

Introduction

■ During the recession of 1981–1982, emergency shelters and soup kitchens began reporting a greatly increased demand for their services, reflecting the effects of high unemployment, a rising cost of living, and a retrenchment in government programs that cushioned earlier economic downturns. Even when economic conditions improved after 1983, homelessness seemed to continue growing. The size of the homeless population was estimated at 250,000 to 350,000 for 1984 (Department of Housing and Urban Development, 1984) and 500,000 to 600,000 for 1987 (Burt and Cohen, 1989a). A comparison of these estimates yields an annual rate of increase of about 22 percent for these three years. As the decade progressed, the homeless population increasingly included new groups of people, such as mothers with children, and more of certain types of individuals, such as the severely mentally ill and drug abusers.

Homelessness is not an invention of the 1980s. During the Great Depression, a nationwide census conducted by the National Committee on Care of Transient and Homeless suggested that some 1.2 million persons were homeless in mid-January 1933—a figure regarded as conservative at the time despite considerable adjustment for unseen and uncounted individuals (Crouse, 1986). These 1.2 million homeless people represented 1 percent of the country's population at that time (122.8 million in 1930)—victims of the unemployment and social disruption of the Depression. As Crouse put it, “these people were not the vagrants and vagabonds, tramps and thieves that the laws had been written to guard against; these were the inheritors of optimistic America, its sons and daughters. . . . Many of these uprooted persons set out hopefully with the belief that in America all one needed to do when times got rough was to move on . . . but the dream was not working” (p. 48).

When advocates for the homeless estimate the size of today's homeless population at 2 to 3 million (about 1 percent of the U.S. population of 250 million),

they are claiming that the current situation is as bad as it was at the depth of the Great Depression. Without minimizing the plight of today's homeless, it is clear that such estimates are exaggerated. Far more credible are the estimates derived from local and national studies with reasonably adequate methodologies (see, for example, Burt and Cohen, 1989a; City of Boston, 1983, 1986; General Accounting Office, 1988; Goplerud, 1987; Lee, 1989; Rossi et al., 1986; Vernez et al., 1988; Weigand, 1985). These studies suggest there are roughly 15 to 25 homeless persons for every 10,000 people living in the United States—a rate of about 0.2 percent.

Many explanations have been offered for the increase in homelessness during the 1980s. At first, blame fell on the 1981–1982 recession, unemployment, and certain Reagan administration policies. It was tempting to identify a single cause. To Robert Hayes, former director of the Coalition for the Homeless, that cause was “housing, housing, and housing.” Others argued that plenty of housing was available but that homeless people had individual problems that kept them from maintaining housing (Butler, 1989). The most persistently discussed societal or structural explanations have been housing shortages and federal housing policy, changes in the structure of employment from manufacturing to services, reductions in the purchasing power of public benefits, and the policies of deinstitutionalization and severely restricted involuntary commitment of the mentally ill. The most persistently discussed personal problems have been mental illness, alcoholism, and drug abuse.

Research carried out during the 1980s shows clearly that homelessness cannot be attributed to a single factor, nor do its causes lie only with society or only within the individual. A few vignettes will illustrate the complexity of the problem. The following four “case histories” are fictitious composites, but they correspond in their basic outlines to the stories of many homeless people.

Joe is a white man in his forties, who does occasional day labor in the skid rows of several southern cities, among which he moves. He had many years of stable employment in a Midwestern factory job. During that time he married, had three children, supported his family, and drank a lot. He had no trouble maintaining his job until the factory closed. Other factories in his city also closed, leaving many out of work. His drinking increased, and after a futile search for work locally, he left town to look for work. He returned home every few months for the first year, but has not been home now for three years. He earns whatever money he spends, sleeps in cheap hotels when he can afford it and in shelters when he can't, eats at soup kitchens, and continues drinking.

Latoya is a woman in her late twenties, with three children. Her oldest child was left with relatives so he could attend school. Her two preschoolers live with her. She has never been married, and lived with her mother until she became pregnant with her third child. Thereafter she stayed with relatives or boyfriends, but has never had

primary responsibility for paying her own rent, because she never had enough money to do so. She is a high school dropout and has never worked. She left her last boyfriend (the father of her third child) because he persistently abused her physically. She does not have enough money to pay rent for her own apartment although she receives welfare. She is psychologically depressed.

Sally is a middle-aged woman with a history of several mental hospitalizations. She is always neatly dressed and clean. Her family, in another part of the country, regularly sends her money. They would like her to live with them, but she doesn't want to be controlled or observed. Usually rational and civil, she bursts out with streams of obscenities and extremely angry pronouncements for five- to ten-minute periods two or three times a day. She has a "beat" of several blocks in a well-to-do urban neighborhood, where residents watch out for her to make sure she has what she needs. When she was released from her last hospital stay, the social worker helped her to enroll in Supplemental Security Income (SSI) and to locate an apartment. She was caught in the SSI accelerated review process that began in 1981, and her eligibility was disallowed. She lost her apartment, became extremely embittered, and left town. Since then she has refused contact with anyone who might help her get reinstated with SSI. She cannot be hospitalized against her will because she is not an immediate danger to herself or others.

Bart is in his early thirties. He is a veteran with some college training, who for several years worked steadily at a very visible, high-paying job. He maintained his own apartment in a fashionable part of town. He used cocaine and other drugs regularly, as he had done since his military service, but his life did not begin to come apart until he tried crack cocaine. He developed a heavy crack habit, became very unreliable at work, and was eventually fired. He wore out the patience and sympathy of his friends, and then of his family, since he stole from them whenever he could and failed to fulfill any commitments or obligations. All his money went for drugs. After losing his apartment, he spent about a year on the street, panhandling, selling used books and clothing, and associating with a group of similar homeless men who took drugs together. He finally checked himself into a Veterans Administration drug rehabilitation program after discussions with a street outreach worker. He is living at a shelter, working, and saving money for an apartment. He is drug free.

A MODEL OF HOMELESSNESS

Various societal factors that may have a bearing on homelessness have changed over the past decade. In addition to more general studies, research motivated by an interest in homelessness has documented these changes (e.g., Wright and Lam (1987) for housing; Rossi (1989) for housing and extreme poverty; and Lamb (1984) for deinstitutionalization). These efforts have concentrated on the national level, and have not made specific analytic connections to changes in the rate of homelessness.

Many other research efforts have examined the personal characteristics and circumstances of the homeless. Examples include Farr et al. (1986) for downtown Los Angeles; Rossi et al. (1986) and Sosin et al. (1988) for Chicago; Roth et al. (1985) for Ohio; and Vernez et al. (1988) for California. Burt and Cohen (1989a, 1989b) report personal characteristics from a nationwide random sample of urban homeless soup kitchen and shelter users, and Wright and Weber (1987) report data from a very large self-selected sample of users of special health clinics. These studies show that a disproportionate share of homeless people suffer from mental illness, alcohol or drug abuse, or a criminal record.

To attribute the problems of homelessness entirely to personal characteristics of individuals would be an oversimplification, as would a view that considered only societal explanations. In part rooted in personal vulnerabilities that increase the risk for particular individuals, homelessness is also a problem of housing availability and affordability. The causes of homelessness include structural factors, personal factors, and public policy. Most important, homelessness is associated with poverty and the accompanying inability to afford housing; for millions of people, including many with disabilities, the combined effects of labor market opportunities and government programs are not enough to alleviate poverty.

Homelessness is a housing problem in two respects. First, some cities have clear-cut housing shortages, regardless of cost (Milgram and Bury, 1987). Second, even in cities with "enough" housing at what would seem a reasonable rent (say, no more than \$300 a month), these units are beyond the means of very poor households. Many of the people who fall off the bottom of the economic ladder do so because their disabilities and deficits (physical, mental, addictive, educational, social) make them more vulnerable, and poorer. Their presence among the homeless represents a failure of social and mental health support programs, and the absence of any coordinated efforts that include government housing resources.

Figure 1-1 shows a schematic model of homelessness that incorporates the complex interactions of these many factors. The relationship between household income and housing cost is central. It is worth emphasizing that rising housing prices do not necessarily mean that housing has become less affordable—provided household resources increase proportionately. Similarly, a decline in housing costs will not improve affordability if household resources fall even faster. In general, as resources decrease while housing costs remain stable or increase, households must pay a larger proportion of their income for housing and must forego other essential purchases. This has happened in the 1980s (Leonard, Dolbeare, and Lazere, 1989). As the cost of housing in a given area begins to exceed a reasonable proportion of household income, one would expect to see homelessness increase.

Many factors influence both the level of household income and the availabil-

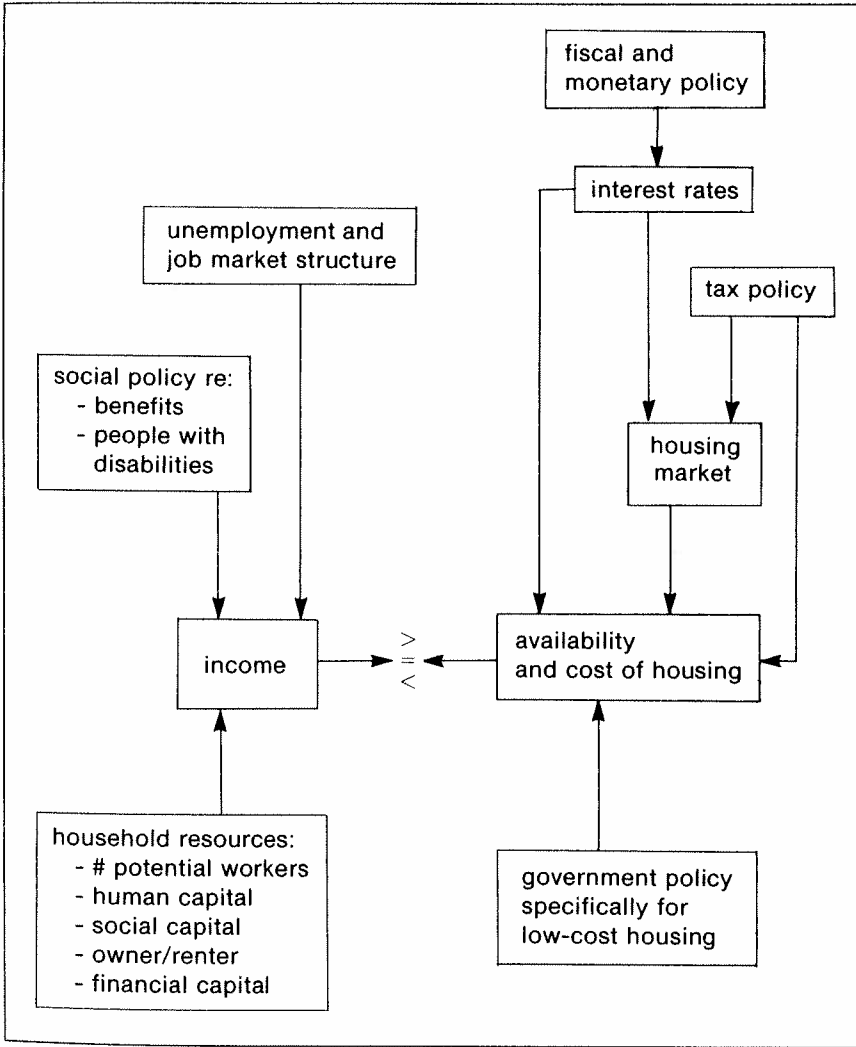


Figure 1-1 Factors Influencing Homelessness

ity and cost of housing, as Figure 1-1 shows. Household income is influenced by social policy as it pertains to public benefit programs and to the treatment of people with disabilities; by the structure of the job market in a local area, wages, and local unemployment; and by household resources. The resources of a particular household in turn depend on:

- The number of actual and potential workers in the household.
- The household's human capital (education, physical and mental health, work experience).
- The household's social capital (family resources, friendship resources, participation in supportive neighborhood networks).
- The household's physical capital (whether it owns or rents its dwelling).
- The household's financial capital (savings, pension rights, eligibility for and participation in public benefit programs).

As poverty increases, presumably single individuals find it harder to pay for housing on their own, and the relatives or friends with whom they might share housing are also stretched to the limit and less able to help out. Increasing poverty and less effective safety-net programs are likely to strain all low-income households, reduce the personal and financial resources available to avoid homelessness, and increase the probability of homelessness among the most vulnerable and poorest of the poor. When housing becomes less affordable, many households try to cope by sending another worker into the labor force or doubling up in housing so that more earners share the same rent (Levy, 1987; Mutchler and Krivo, 1989). Very poor people who live with others are significantly less likely to become homeless than are equally poor people who live alone (Sosin, Colson, and Grossman, 1988, p. 59). Virtually all people who eventually become homeless have tried one or more of these strategies along the way.

The housing side of the equation is as complex as the income side. Government policy specifically focused on low-cost housing influences the availability and cost of housing. But an equal if not greater influence is exerted by the factors in the upper right quadrant of Figure 1-1. Fiscal and monetary policy affect interest rates; interest rates and tax policy in turn influence the housing market (construction, rehabilitation, maintenance, abandonment); ultimately, interest rates, tax policy, and the housing market all affect housing cost and availability. If this view is correct, then policymakers concerned about homelessness should avoid focusing too narrowly on low-income housing subsidies; fiscal, monetary, and tax policies may have a far more pervasive influence on the housing market.

For the very poor, life is usually precarious. Any one of a variety of events can precipitate an episode of homelessness. Since local conditions may influence the likelihood of these events, the principal causes of homelessness may vary from one part of the country to another. A few cities, such as New York, Boston, or Los Angeles (where much of the early research on homelessness was done), may have an actual shortage of units. From their perspective, it may appear that the best remedy is the construction or rehabilitation of low-cost rental units. In many other cities, however, housing is available at reasonable cost, but because

of unemployment or low wage rates, many households do not have enough income to afford even quite cheap housing. In these cities a more promising response would be to apply a range of remedies including housing subsidies, job development, retraining unemployed workers, and supported housing for the disabled. Still other cities have experienced tremendous increases in drug addiction, and their homeless population may include a large proportion of crack cocaine users. These communities may need to expand their drug treatment capacity, but they also need to develop programs that offer viable alternatives to drug activities for the most vulnerable subpopulations.

THE PLAN OF THE BOOK

This book is my attempt to advance public debate about the causes of homelessness in the 1980s. In Part One, *Changing Conditions*, I trace changes at the national level in a variety of factors that seem likely to affect homelessness. In effect, these chapters constitute a case study that relies on an implied association between changes in such factors as income or housing cost and changes in homelessness. Part Two, based on a newly assembled data set, then presents a multivariate analysis of the relationship of proposed causal factors to homelessness in the urban United States between 1981 and 1989.

Chapter 2 summarizes what is known about the characteristics of homeless people, who are predominantly single males (representing about 70 percent of homeless adults), followed by women alone and women with children. The discussion focuses on attributes that may make an individual particularly vulnerable to becoming homeless. In subsequent chapters the search for causes will focus on the factors that would most strongly affect those groups at highest risk for homelessness.

The remainder of Part One uses data available at the national level to develop an understanding of potential causal factors and their relationship to homelessness. Chapters 3 through 6 examine changes during the 1980s in four major factors hypothesized to affect homelessness: housing, housing policy, and housing subsidies (Chapter 3); household incomes, poverty, inequality, unemployment, and labor market structure (Chapter 4); public benefit programs (Chapter 5); and programs and policies for the chronically mentally ill and chemically dependent (Chapter 6).

Part Two, *Impact on Homelessness*, presents the results of analysis of a new data set designed to make possible, for the first time, analyses of factors affecting homelessness both cross-sectionally and longitudinally. Public data sources were tapped for measures of the hypothesized causal factors (independent variables); rates of homelessness were measured for a large sample of cities early and late in the decade, using a consistent methodology. Statistics pertinent to the four major causal factors discussed in Chapters 3 through 6 were

assembled for two periods—1979 through 1981 and 1987 through 1989 (when available)—for each of the 182 U.S. cities with populations of 100,000 or more in 1986. In addition, I obtained counts of the number of shelter beds available to the homeless in these cities in 1981 and in 1989, along with the opening dates of shelters that were established after 1981. (It was then possible to estimate the number of shelter beds available in 1983 and 1986). Using local population figures, I converted these shelter bed counts into rates of homelessness. Regression techniques were then used to test the strength of the hypothetical causal relationships.

Chapter 7 explains the method by which I counted shelter beds and converted them into homelessness rates. It also traces the development of shelter resources throughout the urban United States during the 1980s. Chapter 8 discusses the variables representing the causal factors, and their sources. Chapter 9 describes the results of my regression analyses, demonstrating the independent and interactive effects of the hypothesized causal factors on 1989 homelessness rates and on the increase in rates that cities experienced between 1981 and 1989. Chapter 10 examines which variables allow the best predictions of homelessness rates, without concern for the causal connections between the predictor variables and homelessness. Chapter 11 summarizes the most important findings and discusses them in the context of appropriate policy responses.