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## **The homelessness muddle**

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**D**URING THE PAST decade, homelessness has emerged as a major social problem; yet our attempts to combat it seem only to have worsened things. Although the number of shelter beds in the United States almost tripled between 1983 and 1988 (going from 98,000 to 275,000), beggars now frequent downtown sidewalks and parks in ever-growing numbers. To understand why this has happened—in particular, why increases in government shelter programs have increased the count of homeless people as they are currently defined—one must realize that the view of homelessness proffered by activists like Robert Hayes, Jonathan Kozol, and Mitch Snyder is fundamentally flawed. Although these advocates deserve credit for bringing attention to the human tragedy of homelessness, their central policy proposal—more government-funded housing projects—is as wrong-headed as their assessment of the current situation. Instead of providing unconditional shelter to all who apply for it, policymakers should devise aid programs that better reflect the diversity of the homeless population and that do more to discourage dependency.

The current confusions in homelessness policy start with semantics. The term “homeless” is now used to describe people in

two quite different situations on a given night. First, it applies to the street homeless—people who sleep in vehicles, parks, bus stations, and other places not designed as residences. Second, it includes the sheltered homeless—those who obtain temporary housing either in shelters that local governments or charities operate, or in rooms that can be rented with emergency housing vouchers supplied by welfare agencies. Unlike the street homeless, the sheltered homeless sleep in places designed for residential living; members of both groups, however, almost invariably lack permanent homes.

This bundled definition of homelessness leads to the paradoxical result that greater governmental spending on shelter programs increases the reported number of homeless people. New beds in free shelters draw not only people from the streets, but also those who are housed. Shelters are often used by poor people who have been doubled up with friends or relatives, living in cheap rented rooms, or confined in hospitals, detox centers, or other institutions.

To see how the bundled definition of homelessness misleads, suppose (not unrealistically) that a new hundred-bed shelter draws forty people from the street and sixty who would otherwise have slept in housing or institutions. The street homeless population would fall by forty, and the sheltered homeless population would rise by a hundred—which would increase the total reported homeless population by the sixty who were drawn from their previous housing. Semantic imprecision is thus a major reason why recent bursts in aid to the homeless have been widely regarded as inadequate and ineffectual. To improve the quality of public debate, policymakers and journalists should distinguish between street and sheltered homeless, and should strive to report separate tallies of each. Emphasis on this distinction would help reveal the successes (or failures) of new shelters in reducing street populations; it would also reveal that about half of homeless individuals—and the vast majority of homeless families—are in shelters, not on the streets.

### **Homeless families**

Field surveys of the homeless turn up thankfully few families—meaning one or more parental figures accompanied by one or more minor children—sleeping in places not designed for residential living. In 1985-1986 Peter Rossi and his associates supervised a pioneering middle-of-the-night canvass of Chicago's abandoned

buildings, vehicles, and public places where street homeless might be found sleeping. Rossi's investigators turned up no unsheltered children. In 1986 a different team applied Rossi's techniques in the skid-row area of Los Angeles and also found no families outside. Similarly, Martha Burt and Barbara Cohen of the Urban Institute conducted a nationwide survey in 1987 that located no children in a sample of outdoor places where homeless people congregate.<sup>1</sup>

These findings hardly mean that minors always are sheltered. Some homeless parents using soup kitchens, for example, have told investigators that they sleep with their children in vehicles or other places not designed as housing. Based on reports of this sort, Burt and Cohen estimated that 2-5 percent of homeless children nationwide are unsheltered. In 1988 the Colorado Coalition for the Homeless conducted a warm-weather survey in the Denver area that suggested a somewhat higher percentage. It is nevertheless clear that, in part because child-welfare agencies intervene to prevent abuse and neglect of children, on any given night the vast majority of homeless families are in places designed for residential living.

Families arriving at shelters are overwhelmingly drawn from housing, not from the street. A 1988 survey of New York City, directed by James Knickman and Beth Weitzman, found that 90 percent of arriving families were currently receiving Aid to Families with Dependent Children (AFDC).<sup>2</sup> Seventy-one percent of these families had been doubled up with family or friends during the previous night. Another 18 percent had been living in their own places.

A further indication that family shelters draw mainly from housing is that the number of families receiving emergency shelter varies dramatically over place and time. It is improbable that changes in the neediness of local families would be nearly so abrupt, and indeed the shifts correspond closely to changes in the content of family-aid programs. The experience of New York City is instructive. During the 1970s, when the city was willing to

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<sup>1</sup>See Peter H. Rossi, *Down and Out in America* (University of Chicago Press, 1989); Hamilton, Rabinowitz and Alschuler, Inc., "The 1986 Los Angeles Skid Row Demographic Survey"; Martha R. Burt and Barbara E. Cohen, "Feeding the Homeless" (Urban Institute, 1988).

<sup>2</sup>James R. Knickman and Beth C. Weitzman, "A Study of Homeless Families in New York City" (NYU Graduate School of Public Administration, 1989).

decline some families' applications for emergency shelter, the best available data indicate that it provided emergency housing assistance to fewer than a thousand families per night. In the early 1980s, under pressure of litigation, New York began to provide free shelter to all families that showed up at its intake points; by August 1987 it was providing emergency housing to 5,200 families a night. The city then began revising its program, partly because federal officials had threatened to stop sharing the huge cost of housing families for long periods in horrendous welfare hotels. Over the next two years the total number of families that New York City was aiding in hotels and shelters declined by 25 percent, to 3,900. This drop almost certainly stemmed from the city's policy changes, not from a sudden decline in need.

The fact that tallies of homeless families are highest in the localities that offer the most generous aid supports the proposition that family shelters mostly substitute for other forms of housing. In 1987, according to Burt and Cohen's estimate, American cities with populations above 100,000 had a combined total of roughly 40,000 people in homeless families. In that same year New York City alone was aiding 17,000 people in homeless families, or about 40 percent of Burt and Cohen's national big-city total. New York's per capita incidence of family homelessness was five times the average for other big cities. The most obvious explanation for this discrepancy is that during the 1980s New York City had become one of the few cities to offer free shelter, with no questions asked, to all families that showed up at emergency intake sites.

Statistics from other areas in the Northeast strongly support the proposition that providing poorly tailored aid increases family homelessness. In September 1989 Westchester County (north of New York City) was giving emergency housing aid to about eight hundred families, three-fourths of which it was putting up in motels and providing with cash food allowances; at the same time, Nassau County (east of the city), whose population is half-again larger than Westchester's, was giving emergency aid to fewer than fifty families, none of them in motels. Differing county policies account for most of this disparity: Westchester County typically grants families that apply for emergency housing a free stay in a motel, while Nassau County refers them first to small nonprofit shelters and sends them to motels only as a last resort. Similarly, in New Haven, where families are placed in motels, the rate of family homelessness is six times higher than in Hartford and

Bridgeport, two comparably sized and comparably poor Connecticut cities where homeless families are sent to congregate shelters.

Survey data also indicate that heads of homeless families are responsive to differences in aid programs. In 1985 Richard Towber interviewed families applying for emergency shelter in New York City. In his sample 61 percent of the family heads stated that they would turn down some types of emergency housing aid, and 89 percent of this subgroup said that they would decline placement in a congregate shelter. One can infer that many applicants for emergency shelter have other housing options, such as doubling up with friends or using part of their AFDC stipend to pay rent.

Cities obviously need a system of temporary emergency aid to house families victimized by fires, intrafamily violence, and other sudden emergencies. Many governments, however, have come to define homelessness so broadly that they offer emergency aid to households turned out by primary tenants (friends or relatives) or evicted for nonpayment of rent. To avoid creating perverse incentives, a government that broadly identifies the families eligible for emergency aid must be wary of providing significant financial benefits to applicants. Unfortunately, some governments have not learned this lesson. To clear homeless families from its costly emergency shelters and hotels, for example, New York City has at various times jumped these families to the top of the waiting list for the city's subsidized housing projects. To relocate homeless families from motel rooms, Connecticut administrators have granted them rental assistance payments (RAPs) covering most of the rent in their subsequent dwellings; the present value to a family of a stream of RAP benefits runs in the tens of thousands of dollars. Many poor families, of course, are not aware of specific program details; still, as welfare officials have found, prospective beneficiaries tend to understand the general picture. Partly because it is desirable to shield children from the chaos of temporary housing, governments should be wary of making indigent parents welcome eviction.

### **Homeless individuals**

Burt and Cohen estimated that the homeless singles population outnumbers the homeless family population by about three to one. Homeless individuals are somewhat more likely than homeless families to sleep in places not designed as dwellings. Nevertheless, particularly during harsh weather, many fewer homeless indi-

viduals sleep outside than is generally supposed. In his sweeps during the Chicago winter of 1986, for example, Rossi found 74 percent of the homeless sleeping in shelters; 25 percent in stations, theaters, and other public-access places; and only 1 percent in unheated venues such as abandoned buildings or parked cars.

Irving Piliavin and Michael Sosin found in their study of Minneapolis that the typical homeless individual cycles between street and residential settings within the space of a year.<sup>3</sup> A thirty-year-old alcoholic, for example, might sometimes stay with friends or family, sometimes have a place of his own, sometimes live on the streets, and sometimes be in a jail or detox facility. The establishment of an emergency shelter inserts another possible landing place into this cycle. Although a city that opens a new shelter usually intends to serve the street homeless, in practice a shelter substitutes for locations both on the street and in the housing stock.

It is easy to imagine circumstances under which the opening of a new emergency shelter would draw in individuals who otherwise would live in housing. Suppose, for example, that the alcoholic had been staying with a friend or relative who had increasingly found him to be difficult company. Upon learning that a new shelter had opened, the primary tenant might become more willing to tell the roomer that he had overstayed his welcome. Or suppose that a worker with a low-wage job and a cocaine addiction were living alone in a rented room. If a tolerable shelter were to open, this worker might consider moving from the rented room in order to free up funds for drugs. Conversely, a jobless person who had been staying for months in a round-the-clock, full-service shelter might see little cause to find a job that would enable him to rent a room.

Regrettably, we do not really know to what extent beds in new shelters for individuals substitute for the street and to what extent for beds in housing and institutions. The most pertinent evidence at hand, all of it from New York City, comes from interviews with homeless individuals themselves. In 1982 Stephen Crystal found that 38 percent of the new arrivals at New York shelters had spent the prior night on the street; 47 percent had been in housing and 16 percent had been in a hospital, a jail, or another institution. Subsequent studies in New York also found that fewer than half of the new arrivals at shelters had come directly from living on the street.

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<sup>3</sup>Irving Piliavin and Michael Sosin, "Tracking the Homeless," *Focus*, vol. 10, no. 4 (1987-1988), p. 20.

Evidence of how singles-shelter populations have varied according to time and place also suggests that new shelter beds for singles largely substitute for housing. During the 1980s, New Haven, Westchester County, and New York City all began to offer a free bed to anyone who asked for it (and was willing to obey rules against alcohol, drugs, and bad behavior). The singles-shelter populations in all three places promptly leapt upward, quadrupling in New York, for example, between 1981 and 1987. It is possible, of course, that the political leaders of the three jurisdictions correctly anticipated large bursts in latent homelessness—the amount of street homelessness that would exist in the absence of any social programs; by providing shelters, they may have staved off large increases in their street populations. A city that opens up shelters may also attract migrants from the streets of other cities. Nevertheless, the best explanation for the prevalence of homelessness in, say, Westchester County (which assists ten times more homeless individuals than Nassau County) is that its unusually generous homeless-aid programs have pulled in many people from its own housing stock.

On the whole, it seems highly probable that singles shelters substitute in significant part for housing. If accepted for purposes of policy analysis, this proposition would have two important implications. First, it would carry the welcome news that latent homelessness has not been escalating to the degree that many people think. Second, it would call attention to the fact that shelters significantly aid two other groups besides street people: impoverished individuals who choose a free shelter bed over other housing options, and primary tenants who, because of the availability of shelters, are emboldened to evict difficult housemates. Whether members of these two groups should be aided in this way, or indeed specially aided at all, are debatable questions. One can imagine the relief that shelter programs have sometimes provided to families and friends who have lost patience with housemates. On the other hand, the wretched social environment in many shelters may aggravate underclass pathologies of dependence, unemployment, and substance abuse. If so, Peter Rossi's suggestion of a program of Aid to Families with Dependent Adults—that is, public-assistance payments that would help families house and feed adult members incapable of supporting themselves—would seem more sensible than a program of building more shelters. The point, however, is that policymakers cannot even begin to debate these alternatives

until they come to recognize that singles shelters apparently draw significantly, perhaps even primarily, from housing.

### **The national numbers debate**

In light of the political volatility of the homelessness issue, it is hardly surprising that estimates of the growth and size of the homeless population have varied widely. Predictably, those who advocate spending more on homelessness programs have produced some of the most inflated estimates. For example, Mitch Snyder's advocacy organization, the Community for Creative Nonviolence (CCNV), currently asserts that America has three to four million homeless people. As scholars of homelessness have often pointed out, the CCNV's national estimates have never rested on any credible factual foundation. Indeed, Snyder himself has never seriously tried to defend the CCNV figures, and for good reason.

In 1984 the Department of Housing and Urban Development (HUD) made the first systematic attempt to count the national homeless population, and arrived at a figure of 250,000 to 350,000—about one-tenth the CCNV's number. The most careful recent field studies, such as Rossi's, Burt and Cohen's, and Georges Vernez's, indicate that HUD was not far from the mark. Estimating the homeless population is obviously a Herculean task, particularly because of the difficulty of counting the street homeless. To overcome this problem, Rossi pioneered the use of intensive field sweeps, while Burt and Cohen interviewed patrons of soup kitchens about where they had recently slept.

These scholars' findings suggest that the national homeless population—both street and sheltered—on any given night is between 0.1 percent and 0.2 percent of the total population. Thus their counts correspond closely with HUD's 1984 estimate. Rossi, for example, estimated the total Chicago homeless at around 2,300 per night during the fall of 1985, or a bit under 0.1 percent of the city's population. In his 1989 book, Rossi indicated that his "best estimate" of the national homeless population was 250,000 to 350,000—the same estimate that HUD had made five years earlier.

By 1989, however, HUD officials had begun to rely on a national estimate of 600,000, a number derived from calculations made by Martha Burt in a memorandum dated September 11, 1988. Burt herself has made clear that this figure is probably too generous. Most of Burt's estimates aim at fixing the number of dif-



ferent people who would be on the street or in a shelter on at least one night during a one-week period. Previously, HUD had estimated the homeless population for a single night; given the fluidity of the homeless population, this number is considerably smaller. Burt did make some one-day estimates as well, but she based them on a street-shelter ratio of two to one. This ratio is almost certainly too high for several reasons. First, Burt applied the ratio to families, who are almost all sheltered, as well as to individuals. Second, there were far more shelter beds in 1987, the year of Burt's estimate, than in 1984, when HUD judged the street-shelter ratio to be less than two to one; by 1987 a one-to-one ratio was more realistic. Lastly, Burt assumed without explanation that the rate of homelessness in suburban and rural areas is about three times higher than her supporting studies would indicate. Stripped of all these upward biases, Burt's one-day estimates of the 1987 homeless population probably would have come out only slightly above HUD's 1984 estimate of 250,000 to 350,000.

### **Why latent homelessness is on the rise**

Although most of the advocates' figures appear to be inflated, the nation's homeless population undoubtedly did grow during the 1980s. Even if we account for the fact that the addition of some 177,000 shelter beds between 1983 and 1988 pulled significant numbers of people out of housing and institutions, most observers believe that latent homelessness has been increasing.

The rise nevertheless has been smaller than most people who frequent downtowns might think. Such observers fail to reckon with the near demise of skid rows, where many destitute people used to live in relative isolation. In 1986 the *New York Times* reported, for example, that there were only one-fourth as many flophouse beds in New York's Bowery section as there had been twenty years earlier. Significantly, in most cities new skid rows have not arisen to replace the ones that have been gentrified. The dispersion of skid-row populations has done much to increase public awareness of the destitute and homeless.

One reason for the continuing decline of skid rows is that Social Security and federal disability benefits have increased greatly over the past two decades. Many older people who would otherwise have spent their autumn years in skid-row neighborhoods can now afford to live elsewhere. In addition, since the 1960s the legal system has extended much more protection to down-and-out

people. Before these reforms, an unspoken mission of the police in many cities was to keep "bums" out of the nicer parts of town. A police officer could perform this task with vagrancy arrests, mass roundups of street drunks, and commands—backed by a nightstick—to move along. Such tactics have now been blocked. Judicial decisions have struck down vagrancy laws, curbed the mass arrests of drunks, and assessed damages against police departments that have been too aggressive with street people. These legal innovations, coupled with greater police and citizen solicitude for the down and out, have allowed skid-row residents to escape their old confines. Advocates also seem to have learned that situating soup kitchens in conspicuous locations yields political benefits. The rise in homelessness, although real, is thus less than meets the middle-class eye.

Homeless advocates such as Jonathan Kozol offer a simple explanation for the increase in latent homelessness during the 1980s: Reagan administration cuts in the federal housing budget. But the premise of this argument is false. During the late 1970s the Carter administration's HUD mapped out an ambitious expansion of federally subsidized housing projects, concentrating on public-housing projects built and managed by local authorities. Beginning in 1981, Reagan's HUD drastically cut back on these plans for future projects and instead redirected new federal spending to Section 8 housing allowances, which help low-income householders pay the rent due private landlords. Under federal accounting rules, Congress must provide forty years of "budget authority" when it approves a new public-housing dwelling unit, but only five years when it approves a new Section 8 allowance. This discrepancy arises because the unavoidable federal financial commitment is more long-lived in the case of public housing. As a result, the Reagan administration's decision to shift future initiatives from public housing to Section 8 assistance reduced by 87.5 percent the budget authority that HUD needed to aid an additional low-income household. When the specialists involved in the production of subsidized housing projects bemoan federal cuts, they usually trot out figures based on these paper cuts in budget authority, a highly misleading measure.

Much more relevant to low-income families are the trends in how much HUD is spending and how many households it is aiding. Federal spending on low-income housing programs actually increased sharply during the 1980s. According to computations by

University of Virginia economist Edgar Olsen, federal housing subsidies for low-income families went from \$5.8 billion in fiscal 1980 to \$13.8 billion in fiscal 1988. Adjusting for rent inflation, this represented a real spending increase of over 50 percent. Between 1980 and 1987 (the last year reported in the *Statistical Abstract*), the stock of public-housing units increased from 1.2 million to 1.4 million, as projects that Carter's HUD had put into the production pipeline were completed. More significantly, during the same years the number of low-income households receiving Section 8 assistance doubled to 2.2 million. Thus from 1980 to 1987, the federal government came to provide housing aid to an additional 1.3 million low-income households—more households than the entire public-housing program had assisted in 1980.

Advocates also frequently assert that decreases in the number of single-room occupancy units (SROs) have reduced vacancies, raised rents, and spurred latent homelessness. This is plausible in some cities, notably New York, where municipal housing codes, rent controls, and slum-clearance programs have often impeded the creation and maintenance of these low-cost forms of housing. Still, the connection between homelessness and changes in housing markets is uncertain. Because most anti-SRO policies predated the 1980s, it is unclear why the SRO market would suddenly have started to function poorly in that decade. Although many SROs have been demolished in recent years, many replacement dwelling units may also have been supplied by landlords who reconfigured their buildings to meet the demand for cheap rooms. Little is known about these matters, because in most cities data on abandonments and conversions are poor. Information on trends in rent levels is available, and it shows that during the 1980s residential rents generally did rise appreciably faster than inflation in the Northeast and West. If real rent increases were an important cause of the rise in latent homelessness, however, the South and Midwest, where real rents have not risen, should be relatively free of street people. Significant regional variations in homelessness have yet to be detected.

Other explanations for the recent increase in latent homelessness are more compelling. First, most homeless individuals are between twenty-five and forty-five. This age cohort, the baby-boom generation, is currently unusually large; in addition, it came of age when norms against substance abuse were unusually weak. The crack and cocaine epidemics of the 1980s undoubtedly boosted

latent homelessness. Addictions lessen capacities to pay rent and to keep a job; in addition, primary tenants are no doubt more likely to evict addicted housemates than unaddicted ones.

It is furthermore well known that many of the most forlorn of the homeless are on the streets because of the emptying of mental hospitals, prompted in part by changes in treatment policies and in part by a sharp increase in the constitutional and statutory rights of the mentally ill. Today, a person cannot be committed involuntarily without a judicial finding—reached through protective procedures that include a right to counsel—that the person is dangerous to self or others. A physician, hospital, or police officer who violates these legal protections can be held liable for substantial damages to the wrongly confined patient. Half a million fewer people are in institutions today than would be the case if the rate of institutionalization were what it was in the 1950s. Indeed, between 1960 and 1975 the average daily population of state and county mental hospitals dropped by 60 percent. And, despite continuing increases in the adult population, the number of patients in state and county mental hospitals has continued to drop, going from 193,000 to 107,000 between 1975 and 1987. Because the last people to be released would tend to be least able to take care of themselves, the emptying of hospitals explains much of the rise in homelessness. There are now many more troubled people on the streets; in New York City between 1980 and 1988, for example, the number of emergency calls reporting emotionally disturbed people rose from 21,000 to 47,000.

Finally, the rise in latent homelessness seems linked to the increasing social isolation of the underclass—that is, poor people who grew up in poor neighborhoods in single-parent or no-parent households that were highly dependent on public assistance. During the 1970s the central-city poor became more and more concentrated in poor neighborhoods. The connection between homelessness and the deepening of underclass cultures remains somewhat speculative, however, because interviewers have rarely asked homeless individuals about their cultural backgrounds. Nevertheless, the evidence does suggest that the homeless have disproportionately grown up in underclass households. In 1985 Harvard psychiatrist Ellen Bassuk conducted detailed interviews of families in Massachusetts shelters;<sup>4</sup> she found that one-third of homeless

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<sup>4</sup>Bassuk reports her findings in "Characteristics of Sheltered Homeless Families," *American Journal of Public Health*, vol. 76 (1986), p. 1097.

mothers never knew their own fathers. Similarly, Piliavin and Sosin reported that 38 percent of homeless individuals had received out-of-home care during childhood. The increasing fragility of poor families heightens susceptibility to homelessness in a number of ways. People without appropriate family role models have more difficulty entering the world of work; children who grow up in fragile families (not to mention foster homes) typically have fewer helpers to fall back on when adversity strikes them as adults.

### Realism about the homeless

These explanations for the rise in latent homelessness highlight a key issue in the current policy debate. Activists for the homeless often suggest that the only thing that distinguishes the homeless from the rest of the population is the lack of a home. For example, Kozol begins *Rachel and Her Children*, a book on the plight of homeless families in a squalid and dispiriting welfare hotel in New York, with a chapter entitled "Ordinary People." But the families that he describes are far from ordinary in important respects. For example, Kozol profiles Laura, a young unmarried mother who, partly because she is illiterate, fails to obtain medical treatment for an infant with scabies and later abandons her children to become a prostitute.

Most homeless families are not random victims of a recent run of bad luck, and it is highly misleading to suggest otherwise. In their study of New York, Knickman and Weitzman found that a major cause of family homelessness was the relative inability of heads of homeless families to function independently—a theme missing in the *New York Times* story on the study, which focused instead on the city's tight housing market. Similarly, Bassuk found that the homeless families she interviewed were overwhelmingly headed by young unmarried women, a majority of whom had never had a job and more than half of whom had first given birth in their teens. Some 91 percent of these families were currently receiving AFDC payments; a majority had been receiving them for over two years. One-third of these mothers had never known their own fathers and one-third had been physically abused as children.

Like homeless families, few homeless individuals were leading ordinary lives before slipping into homelessness. Most homeless individuals suffer from either mental illness or substance abuse, or from both. Findings from dozens of careful field studies suggest that about 25 percent of homeless individuals have been patients in

mental hospitals and that an overlapping one-third currently show signs of a psychosis or an affective disorder. Georges Vernez, who supervised a far-flung field study in California, reported that 69 percent of homeless individuals interviewed were abusing either drugs or alcohol; over half of this subgroup abused both substances. Even more distressingly, Vernez found that three-quarters of the homeless with serious mental illnesses were also substance abusers. Only 23 percent of the homeless individuals in Vernez's sample were free from both major mental illness and substance abuse.<sup>5</sup>

Many homeless individuals have histories of multiple stays in institutions other than mental hospitals. Rossi found that one-third of the Chicago homeless had been in a detoxification unit for alcohol or drug abuse. Average findings in a dozen studies indicate that 21 percent of the homeless have served time in prison and an additional 21 percent have spent time in jail.

The claim made by some advocates of the homeless—that the stress of being on the streets *causes* the high incidence of mental illness and substance abuse—is unsupportable. Thus Piliavin and Sosin found in their study of Minneapolis that 70 percent of the homeless who had been patients in mental hospitals had been there before their first episode of homelessness.

### **What is to be done?**

No magic sword will slay homelessness. In a society committed to individual liberty, the ravages of substance abuse and mental illness cannot and should not always be hidden from view. Social-service programs designed to put down-and-out people back on their feet are of course appropriate in many contexts, but they are unlikely to enjoy high rates of success. Nonetheless, while my main purpose has been to describe the present situation, it is appropriate to close with a few suggestions.

First, all involved—particularly the media—should work to dispel the fog of misinformation that surrounds the homelessness issue. Hayes, Kozol, Snyder, and other advocates for the homeless have misled the public by exaggerating the size of the homeless population, asserting the ordinariness of homeless people, and misrepresenting recent trends in spending on low-income housing. If not corrected, these distortions may result in ill-advised policies.

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<sup>5</sup>See Georges Vernez, *et al.*, "Review of California's Program for the Homeless Mentally Disabled" (Rand Corporation, 1988).

Second and relatedly, policymakers should reject the policy proposals that stem from the assumption that the homeless are ordinary people down on their luck. Many advocates refer to the housing market as a game of musical chairs. This invalid assumption underlies Robert Hayes's frequent assertion that the solution to homelessness can be stated in three words: "Housing, housing, housing."

Hayes's view is flawed because homelessness is not mainly attributable to breakdowns on the supply side of the housing market, any more than hunger in the United States can be blamed on inadequacies in food production. Instead, homelessness in most cities stems primarily (if not entirely) from the demand side of the market—that is, from the condition of homeless people themselves. The great majority of homeless people are not random victims of a housing-market squeeze, but rather deeply troubled individuals and families who, when deserving of government aid, should be given tailored financial assistance and help in managing their lives more successfully. The construction of nonprofit and public housing projects is a slow and highly roundabout way of serving those ends.

Opening more all-purpose shelters also makes no sense. As officials in New York City have learned, mass shelters that serve all comers not only make it difficult to deliver social services, but also foster a subculture of dependence and deviance. A faster, more economical, and less destructive way to house homeless people is to give them vouchers. Voucher programs, however, must be narrowly and carefully designed. Connecticut's experience with RAPs shows that a poorly structured program may induce households to get themselves into jams in order to receive vouchers.

Vouchers hold particular promise for the one-third of homeless individuals with serious mental problems. Once identified, individuals with such problems could be given specialized housing vouchers that could be cashed only in small board-and-care facilities equipped to serve people with their ailments. Rossi's proposal for in-home cash assistance to families with dependent adults is even more decentralized and family-oriented.

Perhaps as many as a third of homeless singles are presently employable (or indeed already employed), and more could work if they were to take appropriate medication. Many of these people are in their thirties (a prime working age) and must be encouraged to enter the job market. A policy that New York City recently

adopted may help to achieve this goal. New York now "segments" homeless individuals among specialty shelters, such as facilities for the elderly and the mentally ill. This innovation will make it easier for the city to encourage those staying in its general shelters to reenter the labor and housing markets. Many nonprofit shelters have found it desirable to set a ceiling on the period during which able-bodied people can receive their services. Some limit maximum stays to perhaps two weeks at a time; others intentionally close during daylight hours, rather than staying open around the clock. To adopt policies along these lines, New York City would have to succeed in modifying the consent decrees that it signed to settle lawsuits brought by Hayes and others. If the city could implement these policies, it would both interrupt dependencies and signal that it expects able-bodied persons to reenter the work force.

For homeless families, another sort of reform seems promising. About 90 percent of the heads of homeless families are already receiving AFDC benefits when they apply for emergency housing aid; Knickman and Weitzman found that these mothers are much less able than other AFDC mothers to manage an independent household, and that many of them turn repeatedly to emergency shelters within the course of a year. A paternalistic concern for the welfare of the children in these chaotic families should override the mothers' claims to autonomy. For the sake of these children, legislatures should amend welfare laws to let state agencies pay rent directly to the landlord of a family that has previously made significant use of emergency shelters. Both by deterring the repeat use of emergency shelters and by encouraging lasting post-shelter placements, this reform could bring a bit more stability to the lives of children growing up under the most trying of circumstances.

In sum, governments and charities should make distinctions among the homeless instead of muddling together a highly diverse group of people. Such distinctions would enable service providers to extend aid to, say, the casualties of deinstitutionalization, and to cease providing unlimited and unconditional aid to the able-bodied. The current shelter policies of many cities mire young adults in the dependent and antisocial culture of the underclass. By now we should know better than to provide cures that simply make things worse.



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