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Can Giving Cash to Youth Prevent Homelessness? A New Program Developed in Washington Looks Promising

BY SARA TIANO



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A

s programs to address homelessness buckle under the weight of growing populations in need of services, an emerging model aims to pull youth back from the edge when they teeter toward losing their housing — a critical first step in stemming the number of unhoused adults.

The [program](#), launched by the New York-based nonprofit Point Source Youth, provides cash infusions to young people at risk of becoming homeless. The unrestricted funds are meant to help youth move past stumbling blocks that could threaten their housing, things like paying off back rent, putting down a security deposit on a new place to stay or financing car repairs so they don't lose their ability to work and pay rent.

“Young people are telling us what they need and we need to just be able to respond to them,” said Ashley Barnes-Cocke, director of the [Direct Cash Transfers as Prevention](#) program at Point Source Youth.



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Further describing the program's aim, they added: “It's just as important to keep young people from ever having to experience homelessness in the first place as it is for us to house the young people who are currently experiencing homelessness.”

More than 4 million teens and young adults face homelessness each year, [according to researchers from Chapin Hall at the University of Chicago](#). Countless more are just one missed paycheck or emergency expense away from similar struggles. Early intervention is key, experts say, because the longer a person is homeless, the harder it is for them to escape it.

The new pilot program, set to be tested in five communities across the country, is modeled on a program in Washington State. The nonprofit A Way Home Washington launched the Homelessness Prevention and Diversion Fund in 2020 to provide flexible cash benefits for housing outside of the shelter system.

Early results from Washington's program have been promising. A 2021 [evaluation](#) checked back in with participants three months after receiving the diversion funding and found that

96% were still stably housed. Two-thirds of participants ended up renting independently, while others found housing with family and friends or in the foster care system.

A Way Home Washington's model has no cap on how much money a young person can ask for, and assumes any one-time payment will be more cost effective than serving youth through far more costly public services. The average amount given to each participant is \$1,356 and can pay for "almost anything, provided it results in a young person being housed outside of the homelessness system within 30 days."

That flexibility serves young people without having to "box their needs to fit a program," said Elisha Pritchett, a homelessness professional in Walla Walla.

In one case, a pregnant young mother had secured an apartment but had to wait several weeks before moving in. Through the program, she was able to rent a hotel room for her family until move-in day.

"This allowed my newborn child, my oldest son and myself to have some stability in our lives," the young woman from Pierce County told evaluators. She noted how stabilizing it was to be able to save money and prepare for unexpected expenses, like missing work if her baby or toddler got sick.

"This program has allowed me to focus on my family, instead of focusing on where we will sleep at night," she said.

In another instance, the program paid off a school fee that allowed a college student to continue living in dorms on campus.

The most common requests are for paying off housing arrears, security deposits and application fees. Payments are routed through professionals at youth-serving providers, like schools, mental health clinics or community-based organizations, and the funds are disbursed within 72 hours.

Barnes-Cocke, who worked with A Way Home Washington on this project and is now running the pilot for Point Source Youth, said they aim to build upon the previous successes. In the new national pilots, youth will be given cash directly. In Washington, where the Department of Commerce funds the project, the young people can't be direct payees, so service providers pay bills on behalf of the youth.

Receiving cash support offers a sense of empowerment that youth don't get when an organization steps in to pay bills for them, Barnes-Cocke said, and provides a crucial

opportunity to learn budgeting and financial responsibility.

“It is really hard to learn things like financial management when you don’t have any finances, never had any finances,” they said. Providing services in a way that instills trust in the clients—also offers a chance for them to be responsible for meeting their own needs, as opposed to more “paternalistic” interventions.

The cash assistance will be coupled with services like housing navigation, peer support and financial counseling.

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— A WAY HOME WASHINGTON PARTICIPANT

Other communities have begun testing out different versions of cash assistance to help stabilize struggling or at-risk young people and launch them into independence. In California, several counties — including [Los Angeles](#), [Santa Clara](#) and [San Mateo](#) — have launched guaranteed income pilots for youth transitioning out of foster care. A [\\$35 million statewide initiative](#) also prioritizes foster youth as well as low-income pregnant people. These guaranteed income models differ from the pilot by providing monthly payments as opposed to one-time support, but they operate on a similar idea: that giving cash directly to those in need can help them find their footing and minimize future need for public assistance.

The model will be tested in four communities: two sites in New York City and three others still being selected via an application process. Proposals are due at the end of July, and partner organizations will be announced by the end of August.

Each pilot site will receive between \$165,000 and \$241,000, funded by philanthropic foundations — enough to serve roughly 50 people. Point Source Youth is aiming for geographic diversity with the sites, and hopes to include at least one rural community.

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While the Washington program allows young people to return for additional help if needed, Barnes-Cocke said that based on the limited funding for the trial run of the program, initially each youth participant will likely only receive the financial help once. Greater financial assistance is being sought to sustain the program and advocate for public funding in the future.

“There’s way more than 50 young people at any given time that are on the verge of experiencing homelessness,” Barnes-Cocke said. “In most communities, that’s going to be like a drop in the bucket.”

Disclosure: Raikes Foundation, a funder of the pilot program, also is a funder of Fostering Media Connections, The Imprint’s parent nonprofit company. Per our [editorial independence policy](#), the organization has no editorial role in our news coverage.

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