

Is there homelessness in our future?

The only solution to homelessness is a combination of providing for more low cost housing and boosting income.

By **Michael T. Hertz** - February 18, 2020



Homelessness has become an important problem in the last thirty years. But the issue has been around a lot longer than that, and despite the high cost to society of having the homeless on the street, there has been no successful, long term solution.

First, let's think about the cost of homelessness. The cost to society alone (and not just the victims of homelessness) is currently "an average of \$35,578 per year. [A 2017] study shows how costs on average are reduced by 49.5% when [the homeless] are placed in supportive housing. Supportive housing costs on average \$12,800, making the net savings roughly \$4,800 per year." So paying government money to eradicate homelessness costs less than doing nothing.

Second, homelessness has been around for a long time. "It is believed that the origin of homelessness is traced back during colonial America. As early as 1640, the English "vagrants" were listed as outcast individuals and the police were after them. The homeless people were

regarded as "Sturdy beggars" in the mid-eighteenth century and they were found in every corner of the colonial towns. For example towns like, Baltimore and Philadelphia had a more significant number of homeless than any town in America. The problem of homelessness at that period was a result of the King Philip' War Of 1675-1676 against the native people. Many colonies were driven out of their homes to seek shelter in the forests or coastal areas. They remained idle for sometime until a law was enacted to prevent "idleness" in the cities and those idle people were made servants or indentured servants. But as the war continued between the French and Indians, the securities of some families were threatened and forced many families to become refugees across the frontier areas like New England and New York.

"During the American Revolution, the homelessness increased like never before. Many individuals soon after the war were forced into homelessness due to insufficient needs. By the depression of 1857, most of the growing cities were full of homeless people but there was no effort to intervene from the government. Even though there were some private charities and organizations whose goal was to solve this problem, it didn't work. It was at this time the "Western Soup Society" came into existence in the state of Philadelphia to help people with food- especially during the harsher seasons like winter. The organization tried to thrive without the government but there was little fund. The government received criticism from many charity organizations but turned deaf ears on them.

"In the years to come, civil war broke out and made the situation beyond human imagination. Homelessness was on the rise again. Many war veterans remained unemployed and others lost their properties to war and natural catastrophes, thus they spent most of their times in the streets. In the nature of things, many people passed homelessness from generation to generation in the form of poverty and crime."

In the U.S. presently, there are five basic causes of homelessness: "(1) lack of affordable housing, (2) unemployment, (3) poverty, (4) mental illness and the lack of needed services, and (5) substance abuse and the lack of needed services. " But "The fundamental cause of homelessness is the widening housing affordability gap. In New York City, that gap has widened significantly over the past decades, which has seen the loss of hundreds of thousands of units of affordable rental housing. At the same time that housing affordability has worsened, government at every level has cut back on already-inadequate housing assistance for low-income people and has reduced investments in building and preserving affordable housing. Finally, the weakening of rent regulation laws, which help keep around half of all rental apartments in New York City affordable, has accelerated the loss of low-cost housing. To address New York City's wide housing affordability gap, the Federal, State and City

governments must significantly increase investments in affordable rental housing, with a significant portion targeted to homeless families and individuals. Similarly, strengthening rent regulation laws would preserve affordable housing and protect tenants, allowing them to **keep their homes.**"

Poverty and unemployment contribute secondarily to the problem. "In 2015, Albuquerque Mayor Richard Berry **made national headlines** when he debuted a no-frills effort to reduce panhandling and homelessness in the city. With one driver and one 10-seater van, the program, called There's a Better Way, would transport the city's jobless to six-hour gigs pulling weeds in parks, picking up trash or tidying up the grounds at the local dump.

"What started off as a \$50,000, six-month pilot is now a \$181,000 annual program that has inspired spin-offs in Denver, Dallas and the state of Wisconsin. Anaheim, California, became the most recent municipality to get on the trend, with Mayor Tom Tait telling an audience of 800 at the State of the City address on Feb. 7 that **jobs were the solution to homelessness.**

"Experts on equitable economies, however, say it's not that simple. There's a Better Way is catching the interest of U.S. politicians on both sides of the aisle because it's low cost and easy to deploy, but researchers say it's a short-term fix with short-term results if municipalities don't link it with a robust system of local services like long-term career training and housing assistance.

"My impression is close to half of the persons who are homeless have employment, regardless whether their city offers this type of program," says Sandy Darity, a professor of public policy at Duke University. "They just have poorly paid employment."

"Even if an individual were to work these jobs full-time, Darity notes that it's still not enough pay to bring someone out of the cycle of homelessness — regardless of any short-term cash injection. Earning \$9 an hour at 40 hours a week comes out to about \$17,000 a year. "That's below the poverty line," **he notes.**"

As artificial intelligence ("AI") becomes a great factor in the economy, jobs will become less available, and that is bound to increase homelessness. "Accountants, factory workers, truckers, paralegals, and radiologists — just to name a few — will be confronted by a disruption akin to that faced by farmers during the Industrial Revolution," he wrote. "As research suggests, the pace in which AI will replace jobs will only accelerate, impacting the

highly trained and poorly **educated alike**.” Jobs will also be created but the overall impact is expected to decrease job availability.

“The number of people who live in their vehicles because they can’t find affordable housing is on the rise, even though the practice is illegal in many U.S. cities.

“The number of people residing in campers and other vehicles surged 46 percent over the past year, a recent homeless census in Seattle’s King County, Washington found. The problem is “exploding” in cities with expensive housing markets, including Los Angeles, Portland and San Francisco, according to **Governing** magazine.

“The problem of vehicle residency is national in scope, although its impact may be more “acutely felt in urban areas where space is more limited,” said Sara Rankin, an assistant professor law at Seattle University and the director of Homeless Rights Advocacy Project, in an email to CBS MoneyWatch.

“A fair number of the “vehicular homeless” in Silicon Valley are employed but are unable to find affordable housing, as the **Associated Press** noted last year. Lines of RVs can be found near the headquarters of tech heavyweights such as Apple, Google and Hewlett-Packard. Nationwide, extremely low-income renters are facing a shortage of 7.2 million **rental homes**, according to the **National Low Income Housing Coalition**.”

Although mental illness and addictedness contributes to homelessness (and the cutting of public funds to treat those conditions certainly contributes to the problem), the more serious problem is the expense of housing and the elimination of low-cost residences.

Meanwhile, Jeff Bezos, the world’s richest man, has just paid \$165 million for a Beverly Hills mansion, the most paid for a house in Los Angeles **history**. At the same time, his company eliminated health care benefits for its part-time **workers**. These sorts of things increases income inequality while increasing the cost of housing, and that will increase the problems of homelessness. You don’t have to be an economist to understand that boosting the price of housing will make overall housing costs soar, even that of “low cost” housing. Developers want to build higher cost housing because the profit spread is greater. And eliminating health care benefits for workers will just reduce their disposable income and ultimately create more poverty.

Even though the United States has 550,000 homeless, it is not the worst off country in the world. The best off country in terms of homeless is Jordan, which has virtually no homeless. In a really interesting study of homelessness in Jordan, researchers could find only 16 examples since 2000. The basic social structure prevents it. Government and NGOs has no impact, because there is very little homelessness. The Palestinians who moved to Jordan adopted the Jordanian system and are able to prevent homelessness.

“The reality of homelessness in Jordan can be summarized thus: the basic social structure, built off family ties and tribal loyalty, prevents it from occurring. The 16 cases that have been recorded in the entire country since the year 2000 are the exceptions to this rule, and have all been addressed and housed once more. The familial/tribal culture of Jordan is uniquely strong, with no known similar nations stable enough for comparison. There are detrimental aspects to this structure due to the individualistic conflict of the tribes amongst each other, but the other side of this is the intratribal and familial micro-collectivism within the tribes themselves. The Palestinian refugees have by now adapted to life in Jordan, and are also able to keep themselves from homelessness with family support. If ever someone loses their home or is in danger of it, they have plenty of relatives to turn to who will feel personally obligated to assist them. There are few things more shameful than neglecting the basic needs of one’s own kin.

“The inventory of social theory, predominantly Western social theory, needs to be expanded in order to properly conceptualize Jordanian society. The individualist-collectivist paradigm, though useful, is not sufficient for describing the social dynamics of Jordanian tribes or family units, how they work within each other, and how they interact in society. Additionally, the conventional understandings of how homelessness is caused are irrelevant when applied to Jordan. The structural theory can only explain how a society causes homelessness, whereas Jordanian society prevents it. Meanwhile, the individual theory says the homeless themselves are the reason for their homelessness, but in Jordan a homeless person’s family will almost never let them become homeless no matter how destructive their behavior, for fear of the shame it would bring on the family. And of course, it can no longer be an acceptable idea that homelessness is an “intractable problem” or that solutions to it are merely a “utopian” dream (Neale, 1997). A country in an unstable region, with a significant amount of poverty, and still in the process of developing has managed to virtually eliminate it. All further theorizing on homelessness must acknowledge this reality. In summary of the study, the hypothesis that the government and various NGOs were the main direct actors in eliminating homelessness is false.”

The Jordanian situation does not directly impact the U.S. situation, although it does suggest that Americans do not have close enough family and community bonds. The situation in Jordan is totally the opposite of the one in Egypt, which has the worst homelessness per capita **in the world**. Yet both are Sunni Islam, which means that religion does not enter the equation.

Since Americans are unlikely to adopt the Jordanian principles in the short run, the only solution to homelessness is a combination of providing for more low cost housing and boosting income. The latter could be done by increased minimum wages and Universal Basic Income (as suggested by Andrew Yang). Even as climate change demands prompt and effective solutions, so does homelessness. Homelessness has dropped statistically from 647,258 in 2007 to 552,850 in 2018. But even if it would continue at that rate, it would take 60 years to reach 35,000. One would hope that a country as wealthy as ours could do better than that. At the same time, with AI – and increased poverty potentially – homelessness may turn out to be an increasing rather than a decreasing problem. All of which demonstrates, once again, that income inequity is a problem that cries out for solutions.

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COMMENTS
