The housing crisis and corresponding recession will hit the poorest Americans the hardest. Many families and the most vulnerable citizens—those growing older, those living with disabilities, low-income children, and youth—will fall through the cracks into homelessness. As they struggle to get by, the systems set up to help them are strained beyond measure: state and local budgets are reporting large deficits; foundations are watching their endowments and the stock market; nonprofits are feeling the squeeze as donors tighten their belts; and the federal government is spending taxpayer dollars on bank bailouts and the ongoing wars in Iraq and Afghanistan, leaving little for investing in housing programs. Until recently, some communities were making progress—or at least holding the line—on ending homelessness. Today, the grim economic forecast, along with an across-the-board budget crunch, bodes poorly for these communities and the people they serve.

It has been nearly 10 years since communities embarked on efforts to end homelessness. Today, there are numerous accomplishments to acknowledge, challenges to endure, and new setbacks to overcome. This brief examines the current state of homelessness in America, how community responses are changing, what is working, and, most important, what policymakers should be doing to move forward, not backward.

### Recommendations

- **Bring Housing First and permanent supportive housing to scale**
- **Expand rapid rehousing for families**
- **Fully invest in rental housing and homelessness programs for veterans**
- **Make mainstream systems accountable**
- **Ramp up emergency prevention programs**
- **Invest in housing programs that help build stronger people and families**

### Homelessness by the Numbers: Causes, Spells, and Length of Time

Researchers have spent the past two decades uncovering what causes homelessness, and while the evidence shows that poverty and personal difficulties such as mental illness, substance use, and health problems leave people vulnerable to homelessness, the primary driver of homelessness is the availability of affordable housing (Burt 2001). As economists Quigley and Raphael (2000, 1) note, “Rather modest improvements in the...
Despite the significant buildup of emergency and transitional housing, homelessness has remained a problem, leaving many communities frustrated and hopeless.

The recent HUD data confirm some findings from previous studies: most people using homeless shelters are individuals (70 percent, or 1.1 million), largely represented by men 31 to 50 years old. A smaller proportion of those using shelters are members of homeless families: 30 percent, or 473,541 people in 131,000 households (HUD 2008a).

The HUD data also highlight a few surprises. As noted, about 131,000 families, with approximately 300,000 children, used shelter throughout the year, a small percentage (about 12 percent) of all households using shelter. While this number does not include homeless families outside the shelter system (living on the street, in cars, and abandoned buildings), the small number suggests that ending homelessness among families is a manageable and solvable problem.

There is some bad news too. Homelessness appears to be rising among older people. According to the HUD data, approximately 23 percent of the individual adult sheltered homeless population is older than 50, while the last national study, conducted by the Urban Institute in 1996, found that only 8 percent of the homeless population was age 55 and older (HUD 2008a; Burt et al. 1999). The most obvious explanation is that this trend mirrors the overall increase in older people in the general population, driven by the baby boom generation. However, some people are remaining homeless for longer periods as they age, and some older people are becoming homeless for the first time after having led relatively stable lives (Hahn et al. 2006; Culhane et al. 2007; Shinn et al. 2007). These findings suggest that affordable housing programs for seniors, which have had their funding cut considerably in recent years, are not meeting the current demand and will certainly not meet the future demand, leaving older Americans vulnerable to homelessness (National Low Income Housing Coalition 2008).

When an individual or family loses housing and seeks help to end their homelessness, they enter a homeless system called a continuum of care (CoC), made up of outreach services, emergency shelters, transitional housing, and, more recently, permanent supportive housing. Nationwide, there are 211,451 emergency shelter beds, and for most people the point of entry is emergency shelters—though some may enter directly into transitional housing programs. For those unable to move back into housing from emergency shelter, transitional housing programs, with nearly 211,205 beds across the country, provide housing and services designed to help people move to permanent housing by helping them gain employment, increase their income, and address substance use (HUD 2008a).

Transitional housing is time limited (usually two years), during which participants are required to work with staff on achieving housing and employment goals. In many programs, participants must also abide by program rules such as maintaining sobriety (Burt 2006).

For most families, homelessness is temporary: 76 percent of those using emergency shelter leave before three months, and 23 percent leave within a week (HUD 2008a). Research in
While emergency services can meet the immediate needs of homeless people, they do not provide what people need the most—permanent housing.
Frustrated by the lack of progress, in 2000, the National Alliance to End Homelessness announced a plan to end homelessness in 10 years. The core of the plan was helping people get back into permanent housing; it called on communities to transform their homeless systems, ensure rapid rehousing, and emphasize targeting interventions based on the needs of individuals and families, with the deepest housing subsidies and most intensive services going to those with the highest needs. The plan also called for significantly increasing the availability of affordable housing and the strength of the social safety net. In 2001, a few communities—Chicago, Indianapolis, and Memphis—heeded the call to action and announced the first community plans to end homelessness.

Not long after, President Bush announced an initiative to end chronic homelessness among disabled adults who were homeless repeatedly or for long periods, and the newly invigorated Interagency Council on Homelessness and HUD began encouraging communities to develop plans to end homelessness. Congress committed to creating 150,000 permanent supportive housing units. The national leadership led to hundreds of community planners across the country—mayors, governors, nonprofits, the private sector, and advocates—joining forces to end homelessness among individuals, families, and youth in their city or state. Today, over 200 plans to end homelessness are in place across the country, and hundreds more are under development. Taken together, these efforts represent a national movement to end homelessness. While some plans remain on the shelf, many communities are implementing their blueprints. This work is producing tangible results and has, in many cities, changed how communities respond to homelessness.

A majority of the plans call for shifting to Housing First approaches that help people who experience long-term homelessness access housing rapidly, and then, after the household is stably housed, provide services to help with housing and economic stability. This approach challenges the popularly held notion of “housing readiness”—that people who experience homelessness must overcome their personal challenges, such as mental illness, substance abuse, and chronic health conditions, before entering housing. The core of this belief is that many of these problems are what led homeless people to homelessness in the first place; therefore, to end their homelessness, programs have to end the personal problems. The empirical evidence, however, shows that this is not true.

The impetus for the shift from housing readiness programs to Housing First programs is due, in part, to research from the University of Pennsylvania. It shows a small subset (about 10 percent) of the single adult homeless population is using 50 percent of the shelter services available, and that deploying Housing First and permanent supportive housing can help chronically homeless people with serious mental illness, including substance use disorders, access and maintain housing (Kuhn and Culhane 1998; Culhane, Metraux, and Hadley 2002). Importantly, the data show that the cost of permanent supportive housing is offset by savings in public services (such as emergency room visits, jail stays, and mental health facilities) that homeless people use while living on the street or in shelter. In other words, it costs a lot to do nothing about homelessness.

Other studies show similar findings: one randomly controlled study of Pathways to Housing, the program credited as one of the first Housing First models for chronically homeless adults, showed that the treatment group (those who received permanent supportive housing under a Housing First umbrella) reported spending less time homeless and more time stably housed than the control group (Tsemberis, Gulcur, and Nakae 2004). A study of two San Francisco permanent supportive housing sites found that 81 percent of residents remained in housing for at least one year, and that housing placement reduced emergency department and inpatient services (Martinez and Burt 2006). Together, this research debunks the notion of “housing readiness.”
A body of research on how to respond to family homelessness has also emerged. Most families who experience homelessness have different needs than chronically homeless adults. They have lower rates of substance abuse and mental health challenges than homeless adults, and homeless families’ characteristics more closely match other low-income families’ (Bassuk 1996; Rog and Buckner 2007). For these reasons, helping homeless families get back into housing largely depends on their ability to pay rent and their capacity to navigate the rental market, as well as the availability of affordable housing in the community.

Housing vouchers alone can help families exit homelessness (Khadduri 2008; Mills et al. 2007; Rog and Buckner 2007). The problem is that there are not enough vouchers for every family who needs one; further, not every family that experiences homelessness needs a voucher.

Some researchers argue that most families can exit homelessness with relatively little assistance—enough for the first month’s rent and security deposit, for example (Culhane et al. 2007; Culhane and Metraux 2008). This theory is largely untested, though shallow housing subsidies ($175–$475 a month, depending on household size) can prevent homelessness among people living with HIV/AIDS (Dasinger and Speiglman 2007). Program data from Hennepin County, Minnesota’s rapid rehousing program—one of the first in the country—support the argument that many families, those with the lowest barriers to housing, can be rapidly rehoused with a one-time infusion of cash assistance and transitional services, while those with the highest barriers to housing are targeted for permanent supportive housing (National Alliance to End Homelessness 2005a). The big policy question is how to assess and target different levels of housing subsidies and services to appropriately match family needs. Congress recently appropriated $25 million for a rapid rehousing demonstration that will allow communities to test this question empirically.

These changes in practice are producing results. A handful of communities—San Francisco, California; Portland, Oregon; New York City, New York; Denver, Colorado; and Norfolk, Virginia—were implementing Housing First initiatives and showing declines in homelessness and increases in permanent housing for homeless people (National Alliance to End Homelessness 2005b–c, 2007a, 2007c, 2008b). In 2007, HUD was able to measure change in homelessness from year to year for the first time ever nationally, using one-night point-in-time counts collected by CoCs from across the country. Using these data, HUD reported a national decline of 11 percent in homelessness from 2006 to 2007 and a 30 percent decrease in the number of chronically homeless adults from 2005 to 2007 (HUD 2008a, 2008b). While these data have some limitations—the study’s authors attributed this decline to both real progress in helping homeless individuals and families get back into housing and changes in data collection methods—HUD and many advocates, researchers, and homeless service providers celebrated these findings as a sign that Housing First efforts and targeted permanent supportive housing programs were working (HUD 2008a).

Certainly the data show that declines in homelessness correspond with significant increases in permanent supportive housing. From 2002 to 2007, 65,000 and 72,000 units were created; about half were already open in 2007, and the remainder were still under development (Corporation for Supportive Housing 2008). When completed, these units will effectively double the stock of permanent supportive housing. According to the Corporation for Supportive Housing (2008), about 20 percent of the permanent supportive housing beds created during that period went to families; 47 percent went to chronically homeless adults, and 33 percent went to other vulnerable single adults. Today there are 188,000 permanent supportive housing beds across the country (HUD 2008a).

**The Economic Crisis, Hurricanes, and the Ongoing Wars**

The data showing declines in homelessness, however, predate the economic crisis...
and explosion in foreclosures. Economists are predicting a long, deep recession, with some analysts estimating that the downturn could push 7.5 to 10.3 million more people into poverty (Parrott 2008). The lack of affordable housing matched with rising unemployment will hit the poorest the hardest. With no cushion, budgets in low-income households cannot respond to these pressures, leaving many homeless or teetering on the periphery of homelessness—a precarious position where emergencies or unforeseen circumstances could lead to stays in emergency homeless shelters. No national data are yet available, but some communities—including Massachusetts, New York City, and Hennepin County—are reporting increases in homelessness during the past year, particularly among families. Significant increases in homelessness are expected in early 2009 when communities conduct their homeless counts.

Today, only one in four people who qualify for assisted housing receive it.

In addition to those at risk of homelessness because of job loss and strain on household budgets, the big unanswered question is how many of the 2.2 million households with subprime loans potentially facing foreclosure over the next few years will end up homeless (Center for Responsible Lending 2008). The pathways to homelessness for these households are not immediate; usually there are many stops along the way—a rental unit, the couches of friends or family, low-cost motels—and emergency shelter is frequently a last resort. Most families facing foreclosure will not end up homeless. Some, though, end up in emergency shelters. Michigan, for example, reports that 3 percent of the households who entered shelters in January 2007 came as a result of foreclosure; it is unclear if these households were previous home owners or households that were renting in properties that were foreclosed on. Low-income renters living in foreclosed properties are likely at the highest risk in this group. These households often have no notice, lose their security deposits, and are left with no place to turn except the homeless system.

On top of problems with the economy, the national safety net is weak—torn and frayed after years of budget cuts. During the past 10 years while homeless systems have been transforming their response, support for affordable housing programs has evaporated. Despite housing’s importance in ending homelessness, the Bush administration has repeatedly slashed the HUD budget for publicly assisted housing programs. Today, only one in four people who qualify for assisted housing receive it (Turner and Kingsley 2008).

Other mainstream systems—hospitals, jails, prisons, and mental health facilities—also contribute to homelessness. Nationwide, people leaving prison, hospitals, and foster care are unable to find housing and are entering shelters, demonstrating the limitations of the homeless system to solve the problem. As many as 5 percent of individual adult shelter entrants spent the previous night in a jail, prison, or juvenile detention facility, while converging data suggests that “20 to 25 percent of released prisoners will be homeless within a year following their release” (HUD 2008a; Travis 2005, 240). Further, some research shows that arrest history is a predictor of long-term homelessness, highlighting the need to intervene early (Caton, Wilkins, and Anderson 2007).

Youth aging out of foster care—nearly 20,000 each year—are another high-risk group. Homelessness is a common experience for adults who spent time in child welfare settings: the only national study to look at the issue, conducted by the Urban Institute in 1996, found that 27 percent of homeless clients were placed in out-of-home care (foster care, a group home, or other institutional setting) during their childhood (Burt et al. 1999). These statistics highlight a major public policy flaw: even if homeless systems help people exit homelessness faster, a new line each day is waiting to enter—often people coming from systems that have failed them.

Broader issues—such as the ongoing wars in Iraq and Afghanistan—affect homelessness as well. According to the Department of Veterans Affairs, as many as 154,000 veterans are homeless on a given night (Kuhn and Nakashima 2008). Most
Metropolitan Housing and Communities

The answer to this financial crisis is not building more temporary shelter—it is increasing the availability of affordable housing. Policymakers face a daunting to do list with competing priorities; decisions will be difficult. They should focus on the lessons learned from research during the past decade and continue the effort to end homelessness by investing in housing, specifically:

- **Bring Housing First and permanent supportive housing to scale.** While communities have adopted and implemented Housing First programs, the innovations remain small-scale. To ensure continued progress on ending homelessness among adults with long homeless histories, Congress should expand efforts to create permanent supportive housing. The Corporation for Supportive Housing and the National Alliance to End Homelessness estimate that 90,000 units are needed to end chronic homelessness among single adults. These units should be targeted to those with the highest needs, including older, chronically homeless people with significant health problems. In addition, Congress should significantly expand access to permanent supportive housing for families that need it. This means targeting these higher-service intensity interventions to families with severe substance abuse and mental health problems. Finally, the homelessness problem in New Orleans can no longer be ignored. Congress must provide enough permanent supportive housing units for people with serious mental illness and physical health problems and additional resources for housing subsidies to the working poor who cannot afford the high cost of rental housing after Hurricane Katrina.

- **Expand rapid rehousing for families.** To better serve families, homeless systems must shift their resources from crisis, broader factors, and the strain on emergency response systems for poor people could lead to significant, across-the-board increases in homelessness and will likely result in the need for more emergency shelter. But, as history shows, the answer is not building more temporary shelter—it is increasing the availability of affordable housing. Policymakers face a daunting to do list with competing priorities; decisions will be difficult. They should focus on the lessons learned from research during the past decade and continue the effort to end homelessness by investing in housing, specifically:

What Is Next?

Today many communities are holding on tightly to any progress in ending homelessness. Economic problems, the foreclosure

are Vietnam veterans, still struggling with the residual effects of war, and an estimated 44,000 to 64,000 are chronically homeless (National Alliance to End Homelessness 2007b). The effects of the ongoing wars remain unknown, though about 1,350 veterans who served in Operation Enduring Freedom and Operation Iraqi Freedom have been identified by the VA as homeless or at risk of homelessness (Perl 2007).

While this number remains small, other troubling indicators, such as the rates of traumatic brain injury and post-traumatic stress disorder among new veterans, are alarming (Hoge, Aucklerlonie, and Milliken 2006; Perl 2007). Further, while there are significant programs to help veterans buy homes, rental assistance programs that cover the gap between low incomes and the high cost of housing are small relative to need (Roisman 2005). The Government Accountability Office (GAO) finds that more than a half million low-income veterans were paying too much for housing in 2005, leaving them at risk for homelessness (GAO 2007).

Finally, the recent natural disasters—notably Hurricane Katrina—have had devastating consequences. In the two years after Hurricane Katrina, the fair-market rent for a two-bedroom unit in the New Orleans metropolitan area increased 32 percent from $676 in 2005 to $990 in 2007 (Brookings Institution and Greater New Orleans Community Data Center 2008). It is not surprising, then, that nearly 12,000 people are homeless in New Orleans—double the number from before the storm (Unity 2007). Efforts to eliminate homeless encampments—where hundreds of people were living under an interstate and in Duncan Plaza—by providing permanent supportive housing have helped people with serious needs (Unity 2007). Yet thousands remain homeless waiting for permanent supportive housing and housing vouchers.

The answer to this financial crisis is not building more temporary shelter—it is increasing the availability of affordable housing.
The research is clear: an adequate supply of affordable rental housing is the key ingredient to preventing widespread homelessness.

Costly transitional housing programs toward rapid rehousing programs that provide different housing subsidy and service levels to families based on their needs (i.e., shelter diversion assistance and shallow and short-term housing subsidies with transitional services and permanent supportive housing). To do this, Congress must appropriate additional resources to rapid rehousing programs and give communities the flexibility to convert transitional housing resources to either short-term interim housing or permanent supportive housing for high-need families. Once families are living in stable, safe, affordable housing, providers should connect them to community-based supports to help them maintain housing stability and improve their economic well-being.

- **Fully invest in rental housing and homelessness programs for veterans.** No one who served in the United States military should be homeless. To help veterans who are already homeless, Congress should invest in the HUD-VASH program, fully funding 66,000 HUD-VASH vouchers for chronically homeless veterans. In addition, GAO data indicate that many veterans are severely rent burdened and have trouble accessing HUD housing programs. This demonstrates the need for a rental assistance program for veterans. It could come in the form of a housing supplement to VA benefits. Further, to prevent homelessness among new veterans, Congress should invest in a pilot homelessness prevention program.

- **Make mainstream systems accountable.** During the past two decades, the homeless system has become the de facto safety net for the most vulnerable people. Mainstream systems such as prisons, jails, mental health facilities, hospitals, child welfare agencies, foster care, and juvenile justice can all help prevent homelessness by improving discharge planning to include a housing component. There should be zero tolerance for discharges into homelessness, and policymakers should provide incentives to mainstream systems to prevent shelter entry. In some communities, the Department of Corrections is partnering with homeless service providers to provide permanent supportive housing for people cycling between homelessness and incarceration; these investments can save taxpayers money and decrease recidivism. Discharge programs like these, though promising, remain small. Policymakers should expand funding to facilitate these partnerships and provide housing resources. Funding for these housing programs should not come from McKinney-Vento homeless assistance programs, which are already struggling to meet the needs of those sleeping on the street or in shelters.

- **Ramp up emergency prevention programs.** As researcher Martha Burt has observed, “homelessness is America’s revolving door crisis” (2001, 1). Indeed, the data on homeless service use show that without considerable prevention efforts, there will be a continual flow of people experiencing homelessness and residential instability. The current economic crisis will leave even more people at risk of homelessness. Building more emergency shelters is not the answer. Through an economic stimulus package, Congress should significantly increase funding for homelessness prevention. These resources should focus on helping people stay in housing and—for those who are already homeless—get back into housing by providing emergency assistance for household expenses (e.g., utility payments), short-term or medium-term rental assistance, and housing relocation and stabilization services. Further, as Congress drafts legislation to respond to the foreclosure crisis, special attention should go to renters living in properties at risk for foreclosure; these households need notice to move and relocation assistance to transition to stable housing.

- **Invest in housing programs that help build stronger people and families.** The research is clear: an adequate supply of affordable rental housing is the
Policymakers can pour resources into short-term fixes and watch the homeless numbers swell, or they can focus on long-term solutions by seriously investing in affordable housing programs.

The United States is at a critical juncture. A decade of research has shown what works in ending homelessness, and hundreds of communities were implementing these evidence-based solutions and—until recently—reporting declines in homelessness. The economic turmoil threatens this hard-earned progress, significantly increasing the number of people at risk of homelessness and, thus, the need for stable and affordable housing. Policymakers have a choice: they can continue to pour resources into short-term fixes—like emergency shelter and transitional housing—and watch the homeless numbers swell, or they can focus on long-term solutions by seriously investing in affordable housing programs. Research shows that the latter is better public policy and can be cost-effective.

Notes


References


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