals. Compared to the comparison group, program graduates also improved their education, increased their wages, and decreased their reliance on AFDC and Food Stamps. This section presents data on the comparison group and on all program participants (graduates, withdrawals, and continuing participants) based upon the respondent's status at their last interview.<sup>7</sup>

### Education

In surveys of both participants and comparison group members, data was gathered on the education levels attained, the additional months of education received during the time of the program, the proportion entering and completing education programs, and the proportion entering multiple programs from the time of application to the Gateway Program.

Education was the only significant difference between program entrants and the comparison group at the start of the program (see Table 2). On average, comparison group members had less education. When the education levels are broken down by program outcome, program graduates and withdrawals have more education than the comparison group (see Table 3). The continuing participants had the least education when they started. Indicative of the motivation of both program participants and comparison group members, by the last observation, the education levels of all groups went up, with a substantial increase in the proportion of those holding an associates degree. In the comparison group, the proportion holding either an associates

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<sup>7</sup> In examining the impacts of the program, the program status at the last interview, not the final program outcome for the individual, is used in analyzing the data. Thus, if the last time we interviewed an individual, she was a participant, she is presented as a participant in this analysis, even if she eventually graduated from the program.

degree or a bachelor's degree increased by 21 percent, while the proportion of graduates holding these degrees increased by 32 percent.

Table 3: Education at First and Last Observation

| Highest Grade/Degree Completed | Comparison |      | Graduates |      | Withdrawals |      | Continuing Participants |      |
|--------------------------------|------------|------|-----------|------|-------------|------|-------------------------|------|
|                                | First      | Last | First     | Last | First       | Last | First                   | Last |
| 0-8 grades                     | 6%         | 3%   | 0%        | 0%   | 0%          | 0%   | 6%                      | 6%   |
| 9-11 grades                    | 27         | 12   | 7         | 4    | 9           | 4    | 17                      | 11   |
| 12 grades (high school/GED)    | 44         | 38   | 57        | 43   | 62          | 53   | 44                      | 28   |
| Some College                   | 24         | 27   | 32        | 18   | 20          | 18   | 33                      | 22   |
| AA/AS Degree                   | 0          | 15   | 4         | 36   | 7           | 22   | 0                       | 28   |
| BA/BS or More                  | 0          | 6    | 0         | 0    | 2           | 2    | 0                       | 6    |
| n                              | 34         |      | 28        |      | 45          |      | 18                      |      |

Columns may not add up to 100% due to rounding. This table assumes that if an individual did not finish or enter a program, her or his education was unchanged. The table includes only those cases for which we have two or more observations.

Those who entered the program attended more months of school than those who did not (see Table 4),<sup>8</sup> while on average, those who graduated received substantially more months of education than those in the comparison group. A member of the comparison group received an additional 12.6 months of education during the time of the Gateway Program, on average, while graduates received 30.1 months, withdrawals 24.2 months, and continuing participants 23.5 months. The median for the comparison group was 4.5 months of additional education but 30 months for graduates.

Table 4: Additional Months of Education (including Job Training) During Time of Gateway Program

| Group                   | Mean | First    | Median | Third    | Maximum | n  |
|-------------------------|------|----------|--------|----------|---------|----|
|                         |      | Quartile |        | Quartile |         |    |
| Comparison              | 12.6 | 0.0      | 4.5    | 24.0     | 84.0    | 54 |
| Graduates               | 30.1 | 7.0      | 30.0   | 47.0     | 75.0    | 31 |
| Withdrawals             | 24.2 | 5.0      | 21.0   | 35.0     | 96.0    | 54 |
| Continuing Participants | 23.2 | 0.0      | 15.0   | 34.0     | 133.0   | 43 |

Table includes cases interviewed one or more times.

<sup>8</sup> The number of months were calculated for every observation that was interviewed once, twice, or three times. Each case was asked the start date of their education or job training program during Gateway and the end date of the program. For those who were currently enrolled in the program, as was the case for many who were interviewed only one time, the date of the interview was taken as the ending date of the program. Thus, these data are truncated somewhat and represent an undercounting of the number of months of education experienced by those interviewed.

The great majority of both program participants and comparison group members entered education programs, but the greatest rate of entry was among program graduates (90 percent), while the lowest rate (74 percent) was among the comparison group (see Table 5). However, a large majority from each group did not finish. Among those who did complete their education programs, graduates fared best with a 35 percent completion rate, while among comparison group members the completion rate was 28 percent.

Thirty-nine percent of program graduates and 17 percent of comparison group members entered vocational training programs. More than a quarter of graduates (26 percent) completed their vocational training program, while only 7 percent of those in the comparison group did so.

Table 5: Attendance and Completion of Education or Vocational Training Programs

| Group                   | Education Program |          | Vocational Training Program |          | n  |
|-------------------------|-------------------|----------|-----------------------------|----------|----|
|                         | Attend            | Complete | Attend                      | Complete |    |
| Comparison              | 74%               | 28%      | 17%                         | 7%       | 54 |
| Graduates               | 90                | 35       | 39                          | 26       | 31 |
| Withdrawals             | 83                | 20       | 39                          | 22       | 54 |
| Continuing Participants | 79                | 18       | 26                          | 14       | 43 |

Table includes cases interviewed one or more times.

At least half of those in each group attended only one program during the evaluation time (see Table 6). For those who attended more than one program, one of those was often a GED program in preparation for another degree.

Table 6: Attendance in Multiple Education and/or Vocational Training Programs

| Group                   | One Program | Multiple Programs | n  |
|-------------------------|-------------|-------------------|----|
| Comparison              | 58.5%       | 41.5%             | 41 |
| Graduates               | 50.0        | 50.0              | 28 |
| Withdrawals             | 56.5        | 43.5              | 46 |
| Continuing Participants | 67.6        | 32.4              | 34 |

Table includes cases interviewed one or more times. Cases interviewed only once may cause the number of people attending more than one program to be under represented.

## Work and Employment

The data on work and employment come from two sources, application forms and final interviews. Forms completed by both program participants and comparison group members provided baseline information about work status, monthly wage, and hourly wage at the time of application, while information from respondents' last interviews was used to calculate mean changes. Wage information is not corrected for inflation, because the comparisons are across groups in the same geographic area during the same period of time.

The most striking employment change among all groups in the time before the program until the last observation was from part-time to full-time work, with the greatest increase among those who graduated from the program. Among the comparison group, program graduates, and program withdrawals, about a third were working full-time, a third part-time, and a third not at all. However, by the last observation, the number of program graduates working full-time had increased from 30 percent to 93 percent, while among the comparison group, the proportion working full-time had risen from 30 percent to 80 percent. Withdrawals experienced a smaller increase from 29 percent to 71 percent. While continuing participants also experienced an increase in full-time employment, 29 percent were in part-time jobs, perhaps reflecting their participation in the program.

Due to Charlotte's robust economy, overall employment rose for all groups. The greatest change was among the continuing participants, from 51 percent to 84 percent. For both the comparison group and program graduates, overall employment rose by about 20 percent, while for withdrawals, overall employment increased by 10 percent.

Table 7: Rate of Full and Part-time Employment at Application and Last Observation

| Group                   | Employment Status At Application |      |      | Employment Status At Last Observation |      |      | Change in Employment Status |      |      | n  |
|-------------------------|----------------------------------|------|------|---------------------------------------|------|------|-----------------------------|------|------|----|
|                         | Full                             | Part | None | Full                                  | Part | None | Full                        | Part | None |    |
| Comparison              | 30%                              | 33%  | 37%  | 80%                                   | 3%   | 17%  | 50                          | -30  | -20  | 30 |
| Graduates               | 30                               | 41   | 30   | 93                                    | 4    | 4    | 63                          | -37  | -26  | 27 |
| Withdrawals             | 29                               | 32   | 39   | 71                                    | 5    | 24   | 42                          | -27  | 15   | 38 |
| Continuing Participants | 6                                | 47   | 47   | 65                                    | 29   | 6    | 59                          | -18  | -41  | 17 |

Rows may not add up to 100% due to rounding. Includes only cases interviewed two or more times.

On average, at last observation, program graduates had larger wage incomes than those in the comparison group. Although everyone's wages had increased (see table 8), the magnitude of the change for program graduates was greater than that of all other groups. At the time they applied to the program, those who later would become graduates had an average monthly income of \$584, while the average income of the comparison group was \$477 a month. By the last observation, graduates' wage incomes had increased by an average of \$711, or 121 percent, a month. The average increase among the comparison group was \$474, a 99 percent change. Even among those who withdrew from the program, the average increase in income (\$673) was considerably greater (203 percent) than that of the comparison group, suggesting that just being in the program, even if one did not finish, may have had a positive impact on wages.

Table 8: Mean and Median Monthly Wage Income at Application and Last Observation

| Group                   | At Application |        | At Last Observation |        | Change In |    |
|-------------------------|----------------|--------|---------------------|--------|-----------|----|
|                         | Mean           | Median | Mean                | Median | Mean      | n  |
| Comparison              | \$477          | \$360  | \$951               | \$972  | \$474     | 30 |
| Graduates               | 584            | 603    | 1295                | 1395   | 711       | 27 |
| Withdrawals             | 309            | 0      | 982                 | 1021   | 673       | 38 |
| Continuing Participants | 527            | 450    | 964                 | 851    | 437       | 17 |

Includes only cases interviewed two or more times. Means include zero values.

Likewise, the average hourly wage for all respondents increased between the time of their application and the final observation (see Table 9). All began the program earning nearly the same rate, between \$5.11 and \$5.50 per hour. By the last observation, however, the mean hourly wage for graduates had jumped by \$3.12 to \$8.62 an hour, the largest increase in hourly wages among any of the groups. The increase in hourly wage for the comparison group, on the other hand, was roughly half of the graduates' increase, up an average of \$1.55 per hour to \$6.94. Again, even those who withdrew from the program experienced greater hourly wage increases of \$2.37 to \$7.48 an hour, than did those in the comparison group.



Table 9: Mean and Median Wages per Hour at Application and Last Observation

| Group                   | At Application |        | At Last Observation |        | \$ Change In | n  |
|-------------------------|----------------|--------|---------------------|--------|--------------|----|
|                         | Mean           | Median | Mean                | Median | Mean         |    |
| Comparison              | \$5.39         | \$5.24 | \$6.94              | \$6.74 | \$1.55       | 24 |
| Graduates               | 5.50           | 5.50   | 8.62                | 7.99   | 3.12         | 24 |
| Withdrawals             | 5.11           | 4.60   | 7.48                | 7.11   | 2.37         | 29 |
| Continuing Participants | 5.30           | 5.00   | 6.89                | 6.20   | 1.59         | 13 |

Includes only cases interviewed two or more times. Means include zero values.

To summarize, those who entered the program and either graduated or withdrew were able to increase their incomes at a higher rate than those who had never entered the program at all. At last observation, program graduates were more likely to be working, had a greater average increase in income, and had a greater average increase in their hourly wage than those in the comparison group. Program withdrawals also experienced larger increases in incomes and wage rates than did the comparison group.

## Need-Based Benefits

In the first survey or in retrospective questions, respondents were asked how much they had received in AFDC and Food Stamps before their application to the program; in subsequent interviews, they were asked about their current level of need-based benefits. To calculate mean change, information from the first and last interviews was used.

All groups, except continuing participants, experienced a decrease in their reliance on AFDC and Food Stamps. As part of the program's strategy, continuing participants received AFDC and Food Stamps as long as they were in school. At the time of application, 44 percent of the comparison group and over half of those who later withdrew from the program or continued as participants depended on AFDC (see Table 10). About a third of those who would later graduate received AFDC when they applied to the program; but at last observation, only 10 percent of program graduates still received AFDC, a decrease of 23 percent. At the same time, 37 percent of the comparison group (a drop of 7 percent) still relied on AFDC. Among those who withdrew from the program, the reliance on AFDC decreased by almost as much as it had among program graduates.

Table 10: Dependence on AFDC at Application and Last Observation

| Group                   | At Application | At Last Observation | \$ Change | n  |
|-------------------------|----------------|---------------------|-----------|----|
| Comparison              | 44%            | 37%                 | -7%       | 43 |
| Graduates               | 33             | 10                  | -23       | 30 |
| Withdrawals             | 54             | 33                  | -21       | 59 |
| Continuing Participants | 50             | 55                  | -5        | 20 |

Table includes only cases interviewed two or more times.

Food Stamp receipts show a similar pattern. Over half of those in all four groups relied on Food Stamps when they applied to the Gateway Program (see Table 11). At last observation, however, a greater proportion of graduates had left the Food Stamp program than any other group. Only 27 percent of graduates were still receiving Food Stamps, a reduction of 26 percent, whereas 48 percent of comparison group members, a reduction of only 9 percent, were still receiving that benefit. The decrease in Food Stamp benefits among those who withdrew from the program was similar to that among the comparison group.

Table 11: Dependence on Food Stamps at Application and Last Observation

| Group                   | At Application | At Last Observation | \$ Change | n  |
|-------------------------|----------------|---------------------|-----------|----|
| Comparison              | 57%            | 48%                 | -9%       | 42 |
| Graduates               | 53             | 27                  | -26       | 30 |
| Withdrawals             | 59             | 51                  | -8        | 53 |
| Continuing Participants | 50             | 70                  | 20        | 20 |

Includes only cases interviewed two or more times.

Dependence on need-based benefits can also be measured in terms of the amount of money each individual receives through AFDC. At the start of the program, those who would later become graduates received on average \$84 a month, the smallest amount of AFDC among the four groups (see Table 12). They also experienced the greatest average decrease to \$23 a month, a 72 percent reduction. Continuing participants, those who would later withdraw from the program, and the comparison group received on average more than \$100 per month at the time of application. By the last observation, the average AFDC monthly payments for the comparison group had fallen to \$85, a 20 percent reduction.

Table 12: Mean Monthly AFDC Dollar Amount Received at Application and Last Observation

| Group                   | At Application |        | At Last Observation |        | Change In | n  |
|-------------------------|----------------|--------|---------------------|--------|-----------|----|
|                         | Mean           | Median | Mean                | Median | Mean      |    |
| Comparison              | \$107          | \$0    | \$85                | \$0    | -\$22     | 43 |
| Graduates               | 85             | 0      | 23                  | 0      | -62       | 30 |
| Withdrawals             | 134            | 186    | 86                  | 0      | -48       | 59 |
| Continuing Participants | 111            | 59     | 133                 | 158    | 22        | 20 |

Includes only cases interviewed two or more times. Means include zero values.

The average Food Stamps payment also declined dramatically among program graduates. On average, those who became program graduates received \$119 a month in Food Stamps when they applied for the program, while the comparison group received \$108 (see Table 13). By the time the graduates left the program, their average Food Stamp benefits had been reduced to \$47 per month, a 72 percent decline. By contrast, the comparison group's average Food Stamp benefit was \$103 per month, a 5 percent decline. The average decline among those who withdrew was only \$2 per month.

Table 13: Mean Monthly Food Stamp Dollar Amount Received at Application and Last Observation

| Group                   | At Application |        | At Last Observation |        | Change In | n  |
|-------------------------|----------------|--------|---------------------|--------|-----------|----|
|                         | Mean           | Median | Mean                | Median | Mean      |    |
| Comparison              | \$108          | \$100  | \$103               | \$0    | -\$5      | 42 |
| Graduates               | 119            | 75     | 47                  | 0      | -72       | 30 |
| Withdrawals             | 125            | 116    | 123                 | 10     | -1        | 53 |
| Continuing Participants | 97             | 45     | 144                 | 175    | 47        | 20 |

Includes only cases interviewed two or more times. Means include zero values.

These data indicate that the program enabled many of its graduates to substantially reduce their dependence on need-based benefits. About one in ten graduates, however, still relied on AFDC; one in four graduates relied on Food Stamp payments at the time of the last observation.

### Housing Assistance

From initial interviews with program participants and comparison group members, it was learned that roughly half had been living in public housing when they applied to the program. Those who did not live in public housing were on the waiting list. Information about housing status at last observation comes from the survey as well and shows that the program had considerable success in moving people off housing assistance.

At application, a greater proportion of those who would become graduates (58 percent) were living in public housing, as opposed to the comparison group (47 percent). At last observation, however, the proportion of graduates still receiving housing assistance had decreased 26 percent to 32 percent, while among the comparison group there was a 9 percent increase to 56 percent. Those who withdrew from the program also showed a modest decrease in housing assistance (see Table 14). All continuing participants were living in public housing at last observation because of program requirements.

Table 14: Dependence on Public Housing at Application and on Housing Assistance at Last Observation

| Group                   | Recipient of Housing Assistance at Application | Recipient of Housing Assistance at Last Observation | Change in Use of Assisted Housing | n  |
|-------------------------|--|---|-----------------------------------|----|
| Comparison              | 47%  | 56%   | 9%                                | 45 |
| Graduates               | 58   | 32  | -26                               | 31 |
| Withdrawals             | 52   | 46  | -6                                | 54 |
| Continuing Participants | 40   | 100   | 60                                | 20 |

Includes only cases interviewed two or more times. At application, the only form of housing assistance received was in the form of public housing. At last observation, housing assistance included public housing or a Section 8 Voucher or Certificate.

A major goal of the Gateway Program was to move public housing residents not only into the private market but into a house of their own, and graduates exceeded all other groups in meeting this goal. Over a third of program graduates owned their own home at last observation, compared to only 9 percent of the comparison group and 11 percent of those who withdrew from the program (see Table 15).

Table 15: Rate of Home Ownership at Last Observation

| Group                   | Home Owner at Last Observation | n  |
|-------------------------|--------------------------------|----|
| Comparison              | 9%                             | 45 |
| Graduates               | 36                             | 31 |
| Withdrawals             | 11                             | 54 |
| Continuing Participants | 0                              | 20 |

Includes only cases interviewed two or more times.

Similarly, more program graduates than comparison group members were in private market housing at last observation. More than a third of them had become homeowners, with another third living in private rental housing. Among the comparison group, half were still in public housing; a third were in private rental housing, but only 9 percent were homeowners.



## CHAPTER 5: PROGRAM COSTS

This section discusses the costs of the Gateway Program for the original 153 participants in terms of lost rent, the benefits freeze, staffing, and other expenses. First, the fixed costs of the program were estimated. Then the total annual marginal costs--those that vary with the number of participants--were calculated. Next, the fixed costs and the marginal costs were added to obtain an estimated total annual program cost. Finally, the total annual program cost was divided by the number of program participants to determine the cost per participant.

### Fixed Costs

The program's fixed costs are those expenses that do not vary with the number of program participants (see Table 16). From 1989 through 1992, fixed costs have been assigned wholly to the original 153 program participants, but after June 1993, no new participants were followed. Thus, fixed costs from 1993 through 1995 are weighted by the number of the original 153 participants still in the program each year, divided by the total number of participants in each year.

Throughout the program's existence, 15 percent of the CHA resident services director's time has been spent overseeing the Gateway Program, at an annual cost of \$7,500 (salary costs have been weighted for 1993-1995). From 1989 until 1993, there was only one staff person with an annual salary of \$18,000. When a new housing services coordinator was hired in mid-1991, the salary was increased to \$22,140 (the 1991 cost of \$20,070 is the average of the two salaries). In 1994, a transitional families program manager replaced the housing services coordinator as program manager. This person spends half time (\$17,500) managing the Gateway Program and half time overseeing other CHA self-sufficiency programs. In addition, since 1994, the program has employed two and a half full-time case managers at a cost of \$81,180. After 1994, however, only a subset of the original program participants were still in the program. Therefore, the costs of the transitional families manager and case managers has been weighted by the number of original participants still in the program in 1994 (68.75%) and in 1995 (13%). Therefore, in 1994, the cost of the transitional families program manager attributable to the original

participants was \$12,031, and in 1995, the cost was \$2,275. For the case managers, the cost attributable to the original participants was \$55,811 and in 1995, \$10,553.

Since 1989, students from the public management and social work programs at the University of North Carolina at Charlotte have worked as interns at the Gateway Program at a cost of \$5,000 annually for a single intern from 1989 until 1993 and \$12,500 annually after 1994 for two and a half interns. The interns and other staff costs have been weighted for 1993-1995 by the annual ratio of the number of the original 153 participants remaining in the program over the annual number of participants in each year.

Table 16: Fixed Program Costs

| Year                                  | 1989           | 1990           | 1991           | 1992           | 1993          | 1994           | 1995          |
|---------------------------------------|----------------|----------------|----------------|----------------|---------------|----------------|---------------|
| CHA Resident Services Director        | \$7,500        | \$7,500        | \$7,500        | \$7,500        | \$4,884       | \$5,156        | \$975         |
| Housing Service Coordinator           | 18,000         | 18,000         | 20,070         | 22,140         | 14,417        | 0              | 0             |
| Transitional Families Program Manager | 0              | 0              | 0              | 0              | 0             | 12,031         | 2,275         |
| Case Managers                         | 0              | 0              | 0              | 0              | 0             | 55,811         | 10,553        |
| Interns                               | 5,000          | 5,000          | 5,000          | 5,000          | 3,256         | 8,594          | 1,625         |
| Intake Persons                        | 0              | 0              | 0              | 0              | 0             | 9,694          | 1,833         |
| Employment & Training (JTPA & JOBS)   |                |                |                |                |               |                |               |
| Staff                                 | 60,218         | 62,080         | 64,000         | 65,920         | 18,159        | 13,959         | 4,341         |
| Training & Support                    | 130,016        | 134,037        | 138,183        | 142,328        | 39,206        | 37,749         | 15,553        |
| <b>Total Annual Fixed Costs</b>       | <b>220,734</b> | <b>226,617</b> | <b>234,753</b> | <b>242,888</b> | <b>79,021</b> | <b>142,994</b> | <b>37,155</b> |

Prior to 1994, intake testing and the employability development plans were the responsibility of the staff of the Charlotte Department of Employment and Training. Therefore, intake expenses were not applied to the CHA until the function moved in-house in 1994 at a cost of \$14,100 (weighted for the proportion of original participants remaining in the program). At the same time, however, there were other employment and training expenses, including from 1989 through 1993 the cost of an intake worker. Costs from 1993 through 1995 have been adjusted for the proportion of original program participants in employment and training programs in those years.

### **Marginal Costs**

Marginal costs are those that vary with the number of participants and their stage in the program. These include the freeze on rents, Food Stamps, and AFDC benefits, escrow accounts, and tuition and child care costs. Annual totals have been calculated based on the number of original participants receiving benefits in each year (see Table 17).

The cost of the rent freeze has been calculated as the mean difference between the rent a participant pays (a mean of \$75 per month) and the amount a person not in the program would pay (a mean of \$225 per month). This figure was then multiplied by the number of original participants in the remediation phase in each year of the program, because the rent freeze is in effect only during each participant's first two years in the program. As the number of participants rose in 1990, the rent cost to the program increased too, from \$59,081 to \$114,091. As fewer participants continued in the remediation phase, the rent cost decreased. By 1994, none of the original 153 program entrants were still receiving a rent freeze.

Table 17: Marginal Program Costs

| Year                               | 1989           | 1990           | 1991           | 1992           | 1993           | 1994           | 1995          |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|
| Rent Freeze                        | \$59,081       | \$114,091      | \$41,538       | \$29,077       | \$11,423       | \$0            | \$0           |
| Escrow                             | 0              | 0              | 0              | 6,500          | 6,500          | 6,500          | 6,500         |
| Tuition Costs                      | 11,471         | 24,925         | 27,348         | 20,837         | 13,038         | 8,586          | 2,226         |
| Child Care                         | 38,424         | 113,076        | 145,163        | 149,518        | 100,282        | 101,446        | 24,697        |
| Food Stamps Freeze                 | 8,601          | 22,908         | 10,301         | 13,581         | 3,420          | 0              | 0             |
| AFDC Freeze                        | 10,710         | 25,338         | 40,065         | 41,827         | 10,001         | 0              | 0             |
| <b>Total Annual Marginal Costs</b> | <b>128,287</b> | <b>300,337</b> | <b>264,415</b> | <b>261,339</b> | <b>144,664</b> | <b>116,532</b> | <b>33,423</b> |

The escrow accounts become a CHA expense only when people leave the program and withdraw their savings, which have averaged about \$650 per person. During the first three years of the program, no one graduated with an escrow account; therefore, no escrow accounts were withdrawn. Between 1992 and 1995, roughly 40 of the original 153 participants withdrew their escrow accounts, an average of \$6,500 each year (10 people a year drawing \$650 dollars each).

Tuition costs have varied, not per credit, but because of the different numbers of participants in school each year. Program participants usually attend Central Piedmont Community College, where tuition is \$13.25 per credit. The college considers 12 credits or more to be a full load and anything less, part-time. The spreadsheet assumes that each participant will attend two semesters at 12 credits a semester on average during a year.

Day care costs are based on estimates from Child Care Resources, which provides day care services to program participants. Costs from 1989 until 1992 include those for all program participants, while the figures for 1993 until 1995 include only those of the first 153 participants in the program.

Information on the program costs for both Food Stamps and AFDC was provided by the Mecklenburg County Department of Social Services in quarterly reports showing the difference between the amount of benefits due participants both with and without the benefits freeze. The longer participants were in the program (and as their wages increased), the greater the difference between what they actually received and what they would have received without the freeze. Because the freeze is in effect only during the remediation phase of the program, the benefits-freeze affected none of the original participants during 1994 and 1995. They may still have received benefits, but the amount was based on their current income instead of their income when they entered the program.

### Total Program Costs

The total program costs--\$2,434,059--were obtained by adding the annual fixed costs from Table 16 and the annual marginal costs from Table 17 (see Table 18). Dividing this sum by the number of original participants (153) yields the program cost per participant, \$15,909. Since 49 of the original 153 graduated from the program, the cost per graduate is \$49,675.

Table 18: Total Annual Costs

| Year                        | 1989      | 1990      | 1991      | 1992      | 1993     | 1994      | 1995     |
|-----------------------------|-----------|-----------|-----------|-----------|----------|-----------|----------|
| Total Annual Fixed Costs    | \$220,734 | \$226,617 | \$234,753 | \$242,888 | \$79,921 | \$142,994 | \$37,155 |
| Total Annual Marginal Costs | 128,287   | 300,337   | 264,415   | 261,339   | 144,664  | 116,532   | 33,423   |
| Total Annual Costs          | 349,020   | 526,954   | 499,168   | 504,228   | 224,585  | 259,525   | 70,578   |



## CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

The Gateway Program provides case management, freeze on rents and benefits, and access to other services participants need to achieve self-sufficiency and to purchase a home. For those who graduated, the program had a moderate impact.

*Education:* The majority of both program participants and a comparison group attended education programs during the time of the program, with participants attending more months of school than the comparison group. However, a large majority of each group did not complete their education programs. At the same time, program graduates completed education programs at a higher rate than other program participants or the comparison group.

*Employment and Income:* The greatest increase in full-time employment occurred among program graduates. Furthermore, program graduates had larger incomes, hourly wages, and increases in average income at last observation than other program participants or the comparison group.

*Need-Based Benefits:* Both those who graduated and those who withdrew from the program decreased their dependence on AFDC, exceeding the rate of decrease for the comparison group. Graduates also decreased their dependence on Food Stamps. In addition, the greatest monetary reduction in both AFDC payments and Food Stamp benefits was among graduates.

*Housing Assistance:* Graduates received housing assistance at a lower rate than other program participants and the comparison group. Furthermore, they experienced an average decline in their dependence on public assistance, where the comparison group experienced an increase. Graduates owned homes at a higher rate than other program participants or the comparison group.

The program, however, had difficulty graduating participants, with only 32 percent of those who entered the program from 1989 until mid-1993 finishing. The main reasons for the high drop-out rate were inadequate staffing, non-compliance with program or public housing rules by participants, the difficulty of juggling both student and parental responsibilities, and the necessity to supplement AFDC payments by working.

The average program cost for the first 153 participants was \$15,909 per participant, regardless of program outcome. Given that approximately two-thirds of participants never completed the program, the cost per successful participant was over \$49,000.

## **Recommendations for the Gateway Program**

One of the main reasons for the high drop-out rate in the Gateway Program was inadequate staffing. The typical program participant will encounter many obstacles on the road to self-sufficiency, and the staff must be available to provide advice and support so that those obstacles can be overcome. In focus groups, graduates of the program frequently mentioned the importance of counseling provided by the staff. Regular contact with participants helps the staff identify and solve problems that may cause participants to drop-out of the program, but a small staff and rapid turnover can prevent effective intervention. Instead of one staff person for every 100 participants, as was the case in the beginning of the program, the maximum number of participants that can be properly counseled by one staff member is no more than 40 participants.

Recognizing the problem, in late 1993, the CHA applied for and received additional funds from the City of Charlotte to increase staffing for both Gateway and its other self-sufficiency programs. The CHA used these funds to hire additional case workers, thus reducing the case load to approximately 40 participants per worker and improving case management.

Based on the results of our focus groups, the CHA should again attempt to cluster participants in one of its more attractive housing developments. Focus group participants told of the lack of support they received from their friends and neighbors for their improvement efforts. Their community environments were simply not conducive to completing the program. They wanted to be in communities that provided them with emotional and practical support for achieving self-sufficiency. Currently, the CHA is renovating Earl Village with the help of a HOPE 6 grant, and it may be possible to cluster transitional families there, when the renovation is completed.

Gateway should offer a more flexible approach to education programs in order to serve a larger number of public housing residents. In conjunction with altering the educational options, there should be a change in the focus of the program to include housing options other than homeownership. The



opportunity for homeownership was the most compelling reason for people to participate in the program. However, the program had great difficulty attracting qualified public housing residents for whom homeownership within seven years could be a realistic possibility. To earn enough income to purchase a home, participants had to go back to school full-time for two years; this was more than many public housing residents were ready to take on. A change in the education requirements could attract participants who wanted a less intensive educational program and who could move out of public housing, but for whom a private rental situation is a more realistic option.

Offering flexible educational opportunities that are less intensive may help persons move to private sector rental housing or homeownership. The program should create a special track for those people that need to earn their high school degrees before entering the program. All of these options would allow the program to serve a broader segment of the public housing population.

### **Recommendations for Self-Sufficiency Programs and Welfare Reform**

The experience of the Gateway Program can apply to other self-sufficiency programs and to current welfare reform efforts. Both welfare reform and self-sufficiency programs focus on reducing the number of people dependent on public subsidies. Often, the populations receiving housing assistance and welfare are the same. Wiseman (1996) notes that, "In 1995, public assistance was the primary source of income for 47 percent of the families with children that received housing assistance." Therefore, the lessons we learn from this housing self-sufficiency program have relevance for welfare reform.

First, a two-year remediation phase appears to be an unrealistically short time for many public housing residents to gain the skills necessary to become totally self-sufficient. As one Gateway program staff member commented, "Two years is too short a time to get from \$0 an hour to \$9 an hour." Gateway participants were the most educated and motivated of public housing residents, yet they had a 62 percent withdrawal rate. For those who are less educated and less motivated than the people who entered the Gateway Program, becoming self-sufficient could take much longer. These results suggest that it will take most public housing residents more than two years to complete the education necessary to substantially increase their incomes.

Likewise, it will likely take those on welfare more than two years to gain the skills to find jobs that pay enough to be totally self-supporting.

Second, leaving need-based benefits is the most difficult part of achieving self-sufficiency. That 27 percent of Gateway graduates still received Food Stamps and 10 percent still received AFDC after they had left the program illustrates the obstacle. Although they had left public housing, a portion still had incomes low enough to receive welfare payments and food stamps.

Third, without funding for adequate staffing, the drop-out rates will be high. A major reason for the high drop-out rate among Gateway participants was the lack of adequate staffing to counsel them through the program. Those who are trying to leave welfare and public housing need help negotiating the many obstacles to self-sufficiency. Currently, however, funding for staffing self-sufficiency programs is limited.

Fourth, the costs of moving people off public subsidies are likely to be expensive, at least in the short run. The Gateway Program cost more than \$15,000 per participant, regardless of program outcome. Only 32 percent of those participants graduated. Furthermore, the increases in wages and employment were moderate, compared to the comparison group. The Gateway Program offered stable benefits as long as the participant's income remained at less than 50 percent of the area median. The question for welfare reform is if threatening to end and actually terminating those same benefits will be any more successful in moving people, not simply off public subsidies but also out of poverty.

If self-sufficiency programs and welfare reform are serious about aiding people to increase their incomes, they must take into consideration the constraints on those that the programs try to serve. One of those constraints is the single-parent status of many benefit recipients. In the Gateway Housing Program, 95 percent of both program entrants and comparison group members were unmarried and over 90 percent were parents. For many, family responsibilities simply interfered with attending school. Being a single parent meant that many were unable to complete their programs within the two-year time limit. Missed classes due to family responsibilities created undue additional pressure for many program participants. Reliable child care is therefore a key ingredient in a successful attempt at either a self-sufficiency program or welfare reform.

The expectation underlying both self-sufficiency programs and welfare reform is that a single parent can work and raise her children independently of public subsidies. While this is not impossible, at low levels of education the task becomes nearly nightmarish. In addition to providing adequate child care to bolster parents' attempts at self-sufficiency, we may need to help these predominantly female heads of households create support networks or households with others like themselves. Gateway participants not only commented that being clustered would enable them to stay motivated, but they also talked about being able to share child care responsibilities. A group setting with similar circles of people interested in self-sufficiency would allow cross-dependence, sharing of information, cooperation in family responsibilities, and support for each other's efforts. Going it alone may not be the answer to the problem of dependence on public assistance.

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## APPENDIX

### Evaluation Design and Data Collection

We made an attempt to interview both program participants and comparison group members three times over a six-year period, 1990-1995 (see Table 19). We were able to successfully interview 129 of the original 153 program entrants, a response rate of 84 percent; 54 of the 71 comparison group members, a response rate of 76 percent, were interviewed at least once. The first interview included retrospective questions, allowing those who were interviewed only once to be included in some longitudinal analyses.

Table 19: Numbers of Interviews in Each Wave

| Group        | Population | First Wave       | Second Wave      |          |
|--------------|------------|------------------|------------------|----------|
|              |            | 1991<br>and 1992 | 1993<br>and 1994 | 1995     |
| Comparison   | 71         | 54 (76%)         | 46 (65%)         | 37 (52%) |
| Participants | 153        | 128 (84%)        | 75 (49%)         | 72 (47%) |

Numbers in parentheses indicate proportion of population surveyed.

Some attrition in the panel study occurred. Not everyone was interviewed in all three waves of the study. We were able to interview 61 percent of the 54 comparison group members and 41 percent of the 128 program participants three times (see Table 20). Another 26 percent of the comparison group and 30 percent of program participants had two interviews. Thus, if we combine the proportions of the two groups that had two and three interviews, we had 87 percent of the comparison group and 71 percent of program participants that took part in at least two interviews. A mere 13 percent of the comparison group and 28 percent of program participants had only one interview.

Table 20: Cases with One, Two, and Three Interviews

| Group                   | Three Interviews | Two Interviews | One Interview | Total |
|-------------------------|------------------|----------------|---------------|-------|
| Comparison              | 33 (61%)         | 14 (26%)       | 7 (13%)       | 54    |
| Participants            | 53 (41%)         | 39 (30%)       | 36 (28%)      | 128   |
| Graduates               | 18 (58%)         | 9 (29%)        | 4 (13%)       | 31    |
| Withdrawals             | 21 (39%)         | 15 (28%)       | 18 (33%)      | 54    |
| Continuing Participants | 14 (32%)         | 15 (35%)       | 14 (33%)      | 43    |

Numbers in parentheses indicate the proportion of interviews with the stated number of interviews.

Respondents failed to participate in all the waves of the study usually because we could not find them. Many withdrawals and comparison group members simply left the area, where graduates and continuing participants were more likely to still be living in the area. Others were not living in public housing but were in the area. Often, they would move several times between interviews without a forwarding address.

When we separate the responses by eventual program outcomes, we see that graduates were more willing to participate in multiple interviews; 58 percent had three interviews, and 29 percent had two interviews. Thus, we interviewed 87 percent of program graduates at least twice. Interviews with those who withdrew from the program and those who are continuing were somewhat less successful. Of those who withdrew, 39 percent had three interviews while 28 percent had two interviews. Among continuing participants, 32 percent were interviewed three times while another 34 percent were interviewed two times. Thus, we interviewed 67 percent of those who withdrew and 66 percent of those continuing, at least twice.



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