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Addressing the Homelessness Crisis in the United States of America

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Addressing the Homelessness Crisis in the United States of America

Thesis Submitted to Levy Economics Institute of Bard College by Lukas Klatke

Annandale-on-Hudson, New York May 2021

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PLAGIARISM STATEMENT

I have written this project using in my own words and ideas, except otherwise indicated. I have subsequently attributed each word, idea, figure and table which is not my own to their respective authors. I am aware that paraphrasing is plagiarism unless the source is duly acknowledged. I understand that the incorporation of material from other works without acknowledgment will be treated as plagiarism. I have read and understand the Levy Economics Institute of Bard College statement on plagiarism and academic honesty as well as the relevant pages in the Student Handbook.

Luke Klatke 5/29/2021

ABSTRACT

Data from the American Housing Survey for 2015, 2017, and 2019 show median incomes and median rent cost as a proportion of median income for Whites, Blacks, Hispanics, and Non – Hispanics at the state and metro level. The data demonstrates Blacks have lower median incomes than Whites, and Hispanics have lower median incomes than Non - Hispanics. Additionally, the data indicates the median rent cost as a proportion of median income values for Blacks is larger than the values for Whites. The values for Hispanics are larger than the values for Non - Hispanics. These results imply Blacks and Hispanics are at greater risk of entering homelessness than Whites and Non - Hispanics. These results are essential in determining why Blacks and Hispanics are continuously over-represented in the United States Homelessness share. Using this framework suggests the Public Sector must increase the supply of affordable housing and increase income opportunities for Black and Hispanic Americans by following a Federal Housing First Model and implementing a Federal Jobs Guarantee Program.

Keywords: Poverty; Social Policy; Homeless; Inequality; Marginalized; General Welfare

JEL Classifications: I32, I310, I320, Z180

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I. MOTIVATION

In 2020-2021, an unprecedented global health crisis and economic recession, which resulted from the global health crisis arrived in the United States and abroad. The intersection of these crises has had a disproportionate impact on Black / African American and Hispanic / Latino Americans as Zamarripa and Roque find, “Black and Latino Americans are being hit hardest by this economic crisis because of the structural and institutional racism that preceded it” (Zamarripa and Roque, 2021). The U.S. Bureau of Labor Statistics’ confirms that Black and Hispanic Americans represented the higher share of job losses, relative to White Americans. The disproportionate health and economic impacts by race and ethnicity was the primary motivation as homelessness is one possible result of a person losing their job as they are unable to make their rent payment or mortgage payment due to the loss of a steady income channel.

The motivation also arrived from the Conservative political response from Former President Raegan to Former President Trump to the “welfare state” and their attempts to adopt austerity policies and take a laissez-faire approach to welfare recipients. For example, DeJong states, “conservatives see the present situation as an exoneration of their original position that the welfare state should never have come into existence in the first place” (DeJong, 1978). This political belief can be extended to the idea of the American Dream applying to every citizen of the country.

Papadimitriou states, “the ‘American Dream’ is fulfilled only for a segment of the population. Maybe the one percent of the income distribution ladder” (Monaco, 2011). A larger proportion of the population might have had access to achieving the American Dream if the Universal Declaration of Human Rights were recognized and ratified when it was introduced in 1948. However, this is not the case as the United States signed, but did not ratify the Universal Declaration of Human Rights in 1977. Within this document was Article 25, which set forth the right to a standard of living adequate for housing. The United States is currently the only industrialized country that has not ratified this treaty. As a result, numerous individuals are left unhoused, or “bootless” on any given night in America.

As Martin Luther King Jr said in a speech in 1967, “it’s all right to tell a man to lift himself by his own bootstraps, but it is cruel jest to say to a bootless man that he ought to lift himself by his own bootstraps.” (King, 1967). Black Americans have experienced decades of oppression based on the color of their skin and one of the many results of this oppression has been a significant portion of the Black population which has experienced decades of accumulating disproportionate amounts of capital, land, and labor relative to the White population.

This paper will set forth an approach to find why Black Americans are overly unhoused using median income measures by racial groups along with median rent cost as a proportion of median income measures for these same racial groups. An ethnicity component will also be included which observes these same income and rent cost measures for Hispanics and Non – Hispanics. The study covers seven states and 15 metro areas in the United States in the years 2015, 2017, and 2019.

The paper will further explore what is commonly referred to as the “affordability gap.” The affordability gap refers to increasing housing costs and stagnant incomes across the United States. The affordability gap is one of the leading causes contributing to an individual entering homelessness. The results will show trends in the data, which confirm that Blacks face higher median rent cost as a proportion of median income percentages than Whites and Hispanics face higher median rent cost as a proportion of median income percentages than Non-Hispanics. At the same time, Whites have median incomes that are larger than Blacks, and Non - Hispanics have median incomes that are larger than Hispanics. These results will aim to provide clarity in determining why there is an over-representation of both Blacks and Hispanics in the homelessness share for the United States in 2015, 2017, and 2019.

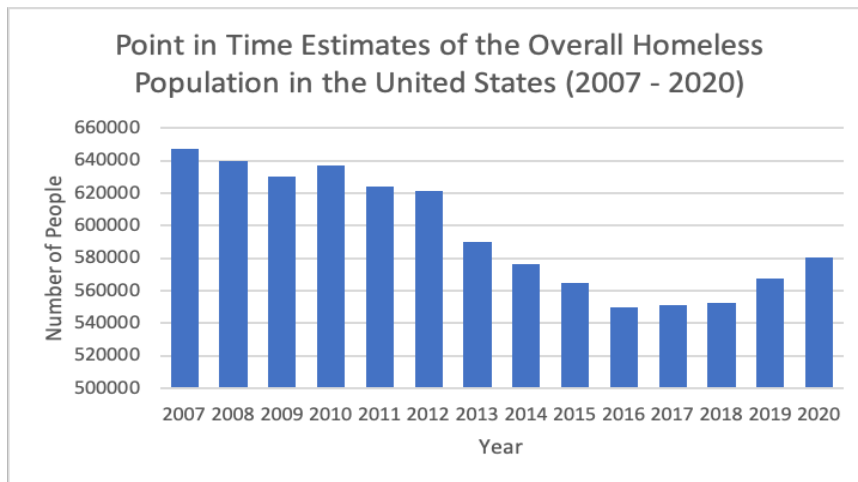
II. INTRODUCTION

The most commonly used measure to measure homelessness in the United States is the Point-in-Time (PIT) estimate. This estimate represents a nationwide effort to count the number of unsheltered and sheltered Americans living on the streets on a single night in January. The PIT count is required by the Department of Housing and Urban Development (HUD) to ensure communities complete the count to receive federal funding for homeless programs. The PIT estimates in the US are often theorized to underestimate the number of people who are left without a home. When the PIT counts undermine the complete representation of the issue, any solutions to the issue that are implemented based on the PIT count fail in addressing the entire homeless population and thus, will not and cannot meet the needs of the entire homeless population.

The first step and easiest way to acknowledge the magnitude of this crisis from a policy perspective would be for the HUD's PIT count to be nationally coordinated with a more consistent and more rigorous methodology. This requires appropriate funding levels to get more valuable data. This includes estimation techniques designed and overseen by experts to quantify the number of homeless individuals missed during the count. This includes counting all people experiencing homelessness, including institutionalized individuals in hospitals and jails or prisons. Finally, this includes a separate estimate of people who are doubled up due to economic hardship.

It is important to start by showing the PIT estimates of the overall homeless population in the United States. The PIT estimate began in 2007 and has been conducted every subsequent year since the most recent PIT estimate in 2020. Therefore, figure one will show the estimates of the overall homeless population based on the PIT estimation.

Figure 1: Point in Time Estimates of the Overall Homeless Population in the United States (2007-2020)

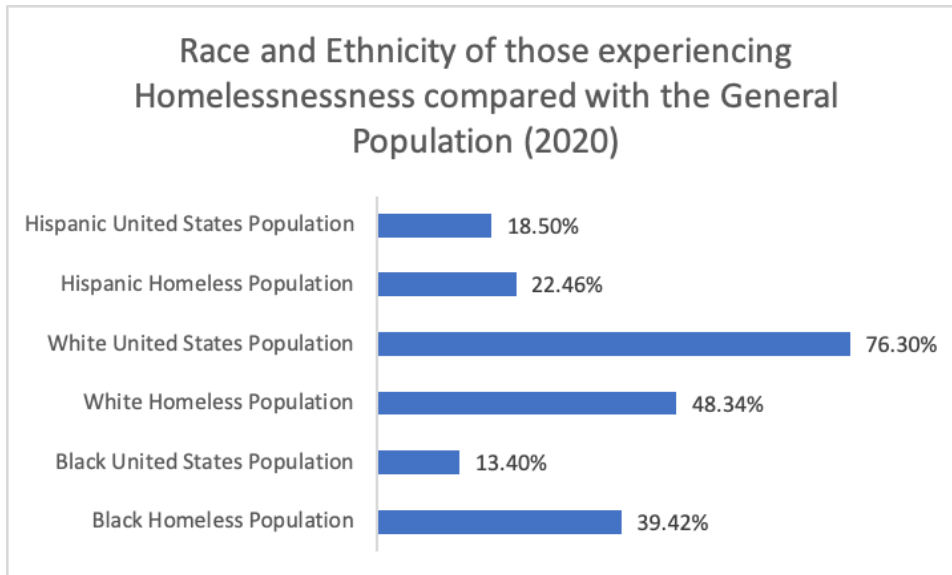


Source: HUD Exchange

As evident from figure one, the PIT count administered in the United States has displayed a general downward trajectory, with respect to the number of individuals counted as being homeless. For example, the PIT count in 2007 was over 640,000 and has since decreased to approximately 580,000 in 2020. However, since 2016, the PIT count has been increasing. In 2016, the number of individuals who were classified as being homeless was 549,928. In 2017, there was a little less than a one percent increase, in 2018, a 0.3 percent increase, in 2019, a three percent increase, and in 2020, a two percent increase.

From here, the focus will be on the composition by race and ethnicity of the PIT estimates of the homeless population. For example, the National Alliance to End Homelessness finds that “Most minority groups make up a larger share of the homeless population than they do of the general population” (National Alliance to End Homelessness, 2021). The minority group which is most prominently over-represented in the homelessness share are Black Americans. Figure 2 demonstrates this stylized fact using homelessness data from the 2020 estimate sponsored by the United States Department of Housing and Urban Development (HUD) and using population data from the 2020 estimate sponsored by the United States Census Bureau. The groups which will be included in figure two are Blacks, Whites, and Hispanic Americans.

Figure 2: Homeless Population Data and General Population Data by Race and Ethnicity (2020)



Source: 2020 Survey Data from the United States Department of Housing and Urban Development and the United States Census Bureau

Figure two shows there is an over-representation of Black and Hispanic Americans in the homeless population. This is found from the homeless population for Blacks being larger than the general population for Blacks. By ethnicity, this is found from the homeless population for Hispanics being larger than the general population for Hispanics. There is an under-representation of Whites in the homeless.

To be clear going forward, race and ethnicity must be defined. According to the Missouri Census Data Center, “race is defined as a person’s self-identification with one or more social groups” while “ethnicity determines whether a person is of Hispanic origin or not.” (Missouri Census Data Center). Therefore, ethnicity is mutually exclusive, as a person can either be Hispanic or Latino or not be Hispanic or Latino. A limitation with this definition is that for the comparison of Hispanics and Non – Hispanics, the Non – Hispanic group includes non – Hispanic Blacks, who have the largest over-representation in the homelessness share. Hispanics are less over-represented in the homelessness share than Blacks as a result of this limitation.

At the national level, minority groups including African Americans and Hispanics, experience homelessness at higher rates than their respective population shares as a result of historical and structural racism in America since the Founding Fathers. To make this point clear, the total homelessness share by each state along with the homelessness share for Blacks / African Americans, and the homelessness share for Hispanics / Latinos will be obtained from the Department of Housing and Urban Development (HUD) Exchange Reports and reported in the following table to provide a more detailed description of the over-representation of Blacks and Hispanics in the homelessness share. The homelessness share by race and ethnicity will be contrasted with the general population share by race and ethnicity. The homelessness share is found by dividing the PIT count for unsheltered and sheltered homeless individuals by the total population in the respective state for the respective year. The population share by race is found by dividing the Black / African American population in each state by the total population in each state. The population share by ethnicity is found by dividing the Hispanic / Latino population in each state by the total population in each state. Table one will show the characteristics for each state in 2019.

Table 1: Homelessness Share, Black / African American Population and Homelessness Share, and Hispanic / Latino Population and Homelessness Share at the State Level for 2019

2019	HOMELESSNESS SHARE	BLACK / AFRICAN AMERICAN POPULATION SHARE	BLACK / AFRICAN AMERICAN HOMELESSNESS SHARE	HISPANIC / LATINO POPULATION SHARE	HISPANIC / LATINO HOMELESSNESS SHARE
CALIFORNIA	0.38%	6.46%	29.14%	39.42%	31.41%
FLORIDA	0.13%	16.92%	40.86%	26.37%	13.05%
NEW YORK	0.47%	17.59%	69.99%	19.28%	33.26%
PENNSYLVANIA	0.10%	12.03%	51.91%	7.81%	11.76%
TEXAS	0.09%	12.90%	37.23%	39.75%	26.94%
COLORADO	0.17%	4.59%	17.44%	21.83%	22.96%
ILLINOIS	0.08%	14.62%	60.97%	17.52%	10.12%
MARYLAND	0.11%	31.07%	57.58%	10.65%	4.10%
MASSACHUSETTS	0.27%	9.02%	34.84%	12.40%	39.95%
OHIO	0.09%	13.05%	44.52%	4.02%	3.76%
VIRGINIA	0.07%	19.88%	53.61%	9.78%	8.13%
GEORGIA	0.10%	32.57%	65.15%	9.88%	5.20%
MICHIGAN	0.09%	14.10%	49.98%	5.29%	6.83%
ARIZONA	0.14%	5.18%	19.28%	31.74%	23.48%
WASHINGTON	0.28%	4.36%	20.56%	13.02%	14.23%
ALABAMA	0.07%	26.78%	53.39%	4.55%	3.07%
ALASKA	0.26%	3.71%	8.60%	7.27%	5.51%
ARKANSAS	0.09%	15.80%	33.20%	7.84%	2.21%
CONNECTICUT	0.09%	12.19%	37.92%	16.86%	29.61%
DELAWARE	0.09%	23.16%	51.90%	9.59%	9.01%
HAWAII	0.45%	2.19%	3.70%	10.66%	13.33%
IDAHO	0.13%	0.91%	3.15%	12.84%	11.10%
INDIANA	0.08%	9.95%	35.31%	7.27%	4.46%
IOWA	0.07%	4.06%	24.45%	6.29%	8.51%
KANSAS	0.08%	6.13%	20.96%	12.22%	9.87%
KENTUCKY	0.09%	8.47%	23.51%	3.91%	3.60%
LOUISIANA	0.06%	32.80%	58.01%	5.31%	2.75%
MAINE	0.16%	1.69%	17.81%	1.76%	4.75%
MINNESOTA	0.14%	7.01%	43.29%	5.59%	7.28%
MISSISSIPPI	0.04%	37.79%	48.48%	3.36%	2.36%
MISSOURI	0.10%	11.82%	42.00%	4.38%	5.15%
MONTANA	0.13%	0.60%	2.65%	4.05%	10.76%
NEBRASKA	0.12%	5.21%	23.09%	11.35%	11.04%
NEVADA	0.23%	10.27%	30.83%	29.24%	13.22%
NEW HAMPSHIRE	0.10%	1.79%	7.16%	4.01%	11.82%
NEW JERSEY	0.10%	15.06%	55.44%	20.91%	20.21%
NEW MEXICO	0.15%	2.61%	5.92%	49.26%	42.02%
NORTH CAROLINA	0.09%	22.22%	51.88%	9.78%	4.41%
NORTH DAKOTA	0.07%	3.41%	16.16%	4.14%	14.72%
OKLAHOMA	0.10%	7.78%	19.07%	11.07%	6.95%
OREGON	0.38%	2.22%	5.64%	13.44%	9.87%
RHODE ISLAND	0.10%	8.51%	29.29%	16.30%	24.27%
SOUTH CAROLINA	0.08%	26.96%	51.77%	5.96%	2.88%
SOUTH DAKOTA	0.11%	2.30%	7.54%	4.22%	5.03%
TENNESSEE	0.11%	17.05%	38.65%	5.73%	2.71%
UTAH	0.09%	1.48%	9.86%	14.41%	21.73%
VERMONT	0.17%	1.41%	7.81%	2.04%	3.86%
WEST VIRGINIA	0.08%	3.61%	13.60%	1.74%	2.51%
WISCONSIN	0.08%	6.71%	30.70%	7.10%	9.12%
WYOMING	0.09%	1.29%	5.66%	10.13%	12.23%
TOTAL	0.17%	13.40%	39.76%	18.50%	21.95%

Source: HUD Exchange and Authors Calculations

Table one demonstrates in 2019, there is an over-representation of Blacks and Hispanics in the homelessness share at the national level. 39.76% of the homelessness share in the United States are Black / African American, and 21.95% of the homelessness share are Hispanic / Latino. These figures can be compared with the data provided by the United States Census Bureau that 13.43% of the total population share are Black / African American, and 18.45% of the total population are Hispanic / Latino in the United States. At the state level, there is an over-representation of Blacks in the homelessness share in all 50 states and an over-representation of Hispanics in the homelessness share in 22 out of the 50 states in 2019. Despite there being an over-representation of Hispanics in the minority of the 50 states, Hispanics are over-represented in the United States share and, therefore, will be examined under the same specifications as Blacks, who are over-represented in the United States share and all 50 states.

To address the over-representation of Blacks and Hispanics in the homelessness share, we must address the twin crises of high housing costs and low incomes, which increase the risk of an individual becoming homeless. In addition, since homelessness is a transitory state that many Americans enter and exit out of, the federal services in rental assistance for extremely low-income renters and the federal services offered to the current homeless population must be addressed. The current services available to homeless people will be discussed before the data section. The data section will show discrepancies in median incomes by race and ethnicity at the metro and the state level and median rent costs as a proportion of median incomes at the metro and the state level. Throughout this approach of showing disparities in the percentages of median housing costs as a proportion of median incomes and disparities in median incomes for Blacks and Hispanics, the data results will imply the Federal Government must improve and expand its role in the provisioning of services available to the Blacks and Hispanics in the homeless population. The policy proposals for addressing homelessness must account for high housing costs, which have led to a shortage of affordable housing, low incomes, and inadequate services provided to Black and Hispanic communities.

This paper will call for a Federal Jobs Guarantee which addresses the racial wealth gap and a Federal Housing First model which addresses the affordable housing shortage. These policies, when implemented, would have positive impacts on reducing the over-representation of Blacks and Hispanics in the homelessness share if adequately targeted. This paper uses median incomes

to show discrepancies in wealth for renters by race and by ethnicity. Median rent cost as a proportion of median income is used to measure homelessness risk by race and ethnicity. A limitation within this empirical approach is the data used is not portraying differences at the individual level. Instead, the data uses the assistance of the American Housing Survey Table Creator for 2015, 2017, and 2019 to provide differences in median renter incomes and median rent costs by race and ethnicity in different states and different metro areas.

III. LITERATURE REVIEW

Homelessness can be deemed either a socio-economic problem or an individual problem. The socio-economic conditions which create a greater risk of an individual experiencing homelessness are housing affordability. Cushing Dolbeare, a leading housing advocate, expanded on this point, in 1996, by stating, “the overriding housing problem today is affordability.” (Dolbeare, 1996). Now, Dolbeare’s contributions may be considered outdated, as she was writing about homelessness in 1996. However, 15 years later, Carter, a survey statistician for the United States Census Bureau, found that the quality of housing conditions for Black Americans increased when the availability of affordable housing also increased. Additionally, “higher homeownership rates were associated with higher quality housing for Blacks” (Carter, 2011). Carter would agree with Dolbeare that housing is necessary to solve the problem of homelessness. For example, he finds and concludes that there must be policies put in place which aim to increase the availability of affordable housing and increase homeownership rates, specifically for Black Americans. In the current context, a policy that would support this aim would be a Federal Housing First model in the United States.

Housing First is a policy that values flexibility, individualized support, and autonomy for the person experiencing homelessness. Housing First programs require few or no preconditions to attain permanent housing. This model was developed in the 1990s by Sam Tsemberis and resulted from his frustration with the lack of an effective service system to house the mentally ill homeless population. According to Tsemberis, the Housing First program “values consumer choice” and sees “housing as a human right” (Tsemberis, 2004). Unfortunately, there is not unanimous support ranging across the United States by service providers to follow a complete Housing First model. Instead, the primary service model in the United States has been called a

Continuum of Care (CoC) program, which consists of housing readiness components, rather than housing first components. For instance, the CoC model includes treatment and transitional housing, which encourages “sobriety and compliance” (Tsemberis, 2004) for the homeless population to transition to permanent housing. This model focuses on people’s behaviors and remedying the problems within the individual before arranging for the provision of permanent housing. Under this model, the framework follows the belief that housing would not be sustainable and homeless individuals would return back into homelessness if issues such as mental health disorders or drug and alcohol disorders were not addressed. Within this framework, permanent housing is not seen as a fundamental need and instead assessed as a contingent solution based on the individual. The United States must acknowledge the Housing First principle and recognize housing is a fundamental human right on the one hand, and provide this model in conjunction with an increased stock of permanent housing for homeless individuals, on the other hand.

Boston (2020) models the relationship between the Housing First approach and homelessness and concludes that Housing First models can be associated with lower homelessness rates. For example, he finds “that in most cases, following a Housing First approach is associated with lower homelessness rates” (Boston, 2020). In this model, Boston supports Dolbeare’s contribution that, “housing markets suffer from an affordable housing shortage” (Boston, 2020). The Housing First approach must be implemented with an emphasis on increasing the supply of affordable housing. The United States Department of Housing and Urban Development has encouraged Continuums of Care to create Five-Year and Ten-Year plans showing they have urged communities to follow a Housing First Approach. “As of the end of 2008, 860 cities and counties had created 355 Ten-year plans” (Culhane and Byrne, 2010). Although many more cities and counties may have created Ten – Year plans since 2008, the solutions to homelessness differ by city and county. This decentralized method has resulted in a small minority of CoCs following a housing-based approach to homelessness. A Federal Housing First model should be implemented in every city and county facing a homelessness problem, with the goal of addressing the over-representation of Blacks and Hispanics in the homelessness share by providing a more extensive stock of affordable housing for these groups.

HUD provided a *Housing First in Permanent Supportive Housing* brief which emphasized that “Housing First permanent supportive housing models result in long-term housing stability” (HUD Exchange, 2016) when the core components of Housing First are followed. These core components laid out are few prerequisites to permanent housing entry, few barriers to entry policies, streamlined and centralized approach for entry into permanent housing, supportive services are voluntary, tenants have legal protection during their transition to permanent housing, and rules and regulations are set to prevent evictions and lease violations. An additional core component could be providing permanent housing immediately, at point of service and from there, service providers have limited interaction, other than routine check-in’s with the newly housed individual. This system would lead to increased autonomy for the homeless individual in their pursuit for more stable, permanent housing. A Federal Housing First Model when implemented, should include all of these key components as it would create a larger stock of subsidized, affordable housing for homeless individuals. Subsidized housing is necessary as the current private housing market crowds out extremely low-income renters, due to rent costs which a large portion of the population are not able to afford.

The United States Government Accountability Office (GAO) conducted a report (2020) to the Chairwoman, Committee on Financial Services, and the House of Representatives on the topic of homelessness. The GAO “conducted multiple regression analyses using data from the PIT count and the U.S. Census Bureau’s American Community survey from 2012 through 2018” (United States Government Accountability Office, 2020). The report ensures that homelessness cannot generally be attributed to a single factor but is rather the result of a multitude of factors colliding with each other. Their evidence from the econometric analysis concluded that there was “a statistically significant relationship between changes in household median rents and changes in rates of homelessness counts” (United States Government Accountability Office, 2020). The report finds specifically that a nine percent increase in the homelessness rate was associated with a \$100 increase in median rental price. If these increases in median rental price trends were to occur in communities with predominately Black and Hispanic Americans, these racial and ethnic groups would continue to see their homelessness rates increase and their over-representation in the homelessness share trend continue. On the contrary, suppose the Federal Government offered more rental assistance for Blacks and Hispanics and expanded public,

affordable housing through a Federal Housing First model. In that case, this report supports the conclusion that a possible result could be a decrease in the homelessness share for these specific groups.

Elliott and Krivo analyze the *Structural Determinants of Homelessness in the United States* in 1991 to correct the previous researcher's exclusive emphasis on suggesting the causes of homelessness can be attributed to personal characteristics of homeless individuals. Their model was set up using "published data from the 1980 Census of Population and Housing and the U.S. Department of Housing and Urban Development's study of homelessness." (Elliot and Krivo, 1991). Elliot and Krivo used the percent of renter-occupied units renting at \$150 or below to operationalize the lack of low-cost housing. From here, they used ordinary least squares (OLS) regression to estimate the effects of the lack of low-cost housing on homelessness rates. They find from their model that a one percent increase in the amount of low-rent housing was associated with a 2.2 percent decrease in the homelessness rate. Furthermore, they find that a one standard deviation increase in the amount of low-rent housing was associated with a 17 percent decrease in the homelessness rate. Thus, greater availability of low-rent units is related to a substantially reduced homelessness rate. The authors conclude that there is "clear-cut support for the hypothesized relationship between homelessness and low-cost housing." (Elliot and Krivo, 1991). This conclusion is reached from a lack of low-rent housing being associated with an increase in the homelessness rate. This implies if the Federal Government were to provide a larger stock of affordable housing for Black and Hispanic households through implementing a Federal Housing First Model, the severity of the over-representation of Blacks and Hispanics in the homelessness share would decrease.

The private housing market, on its own, does not create incentives for private landlords or developers to rent housing at low costs. These economic agents aim to maximize profits and do not have any reason to charge a premium to an interested renter. For these reasons, the public sector must play a larger role in providing housing for low-income renters. As Blacks and Hispanics are over-represented in the poverty share and over-represented among people who face a housing cost burden, it is often Blacks and Hispanics who are driven out of the private housing market and have to rely on either shelters or the streets. These situations create difficulties for these groups to leave the cycle of being homeless.

If a Federal Housing First model is not implemented, the high housing cost trends in the private housing market will continue to create difficult situations for vulnerable individuals to be able to afford housing, which will lead to more people entering the current CoC service system. In the book titled *Homelessness in America*, Baumohl (1996) comments on how,

“the rise in homelessness over the last 15 years has accompanied 2 broad trends, each of which has exacerbated the impact of the other. First, there has been steady erosion of the supply of rental housing affordable to those falling at or below the poverty level. Second, the pool of poor people competing for these increasingly scarce units has swelled at precisely the same time” (Baumohl, 1996).

Here, Baumohl adds an additional component to the literature which is the pursuit of affordable housing for extremely low-income earners. Although Baumohl is commenting on a trend found in 1996, the “pool” of poor people, or people in poverty, has continued to “swell” and the people among this pool include Black and Hispanic Americans, as these groups are over-represented in their respective poverty shares.

Using the Current Population Survey, Annual Social and Economic Supplement 2020 (CPS ASEC), the U.S Census Bureau finds, the share of Blacks in poverty was 1.8 times greater and the share of Hispanics in poverty was 1.5 times greater than their respective shares among the general population. The over-representation of Blacks and Hispanics in the homelessness share has a direct correlation with the over-representation of Blacks and Hispanics in the homelessness share as people who are homeless are often the most visible component to extreme poverty in society.

The U.S. Department of Housing and Urban Development (HUD) considers any household paying more than 30 percent of its income on rent to be rent cost-burdened and any household paying more than 50 percent of its income on rent to be rent severe cost-burdened. The renter households which are severely cost-burdened are at a heightened risk of becoming homeless, contrary to households that are not in the category of having a housing cost burden or a severe housing cost burden. Grubman finds, nearly 89 percent of all renter households earning less than \$20,000 are paying significantly more than 30 percent in rent. He concludes his research by stating, “rent-overburdened rental households represent the largest at-risk demographic”

(Grubman, 2015). Blacks and Hispanics are more likely to face a housing cost burden or a severe housing cost burden than Whites, and Non – Hispanics, meaning these groups are at a higher risk of entering homelessness. For example, Aibinder and Owens find in *Past Due: How American Housing Policy Leaves Millions Behind*, that 54 percent of Black renters and 52 percent of Hispanic renters were cost-burdened, while only 42 percent of white renters were cost-burdened in 2019. The data section will include a proxy measure at the median level for housing cost burden status. This measure will be housing cost as a proportion of income to determine whether Blacks are more at risk of entering homelessness than Whites and whether Hispanics are more at risk of entering homelessness than Non – Hispanics.

Individuals may afford the cost of housing in the private housing market if their incomes are at a level that meets or exceeds the housing cost. However, this is not the case in society today, as most households become homeless because they do not make enough money to afford housing in the current private housing market. These households that become homeless may not be able to make enough money to pay for housing due to various factors. A Federal Jobs Guarantee (FJG) would be a policy response to those facing economic hardship through earning low incomes as an FJG would provide a job to anyone willing and able to work, no matter the circumstance which led to them becoming unemployed. Blacks have less wealth than Whites, and Hispanics have less wealth than Non – Hispanics, contributing to these minority groups facing a higher risk of entering homelessness.

The Board of Governors of the Federal Reserve System uses data from the 2019 Survey of Consumer Finances and finds, whites have eight times the wealth of Blacks and five times the wealth of Hispanics. More specifically, “Black families’ median and mean wealth is less than 15 percent that of White families; at \$24,100 and \$142,500, respectively. Hispanic families’ median and mean wealth is \$36,100 and \$165,500, respectively” (Bhutta, Chang, Dettling, Hsu, 2020). Closing the racial wealth gap requires large-scale progressive policies like a Federal Jobs Guarantee. A Federal Jobs Guarantee would address racial disparities in wealth while providing a livable wage which would raise the income floor for extremely low-income Blacks and Hispanic workers, which would lower the risk for these individuals to become homeless.

The FJG could offer work toward improving public goods such as public infrastructure. The jobs provided by the Federal Government could include the construction and maintenance of a larger stock of affordable, public housing. By increasing the supply of public housing, the FJG could work in tandem with the Federal Housing First model in reaching an adequate number of permanent shelters for interested applicants and individuals on the brink of entering homelessness due to either too high of housing costs or too low of income levels. A Federal Jobs Guarantee would provide less of a risk for Blacks to enter homelessness as currently, “Black families in metro areas are more than twice as likely to have extremely low-income compared with white families” (Aibinder and Owens, 2021). The Federal Jobs Guarantee and Federal Housing First model should include components that target addressing the racial disparities by income and the racial disparities of who is predominantly left unhoused.

Racial disparities by income and racial disparities between homelessness rates for Whites and Blacks and between Hispanics and Non – Hispanics stem from the role of housing discrimination and residential segregation. However, theories about the role of housing discrimination and residential segregation in the over-representation of Blacks in all 50 states and the over-representation of Hispanics in around half of all the states have never been tested. Lee and Farrell (2004) found that temporary shelters and services available to the homeless population were more likely to be in locations where the communities encompass a high percentage of minorities. They found Blacks, on average, are located closer to homeless services, which provides one reason for why Blacks are counted in the homelessness share at higher rates than their general population share. Even though Blacks are located in areas with a higher density of services available, Carter (2011), working for the U.S. Census Bureau, finds, the over-representation of Blacks in the homelessness share, “may be partly due to deficiencies in a service-based approach to measuring the homeless” (Carter, 2011). The United States currently follows a Continuum of Care (CoC) model rather than a National Housing First model. The over-representation of minority groups in the homelessness share has been a result of prolonged deficiencies in the CoC approach to homelessness.

A National Housing First Model in the United States to ‘solve’ or drastically reduce homelessness would create an alternative system approach to the current CoC approach and could follow the approach taken by Finland, which resulted in a significant reduction in the

number of homeless people. Finland used a “Housing First” theoretical framework to address homelessness. Within this approach, housing is seen as the departure from homelessness. The housing should be provided as quickly as possible, with support tailor-designed for every individual. This approach recognizes housing as a human right and cares for the health and well-being of the homeless individual. Finland has become the first country to adopt a national housing first approach to homelessness. This simple idea follows the logic that the best way to solve homelessness was to give people homes.

This plan worked as Finland had more than 18,000 individuals homeless in 1987, close to 8,000 homeless individuals between 2004 and 2008, and less than 5,000 total homeless individuals in 2019. They addressed homelessness by supplying more homes. In 1985, Helsinki had approximately 2,100 shelter and hostel beds; by 2016, the number had shrunk to 52. The decline in the number of homeless individuals in Finland was achieved through adopting two federal programs called Paavo 1 (2008-2011) and Paavo 2 (2011), focused on creating regular self-contained dwellings with rental contracts for the homeless population. Independent rental apartments for formerly homeless people grew from 65 to approximately 2500. Arguably the most distinguishing characteristic about Finland’s success in reducing homelessness is that since 1987, about 12,000 people have received a home. The Finnish example shows that it is possible to have drastic measures around decreasing homelessness. The United States, given the political will, should follow Finland’s lead and adopt a national housing first approach to homelessness where the public sector would mobilize their available resources to provide for a self-sufficient dwelling that is habitable for a family or an individual.

Rather than providing a large stock of permanent housing for homeless individuals, the United States Department of Housing and Urban Development currently provides five rental assistance programs that subsidize rents for extremely low-income families. These programs are the Public Housing Program, the Section 8 Housing Choice Voucher program, the Section 8 Project-Based Rental Assistance program, the Section 202 Supportive Housing for the Elderly Program, and the Section 811 Supportive Housing for Persons with disabilities program. All five programs are provided based on income eligibility, and income eligibility for HUD-assisted housing varies by location and is always tied to the local area median income. “Seventy-five percent of new households admitted each year must have “extremely low incomes” (Center on Budget and

Policy Priorities, 2021). The extremely low income band is defined as incomes that are up to the poverty line or 30 percent of the local median income, whichever is higher. This income limit should be adjusted given, the financial pressures a significant portion of the population face. Even if a family may qualify for assistance, they are not guaranteed assistance. A shortcoming within this approach is 1) assistance is only eligible for citizens of the United States, therefore, directly discriminating against Hispanics, as “twenty-two percent of Latinos are non-citizens” (Maloney, 2019) and other highly populated immigrant groups and 2) even though there is an over-representation of Blacks in the homelessness share for every state in the United States, Black Americans are not prioritized in their pursuit for eligibility for public housing and housing subsidy programs.

An additional shortcoming with this approach is that these housing assistance programs serve “only roughly one in four eligible households” (Congressional Research Service, 2017). The Section 8 Housing Choice Voucher program was established in 1974 and is the largest source of rental assistance. Despite more than 5 million individuals in 2.3 million low-income families using Section 8 voucher programs, this safety net program must be expanded due to low-income households not being able to afford the cost of housing in many areas across the United States.

The Housing Inventory Count is designed to report on the housing stock available in a community that is dedicated solely to homeless people. More specifically, the Housing Inventory Count is an inventory of provider programs within a Continuum of Care and Emergency Solutions Grant program that provide beds and units dedicated to serving homeless persons. These beds and units are categorized by four program types: Emergency Shelter, Transitional Housing, Rapid Re-housing, and Permanent Supportive Housing. Over 400 homeless community systems across the United States are connected to federal funding through the emergency solutions grant program and the Continuum of Care program. The emergency solutions grant program funds street outreach, homelessness prevention, emergency shelter, and rapid re-housing programs, while the CoC program funds permanent supportive housing, rapid re-housing, and transitional housing programs. Emergency shelter means any facility where the primary purpose is to provide a temporary shelter for the homeless, in general or specific populations of the homeless. This shelter system does not require occupants to sign leases or occupancy agreements. Transitional Housing is designed to provide homeless individuals and

families with the interim stability and support to successfully move to and maintain permanent housing. Rapid re-housing (RRH) emphasizes housing search and relocation services and short- and medium-term rental assistance to move homeless persons and families as rapidly as possible into permanent housing. Permanent housing includes housing opportunities where there is no designated length of stay in which formerly homeless individuals and families live as independently as possible. The United States must provide as large of an amount of permanent housing necessary to counteract the growing homeless population in the United States if the country wants to reduce homelessness.

The McKinney – Vento Homeless Assistance Act was the first and has been the only major federal legislative response to homelessness. It consisted of fifteen programs that provided a range of services to homeless people, including transitional housing, job training, primary health care for the homeless population, education for youth and homeless children, and a small amount of permanent housing. The small amount of permanent housing was a result of Congress declaring in 2000, “that HUD dictate at least 30 percent of its McKinney – Vento appropriation towards the creation of permanent housing for homeless persons” (Culhane and Byrne, 2010). The small percentage set aside for permanent housing has been a direct result of the belief within the Continuum of Care model that individuals must prove they are worthy of deserving permanent housing in the HUD’s system. The Federal Government must amend the McKinney – Vento homeless assistance act to include more than only 30 percent of permanent housing for homeless people. The Federal Government must go beyond just acknowledging a national agenda for action and must implement a national agenda for action.

In contrast with Finland, where programs such as Paavo 1 and Paavo 2 held a high standard concerning the provision of public social services, residents who need assistance in the United States enter a lottery system where assistance is not guaranteed. This lack of full-fledged federal support results in many residents facing an increased risk of entering homelessness. These residents who face an increased risk are often Black and Hispanic Americans with lower incomes and higher proportions of housing costs as a proportion of their income. Thus, within the Federal Housing First model, the stock of permanent housing could be expanded to accommodate a larger proportion of extremely low-income renters.

Homelessness is a visible result of the infringements of a human's right to housing, shelter, education, employment, healthcare, and an adequate standard of living, as laid out in Article 25 of the Universal Declaration of Human Rights. As Hulchanski states, "adequate housing is indeed an internationally recognized human right" (Hulchanski, 2000). The United States has implemented programs such as setting aside an adequate number of beds solely for the homeless population and providing emergency, safe haven, and transitional shelters within the Continuum of Care support system. However, these federal programs have fallen short of meeting the homeless population's needs in the United States.

Once the U.S. has realized the magnitude of the current homelessness crisis, they can have a clearer idea of the necessary policies to deal with this crisis. Getting to this point is the first step. The second step should be to address homelessness with the actual realistic goal of ending homelessness. When the first step is achieved, the U.S. should turn to models of other countries like Finland and provide a larger stock of permanent housing for long-term housing stability.

IV. DATA METHODS AND RESULTS FOR MEDIAN INCOME AT THE METRO LEVEL

Dependent Variable

Homelessness Share by Race Divided by Population Share by Race

Homelessness Share by Ethnicity Divided by Population Share by Ethnicity

The dependent variable will be used as a proxy measure for the over-representation or under-representation of a specific group in the homelessness share. The specific groups examined here are the Black alone population, the White alone population, the Hispanic population, and the Not Hispanic population.

If the homelessness share for a specific group is greater (less) than the population share for that respective group in the respective year, there is an over-representation (under-representation) of the group in the homelessness share. If the homeless population for a specific group is perfectly proportional to the total population of that specific group, the ratio would be expected to be 1. If a group is over-represented in the homelessness share, the ratio will be greater than 1. If the

ratio is less than 1, the group is under-represented in the homelessness share. For example, if there is an over-representation of Blacks in a metro area, the dependent variable's value will be greater than 1. Additionally, if there is an over-representation of Hispanics in a metro area, the dependent variable's value will be greater than 1. A slight difference between the dependent variables measures by race and ethnicity is the values for ethnicity are mutually exclusive.

The dependent variable will be shown at the Metro level with the assistance of the CoC Homeless Populations and Subpopulations Reports conducted by the HUD Exchange. The Metro Areas that will be used for this unit of analysis are represented in the tables below. The United States Census Bureau has data at the metropolitan level for the years 2015, 2017, and 2019.

The Metro areas observed for the scatter plot which shows median income for 2015, 2017, and 2019 will be shown in table 2 below. The metro areas for the scatter plot are numbered with each number representing the respective metro area's median income for the respective year.

Table 2: Metro Areas Observed in 2015, 2017, and 2019

NUMBER	METRO AREA				
1	LA (2015)	16	LA (2017)	31	LA (2019)
2	SF (2015)	17	SF (2017)	32	SF (2019)
3	Riverside (2015)	18	Riverside (2017)	33	Riverside (2019)
4	Miami (2015)	19	Miami (2017)	34	Miami (2019)
5	NYC (2015)	20	NYC (2017)	35	NYC (2019)
6	Philadelphia (2015)	21	Philadelphia (2017)	36	Philadelphia (2019)
7	Dallas (2015)	22	Dallas (2017)	37	Dallas (2019)
8	Houston (2015)	23	Houston (2017)	38	Houston (2019)
9	Atlanta (2015)	24	Atlanta (2017)	39	Atlanta (2019)
10	Chicago (2015)	25	Chicago (2017)	40	Chicago (2019)
11	Detroit (2015)	26	Detroit (2017)	41	Detroit (2019)
12	Boston (2015)	27	Boston (2017)	42	Boston (2019)
13	Phoenix (2015)	28	Phoenix (2017)	43	Phoenix (2019)
14	Seattle (2015)	29	Seattle (2017)	44	Seattle (2019)
15	DC (2015)	30	DC (2017)	45	DC (2019)

Source: American Housing Survey

Independent Variable

Median Income

The data will only focus on renters and will determine if there are large discrepancies in median incomes by race and ethnicity.

Summary

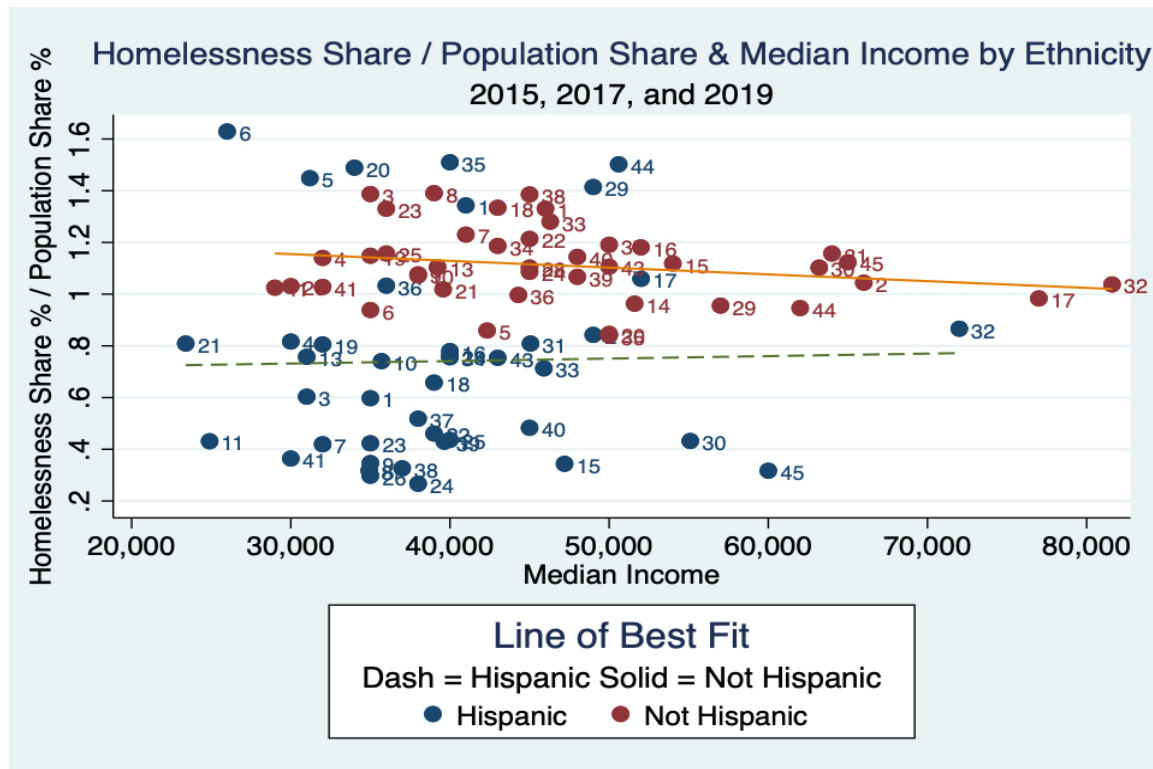
The scatterplots shown were created with the assistance of the United States Census Bureau Table Creator on American Housing Survey Data for the years 2015, 2017, and 2019. This approach is valuable and robust because the affordability housing reports have not been presented by the United States Census Bureau since 2009 and political administrations still fail to acknowledge the causes leading to homelessness. The American Housing Survey is a longitudinal housing unit survey that asks questions about the quality of housing in the United States. Census Bureau interviewers visit or telephone the household occupying each housing unit in the sample. For unoccupied units, they obtain information from landlords, rental agents, or neighbors. The universe of interest for the AHS consists of the residential housing units in the United States that exist at the time the survey is conducted. The universe includes both occupied and vacant units but excludes group quarters, businesses, hotels, and motels. Geographically, the survey covers 50 states and the District of Columbia. Housing units participating in the AHS have been selected to represent all housing units in the United States. The same National sample of housing units is interviewed every two years until a new sample is selected. The U.S. Census Bureau updates the sample by adding newly constructed housing units. The data in this report are subject to error from sampling and other causes, such as incomplete data and wrong answers. The AHS as a Housing Unit Survey is sponsored by the United States Department of Housing and Urban Development.

The purpose of the metro area data results section is to show a more detailed and complete picture of where over-representations of homelessness are by race and by ethnicity and to show the discrepancies in median income characteristics present in many of the metro areas in the United States. For the 2015, 2017, and 2019 AHS Metro Area sample, approximately 3,000 housing units were originally selected for interview for each metro area. From here, data will be presented on median income by ethnicity and by race at the metro level.

Metro Level

Median Income by Ethnicity (2015, 2017, and 2019)

Figure 3: Homelessness Share / Population Share and Median Income by Ethnicity (2015, 2017, 2019)



Source: American Housing Survey and HUD Exchange

Only in a minority of metro areas across the United States are Hispanics over-represented in the homelessness share. However, Hispanics are more at-risk of experiencing homelessness in nearly every metro area. For example, Chicago and Detroit were the only two metro areas where Hispanics had a greater median income than Non – Hispanics. Each of these results occurred in 2017. In Chicago, less than 10% of Hispanics are in the homeless population while Hispanics represent slightly over 20% of the total Chicago population. In Detroit, Hispanics represent a mere 4.20% of the total population. Non - Hispanics had a median income greater than the median income for Hispanics in 43 out of the 45 data points observed. On the other hand, Hispanics are over-represented in the homelessness share in only 12 out of the 45 data points observed. Why are Hispanics over-represented in 12 out of the 45 metro areas but have median incomes less than Non – Hispanics in almost all of the metro areas?

This may be the case because of the concentration of where Hispanics live in the United States. For instance, Congresswoman Maloney (2019) finds, “more than half of the Hispanic population lives in just five states – California, Texas, Florida, New York and Arizona” (Maloney, 2019). This would explain the over-representation of Hispanics in the homelessness share in less than half of the 50 states, particularly in areas like New York State and New York City. Additionally, there are high percentages of Hispanics homeless in states like California, Texas, and Arizona. The composition of where Hispanics tend to live provides clarity for why homelessness is not as significant of a problem for Hispanics as it is for Blacks in the United States. However, Hispanics face significant risks of entering homelessness.

Hispanic workers earn lower median salaries compared to the median salaries for White and Black workers in the economy. This indicates as Hispanics move to other areas of the United States, they will continue to be met with tough labor market conditions which could put them at greater risk of entering homelessness. For instance, “median weekly earnings of full-time Hispanic workers were \$206 less than the median earnings of full-time workers in the labor force overall” (Maloney, 2019). The disparity in earnings among Hispanic workers and the remainder of the labor force means lower median incomes for Hispanic households. For example, in 2018, the median income of all Hispanic households was \$51,450 while the median income of non – Hispanic households was \$70,642. These results stem from labor market discrimination and an over-representation of Hispanic workers in low-paying jobs. Hispanics and Blacks being over-represented in jobs with low pay, translates to an over-representation in the homelessness share, for Hispanics the over-representation is more area-specific than Blacks. A Federal Jobs Guarantee must account for these labor market disparities by ethnicity which are present in the economy.

New York City, Seattle, and Boston were the only three metro areas observed where Hispanics were over-represented in every one of the three years studied. The most significant gap in the Hispanic homelessness share and the Hispanic population share was in Boston in 2019. In Boston in 2019, Hispanics represented only 10.10% of the population but represented 42.66% of the homeless population. This may be the case because Massachusetts ranks number one in the country in its rate of Hispanic homelessness in 2019.

Additionally, Boston has large disparities in median incomes by ethnicity. In Boston in 2019, the difference in median incomes between Hispanics and Non – Hispanics is \$22,000. In 2017, the difference is \$16,000, and in 2015, the difference is \$15,000. In summary, “Massachusetts reflects a typical pattern of high housing costs, high homeless rates, and disproportionate racial and ethnic minority homelessness” (Moses, 2018). The disproportionalities in homelessness by race and ethnicity directly relate to redlining or systemic housing discrimination supported by the Federal Government that began with the National Housing Act of 1934.

In the middle of the Great Depression, former President Franklin Delano Roosevelt signed the Home Owners’ Loan Act and the National Housing Act to prevent foreclosures and create a larger stock of affordable housing for renters and owners, alike. However, the Home Owners Loan Corporation created maps and assessed risk based on a neighborhoods racial composition, “designating predominately nonwhite neighborhoods as hazardous, and coloring these areas red” (Solomon, Maxwell, and Castro, 2019). This systemic federal housing segregation resulted in Whites owning homes at a far greater rate than Blacks and Hispanics. This is important because for many households in the United States, housing is the biggest component of wealth. The Board of Governors of the Federal Reserve System finds, “among young families, about 46 percent of White families own their home, compared to just 17 percent of Black families” (Bhutta, Chang, Dettling, Hsu, 2020). By ethnicity, “the gap in the homeownership rate between young White families and young Hispanic families is about 18 percentage points” (Bhutta, Chang, Dettling, Hsu, 2020). The federal programs that have produced increased barriers to homeownership has led to lower rates of wealth accumulation for Black and Hispanic Americans and a pervasive cycle consisting of a lack of generational wealth for Blacks and Hispanics. In other words, White renters have easier access to homeownership than Black and Hispanic renters which plays a significant role in the income differences between Whites and Blacks and between Hispanics and Non – Hispanics. To support this claim, the Center for American Progress finds,

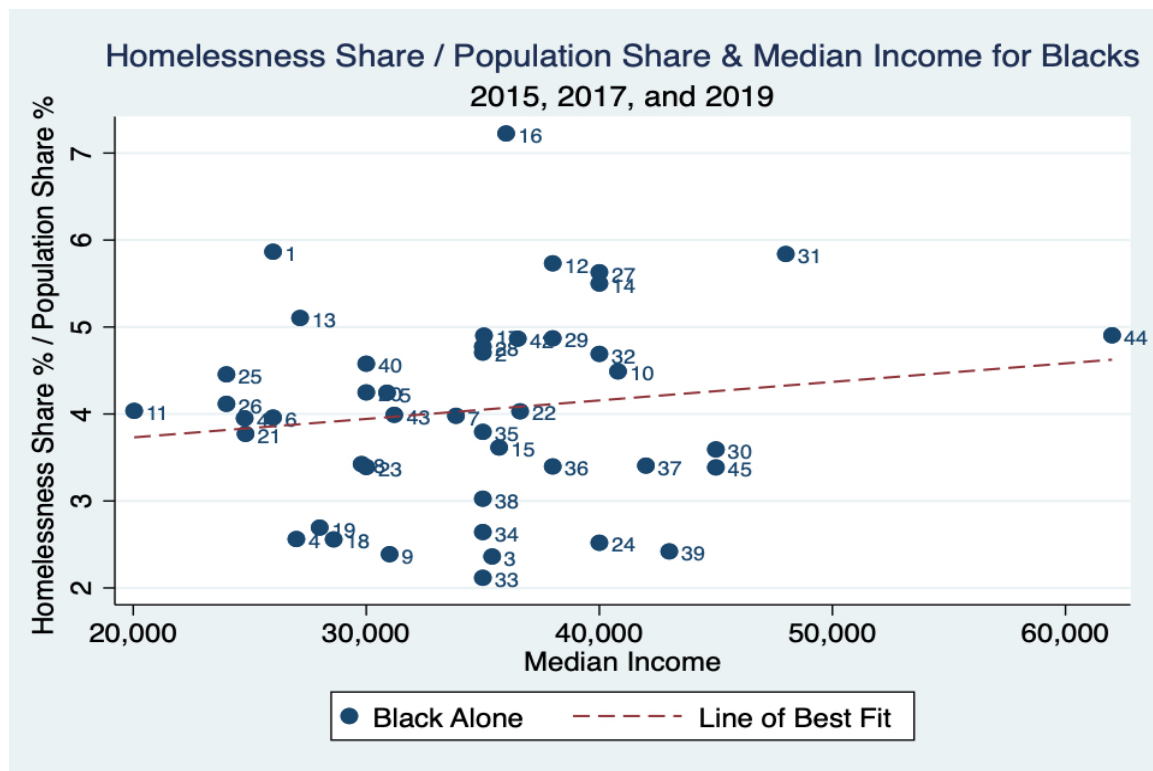
“just 2 percent of the \$120 billion in FHA [Federal Housing Authority] loans distributed between 1934 and 1962 were given to nonwhite families. Today, approximately 3 in 4 neighborhoods—74 percent—that the HOLC [Home Owners Loan Corporation] deemed “hazardous” in the 1930s remain low to moderate income, and more

than 60 percent are predominantly nonwhite” (Solomon, Maxwell, and Castro, 2019).

To counteract the history of redlining in America, the Federal Government should invest in a larger stock of affordable public housing through following a Federal Housing First Model with the goal of providing easier access for Blacks and Hispanics to own housing in the medium to long term. The program could offer different services and needs based on location but the strong over-representation of Hispanics in the homeless share in Boston makes Boston an area of emphasis where this model should be enacted. The discrepancies in median incomes by ethnicity could be counteracted through a Federal Jobs Guarantee which would provide a livable wage for Hispanic individuals in this metro area.

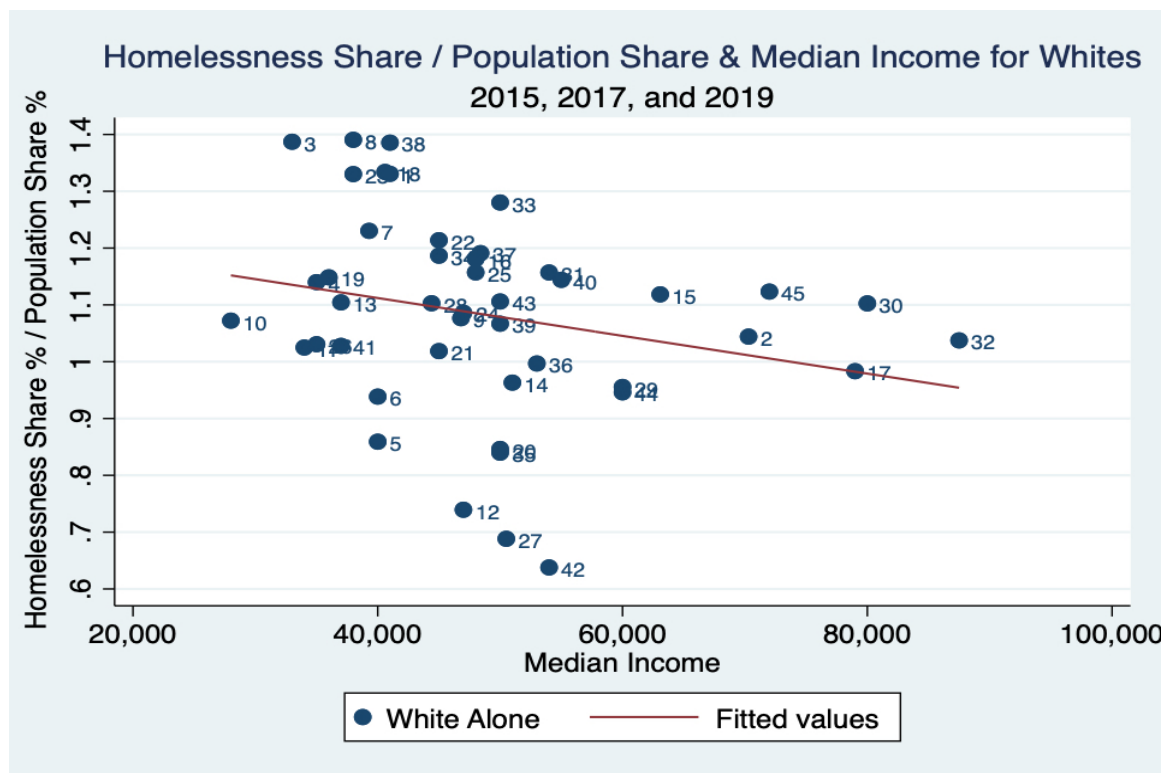
Median Income by Race (2015, 2017, and 2019)

Figure 4: Homelessness Share / Population Share and Median Income for Blacks (2015, 2017, 2019)



Source: American Housing Survey and HUD Exchange

Figure 5: Homelessness Share / Population Share and Median Income for Whites (2015, 2017, 2019)



Source: American Housing Survey and HUD Exchange

Figure four shows the relationship between the under / over – representation in the homelessness share and the median income for Blacks in 2015, 2017, and 2019 in the 15 metro areas observed. Figure five demonstrates the same relationship for Whites in 2015, 2017, and 2019 in the 15 metro areas observed. Figure four confirms that Blacks are over-represented in the homelessness share for every metro area, and Blacks have a median income less than Whites for nearly every metro area.

Blacks are most over-represented in the homelessness share in metro area 16, representing the Los Angeles metro area in 2017. In Los Angeles in 2017, Blacks represent only seven percent of the population share and represent 50.58% of the homelessness share. In other words, less than one in every ten individuals in Los Angeles are Black, but over one out of every two homeless individuals in Los Angeles are Black. Despite the Black population being a small proportion of the overall population in Los Angeles, Blacks are at a higher risk of entering homelessness than Whites in the same community. For example, the median income for Blacks in Los Angeles in

2017 is \$36,000 while the median income for Whites is \$48,000. To put the low median income for Blacks in perspective, if a Black worker had a job working 2,080 hours per year at the minimum wage of \$10 per hour in California in 2017, the annual salary would be \$20,800. Therefore, the wage for a minimum wage worker in California in 2017 is greater than 50% of the median income for all Black respondents in Los Angeles in 2017. On the contrary, the wage for a minimum wage worker in California in 2017 is 41.67% of the median income for all White respondents in Los Angeles in 2017. Los Angeles has taken steps to address the racial inequities present in the greater Los Angeles Bay Area counties.

All nine Bay Area counties have created a Regional Action Plan “that aims to house 75% of the area’s homeless population by 2024” (Bay City News, 2021). Additionally, to address the racial inequities present, as a part of this plan, funding will be directly tied to demonstrated progress toward closing racial disparities. The Regional Action plan specifically focuses on creating more housing and preventing more people from falling into homelessness. A Federal Housing First model which creates and maintains a larger supply of affordable housing and a Federal Jobs Guarantee which acts as an Employer of Last Resort paying workers at a livable wage would directly address these two main areas and should serve as a complement to the Regional Action Plan being initiated in the greater Los Angeles metro area.

The metro area with the least over-represented homelessness share for Blacks in the data set is metro area 33 which is Riverside, California in 2019. In Riverside in 2019, the Black homeless share is 17.57% while the Black population share is 8.3%. Even with Riverside, California having the lowest percentage of Blacks who are over-represented in the homelessness share relative to the population share, the Black homelessness share is still more than double the Black population share which alludes to the racial inequities in the homelessness share present in every metro area.

In 2015, for 14 of the 15 metro areas, the White median income is greater than the median income for Blacks in the respective metro area. In 2017, all 15 metro areas show a trend in Whites having a larger median income than Blacks and in 2019, 14 out of the 15 metro areas show a trend displaying Whites have a median income which is greater than Blacks. Riverside is the only metro area in 2015 where Blacks have a median income which is greater than Whites.

These results relate to the small over-representation of Blacks in the homelessness share present in Riverside in 2015, 2017, and in 2019. In Seattle in 2019, denoted as metro area number 44, Blacks have a median income of \$62,000, the largest in the data set, while Whites have a median income of \$60,000. The metro area with the smallest median income for Blacks is metro area 11, Detroit, where the Black median income is only \$20,040. If a worker makes the minimum wage in Detroit in 2015 of \$8.15 per hour, the annual salary would be \$16,300 if the worker works 50 weeks per year. Therefore, the median income for Blacks in Detroit in 2017 is slightly greater than the minimum wage in Michigan for all workers in 2015. On the contrary, the median income for Whites in Detroit is \$34,000 and thus, the minimum wage worker in Michigan in 2015 would be making less than 50% of the median income for White respondents in Detroit in 2015.

To put the low median incomes in context, let us consider the difficulty it will be for a low to middle-income renter to be able to make their rent payments in the full amount to private landlords in the case of a fully privatized housing market. The first example (person one) will show the difficulty for a worker making the federal minimum wage of \$7.25 per hour, the second example (person two) will show the difficulty for a worker making \$12 per hour (the state minimum wage in California in 2019 was \$12 and in New York, the state minimum wage was \$11.80 per hour), and the third example (person three) will be the difficulty for a worker making \$15 per hour, which has been considered a ‘living’ wage amongst scholars and economists. For instance, a key program feature in Tcherneva’s Job Guarantee proposal is offering a wage-benefit package, at “\$15 per hour plus benefits” (Tcherneva, 2018). Full-time employment in the United States is considered to be between 30 – 40 hours a week. However, this is often not the case as workers are often overworked and under-compensated for their contributions in low-paying jobs. For the sake of simplicity, two scenarios for each person will be considered; scenario one will be where full-time work is considered to be 30 hours a week, or 120 hours a month, and scenario two will be where full-time work is considered to be 40 hours a week, or 160 hours a month. For person one, their monthly salary in scenario one would only be \$870, and in scenario two would only be \$1,160. For person two, their monthly salary for a 30-hour workweek would be \$1,440, while their monthly salary for a 40-hour workweek would be \$1,920. For person three, their monthly salary in scenario one would be \$1,800, and for scenario two would be \$2,400.

The monthly incomes for persons one, two, and three will be used in coordination with the median rent costs for 2019 in New York to determine the median rent cost as a proportion of the median income status of each individual. The classification for having a severe housing cost burden is having a rent cost that is greater than 50% of a person's income. Suppose a person has a median rent cost greater than 50% of their median income. In that case for this example, the results do not fully represent this person having a severe housing cost burden as the data is provided at the median level. However, it provides a reasonable estimate of the proportions of housing costs at different income levels.

New York will be used because New York had the highest homelessness share in the United States in 2019 at 0.47%. Additionally, in New York, there is an over-representation of Blacks and Hispanics in the homelessness share. Person one has a median rent cost as a proportion of median income percentage in scenario one and two, in which the median rent cost exceeds the monthly median income. For person two, in scenario one, the median rent cost as a proportion of median income value is roughly 87%. For scenario two, with a person working 40 hours a week and making \$1,920 a month, the median monthly rent cost as a proportion of median monthly income value would be 65%, leaving less than 40% of monthly income left for payments on utilities, insurance, or other necessities like food. For person three, receiving an hourly wage of \$15 and a monthly wage of \$1,800 for scenario one and \$2,400 for scenario two, the monthly median rent cost as a proportion of median income value would exceed 50%. According to the Center for Economic and Policy Research, "if the minimum wage did rise in step with productivity growth since 1968 it would be over \$24 an hour today" (Baker, 2020). However, at the current Federal minimum wage of \$7.25 per hour, it is nearly impossible for low-income renters to afford housing in the private housing market. A policy response to these difficulties to make rent payments when having extremely low incomes would be a Federal Jobs Guarantee that would provide a living wage and would address the racial and ethnic disparities in incomes present in figure three and figure four above.

V. DATA METHODS AND RESULTS USED FOR MEDIAN RENT COST AS A PROPORTION OF MEDIAN INCOME AT THE METRO LEVEL

Dependent Variable

Homelessness Share by Race Divided by Population Share by Race

Homelessness Share by Ethnicity Divided by Population Share by Ethnicity

Independent Variable

Median Rent Cost as a Proportion of Median Income

For each metro area in 2015, 2017, and 2019, the median rent cost and median incomes were used to find the median rent cost as a proportion of the median income for Black alone, White alone, Hispanic, and Not Hispanic respondents. The median rent costs are reported in monthly units and the median incomes are reported in yearly units. Due to this limitation in reporting rent in monthly units and income in yearly units, a large assumption is going to be made. This assumption will be that tenants sign a yearly lease and thus, pay a constant rent every month in the yearly lease. Therefore, to find the median rent cost as a proportion of median income, the monthly median rent cost will be multiplied by 12 and taken as a percentage of the yearly median income. This is how the median rent cost as a proportion of median income values are calculated for the metro level and state analysis for 2015, 2017, and 2019. This analysis is useful in determining if the trend in the over-representation (under-representation) of Blacks and Hispanics in the respective metro area can be explained by the trend in Blacks (Whites) and Hispanics (Not Hispanics) having a larger percentage of median rent cost as a proportion of median income than Whites (Blacks) and Non - Hispanics (Hispanics).

At the metro area level, the focus will be on the metro areas with the highest homelessness shares in 2015, 2017, and 2019. These metro areas are Los Angeles, New York City, and Seattle. The accompanying metro areas are San Francisco, Riverside, Miami, Philadelphia, Dallas, Houston, Atlanta, Chicago, Detroit, Boston, Phoenix, and Washington DC. These metro areas will be mentioned in the summary section and the median rent cost as a percentage of median income tables for these metro areas will be provided in the appendix.

Table 3: Median Rent Cost as a Proportion of Median Income for Los Angeles (2015, 2017, 2019)

	2015	2017	2019
Black Alone	58.43%	44.20%	31.89%
White Alone	37.79%	35.88%	26.45%
Hispanic	38.54%	37.11%	28.62%
Not Hispanic	38.17%	38.38%	26.86%

Source: American Housing Survey and Authors Calculations

At the median level, the rent cost as a proportion of income for Blacks is larger than it is for Whites in 2015, 2017, and 2019. In 2015 and 2019, the median rent cost as a proportion of median income for Hispanics is slightly larger than for Non – Hispanics. Through this analysis, there are larger disparities in the proportions given by race than there are by ethnicity. These results relate to the under-representation of Hispanics in the homelessness share and the over-representation of Blacks in the homelessness share in Los Angeles in 2015, 2017, and 2019.

In December 2018, the Los Angeles Homeless Services Authority conducted a *Report and Recommendations of the Ad Hoc Committee on Black People experiencing Homelessness*. The Committee’s work found that racism has contributed to and intersects with homelessness. The Committee argues, “institutional barriers across agencies and mainstream systems must be dismantled to eliminate the racial disparities and systemic racism affecting Black people experiencing homelessness” (Bernard, Waggoner, and Lynn, 2018). Other critical insights from the report include the finding that, “the mounting affordable housing crisis in the state and in the Los Angeles region, paired with persistently low, stagnant, and declining wages, exacerbates homelessness and particularly affects Black people” (Bernard, Waggoner, and Lynn, 2018). These key insights relate to the hypothesis that it is the twin crises of high housing costs and low incomes along with inadequate services which contribute to a heightened risk for vulnerable populations, including Black and Hispanic households, to become homeless. Policy responses for the Los Angeles community and the Black community, more specifically, should be a

Federal Jobs Guarantee, which addresses the persistently low, stagnant, and declining wages, and a Federal Housing First model, which addresses the affordable housing crisis noted in the Report on Los Angeles.

Table 4: Median Rent Cost as a Proportion of Median Income for New York City (2015, 2017, 2019)

	2015	2017	2019
Black Alone	41.64%	43.08%	30.01%
White Alone	41.13%	34.70%	26.89%
Hispanic	44.50%	42.35%	30.46%
Not Hispanic	37.79%	34.25%	26.53%

Source: American Housing Survey and Authors Calculations

In New York City in 2015, Blacks represented 72.17% of the homeless population. In 2017, Blacks represented 72.22% of the homeless population, and in 2019, Blacks represented 74% of the homeless population. Blacks having a larger percentage of rent cost as a proportion of their income relates to the fact that nearly three out of every four homeless individuals are Black in New York City. High housing cost burdens and low incomes for Blacks relative to Whites can be accounted for a reason why “New York is the state that is number one in Black homelessness (208 people per 10,000)”. (Moses, 2018) Black people in New York City are over-represented in the homelessness share and under-represented in many of the city’s middle and high-wage industries. The Center for an Urban Future finds “a significant disparity in the median salary for Black and White workers in most industries” including “high-wage fields like finance and tech” (Bowles, Dvorkin, and Shaviro, 2020). It is difficult to pinpoint the exact reasons for this disparity. For example, Bowles, Dvorkin, and Shaviro conclude, “the factors that produce these disparities are complex and pervasive, likely including persistent gaps in educational attainment by race and income – magnified by the effect of systemic racism” (Bowles, Dvorkin, and Shaviro, 2020). Systemic racism within the labor market and systemic discrimination within the

housing market lead to a significant amount of the Black population being homeless. These factors relate to Hispanic households as well as Black households in New York City.

In New York City, Hispanics are over-represented in the homelessness share in 2015, 2017, and 2019. Additionally, there are disparities in the median rent cost as a proportion of median income between Hispanics and Non – Hispanics for each year observed. An interesting component to homelessness is homeless youth, and in New York City, the prevalence of Black and Hispanic homeless youth is unlike any other metro area. For example, Shapiro finds, almost 85 percent of homeless students in New York City were Black or Hispanic in 2020. Although the differences in age of homeless people are not the main focus, the high composition of Black and Hispanic homeless youth creates a reinforcing cycle in which as the homeless youth grow older, there is less sense of hope and opportunity. This lack of hope and opportunity stems from factors such as less educational attainment for Blacks and Hispanics, less favorable outcomes in the labor market due to systemic racism, and a decreased ability of homeownership due to systemic federal housing discrimination. A policy response would be a Federal Jobs Guarantee along with a Federal Housing First model.

Interestingly, New York City “is the only place in America that guarantees a universal “right to shelter.” (Shapiro, 2020) This model could be improved upon as many city departments work at odds with one another and there is not a centralized approach to ending homelessness.

Additionally, many of the individuals living in shelters who are experiencing homelessness, are only provided the bare minimum shelter provisions. City officials prioritize sheltering homeless individuals rather than finding permanent housing options for these homeless individuals.

Through the CoC approach, homeless individuals must prove they are able to gain employment, save their income to make rent payments, and then have the resources to search for housing to show they are prepared for independent living. Once they are living independently, they may apply for federal rental assistance programs. Unfortunately, many homeless individuals do not have the tools and resources to leave the sheltered system and remain in a system which perpetuates homelessness rather than prevents it.

The lack of job opportunities for Black workers could be addressed through a Federal Jobs Guarantee. In the current system, once a homeless individual acquires a job, they are less at risk

of remaining homeless as they can be provided permanent housing. A Federal Jobs Guarantee would address racial disparities in median incomes and racial and ethnic disparities in the homelessness share. These two disparities are visible in New York City's economy. Once a Federal Jobs Guarantee has been established in this metro area, the universal right to shelter should transition to a universal right to permanent housing, following a Federal Housing First program, which could emphasize addressing the over-representation of Blacks and Hispanics homeless in New York City.

Table 5: Median Rent Cost as a Proportion of Median Income for Seattle (2015, 2017, 2019)

	2015	2017	2019
Black Alone	32.25%	37.99%	22.33%
White Alone	29.60%	28.20%	25.12%
Hispanic	32.46%	33.04%	27.75%
Not Hispanic	28.93%	30.00%	23.68%

Source: American Housing Survey and Authors Calculations

For every year despite 2019, the median rent cost as a proportion of median income is larger for Blacks than it is for Whites. In 2015, 2017, and 2019, the median rent cost as a proportion of median income is larger for Hispanics than it is for Non – Hispanics. There is an over-representation of Blacks and Hispanics in the homelessness share in Seattle in 2015, 2017, and 2019.

Seattle's local Government addressed the roots of the homelessness crisis in their report titled *Homelessness Response*. Within the report, the main findings include, "Over the past six years, rents have increased 57% and "47% of households that rent in the Seattle metro area are "housing cost burdened" (Durkan, 2017). Additionally, it is mentioned that "more than 21,500 completed registrations were received for 3,500 places on the list" (Durkan, 2017) for Seattle's Housing Voucher program. Among these 47% of households who are housing cost burdened in

the Seattle metro area and among the 21,500 who completed registrations in the lottery system, it can be assumed that a large proportion are either Black or Hispanic as Blacks and Hispanics are both over-represented in the Seattle homelessness share. These findings relate to the hypothesis that it is high housing costs, low incomes, and inadequate services contributing to an individual's increased risk of entering homelessness. However, the roots of a homelessness crisis are often not as simplistic as being attributed to only these three causes. For example, the report notes that mental health and addiction, economic disparities and poverty, the criminal justice system, a decentralized response to a regional crisis, and lack of wrap around services for Youth within and exiting the foster system are among the "roots" of the crisis. These root causes are often inter-related and "compounded by the others" (Durkan, 2017). Despite there being many causes of homelessness, there are two policy responses that are the most viable in addressing the homelessness crisis. These policy responses are a Federal Jobs Guarantee and a Federal Housing First model, which would directly address the affordable housing crisis in areas like Seattle, New York City, and Los Angeles while providing livable wages, which would create better outcomes for the Blacks and Hispanics who are currently over-represented in the homelessness share.

Summary

Similar to what has been shown in table one, where there was an over-representation of Blacks in the homelessness share in all 50 states, there is an over-representation of Blacks in the homelessness share in all 15 metro areas. Hispanics are only over-represented in the homelessness share in four out of the 15 metro areas in 2015, four out of the 15 metro areas in 2017, and three out of the 15 metro areas in 2019. This may be a result of the location of where Hispanics live in the United States.

Blacks have a median rent cost as a proportion of median income, which is larger than Whites in 13 out of the 15 metro areas observed in 2015, 15 out of the 15 metro areas observed in 2017, and 14 out of the 15 metro areas observed in 2019. The two metro areas where Whites have a larger proportion than Blacks in 2015 are Riverside and Chicago. The one metro area where Whites have a larger proportion than Blacks in 2019 is Seattle. For the entire data set, in 42 out of the 45 metro areas, Blacks have a larger proportion than Whites implying Blacks have less income for payments other than housing costs as a proportion of their total income, than Whites.

The financial stress brought on by these circumstances suggests Blacks are at a higher risk of entering homelessness than Whites in the United States.

Hispanics have a median rent cost as a proportion of median income, which is larger than Non – Hispanics in 14 out of the 15 metro areas in 2015, 9 out of the 15 metro areas in 2017, and 13 out of the 15 metro areas in 2019. For the entire data set, Hispanics have a larger proportion than Non – Hispanics in 36 out of the 45 metro areas. These results imply Hispanics are more at risk of entering homelessness than Non – Hispanics but to a lesser extent than Blacks are relative to Whites.

VI. DATA METHODS AND RESULTS FOR MEDIAN RENT COST AS A PROPORTION OF MEDIAN INCOME AT THE STATE LEVEL

Dependent Variable

Homelessness Share by Race divided by Population Share by Race

Homelessness Share by Ethnicity divided by Population Share by Ethnicity

Independent Variable

Median Rent Cost as a Percentage of Median Income

The data used in this analysis is drawn from the American Housing Survey Integrated National Sample carried out by the United States Census Bureau. In 2015, the data set contained 85,393 sample housing units selected for interview. This interview process produced a weighted overall response rate of 85 percent. The data used in 2017 contained 84,879 sample housing units selected for interview. This interview process produced a weighted overall response rate of 80.4 percent. The data used in 2019 contained 86,257 sample housing units selected for interview. There was a weighted overall response rate of 74.3 percent.

At the state level, the focus will be on the states with the highest homelessness shares in 2015, 2017, and 2019. These states are California, New York, and Massachusetts. The accompanying states for this analysis are Florida, Pennsylvania, Texas, and Illinois. These states will be mentioned in the summary section and the median rent cost as a proportion of median income tables for these states will be provided in the appendix.

Table 6: Median Rent Cost as a Proportion of Median Income for California (2015, 2017, 2019)

	2015	2017	2019
Black Alone	49.24%	41.60%	41.69%
White Alone	34.35%	35.09%	37.08%
Hispanic	39.28%	36.54%	28.54%
Not Hispanic	34.01%	34.94%	24.94%

Source: American Housing Survey and Authors Calculations

As table six demonstrates, in 2015, the Black alone median rent cost in California as a proportion of the Black alone median income is approximately 15% greater than the White alone percentage. In California in 2015, there is an over-representation of Blacks in the homelessness share as the difference between the Black homelessness share and the Black population share is nearly 20%. Therefore, the median rent cost as a proportion of median income for the Black alone population could explain why there is an over-representation of Blacks in the homelessness share in California in 2015 as Blacks are more at risk of entering homelessness than Whites in this area. In 2017 and 2019, the same trend is apparent for Blacks in California.

In 2017 and 2019, the gap between Black alone and White alone median rent cost as a proportion of median income decreases as the difference is only 6.51% in 2017 and approximately 4.6% in 2019. There remains a large over-representation of Blacks in the homelessness share in 2017 and 2019, as Blacks consist of 6.46% of the population in California in 2019 while representing nearly 30% of the total homeless population in California in 2019. When Blacks have high housing cost burdens, and low incomes, an increase in a utility payment, a health shock to the family, or an economic shock in the economy could more easily lead to a result of the Black individual missing a rent payment, being evicted, and becoming homeless. There is a high standard of living in California, which would make it difficult for a

poor Black individual to afford a high rent cost when there are limited income options and a slack labor market.

When analyzing the differences in proportions by ethnicity, there is not as large of a disparity between Hispanics and Not Hispanics as there is between Blacks and Whites, but the difference is still notable. For example, the Hispanic proportion is nearly 5% greater than the Not Hispanic proportion in 2015. However, unlike the homelessness share results for Blacks in California in 2015, 2017, and 2019, there is an under-representation of Hispanics in the homelessness share in California. For example, for Hispanics, 27.88% of the homeless population identify as being Hispanic, while Hispanics consisted of 38.62% of the total population in California in 2015. In 2017, 31.69% of Hispanics were represented in the total homeless population, while Hispanics represent nearly 39% of the total population of California. The Hispanic homelessness share and population share have similar numbers for 2019. When correlating median rent costs as a proportion of median incomes with the homelessness share for different racial and ethnic groups, the result is a trend that shows Blacks are more vulnerable than Whites, and Hispanics are more vulnerable than Non – Hispanics, to becoming homeless in California in 2015, 2017, and 2019.

California, as a state, is taking steps in the right direction as California's Governor, Gavin Newsom, on May 11th, 2021, proposed \$12 billion in new funding to provide housing for those who are experiencing homelessness. Newsom initiated projects "Roomkey" and "Homekey" to house homeless residents during the Covid-19 pandemic, providing cities and counties with the funding to convert motels, hotels, and other building arrangements into housing for the homeless population. Units set aside for Project Roomkey were intended only for temporary or emergency shelter options while also serving as a temporary pathway to permanent housing. This project was inspired by the rampant COVID-19 infections across the state and the need to separate people who have contracted the virus from people who have not contracted the virus. Project Homekey was the next phase in California's response to the intertwining complexity between homelessness and COVID-19. It included grant funding for "purchasing and rehabilitating housing, including hotels, motels, vacant apartment buildings, and other buildings and convert them into interim or permanent, long-term housing" (California Department of Housing and Community Development, 2021). Project Homekey is more aligned with what a

Federal Housing First model should provide as there is an emphasis on permanent housing. The example of Newsom proposing \$12 billion in funding for these projects indicates that programs like these can be done at the Federal level.

Table 7: Median Rent Cost as a Proportion of Median Income for New York (2015, 2017, 2019)

	2015	2017	2019
Black Alone	40.38%	42.00%	37.96%
White Alone	29.51%	34.99%	38.77%
Hispanic	42.58%	46.04%	34.51%
Not Hispanic	34.46%	36.00%	24.54%

Source: American Housing Survey and Authors Calculations

The data results presented in table seven are interesting because there seems to be a trend in the data showing Blacks having a larger median rent cost as a proportion of median income than Whites in 2015 and 2017, but not in 2019. This result is interesting as New York has the largest over-representation of Blacks in the homelessness share of all 50 states in the United States. For example, 69.99% of the homeless population in New York was Black in 2019, while 17.59% of the total state population identified as being Black in 2019. With nearly seven out of every ten homeless people in New York being Black, the Federal Government must provide a larger stock of affordable housing in tandem with more job opportunities for Blacks. This would call for a Federal Housing First approach in coordination with a Federal Jobs Guarantee for New York. As mentioned earlier, New York City is the only metro area with a Universal “right to shelter” however, this approach does not cover the entire state and, therefore, needs to be expanded to a State level and transition to a Universal right to permanent housing. A Federal Housing First model could account for this shortcoming.

For ethnicity, there is an over-representation of Hispanics in the homelessness share in New York for 2015, 2017, and 2019. For example, the Hispanic population share is greater than the

Hispanic homelessness share in New York by nearly 13% in 2015 and nearly 14% in 2017 and 2019. These results relate to the median rent cost as a proportion of median income being 8% larger for Hispanics than Non – Hispanics in 2015 and around 10% larger for Hispanics than Non – Hispanics in 2017 and 2019. Given these percentages by ethnicity, Hispanics are at larger risk of experiencing homelessness than Non – Hispanics, which contributes to the over-representation of Hispanics in the homelessness share in New York for 2015, 2017, and 2019.

Table 8: Median Rent Cost as a Proportion of Median Income for Massachusetts (2015, 2017, 2019)

	2015	2017	2019
Black Alone	n/a	58.18%	41.70%
White Alone	n/a	40.11%	33.36%
Hispanic	n/a	26.03%	34.33%
Not Hispanic	n/a	48.40%	38.32%

Source: American Housing Survey and Authors Calculations

Table eight demonstrates Blacks have a median rent cost as a proportion of median income, which is larger than Whites for 2017 and 2019. This aligns with Blacks in Massachusetts being over-represented in the homelessness share for both 2017 and 2019. For example, Blacks represent only 8.79% of the population share in 2017 while representing over 33% of the homelessness share. In 2019, Blacks represented around 9% of the population share while representing nearly 35% of the homelessness share. Blacks having higher risk percentages than Whites contributes to the over-representation of Blacks in the homelessness share.

By ethnicity, the results indicate Hispanics have a median rent cost as a proportion of median income, which is less than respondents who are not Hispanics. These results conflict with the over-representation of Hispanics in the homelessness share in Massachusetts in 2017 and 2019. The significant difference in proportions between Hispanics and Non – Hispanics in 2017 could result from Hispanics having a median income that is over \$10,000 greater than the median

income for respondents who are not Hispanics. Additionally, it could be a result of Non – Hispanics having higher median rent costs than Hispanics. In 2017, Non – Hispanics had a median rent cost which is over \$350 greater than Hispanics, and in 2019, Non – Hispanics have a median rent cost which is over \$200 greater than Hispanics. One reason for these differences in median rent costs may be the systemic housing segregation and discrimination, which began with the National Housing Act of 1934. For example, according to the National Alliance to End Homelessness, “redlining discouraged economic investment, such as mortgage and business loans, in Black and Brown neighborhoods” (National Alliance to End Homelessness, 2021). The systemic history in the United States of a lack of Federal investment in neighborhoods which compose of large populations of Blacks and Hispanics, plays an important role in the over-representation of these same groups in the homelessness share and the trend shown here in which Non - Hispanics have higher median rent costs than Hispanics as Non – Hispanics are more likely to live in neighborhoods with higher property values than Hispanics.

Summary

Five states were observed at the state level in 2015 and seven states were observed at the state level in 2017 and 2019. This is because for 2015, only California, Florida, New York, Pennsylvania, and Texas had large enough “sample sizes to provide reasonable state-level estimates” (U.S Census Bureau, Department of Housing and Urban Development, 2015). For 2017, California, Florida, Illinois, Massachusetts, New York, Pennsylvania, and Texas had large enough “sample sizes to provide reasonable state-level estimates” (U.S Census Bureau, Department of Housing and Urban Development, 2017). For 2019, the same seven states provided reasonable state-level estimates. For these seven states observed, Blacks have a median rent cost as a proportion of median income, which is larger in every year for five out of the seven states. These five states are California, Florida, Texas, Pennsylvania, and Massachusetts. In New York and Illinois, Blacks have a median rent cost as a proportion of median income, which is larger for at least one out of the three years observed. For example, the percentage is greater in New York in 2015 and 2017 but not in 2019. In Illinois, the percentage was greater in 2019 but not in 2017.

In six out of the seven states observed, Hispanics have a median rent cost as a proportion of median income, which is larger for every year observed. Massachusetts is the one outlier where

Hispanics have a proportion that is less than the proportion for Non – Hispanic respondents for each year observed.

For the majority of the states in the analysis by race and ethnicity, the median rent cost as a proportion of income is larger for Blacks and Hispanics than they are for Whites and Not Hispanics. A policy solution to address the high housing cost burden and low incomes for Blacks and Hispanics in these states would be a Federal Jobs Guarantee and a Federal Housing First model, which has an area of focus on providing federal services in these minority communities. A limitation of the data studied at the state level is that only seven out of 50 states were observed. However, for these seven states, there is a need to address discrepancies in median incomes by racial and ethnic groups and a need to address the large percentages shown in the rent costs as a proportion of income measuring homelessness risk for Blacks and Hispanics in these respective states.

VII. DISCUSSION

The trends present at the state and metro level point to racial and ethnic disparities in incomes and housing cost as a proportion of incomes, shown at the median level. These disparities imply there is a shortage of affordable housing for these racial and ethnic groups. In this context, Aibinder and Owens find, “there is no housing market in the United States in which a full-time minimum-wage worker can afford to rent a two-bedroom without spending more than a third of their income on rent” (Aibinder and Owens, 2021). Additionally, they find “in 95 percent of counties, a full-time minimum-wage worker wouldn’t be able to afford a one-bedroom.” (Aibinder and Owens, 2021) Even with what is considered a “living wage,” many people, including Blacks and Hispanics, struggle to make ends meet due to either income being too low or rent costs being too large of a percentage of an individual’s budget. Additionally, Aibinder and Owens find, pervasive discrimination in the housing market contributes to Black and Brown renters being more likely than Whites to face a housing cost-burden. Specifically, they find that in 2020, “13 percent of Black households and 9 percent of Hispanic households with incomes of \$75,000 or more reported being behind on payments, compared with 4 percent of white households” (Aibinder and Owens, 2021). When Blacks and Hispanics have larger median rent costs as a proportion of their median income, and median incomes which are smaller than

Whites and Non – Hispanics, they are more at risk of entering homelessness as one missed payment or one unforeseen expense can drive them from renting a home to being evicted from their home to being without a home.

Homelessness is often unpredictable, and when unforeseen expenses arise, which may lead to a person becoming homeless, there is often not a large amount of time to react to the consequences an economic shock could have on a family's budget. Tippet, Jones-DeWeever, Rockey Moore, Hamilton, and Darity Jr. find, African Americans had a median liquid wealth which was \$21,000 less than Whites and "Latinos didn't fare much better, with a median liquid wealth of only \$340", which is nearly \$20,000 less than Whites. (Tippet, Jones-DeWeever, Rockey Moore, Hamilton, and Darity Jr., 2014) Liquid wealth here is defined as financial assets which can be quickly converted into cash. As evident from their findings, liquid wealth is nearly non-existent for Black / African Americans and Hispanic / Latino households. These results support the conclusion that Blacks and Hispanics are more at risk of entering homelessness than Whites and Non – Hispanics. In the case of a medical expense of \$500, Blacks and Hispanics would have to choose between making their rental payment or paying the medical expense and risking falling behind on their rental payment. This is an abstract example but is relevant to many Blacks and Hispanics on the brink of entering homelessness. Whites and Non – Hispanics are often less faced with this corollary.

Along with Blacks and Hispanics being more likely to be housing cost-burdened and having lower median incomes than Whites and Non – Hispanics, Blacks and Hispanics have owned housing at far lower rates than Whites and Non – Hispanics. Homeownership is often the largest component of a family's wealth, and the gap in homeownership rates by race and ethnicity is another consequence of long-term housing discrimination and segregation. Black and Hispanic households often do not have the income to afford to own a house, which drives these households into the renter's housing market. Homeownership is important and valuable, as owning a home allows families to build wealth and serves as a robust measure of financial security. Using the American Housing Survey for 1985, 1995, 2005, and 2015, Goodman and Mayer find that Whites' homeownership rates were 75.8% in 2005 and 70.8% in 2015. Blacks' homeownership rates were 48.5% in 2005 and 42.2% in 2015, and Hispanic homeownership rates were 49.4% in 2005 and 45.4% in 2015. To account for the over-representation of Blacks

and Hispanics in the homelessness share, the Federal Government should target providing financial security for Blacks and Hispanics through creating policies that would decrease the gap in homeownership rates. This calls for the United States to invest in a housing safety net program and a job safety net program. A housing safety net program would create situations that allow for easier upward mobility for Blacks and Hispanics within the housing market, while the job safety net program would raise the income floor and decrease the likelihood of Black and Hispanic households facing high housing cost burdens.

A Housing First Program should also be implemented because it is cost-effective at a small and a grand scale. The McKinney-Vento Act and the Continuum of Care policy have created a social welfare system composed of different programs and services for the homeless population. Under this program, there has been a “60 percent growth in the number of transitional housing programs since 1996” (Culhane and Byrne, 2010), speaking to the rapid growth of this social welfare system. A consequence of this growth has been shelters expanding their mandates for the provision of emergency housing and transitional housing. The growth in this system has also arrived at great expense for the homeless assistance providers and the HUD, as “HHS [Department of Health and Human Services] homeless assistance programs (...) cost more than \$400 million” and “Federal and state payers of acute health care services (...) bear the high costs of chronically homeless persons” (Culhane and Byrne, 2010) who make use of these temporary solutions implemented by service providers. Since the time of this report by Culhane and Byrne (2010), we can assume that these figures have grown. Housing subsidies can cost less than annual support services costs and can have far more significant benefits for the unhoused than traditional annually funded temporary homeless assistance programs. It is time to bring morality and autonomy to the homeless population and treat them as individuals who have endured significant financial strains.

VIII. CONCLUSION

A Federal Jobs Guarantee (FJG) or Employer of Last Resort (ELR) would be the most robust way of addressing the large disparities by race and ethnicity in median incomes. However, this Federal Jobs Guarantee must work in tandem with a Federal Housing First (FHF) program, which would drastically increase the supply of affordable housing. Aibinder and Owens argue, “the economic impacts of recessions, such as job loss and income declines, are largely predictable, and policymakers have put in place a number of programs to offset them.” (Aibinder and Owens, 2021) However, this analysis falls short and implies complacency in the programs that are currently available. For example, they reference how “when Americans lose their jobs, they can apply for unemployment insurance. When their incomes and assets drop below a certain threshold, they qualify for nutritional assistance.” (Aibinder and Owens, 2021) However, these programs fall short of directly addressing the systemic problem of unemployment and accepts programs that do not address the insufficient aggregate demand problem present in the economy. For example, Wray states,

“the ELR program thus imparts a great deal of stability to aggregate spending and employment by acting as a powerful automatic stabilizer – much more powerful than previous programs such as unemployment compensation or welfare spending” (Wray, 1997).

Additionally, Tcherneva adds,

“jobless recoveries have become the norm...the program (FJG) [provides] the needed countercyclical stabilization. It is superior to current stabilization methods... it does not use the unemployed to stabilize growth and inflation...and drastically reduces the existing costs of unemployment” (Tcherneva, 2018).

Without an FJG,

“they [workers] face uncertain prospects of finding another job, and the meager unemployment assistance they receive ensures that they will curb their spending – they skip shopping trips, restaurant outings, or going to the movies. That ripple effect results in additional laid off workers” (Tcherneva, 2018).

There is ample evidence for how an FJG would 'take people where they are' and provide them with a job if they are willing and able to work. This is needed in today's context as many workers deemed 'essential' are people of color and have been impacted disproportionately by the

current public health crisis in the country. The result of this crisis has been a significant increase in unemployment and homelessness. The housing market has many similarities to the labor market since during times of recessions, rather than people being unable to spend as large of an amount in the economy on commodities such as movie tickets and restaurant meals, people have also endured the burden of not being able to make rent payments on time, leading to an increased risk of being 'kicked' out and evicted by their private landlords and ending up with no shelter and no safety net to fall back on. Therefore, along with an FJG, an FHF model is necessary sooner rather than later, as we continue to see the effects the COVID-19 crisis has had on the economy.

The Federal Government can implement a Housing First Model in today's climate given the proper political will. Following the Modern Monetary Theory framework, it is not a question of how we would pay for a Federal Housing First program but rather how we would mobilize resources successfully to create an increased stock of public housing that would be readily available for a vast amount of people with a focus on housing Black and Hispanic individuals. This is necessary as there currently is no safety net for those who are most at risk of becoming homeless and those who are over-represented in the United States' homelessness share.

The Federal Government cannot solve the homelessness crisis solely through an expansion of Section 8 Housing. Section 8 Housing or the Housing Voucher Program can be considered an 'iceberg' program for those most in need. For example, with this metaphor, eligible renters who receive assistance are often the tip of the iceberg above water. In contrast, the renters who need assistance the most are often underwater and left on their own to struggle. For example, according to Yentel, President and CEO of the National Low Income Housing Coalition, "the shortage of rental homes affordable to the lowest-income people is caused by market failure and chronic underfunding of solutions." (Yentel, 2021) The market failure reference here is with respect to expensive housing cost characteristics in the private housing market and low incomes that fail in meeting or exceeding these high housing costs. The chronic underfunding of solutions is with respect to the lack of supply of services, such as Section 8 Housing Vouchers available and less than an adequate stock of permanent housing available, which fail to meet the demand for these same services. Therefore, high housing costs, low-income earnings, and a lack

of services are important reasons behind the homelessness crisis in the United States and create situations where Blacks and Hispanics become more at risk of entering homelessness.

The Public Sector must play a large role in addressing homelessness as the private market cannot, when left to its own devices, solve this persistent market failure. The Federal Government can create better outcomes for the lowest-income workers, where Blacks and Hispanics are over-represented. Through government intervention, the over-representation of Blacks and Hispanics in the homelessness share can be curtailed. A federal bill proposed to address the shortcomings in the private housing market is President Biden's infrastructure bill. According to Zarracina, Garrison, and Petras, "the largest part of the plan focuses on American homes, school buildings, underground water infrastructure and broadband expansion." (Zarracina, Garrison, and Petras, 2021) Included in this portion of the package is \$40 billion set aside for 'public housing projects.' The \$40 billion set aside in the package would go towards the construction and rehabilitation of 500,000 homes for low-and middle-income owners. But, as Alexandria Ocasio-Cortez criticized publicly, this is not enough. According to Ocasio-Cortez, \$40 billion "seems less effective when one considers that the New York City public housing system needs \$40 billion alone" (Villareal, 2021). In light of this enormous, pressing issue, the Federal Government should implement a bill that could be considered 'too big' rather than 'too small.'

The HUD has announced the allocation of \$5 Billion in American Rescue Plan funds to help communities create affordable housing and services for people experiencing or at risk of experiencing homelessness. The funding would provide short-term relief for homeless individuals and may be passed along with President Biden's American Jobs Plan. President Biden's American Jobs Plan would provide robust funding which could be used to bring the United States closer to ending homelessness and housing instability. Thus, the Federal Government has recognized that housing relief and job relief need to be passed in collaboration to address the increase in homelessness. However, the United States Government must not be complacent with the passage of these bills. It should aim to house the entire homeless population and provide job opportunities for the entire homeless population.

The Federal Government is not limited in providing better outcomes for Black and Hispanic households experiencing homelessness or who are at the risk of entering homelessness. The only limits are political will and orthodox economic beliefs. Since the Trump administration, there may be a shift in the political will to ‘tackle’ critical economic issues. Additionally, since the COVID-19 crisis, there may be a new way of economic thinking. Therefore, a final question will be: what will it take to change the economic way of thinking? A crisis is one obvious way. With the United States facing significant intersecting crises such as a climate crisis, a jobs crisis, a health crisis, and a housing crisis, among others, now is the opportunity to do what is necessary.

The United States must acknowledge and address these intersecting crises to revamp the current standard of living. If the United States is complacent with respect to the housing crisis, the trends of an over-representation of Blacks and Hispanics in the homelessness share, low median incomes for Blacks and Hispanics relative to Whites and Non – Hispanics, and Blacks and Hispanics being more at risk of entering homelessness than Whites and Non – Hispanics will continue and amplify to a point where there will be less hope and opportunity for these participants in the economy. The United States must adopt a Federal Jobs Guarantee which emphasizes providing employment opportunities for the Black and Hispanic communities to counteract the over-representation of Blacks and Hispanics in the homelessness share. The United States must adopt a Federal Housing First Program where everyone has the right to an adequate shelter to counteract the over-representation of Blacks and Hispanics in the homelessness share. The public sector must play a larger role in supplying a larger stock of permanent housing to counteract the market failure in the private housing market, which has led to a shortage of affordable homes. The country must act quickly and act now, and anything short will be deemed a failure for economic policy. There is no future in affordable housing without public investment in affordable housing for security and stability in the near term and the long term.

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X. APPENDIX

Data Results at the Metro Level

Table A1: Median Rent Cost as a Proportion of Median Income for San Francisco (2015, 2017, 2019)

	2015	2017	2019
Black Alone	45.39%	48.00%	26.21%
White Alone	30.62%	32.16%	22.29%
Hispanic	35.88%	38.58%	24.37%
Not Hispanic	32.29%	32.68%	22.96%

Source: American Housing Survey and Authors Calculations

In 2015, 2017, and 2019, the rent cost as a proportion of income at the median level, is larger for Blacks than it is for Whites in San Francisco. Additionally, Hispanics have a larger proportion than Non – Hispanics in each year observed. Blacks are over-represented in the homelessness share in every year while Hispanics are only over-represented in the homelessness share in San Francisco in 2017. The largest difference in proportions between Hispanics and Non – Hispanics is in 2017 and Hispanics have the largest proportion out of the three years observed in 2017. For instance, the difference in proportions between Hispanics and Non – Hispanics in 2017 is 5.9% and the median rent cost as a proportion of median income percentage is 38.58% for Hispanics in 2017.

Table A2: Median Rent Cost as a Proportion of Median Income for Riverside (2015, 2017, 2019)

	2015	2017	2019
Black Alone	36.95%	52.24%	34.16%
White Alone	43.67%	38.25%	30.24%
Hispanic	45.87%	38.12%	32.11%
Not Hispanic	41.69%	38.26%	28.89%

Source: American Housing Survey and Authors Calculations

In 2017 and 2019, the proportion for Blacks is larger than for Whites and in 2015 and 2019, the proportion for Hispanics is larger than it is for Non – Hispanics. There is no clear trend here relating to the over-representation of Blacks in the homelessness share in Riverside in 2015, 2017, and 2019 and the under-representation of Hispanics in the homelessness share in Riverside in 2015, 2017, and 2019.

Table A3: Median Rent Cost as a Proportion of Median Income for Miami (2015, 2017, 2019)

	2015	2017	2019
Black Alone	44.71%	50.40%	36.39%
White Alone	41.69%	44.93%	30.84%
Hispanic	46.72%	47.51%	34.26%
Not Hispanic	44.63%	45.12%	29.76%

Source: American Housing Survey and Authors Calculations

In Miami in 2015, 2017, and 2019, the median rent cost as a proportion of median income for Blacks is larger than it is for Whites. Blacks are over-represented in the homelessness share in

each of these years. A similar trend is apparent for ethnicity with the minority group (Hispanics) having a larger proportion than the majority group (Not Hispanic). This has conflicting results with the under-representation of Hispanics in the homelessness share in Miami in 2015, 2017, and 2019.

Table A4: Median Rent Cost as a Proportion of Median Income for Philadelphia (2015, 2017, 2019)

	2015	2017	2019
Black Alone	39.51%	42.64%	25.25%
White Alone	32.37%	32.08%	22.94%
Hispanic	44.91%	49.13%	24.12%
Not Hispanic	34.29%	32.60%	23.09%

Source: American Housing Survey and Authors Calculations

There is an over-representation of Blacks in the homeless share in Philadelphia in every year observed along with Blacks having a median rent cost as a proportion of median income which is larger than Whites in every year observed. For Hispanics, the same trend is apparent as Hispanics have larger proportions for every year observed than Non - Hispanics. 2015 is the only year observed where Hispanics are over-represented in the homelessness share. If there were to be a direct relation between over-representation of Hispanics in the homelessness share and Hispanics having a larger proportion relative to Non – Hispanics, Hispanics would be over-represented in the homelessness share in 2015, 2017, and 2019. However, this is not the case as Hispanics are under-represented in the homelessness share in Philadelphia in 2017 and in 2019.

Table A5: Median Rent Cost as a Proportion of Median Income for Dallas (2015, 2017, 2019)

	2015	2017	2019
Black Alone	31.94%	32.56%	27.38%
White Alone	29.41%	29.33%	25.51%
Hispanic	32.55%	31.38%	26.92%
Not Hispanic	29.18%	30.00%	25.48%

Source: American Housing Survey and Authors Calculations

Blacks and Hispanics alike, have larger proportions for every year observed than Whites and Non – Hispanics in Dallas. There is an over-representation of Blacks in the homelessness share for every year observed and there is an under-representation of Hispanics in the homelessness share for every year observed.

Table A6: Median Rent Cost as a Proportion of Median Income for Houston (2015, 2017, 2019)

	2015	2017	2019
Black Alone	34.51%	37.44%	27.84%
White Alone	30.22%	31.45%	24.17%
Hispanic	29.34%	33.02%	27.01%
Not Hispanic	30.15%	34.20%	24.26%

Source: American Housing Survey and Authors Calculations

There is an over-representation of Blacks in the homelessness share in Houston for every year observed along with Blacks having a larger proportion than Whites for every year observed.

By ethnicity, Non – Hispanics have a larger proportion than Hispanics in 2015 and in 2017, but not in 2019. Therefore, there is not a complete relationship between the homelessness share and the proportion calculated in table A6.

Table A7: Median Rent Cost as a Proportion of Median Income for Atlanta (2015, 2017, 2019)

	2015	2017	2019
Black Alone	35.77%	32.13%	26.44%
White Alone	28.21%	30.15%	26.09%
Hispanic	34.29%	35.94%	26.18%
Not Hispanic	31.99%	30.05%	25.20%

Source: American Housing Survey and Authors Calculations

There is an over-representation of Blacks in the homelessness share in Atlanta for 2015, 2017, and 2019 along with Blacks having a larger proportion than Whites for 2015, 2017, and 2019. Hispanics have a larger proportion than Non – Hispanics in 2015, 2017, and 2019 but are under-represented in the homeless share in 2015, 2017, and 2019.

Table A8: Median Rent Cost as a Proportion of Median Income for Chicago (2015, 2017, 2019)

	2015	2017	2019
Black Alone	26.06%	41.55%	23.57%
White Alone	43.71%	27.58%	20.56%
Hispanic	31.76%	31.41%	23.35%
Not Hispanic	31.33%	34.27%	22.43%

Source: American Housing Survey and Authors Calculations

The data results for Chicago in 2015, 2017, and 2019 offer conflicting conclusions as Blacks have a larger proportion than Whites in two out of the three years observed while being over-represented in the homelessness for every year observed. Additionally, Hispanics have larger proportions than Non – Hispanics in two out of the three years observed but are under-represented in the homelessness share for every year observed.

Table A9: Median Rent Cost as a Proportion of Median Income for Detroit (2015, 2017, 2019)

	2015	2017	2019
Black Alone	45.75%	40.40%	26.75%
White Alone	30.92%	31.44%	25.49%
Hispanic	45.01%	25.06%	36.75%
Not Hispanic	34.43%	35.08%	25.14%

Source: American Housing Survey and Authors Calculations

Blacks are over-represented in the homelessness share in every year observed and have larger proportions than Whites in every year observed. Hispanics are under-represented in the

homelessness share in every year observed and have larger proportions than Non – Hispanics in two out of the three years observed.

Table A10: Median Rent Cost as a Proportion of Median Income for Boston (2015, 2017, 2019)

	2015	2017	2019
Black Alone	33.63%	37.05%	33.79%
White Alone	32.17%	34.69%	26.04%
Hispanic	36.07%	41.47%	37.49%
Not Hispanic	32.98%	34.90%	26.68%

Source: American Housing Survey and Authors Calculations

There is a complete relationship between median rent cost as a proportion of median income and the over-representation of Blacks and Hispanics in the homelessness share in 2015, 2017, and 2019. Blacks and Hispanics have larger proportions than their racial and ethnic counterparts in every year observed to go along with the over-representation in the homelessness share trend which is present in Boston in 2015, 2017, and 2019.

Table A11: Median Rent Cost as a Proportion of Median Income for Phoenix (2015, 2017, 2019)

	2015	2017	2019
Black Alone	38.97%	32.95%	29.49%
White Alone	32.89%	29.68%	17.31%
Hispanic	33.68%	29.97%	18.59%
Not Hispanic	32.74%	30.85%	18.82%

Source: American Housing Survey and Authors Calculations

The results for Phoenix offer conflicting conclusions for ethnicity, but not for race. For example, there is an over-representation of Blacks in the homelessness share for every year observed along with proportions for Blacks which are larger than the proportions for Whites for every year observed. For ethnicity, there is an under-representation of Hispanics in the homelessness share for every year observed but Hispanics have a larger proportion than Non – Hispanics in 2015.

Table A12: Median Rent Cost as a Proportion of Median Rent Cost for Washington DC (2015, 2017, 2019)

	2015	2017	2019
Black Alone	41.92%	38.51%	28.50%
White Alone	30.76%	26.21%	23.55%
Hispanic	38.62%	33.32%	24.12%
Not Hispanic	33.27%	30.93%	24.40%

Source: American Housing Survey and Authors Calculations

There is an over-representation of Blacks in the homelessness share in 2015, 2017, and 2019 along with larger proportions for Blacks than Whites in 2015, 2017, and 2019. There is an under-representation of Hispanics in the homelessness share in 2015, 2017, and 2019 while Hispanics have a larger proportion than Non – Hispanics in 2015 and 2017, but not in 2019.

Data Results at the State Level

Table A13: Median Rent Cost as a Proportion of Median Income for Florida (2015, 2017, 2019)

	2015	2017	2019
Black Alone	42.18%	42.00%	44.16%
White Alone	31.34%	37.12%	35.26%
Hispanic	41.40%	42.02%	31.66%
Not Hispanic	34.89%	35.46%	27.14%

Source: American Housing Survey and Authors Calculations

In Florida for 2015, 2017, and 2019, there is over-representation of Blacks in the homelessness share and an under-representation of Hispanics in the homelessness share. These results relate to the trend in table A13 which shows a larger percentage of median rent as a proportion of median income for Blacks than for Whites but does not relate to the trend showing a larger percentage of median rent cost as a proportion of median income for Hispanics than Non – Hispanics. However, when calculating the average difference between Black and White alone median rent cost as a proportion of median income with the average difference between Hispanics and Non – Hispanics, the average difference between Blacks and Whites is greater than the average difference between Hispanics and Not Hispanics. For example, the average percentage difference between Blacks and Whites for all three years is 8.21% while the average percentage difference between Hispanics and Not Hispanics for all three years is only 5.86%.

Table A14: Median Rent Cost as a Proportion of Median Income for Texas (2015, 2017, 2019)

	2015	2017	2019
Black Alone	32.32%	34.53%	34.16%
White Alone	29.38%	32.13%	33.11%
Hispanic	34.19%	33.23%	24.61%
Not Hispanic	30.46%	31.26%	23.91%

Source: American Housing Survey and Authors Calculations

In Texas, there is a similar trend as Florida with respect to the over-representation of Blacks in the homelessness share and the under-representation of Hispanics in the homelessness share for 2015, 2017, and 2019. Additionally, Blacks have a larger median rent cost as a proportion of median income than Whites, and Hispanics have a larger proportion than Non – Hispanics. Therefore, there is a relation for Blacks between the over-representation of Blacks in the homelessness share and the larger median rent cost as a proportion of median income, but there is no relation for Hispanics between the under-representation of Hispanics in the homelessness share and the larger median rent cost as a proportion of median income.

Table A15: Median Rent Cost as a Proportion of Median Income for Pennsylvania (2015, 2017, 2019)

	2015	2017	2019
Black Alone	42.82%	45.38%	27.60%
White Alone	31.40%	33.14%	27.54%
Hispanic	49.26%	38.36%	23.26%
Not Hispanic	32.76%	35.64%	22.41%

Source: American Housing Survey and Authors Calculations

In Pennsylvania, there is an over-representation for both Blacks and Hispanics in the state homelessness share relative to the state population share for each racial and ethnicity group. These results relate to the median rent cost as a proportion of median income being larger for Blacks than Whites in 2015, 2017, and 2019. However, the difference in percentages between Blacks and Whites is negligible for 2019 as there is only a slight 0.06% difference in median rent cost as a proportion of median income. This result for 2019 is trivial as Blacks make up only 12.03% of the total population of Pennsylvania but make up over 50% of the total homeless population in Pennsylvania. By ethnicity, there is a trend showing a large difference in median rent cost as a proportion of median income in 2015, a smaller difference in the percentage in 2017, and an even smaller difference, of less than 1% in 2019. These trends relate to the relatively largest over-representation of Hispanics in the homelessness share in 2015 and the less apparent over-representation of Hispanics in the homelessness share in 2017 and in 2019. For instance, the difference in the Hispanic population share and homelessness share is 6.96% in 2015, there is a negligible difference of 2.90% in 2017, and the difference is 3.95% in 2019.

Table A16: Median Rent Cost as a Proportion of Median Income for Illinois (2015, 2017, 2019)

	2015	2017	2019
Black Alone	n/a	22.10%	30.14%
White Alone	n/a	29.43%	29.09%
Hispanic	n/a	48.53%	33.75%
Not Hispanic	n/a	25.17%	18.15%

Source: American Housing Survey and Authors Calculations

The median rent cost as a proportion of median income was calculated for only 2017 and 2019. In Illinois, there are conflicting results by race between 2017 and 2019. For example, the median rent cost as a proportion of median income is larger for Whites than Blacks in 2017 but is larger for Blacks than Whites in 2019. This is a result of Blacks median income in Illinois decreasing from \$45,120 in 2017 to \$35,000 in 2019 since the median rent cost for Blacks in Illinois from 2017 to 2019 increased by less than \$50. In Illinois in 2017, the median income for Blacks was greater than the median income for Whites by over \$5,000. For every other state except Pennsylvania in 2019, Whites had a median income which was greater than Blacks. By ethnicity, the relation between the over-representation of Hispanics in the homelessness share and Hispanics having a larger median rent cost as a proportion of median income does not hold in Illinois for 2017 and 2019. There is an under-representation of Hispanics in the homelessness share in Illinois in 2017 and 2019 while the median rent cost as a proportion of median income percentage is larger for Hispanics than the percentage for respondents who are not Hispanic.