

ADMINISTRATION FOR CHILDREN & FAMILIES

At-Risk Youth & Direct Cash Transfers

What are direct cash transfers? Direct cash transfers are payments made directly to individuals or families, by a government or non-profit organization, for the purpose of promoting economic stability and mobility at the household level.

The transition from childhood to adulthood is a key developmental period. In this time, young people develop skills, education and experiences that will shape their adult lives and our society as a whole. Young people without positive social and familial supports risk falling behind in ways that are hard from which to recover. In recognition of the importance of this period, dozens of federal programs exist to support positive development and prevent housing instability through social services.¹

While most young people enjoy the financial support of their parents, those that do not may face significant challenges in paying for the increasing costs of rent, education, transportation, health care and other necessities.² Since the 1970s,

¹ There is not single definition of “youth” accepted by the U.S. government. For the purposes of this brief, we will use ages 10 to 24 as the Interagency Working Group on Youth Programs primarily focuses on youth ages 10 to 24 (Interagency Working Group on Youth Programs, 2016).

² One recent study found that 79% of parents provide financial support to their adult children (ages 18 to 34) ranging from assisting with or covering the costs of higher education to groceries and cell phone service. This support totals \$500 billion annually (Merrill, 2020).

The Resilient Families Hub is an interagency effort to expand knowledge of cash transfer programs within the federal government as part of the Facing Financial Shock initiative. Developed by the Executive Order on Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government (EO 14058), the mission of FFS is to provide stability and smoother pathways to resilience through better benefit delivery, better benefits, and better jobs.

poverty among 19-24-year-olds has increased, and young adults are among the most likely of any age group to live below the federal poverty level (Coccia, 2023).

In the U.S. roughly 1 in 10 youth experience homelessness during the transition to adulthood (Morton et al., 2018). Youth of color, those who identify as LGBTQ, pregnant and parenting youth, and those with juvenile justice involvement have increased risks of homelessness (Berger Gonzalez et al., 2022). Nearly half of all youth exiting the foster care system experience homelessness before age 26 (Dworsky et al., 2013).

Youth homelessness is associated with a wide range of adverse impacts, including negative physical and mental health outcomes, suicidality, early death, and increased adult homelessness (National Conference of State Legislatures, 2023).

While adults may struggle to navigate the complex and disjointed public benefits system, it can be particularly difficult for youth to navigate systems that were not designed with them in mind.³ Within this context, there has been a recent move to test whether direct cash transfer programs may provide the flexibility and support youth need.

Recognizing the special needs of at-risk youth and the positive impact that direct cash can have on this population, in 2023 the Family & Youth Services Bureau at the Department of Health and Human Services launched [the Runaway and Homeless Youth – Prevention Demonstration Program \(RHY-PDP\)](#), making grants to support the design and delivery of community-based demonstration initiatives to prevent youth from experiencing homelessness. Each of the selected grantees includes flexible cash assistance as part of its innovative programming.⁴

This innovative approach to supporting at risk or unhoused youth with direct cash assistance is also being tested in pilot programs around the country.

³ A 2023 report for the Center for the Study of Social Policy notes that despite the fact that roughly 1 in 3 college students are food insecure, many students are ineligible to receive Supplemental Nutrition Assistance Program (SNAP) benefits due to work requirements (Coccia, 2023).

⁴ For each of the FY 2023 RHY-PDP grantee prevention plans, see <https://acf.hhs.gov/fysb/programs/runaway-homeless-youth>.

Recent Cash Transfer Demonstrations

To further develop the available research, a number of sites are providing direct cash assistance to unhoused youth and youth transitioning from foster care.

County of Santa Clara Guaranteed Basic Income Pilot (First Cohort):

Launched in 2020, the Santa Clara Guaranteed Basic Income Demonstration was a publicly funded guaranteed income demonstration program serving youth transitioning from the foster care system. The initial program provided \$1,000 a month for approximately 18 months. After the initial cohort, the pilot was expanded within the County and across the state of California. ([Link](#))

County of Santa Clara Guaranteed Basic Income Pilot (Expanded):

Building on the success of its first pilot, the County of Santa Clara authorized a second pilot to provided recipients with \$1,200 for 24 months. In addition to former foster youth, this program includes unhousing high school students, justice-involved youth, and young moms. ([Link](#))

California State Guaranteed Income Pilot Programs for Former Foster

Youth: Building on the success of the Santa Clara and other pilots, the state of California allocated funds in the FY2021-22 budget to provide grants for guaranteed income programs that serve former foster youth and pregnant individuals. Program evaluations will be conducted by the Urban Institute and the University of California, Berkeley. ([Link](#))

Baltimore Young Families Success Fund (BYFSF): Launched 2022, BYFSF provides 200 young parents, aged 18 to 24, with \$1,000 a month for two years. An interim report evaluating the first year of the program was released in June 2024. Researchers found that participating in BYFSF increased income, improved mental and emotional health, and helped participants transition into more independent living situations. ([Link](#))

New York City and San Francisco Trust Youth Initiative (TYI): In March 2022, NYC launched the Trust Youth Initiative, the first ever direct cash transfer program with youth-directed supportive services for 29 young adults (ages 18 to 24) experiencing homelessness. The initiatives provided \$1,100 a month for 24 months and a one-time payment of \$3,000 to each recipient. This model was adapted and launched in San Francisco in August 2023, where 45 young adults are receiving

\$1,500 a month for 24 months and a one-time payment of \$4,500. Chapin Hall is leading the evaluation of these pilots. ([Link](#) and [Link](#))

Young Adult Louisville Income for Transformation (YALift!): YALift!

Provided 151 young adults living in historically disinvested, predominantly Black neighborhoods in the Louisville Metro area with \$500 per month for 12 months.

Researchers found that the participants increased their financial and housing stability and were able to create more organized and peaceful living environments. ([Link](#))

References and Resources

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