Foundations for Social Change: New Leaf project

Taking Bold Action on Homelessness

Addressing what matters with solutions that work.
Believe in someone

Foundations for Social Change (FSC) is a Vancouver-based charitable organization that develops innovative programs helping vulnerable populations in our communities. 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 an inclusive society where everyone has the opportunity to achieve their full potential.

We believe that economic inclusion is critical to being able to participate in society and that no one should be left behind. This requires disrupting the status quo, and compels us to think radically and test innovative solutions that have not been tried before.

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) is designed to empower individuals to move beyond homelessness. Working in partnership with the University of British Columbia, NLP awards one-time cash transfers to youth (19+) 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 better spent elsewhere.

“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 from the global south 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 preliminary 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 2 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)
WHAT’S NEXT?

We believe that economic inclusion is critical to being able to participate in society and that no one should be left behind. This requires disrupting the status quo, and compels us to think radically and test innovative solutions that have not been tried before. By supporting our work, you are investing in projects that allows you to directly impact the lives of men, women and children in your community.

Our fundraising goal is $10 million. This will guarantee our organization’s work for three years, allowing us to:

- Build a robust, agile organization to advance innovation for social change.
- Expand our cash transfer project in the Lower Mainland to an additional 200+ people experiencing homelessness.
- Develop technology to streamline program delivery and amplify our impact.
- Scale our approach to multiple cities across Canada.
- Work with people living on the margins to develop measurable solutions to poverty that are scientifically based and informed by lived experience.
- Contribute to evidence-based public policy in Canada, the United States, and beyond.
- Help shift perceptions around people living in poverty.

See Appendix 1 for an overview of our expansion project.
TOGETHER, WE CAN MAKE AN IMPACT

Homelessness can happen to anyone. Many people are just a few paycheques away from couchsurfing, sleeping in their car or ultimately losing their housing. It could also be the result of circumstances like renoviction, an injury on the job, safety or a pandemic. While the economic impact of homelessness costs everyone, ultimately it is the human cost that is so devastating.

People ask, “How can I make a difference to such a complex and overwhelming problem?” Giving to Foundations for Social Change provides you with that opportunity. Our direct giving model clearly demonstrates the profound impact that donors like you can make on the lives of citizens experiencing homelessness.

“It helped me out a lot. It’s given me purpose in life and has given me hope...” —NLP Participant

With you as a partner, we stand ready to build on our success. Please join us.

Gratefully Yours,

Claire Elizabeth Williams
Co-Founder & CEO,
Foundations for Social Change
claire@foundationsforsocialchange.org
Appendix 1
Expansion project Overview

WHY EXPAND?
Given the promising signals coming from the pilot, our expansion project will build upon lessons learned to further test and refine our approach before scaling to other cities across Canada. The results of this expansion project will fill an important knowledge gap and demonstrate how cash transfers can be a solution to reduce homelessness. Our project will establish Canada as a world leader in using cash transfers to reduce homelessness, and it has the potential to transform policy for homelessness and poverty reduction in Canada and beyond. By working closely with stakeholders from local organizations and policymakers, we will ensure that the insights gained from this research are translated into policy recommendations that lead to real and lasting change.

THE EXPANSION PROJECT
As with the pilot, the expansion project will be run as a randomized controlled trial. The number of cash transfers will increase from 50 to 200, and the amount of the transfer will be increased (from $7,500 to $8,500) to reflect the 2017 increase in BC’s income assistance rate. We will also be leveraging the power of technology to increase the efficiency of our recruitment process, as well as render it more inclusive. This will include the design and implementation of an online application process, as well as the development of a project app. In addition, there will be a range of non-cash supports provided to all 450 participants in the expansion project, revised from the pilot based upon the feedback from our individual project alumni and Lived Experience Advisory Panel (LEAP). These include a free smartphone with service and data, a free chequing account, a workshop that includes self-affirmation and goal-setting exercises, mentorship opportunities and our custom-built app that connects participants to local resources in relation to their goals and needs. Optional financial literacy training and a monthly peer group program will also be included in our design.

PARTNERSHIPS
We will continue to work closely with community partners across Vancouver and the Lower Mainland, including women-only shelters, indigenous organizations, and shelters with youth programs. Leading up to our expansion project, we plan to consult with LEAP and partners in the community, as well as individual pilot alumni and policymakers from provincial and federal government agencies. Consultation with these interdisciplinary partners will help contextualize, validate, and guide our project implementation and evaluation.

PLANS FOR EVALUATION
Rigorous data collection is key to ensuring that our outcomes are valid and concrete. We have developed a strong evaluation and measurement framework and will use scientifically validated measures to track participant outcomes for 24 months in six broad domains: housing stability, employment and income, assets and spending, physical and psychological well-being, food security, and social service use. Participants will complete weekly and monthly surveys to measure outcomes, including an open-ended qualitative interview after 6 and 12 months.
# Appendix 1
Expansion project Overview

## NEW LEAF PROJECT EXPANSION (2021-23)
200 cash transfers | 250 non-cash

### PROJECT OBJECTIVE
Evaluate the impact of unconditional cash transfers on individuals experiencing homelessness in Metro Vancouver

### CONDITIONS AND INTERVENTIONS
2 CONDITIONS

<table>
<thead>
<tr>
<th>Condition</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CASH $8,500</td>
</tr>
<tr>
<td>2</td>
<td>NON-CASH</td>
</tr>
</tbody>
</table>

### OUTCOME MEASURES
- Housing stability
- Employment & Income
- Savings & Spending
- Physical & Psychological Well-being
- Food Security
- Social Service Use

### EXECUTIVE MEMBERS OVERSEEING THE PROJECT
FSC: Claire Williams, Co-founder & CEO UBC: Dr. Jiaying Zhao, Principal Investigator

### RESEARCH TEAM MEMBERS
- Dr. Jiaying Zhao, Principal Investigator
- Dr. Anita Palepu, Co-Investigator
- Ryan Dwyer, PhD Candidate

### LIVED EXPERIENCE ADVISORY PANEL (LEAP)
LEAP is made up of previous project participants who will meet regularly to consult on project design and implementation.

### EXISTING AND FUTURE PARTNERS
- Aboriginal Friendship Society
- Carnegie Outreach
- Covenant House
- Elizabeth Fry Society
- Lookout Society Raincity
- Telus Sphere
- YWCA
- Vancity Credit Union
- BC Ministry of Social Development and Poverty Reduction
- Employment and Social Development Canada

### ANTICIPATED OUTCOMES

#### SHORT TERM (0-6 months)
- Financial security, housing stability, greater food security, increased spending, improved cognitive abilities

#### MEDIUM TERM (6 months - 2 years)
- Enhanced social & community connections, improved employability, access to education opportunities

#### LONG TERM (2 - 5 years)
- Sustained cost savings and increased economic participation (e.g., employment, education, community involvement)

### PARTICIPANTS
Better understanding of the impact of cash transfers on homelessness reduction

### RESEARCH
A catalyst for generating interdisciplinary, cross-sector collaborations

### SOCIETY
Offer a new form of cash-based assistance to existing services

Positive spillover effects to wider friends, family & community, increasing resilience during a time of continued uncertainty

Use evidence base around cash transfers to reduce homelessness and position us to scale our approach nationally and across North America.
Appendix 2
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. These results will undergo peer review in the next year.

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 5 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.
1. DAYS HOMELESS

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.

WHAT THIS MEANS:

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.
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
Cont’d

3. FOOD SECURITY

- 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

WHAT THIS MEANS:

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

WHY THIS MATTERS:
Appendix 2
Cont’d

4. FINANCIAL CHOICES

There has been a significant reduction in spending on goods such as alcohol, cigarettes, or drugs.

-39%

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
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
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
Appendix 3

WHO WE ARE

Foundations for Social Change is led by a team of combined expertise in social impact, partnership development, research and policy, behavioural sustainability, organizational management and finance.

BOARD OF DIRECTORS

Frans Tjallingii (Chair), Founder & Managing Partner, 7 Generation Capital; Board Chair, PRPA; Co-Founder, Foundations for Social Change
Caroline Bonesky, CEO, WJS Canada
Jean-Pierre LeBlanc, Co-Founder, Saje Natural Wellness; Founder, Alchemy Network

LEADERSHIP TEAM

Claire Elizabeth Williams, MA; Co-Founder & CEO, Foundations for Social Change
Heather Hay, RN, MA, MSC(A); Senior Consultant & Transitional COO
Alice Hopkins, MSC; Program Manager
Hani Lee, BA; Program Coordinator & Community Engagement Lead

RESEARCH TEAM

Dr. Jiaying Zhao, PhD; Canada Research Chair; Professor, Department of Psychology, UBC; Principal Investigator
Ryan Dwyer, MA, PhD Candidate, Department of Psychology, UBC; Research Partner
Dr. Anita Palepu, MD, MPH, FRCPC, FACP; Professor of Medicine and Head of the Division of Internal Medicine, UBC; Co-Investigator

PARTICIPANT INTERVIEWERS

Annemarie Goytan, BSc
David Ramsay, BA
Victor Lee, BSW

VOLUNTEERS

Anya Fineman
Atul
Bassam Chahiara
Darren Cordeiro
Kenneth Ong
Sandy Hwang