



L O U I S I A N A

Family Recovery Corps

Household Establishment Funds:

Self-Sufficiency as a Recovery Goal



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I. Executive Summary

The Louisiana Family Recovery Corps is a non-profit organization in Baton Rouge, La., that was established in the wake of hurricanes Katrina and Rita in the fall of 2005 and designated by Louisiana Act 313 as a lead agency for the coordination of humanitarian services in the wake of disasters, both natural and man-made.

The Recovery Corps' Household Establishment Funds (HEF) Program has supplied direct assistance of more than \$12 million to more than 6,300 households (nearly 15,000 individuals) impacted by hurricanes Katrina and Rita. The HEF program provides households with the necessary assistance to secure or help maintain affordable housing. The funds provided are paid on behalf of the household to utility companies for payments and deposits, landlords for rent and deposits, and third parties who provide major appliances and bedding. Our research shows that these funds assist clients in overcoming some of the main barriers impeding their recovery process.

One of the program's objectives is to identify households in federally declared disaster parishes with the ability to be self-sufficient. These households are not typically chronic social service clients and have enough income through employment or retirement to support their basic needs, though many of the clients receive some assistance such as Supplemental Security Income or disability income.

HEF program clients' annual household income must be within 300% of the federal poverty level. Clients who satisfy all eligibility criteria meet with a case manager within a few weeks of being pre-screened. Within 30 days of an appointment with a case manager, most households receive all requested benefits, usually within one to two weeks. These benefits can be any combination of rent payment, rental security deposit, utility deposit, utility payment, bedding, refrigerator, stove, washer, dryer, and bedding, up to a total of \$1,500.

Some of the essential lessons learned during the implementation of the HEF program across the state are:

- There are vulnerable communities, populations, and cultural groups that need assistance but are not served or are underserved because of cultural issues. Some examples include the elderly, disabled, households without transportation, those with language differences, and clients with physical and/or mental health issues.
- The need for resources far exceeds the capacity and funding to serve.
- Many families requesting benefits from the HEF program are in an emergency state relative to needing utility payments and rental assistance. With cutoffs and evictions looming, they seek relief for their hardships.



- More than one-third of those served via the HEF program had someone in the household with a disability – primarily a physical disability.
- Households that would otherwise be resilient are unable to “bounce back” financially, emotionally, or physically under the stress and long-term effects of disaster recovery.
- Disaster impacts are more challenging and longer lasting than typical lifetime events.
- Human services organizations provide essential monetary resources, hope, resiliency, and access to human recovery efforts.

This study provides an overview of the HEF Acadiana program outcomes and suggests policy implications for long term recovery, not just in Louisiana, but wherever there is a federally declared disaster area.

II. Louisiana Family Recovery Corps

The Recovery Corps' mission is to facilitate human recovery for the state of Louisiana in the aftermath of disaster. The Recovery Corps has partnered with human service and non-profit organizations throughout the state and the country to deliver assistance as effectively and efficiently as possible, allocating more than \$80 million to recovery efforts and assisting more than 30,000 households since January 2006.

The Recovery Corps has developed a reputation for its ability to design and deliver quality, outcome-based proprietary programs to disaster-impacted residents utilizing resources allocated by the state and federal governments and private organizations. The agency has delivered vital services and resources to nearly every parish in Louisiana, providing direct assistance in the form of home furnishings, rent/utility payments, home repairs, and case management services. Though many individual assistance and recovery programs do good work and provide needed resources, most do not effectively measure outcomes. The Recovery Corps' programs are all designed to measure specific outcomes and collect specific data, further allowing our staff to develop quantitative research that assists in understanding the true needs of our citizens and allowing the agency to design new programs (or alter existing programs) that specifically target the greatest needs of those going through the recovery process.

The Recovery Corps has also commissioned and produced important research related to Louisiana's long-term recovery efforts and the impacts of disaster on people, working with respected organizations such as The Children's Health Fund, Columbia University Mailman School of Public Health, The Urban Institute, and Berkeley Policy Associates, among others.

Our research has identified some of the major barriers to recovery such as the inability for many to re-establish their households with proper furnishings, the inability to pay for back utility bills, the inability to pay rent and utility deposits, the inability to pay higher



rental rates associated with far fewer housing options post-Katrina and Rita, and the inability to afford to repair their uninhabitable homes even after receiving some federal, state, and insurance assistance. Thus, many of our programs focus on providing direct assistance in those areas, as we have identified direct assistance as the most efficient way to aid the greatest number of people in the recovery process.

III. HEF Background

The Recovery Corps has executed three HEF programs to date. The first two iterations of the HEF program are considered Phase I of HEF. These programs were executed in 2007 and were funded via a \$10 million appropriation from the state of Louisiana. HEF Acadiana, executed from December 1, 2008 to March 9, 2009 is the second phase of HEF and was funded in part by a \$5 million state appropriation.

HEF Phase I served 5,200 households primarily in the greater New Orleans and Lake Charles regions. HEF Phase I assisted more than 10,000 Louisiana citizens, of which 61% were children. While 5,200 households were served during the program, many more self-identified as having a need. Approximately 4,480 households (or approximately 8,960 Louisiana citizens, of which 5,465 were children) presented a need for HEF funds but were unable to be served by the Recovery Corps due to limited resources. Obviously, the need far outstripped the available resources.

The realization of so many unmet needs from HEF Phase I led to the implementation of HEF Acadiana. In addition to the vast unmet needs unearthed during Phase I of HEF, the rural Acadiana parishes were considered by many to be underserved despite suffering heavy damage during Hurricane Rita.

In all, HEF Acadiana utilized \$3.1 million of a \$5 million state appropriation awarded to the Recovery Corps in July 2008.

IV. HEF Acadiana Program Process Overview

The HEF Acadiana program process overview and implementation benefited greatly from the lessons learned from HEF Phase I. The primary programmatic goal of HEF Acadiana centered on accountability and oversight while serving the most people possible in the shortest amount of time.

The HEF Acadiana program included an RFQ process that guided the selection of agencies based on scale, scope, and capacity to execute a pre-determined HEF implementation guide. The entire process of design, implementation, and training of the provider agency took only *three months* to execute.



Clients were pre-screened through an independent call center and appointments were set with case managers over a six-week time period. Though thousands of individuals called, only 1,665 appointments could be filled based on the available resources. Of the 1,665 appointments, 1,143 callers kept their appointments and had the necessary eligibility documentation to be seen by a case manager. Of those, 1,110 households were deemed eligible after presenting all necessary supporting documentation during their appointment.

The fact that 97% of the 1,143 pre-screened households ultimately qualified for the program is attributed in part to the real-time data component and the pre-screening process that included three reminder calls about the documentation required in order to be deemed eligible. Real-time data capture allowed for records without proper eligibility documentation to be updated within the allotted time for processing each client. Data on each client were monitored and any deficiencies or lack of documentation were noted and corrected within 24 hours. Unlike other recovery programs executed in the state from 2005 to 2008 which required multiple deadline extensions, the HEF Acadiana program was executed in total from conception to final delivery of all benefits to all clients *within seven months*.

V. General HEF Acadiana Findings

The objective of the HEF Acadiana program was to provide victims of hurricanes Katrina and Rita living in Acadia, Lafayette, St. Martin, Iberia, St. Mary, and Vermilion parishes with assistance in establishing or maintaining their households. Each eligible household could receive up to \$1,500 in rent deposits and payments, utility deposits and payments, furniture, and appliances based on the clients' priority of needs. The average total request of each household was \$1,332 for a total expenditure of \$1.48 million. Appendix A provides a complete detail of the data for the HEF Acadiana program.

Of the 1,110 eligible households, the average head of household demographic composition consisted of single (76%), African-American (95%) females (85%) approximately 30 years old. The average household (69%) consisted of just two people.

While there were a total of 1,110 eligible households, the total population of the households consisted of 2,445 individuals. Minors up to age 18 accounted for 42% of the population served while adults 19 and older accounted for 55% of the population served.

Further, 40% of the households indicated that at least one person in the home had a disability, primarily a physical disability, with 29% of the head of households described as disabled. This would indicate a substantial amount of single head of household families either disabled or caring for a disabled family member.



Most participants had no more than a high school education. Specifically, 40% held a high school diploma or equivalent while 27% had a high school education but no diploma.

Half of the HEF Acadiana heads of households (50%, or 572 heads of household) were employed full-time prior to the storms. Most, but not all, of those heads of household (51%, 550 heads of household) were employed full-time during the execution of the HEF Acadiana program, nearly three years after the storms made landfall.

Twenty-six percent 26% (302 heads of household) indicated they were disabled prior to the storm while 28% (316 heads of household) were disabled and receiving disability income during the program.

A comparative analysis of pre-disaster employment status and current employment status indicates a statistically significant high correlation ($r = .870^{**1}$). In other words, participant's current employment status was directly related to their pre-storm employment status. In general, participants' employment status following the storms was directly related to their pre-storm employment status. Similarly, very few relied on disability income.

More households owned a home (50% or 551) compared to renters (39% or 433). In comparison, participants' pre-disaster housing status indicated that 50% (573) owned a home and 39% (444) rented. These numbers indicate a slight shift from homeownership to rental property. This shift from homeownership to rental reveals specifically that 22 individuals lost their homes. A correlation of the status of ownership prior to Katrina or Rita reveals a statistically significant relationship ($r = .679^{**2}$) to the status of ownership post Katrina or Rita. In other words, homeowners were likely to remain homeowners after the storms, except for 22 individuals who did not remain homeowners.

Most (53%) participants lived in a single family dwelling, while 31% lived in a mobile home or trailer and 15% lived in an apartment. This also coincided with their pre-disaster status which indicated 52% of participants lived in a single family dwelling and 32% lived in a mobile home or trailer.

More than 66% of the households resided in the lower coastal and rural parishes of St. Mary and Iberia (Iberia 38%, St. Mary 28%). Lafayette residents comprised 14% of the total population while St. Martin comprised 10%, Vermillion 8%, and Acadia 2%.

¹ Correlation is significant at the .01 level

² Correlation is significant at the .01 level



Each client could select up to five items out of fifteen presented for a total maximum amount of \$1,500. Households were allowed to select more than one utility payment or rent payment for past due and current balances and more than one bed. However, households were not allowed to request more than one appliance and the cost of delivery was included in the cost of the appliance. The total count of requested items for the 1,110 eligible households was 3,341 items.

The top five requested benefits were a utility payment (17%), followed by a washing machine (13%), clothes dryer (12%), queen bed (11%), with a refrigerator, and stove both at 10%. Most of the requested benefits were received within a few weeks of each household's appointment (91%). The primary purpose for furnishings and appliance requests was to replace an existing item damaged during the storm (74%).

VI. Comparing HEF Acadiana Findings to a Self-Sufficiency Standard

Part of the rationale for the HEF program implementation included the notion of self-sufficiency. One of the core beliefs of the Recovery Corps is that it can empower citizens to be self-sufficient. The following discussion provides an overview of the factors used to determine self-sufficiency.

A Self-Sufficiency Index

An effective measure of self-sufficiency is found in an index that measures several criteria and considers regional contexts.

In 2003 the Agenda for Children commissioned a Louisiana Self-Sufficiency study based on a standard developed by Wider Opportunities for Women³. The principal question of the study was how much money was needed in Louisiana for families to live and work without public or private assistance or subsidies. The study developed a standardized index (Self-Sufficiency Index or SSI) accounting for varying family sizes for every parish in Louisiana based on the cost of everyday living expenses.

The SSI included calculations for housing, child care, food, transportation, health care, and taxes, including several tax credits such as the Earned Income Tax Credit, and a miscellaneous category that included other essential expenses such as clothing, diapers, and household items. The SSI housing costs included a calculation of the cost of a one bedroom or two-bedroom apartment and the amount needed to pay the gross rent plus utilities, excluding telephone and cable. These costs are based on the U.S. Department of Housing and Urban Development (HUD) fiscal year Fair Market Rents. The SSI childcare costs are based on the annual Louisiana Market Rate survey for the Department of Social Services. Transportation costs were estimated based on the availability of public transportation in areas where available and private transportation where not. Private transportation costs are based on annual surveys of insurance,

³ The study can be accessed at <http://www.agendaforchildren.org/fss.htm>



repairs, financing, and gasoline. Health care costs were calculated based on the employee's share of insurance premiums plus out of pocket expenses. A complete list of calculations utilized in the Louisiana Self-sufficiency Index can be obtained in Chapter Two of the report, "How the Self-Sufficiency Standard is Calculated."

The SSI provides calculations for various household sizes, as housing needs and childcare costs vary for families according size, age local market conditions. An examination of the 2009 SSI in comparison to the average HEF family size according to the local cost of living in each parish would assume that a family of one adult and one school age child would need a two bedroom apartment. A recalculated 2009 housing SSI for all HEF Acadiana parishes for a family of two, along with the average housing income for each parish, is listed in Table 1.

Table 1. 2009 SSI Recalculation Compared to Average HEF Income by Parish

Parish	SSI 2009 Adult +School Age Child	2 Person HEF Client Average Income	SSI Difference
Iberia	\$ 21,486	\$ 17,782	\$ -3704
St. Mary	\$ 21,218	\$ 22,166	\$ 948
Lafayette	\$ 22,350	\$ 24,869	\$ 2,519
Acadia	\$ 22,376	\$ 22,464	\$ 88
St. Martin	\$ 22,337	\$ 20,492	\$ -1845
Vermillion	\$ 21,328	\$ 21,143	\$ -185

Comparing the average annual income for HEF participants to the 2009 SSI index reveals that program participants in Vermillion Parish, Iberia Parish, and St. Martin Parish were not considered to be self-sufficient. While the HEF program only offered help in the form of one-time assistance paid on behalf of the recipient rather than directly to the client, the average benefit received (listed in Table 2) by parish provides an understanding of the gap filled in by the HEF program towards self-sufficiency for residents in Vermillion, Iberia, and St. Martin parishes.



Table 2. HEF Benefit Calculations Compared to Annual Income

Parish	SSI 2009 Adult +school age child	2 Person HEF Client Average Income	Average HEF Amount Assistance Received	Adjusted Income
Iberia	\$ 21,486	\$ 17,782	\$ 1,322	\$ 19,104
St. Mary	\$ 21,218	\$ 22,166	\$ 1,349	\$ 23,515
Lafayette	\$ 22,350	\$ 24,869	\$ 1,313	\$ 26,182
Acadia	\$ 22,376	\$ 22,464	\$ 1,299	\$ 23,763
St. Martin	\$ 22,337	\$ 20,492	\$ 1,355	\$ 21,847
Vermillion	\$ 21,328	\$ 21,143	\$ 1,318	\$ 22,461

With the resources provided by the HEF program, Vermillion Parish residents on average received enough of a benefit to help them become self-sufficient. While the benefits were not paid directly to HEF participants, the amount of funding spent on each family's behalf helped to provide one of the key necessities of living, such as housing. This one-time benefit enabled families to continue to live independently of ongoing public support.

VI. Discussion

The HEF Acadiana program helped families remain self-sufficient, and, in the case of Vermillion Parish clients, become self-sufficient.

HEF Acadiana clients, while mostly self-sufficient prior to the hurricanes, suffered a setback from the loss of items such as beds and stoves and permanent housing after Katrina and, in particular, Rita. Indeed, many of the requested benefits of the HEF program reflect Recovery Corps research conducted in early 2008 entitled "Progress for Some, Hope and Hardships for Many," which identified the loss of these items as some of the major barriers to the recovery process⁴. More than fifty percent of participants in that study indicated that money to pay bills to get back on their feet was the most important service that would help them recover.

The assistance provided by the HEF Acadiana program helped those who suffered a setback from the storms by providing them with financial assistance, thus freeing them to cover daily living expenses.

Rather than relying on anecdotal analysis of HEF requested benefits, the Recovery Corps conducted an independent 45-day follow-up survey for all participants who had a HEF appointment. The primary goal of the survey was to determine the impact of the

⁴ The report can be found at: http://www.recoverycorps.org/media/files/RecBrf_May2008.pdf



HEF program in terms of helping families recover and remain self-sufficient. HEF Acadiana participants were asked how the program allowed them to meet their needs. Most (73%) indicated that the program allowed them to meet other needs such as food and healthcare costs (38%) or to pay for things which they had the ability to pay for but for which it would have been a financial strain to do so.

Also, nearly half (49%) of all HEF Acadiana participants considered lack of money to pay for items lost during the storms as the biggest barrier to achieving recovery. These perceptions reflect earlier findings in which individuals reported that money to pay bills was one of the largest barriers to recovery.

Participants in the HEF Acadiana program were largely working families with the ability to be self-sufficient apart from a natural disaster. Their only problem was a lack of federal, state, or local resources or a personal "rainy day fund" large enough to make up for the catastrophic damage the storms caused.

One natural question that arises from these findings is the notion of recovery and the role individuals, government, nonprofits, and communities have in that recovery. If the intent of recovery is to return an individual to their pre-disaster state, then what role should each actor play in the recovery process?

HEF Acadiana provides an example of an efficient coordination of each actor in the recovery process. HEF Acadiana participants progressed on the road to recovery by their own inherent ability to be self-sufficient and the help they received from a program funded by public dollars. What was unique about the process was that it was created by one of the state's lead non-profit organizations which was able to bridge the gap between government and the private sector with oversight and accountability.

Self-sufficiency does not mean that a person is well-off. It means, that, under normal circumstances, an individual can afford the daily unexpected expenses of life, whether they be car repair or an unexpected doctor's visit. Self-sufficient families need access to available resources to help them recover to their pre-disaster states. Programs like HEF offer a solution to the largest barriers families face when recovering from large-scale disasters.

While HEF Acadiana participants were largely considered self-sufficient, many were on the edge of losing sustainable housing via cutoff notices and evictions. The help they received allowed them to pay for other expenses like doctor bills and food while offering relief from the hardships they faced.

In order to better understand the use of the Self-Sufficiency Index for programs like HEF, an updated Self-Sufficiency Index that considers a myriad of events from retirement, sickness, disaster, and disability is necessary, as each threaten a family's ability to be self-sufficient. For example, in 2003, the fair market rents for Iberia Parish



were between \$393 and \$504 for a one and two bedroom apartment. In 2009, those costs had increased to between \$493 and \$581, or approximately a 15% increase due to the loss of affordable housing units destroyed from the storms of 2005 and 2008.

The storms affected all HEF participants. But more importantly, the effects of the storm were still felt three and a half years after Katrina and Rita made land fall. Though most HEF Acadiana participants were able to remain self-sufficient in terms of income and housing, some were unable to bounce back in that they lost their homes and became unemployable. The HEF program helped fill in the gap between permanent public support and self-sufficiency.

Programs like HEF help families struggling to remain self-sufficient not become dependent on state services. If a population is able to retain its self-sufficiency, it remains part of the tax base upon which state and local governments depend to fund social service programs. The larger goal of the Recovery Corps in delivering programs like HEF is to assist the state in helping its citizens remain self-sufficient and retain Louisiana's economic viability.

A noted drawback of the HEF program is how it funds its considerable population of disabled and elderly clients. Recovery programs, including HEF, typically fund individuals with the same amount of benefits regardless of individual condition. It seems unlikely that the most vulnerable - the elderly and the disabled - will receive an adequate amount of help for their special needs under this policy. Instead they will be left with unmet needs. Based on the findings of the HEF elderly and disabled population, future funding policies should consider the additional costs that the elderly and those with disabilities incur in remaining self-sufficient.

In all, major disasters impact people's lives longer than typical lifetime events. Human service organizations, utilizing government funds, are able to help fill the gaps between disaster recovery and self-sufficiency. Perhaps more important is the ability of human service organizations to offer hope to those fatigued and weary from the long process of recovery after a major disaster.



VIII. APPENDIX A. HEF ACADIANA DATA
HEF-Acadiana Crosstabs

Highest Level of Education	Grand Total	Acadia	Iberia	Lafayette	Saint Martin	Saint Mary	Vermilion
9th to 12th grade, no diploma	27%	2	137	36	21	90	25
Associate's degree	3%	0	12	7	4	8	2
Bachelor's degree	3%	1	14	4	2	14	4
Graduate or Professional degree	1%	0	3	2	2	3	0
High school graduate or equivalent	40%	11	168	43	55	141	41
Less than 9th grade	11%	4	60	8	14	30	8
Some college, no degree	15%	2	51	26	21	60	10

Currently Enrolled in School	Grand Total	Acadia	Iberia	Lafayette	Saint Martin	Saint Mary	Vermilion
No	94%	17	422	114	108	326	86
Yes	6%	2	22	12	11	17	4

Pre Disaster Employment Status	Grand Total	Acadia	Iberia	Lafayette	Saint Martin	Saint Mary	Vermilion
Disabled	26%	8	126	29	15	98	26
Full-time Employed	50%	7	229	64	50	174	48
Part-time Employed	10%	1	44	20	25	28	2
Retired	7%	1	24	6	8	29	11
Unemployed	6%	3	20	7	21	16	3

Type of Current Housing	Grand Total	Acadia	Iberia	Lafayette	Saint Martin	Saint Mary	Vermilion
Apartment	15%	4	65	42	12	42	9
Hotel	0%	0	3	0	1	0	0
Mobile home/trailer	31%	5	157	18	31	131	14
Other	0%	0	0	0	0	1	1
Single family dwelling	53%	11	220	66	75	172	66

Status of Pre Disaster Housing	Grand Total	Acadia	Iberia	Lafayette	Saint Martin	Saint Mary	Vermilion
Homeless/transient shelter	0%	0	0	0	1	1	2
Live with family/friends	10%	3	36	13	18	42	1



Other	1%	0	5	0	0	4	0
Own	50%	6	232	38	53	187	57
Rent	39%	11	172	75	46	110	30

Type of Pre Disaster Housing	Grand Total	Acadia	Iberia	Lafayette	Saint Martin	Saint Mary	Vermillion
Apartment	15%	3	69	35	15	42	10
Hotel	0%	0	1	0	0	2	0
Mobile home/trailer	32%	4	154	26	34	129	15
Other	1%	1	1	1	0	10	1
Single family dwelling	52%	12	220	64	70	163	64

Pre Disaster Housing Subsidized by	Grand Total	Acadia	Iberia	Lafayette	Saint Martin	Saint Mary	Vermillion
FEMA	0%	0	1	0	0	0	0
HUD/Public housing	4%	2	15	3	7	20	2
HUD/Section 8	6%	4	30	13	4	10	10
None	89%	13	390	109	105	309	76
USDA	1%	0	3	0	3	2	0

Please note all types of income your family currently has	Grand Total	Acadia	Iberia	Lafayette	Saint Martin	Saint Mary	Vermillion
Child support	4%	0	22	4	3	14	3
Food stamps	16%	5	61	29	22	50	14
Income from employment	49%	8	219	62	60	170	37
Other	7%	2	40	6	3	25	4
Retirement	4%	1	13	5	1	20	4
Supplemental Security Income (SSI)	20%	4	82	21	29	65	20
Unemployment/workers comp	0%	0	2	1	1	1	0

