



No Place Like Home

Addressing Poverty and Homelessness in the United States

By Tracey Ross December 2013

Introduction and summary

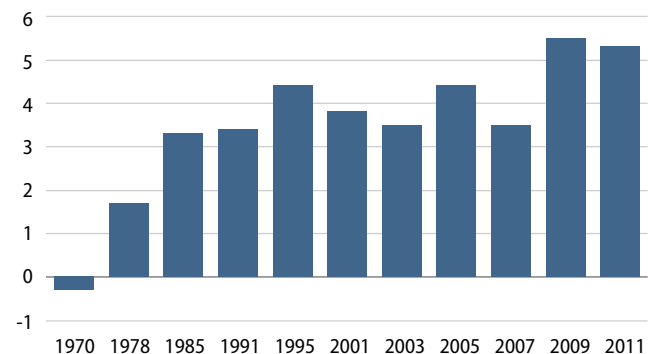
“Since the founding of our country, ‘home’ has been the center of the American dream. Stable housing is the foundation upon which everything else in a family’s or individual’s life is built—without a safe, affordable place to live, it is much tougher to maintain good health, get a good education or reach your full potential.”¹

– President Barack Obama

While owning a home is the cornerstone of the American Dream, growing income inequality, coupled with an affordable housing crisis, makes maintaining stable housing a challenge for millions of Americans. In his book, *Making Room: The Economics of Homelessness*, Columbia University Professor Brendan O’Flaherty explains, “Although homelessness in the past was a phenomenon of economic depression, much of the rise in the new homelessness has occurred in relatively prosperous times.”² Through his research, he shows that around the 1980s, “an increase in inequality and a smaller middle class, made it more difficult for poor people to acquire housing that had been formerly used by the middle class.”³ In fact, today, almost half of the homeless population in this country work but do not earn enough income to pay for housing.⁴

When examining the availability of low-cost housing over time, the extent to which affordable housing is a barrier today becomes clear. According to the Institute for Children, Poverty, and Homelessness, there were 300,000 more low-cost rental units than low-income renter households in 1970—6.5 million units for 6.2 million households. By 1985, there was an affordable housing shortfall of 3.3 million units.⁵ By 2011, the affordable housing shortage reached 5.3 million units.⁶ Today, only one

FIGURE 1
Disparity between need and availability of affordable units for poor renters (in millions)



Sources: The Institute for Children, Poverty, and Homelessness, “A Home by Any Other Name” (2012), Figure 1B, available at http://www.icphusa.org/filelibrary/ICPH_PolicyBrief_AHomeByAnyOtherName.pdf; Joint Center for Housing Studies, “The State of the Nation’s Housing 2013” (2013), available at <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/son2013.pdf>.

in four households eligible for rental subsidies actually receives assistance due to overwhelming demand, forcing many families onto lengthy waiting lists.⁷

Homelessness occurs for a variety of reasons, but it is clear that poverty, coupled with an ongoing affordable housing crisis, is a significant factor.⁸ This is not surprising, as income inequality has continued to widen since the Great Recession.⁹

Despite the fact that there are many barriers today to fighting homelessness, the country has also made strides in learning what works. Over the past eight years, homelessness among veterans and chronically homeless individuals has declined significantly,¹⁰ and communities are making real progress in serving other families and individuals. Unfortunately, in many places, homelessness is beginning to increase, and cuts to important programs will not help.¹¹ Until we commit to advancing policies and practices that tackle the root economic causes of homelessness and increase the stock of affordable housing, we will not see the sustained progress we need.

This report provides a summary of the state of homelessness and poverty in the United States; gives an overview of federal and local efforts to end homelessness; and offers recommendations for serving homeless individuals and families, increasing access to affordable housing, and addressing income inequality.

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