



UNITED WAY
Greater Los Angeles

HOMELESS SERVICES SECTOR

BUDGET FORECASTING, WORKFORCE ANALYSIS
& RECOMMENDATIONS

June 2026



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Introduction & Project Overview



OUR JOURNEY WITH UNITED WAY SO FAR...

United Way and KPMG have been partners for years. We are committed to United Way and its associated organizations, working in synergy to drive innovative solutions. We are excited to advance our collective partnership to achieve United Way's future aspirations.

KPMG has partnered with United Way on many important initiatives over the last four years ...



How our values align

United Way's Core Values	Integrity	Excellence	Leadership	Openness Collaboration Responsiveness	Volunteerism Impact
KPMG's Core Values	Integrity	Excellence	Courage	Together	For Better



MINIMIZING DISRUPTION THROUGH INNOVATIVE WORKFORCE STRATEGIES

To **minimize the anticipated disruption** in LA County's homeless services sector **caused by looming budget cuts**, KPMG will follow these **three key steps to co-create innovative workforce strategies**: grounding them in data, informing them through sector experts and employees, and **directly aligning** them with sector **business and operational strategies**.

Step 1: Define the Gap

Evaluate Workforce Composition

Assess workforce size in relation to sector needs

Analyze Budget Impact

Examine budget cuts effects on nonprofit vulnerabilities

Assess Operational Baselines

Identify funding gaps and evaluate post-cut operational needs

Validate with Comparative Data

Support assumptions using cross-sector data analysis

Step 2: Discuss the Levers

Optimize Workforce Allocation

Identify opportunities for workforce distribution and utilization

Strengthen Financial Resilience

Tailor strategies to improve resilience & prioritize funding

Optimize Resource Management

Integrate analytics with resource and funding strategies

Innovative Funding Rationale

Apply data-driven insights to enhance funding rationale

Step 3: Minimize Disruption

Enable Strategic Initiative Execution

Support optimization initiatives aligned with sector goals

Guide Financial Resource Optimization

Enable UWGLA and the sector to optimize their resources

Strengthen Advocacy Efforts

Facilitate data-driven advocacy within the sector

Empower Stakeholder Engagement

Cultivate support for strategic plans within the sector

Innovative Workforce Strategies

KPMG, in collaboration with UWGLA, will co-develop innovative workforce strategies utilizing data-driven insights to mitigate disruption to the homeless services workforce considering anticipated budget cuts



EXECUTIVE SUMMARY: A BLUEPRINT FOR A RESILIENT WORKFORCE

This project highlights **key opportunities** to support the workforce by easing complex administrative processes, expanding digital tools, and improving staff retention. To navigate **budget constraints**, this blueprint outlines three pillars & immediate actions to **unify services, modernize tech, and optimize talent**.

The Challenge in the Sector

A System Under Strain

Looming budget cuts and operational bottlenecks threaten service continuity.

Hindered Collaboration

Administrative burdens prevent an inter-agency collaboration desired by 97% of staff.

Untapped Digital Potential

70% of back-office staff lack AI tools, missing critical automation efficiencies.

Critical Talent Drain

Lack of career advancement risks a "management gap" and could compromise client care.

The Recommended Strategy

3 Pillars for Workforce Sustainability

An ecosystem of interconnected opportunities to build resilience.

Collaborative Service Delivery

Formal partnerships, shared services, and a unified Center of Excellence (CoE) for equitable access.

Digital Enablement

Establish a shared tech/data foundation to automate tasks and enable evidence-based decisions

Talent Optimization

Align role architecture and career paths with new operating models; provide targeted bonuses, customized training, and succession planning.

Key Next Steps

High-Impact Quick Wins

Launch foundational initiatives to realize early value, build momentum, and protect the workforce.

Initiate Shared Services Planning

Begin cross-agency dialogues to identify initial shared services and lay the groundwork for the CoE.

Map Tech & Data Landscape + Pilot AI

Inventory current tech to remove blind spots and launch an AI assistant pilot for routine tasks.

Secure Talent & Cross-Train

Identify flight risks for immediate retention and audit job descriptions to begin cross-training.



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METHODOLOGY



ANALYSIS SUMMARY

We successfully gathered data from a wide range of stakeholders, including agencies, employees, sector leaders, and key roles within the Greater Los Angeles homeless sector workforce, along with comparable cities to help forecast for budget changes and minimize disruption to the sector.

	Quantitative		← Hybrid →		Qualitative
Method	Organizational View (Inside-Out Analysis)	KPMG Benchmarking (Outside-In Analysis)	Workforce Survey (Employee View)	1:1 Interviews (Leadership View)	Focus Groups (Role-Based View)
Purpose	Analyze internal organizational data to evaluate workforce metrics and identify opportunities for operational improvement	Use external benchmarks to evaluate workforce efficiency and identify key gaps for strategic planning purposes	Survey employees to assess workforce dynamics, address funding challenges, and identify strategic opportunities for continuity and improvement	Conduct a deep dive to understand leadership perspectives regarding the needs common to the sector and identify any nuances across organizations	Understand collective employee perspectives regarding funding challenges, strategic investments, and operational efficiency in LA's homeless services sector
Audience	Representative sample across 40 LA sector organizations	N/A	Current employees at 40 LA sector organizations	10 interviews across select sector organization leaders	15 focus groups with select front-office & back-office employees.
Response Results	<ul style="list-style-type: none"> 23 agencies participated in the organizational data collection 58% response rate 	<ul style="list-style-type: none"> External market data from 10 cities (New York, Houston, Miami, Philadelphia, etc.) were included for comparison in the industry benchmark 	<ul style="list-style-type: none"> Employees from 21 agencies participated in the survey 725 responses collected 	<ul style="list-style-type: none"> 10 leadership interviews were conducted with System, Government, and Philanthropy providers 	<ul style="list-style-type: none"> 9 different roles (Housing Navigators, Program Managers, etc.) were represented in 15 focus groups across 18 agencies 99 individuals participated



DATA COLLECTION PARTICIPATION

The charts below reflect all the organizations that participated in the study and their methods of engagement. Of these organizations, **31 homeless services agencies and 2 philanthropy organizations were involved** in one or more data collection methods.

Organization Name	Org View	Focus Group	Workforce Survey	Leadership Interview
1 Brilliant Corners	✓	✓	✓	
2 Cedars-Sinai (<i>Philanthropic Org</i>)				✓
3 Coalition For Responsible Community Dev.	✓	✓		
4 Covenant House CA	✓			
5 Harbor Interfaith	✓	✓	✓	
6 Hillsides	✓	✓		
7 Hilton Foundation (<i>Philanthropic Org</i>)				✓
8 Holliday's Helping Hands	✓			
9 Homeless Health Care LA	✓			
10 Hope of the Valley (now Hope the Mission)		✓	✓	
11 HOPICS	✓			
12 Housing Works	✓	✓	✓	✓
13 Integrated Recovery Network	✓	✓	✓	
14 Jovenes	✓	✓	✓	
15 LA County Department of Mental Health		✓	✓	
16 LA County Homeless Services & Housing			✓	✓
17 LA Family Housing	✓		✓	

Organization Name	Org View	Focus Group	Workforce Survey	Leadership Interview
18 LAHSA	✓	✓	✓	✓
19 LGBT Center		✓		✓
20 Little Tokyo Service Center		✓		
21 PATH	✓		✓	✓
22 Safe Place for Youth	✓		✓	
23 SRO Housing Corporation	✓	✓	✓	
24 St. John's Well Child & Family		✓	✓	
25 St. Joseph Center		✓	✓	✓
26 Sycamores	✓	✓		
27 Tarzana Treatment Center	✓		✓	
28 The Center in Hollywood	✓		✓	✓
29 The People Concern	✓		✓	✓
30 The Salvation Army			✓	
31 Union Station Homeless Services	✓	✓	✓	
32 Venice Community Housing Corporation	✓			
33 Whole Child Mental Health & Housing Services	✓		✓	



ENSURING RELIABLE DATA SOURCES TOWARDS ENGAGEMENT DELIVERY

As part of our **due diligence process**, we intend to **leverage the following methods** to help ensure we capture and articulate information appropriately to incorporate into our sector findings.



WDLT Internal Insights

- Because of how unique the sector is, there is a **need to help ensure proper terminology** is being applied when engaging sector employees and help ensure all sector nuances are being included
- KPMG will engage **United Way and the WDLT for review of materials** prior to engaging employees



Sector Financial Data

- **Inside-Out analysis** will be conducted using organizational workforce and financial data collected through raw data requests and standard questionnaires, validated by sector experts
- KPMG will **incorporate client-provided funding levers** into our analysis, insights and recommendation

KPMG Benchmarking

- **Outside-in analysis** will be conducted to curate data from third-party sources and relevant benchmarks from similar organizations
- KPMG will leverage internal **data science experts** to tailor findings towards valuable sector insights



Comparable Sector Insights

- To understand **comparable sectors (e.g., Hospitality), and localities facing similar challenges (e.g., Large Scale Events: World Cup / Super Bowl)**, we will access diverse resources for a comprehensive point of view
- KPMG **will bring** in leading practices and recommend successful workforce sustainability strategies and practices that can be replicated across the sector



BENCHMARKING SOURCES AND CALCULATIONS

Core Data Sources – Revelio

Target: LA County Homeless Services

- Our analysis surveyed a **sample of 40 homeless services organizations in LA County**
 - Current workforce statistics
 - 2020-2026 Job Postings
- These 40 organizations are affiliated with United Way of Greater Los Angeles

Peers: Locality Benchmarks

- A comparable sample of **40 homeless services organizations** were selected across each of **9 other localities** to serve as peer benchmarks
 - Urban Comparables: New York, Chicago, Miami, Boston, San Francisco, Sacramento
 - Diverse Economic Factors: Seattle, Houston, Philadelphia

Supporting Data Sources – Secondary Research

Low-Income Limit

- For each locality, we leveraged [HUD](#) for median incomes and low-income limits
- Low Income is calculated as 80% of the area median income (for single individuals) and represents individuals/households that may qualify for affordable rental housing, housing assistance programs, homeownership assistance, rent protections, and other assistance

Homeless Population and Demographics

- For each locality, we leveraged the [2024 Annual Homelessness Assessment Report](#) from the U.S. Department of Housing and Urban Development
- The report contains point-in-time homelessness estimates by state and county from 2007-2024 and includes detailed demographic data for homeless populations

Nonprofit Revenue, Costs, and Funding

- For most individual organizations, [ProPublica's Nonprofit Explorer](#) contains revenue, expense, and funding data pulled from annual 990 tax return filings
- Data available from 2011-2024

Calculation Dictionary

Homeless Services FTE per Person Experiencing Homelessness

Definition: Visualizes and measures The number of full-time equivalent (FTE) staff dedicated to homeless services for each individual experiencing homelessness

Calculation: (Total Homeless Services FTEs / Total People Experiencing Homelessness)

Purpose: Compares staffing intensity across cities regardless of size

Example: 500 FTEs in a city where 1000 people experience homelessness

- 0.5 FTE per person experiencing homelessness
- 1 FTE per every 2 people experiencing homelessness

Homeless Services FTE per 1,000 City Residents

Definition: Number of full-time equivalent (FTE) homeless services staff per person experiencing homelessness.

Calculation: Total Homeless Services FTEs ÷ Total Homeless Population.

Purpose: Measures staffing intensity relative to need, not population size.

Example: 2,000 FTEs serving 1,000 homeless individuals = 2 FTE per 1 homeless individual



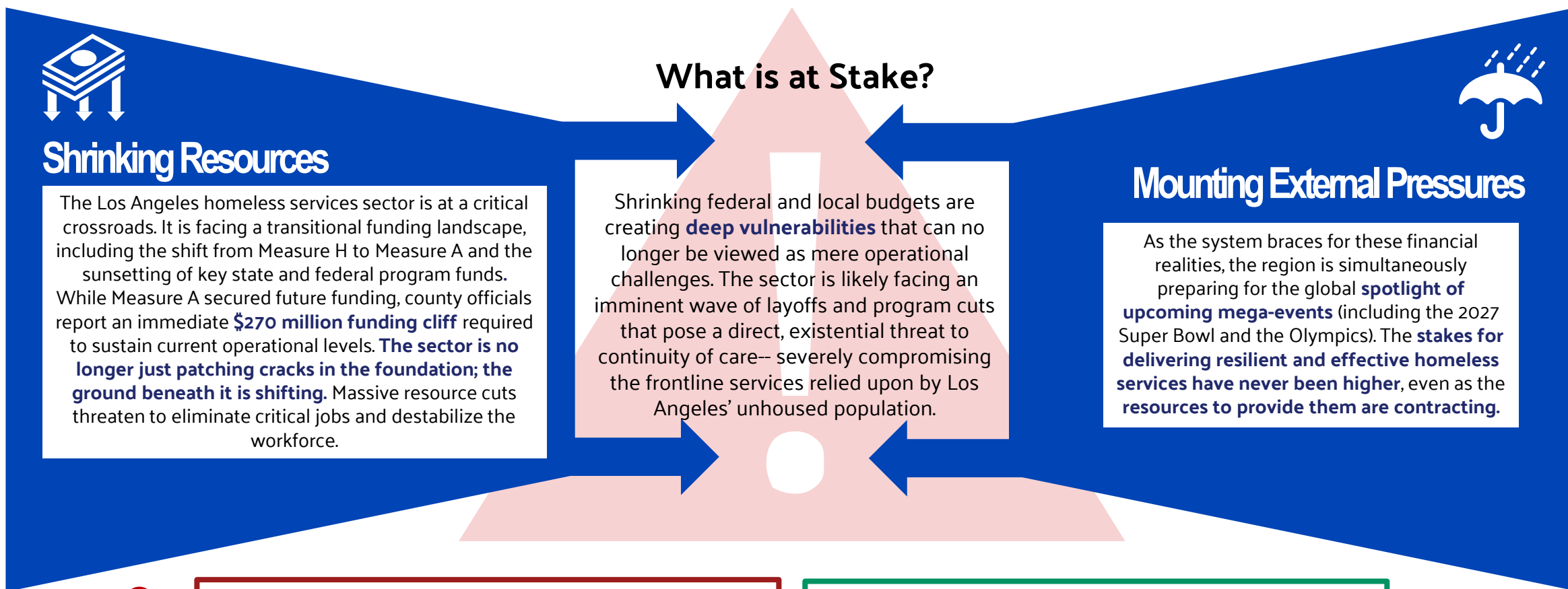
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CURRENT STATE ASSESSMENT



THE BIG PICTURE: A SECTOR BRACING FOR IMPACT

Looming budget cuts are a critical threat, concerning **73%** of the workforce. These cuts will **amplify vulnerabilities in a system already strained** from serving the nation's second-largest homeless population with a **staff-to-homeless ratio (0.2) well below peer cities**.



The Imperative for Action:

We recognize the harsh reality of resources in this moment. However, the reflections and recommendations that follow are not just doable despite the cuts; they are **essential** because of them.

The Goal:

To provide actionable insights for preemptive planning and adjustment strategies that will **minimize workforce disruption** and maximize the efficiency of the resources the sector still has.



CURRENT STATE SUMMARY: BLUEPRINT TO DRIVING WORKFORCE SUSTAINABILITY

Below is a summary of key findings and opportunities that KPMG has identified for Los Angeles Homelessness Services Sector Workforce. These findings resulted from data analysis of external labor market data, organizational assessments, an employee survey, focus groups and interviews with agency leaders.

Collaboration is Hindered by Administrative Burden

- Systemic blockers to information impacting the sector force a high administrative burden on lean staff. While **97% of staff want deeper inter-agency collaboration**, current structures survive on critical resources that will be even more precious under budget cuts.

Untapped Digital Tools Represent Wasted Potential

What are the Key Findings?

- A lack of strategy means digital tools that could create efficiency are unused and risky. **70% of back-office staff do not use AI**, while **83% believe a formal policy is needed**. This innovation gap is a direct barrier to absorbing budget cuts.

Navigating the Dual Challenge of Talent Drain and Anticipated Layoffs

- Key talent is at risk of departure when they are needed most. A lack of career advancement is the top reason employees consider leaving, and **100% of interviewed leaders see a "management gap"** when staff are promoted. Losing these people now could be catastrophic for the sector.

What Could Go Wrong if the Sector Doesn't Act?

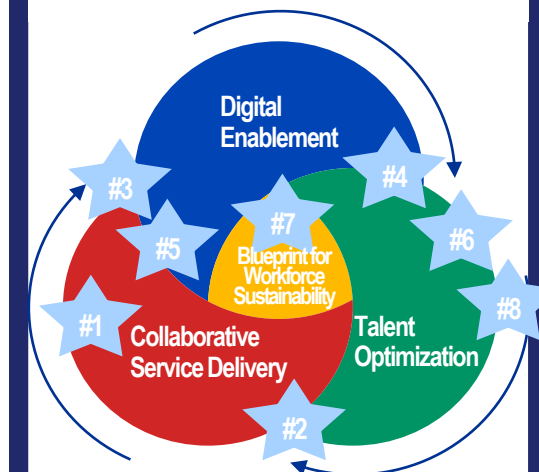
- **Risk:** Resource drain and strategic drift, inability to respond to surges in demand, and erosion of continuity of care for individuals experiencing homelessness.
- **Risk:** Stagnating productivity and compromised data, resulting in a reactive system that fails to efficiently match clients to housing and misses opportunities for critical interventions.
- **Risk:** Accelerated staff turnover, a leadership vacuum, and diminished morale, which compromises the quality of services needed to help people exit homelessness.

Directional Opportunities for LA Homelessness Services Sector Workforce

- Promote Strategic Alignment Through Target Operating Model (TOM) Evaluation
- Implement Formal Partnerships and Shared Services
- Develop a Sector-Wide Center of Excellence (CoE)
- Develop a Unified and Collaborative Digital Ecosystem
- Establish the Foundation for Responsible AI Adoption
- Implement Targeted Retention and Performance Bonuses
- Reexamine Role Architecture
- Utilize Customized Employee Development and Succession Planning

The Big Picture: A Sector Bracing for Impact

Looming budget cuts are a critical threat, concerning **73%** of the workforce. These cuts will **amplify vulnerabilities in a system already strained** from serving the nation's second-largest homeless population with a **staff-to-homeless ratio (0.2) well below peer cities**. The following report details these findings and directional opportunities required to build resilience.



KEY ASSUMPTIONS

As a response to homeless sector workforce trends, we utilized key assumptions identified below across workforce and demographic data to pull insights and inform the current state assessment.

Workforce Assumptions



LA Homelessness Services Sector

Los Angeles Homelessness Services Sector includes Service Planning Areas (**SPAs**), Housing & Urban Development (**HUD**), and Continuum of Care (**CoC**)



Homelessness Service Provider Type

Include **representation across different service types** with prioritization in Housing and Workforce, followed by Outreach and Housing Navigation



Service Provider System Partners

Include system partners that may have improved policies and talent programs in place to measure overall success (i.e., **Homeless Services and Housing and LA Homeless Services Authority**)



Data Sampling

Third-party workforce data, sourced from platforms like Revelio and LinkedIn. It is assumed the sample reflects the larger population but may not be fully representative



Funding Impacts on Organizations

Funding impacts discussed are in regards to organizations that receive **Measure H Funding, Measure A Funding, County, State, and/or Federal-Level Funding**

Demographic Assumptions



Organization Type & Size:

Non-profit; Government; Measure H Funding

- **Small:** < 113 employees
- **Medium:** 113 – 399 employees
- **Large:** 400+ employees



Demographics:

The analysis includes data across all races, ethnicities, and gender differences, including:

- **PWLE:** People with Lived Experience
- **BIPOC:** Black, Indigenous, and People of Color
- **Genders:** Woman, Man, Non-Binary, Transgender



Back-Office vs Client-Facing

- **Back-Office:** HR, Finance, IT, etc.
- **Client-Facing:** Case Managers, Housing Navigators, Outreach Specialists, etc.



Generations:

- **Baby Boomer:** 1946 – 1964
- **Gen X:** 1965 – 1980
- **Millennial:** 1981 – 1996
- **Gen Z:** 1997 – 2012



DEMOGRAPHICS: ORGANIZATION SURVEY DATA

We utilized **key assumptions** identified below across workforce and demographic data to pull insights to inform the **current state assessment**.



23 Organization Assessments Collected

Race & Ethnicity		Education Level		Tenure	
Asian Employees	5.80%	Associate's Degree	7.13%	< 2 years	40.19%
Black or African American Employees	27.12%	Bachelor's Degree	24.28%	Greater than 2 years but less than 5 years	36.17%
Employees of Two or More Races	3.92%	Certification / Trade / Technical / Vocational School	6.50%	Greater than 5 years but less than 10 years	14.93%
Hispanic or Latinx/o/a Employees	46.23%	High School Graduate / GED	39.78%	Greater than 10 years but less than 20 years	5.97%
American Indian or Alaskan Native Employees	0.49%	Master's Degree	19.43%	20+ years	2.74%
Native Hawaiian and/or Pacific Islander Employees	0.35%	Ph.D. or Higher	0.98%		
White or Caucasian Employees	16.09%	Some High School Education	1.89%		
Gender		PWLE*		Generation	
Woman	61.65%	Percentage of employees who have experienced homelessness	7.60%	Baby Boomer (born 1946 - 1964)	7.30%
Man	36.98%	Disability Status		Generation X (born 1965-1980)	25.30%
Non-Binary	0.30%	Employees without Disabilities	90.50%	Generation Z (born 1997 - 2012)	24.50%
Transgender	0.09%	Employees with Disabilities	9.50%	Millennial (born 1981 - 1996)	42.89%

*Based on response from 8 organizations only



VOICE OF THE SECTOR EMPLOYEE FINDINGS

Below are key insights we heard from employees within the sector through focus groups. We identified **common ways employees can be supported through budget cuts** and unique experiences that **are causing challenges** for specific employee groups.

Common Levers to Navigate Budget Cuts

Advocating for Financial Stability & Flexible Funding

Advocate for **flexible funding models** to strive for financial stability beyond restrictive, reimbursement-based contracts (e.g., a mix of new revenue sources, such as capacity-building funding, and unrestricted philanthropic gifts).

Developing Meaningful Metrics & Data-Informed Advocacy

Develop meaningful, **staff-informed metrics** that accurately reflect client progress and **strengthen the case for funding** (e.g., housing retention rates at 12 months, client well-being assessments, or successful connections to employment).

Improving Collaboration & Streamlining Processes

Foster collaboration between agencies to streamline burdensome processes and reduce administrative load (e.g., creating **standardized, system-wide procedures for common tasks**, like client intake and referral handoffs, or consolidated financial reporting to big funders).

Investing in Staff Support & Cross-Training

Invest in robust **staff support and cross-training** to prevent burnout and fill critical gaps. This may include tangible wellness resources (e.g., access to mental health services and reflective supervision) or professional growth opportunities, such as **certifications in trauma-informed care** or leadership development programs.



Philanthropist



Public Funding Administrator



Contract Funding



Program Manager



Back-Office Representative



PWLE



Specialized Pop. Outreach



Housing Navigator



Outreach/Mental Health Specialist



Case Manager

Unique Priority Pain Points

Burden of Strategic Investment in a Systemic Crisis: Struggling to balance strategic, long-term investments against the immediate pressure to provide emergency "bailout" funding.

Erosion of Trust and a Damaging Public Narrative: Leadership and funding-focused roles are grappling with a negative public perception of the sector, fueled by reports of fraud and mismanagement by a few.

Expertise is Undervalued: Critical insights from PWLEs and specialized staff are often excluded from high-level program design. This results in less effective, more costly programs and poorer client outcomes, which weakens ability to demonstrate a strong return on investment to funders.

Direct Threat to Client Survival: Budget cuts are forcing frontline workers to turn away clients, directly causing increased homelessness, suffering, and a sense of moral injury.



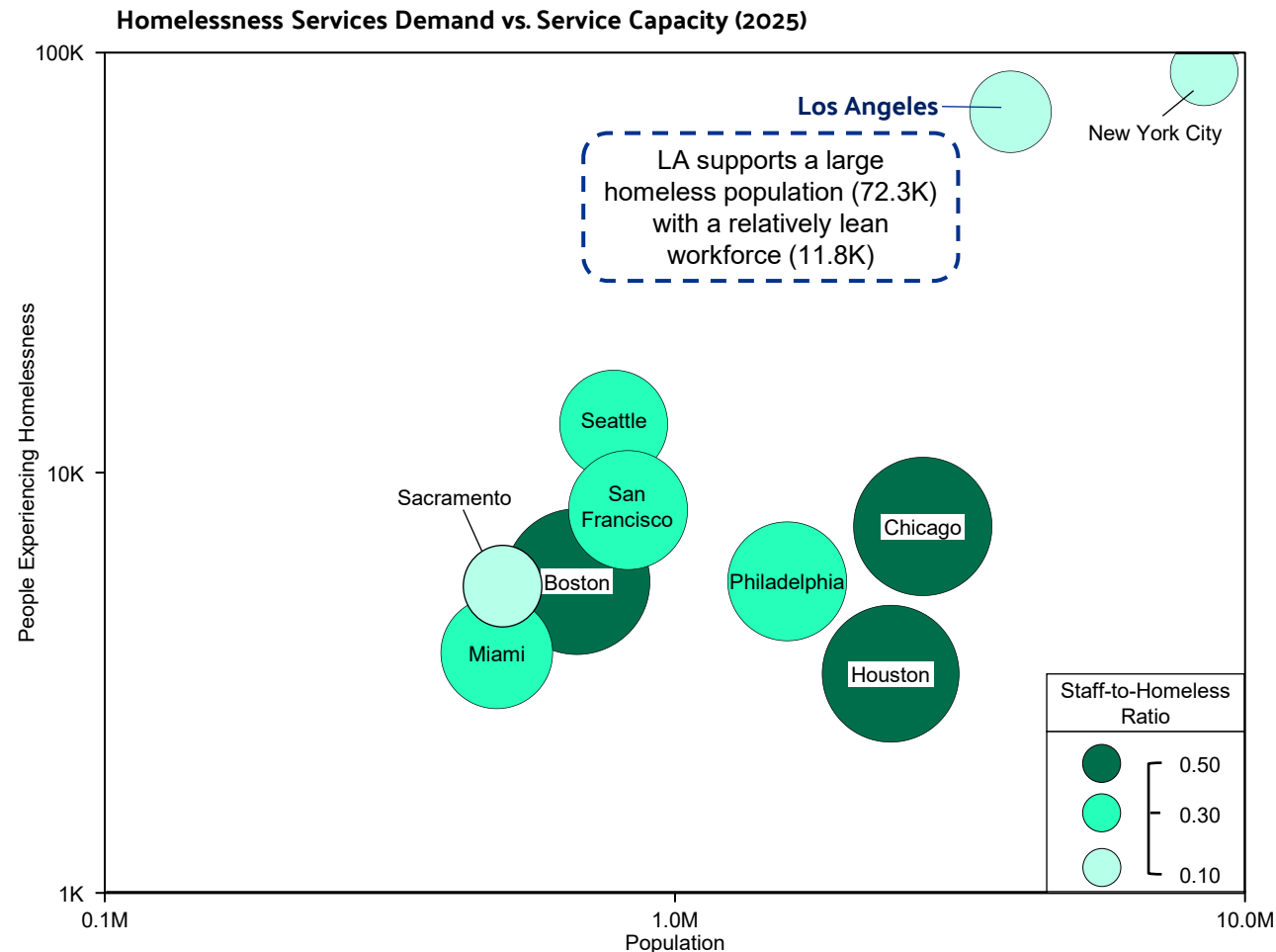


HISTORICAL WORKFORCE INSIGHTS



THE STAFFING PRESSURE OF LA COUNTY'S HOMELESS SERVICES WORKFORCE

The graphic below compares the populations of people experiencing homelessness in ten major U.S. cities with the size of each city's homeless-services workforce. In particular, Los Angeles combines a **large homeless population** with a **lower staff-to-homeless ratio** relative to its peers.



What the Data Shows

- Los Angeles (0.16) has one of the largest population of people experiencing homelessness (~72.3K), second only to New York City (0.11), yet a much lower staff-to-homeless ratio than most peer cities.
- Compared with Boston (0.51), Chicago (0.46) and Houston (0.45), LA deploys substantially fewer staff per person experiencing homelessness.
- Even relative to West Coast peers with high homeless services demand, such as San Francisco (0.34) and Seattle (0.28), LA maintains a leaner service capacity.

Key Takeaway

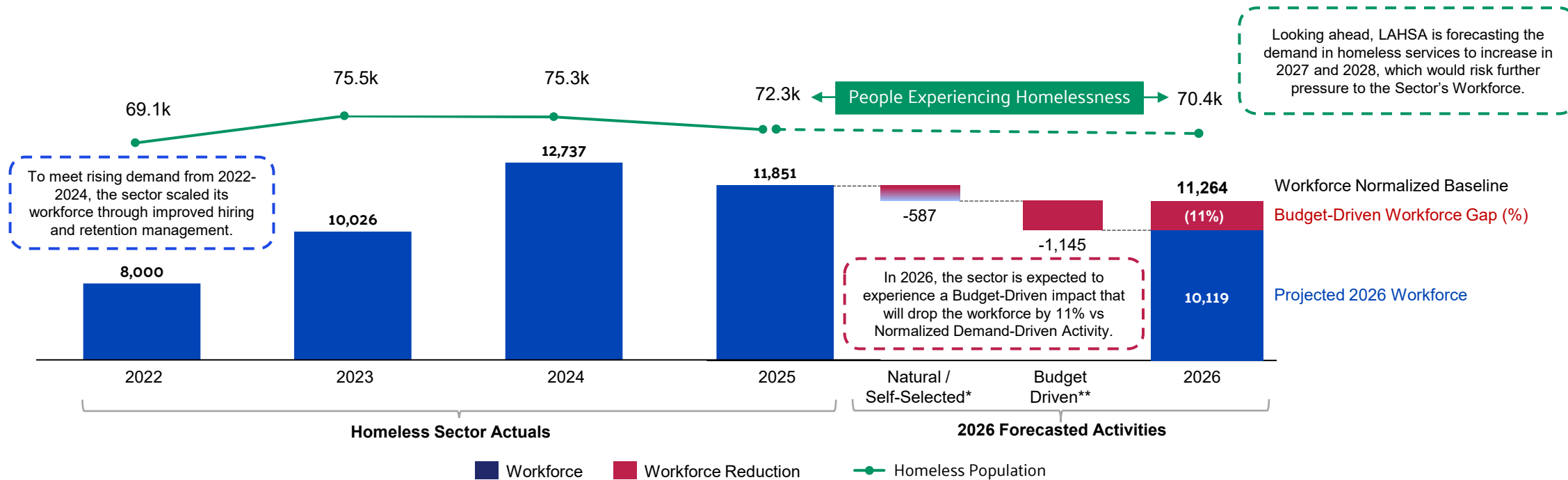
This combination makes LA an outlier, with scale-driven demand paired with staffing levels near the low end across localities.



WORKFORCE CONTRACTION IN A REBOUNDED DEMAND CYCLE

The sector's **rapid workforce growth** is expected to **reverse amid budget cuts** and **shifting demand**. Which also raises the flag that a **shrinking staff-to-homeless ratio** usually signals **declining service capacity**, unless **strategic action** is taken **now**.

Homelessness Services Demand vs. Service Capacity (2022-2026)



Every position lost within the sector increases the burden on remaining staff in upcoming years. With demand projected to reach 75k by 2028, the sector's future ability to maintain service levels depends entirely on the workforce decisions made today.

Our directional insights are based on harmonized internal sector data with publicly available benchmarking data which is intended to represent the full sector's workforce, although it may not fully capture all workforce data within the sector.

Data Sources: Revelio and LAHSA Homeless Population Actuals & Forecast - accessed February 2026

Definitions: Natural / Self-Selected = Represents the net effect of Hiring, Attrition, and Leakage directly associated to Employees decisions and/or normal agencies operations. *

Budget-Driven = An activity that can increase/decrease the workforce due to material changes to budget / funding conditions. **

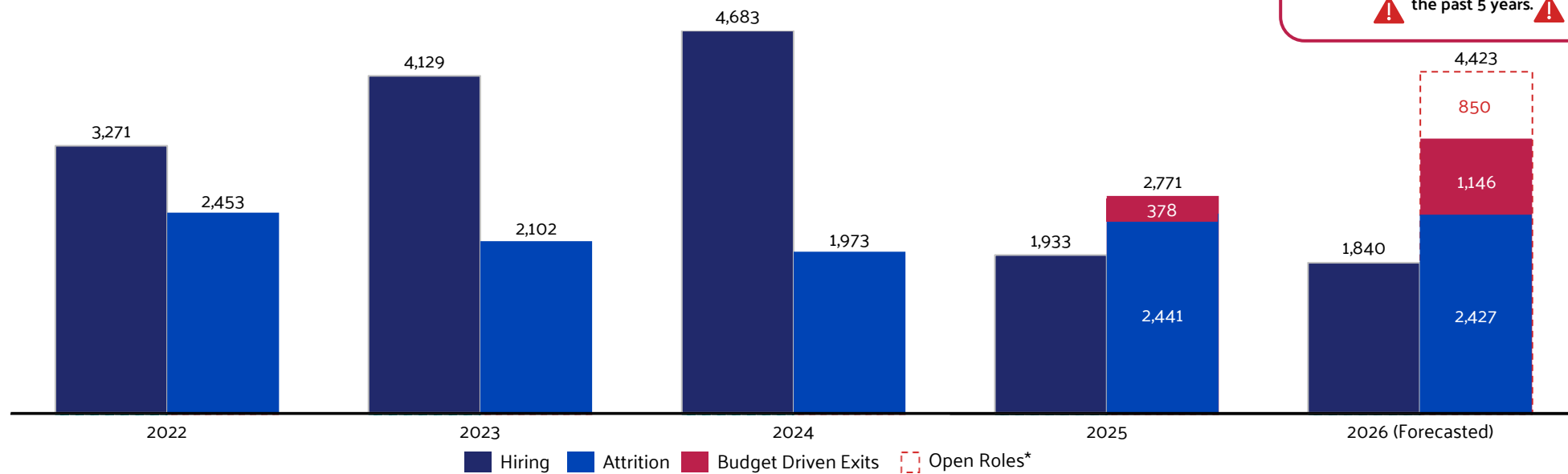
-> This Budget-Driven impact is an early indicator of a trend expected to continue in future years.



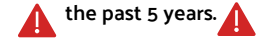
BALANCING RETENTION, HIRING, AND ATTRITION IN A HIGH-DEMAND SECTOR

The homeless services sector hired over 12,000 staff from 2022–2024, yet rising attrition and budget cuts have erased those gains. Service demand is expected to rebound toward 75,000+ individuals in the coming years, while the workforce continues to shrink.

Homeless Sector Workforce: Hires vs. Exits (2022 - 2026)



From a service demand standpoint, 2026 is expected to be similar to 2025. But given the 2026 looming cuts, the sector is set to experience the highest amount of exits over the past 5 years.



The sector is losing staff faster than it can hire, while the people who need services are expected to increase. If hiring and budget strategies are not prioritized now, there won't be enough workers to meet demand by 2028.

Our directional insights are based on harmonized internal sector data with publicly available benchmarking data which is intended to represent the full sector's workforce, although it may not fully capture all workforce data within the sector.

Data Sources: Revelio and LAHSA Homeless Population Actuals & Forecast - accessed February 2026

Note: Potential loss of Open Roles in 2026 represent a trend expected to continue in future years as a direct result of the new sector financial landscape*



HOMELESS SECTOR WORKFORCE MOVEMENT 2022-2025

Role movement within and outside the sector decreased between 2022 and 2025. Nearly 80% of all movements tracked were employees who transitioned outside of the sector.

GRAND TOTAL
5,244 movements
tracked

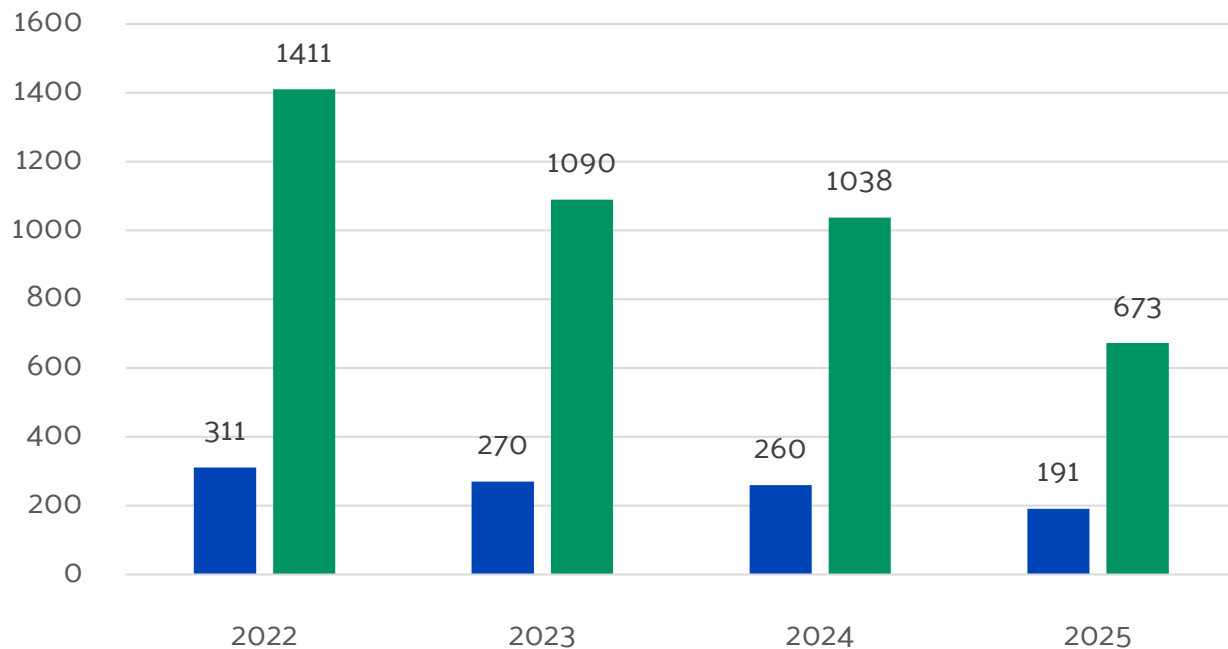


STAYED IN SECTOR
1,032 (20%)

LEFT SECTOR
4,212 (80%)

Year-over-Year Comparison

Headcount by movement type



Key Insights

The ratio of employee movements leaving vs. staying in the sector has improved over the last four years from **4.5 to 1** (meaning for every employee who moved within the sector in 2022 more than four left) to **3.5 to 1** in 2025.

There is **little difference between** the percentage of **Back-Office** roles leaving the sector (**86%**) compared to **all other types** of roles leaving the sector (**80%**).

Although the trend has leveled off in recent years, the homeless services **sector still faces a significant challenge of losing talent** to other sectors.

Even while navigating significant funding challenges, the sector must work to sustain the positive momentum it has recently achieved with talent retention

Stayed in Sector Examples: People Assisting the Homeless → Los Angeles Homeless Services Authority (LAHSA) | Brilliant Corners → City of Los Angeles

Left Sector Examples: Tarzana Treatment Center, Inc. → Pepperdine University | Los Angeles County Dept. of Metal Health → Kaiser Permanente, Inc.,

Data Source: Revelio



LA COUNTY HOMELESS SERVICES: WORKFORCE SUSTAINABILITY BLUEPRINT



BLUEPRINT FOR WORKFORCE SUSTAINABILITY OVERVIEW

The **three themes outlined below reflect the key challenges and opportunities** in building a resilient and effective workforce in the Los Angeles homeless-services sector following anticipated budget cuts. Together, they provide a strategic framework to **strengthen collaboration** across the sector, **modernize technology** to improve service delivery at scale, and **enhance the employee experience** through strategic talent management.

Digital Enablement

What It Is

Shared technology and data foundation that reduces administrative burden, helps manage complex resources, and enables timely, evidence-based decisions across the sector.

Why It's Important

Meeting stringent software and cybersecurity standards is now required to unlock and manage complex new funding streams. Furthermore, it frees frontline staff to focus on client needs, not paperwork, while empowering back-office teams with the data to analyze, improve, and demonstrate impact.

Talent Optimization

What It Is

Strategic alignment of roles, skills, career paths, and cultural drivers that build resilience and sustain workforce capacity and quality.

Why It's Important

It directly combats burnout and turnover by investing in staff enablement. This retains invaluable talent and experience within the sector, ensuring service continuity and a stable, high-quality workforce.

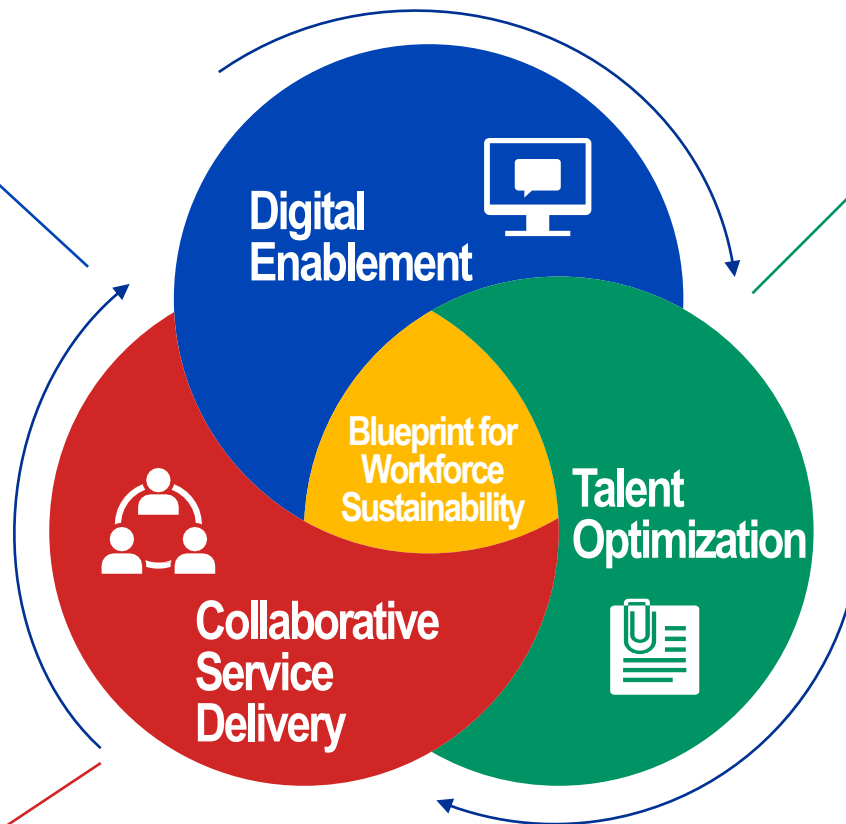
Collaborative Service Delivery

What It Is

Coordinated network model encourages agencies to work together through contractual agreements, shared standards, resources, and accountability to deliver seamless and equitable access to clients across LA.

Why It's Important

Formal and informal collaboration enables continuity of care for clients, improves system-wide efficiency, and allows providers to be more adaptable during times of funding uncertainty. It creates pathways for cost savings and sustained, strategic partnerships.





COLLABORATIVE SERVICE DELIVERY



COLLABORATIVE SERVICE DELIVERY: ANALYSIS FINDINGS

To enhance the employee experience and improve client outcomes in LA County's homeless services sector, it is critical to **foster a more collaborative service delivery model.**

LA County Findings

External Market Insights

Current findings indicate a strong **desire from staff for deeper inter-agency collaboration.** Significant structural barriers, such as fragmented **communication platforms** and **information silos**, hinder progress.

Of focus group attendees, **97% have an interest in deeper collaboration with other agencies.** **53% felt the lack of a shared communication platform** is the biggest barrier preventing collaboration.

70% of focus group attendees **had to contact other agencies more than twice in the last month** for information.

There is **1 back-office employee for every 14 people experiencing homelessness**, putting the ability to absorb a surge in demand at risk.

Shared services across public and nonprofit sectors typically produce **29% reduction in FTE and 11% labor cost savings**, translating to ~\$1,577 annual savings per employee served.*

Effective shared service models are already providing a blueprint for success, with proven examples at both the local and national level:

- **Local Example:** Los Angeles' own Coordinated Entry System (CES).
- **National Examples:** Nonprofit Sustainability Initiative's work to build sustained collaboration models/partnership models.

Unlike private-sector burnout that often ties to workload or management practices, distress in the homeless services sector stems from feeling unable to help enough people due to **systemic constraints.**

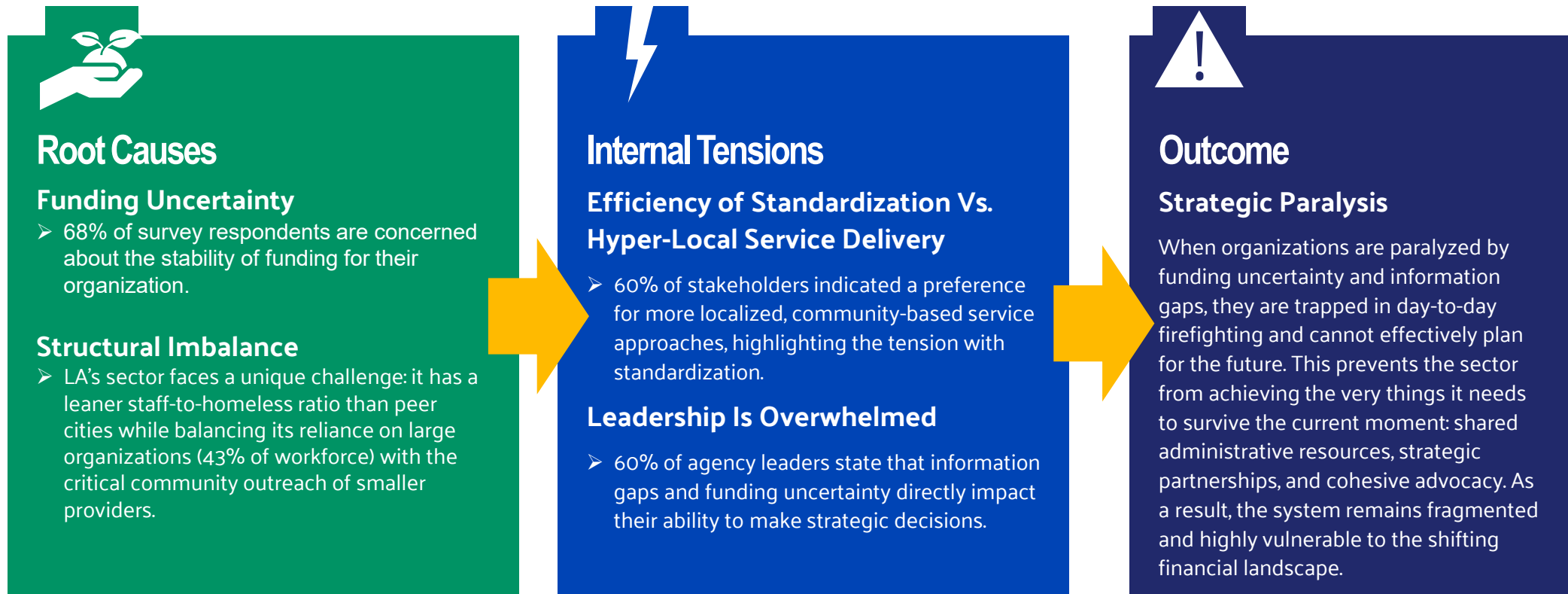
Leading practices from other public and nonprofit sectors demonstrate that shared service models can **drive significant efficiencies and improve overall effectiveness.**

*Benchmarking Data Sources: [Scott Madden Report](#), Secondary Research, accessed February 2026



STRATEGIC UNCERTAINTY: A LACK OF SYSTEM-WIDE ALIGNMENT IS STALLING PROGRESS

At the heart of the strategic challenge is a persistent **tug-of-war** felt across the entire system. There is a constant pull between the need to **standardize for efficiency** and the equally important need to **localize services for effectiveness**, leaving individual agencies caught in the middle.

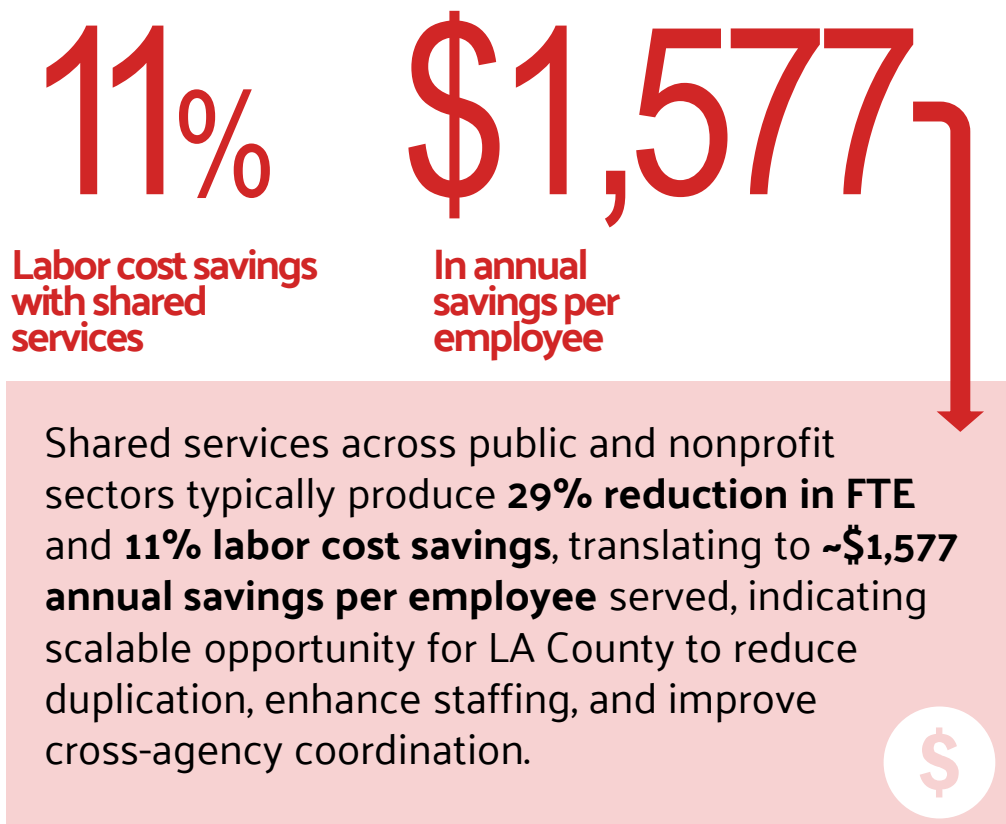


Food for Thought: The [2024 "Unlocking the Power of Sustained Collaboration"](#) report finds that **deep agency partnerships** create a powerful **"mission multiplier" effect**. This allows agencies to achieve the following outcomes: 1. greater financial resilience, 2. improved quality of their programs, and 3. a stronger collective voice for their communities.



OPERATIONAL DRAG: ADMIN BURDEN DRAINS RESOURCES FROM MISSION

Key functions like HR, finance, and IT are managed independently by most agencies, leading to redundant efforts. The combination of a high **administrative burden** and a **lean staffing model** creates a system with **significant structural vulnerabilities**. The current operational model forces a trade-off between essential back-office functions and front-line service delivery, a tension that is unsustainable in the long run.



**Benchmarking Data Sources: [Scott Madden Report](#), Secondary Research, accessed February 2026*



Back-Office v. Client-Facing Ratio

The sector's workforce is composed of approximately 1 back-office employee for every 6 Client-Facing employees.



Lean System = No Room for Error

The sector operates with a leaner workforce than peers, with fewer staff in both administrative and frontline roles relative to demand. Ability to keep pace depends heavily on maximizing the efficiency of its existing capacity.



Admin Tasks Should Be First to Deprioritize

Overall, 30% of focus group attendees believe 'Administrative & Reporting' tasks should be the first to be deprioritized given the looming budget cuts.



The "Unfunded" Requirement Reality

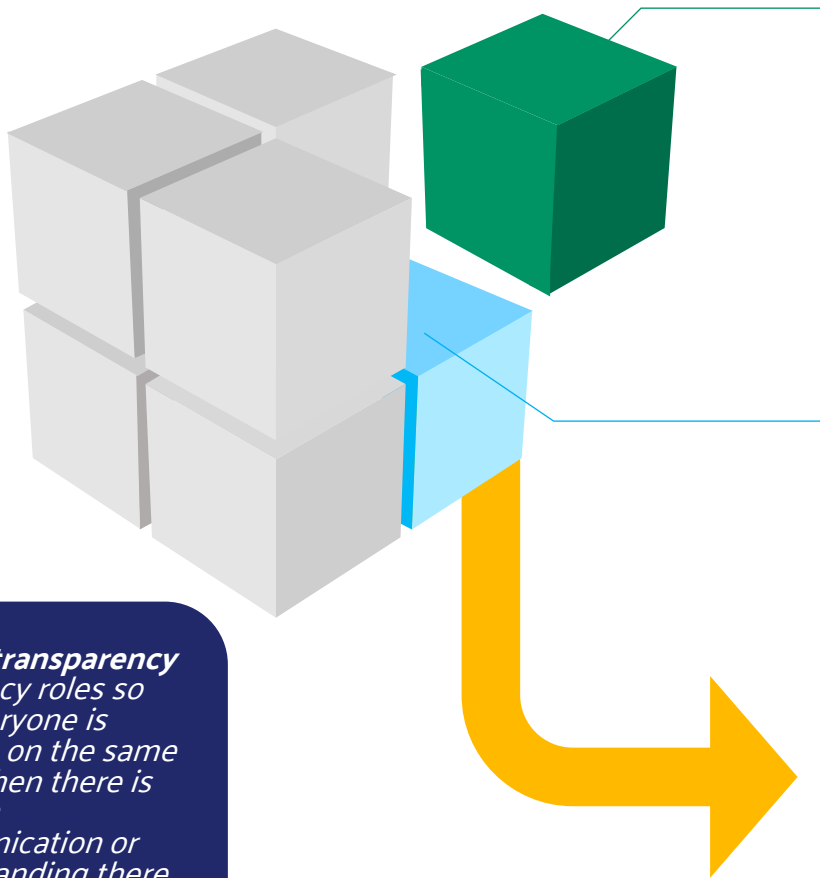
Many administrative and reporting duties are strict requirements from funding sources, yet remain largely unfunded. Providers are forced to absorb the high cost of compliance, stretching lean budgets further.



This widespread duplication of effort leads to **higher overhead costs** across the sector, utilization of already **tight funding**, and **less time and money available for direct client services**. It creates a significant operational drag that prevents the sector from maximizing its impact.

SYSTEM FRAGMENTATION: INFORMATION SILOS ARE HINDERING COLLABORATION AND EFFECTIVENESS

When we dug into the theme of collaboration, a frustrating paradox began to emerge. We found a workforce that is overwhelmingly **eager to work together across agency lines**, but they are operating within a structure that makes **sharing basic knowledge and information incredibly difficult** on a daily basis.



Pervasive Information Gaps

- **85%** of sector employees were unaware of existing County training resources, highlighting a lack of standardized onboarding and professional development.
- **70%** of staff had to contact other agencies multiple times in a month just to obtain information.
- **53%** of attendees felt that a lack of shared communication platforms is the biggest barrier to collaboration.

Strong Appetite for Collaboration

- **97%** of staff want deeper inter-agency collaboration, but don't know how.
- **90%** of stakeholders interviewed acknowledged the benefits of increased collaboration.

The Implication: The inability to easily share information, leading practices, and training leads to a fragmented client experience, frustrates the workforce, and forces agencies to constantly "reinvent the wheel." It is the single biggest barrier to effective system-wide collaboration.

The "Wasted Time" Tax of Information Silos:

Recent global research from 2023 (Asana's Anatomy of Work Global Index) shows that nearly **58% of the workweek is now spent on 'work about work'**, which includes searching for information, chasing down updates, and navigating inefficient processes.

*"I want **transparency** on agency roles so that everyone is working on the same goal. When there is no open communication or understanding there is a **lot of double work done.**"*

--Sector Employee

DIGITAL ENABLEMENT



DIGITAL ENABLEMENT: ANALYSIS FINDINGS

Defining the path forward for digital enablement requires an **objective understanding of the starting point**. This assessment provides an **objective view** by contrasting the **sector's current reality benchmarked with leading practices**, thereby **identifying the need and scale of the opportunity ahead**.

LA County Findings

External Market Insights

Internal sector findings suggest a workforce with significant, acknowledged training deficits in key digital areas. This is compounded by low adoption of efficiency-driving technologies and systemic friction caused by fragmented data platforms.

A **fragmented technology** landscape impacts productivity, a fact confirmed by both leadership's recognition of **duplicative** data entry efforts and by 22% of the workforce voting to **prioritize 'Centralized Data & Systems'**.

A digital skill gap is **evident**, with over 63% of employees reporting they have received **no AI training** and over 40% of organizations confirming a **critical need** for data analysis skills across their workforce.

The **absence** of a clear **AI strategy** drives **low adoption and high risk**; 70% of back-office staff do not use AI, while 83% of employees believe a **formal policy is needed** to build trust & define correct use.

"Organizations that **embrace data-driven strategies** can **work smarter** and be **more effective** in achieving their visions." & "**Data** can make scarce dollars and people **resources go a lot further**".*

Leaders say **upskilling and reskilling the existing workforce** is their **number one focus** as it relates to supporting the creation of an **AI-enabled workforce**, ahead of hiring (68%) or job redesign (55%)**

Trust is the **strongest predictor of AI use and acceptance**, earned through transparency, accountability and the consistent, responsible application of AI technology.***

External market insights suggest that the sector's challenges are solvable. Potential opportunities exist to help drive technology adoption & integration, targeted automation, and continuous workforce upskilling to close the gap.

Benchmarking Data Sources: KPMG x United Way - Putting Data & Analytics at the Heart of the Community*, KPMG AI Pulse, KPMG - The Age of Intelligence*** accessed February 2026*



DIGITAL ENABLEMENT: OUR POINT OF VIEW ON TECHNOLOGY & AI

The Greater Los Angeles homeless services sector faces **mounting pressure** from **rising demand & reduced funds**. Technology remains **underutilized** as a **strategic enabler**, creating an **urgent need** to **modernize digital infrastructure, upskill the workforce, and position the sector to do more with less**.

A Sector Poised for Transformation:

As the sector faces headwinds like budget cuts and rising demand, its initial digital progress creates the necessary groundwork to establish a Strategic Digital North Star. This guiding principle should focus on strategically leveraging technology to build greater capacity, enhance service delivery, and empower its dedicated workforce.

This strategic investment is the key to navigating future challenges and positioning the sector as an innovative leader, fully equipped to deliver on its mission.

The sector is already building significant momentum:



New Consolidated Department

County Dept. of Homeless Services + Housing now provides unified oversight



Performance Dashboards

Agreed-upon baselines & data sources tracking sector-wide progress



New Sector-Wide Tech Goals

Coordinated technology objectives established for this year

Digital Ecosystem

Connected Systems Work More Efficiently



Leading practice is to connect different technology tools so they can talk to each other. When systems are connected, less time is wasted on clunky processes, which helps an organization work faster and more effectively.

A Single Source of Truth Improves Accuracy



Having one central data location is a core principle of good data management. This approach, amongst other benefits, avoids errors & inefficiency caused by duplicative data entry in multiple systems, ensuring access to the right information.

Good Technology Requires Skilled People



Effective technology is one part of the solution; the other is ensuring people have the right skills to use it. Providing good training allows staff to let the tools handle routine tasks so they can focus on the work that matters most.

The Role of AI

A Clear Plan Maximizes AI's Potential



To get the most out of AI, a clear plan is needed. An effective strategy connects AI's capabilities to an organization's main goals and identifies the best opportunities to start using it.

Clear Rules Help Build Trust in AI



To address common concerns around privacy and ethics, a best practice is to establish a clear set of rules for how AI is used. This governance ensures AI is used safely and responsibly, which is the foundation for building confidence.

AI's Primary Role is to Support People





AI can be focused on augmenting human skills. When used as a tool to handle complex data analysis and repetitive tasks, it helps free up the employees' capacity to focus on areas that require human judgment, creativity, and empathy.




FRAGMENTED SYSTEMS, SILOED DATA, AND SKILLS GAPS

A **fragmented digital infrastructure**, characterized by **disconnected systems**, **redundant data entry**, and **siloes expertise**, creates a **significant drag on progress** and **prevents the execution** of otherwise **sound strategies**.

Orgs. **Systems** 

 **state <25% back-office tech adoption**



Fragmented Platforms

The technology landscape is a patchwork of disconnected systems. Organizations cite “*significant usage gaps across data management, automation workflows, BI tools, and HRIS.*”

60% of leaders, during leadership interviews, aligned on their organizations having <25% automation adoption levels.

Leaders **Data** 


 **prioritized Central Data & Systems**



Inefficient & Non-standard Data Practices

Leadership stated that part of the productivity lost might be associated to the constant **duplicative data entry efforts**. This sentiment is validated by the **22%** of staff who voted for **improved & centralized data/systems as a top priority**.

2 in every 10 employees voted to prioritize Systems & Data centralization if a Center of Excellence ever was created.

Focus Groups **Skills** 

 **call for centralized expertise**



Demand for Common Expertise

A significant data skills gap is widely acknowledged, with over **40%** of organizations confirming a critical need for workforce training in data analysis.


This gap is clear from the tools that go unused; organizations cite **Business Intelligence (BI) platforms as a top usage gap**, potentially indicating that the workforce lacks the skills to turn raw data into insights.

Building a more effective digital ecosystem may require a cohesive digital foundation that integrates fragmented platforms, creates a single source of truth for data, and equips the workforce with the analytical skills to succeed.




A NEED FOR AI STRATEGY, GOVERNANCE, AND WORKFORCE READINESS

While **enthusiasm for AI is high**, the data reveals a **critical gap between the workforce ambition and the sector's current reality**: The sector is missing the necessary **AI Strategy, Governance, and Workforce Readiness** required for **effective and responsible adoption**.

Orgs. **Strategy** 

70% of back-office staff is not using AI



Untapped Potential

47% of the sector's employees believe AI could improve effectiveness within their role, yet the majority remain without the right AI solutions, tools or guidance to act on this belief.

A clear strategy linking AI capabilities to operational goals is the essential first step toward unlocking this latent value in which **5 out of every 10** employees recognize this potential opportunity.

Focus Groups **Governance** 

83% believe a formal AI policy is needed




Ethical Concerns


The following concern was flagged during Leadership Interviews discussions:

"As a sector, we need to be cautious regarding ethical implications and HIPAA data privacy risks."

This sentiment validates the absence of clear guardrails for responsible use of AI.

Employees **Readiness** 

63% have received no AI Training



Trust Barrier

Significant skepticism and a lack of trust emerged as primary barriers to adoption.

In addition, many employees expressed concern that AI tools would produce unreliable outputs without adequate oversight.

42% of Employees that participated in the focus groups shared concerns about accuracy & quality.

Unlocking the potential of AI requires a foundational framework that provides strategic direction, ensures responsible implementation, and empowers the workforce with the skills and trust to succeed.





TALENT OPTIMIZATION



TALENT OPTIMIZATION: ANALYSIS FINDINGS

To better understand the workforce's current challenges, skill gaps, and opportunities to improve morale and effectiveness for LA County's homeless services sector, it is critical to explore insights and strategies that will enhance talent.

LA County Findings

External Market Insights

Current findings indicate a **strong desire within the sector to continue developing the workforce**, yet current funding challenges and high workloads are negatively impacting morale.

75% of sector employees say they would be more likely to stay in their role if their organization invested more in their development.

Only 5% of the workforce said that compensation was a top reason they continue working in the sector

70% of interviewed stakeholders emphasized the importance of hiring and promoting PWLE within the sector.

***Direct care and shelter staff** are typically required to complete **12-24 hours of training** annually compared to **22-31 hours of private sector service roles**, exceeding non-profit minimums.

*Local and state workforce studies (e.g., Washington, Oregon) show only **~30-35% of workers feel their wages meet basic needs**, and about half are likely to leave within a year.

***87% of homeless services workers report valuing their work** as meaningful or worthwhile, and altruistic motivation is a dominant reason for staying in the field.

Benchmarking data from public and private sources reinforce some of the **key challenges** the LA County Homeless Services Sector is facing as it relates to **leadership risks and training**.



UNDERSTANDING EMPLOYEES' MOTIVATIONS & NEEDS

Based on Frederick Herzberg's Two-Factor Theory of Motivation, job satisfaction is influenced by two distinct factors: **intrinsic "motivators"** and **extrinsic "hygiene" factors**. This can lead to satisfaction or dissatisfaction depending on how the factors are managed and perceived by the workforce.

Two Factor Theory	Real World Example	Sector Application
"Motivator" factors, such as achievement, recognition, and meaningful work, are intrinsic to the job and can lead to satisfaction.	You check into a hotel and are given an unexpected upgrade to a suite with an ocean view, a personalized greeting note, and exceptional customer service leading to higher satisfaction (Motivator).	The motivating nature of work in the sector can be intrinsically rewarding to the workforce.
"Hygiene" factors, like salary, company policies, and working conditions, are extrinsic and can cause dissatisfaction if they are inadequate but do not in themselves create satisfaction.	You soon realize the bedding is filthy, the light switches don't work, and you can't get connected to Wi-Fi (Hygiene) leading to a bad experience.	The absence of basic needs (e.g. adequate compensation, job security, etc.) can add extra strain and dissatisfaction within the workforce and result in greater challenges to attract and retain talent.



Survey Insights

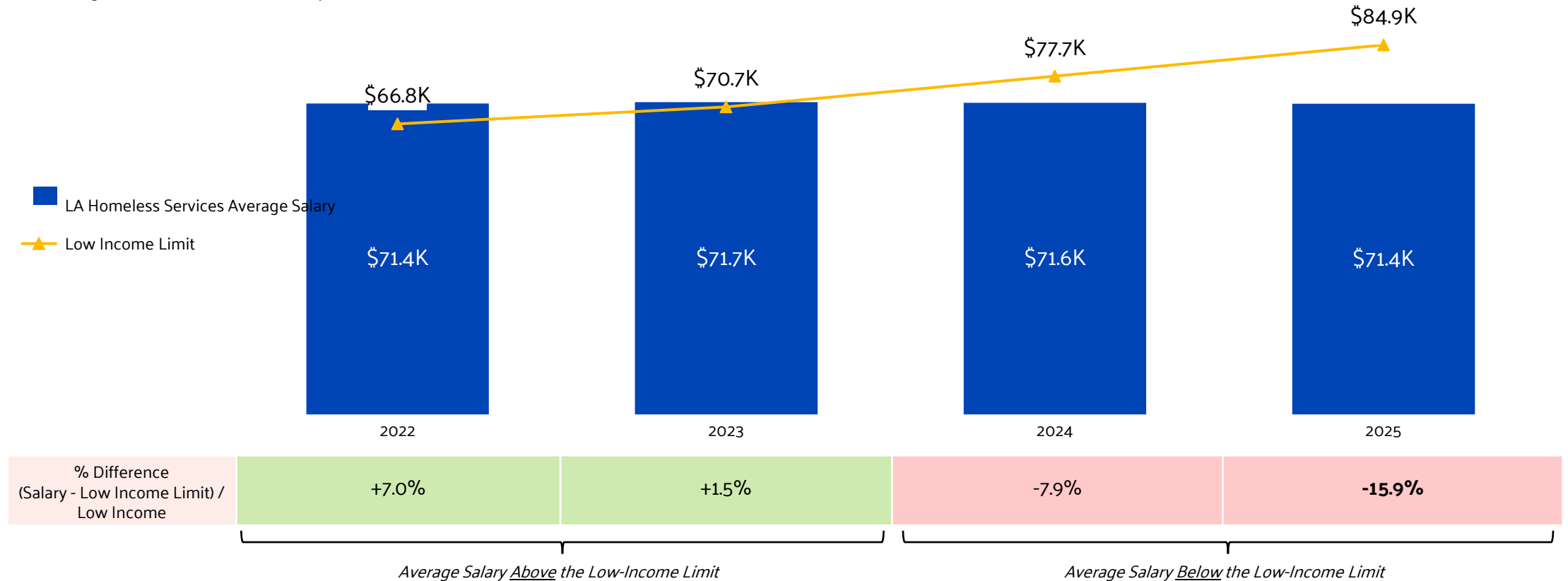
- **87% of employees agreed** that the mission and purpose of the homeless services sector makes them **feel like their job is important**.
- **73%** of the workforce is concerned that potential budget cuts **could negatively impact their job security** and **78%** are concerned the **cuts could negatively impact others** on their team.



UNDERSTANDING LA HOMELESSNESS WORKFORCE SALARY GAP

Leveraging KPMG's external benchmarks, we assessed Greater Los Angeles homeless-services pay against the HUD Low-Income Limit and identified a structural gap as pay rises gradually while the threshold increases at an accelerated rate. As the gap continues to widen, the average sector pay finds itself under the limit for the past two years; pay alone will not mitigate workforce restraints, but it should be addressed amid looming cuts to have a stable workforce.

LA Average Homeless Services Salary vs. Low Income Limit (2022-2025)



Our directional insights are based on publicly available benchmarking data which may not fully capture all workforce data within the sector.

Data Sources: Revelio, HUD User, accessed February 2026

Notes: 1) Low Income is calculated as 80% of the area median income and represents individuals/households that may qualify for affordable rental housing, housing assistance programs, homeownership assistance, rent protections, and other assistance



FINANCIAL INCENTIVES MAY BE A KEY DRIVER OF MORALE AND RETENTION

Although there are many ways to improve morale and retention, none may be stronger than compensation and incentives for the sector's workforce.

80% of stakeholders agreed that compensation is a key concern for the sector

"But I also think it's just the pay. We're not paying people enough to live in Los Angeles and so, you know, they can get a job at Starbucks and make more money and have less stress." –agency leader

When asked if they could instantly implement one idea to improve their morale and ability to do their job effectively, **55% of focus group participants responded with financial incentives (bonuses, pay)**, followed by systemic improvements; (19%), career growth and training (12%), and time off and well-being (sabbaticals) 10%.

79% of focus group attendees responded "yes" when asked, would a multi-tiered bonus (e.g., a 5% bonus for staying 2+ years, 3% bonus for staying 6-18 months, 1% for staying up to 6 months) realistically influence your decision to stay in the sector?

If compensation can not be increased across the board at this time due to budget constraints, a more tailored approach may help alleviate some of the workforce's financial hardships, boost morale, and increase the sector's ability to attract and retain talent.

"If you want to keep staff, pay needs to increase. Fast food workers can easily make as much as an outreach specialist or a counselor, and fast food is less stressful, less burnout so there is why not go there when we would get paid the same? What's the real incentive to staying in community services?" –survey response



MORALE OF THE SECTOR

While the workforce understands how their work aligns to organizational goals, **morale in general is being negatively impacted by funding challenges** and workload. **100% of interviewed stakeholders raised concerns** about the immense pressure the workforce is feeling as it relates to stress, burnout, and workload.

Survey Sentiment Themes



Workplace Culture and Leadership

Several open-ended comments focused on the need for a more positive and supportive work environment, with some criticizing current leadership and organizational culture.



Compensation and Benefits

This theme resurfaced with pleas for better pay and cost-of-living adjustments.



Systemic Issues and Burnout

Employees voiced concerns about systemic problems within the homeless services sector, high levels of stress, and burnout among staff.



Training and Development

The need for better training and professional development opportunities was also mentioned throughout survey comments.

Additional Insights

38% 

Of surveyed employees think their organization has a clear path to navigate funding challenges

68% 

Of focus group attendees want more flexible working hours to improve well-being

89% 

Of surveyed employees understand how their job contributes to organizational goals and strategy

How would you gauge current morale of the workforce that you lead?

“I would say it’s terrible” “People are in fear of whether this is the year that their job is going.” –agency leaders



A WORKFORCE DEALING WITH DISRUPTION

To navigate significant challenges, agencies should reexamine job families, roles, skills, and career paths to match the sector's evolving needs.

Agency leaders are aware of the level of disruption the sector is facing and at the same time many employees do not see a clear career path for the future.



The Case for Change

"We've always dealt with uncertainty, but the scale of these cuts, happening all at once, feels like a threat to the entire system in a way I haven't seen before."

*"This isn't just about trimming budgets; it's about the wholesale elimination of programs that have taken years to build. We're talking about a **level of disruption that will set the sector back by a decade.**"*

*"We haven't innovated in this sector in a long time... We're still doing things **the same way we did them in the 90s, and it's not working.**"*

Catalysts Accelerating the Greatest Evolution in Sector Roles in the Next 3-5 Years

Increased Workload & Responsibility – Absorbing more tasks, covering for eliminated roles, or facing larger caseloads.

AI & Technology Adoption – Acquiring new skills in AI, data management, and general computer literacy.

Skill Development & Specialization – Gaining specific, advanced skills (clinical, legal, etc.), certifications, etc. to meet future demands.

Career Transition or Leaving Sector – Moving to a new role, a different field, or leaving the sector due to burnout or instability.

Strategy, Finance & Contracts – Having more involvement in higher-level functions like budgeting, grant writing, and strategic planning.

Process & Systems Improvements – Improving internal workflows, care coordination, documentation, and data analysis.

Perception vs Reality

While **71%** of staff believe their organization promotes from within, a majority (**56%**) do not see a clear path for professional advancement.

It should be noted that there are current efforts underway by the Labor Council and private funders to provide resources to agencies looking to restructure their organizations to better meet the needs of the changing landscape.



WHY THEY STAY, WHY THEY LEAVE, AND WHERE THEY MIGHT GO

Based on survey results (n=725) **career advancement including gaining new skills and work-life balance** were among the top reasons employees would consider either **staying or leaving** the sector. **Only 54% of the workforce believe their team has adequate staffing to meet operational goals.**



Top reasons to continue working in the sector?

1. Support for my organization's vision and values
2. Opportunity to learn and gain skills
3. Opportunity to advance my career
4. Ability to maintain a healthy work-life balance
5. Enjoyable working relationship with my manager



Top reasons that would make you consider leaving the sector?

1. Lack of career advancement opportunities
2. A new job offer or career change
3. A financial compensation package that is not competitive
4. Inability to maintain a healthy work-life balance
5. Feeling unappreciated for my contributions



If you were to leave, which of the following sectors would you most likely transition to?

- Government / Public Sector - 25%
- Social Work - 22%
- Hospital/Healthcare -18%
- For-profit / Corporate -14%
- Education - 8 %



If you were to leave, which of the following roles would you most likely transition to?

- City, County, or State Program Administrator
- Data Analyst / Business Analyst
- Community Health Worker
- Advocacy / Government Relations Manager
- Clinical Case Manager (in a hospital)

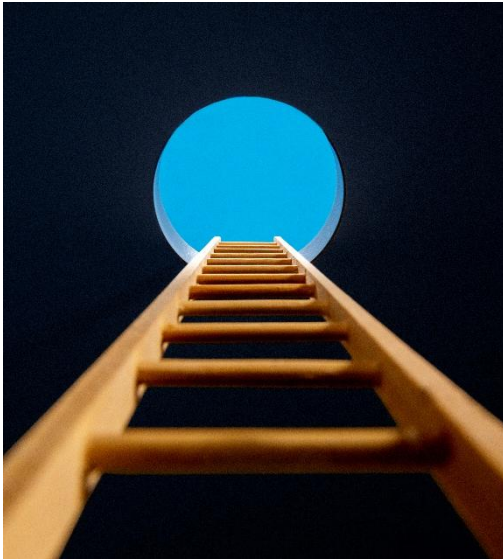
Pay, promotion opportunities, and the nature of the work are the 3 key areas that lower the likelihood of frontline workers' intentions to leave the homeless services sector. ([International Journal on Homelessness, 2026](#)).

To improve retention, sector leaders should focus on **what matters most: career development, work-life balance, and competitive compensation**. Investing in skill development is especially crucial, as it strengthens the workforce capabilities while also providing employees with a safety net for future transitions.



A NEED TO CULTIVATE TALENT AND PREPARE FUTURE LEADERS

Developing current talent and building a leadership pipeline are crucial for the sector's immediate stability and future success. New approaches and strategies should be explored to build greater bench strength within job families and across roles.



Workforce Skill Gaps

- Perceived **skill gaps** are greater for **client-facing roles** than back-office roles.
- **70% of interviewed stakeholders** agreed that there was a need for **more training and development** across the sector.



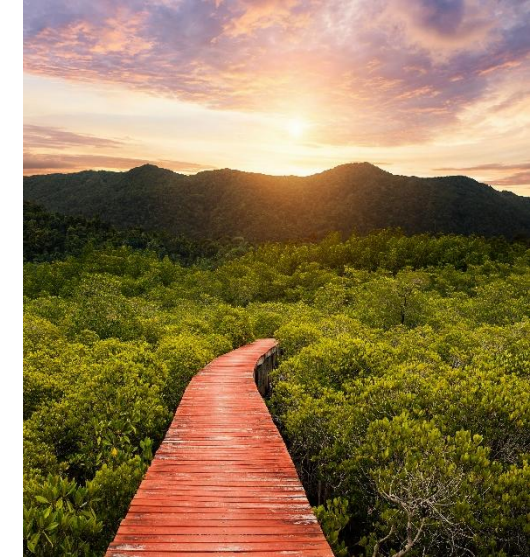
Cross Training

- **Only half** of survey respondents believe their organization provides **cross-training** opportunities.
- **85%** of focus group attendees believe their **skillset is transferable** to other positions within their organization.



Leadership Skill Gaps

- **100% of agency leaders** highlighted a **critical "management gap,"** when frontline staff are promoted to leadership.
- **"People skills and coaching"** was the top training priority for staff moving into management roles according to focus group attendees.



Succession Planning

- **100% of agency leaders** interviewed highlighted **succession planning** or building bench strength as a critical need. **Few if any** have formal succession plans currently.
- *Replacing an executive can cost **20%-200% of annual salary, creating additional financial strain.**

**Benchmarking Data Source: Alphasense, accessed March 2026*



04

OPPORTUNITIES FOR WORKFORCE SUSTAINABILITY



SUMMARY OF THE 8 OPPORTUNITIES FOR IMPROVEMENT

To navigate anticipated budget cuts, the opportunities can help to build a resilient LA homeless services workforce. The opportunities in each of the three categories function as an ecosystem rather than a sequential checklist.



Collaborative Services Delivery

Coordinated network model encourages agencies to work together through contractual agreements, shared standards, resources, and accountability to deliver seamless and equitable access to clients across LA.

- 1 Promote Strategic Alignment Via Target Operating Model (TOM) Evaluation
- 2 Implement Formal Partnerships and Shared Services
- 3 Develop a Sector-Wide Center of Excellence (CoE)

Digital Enablement

Shared technology and data foundation that reduces administrative burden, helps manage complex resources, and enables timely, evidence-based decisions across the sector.

- 4 Develop a Unified and Collaborative Digital Ecosystem
- 5 Establish the Foundation for Responsible AI Adoption

Talent Optimization

Strategic alignment of roles, skills, career paths, and cultural drivers that build resilience and sustain workforce capacity and quality.

- 6 Implement Targeted Retention and Performance Bonuses
- 7 Reexamine Role Architecture
- 8 Utilize Customized Employee Development and Succession Planning

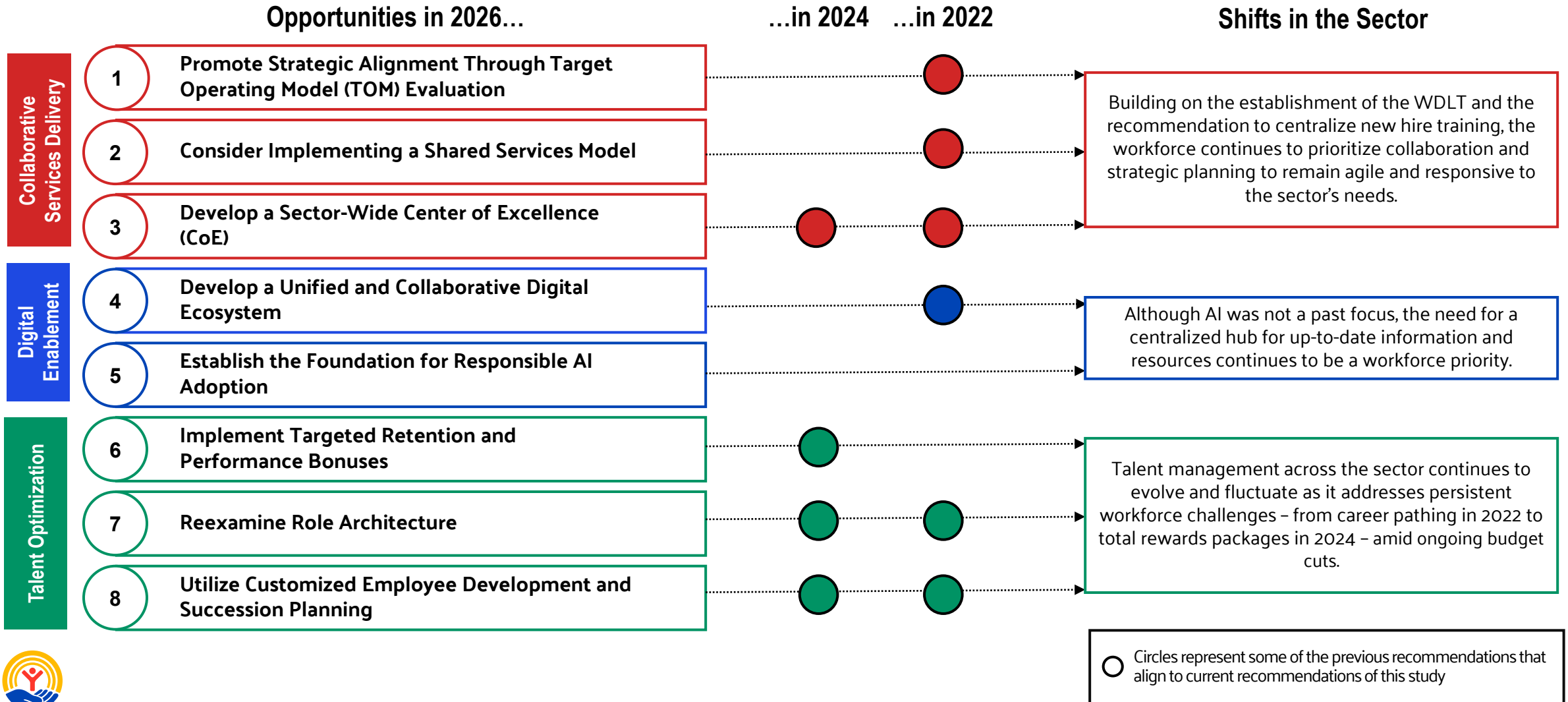
**Note: The numbers on each recommendation do not imply rankings or order of occurrence. For detailed definitions (e.g., Target Operating Model) and reference materials, please see the Appendix on slide 47.*



**Note: Star placement indicates overlap exists between blueprint categories for that opportunity.*

LOOKBACK AT PAST RECOMMENDATIONS

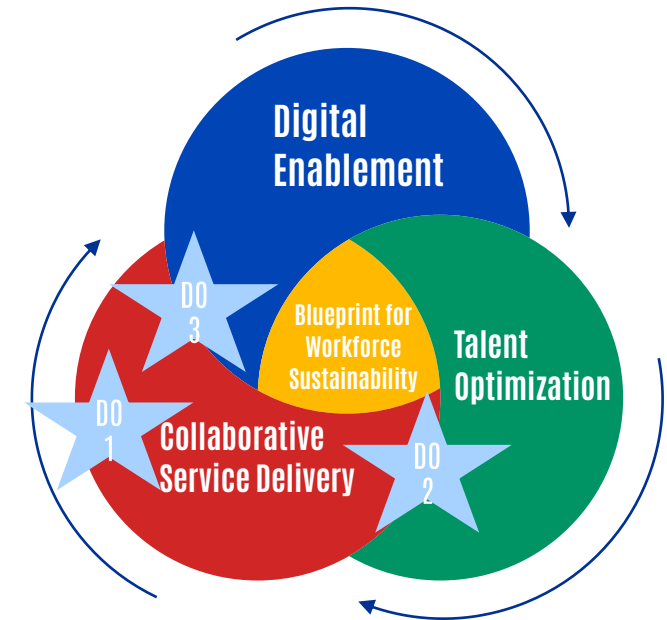
Recommendations identified in the 2022 Homeless Sector Workforce Analysis (Phase 1) and the 2024 Homeless Sector Recruitment Analysis (Phase 2) are still relevant and recurring components of the current Phase 3 analysis and opportunities. While some methodologies are similar in nature the sector’s landscape has changed substantially.



COLLABORATIVE SERVICE DELIVERY

Building a more **resilient and effective ecosystem** may require a fundamental shift away from agency-centric operations and toward a **unified, collaborative approach to service delivery**.

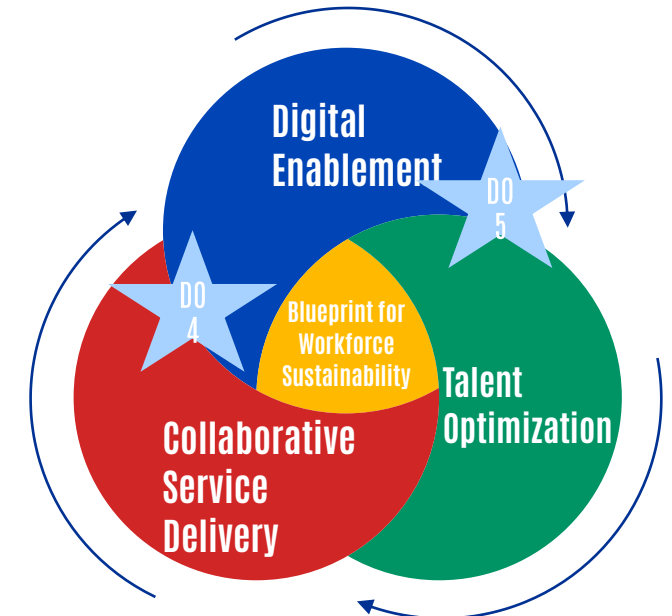
Gap	Opportunity
A Lack of System-Wide Alignment is Stalling Progress	<p>1. Promote Strategic Alignment through Target Operating Model (TOM) Evaluation</p> <p>A central body creates a standardized TOM framework and incentives that provide a common language for organizational evaluation. This empowers individual organizations to formally assess their own operational health and proactively define their future role within the ecosystem.</p> <p>Key Activities: Pilot Strategic Partnerships: Identify and support a small cohort of agencies to pilot a formal partnership or merger, documenting lessons learned.</p>
Admin Burden Drains Resources From Mission	<p>2. Consider Implementing Shared Services Model to Reallocate Resources Back to Frontlines</p> <p>Establish regional or sector-wide hubs to provide pooled, high-quality HR, finance, IT, and reporting functions. This allows individual agencies to offload administrative burdens and benefit from economies of scale.</p> <p>Key Activities: Develop Train-The-Trainer (TTT) Models: Create consolidated training programs for common administrative functions to promote consistency and quality, reducing duplicative efforts across agencies.</p>
Information Silos are Hindering Collaboration and Effectiveness	<p>3. Develop a Sector-Wide Center of Excellence (COE)</p> <p>Create a central entity responsible for developing and disseminating leading practices, providing standardized training, and facilitating cross-agency initiatives. It would serve as the hub for the "centralization of resources and information" that staff identified as a top need.</p> <p>Key Activities: Develop Standardized Curricula: Create and deploy standardized, high-quality training curricula for critical areas identified by the working group, such as new employee onboarding and leadership development.</p>



DIGITAL ENABLEMENT

Enhancing the homeless sector from a digital standpoint requires a **dual focus**. A **responsible framework needs to be established for new technologies like AI** to **maximize efficiencies**, while also **strengthening the foundational systems, data and skills** the sector's workforce relies on.

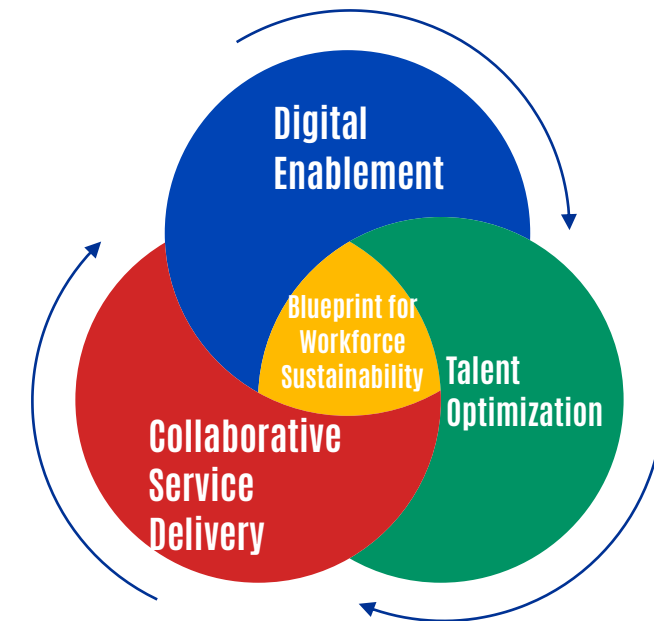
Gap	Opportunity
Need for AI Strategy, Governance, and Workforce Readiness	<p>4. Establish the foundation for Responsible AI adoption</p> <p>This involves creating a formal sector-wide AI strategy and governance framework to guide responsible use. As part of this strategy, a rapid AI assessment will identify and prioritize high-impact use cases for pilots, all supported by a comprehensive AI readiness program with role-based training to build skills and foster trust.</p> <p>Key Activities: Fund a central / connected digital infrastructure to eliminate redundant spend & promote technical interoperability.</p>
Fragmented Systems, Siloed Data, and Skills Gaps	<p>5. Develop a Unified and Collaborative Digital Ecosystem</p> <p>This may require the creation of a sector-wide roadmap aimed at unifying platforms and data strategies (Including Data Models, etc.) in order to create a single source of truth across the sector that enables a shared KPI strategy and a common skills curriculum. These efforts, potentially funded via a co-investment model, could be championed and sustained by a new Center of Excellence (CoE).</p> <p>Key Activities: Establish AI "Rules of Engagement": Before anyone uses AI for work, create simple, clear rules on what is and isn't allowed. (This is a critical step for data protection)</p>



TALENT OPTIMIZATION

Optimizing talent is no longer optional in a sector facing such profound change. The current challenges demand a fundamental reexamination of the work itself. This means closing critical skill gaps today while strategically preparing for the needs of tomorrow.

Gap	Opportunity
Compensation May Be Impacting Retention and Morale	<p>6. Targeted Retention and Performance Bonuses</p> <p>By implementing tailored incentive programs, the sector can create win-win scenarios. This approach can alleviate some financial hardship for employees while simultaneously driving performance on key goals—like closing critical skill gaps for new managers—all within the reality of current budget constraints.</p> <p>Key Activities: Design Tiered Retention Bonus Guidelines: Align on parameters of bonuses relative to base pay for staff (e.g., a 5% bonus for staying 2+ years, 3% bonus for staying up to 18 months, 1% for staying 6 months, etc.).</p>
Disruption is Challenging the Workforce in Unprecedented Ways	<p>7. Reexamine Role Architecture</p> <p>Agencies reassess their organizational design: job families, critical roles, future-focused competencies, and the career paths that connect them. They should challenge the status quo by exploring hybrid positions that leverage digital tools and build new skills within the sector.</p> <p>Key Activities: Develop Clear, Multi-Directional Career Paths: Based on the skills and competencies associated with each job family, outline lateral moves, specialist tracks, and management tracks. Catalog key skill areas needed for each job family to help inform employees which developmental resources may be best align with their career aspirations.</p>
Upskill The Workforce and Prepare Future Leaders	<p>8. Customized Employee Development and Succession Planning</p> <p>Investing in career development through cross-training, job shadowing, and leadership academies closes critical skill gaps and improves overall retention. At the same time, focusing on upskilling first-time managers may address some succession gaps and build a stronger leadership pipeline for the future.</p> <p>Key Activities: Design and Launch a New Manager Academy: To help close the “critical management gap” create a program that focuses on leadership, coaching, and administrative skills.</p>



IMMEDIATE OPPORTUNITIES FOR AGENCIES

Agencies can strategically prepare for larger sector-wide initiatives by taking immediate, foundational steps that provide early value. These four targeted opportunities in Digital & Talent Optimization offer a rapid, low-risk way to begin modernizing systems while protecting the workforce.

Review Current Job Descriptions and Cross Train Key Roles



Objective:

To prepare for restructuring, audit current job description gaps and immediately begin cross-training for impacted roles.

Impact or Risk Mitigation:

Enables immediate workforce upskilling while validating the relevance of existing job descriptions against evolving sector demands.

Path Forward:

1. Review job descriptions
2. Identify “at risk” roles
3. Start cross training efforts

Identify Critical Leadership Roles and Talent Flight Risks



Objective:

To aid in succession planning and reduce turnover of top talent, identify critical leadership roles and key talent who may have intentions to leave.

Impact or Risk Mitigation:

Identifying critical leadership roles and anticipatory departures enables more strategic and immediate decisions regarding development.

Path Forward:

1. Identify critical leadership roles
2. Have discussions with key talent
3. Modify development strategies

Foundation of a Unified Ecosystem



The “Tech & Data” Blueprint

Objective:

Map and understand the agency’s current systems and software to create a clear baseline, ensuring all existing tools can align with future sector-wide data standards.

Impact or Risk Mitigation:

Eliminates blind spots in IT spend & mitigates risks of relying on systems that prevent future unifying efforts.

Path Forward:

1. Inventory Tech & Data Landscape
2. Pinpoint system / data pain points
3. Define Agency’s Tech Roadmap

Augmenting the Workforce



The “AI Assistant” Pilot

Objective:

Demonstrate AI’s value in augmenting the workforce by piloting it on targeted routine tasks, freeing client-facing staff to redirect their energy toward mission-oriented services.

Impact or Risk Mitigation:

Reduce the risk of staff burnout & turnover by proving AI is a supportive tool, not a reason to cut jobs.








Path Forward:

1. Target 3 high-effort routine tasks
2. Capture staff sentiment / feedback
3. Share results with other Agencies



ADDITIONAL CONSIDERATIONS

Beyond our core recommendations, we've identified several important themes that warrant further discussion and strategic consideration.

Themes for Consideration	Reason for Future Consideration
 <p>Unified Policy & Governance: Continue to build on shared advocacy and planning efforts for a cohesive homelessness strategy and streamlined housing process from city and county leaders to maximize impact and taxpayer resources.</p>	<p>While political alignment is critical for long-term success, influencing the complex relationship between the City and County is a distinct, long-range effort that falls outside the immediate scope of our workforce recommendations.</p>
 <p>Increased Compensation for All: Address uncompetitive salaries and benefits across the sector to attract and retain talent, acknowledging this is a foundational requirement for workforce stability.</p>	<p>This was a foundational assumption of our entire study rather than a distinct opportunity. Addressing the sector's uncompetitive wages is a critical, systemic issue that is difficult given the looming budget cuts.</p>
 <p>Pooled Philanthropic Funding: Philanthropies should consider pooling resources to fund larger, more impactful initiatives, thereby reducing the administrative grant-writing burden on individual service providers.</p>	<p>This is a strategic recommendation for the philanthropic sector's internal operations. Our report's focus was on the direct operational opportunities within the sector's workforce itself.</p>
 <p>Field Immersion for Decision-Makers: Establish a program for policymakers and funders to gain direct exposure to 'boots on the ground' realities. Experiencing the challenges and successes of front-line work would give decision-makers a clearer understanding of how their policies impact clients and staff.</p>	<p>This is a recommendation aimed at changing the perspective and processes of external funders and policymakers. Our report's primary focus is on actionable recommendations for the service provider workforce.</p>
 <p>Coalition Building & Systems Change: Agencies should form strong coalitions to apply for funding and advocate for policy change, as philanthropies are more likely to fund collaborative efforts that demonstrate a coordinated, system-level approach.</p>	<p>Our report focuses on collaboration for its operational value (e.g., efficiency). This point about philanthropic funding preferences was viewed as a supplementary fundraising incentive.</p>
 <p>Impactful Storytelling: Service providers must enhance their ability to articulate their impact through compelling storytelling and data to re-engage and inspire donors.</p>	<p>While crucial for fundraising, this was considered a specific communication skill that falls under broader themes of organizational capacity, rather than a standalone strategic workforce opportunity.</p>
 <p>Post-Study Engagement: United Way should consider targeted follow-up with agencies post-study to empower them to understand and implement the recommendations.</p>	<p>This is a tactical follow-up action for after the study is shared. It is a crucial next step for implementation rather than a finding from the analysis itself.</p>



| 05

APPENDIX



KPMG TEAM

Our team has a diverse set of experiences and skillsets that will help drive impact that matters to the homeless services sector. As the project activity and capacity needs ebbs and flows, our team can flex to bring in the right people and skills.

CORE PROJECT TEAM



Brock Solano

Engagement
Partner

San Diego, CA



Paul Hunt

Non-Profit and
Government SMP

Sacramento, CA



Michael Leytem

Engagement
Manager

Galena, IL



Caitlyn Trexler

Engagement
Associate

Raleigh, NC



Martin Roldan

Data
Scientist

Tampa, FL

SUBJECT MATTER PROFESSIONALS (SMPs)



Bindiya Khurana

City and County of LA
Lead Account Partner

Los Angeles, CA



Dee Dee Owens

Advisory Pacific Southwest
Market Leader

Los Angeles, CA



Rudy Favard

Non-Profit and Government
Workforce Strategy SMP

Columbus, Ohio

MASTER REPORT ASSUMPTIONS

Demographics

1	Organization Size: Large organizations (>400 employees); Medium (113-399); Small organizations (< 113 employees)
2	Organization type: Non-profit; Government
3	PWLE: Person with lived experience of homelessness or housing instability
4	Tenure Classification: Less than 1 year; 1 - 2 years ; 3 - 5 Years; 6 - 10 years; More than 10 years
5	Generation: Baby boomer born 1946-1964; Gen X born 1965-1980; Gen Z born 1997 - 2012; Millennial born 1981-1996
6	Ethnicity: Black or African American; White or Caucasian; Asian; Native Hawaiian and/or Pacific Islander; Native American or Indigenous; Hispanic or Latinx/o/a; Two or more races and/or ethnicities; Employees prefer not to answer
7	Gender: Woman; Man; Non-binary; Transgender
8	Veteran Status: Veteran, Active Guardsman's or Reserve, Not a Veteran / Active Guardsman
9	Disability: A visible/ non-visible physical, mental, or emotional impairment
10	Employment status: Full-time worker (40 or more hours/week); Part-time worker (1-39 hours/week); Contract/temporary workers (work for a specific period of time such as a season); Intern (students who work for specific period)
11	Work Location: Hybrid schedule; Onsite work; Remote work
12	Education Level: Bachelor's degree; Master's degree; Associate's degree; Ph.D. or higher; High school graduate/GED; Some high school education; Certification/trade/technical/ vocational school

Workforce Analysis

1	Los Angeles Homelessness Services Sector: Includes Service Planning Areas (SPAs), Housing & Urban Development (HUD), and Continuum of Care (CoC)
2	Provider of Homelessness Services: assists unhoused clients in accessing housing process services (e.g., application of benefits, connecting to funding for housing process, supplemental security income, Medicaid, My Health LA)
3	System Partners: Include system partners that may have improved policies and talent programs in place to measure overall success (i.e., DHS, DMH, LAHSA etc.)
4	Role: Client-Facing vs. Back-Office: <ul style="list-style-type: none"> Client-Facing: Case managers, matchers, housing coordinators, program managers, janitors, site security, etc. Back-Office: Finance, HR, IT, etc.
5	Current Job Level: Entry level; Manager level; Director level (e.g., Director of Operations, Director of Programs); Executive Level/Senior leadership (e.g., Executive Director, VP)
6	Employee Perception Questions (based on 5-point scale): Strongly Disagree, Disagree, Neutral, Agree, Strongly Agree
7	Salary: Unless otherwise specified, all reported salaries in this analysis are global base salary approximations in USD. Averages are calculated using a simple average calculation and are directional. This does not represent total compensation

Methodology Note: The participation data represents direct, unweighted participant feedback. Initial high participation rates from specific organizations were noted across our data collection efforts. To mitigate potential overrepresentation and ensure the final dataset was as representative as possible, a second, targeted outreach effort was conducted to broaden the sample and incorporate a more diverse range of viewpoints from across the sector.



BENCHMARKING SOURCES AND CALCULATIONS

Core Data Sources – Revelio

Target: LA County Homeless Services

- Our analysis surveyed a **sample of 40 homeless services organizations in LA County**
 - Current workforce statistics
 - 2020-2026 Job Postings
- These 40 organizations are affiliated with United Way of Greater Los Angeles

Peers: Locality Benchmarks

- A comparable sample of **40 homeless services organizations** were selected across each of **9 other localities** to serve as peer benchmarks
 - Urban Comparables: New York, Chicago, Miami, Boston, San Francisco, Sacramento
 - Diverse Economic Factors: Seattle, Houston, Philadelphia

Supporting Data Sources – Secondary Research

Low-Income Limit

- For each locality, we leveraged [HUD](#) for median incomes and low-income limits
- Low Income is calculated as 80% of the area median income (for single individuals) and represents individuals/households that may qualify for affordable rental housing, housing assistance programs, homeownership assistance, rent protections, and other assistance

Homeless Population and Demographics

- For each locality, we leveraged the [2024 Annual Homelessness Assessment Report](#) from the U.S. Department of Housing and Urban Development
- The report contains point-in-time homelessness estimates by state and county from 2007-2024 and includes detailed demographic data for homeless populations

Nonprofit Revenue, Costs, and Funding

- For most individual organizations, [ProPublica's Nonprofit Explorer](#) contains revenue, expense, and funding data pulled from annual 990 tax return filings
- Data available from 2011-2024

Calculation Dictionary

Homeless Services FTE per Person Experiencing Homelessness

Definition: Visualizes and measures The number of full-time equivalent (FTE) staff dedicated to homeless services for each individual experiencing homelessness

Calculation: (Total Homeless Services FTEs / Total People Experiencing Homelessness)

Purpose: Compares staffing intensity across cities regardless of size

Example: 500 FTEs in a city where 1000 people experience homelessness

- 0.5 FTE per person experiencing homelessness
- 1 FTE per every 2 people experiencing homelessness

Homeless Services FTE per 1,000 City Residents

Definition: Number of full-time equivalent (FTE) homeless services staff per person experiencing homelessness.

Calculation: Total Homeless Services FTEs ÷ Total Homeless Population.

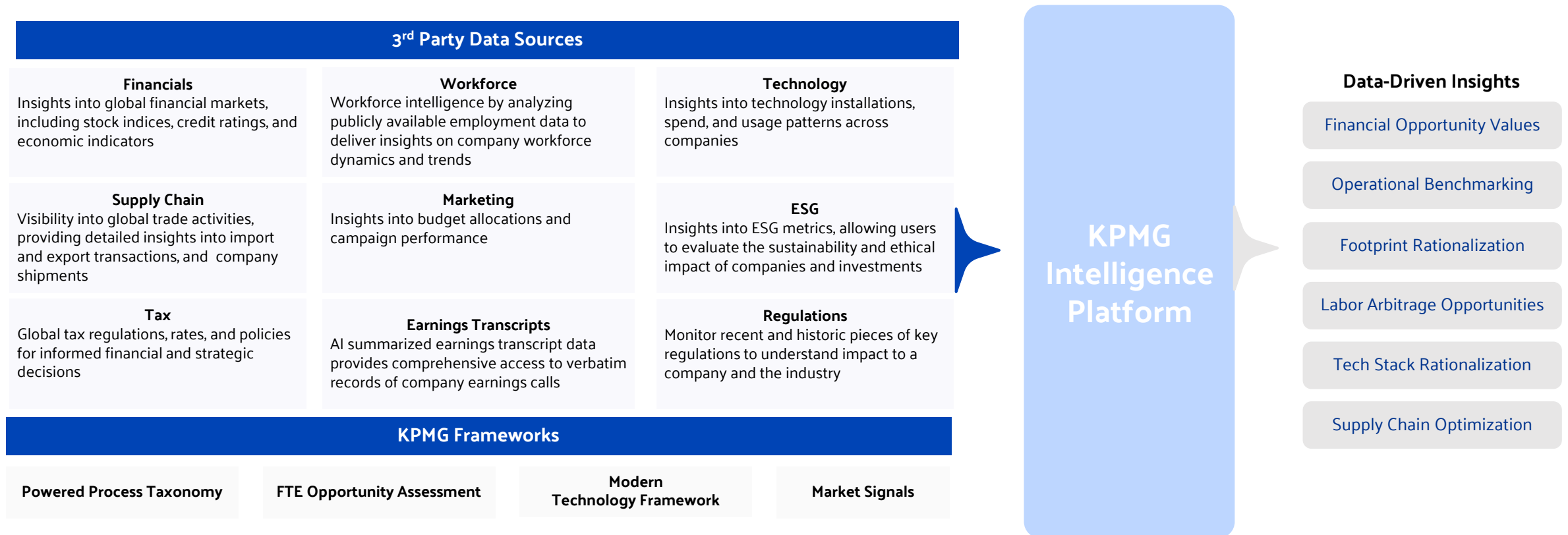
Purpose: Measures staffing intensity relative to need, not population size.

Example: 2,000 FTEs serving 1,000 homeless individuals = 2 FTE per 1 homeless individual



KPMG INTELLIGENCE PLATFORM: BENCHMARKING CAPABILITIES

The KPMG Intelligence Platform is an AI and analytics tool that **organizes data** to glean actionable outside-in intelligence. It draws from multiple 3rd party data sources, and KPMG proprietary frameworks to **rapidly visualize data** that enables clients to make **informed decisions**:



DEMOGRAPHICS: ORGANIZATION SURVEY DATA



23 Organization Assessments Collected

We utilized **key assumptions** identified below across workforce and demographic data to pull insights to inform the **current state assessment**.

Race & Ethnicity		Education Level		Tenure	
Asian Employees	5.80%	Associate's Degree	7.13%	< 2 years	40.19%
Black or African American Employees	27.12%	Bachelor's Degree	24.28%	Greater than 2 years but less than 5 years	36.17%
Employees of Two or More Races	3.92%	Certification / Trade / Technical / Vocational School	6.50%	Greater than 5 years but less than 10 years	14.93%
Hispanic or Latinx/o/a Employees	46.23%	High School Graduate / GED	39.78%	Greater than 10 years but less than 20 years	5.97%
American Indian or Alaskan Native Employees	0.49%	Master's Degree	19.43%	20+ years	2.74%
Native Hawaiian and/or Pacific Islander Employees	0.35%	Ph.D. or Higher	0.98%		
White or Caucasian Employees	16.09%	Some High School Education	1.89%		

Gender		PWLE*		Generation	
Woman	61.65%	Percentage of employees who have experienced homelessness	7.60%	Baby Boomer (born 1946 - 1964)	7.30%
Man	36.98%	Disability Status		Generation X (born 1965-1980)	25.30%
Non-Binary	0.30%	Employees without Disabilities	90.50%	Generation Z (born 1997 - 2012)	24.50%
Transgender	0.09%	Employees with Disabilities	9.50%	Millennial (born 1981 - 1996)	42.89%

*Based on response from 8 organizations only



DEMOGRAPHICS: EMPLOYEE SURVEY DATA



725 Total Survey Responses Collected

We utilized **key assumptions** identified below across workforce and demographic data to pull insights to inform the **current state assessment**.

Race & Ethnicity

Asian	6.34%
Black, African American or African Diaspora	15.86%
Hispanic or Latina/o/x	46.90%
American Indian or Alaskan	0.41%
Native Hawaiian or Other Pacific Islander	0.14%
Prefer not to answer	5.79%
Two or More Races and/or Ethnicities	7.17%
White or Caucasian	17.38%

PWLE

Experienced homelessness	24.83%
Not experienced homelessness	59.31%
Navigated homelessness on behalf of a member of my immediate family or household member	11.45%
Prefer not to answer	4.41%

LA County Residency

LA County Resident	93.38%
Not a LA County Resident	6.62%

Education Level

Associate's Degree	9.52%
Bachelor's Degree	31.31%
Certification / Trade / Technical / Vocational School	11.31%
Some High School	1.10%
High School Graduate / GED	22.07%
Master's Degree	22.76%
Ph.D. or Higher, Clinical Doctorate, Juris Doctorate	1.93%

Gender

Woman	65.79%
Man	29.10%
Non-Binary	1.52%
Prefer not to answer	0.14%
Transgender	0.14%

Languages

Only Fluent in English	48.28%
Fluent in English + Spanish	43.45%
Fluent in Other Languages	8.27%

Tenure in sector

Less than 2 years tenure	20.69%
Greater than 2 years but less than 5 years tenure	31.59%
Greater than 5 years but less than 10 years tenure	27.59%
Greater than 10 years but less than 20 years tenure	13.66%
20 or more years of tenure	6.48%

Generation

Baby Boomer (born 1946 - 1964)	8.55%
Generation X (born 1965-1980)	28.69%
Generation Z (born 1997 - 2012)	14.62%
Millennial (born 1981 - 1996)	48.14%

Disability Status

No, I do not have a disability	79.59%
Yes, I have a disability	13.38%
Prefer not to answer	7.03%

First-Generation College Student

Yes	56.55%
No	43.45%



DEMOGRAPHICS: FOCUS GROUP DATA



101 Total Focus Group Responses Collected

We utilized **key assumptions** identified below across workforce and demographic data to pull insights to inform the **current state assessment**.

Race & Ethnicity

Asian	5.94%
Black, African American or African Diaspora	22.77%
Hispanic or Latina/o/x	49.50%
American Indian or Alaskan	0.00%
Native Hawaiian or Other Pacific Islander	0.00%
Prefer not to answer	1.98%
Two or More Races and/or Ethnicities	4.95%
White or Caucasian	14.85%

PWLE

Experienced homelessness or navigated homelessness on behalf of a member of immediate family or household member	47.00%
Not experienced homelessness	48.00%
Prefer not to answer	5.00%

LA County Residency

LA County Resident	96.00%
Not a LA County Resident	4.00%

Education Level

Associate's Degree	9.90%
Bachelor's Degree	38.61%
Certification / Trade / Technical / Vocational School	7.92%
Some High School	0.00%
High School Graduate / GED	17.82%
Master's Degree	25.74%
Ph.D. or Higher, Clinical Doctorate, Juris Doctorate	0.00%

Gender

Woman	56.44%
Man	39.60%
Non-Binary	2.97%
Prefer not to answer	0.00%
Transgender	0.99%

Languages

Only Fluent in English	52.00%
Fluent in English + Spanish	42.00%
Fluent in Other Languages	6.00%

Tenure in sector

Less than 2 years tenure	13.86%
Greater than 2 years but less than 5 years tenure	28.71%
Greater than 5 years but less than 10 years tenure	36.63%
Greater than 10 years but less than 20 years tenure	14.85%
20 or more years of tenure	5.94%

Generation

Baby Boomer (born 1946 - 1964)	10.20%
Generation X (born 1965-1980)	19.39%
Generation Z (born 1997 - 2012)	14.29%
Millennial (born 1981 - 1996)	56.12%

Disability Status

No, I do not have a disability	79.00%
Yes, I have a disability	15.00%
Prefer not to answer	6.00%

First-Generation College Student

Yes	62.00%
No	38.00%





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