

Foundations for Social Change:
New Leaf project

Taking Bold Action on Homelessness

Addressing what matters with
solutions that work.



**FOUNDATIONS
FOR
SOCIAL CHANGE**

Believe in someone

Foundations for Social Change (FSC) is a Vancouver-based charitable organization that innovates, tests and advocates for new models that advance shared prosperity. We seek solutions to ongoing social issues, such as homelessness, with a bold entrepreneurial mindset using data and evidence to evaluate our work and measure impact. Bound by our shared humanity, we stand for a kind and inclusive world where everyone thrives.

Homelessness is a deeply human issue. It threatens the life and wellbeing of the most vulnerable people in our society. To date, Canada's primary response has been to manage the crisis through the provision of emergency services, such as shelters, drop-in centres, and meal programs. Although they help people meet their basic needs, these approaches are often one-size-fits-all and rarely enable choice, dignity, and the ability to plan for the long-term.

WHAT IS THE NEW LEAF PROJECT?

Our New Leaf project (NLP) empowers individuals to move beyond homelessness. Working in partnership with the University of British Columbia, NLP awards one-time cash transfers to youth (18+) and adults who have recently become homeless. Cash transfers provide choice, control and purchasing power at a critical time in people's lives. This is not merely a gesture of help. It is a signal that society believes in them. By preventing people from becoming entrenched as homeless, NLP transforms lives while saving community resources that could be spent on other urgent needs.

"It helped me out a lot. It's given me purpose in life and has given me hope . . . It's given me the financial needs for me to get what I need for my house . . ."

NLP Participant



WHAT IS DIRECT GIVING?

Direct giving is a simple idea that is proving to be powerful and transformative. A one-time cash transfer is awarded to a person who is living in poverty and can be spent according to individual needs. Growing evidence demonstrates that money from cash transfers is well spent and can provide stability in a person's life. The direct giving model has been proven to empower recipients to find housing and purchase goods that improve their lives, while restoring dignity, confidence and a sense of well-being. Further, research has found that cash transfers do not increase spending on goods such as alcohol, tobacco and drugs.

Building on this work, NLP is the first program in the world to use direct unconditional cash transfers to reduce homelessness. Our evidence to date indicates that we are making an impact, and that direct giving is an effective tool to quickly reintroduce stability into people's lives.



The New Leaf project applies advances in behavioural sciences, cognitive psychology, and behavioural economics to direct cash transfers in a way that has not been done before.



OUR PILOT PROJECT

In spring 2018, we launched our Vancouver New Leaf pilot project to rigorously evaluate the impact of our approach. We conducted the project as a randomized controlled trial, which is the gold standard of scientific research and allows us to compare our supports to business as usual.

Project participants were carefully screened for program eligibility to ensure the highest likelihood of success. Eligibility criteria include: age of recipients, length of time homeless, Canadian citizen or permanent resident, and degree of functionality (mental health and severity of substance and alcohol use). Our goals in designing these criteria were to support participants to the highest degree possible, assess their readiness for change, and reduce any risk of harm.

Fifty individuals were randomly selected to receive a one-time cash transfer of \$7,500. This amount is benchmarked against the annual income assistance rate (2016) in British Columbia. Cash transfers were deposited into participants' bank accounts in one lump sum. This approach is based upon evidence that a lump sum of money has greater potential to transform someone's life than a sequence of small payments (similar to the payment of social assistance).

As an additional support, cash recipients completed a series of workshops involving the development of a personal plan and self-affirmation exercises. Select participants were also offered coaching for a period of six months to support them in developing life skills and strategies.

In total, 115 participants were randomly assigned to one of four groups:

- **Group 1** \$7,500 + workshop & coaching (N=25)
- **Group 2** \$7,500 + workshop (no coaching) (N=25)
- **Group 3** no cash + workshop & coaching (N=19)
- **Group 4** no cash + no workshop / coaching (N=46)

The most efficient way to spend money on the homeless might be to give it to them...

The Economist, November 4, 2010



UNDERSTANDING OUR IMPACT

To evaluate the impact of our approach, we use scientifically validated measures to track participant outcomes over the course of 12 months. Participants complete questionnaires at 1, 3, 6, 9, and 12 months after receiving the cash. To better understand individual experiences, participants also complete open-ended qualitative interviews after 6 and 12 months. Data collection is key to ensuring that our results are valid and concrete.

To date, our impact data indicates that, on average, cash recipients:

- Move into stable housing faster
- Spend fewer days homeless
- Retain over \$1,000 in savings through 12 months
- Increase spending on food, clothing, and rent
- Achieve greater food security
- Made wise financial choices with a 39% reduction in spending on alcohol, cigarettes and drugs
- Reduce reliance on the shelter system of care, resulting in cost savings to society

See **Appendix 1** for a Summary of Impact.

In addition to the summary outcomes, many participants shared powerful stories of change and triumph. When asked about the impact of the cash transfer at the 6-month follow-up, participants described how they used the cash to move beyond homelessness (see sidebar).

I had hit rock bottom. You couldn't get any lower than where I was. I had no hope and then when the money came and I found housing and then daycare it just all kind of came into place. It was so nice, you know?

NLP Participant

(edited for length and clarity)

The impact it had on my life was huge. I was able to do a lot of things that I couldn't do before. It has changed my ability to make proper choices. If I had not received the cash transfer, I wouldn't be able to move out. Wouldn't be able to get my car back on the road. None of that.

NLP Participant

(edited for length and clarity)

It helped me solve a lot of issues, for instance (being) homeless that was one of the major things . Now I have a place, I can focus on getting to school, getting that career, focus on my son right? Those are the most important things.

NLP Participant

(edited for length and clarity)



Appendix 1

Summary of Impact (Top 6)

The results below show the impact of the cash transfer through 12 months.

We have combined Groups 1 and 2 (cash) and Groups 3 and 4 (non-cash) for these analyses to show the impact of the cash transfer.

Compared to their non-cash counterparts, cash recipients saw greater improvements in housing stability, savings, spending, food security, executive function, spending on temptation goods, and reliance on social services. These impacts represent real changes in people's lives, and our Top 6 Impacts are illustrated below.

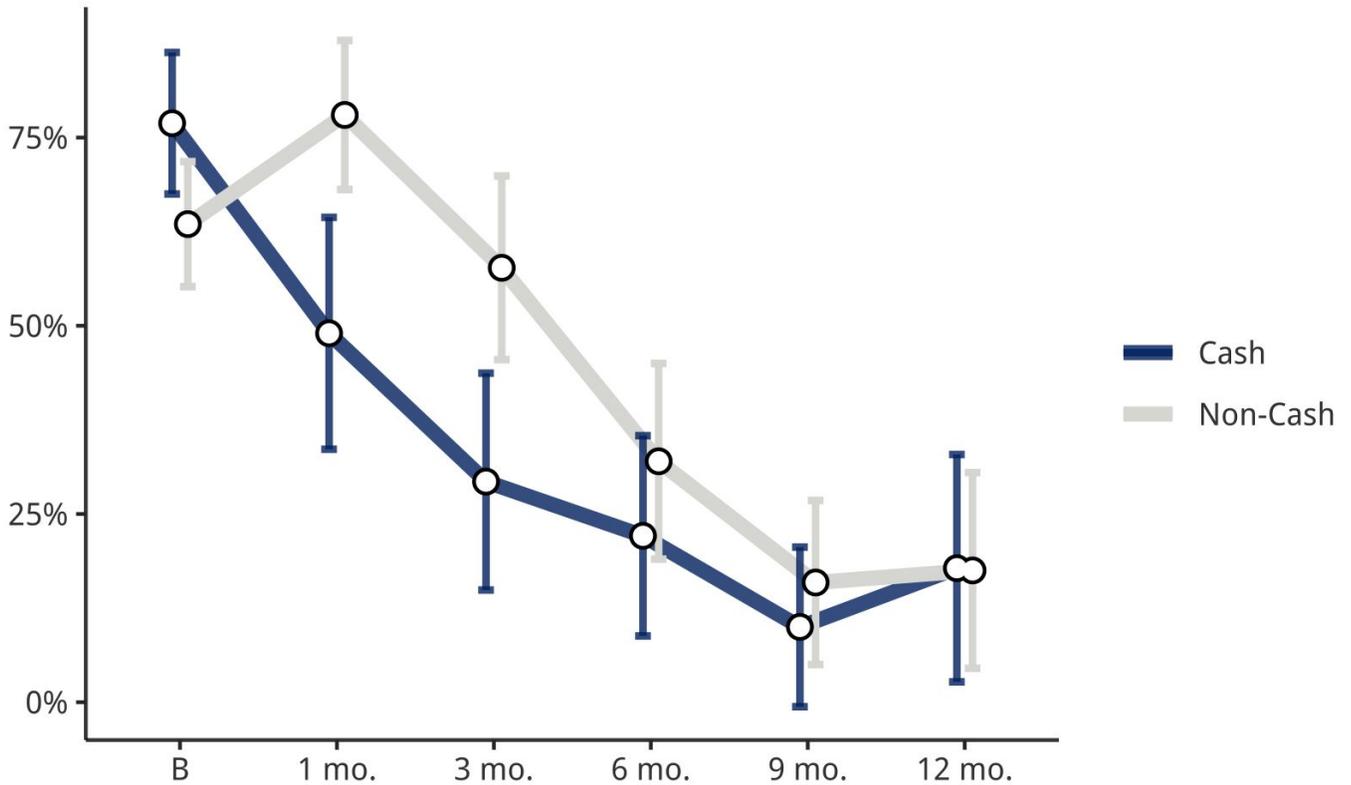
These positive signals coming from our preliminary data compel us to continue advocating direct cash transfers as a tool to transform the lives of people experiencing homelessness.



Appendix 2

Cont'd

1. DAYS HOMELESS



WHAT THIS MEANS:

- For the **cash** group, days homeless **dropped** from **77%** to **49%** in the first month
- Meanwhile, the **non-cash** group **increased** from **64%** to **78%**.
- Cash recipients **move out of homelessness faster**; the non-cash group does not catch up for 12 months
- The cash group spent **4,396 fewer nights homeless** over 12 months

WHY THIS MATTERS:

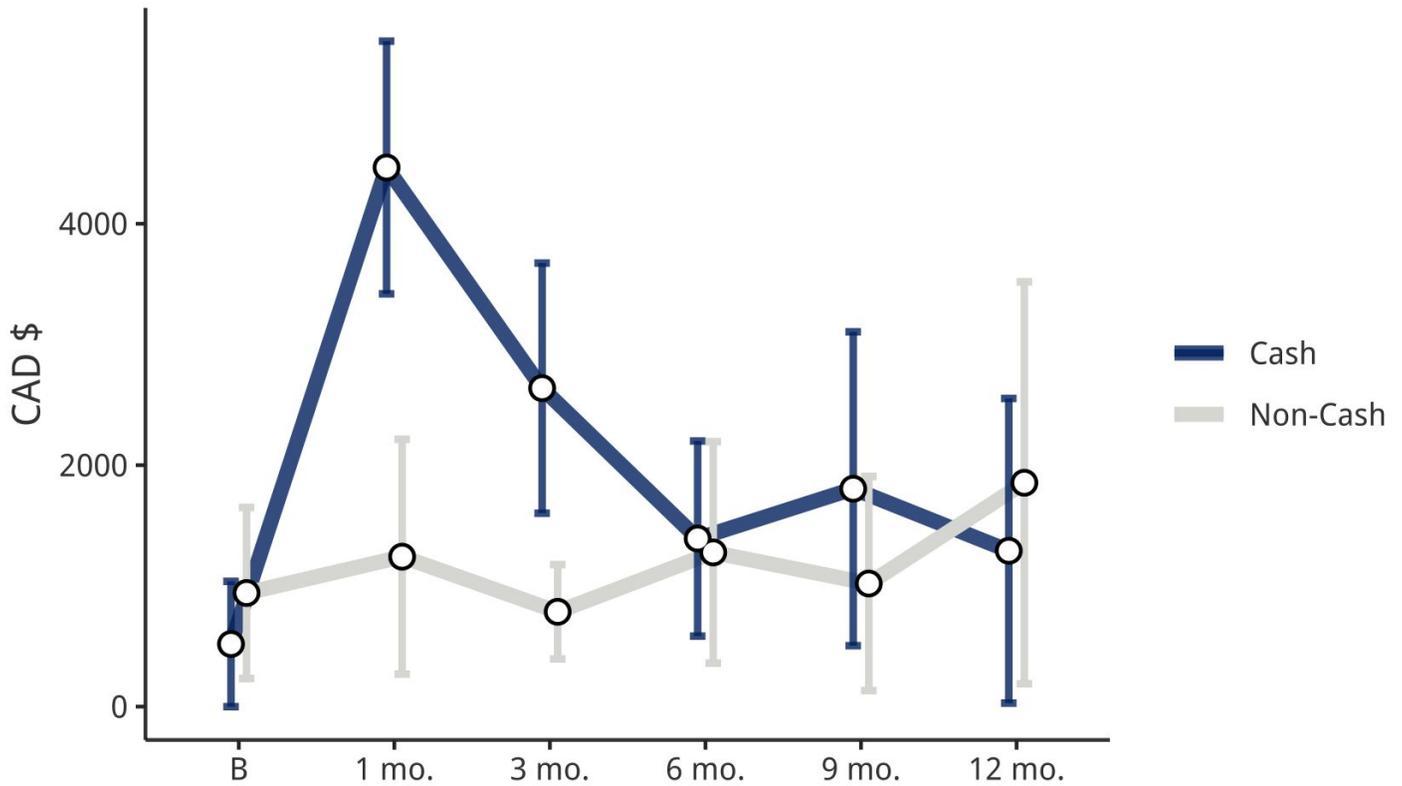
- Moving out of a shelter into housing provides stability, reduces the risk of experiencing trauma, improves health and frees up shelter beds for others in need
- Financial constraints may be keeping people from moving beyond homelessness



Appendix 2

Cont'd

2. MONEY MANAGEMENT



WHAT THIS MEANS:

- After **1 month**, cash recipients have an additional **\$4,000** in savings
- Cash recipients **retain** roughly **\$1,000** through **12 months**
- Savings for the non-cash group remain mostly flat

WHY THIS MATTERS:

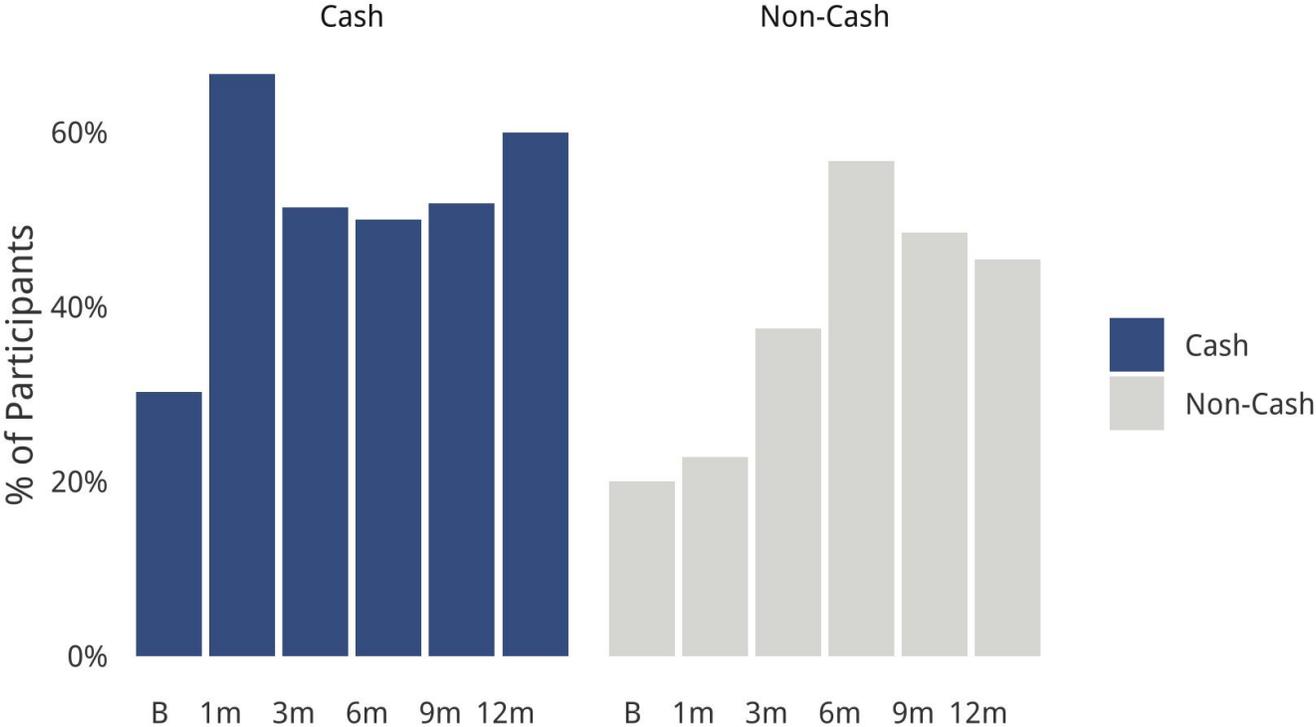
- This challenges assumptions about impulsive spending
- Cash recipients do not spend the money all at once, and instead retain a significant amount over 1 year
- The degree of saving is particularly impressive given the high cost of living in Vancouver



Appendix 2

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3. FOOD SECURITY



WHAT THIS MEANS:

- **67% of cash recipients are food secure after 1 month, an increase of 37 percentage points from baseline**
- The non-cash group only increases 2 percentage points during the same period
- Cash recipients maintain **greater food security** across the full **12 months**

WHY THIS MATTERS:

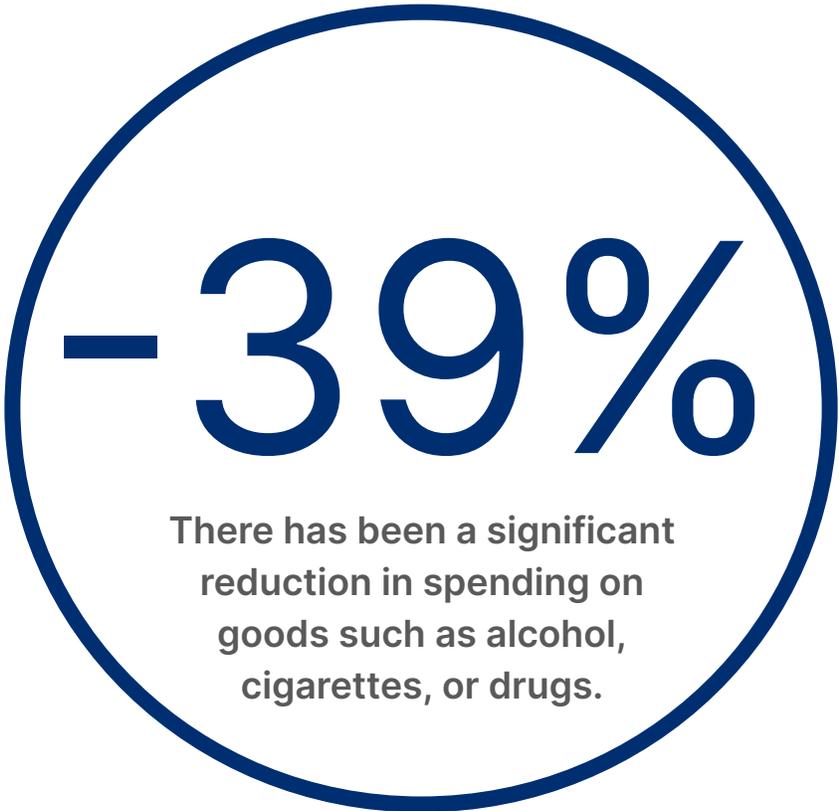
- Food security is critical for health and well-being
- Cash transfers promote and sustain food security, and empower individuals with choice



Appendix 2

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4. FINANCIAL CHOICES



WHAT THIS MEANS:

- Over 12 months, cash recipients reduce spending on goods such as alcohol, cigarettes, or drugs

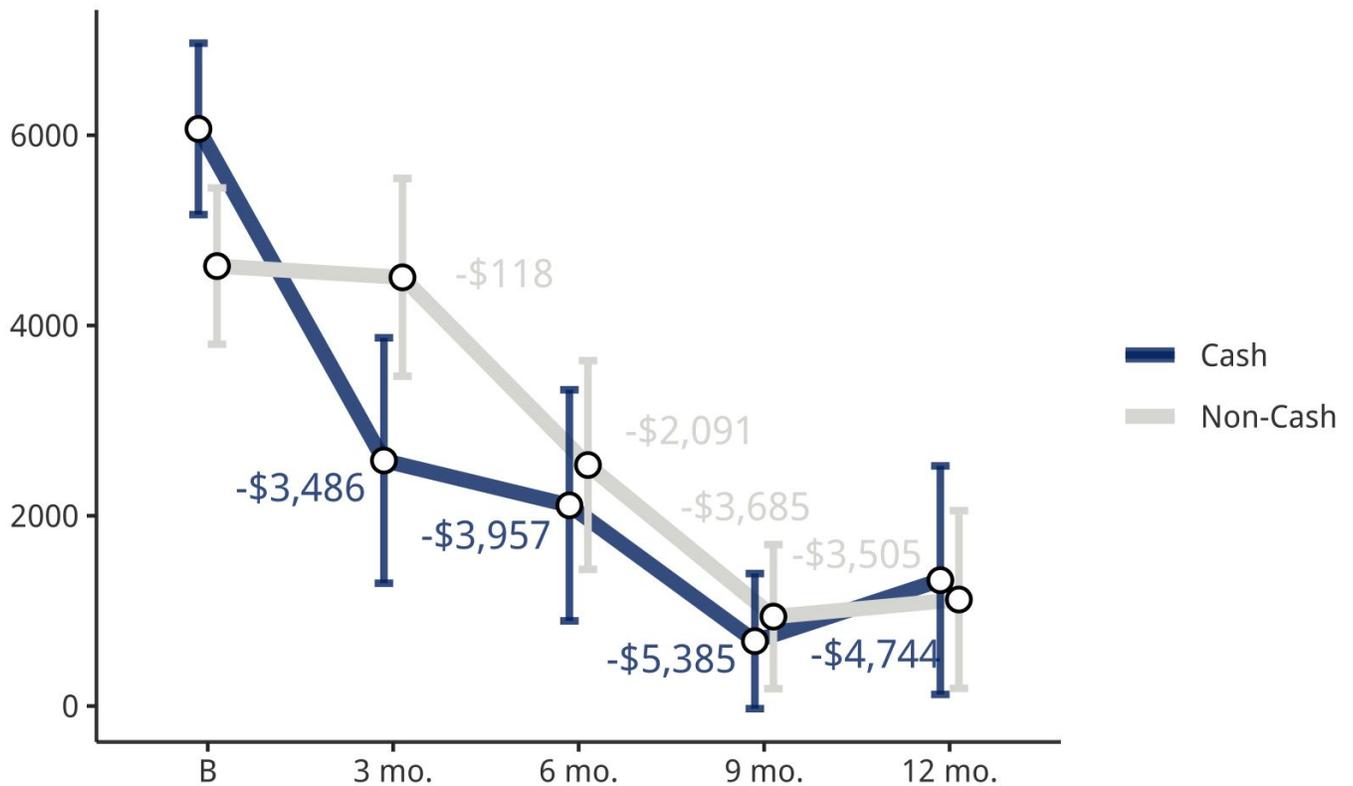
WHY THIS MATTERS:

- There is a widespread misperception that people in poverty will spend money they receive on goods such as alcohol, cigarettes, or drugs
- This finding challenges such misperception, demonstrating that participants reduce their spending on temptation goods after receiving cash transfers



Appendix 2 Cont'd

5. COST OF SHELTER USE



WHAT THIS MEANS:

- Cash recipients **saved** a total of **\$17,571** compared to their baseline shelter use
- Non-cash participants **only** saved **\$9,399** compared to their baseline shelter use
- In total, cash recipients **saved** an **additional \$8,172** compared to non-cash participants

WHY THIS MATTERS:

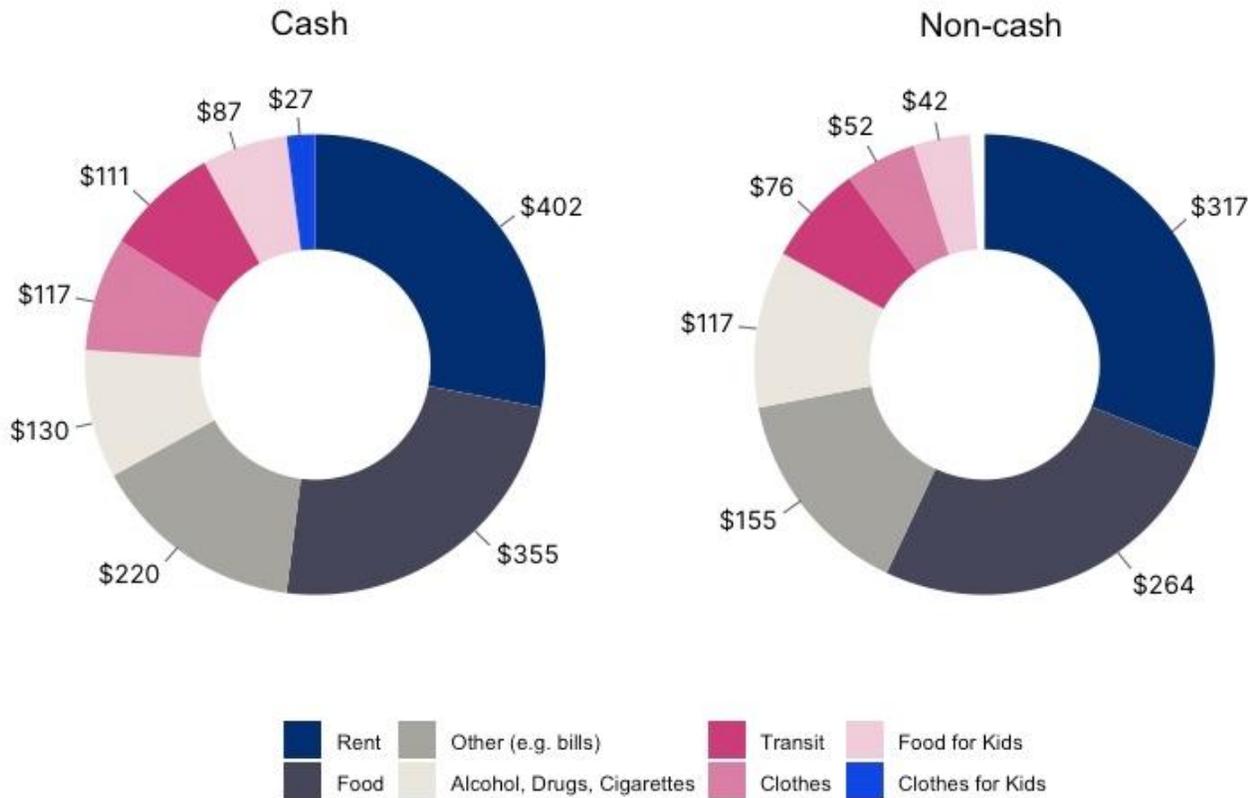
- By empowering individuals to meet their own needs, the cash transfer reduced reliance on social services
- The cost savings after 12 months pays off the cost of the cash transfer
- Thus, cash transfers save money, making them a powerful tool to combat homelessness



Appendix 2

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6. MONTHLY SPENDING OVER 12-MONTHS



WHAT THIS MEANS:

- Overall, **cash recipients spent more** money in each category
- Most spending was devoted to **rent, food, and other recurring expenditures like bills**
- Some cash participants also used the money to purchase **food and clothing** for their **children**

WHY THIS MATTERS:

- Cash transfers provided choice and enabled people to buy more goods, helping them meet their basic needs
- Counter to some stereotypes, participants spent their money on essential items
- Food and clothing for children can be critical for the development of low-income children

