

Key questions

Does the study show an increase in the number of homeless people in Minnesota?

When we examine counts of the number of people using various types of temporary housing programs in Minnesota since 1991, we see a substantial increase in the total number.

The first statewide study of people without permanent shelter was conducted by Wilder Research Center in 1991. That study found 1,557 adults in the Twin Cities metro area and 383 adults in greater Minnesota shelters during the single night survey. This compares to 3,132 adults found in Twin Cities metro area temporary housing programs and 1,018 adults found in greater Minnesota temporary housing programs at the time of the 2003 survey. This represents a 102 percent increase in adults using temporary housing in the Twin Cities metro area and a 166 percent increase in greater Minnesota from 1991 to 2003.¹

The first shelter counts to provide data for both the Twin Cities metro area and greater Minnesota were conducted by the Minnesota Department of Economic Security in 1985. These counts, conducted quarterly (now by the Minnesota Department of Human Services), show a substantial increase in the number of persons served in *all* temporary housing programs, including emergency shelters, battered women's shelters, and transitional programs. The following table compares the November 1985 counts to those conducted in conjunction with the most recent statewide survey (July 2003).

Men, women and children in Minnesota's temporary housing programs: 1985 and 2003

	November 1985		July 2003		Percent increase: 1985-2003	
	Twin Cities metro	Greater MN	Twin Cities metro	Greater MN	Twin Cities metro	Greater MN
Men	542	79	1,418	424	162%	437%
Women	275	53	1,520	544	453%	926%
Children	240	85	1,978	821	724%	866%
Total	1,057	217	4,916	1,789	365%	724%

Source: Minnesota Department of Human Services (formerly the Minnesota Department of Children, Families & Learning), Quarterly Shelter Surveys; calculations by Wilder Research Center.

Note: "Children" in this table includes unaccompanied youth.

¹ Wilder Research Center. (1992, June). *Homelessness in Minnesota: Homeless adults and their children*. Saint Paul, MN: Author.

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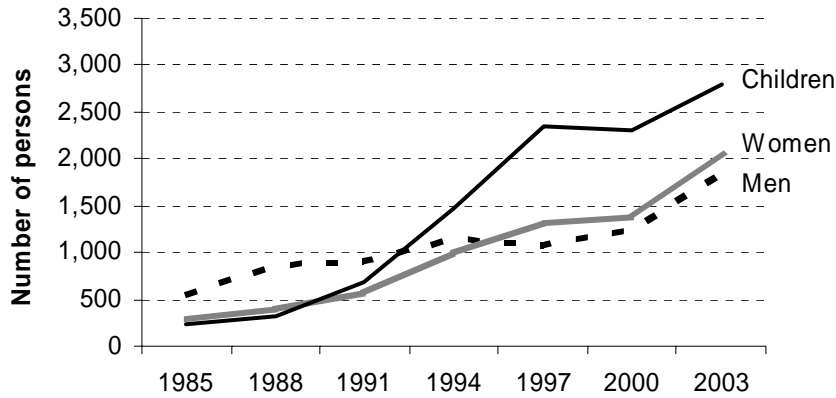
The above table shows that the largest percentage increases in temporary housing program utilization have occurred among children in the Twin Cities metro area (724%) and in greater Minnesota (866%), and among women in greater Minnesota (926%). Overall, program use for men, women and children has increased by more than 426 percent across the state. There has been a consistent rise in the numbers for men and women from 1985 through 2003. However, after steadily rising until 2000, the total number of children in Minnesota's shelters dropped for the first time in 2003. This drop was seen beginning in the Twin Cities metro area in the analysis of the 2000 data, and continues through 2003. In greater Minnesota, the trend in the numbers of sheltered children has been less consistent, but the 2003 data show no significant new increase over the high found in 2000.

The following graphs show changes in the shelter population over time for men, women and children.²

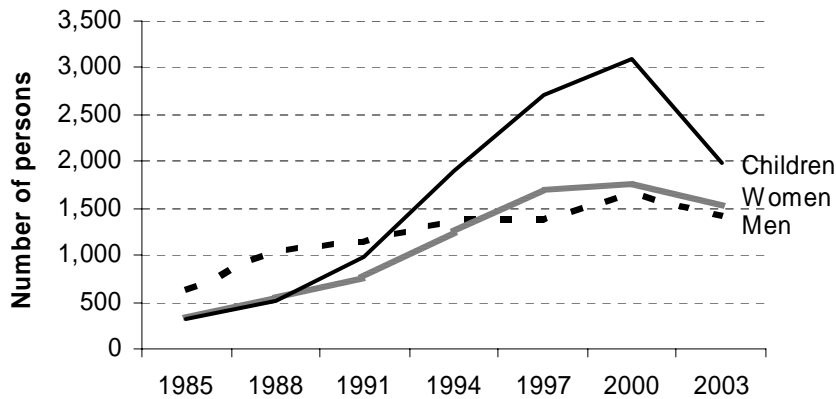
² Ibid.

Homeless adults and children in Minnesota statewide survey
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Total persons sheltered: Minnesota state total

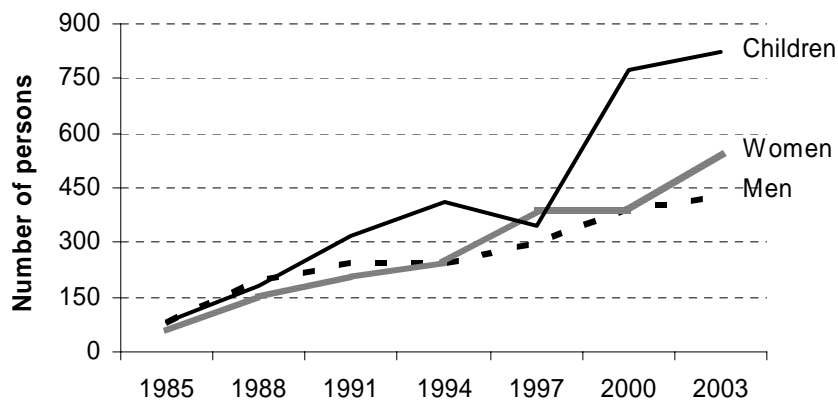


Total persons sheltered: Twin Cities metro area



Source: Minnesota Department of Human Services (formerly the Minnesota Department of Children, Families & Learning), Quarterly Shelter Surveys.

Total persons sheltered: Greater Minnesota



Source: Minnesota Department of Human Services (formerly Minnesota Department of Children, Families & Learning), Quarterly Shelter Surveys.

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A more detailed analysis of the metro area data shows that the decrease in the number of children has taken place almost entirely in Hennepin County. From 1,583 children in the county in 2000, the number there dropped to 1,145 in 2003, with almost all the decrease taking place in emergency shelters. The numbers in the more stable setting of transitional housing remained essentially level. Hennepin County shelter officials attribute this change to aggressive efforts to prevent the need for emergency shelter, by helping avert the loss of housing, or access other sources of temporary housing such as relatives and friends. Families with no other options are still provided with emergency shelter, but county staff now begin immediately to work with them to develop a plan to exit the shelter into housing. Staff also help them begin receiving all the services for which they are eligible, and coordinate them into one comprehensive plan for the family. More details about the numbers and services in Hennepin County are included in the separate report, *Homeless in Minnesota: A closer look: Families and children*.³

It may be asked if the growth in the number of sheltered homeless people since 1991 simply reflects a growth in the capacity of the system to serve them. The shelter census collected quarterly by the state shows the number of sheltered homeless has increased steadily since 1991. The July 2003 data (the time closest to the 2003 study) indicate that the overall shelter capacity is not much above that in 2000 (although with more transitional housing beds, and fewer motel vouchers, battered women's shelter beds, and youth beds). To the extent that people are defined as being homeless by the fact that they are using shelter services, any increase in shelter beds that are used automatically ensures an increase in the number of homeless people who will be found through a shelter-based survey such as this. However, a more meaningful measure of the underlying problem is found in the corresponding changes observed in the number of people needing services, which will not vary depending on the capacity of the system at any given time.

As the table below shows, from November 2000 to July 2003, the number of people asking for shelter who had to be turned away dropped about 20 percent. However, the most recent state quarterly shelter data (for February and May 2004) shows the number of people turned away (998 and 1,128, respectively) has returned to a level above that in November 2000. We do not know how much of these differences are related to normal seasonal variation. However, the overall growth in the numbers of people turned away from shelter has paralleled the growth in the numbers of people who were provided with shelter. This suggests that growth in the number of homeless people is real and not simply an artifact of increasing transitional services.

³ Available on the Wilder Research Center web site at www.wilder.org/research

Shelter capacity: Minnesota state total

	Nov. 1991	Nov. 1994	Nov. 1997	Nov. 2000	July 2003
Shelter on-site capacity per night	3,168	5,017	5,367	6,695	7,240
Battered women's shelters	311	421	521	736	690
Overnight (emergency)	1,479	2,133	2,055	1,958	1,961
Youth (emergency)	196	186	222	302	177
Transitional	1,182	2,277	2,474	3,411	4,207
Youth transitional	-	-	95	288	205
Off-site (motel/hotel vouchers)	89	85	135	673	64
Total shelter capacity per night	3,257	5,102	5,502	7,368	7,304
Turnaways per night	201	676	467	1,025	836
Turnaways as % of capacity	6.3%	13.5%	8.4%	13.9%	11.4%

Source: Wilder Research Center calculations, based on data from Minnesota Department of Human Services (formerly Minnesota Department of Children, Families & Learning).

How many people are homeless over the course of a year?

Wilder Research Center estimates that at least **52,000 to 58,000** Minnesotans experienced homelessness at some point in 2003. This should be considered a very conservative estimate because in each step of the calculations, Wilder Research Center used the more conservative option.

How we arrive at this estimate

To calculate a yearly total, we start with two things we know from the statewide survey: How many people were in shelters on the night of the survey (or interviewed for the survey in non-shelter locations), and how long they had been homeless on that night.

Step 1: How many survey participants represent others who were homeless at different times of the year?

We assume that the people who were homeless on October 23, 2003, were representative of others throughout the year, and that how long they had been homeless at that time was also representative. Research done by the Urban Institute has found that shelter usage in the middle of winter (February) is considerably higher than that in October and November, so an estimate based on October figures will be a conservative one.

We found that 580 of the homeless people interviewed on October 23 had become homeless within the past month. Assuming this was typical for any given month over a year, we can multiply this number by 11, the number of months remaining in the year, to arrive at how

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many others like them are likely to become homeless in the remaining months of the year. In addition, 1,091 people had been homeless for a period of one to three months. A conservative estimate is to assume that all of them were homeless for the maximum time in this interval (three months). There are three more three-month intervals in the year, so $(1,091) \times 3$ gives the number of additional people in this category who are likely to become homeless in the year. Similarly, for those who were homeless between three and six months on the day of the interview, we assume all were homeless for the full six months and add an equal number more to the annual estimate for how many more like them will become homeless in the remaining half of the year.⁴

504 people in the survey had been homeless between seven months and one year. Conservatively, we assume that all people in this group were homeless for the full year, and thus would not represent any additional people likely to become homeless in the year. Similarly, the 2,147 who had been homeless a year or more will be included in the annual estimate, but do not represent any additional people to be added.

Adding these separate slices of estimates together we arrive at the following estimate, beginning with only those adults and unaccompanied youth represented in the survey:

Step 1: Initial estimate based on length of current episode (includes only those represented in the survey – homeless adults and unaccompanied youth)

A	B	C	D
Period of time	Number who became homeless during this period	Number of such periods in a year	(B) x (C) = Annual estimate
Up to 1 month (assume all at 1 month)	580	12	6,960
1 to 3 months (assume all at 3 months)	1,091	4	4,364
4 to 6 months (assume all at 6 months)	581	2	1,162
7 to 11 months (assume all at full year)	504	1	504
1 year or longer	2,147	1	2,147
Total:	4,903 = one-night count		15,137 = initial annual estimate

⁴ We could also choose to base our estimate on the average number of months within each time range. For example, for the 1,091 people who were homeless for one to three months, it is likely that the average length of time among them was two months, instead of the three months assumed above. If this were correct, there would be six of these typical two-month periods during which an equal number of people would be becoming homeless, yielding an annual estimate for this slice of 6,546 instead of the 4,364 calculated above. If applied to the entire estimation, this model results in a final annual estimate that is about 1.6 times as large as the one shown here.

Step 2: Accounting for those homeless more than once in the year

We know that many people experience multiple episodes of homelessness, sometimes within the course of a single year. The Wilder survey does not collect detailed information about the number of different episodes in a single year. However, from a similar national survey with more detailed questions about the frequency of episodes, we know that about 10 percent of the initial annual estimate represents individuals who were already homeless at least once before the same year.⁵ We therefore reduce our initial estimate by 10 percent, as shown in the table below.

Step 2: Reduction of 10 percent to account for those homeless more than once in the year (includes only those represented in the survey – adults and unaccompanied youth)

A	B	C	D
One-night count from shelter census and/or Wilder survey	Initial annual estimate (from Wilder survey data)	Reduction to remove duplication (from Urban Institute study)	(B) minus (C) = Annual estimate, unduplicated
4,903	15,137	10% = 1,514	13,623

Step 3: Accounting for additional homeless people not surveyed

In the table below, the second line shows estimates for the number of children accompanying the surveyed individuals shown in the first line.

The calculations so far are based only on those individuals who were counted on October 23, 2003. As discussed earlier (“Why these counts underestimate homelessness in Minnesota,” page 14), a conservative estimate of the actual number of homeless people on a single night would also include 7,566 additional children and unaccompanied youth and 777 additional adults not using shelter services.⁶ In the table below, lines 3 through 6 show the annual estimate of these additional unsheltered individuals. Unsheltered adults are shown separately from unsheltered and/or doubled-up children and youth (who are considered homeless under federal definitions). We have applied the same annual estimation factors as for unsheltered individuals in the same categories who were surveyed.

⁵ Burt, M., Aron, L.Y., Lee, E., & Valente, J. (2001). *Helping America’s Homeless: Emergency Shelter or affordable housing?* Washington, D.C.: The Urban Institute Press.

⁶ We estimate a *total* number of 7,736 homeless children and youth not served in shelters, but we have already included the 170 of these youth who were interviewed in the survey, leaving 7,566 additional children and youth to be added here. Similarly, we estimate a *total* number of 1,403 homeless and unsheltered adults on any given night, but the survey included 626 of them whose responses included the information needed to calculate estimates, leaving 777 more to be added here.

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The Urban Institute study, on which we have based the 10 percent reduction factor to remove duplications, included very few youth under the age of 18, and is therefore an unreliable basis for unduplicating the unsheltered or doubled-up youth in our calculations. We feel that 10 percent is a reasonable lower bound, but that it is possible that up to 25 percent of the initial total may be repeat episodes for the same individuals, so we have calculated using both figures to present a range for this line in the estimate.

Annual estimate, step 3:**Adding children who were homeless with their parents and those homeless individuals who were unsheltered and unsurveyed on October 23, 2003**

	A Initial one-night count or estimate	B Initial annual estimate	C Reduction to remove duplication	D (B) minus (C) = Annual estimate, unduplicated
Individuals counted in shelter census and/or survey	4,903	15,137	10% = 1,514	13,623
Children accompanying those individuals	2,862	8,836	10% = 884	7,952
Estimated additional unsheltered individuals on October 23, 2003:				
Adults unsheltered on survey night	(777)	(2,088)	10% = 209	(1,879)
Children and youth unsheltered or homeless and doubling up *	(7,566)	(38,671)	10% to 25% = 3,867 to 9,668	(29,003 to 34,804)
TOTAL	16,108	64,733		52,457 to 58,258

Note: *Following the federal definitions, Wilder's calculations include children and youth who are without permanent housing and staying temporarily with friends or relatives, but not adults in the same circumstances, who are not considered homeless by federal definitions.

The conservative estimate for the number of Minnesotans who experience homelessness in a year is thus 52,000 to 58,000.

How can we cross-check our estimates?

We can double-check the reliability of this estimate in three different ways. The Urban Institute, based on its national study mentioned above,⁷ calculated annual estimates in the same way, using more detailed data about length of homelessness and repeat episodes. From this data, they arrived at an annual estimate that was 4.15 to 5.24 times as many people as they found in a given week in 1996. Depending on the time of year used for their baseline period, their annual estimate came to a number between 0.9 and 1.3 percent of the total population. This same proportion of the population in Minnesota in 2003

⁷ Burt, M., Aron, L.Y., Lee, E., & Valente, J. (2001). *Helping America's Homeless: Emergency Shelter or affordable housing?* Washington, D.C.: The Urban Institute Press.

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(5,059,375, according to U.S. Census estimates) would give a range of 45,534 to 65,772, comfortably bracketing Wilder's estimate.

A second cross-check comes from surveys that have asked currently housed individuals about their previous experiences with homelessness. Wilder Research Center worked with Community Action agencies to conduct such a survey in 12 counties of southwestern Minnesota in 2003,⁸ and found that 5.7 percent of poor people (those with household income below the federal poverty line) had been homeless within the past year. At higher income levels, the percentages were lower, with 1.5 percent of near-poor people (those with household incomes between 100% and 150% of poverty), and 0.9 percent of non-poor people (household income above 150% of poverty) homeless in the previous year. If we apply these to the total population of Minnesotans at these income levels (based on the 2000 Census), we arrive at an annual estimate of 63,242 individuals homeless in a year. This is slightly higher than the estimate above, as would be expected from an estimate based on rural data, where episodes are shorter, resulting in higher annual counts. This rate does compare closely with findings from a similar survey of currently housed people done nationally in the 1990s, which found five-year rates of homelessness in the range of 3.6 to 4.6 percent of the overall population.⁹

A third independent source of annual estimates comes from published analyses of annual database records of people staying in public shelters in New York City and Philadelphia around 10 years ago. These found that about 1 percent of the population, in both cities, had been homeless and in shelters in the course of one year.¹⁰ As would be expected from a city-based study (where typical episodes are longer, resulting in a lower annual count) that counted only homeless people using shelter services, this estimate is somewhat lower than ours.

As the summary table below shows, several different estimates, using different methods and data sources, converge on very similar numbers. This gives us confidence in the soundness of our estimate, and good reason to believe that it is, if anything, probably lower than the actual number of Minnesotans who experience homelessness in a year.

⁸ Martin, N., & Owen, G. (2004). *Southwest Minnesota needs assessment: A profile of the characteristics and service needs of the region's residents*. St. Paul, MN: Wilder Research Center. Also unpublished analysis of the original data from the same study.

⁹ Link, B., Phelan, J., Bresnahan, M., Stueve, A., Moore, R., & Susser, E. (1995). "Lifetime and five-year prevalence of homelessness in the United States: New evidence on an old debate." *American Journal of Orthopsychiatry* 65(3): 347-354.

¹⁰ Culhane, D.P., DeJowski, E.F., Ibañez, J., Needham, E., & Macchia, I. (1994). "Public shelter admission rates in Philadelphia and New York City: The implications of turnover for sheltered population counts." *Housing Policy Debate*, (5)2: 107-140.

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Summary: Comparisons of annual estimates from different sources and methods

Wilder's estimate, based on 2003 homeless survey data	Alternative estimate based on Urban Institute's national homelessness study	Alternative estimate based on Wilder survey of households in greater Minnesota	Alternative estimate, based on shelter use only, in New York and Philadelphia
52,000 - 58,000	45,534 – 65,772	63,242	50,594

How does the shortage of affordable housing affect homelessness in Minnesota?

As this survey illustrates, homelessness involves many factors beyond the purely financial. However, the gap between wages and housing costs plays an increasing role in Minnesota homelessness.

This gap was highlighted in a January 2001 report by the Minnesota Office of the Legislative Auditor.¹¹ The report stated that average rents in the Twin Cities metro area increased 34 percent between 1990 and 1999, while the median household income of renters grew by only 9 percent. Rents rose most sharply in the last few years, and the rental market was projected to become even tighter during the decade to come.

Since that study was released, average Twin Cities rents peaked at \$863 in 2001, but the 2003 average of \$843 was still significantly above the 1999 average of \$732. The average rent in the Twin Cities metro area in 2003 was \$734 for a one-bedroom apartment and \$926 for a two-bedroom apartment.

The commonly accepted definition of housing affordability is no more than 30 percent of income for low-income households because, above this amount, not enough money remains to weather financial setbacks.

In 2003, 10 percent of working homeless adults earned less than \$6.00 per hour. At the upper end of this pay range, even two full-time workers in the same household would pay 35 percent of their income for a typical one-bedroom apartment, or 45 percent for a two-bedroom apartment. A single adult earning \$6.00 per hour would spend 53 percent of income for a typical efficiency apartment, at \$555 monthly rent.

One-third (33%) of Minnesota's working homeless adults earned \$6.00 to \$7.99 per hour. A full-time worker in this pay range could afford a monthly rent of \$312 to \$415. A typical one-bedroom apartment in the Twin Cities metro area would take 53 to 71 percent of their income.

¹¹ Office of the Legislative Auditor. (2001). *Affordable Housing*. Saint Paul, MN: Author.

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Over one-quarter (29%) of working homeless adults earned \$8.00 to \$9.99 per hour, making rents of \$416 to \$519 affordable. The average one-bedroom apartment would cost 42 to 53 percent of the monthly income of a full-time worker in this range.

Fifteen percent of working homeless adults were earning \$10.00 to \$11.99 per hour. In this range, they could afford \$520 to \$623 per month for housing, which is significantly less than the average rent for a one-bedroom apartment, but enough (at or above \$10.67 per hour) for the average efficiency (studio) apartment.

Eight percent of those working were earning \$12.00 to \$15.99 per hour, which would make rents of \$624 to \$831 affordable. A single adult working full-time at this wage would pay 26 to 35 percent of income for a typical one-bedroom apartment.

Even at \$15.99 per hour, a two-bedroom apartment in the Twin Cities metro area (with an average rent of \$926) would not be considered quite affordable for a single parent working full-time. A single individual would need to earn at least \$17.81 per hour to afford a two-bedroom apartment. Two parents both working full-time would each have to earn at least \$8.90 per hour to afford such an apartment.

The figures below shows the sizes of apartments that homeless adults report they would need, and the amounts they would be able to pay. Because of significant differences between the Twin Cities metro area and the balance of the state, figures are shown separately for the metro area and greater Minnesota. Fair market rents are also shown for comparison. Fair market rent is the amount determined by the U.S. Department of Housing and Urban Development to represent the amount at or below which 40 percent of the local units are renting (the rent that makes 40% of local units accessible). It is the amount typically covered by a Section 8 housing voucher.¹²

¹² However, HUD policy has recently recognized that this amount may not be enough in some especially tight housing markets, including the Twin Cities metro area, and now allows Section 8 vouchers in these markets to be used for apartments renting at up to 50 percent of local average.

Housing needs of homeless individuals, what they could pay, and what apartments cost: Metro area

Size of apartment needed	Homeless adults needing this size apartment	Amount individual could pay per month	Fair market rent, 2003	People who report they could afford fair market rent	
	Percent of N=3,393	Average (median)		N	%
0 (efficiency)	50%	\$250	\$554	128	9%
1 bedroom	19%	\$300	\$713	17	3%
2 bedrooms	16%	\$350	\$912	8	2%
3 bedrooms	11%	\$500	\$1,233	2	1%
4 bedrooms	3%	\$485	\$1,397	0	0%
5 bedrooms	1%	\$601	\$1,607	0	0%

Sources: Homeless data, Wilder Research Center, 2003. Fair market rents, U.S. Department of Housing and Urban Development.

Housing needs of homeless individuals, what they could pay, and what apartments cost: Greater Minnesota

Size of apartment needed	Homeless adults needing this size apartment	Amount individual could pay per month	Fair market rent, 2003 (average across 80 non-metro counties)	People who report they could afford fair market rent	
	Percent of N=1,293	Average (median)		N	%
0 (efficiency)	43%	\$200	\$317	100	23%
1 bedroom	16%	\$229	\$393	38	23%
2 bedrooms	23%	\$250	\$498	39	17%
3 bedrooms	14%	\$300	\$634	16	12%
4 bedrooms	3%	\$426	\$733	0	0%
5 bedrooms	< 1%	\$340	\$843	0	0%

Sources: Homeless data, Wilder Research Center, 2003. Fair market rents, Wilder calculations using data from U.S. Department of Housing and Urban Development.

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A significant proportion of homeless adults report problems with credit, evictions, or rental history, and over half (59%) say the lack of affordable housing is one of their main barriers to getting housing. If a person is evicted, the resulting unlawful detainer remains in their record for years, and makes it very difficult to compete with other renters in a tight housing market. In this way, high rents and low vacancy rates often combine with low wages to create a cycle that is difficult to break. Although vacancy rates have increased since 2001, they continue to be significantly lower for lower-cost units than at the higher end of the rental market.¹³

Public housing and other housing subsidy programs such as Section 8 are intended to help low-income people afford housing. However, 40 percent of homeless adults in the 2003 survey reported that they were currently on a waiting list for public housing (with a median waiting time of six months), and another 15 percent said they had tried to get on a waiting list but were unable to because it was closed. Additionally, 4 percent reported that in the past two years they had received a housing voucher that they were unable to use, because they could not find any place that would accept it.

In December 2003, the U.S. Department of Housing and Urban Development issued a report on *Trends in worst case needs for housing, 1978-1999* (with an update for the period 1999 to 2001). “Worst case” needs are defined as “unassisted renters with very low incomes (below 50% of area median income) who pay more than half of their income for housing or live in severely substandard housing.”¹⁴ This report showed that over the period from 1978 to 1999 the overall number of U.S. households with worst case needs for rental assistance fell, but only as a result of increases in income among very-low-income renters. The actual number of rental units affordable at the lowest end of the income scale not only dropped during this time period, but dropped faster than before. This decline in the number of affordable units made the lowest-income households more vulnerable than before to any decline in their income, such as that which occurred for many as a result of the economic recession that began in 2001. In 1999, for every 100 renters with incomes below 30 percent of their area’s median income in the Midwest, there were only 48 affordable units that were not already occupied by households with higher incomes. This 48 per 100 for the Midwest was lower than the average of 52 per 100 in the U.S. as a whole.

¹³ GVA Marquette Advisors. (2003). *Apartment Trends, Second Quarter 2003*. Minneapolis, MN: Author. Also Buchta, J. (2002, October 11). “Rental world is at tenants’ doorsteps.” *Star Tribune*. Retrieved October 11, 2002, from www.startribune.com.

¹⁴ U.S. Department of Housing and Urban Development, Office of Policy Development and Research. (2003). *Trends in worst case needs for housing, 1978-1999: A report to Congress on worst case housing needs, plus update on worst case needs in 2001*. Washington, DC: Author. Available on the Internet at www.huduser.org/publications/pdf/trends.pdf

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How many homeless people just need affordable housing, with no need for additional services?

Homelessness is affected both by factors within the individual and by outside conditions. External factors include the availability of jobs, wage levels, and the supply of affordable housing (which in turn includes considerations of housing discrimination as well as the number of units available). Internal, or personal, factors include such considerations as domestic violence, mental or physical health problems, criminal history, education, and employment history.

Neither set of factors by itself is enough to explain trends in homelessness. Both personal and external factors contribute, and each influences the other as well. For example, many people with personal vulnerabilities nevertheless manage to maintain jobs and housing. However, the greater the gap between wage levels and housing costs, the more likely it is that any relatively small personal problem may be the one to make the difference that tips someone over the edge into homelessness. In addition, increases in the availability of treatment or support will affect how many people with personal vulnerabilities are able to stay in their jobs and housing. Similarly, if people with no or few internal problems have become homeless because of economic factors only, their homeless situation can itself contribute to increased risks of violence, depression, or unemployment. External problems thus work to magnify the effects of personal problems, and personal problems make some people more vulnerable to the effects of outside forces.

As in the report on the 2000 survey, Wilder Research Center again attempted to estimate the number of homeless individuals whose main need is for affordable housing, and who seem likely to be able to retain that housing without additional social services. To make this estimate, researchers again excluded the following categories of individuals:

- Recent diagnosis with any serious mental illness
- Recent diagnosis with alcohol or chemical abuse disorder
- Less than a high school education
- Diagnosis of AIDS or HIV
- Unemployed for over a month
- Left last housing because of drinking or drug use
- Ever had difficulty getting or keeping housing because of health, physical disabilities, criminal background, mental health, or abuse of others

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By excluding persons who meet one or more of the above criteria, we can conservatively estimate the number of people surveyed whose needs are for affordable housing and not services. Some of those assumed to need only housing might also need services; however, it is likely that a higher proportion of those assumed to need services would actually be able to maintain stable housing with only the services already available to the general population.

The result of this analysis suggests that 14 percent, or about one in seven of currently homeless individuals, would be able to sustain stable housing if they could just find housing they could afford. This proportion is one-third lower than the 21 percent estimated in 2000. The main sources of difference are in the increased rates of mental illness among the homeless (up from 36% to 47%), and the increased number who have been unemployed for over a month (up from 46% to 64%). The declining proportion needing affordable housing alone thus reflects both internal effects from increasing personal vulnerabilities among homeless people and external effects from the economic recession.

The table below shows how this proportion varies among different groups within the homeless population, and compares current results to those found in 2000.¹⁵

¹⁵ We have chosen to make the 2003 analysis comparable to the 2000 analysis by using the same list of factors as indicators of likely need for on-going services. In 2003, however, the survey included new questions that identify people with potential traumatic brain injury (29% of homeless adults) or cognitive disabilities (30%). If these were included as indicators of need for on-going services, the proportion of homeless adults needing affordable housing only would decrease slightly, from 14 percent to 12 percent.

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Proportion of homeless adults who could potentially maintain stable housing, if it were affordable, without on-going support services

	Percent, 2000	Percent, 2003
Among overall homeless adult population	21%	14%
Among those homeless less than one month	29%	24%
Among those homeless 1 month to 1 year	23%	13%
Among those homeless 1 year or more*	14%	11%
Among those homeless 4 or more times in the last 3 years	Not asked	5%
Among those homeless 3 or fewer times in the last 3 years	Not asked	15%
Among adults who have children with them	26%	16%
Among adults who have no children with them	18%	13%
Among Caucasian individuals	16%	11%
Among members of other racial and ethnic groups	23%	15%
Among men	19%	14%
Among women	22%	13%
Among those age 18-34	24%	16%
Among those age 35 or older	19%	12%
Among those abused, pregnant, or institutionalized before age 18	15%	9%
Among those not abused, pregnant, or institutionalized before age 18	26%	20%
Among those in a correctional facility in the last 2 years	5%	6%
Among those never in a correctional facility	24%	18%
Among those in the 7-county Twin Cities metro area	22%	15%
Among those in greater Minnesota	15%	12%
Among those living in Minnesota two years or less	26%	17%
Among those living in Minnesota three years or more	19%	12%
Among those interviewed in an emergency shelter	21%	16%
Among those interviewed in transitional housing	22%	13%
Among those interviewed in a battered women's shelter	23%	10%
Among those interviewed in a non-shelter location	10%	12%
- Among unsheltered people who slept outdoors 5 or more nights	Not asked	9%
- Among unsheltered people who slept outdoors 4 or fewer nights	Not asked	15%

***Note:** In 2000, this category was "homeless more than 1 year."

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A survey conducted at a single point in time, such as the one reported here, has a greater chance of finding and counting individuals who have been homeless for a long time, and is less likely to include individuals whose homeless experience is short. The above analysis of subgroups shows that people with shorter experiences of homelessness are more likely to need only housing and not also services. Therefore, while affordable housing might solve the housing problems of about 14 percent of adults who are homeless on a given day in Minnesota, it would likely solve the housing problems for a larger proportion of all those who are homeless (or at risk of becoming so) over the course of any given year.¹⁶

These estimates should be interpreted with caution. No study has been conducted to test whether the factors included in this analysis are accurate and complete predictors of people's likelihood of sustaining housing.

Are the people who experience homelessness different from those who have regular housing?

In some ways, the homeless and non-homeless are very much alike. Both populations have approximately equal numbers of males and females. Families in both groups, on average, have about the same number of children. Unlike in earlier surveys, in 2003 about the same proportion of homeless men are military veterans (26%) as in the general Minnesota population (25%).¹⁷ The section of this report on pages 80-81 includes a more detailed comparison of data from the homeless survey and the 2000 Census. Some other important differences between homeless and non-homeless people are described below.

First, as in all previous homeless surveys, those who are homeless in Minnesota are much more likely to be persons of color. This is especially true of African Americans in the Twin Cities metro area and American Indians in greater Minnesota. The following table shows the racial and ethnic background of adults who are homeless in comparison to the general adult population of Minnesota according to the 2000 Census. In 2003, the racial disparity of homeless adults in the metropolitan area was smaller than in 2000, but the disparity in greater Minnesota was larger.

¹⁶ Wilder Research Center investigated this hypothesis by computing an annual estimate, using the same annualization method described above (page 25). Based on this computation, we estimate that over the course of a year, between 14 and 18 percent of homeless adults would potentially be able to maintain stable housing, without on-going services, if they had housing they could afford.

¹⁷ U.S. Census, 2000.

Racial and ethnic backgrounds of all Minnesota residents compared to people without permanent shelter

	White or Caucasian	African American	American Indian	Asian/ Pacific Islander	“Other” and Mixed Racial Background	Hispanic Origin ^a
All adults in the Twin Cities metro area (2000 Census)	87.5%	5.0%	0.7%	3.9%	2.9%	3.1%
Homeless adults in the Twin Cities metro area (2003 survey)	35.9%	49.3% ^b	7.1%	1.1%	6.7%	7.4%
All adults in greater Minnesota (2000 Census)	95.9%	0.6%	1.2%	0.9%	1.4%	1.6%
Homeless adults in greater Minnesota (2000 survey)	62.1%	17.2% ^c	14.4%	0.9%	5.5%	6.6%

Notes: (a) Persons of Hispanic origin may be of any race.
(b) Includes 2.0% who identified themselves as African natives.
(c) Includes 1.1% who identified themselves as African natives.

Second, those who are homeless have often had a difficult start in life. In fact, over half of all adults (58%) in the present study were either abused as children, had a child before the age of 18, or lived in an out-of-home placement as a youth.

Third, violence is often a factor in the lives of homeless people. As in all previous surveys, an abusive partner is one of the most frequently cited reasons for homelessness mentioned by women (31% in 2003). Violent neighborhoods and unsafe schools in their former place of residence, or better or safer conditions here, are frequently cited by homeless families as reasons they left another state to come to Minnesota. Nine percent of homeless men, and 16 percent of women, report having had to seek health care within the past 12 months as a result of violence, and slightly more (12% of men, 19% of women) report having been physically or sexually attacked or beaten while they were without a home. Not surprisingly, the numbers are higher among residents of battered women’s shelters and among the homeless individuals in unsheltered locations.

Fourth, alcoholism continues to be a major factor in homelessness. Just under one-fifth of all homeless women (18%) and one-third of all homeless men (33%) report current problems with alcohol. Forty-two percent of homeless men (but only 20 percent of homeless women) have been admitted to a detox center. For comparison, a 2000-2001 national study found that 24.1 percent of Americans age 12 and older were binge drinkers

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in any given month (had 5 or more drinks on the same occasion), and 6.2 percent were alcohol abusers or alcohol dependent in any given year.¹⁸

Fifth, whether as a result or cause of homelessness, 47 percent of adults who are homeless are also experiencing severe mental illness. That is, they have been diagnosed within the past two years with one of six serious and persistent mental disorders, or have received inpatient or outpatient treatment for mental illness in the past two years. By comparison, a recent national study¹⁹ concluded that 8.2 percent of all adults in the United States suffered from a serious mental illness during 2000-2001 (6% of men and 11% of women), although the Surgeon General has estimated that at any given time, approximately 20 percent of U.S. adults are experiencing some form of mental illness (including less severe forms).²⁰

Sixth, homeless adults are far more likely than the general population to have lived in a correctional facility at some time in their life. Including only state or federal prison, 15 percent of all homeless adults, and 25 percent of homeless men, have served time, compared to 3 percent of the overall U.S. adult population (5% of all men, and 17% of Black men).²¹ The proportion of homeless adults with prison, jail, or juvenile detention records has risen from 28 percent in 1991 to 42 percent in 2003. Policy changes in the 1980s and 1990s significantly increased the number of criminals sent to prison (as well as the length of time to which they were sentenced), and also made it harder for people with criminal records to obtain jobs or housing. Many of the ex-offenders in the homeless survey report that their criminal record is a current barrier to employment, housing, or both. (See the separate section of this report, *Homeless ex-offenders*, page 95.)

The differences cited here do not mean that people experiencing homelessness cannot be successful in finding permanent housing, or that efforts to prevent homelessness cannot succeed. On the contrary, public and private agencies now invest substantial resources in programs that have been shown to be effective in reducing child abuse, teenage pregnancy, out-of-home placements, crime and delinquency, substance abuse, and domestic violence – factors known to be associated with homelessness. In addition, transitional and supportive housing programs have successfully placed and maintained troubled individuals in stable

¹⁸ U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Office of Applied Studies. (2003). *2001 NHSDA state estimates, Volume II*. Rockville, MD: Author. Available on the Internet at www.oas.samhsa.gov/nhsda/2k1State/vol2/appc.htm

¹⁹ *Ibid.*

²⁰ Substance Abuse and Mental Health Services Administration, U.S. Department of Health and Human Services. (1989). *Mental health: A report of the Surgeon General - Executive summary*. Rockville, MD: Author.

²¹ U.S. Department of Justice, Office of Justice Programs. (2003). *Prevalence of imprisonment in the U.S. population, 1974-2001*. Bureau of Justice Statistics Special Report NCJ 197976. Washington, D.C.: Author. Available on the Internet at www.ojp.usdoj.gov/bjs/pub/piusp01.pdf

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housing. Nonetheless, Minnesota's efforts to provide services and opportunities to those who are homeless or at risk of becoming so must take into account the significant barriers to be overcome in many cases, and the changing nature of these barriers.

Much research has been done on the effectiveness of various kinds of programs to help homeless people. The Wilder report on the 2000 homeless survey included a brief review of research on effective strategies for helping homeless people find and keep housing. (This report can be found on the Wilder web site at www.wilder.org/research.)

Has the homeless population in Minnesota changed since the first statewide survey in 1991?

Wilder Research Center has conducted statewide homeless surveys in October 1991, 1994, 1997, 2000, and 2003. Results on key variables are presented in the separate section beginning on page 74. In brief, at least five important trends can be observed over this period of time.

First, it is increasingly common to be both working and homeless, although the employment level still varies with the strength of the economy. Those who were homeless in 2003 were half again more likely to be employed compared to those interviewed in 1991. The percentages of homeless persons who are employed, which was 19 percent in 1991, increased to 41 percent at the peak of the economic boom in 2000 before falling to 30 percent at the time of the 2003 survey. Over this same time period, the percentage with full-time jobs more than tripled from 8 to 26 percent in 2000, falling back to 13 percent in 2003. About one-fifth (19%) of homeless adults report their main source of income is from steady employment, about the same level as in 1994 and 1997.

Second, after peaking in 1994, the proportion of homeless who are families with children has dropped again to approximately the same levels as in 1991. In 1991, half of women (52%) and 4 percent of men had children with them. In 2003, 53 percent of women and 6 percent of men had children with them. While the proportion of adults accompanied by children has returned to levels similar to 1991, the absolute number of such families has grown substantially, and the number of children who are homeless with their parents has more than tripled from 889 in 1991 to 2,862 in 2003.

Third, the proportion of homeless people with serious and persistent mental illness continues to increase steeply. Twenty percent of homeless adults surveyed in 1994 reported a serious mental illness, 36 percent reported such problems in 2000, and 47 percent in 2003.²² In

²² Because questions about mental health were asked differently in 1991, it is not possible to compare 2000 results with those from 1991.

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addition to adults' mental health problems, parents in the survey report increased rates of emotional or behavioral problems among their children. In 1991, 11 percent of parents reported that any of their children had an emotional or behavioral problem that interfered with their daily activities. In 2003, 23 percent of parents reported these problems among their children.

Fourth, a growing proportion of homeless adults report having spent any time in correctional facilities, and many of them report that their criminal history is a barrier to finding housing, employment, or both. In 1991, 1994, and 1997, around one-quarter (27% to 28%) of adults reported having ever been in juvenile detention, jail, or prison. This figure rose in 2000 to 36 percent, and rose again in 2003 to 42 percent. Criminal histories contribute to an increasing share of homeless individuals' difficulties getting or keeping housing, as well. In 1997, 15 percent of homeless adults reported ever having difficulty getting or keeping housing because of their criminal background. In 2003, this had risen to 21 percent. (For more information on this issue, see page 95, *Homeless ex-offenders*.)

Fifth, the configuration of temporary housing programs has changed. While the number of emergency shelters and battered women's shelters has remained fairly steady, the number of transitional housing programs has more than doubled (from 41 to 121) since 1991. As the analysis beginning on page 111 shows, residents of transitional housing often have different characteristics and needs than those of residents of emergency shelters and those who do not consistently use shelters. Some transitional housing programs offer an intermediate step to help people from emergency shelters recover the stability they need to transition back into mainstream housing. Other transitional housing programs are more narrowly designed to serve homeless people recovering from substance abuse, mental illness, or other chronic and severe conditions. The growth in the number of transitional housing programs, and changes over time in the mix of populations they serve, has contributed to some of the change observed in the characteristics of homeless people surveyed since 1991. Conversely, some of the change in program types has occurred as a result of the changing needs of people for supportive services.

The focus on transitional housing means that Minnesota is investing more time and effort in programs designed to help people make "transitions" to stable housing rather than on programs focused only on temporary relief. Nonetheless, the diminishing stock of affordable housing makes it increasingly difficult for persons leaving transitional programs to find housing that they can afford. It also causes people to stay longer in transitional housing while they search for alternatives, reducing the openings in transitional programs available for people in emergency shelters, thereby causing longer stays in emergency shelters as well. In addition, approximately two-thirds of spaces in transitional programs are occupied by women and children, with about one-third of openings for single men.

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Are those who are homeless in Minnesota different from those who are homeless elsewhere?

There are few states that conduct statewide studies of homelessness. In fact, Minnesota is unique in both its training methods, use of volunteer interviewers, and coverage of almost every shelter provider in the state. Some other places use slightly different definitions of homelessness, some collect data only in metropolitan areas, and some report data differently (such as by including accompanying children in the totals for questions).

Comparison to the U.S. as a whole

The 2000 Minnesota report included a comparison to the most recent nationally representative study of homeless individuals, conducted in 1996.²³ This comparison showed that people experiencing homelessness in Minnesota were similar to those in the U.S. as a whole in:

- Age
- Number of children accompanying them
- Incidence of mental health problems and chronic health conditions
- Receipt of Food Stamps
- Receipt of Supplemental Security Insurance (SSI, for low-income people with disabling conditions)
- The percentage who were military veterans
- The percentage who came to their current location to be with family or friends

Compared to homeless adults nationwide, homeless Minnesota adults *more* often:

- Were women
- Were people of color
- Had a high school education
- Had been abused or in institutional care in childhood
- Had come to their current location because of the possibility of work
- Had higher average income

²³ Burt, M.R., Aron, L.Y., Douglas, T., Valente, J., Lee, E., and Iwen, B. (1999.) *The Forgotten Americans—Homelessness: Programs and the People They Serve*. Washington, D.C.: U.S. Department of Housing and Urban Development, December, 1999. Available on the Internet at <http://www.huduser.org/publications/homeless/homelessness/contents.html>

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- Had received income in the previous month from regular employment
- Had received income from a family welfare program in the past month
- Were homeless currently for one year or less

Compared to homeless adults nationwide, homeless Minnesota adults *less* often:

- Had been homeless before their current experience of homelessness
- Had been homeless for 5 years or longer

Comparison to other states

Two other states have recently conducted statewide or large-scale surveys of homeless individuals. The table below summarizes some key findings on questions that were reasonably comparable. The Kentucky survey²⁴ collected information over a ten-week period, resulting in a larger sample of people experiencing short-term homelessness. The Montana survey²⁵ was conducted over a three-day period (more like Minnesota's one-day study), but only in seven population centers, so it is more likely to under-represent rural experiences of homelessness compared to Minnesota's or Kentucky's studies.

This comparison shows Minnesota homeless people comparable to others in the proportion who:

- Left their last housing because of inability to pay rent (comparable to Kentucky)
- Have a substance abuse disorder (comparable to Montana)
- Are receiving SSI (compared to Montana)
- Currently need mental health care (compared to Montana)

Homeless Minnesotans *more* often:

- Are disproportionately members of minority racial or ethnic groups
- Are slightly older than those in Kentucky
- Finished high school (compared to either other state)
- Have been homeless more than a year

²⁴ Bylund, R.A., Rudy, D.R., & Parkansky, S. (undated.) *2001 Kentucky homeless survey report*. Morehead, KY: Morehead State University, Institute for Regional Analysis and Public Policy. Available on the Internet at www.kyhousing.org/Publications/resources/2001HomelessReport.pdf

²⁵ Department of Public Health and Human Services, Intergovernmental Human Services Bureau. (2004). *Homeless in Montana: A report*. Helena, MT: Author. Available on the Internet at www.dphhs.state.mt.us/homeless_in_montana.pdf

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- Left their last housing because of the loss of a job (compared to Montana, although Minnesota is about the same as Kentucky in this respect)
- Left their last housing because of eviction or foreclosure (compared to Kentucky)
- Have a current mental health diagnosis, or dual diagnosis of mental and chemical health disorders (more than either state; it is likely that the methods used in Minnesota's survey make it less personally threatening for respondents to disclose this information)
- Are employed (compared to Montana) or receiving income from work (compared to Kentucky)
- Are receiving support from Food Stamps or a family welfare program (compared to either state)

Homeless Minnesotans *less* often:

- Are women or have children with them, compared to Kentucky (women and people with children tend to be homeless for a shorter time, making them more likely to be represented in the Kentucky study)
- Left their last housing because of domestic violence (less than Kentucky; again, this difference is likely to reflect their larger sample of short-term homeless)
- Have less than a high school education (compared to either state)
- Currently need medical care (compared to Montana)

Homeless adults and children in Minnesota statewide survey
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Comparison of recent homelessness surveys in Minnesota, Kentucky, and Montana

	Wilder's 2003 Minnesota study (N=4,774)^(a)	Kentucky 2001 (N=1,703)	Montana 2003 (N=1,913)
Mean age (in years)	37.7	34.7	
Percent White	43%	81%	76%
Percent White in statewide Census, 2000	91%	90%	91%
Female	48%	59%	39%
Less than high school education	24%	43%	31%
Some post-high school education	30%	12%	
Military veterans	15%	11%	18%
Currently living alone	61%	52%	
Has one or more children with them	28%	33%	27%
Not staying in a shelter on a given day	13%	6%	
Homeless less than 1 month	11%	29% ^(b)	12%
Homeless 1 year or more	44%	27% ^(b)	30%
Selected reasons for leaving last housing:			
- inability to pay rent	33%	30%	
- unemployment/job loss	31%	30%	23%
- eviction/foreclosure	28%	15%	
- domestic violence or abuse	16%	26%	
Has a current mental health diagnosis	42% ^(c)	23% ^(c)	30%
Has a substance abuse disorder	25%		24%
Dual diagnosis (mental health and substance abuse disorder)	17%		11%
Has AIDS/HIV	2%		< 1%
Currently employed	30%		23%
Working full-time	13%		9%
Receiving income from work	23% steady job 14% day labor	19%	
Receiving income from welfare program	20%	12%	6%
Receiving Food Stamps	46%	38%	14%
Receiving SSI (Supplemental Security Income, for low-income people with disabilities)	14% in past year 11% in October	17%	14%
Income from sale of personal belongings	5%		5%
Income from asking strangers	8%		4%
Receiving Veterans' benefits	2%		2%
Now need medical care	41%		46%
Now need mental health care	39%		37%

Sources: Minnesota: Wilder 2003 study. Kentucky: Report from Morehead (Kentucky) State University. Montana: Report from Montana Department of Public Health and Human Services.

Notes: (a) Weighted sample based on 2,967 interviews with adult respondents.

(b) Differences between Minnesota and Kentucky reflect different sampling methods: data collected over several weeks, as in Kentucky, are more likely to include people who are homeless for a short time.

(c) Questions asked somewhat differently in the two surveys.

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These three samples show some interesting similarities and differences. For example, the Kentucky 10-week study shows the influence of its higher sample of short-term homeless, which includes a larger proportion of women and people with children, including women fleeing domestic violence. This group is also less likely to be living on the streets. Other differences evident from these two studies show that the homeless in Kentucky were slightly younger than those in Minnesota, and about equally likely to have lost their last housing due to a job loss or inability to pay rent. They are less likely to report a serious health condition or a mental health disorder, although differences in the way these questions were asked may have affected their answers to these questions.

By contrast, the Montana study is similar to Minnesota in being conducted over a highly compressed time period, but is more restricted than either of the other surveys to just a few population centers. Compared to either of the other two states, the homeless Montanans who were surveyed were more likely to be men and military veterans, and less likely to be receiving support from Food Stamps or a family welfare program. They were somewhat more likely than homeless Minnesotans to be in need of medical care, and equally likely to report needing mental health care or be receiving SSI (Supplemental Security Insurance, for low-income people with serious disabilities).

People of racial and ethnic minorities are over-represented among the homeless in all three states, whose adult populations are all about 90 percent White in the 2000 Census. However, Minnesota's minority groups are even more disproportionately homeless than in either the Kentucky or Montana studies. Minnesota's homeless are also more likely to have a high school diploma, and to be employed or to have current income from employment. They are also more likely to be receiving help from Food Stamps or welfare.

International comparison

Issues related to poverty and homelessness transcend not only state boundaries but national ones as well. Many key characteristics of homeless adults in Minnesota were also found in a 1995 survey of homeless people in Paris, France.²⁶ This study found that high proportions of homeless adults had been separated from their parents in childhood, due either to out-of-home placement or parental death. About one-quarter of men were employed (the same rate as the 25 percent of adults in the 1994 Minnesota survey who were employed), but most had jobs that were temporary or of short duration. Top reasons for leaving their last housing were family breakups (especially among women) or financial reasons (especially among men), both cited by somewhat over one-third of adults who had previously had any stable housing. Sixteen percent had lost their housing due to eviction or demolition. A

²⁶ Marpsat, M., & Firdion, J.-M. (1996). "Becoming homeless: Who is at risk?" *Population et Sociétés* (English version), No. 313, May 1996. Paris: Institut National d'Études Démographiques.

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high proportion of women cited domestic violence as a cause of homelessness. As in Minnesota, the survey showed a tendency for homeless people to move from areas of lower economic development to more prosperous areas, and from rural to more urban locations.

The French researchers have also cited some of the same trends in homelessness over the decade of the 1990s as noticed here in Minnesota: increasing numbers overall, and an increasing proportion who were women and young people. Unlike in Minnesota, they also observed a significant increase in homelessness among those who had come to France as immigrants and refugees.²⁷

Another survey of homeless adults in the Paris metropolitan area in 2001²⁸ found a similar high frequency of childhood separations from parents. The homeless people in the survey also reported health problems, especially with respiratory and skin conditions and elevated rates of stress and depression. As in Minnesota, employment had risen since the mid-1990s, to 29 percent (vs. 44% in metro Minnesota in 2000, and 31% in 2003). As in Minnesota, the employment rate was higher in the city than in the less urbanized areas outside it. Also as here, even among those who were working, many did not have enough income to afford to rent an apartment. About 1 in 10 had no income at all (vs. 11% of metro-area homeless Minnesotans in 2003). A similar proportion had income only from parents or friends (vs. only 1% in metro Minnesota, possibly because the Minnesota survey may include a wider range of possible income sources). Also about 1 in 10 begged or panhandled, often to supplement other sources of income (vs. 9% in metro Minnesota in 2003). Sixty percent received at least one form of public support, including unemployment benefits (vs. 59% in metro Minnesota in 2003, including unemployment and veterans' benefits), and 28 percent received public support as their only source of income (vs. 21% of metro Minnesota homeless in 2003).

Racial and ethnic disparities in housing and homelessness are also found widely elsewhere in the world. A recent review of European studies²⁹ found that people from minority ethnic groups throughout Europe generally find themselves restricted to the "least desirable segments of the housing market." The authors cite minorities' lower access to a variety of resources and their experience of discrimination in housing, as well as the influence of economic

²⁷ Marpsat, M., & Firdion, J.-M. (1999). "The homeless in Paris: A representative sample survey of users of services for the homeless." In Avramov, D. (Ed.), *Coping with homelessness: Issues to be tackled and best practices in Europe* (pp. 221-252). Brookfield, VT: Ashgate Publishing Co.

²⁸ Brousse, C., de la Rochère, B., & Massé, E. (2002). "Hébergement et distribution de repas chauds: Qui sont les sans-domicile usagers de ces services?" [Shelter and hot meal programs: Who are the homeless who use these services?]. *Insee Première*, No. 824 (January 2002). Available on the Internet at www.insee.fr/fr/ffc/docs_ffcIP824.pdf

²⁹ Özüekren, A.S., & Van Kempen, R. (2002). "Housing careers of minority ethnic groups: Experiences, explanations, and prospects." *Housing Studies*, 17 (3): 365-379.

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globalization resulting in decreasing job opportunities for those with less education, skills, and work experience.

Does Minnesota attract people who have experienced homelessness in other states?

There are two important issues to keep in mind when asking this question. First, we do not know how many people leave Minnesota to utilize programs for the homeless in other states. Responses to a national survey of homeless adults in 1997 suggest this occurs throughout the country.³⁰ Second, those who are homeless move to Minnesota for many of the same reasons as those who have regular housing. Welfare benefits alone cannot account for the migration patterns of homeless people to Minnesota. Reasonably safe schools and high quality human services as well as the presence of friends or family and the possibility of employment are also part of the mix. No single factor explains why a homeless family in Milwaukee, Chicago, Fargo, or San Diego decides to move to Minnesota. A national study of people's choices and reasons for moving found that poor people typically move to poor areas because they perceive more realistic opportunities for themselves in such places. These opportunities are likely to include the availability of low-skill jobs and more affordable housing.³¹

When survey respondents who have lived in Minnesota for two years or less are asked why they came to Minnesota, the answers parallel those given by recent arrivals who have their own housing: to find work, better schools, be closer to relatives or friends, escape an unsafe neighborhood or an abusive partner (see Detail Tables in the Appendix). As discussed in the report on the 2000 homeless survey, they are less likely than a national sample of homeless adults to report having come to their current location in order to access shelters or other social services or programs.

Twenty-seven percent of homeless adults have lived in the state for two years or less. This proportion is the same in the Twin Cities metropolitan area and in greater Minnesota. Of this group, 30 percent of Twin Cities metro area respondents and 40 percent of the greater Minnesota respondents had previously lived in the state. Compared to the results of the 1997 and 2000 statewide surveys, this represents the same percentage of homeless men and women who have lived in Minnesota for two years or less (27% in 2003, 28% in each of

³⁰ Burt, M.R., Aron, L.Y., Douglas, T., Valente, J., Lee, E., and Iwen, B. (1999.) *The Forgotten Americans—Homelessness: Programs and the People They Serve*. Washington, D.C.: U.S. Department of Housing and Urban Development, December, 1999. Available on the Internet at <http://www.huduser.org/publications/homeless/homelessness/contents.html>

³¹ Nord, M., Luloff, A., & Jensen, L. (1995). "Migration and the spatial concentration of poverty." *Rural Sociology*, 60 (3): 399-415.

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2000 and 1997). This percentage is considerably below that in 1991 and 1994, when 39 percent were recent migrants to the state.

What barriers prevent homeless people from finding and maintaining housing?

Results of the survey allow us to identify certain potential barriers to housing among individuals who are homeless. To some extent it is also possible to identify different types of barriers among different groups.

A survey such as this can identify characteristics of the individuals in the survey, but is not a good source of information about other factors outside the individual that also contribute to homelessness – factors such as the supply of affordable housing, the availability and pay level of jobs, and the accessibility of treatment or services for such problems as domestic violence or physical or mental illness or disabilities. External factors such as these may influence how many people have some of the individual factors listed below (such as the number who are unemployed, or who have credit problems). In addition, an individual's own circumstances may make it harder or easier to weather changes in outside factors (for instance, people with criminal records are more likely to be affected by changes in unemployment rates, because employers with more choices are less likely to hire them). The analysis in this section therefore represents only some of the barriers to housing among people experiencing homelessness.

In the 2003 survey, 96 percent of homeless adults had at least one of the barriers listed below, and 85 percent had two or more.

- Not currently employed.
- Current homeless episode is not the first.
- Diagnosed with serious or persistent mental illness within the last two years.
- Homeless for over one year (current episode).
- Could pay less than \$200 per month for rent.
- Diagnosed with alcohol or drug abuse disorder within the last two years.
- Credit problems (self-reports credit problems as a current barrier to housing).
- Would need more than a two-bedroom apartment.

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- Criminal background (in a correctional facility within the last two years, or self-reports criminal history as a current barrier to housing).
- Unlawful detainers (self-reports court eviction or bad rental history as a current barrier to housing).
- Lack of local rental history (self-reports “no local rental history” as a current barrier to housing).
- Serious health problem or physical disability (diagnosed with tuberculosis, hepatitis, or HIV/AIDS, or self-reports health problem or physical disability as a current barrier to housing).

The overall frequency of these different barriers has changed somewhat since 2000. The percent unemployed has risen by 11 percentage points from 59.0 percent to 69.6 percent. The percent mentally ill has risen by 10 percentage points from 36.4 percent to 46.7 percent. The percent unable to afford as much as \$200 in rent has risen by 8 percentage points from 22.3 percent to 30.2 percent. The percent with criminal histories has risen by 4 percent from 17.6 percent to 21.7 percent.

Other barriers have fallen, though most by lesser amounts. The percent who need more than two bedrooms has dropped by 5 percentage points from 19.9 percent to 15.0 percent. The percent with unlawful detainers in their rental history has dropped by 4 percentage points from 15.1 percent to 10.7 percent.

These changes have not occurred uniformly throughout the different subgroups of homeless people in the state. The percent unemployed has risen much more sharply in the Twin Cities metro area than in greater Minnesota (though the actual rate itself remains higher in greater Minnesota). The increase in mental health problems is steeper among transitional housing residents than for other groups, though it has increased among all types of shelters. The increase in criminal history is mainly among men rather than women, and higher in the Twin Cities area than in greater Minnesota. The incidence of serious health problems or disabilities has fallen among single adults, but risen among those who have children with them. The percent who have a substance abuse diagnosis has risen among 18- to 34-year-olds, while remaining constant among those 35 or older.

The following tables show, for persons living in Minnesota’s temporary housing programs and those on the street on October 23, 2003, the percent that face each of the potential housing barriers described above.

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Proportion of homeless adults with each of the potential barriers to housing, by gender, region, and shelter type

	ALL ADULTS (N=4,774)	Men (N=2,499)	Women (N=2,276)	Twin Cities metro (N=3,453)	Greater MN (N=1,322)	Emergency shelter (N=1,601)	Battered women's shelter (N=280)	Transitional housing (N=2,269)	Unknown shelter or street (N=624)
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Not currently employed	69.6%	66.7%	72.9%	68.5%	72.5%	70.5%	77.9%	66.2%	76.6%
Mental health diagnosis	46.7%	43.0%	50.9%	44.6%	52.5%	37.0%	48.2%	54.3%	43.4%
Homeless > 1 year	43.4%	48.6%	37.6%	47.1%	33.4%	39.8%	11.8%	48.8%	46.8%
Been homeless before	41.1%	44.3%	37.5%	39.7%	44.6%	41.0%	33.9%	40.1%	47.6%
Could pay <\$200 per month	30.2%	33.9%	26.1%	30.6%	29.2%	31.4%	19.6%	29.8%	33.5%
Substance abuse diagnosis	24.7%	29.9%	19.0%	23.6%	27.5%	19.2%	8.2%	29.2%	29.8%
Credit problems	21.7%	18.4%	25.3%	21.9%	21.0%	19.4%	24.6%	23.0%	21.3%
Criminal background	21.7%	29.1%	13.5%	21.3%	22.6%	23.6%	11.1%	18.6%	32.7%
Need >2 bedrooms	15.0%	4.8%	26.1%	14.2%	17.0%	5.9%	25.0%	22.4%	6.7%
Eviction/bad rental history	10.7%	8.8%	12.8%	12.5%	6.0%	9.6%	16.8%	10.9%	10.3%
No local rental history	9.4%	10.7%	8.0%	9.6%	8.7%	11.4%	8.2%	7.6%	11.1%
Serious health problem/ physical disability	8.6%	10.4%	6.8%	9.1%	7.5%	8.2%	7.1%	9.3%	8.0%
None of these barriers	3.6%	4.0%	3.0%	3.9%	2.8%	5.5%	3.9%	2.4%	2.6%
Just one barrier	11.4%	11.2%	11.6%	11.7%	10.5%	13.3%	16.1%	10.4%	7.9%
Average number of housing barriers	3.4%	3.5%	3.4%	3.4%	3.4%	3.2%	2.9%	3.6%	3.7%

KEY QUESTIONS

Proportion of homeless adults with each of the potential barriers to housing, by other key characteristics

	ALL ADULTS (N=4,774)	Homeless <1 yr (N=2,653)	Single (N=3,423)	Parent (N=1,351)	Caucasian (N=1,846)	Non- Caucasian (N=2,787)	Age 18-34 (N=1,840)	35 or older (N=2,934)	In MN 0-2 yrs (N=1,289)	In MN 3+ yrs (N=3,482)	Short- term (N=2,507)	MN long- term (N=2,266)	Federal Chronic ^a (N=1,432)
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Not currently employed	69.6%	70.0%	68.6%	72.2%	70.4%	69.5%	68.4%	70.4%	71.0%	69.2%	68.7%	70.7%	74.6%
Mental health diagnosis	46.7%	43.4%	49.1%	40.6%	56.0%	40.5%	45.3%	47.6%	38.4%	49.9%	41.9%	52.2%	63.3%
Homeless > 1 year	43.4%	0.0%	48.4%	30.6%	44.9%	42.7%	37.0%	47.3%	31.0%	47.9%	0.0%	91.3%	90.4%
Been homeless before	41.1%	36.9%	42.9%	36.4%	45.0%	38.6%	38.2%	42.5%	34.1%	43.7%	31.8%	51.3%	53.6%
Could pay <\$200 per month	30.2%	26.7%	35.2%	17.6%	31.9%	29.4%	26.7%	32.4%	31.4%	29.8%	26.8%	34.0%	39.1%
Substance abuse diagnosis	24.7%	19.2%	30.3%	10.6%	28.5%	22.4%	18.2%	28.7%	15.7%	28.0%	17.1%	33.1%	44.8%
Criminal background	21.7%	19.0%	25.9%	10.9%	19.5%	23.0%	20.5%	22.4%	12.6%	25.0%	17.9%	25.9%	30.0%
Credit problems	21.7%	20.7%	19.0%	28.5%	24.3%	19.7%	23.3%	20.7%	18.2%	23.0%	19.7%	23.8%	21.7%
Need >2 bedrooms	15.0%	18.6%	2.5%	46.6%	12.2%	16.9%	21.6%	10.8%	19.4%	13.4%	19.6%	9.9%	1.3%
Eviction/bad rental history	10.7%	9.3%	9.8%	13.0%	10.4%	10.9%	9.8%	11.3%	5.1%	12.8%	9.0%	12.6%	13.2%
No local rental history	9.4%	8.9%	10.6%	6.4%	8.9%	9.8%	10.5%	8.7%	10.4%	9.0%	7.9%	11.1%	11.8%
Serious health problem/physical disability	8.6%	7.1%	9.8%	5.6%	9.2%	8.0%	3.8%	11.7%	7.1%	9.2%	6.6%	10.9%	14.7%
None of these barriers	3.6%	6.2%	3.8%	2.9%	3.1%	3.9%	3.5%	3.5%	5.1%	3.0%	6.8%	0.0%	5.1%
Just one barrier	11.4%	16.7%	10.9%	12.7%	8.0%	13.3%	13.3%	10.2%	16.3%	9.5%	17.9%	4.1%	15.5%
Average number of housing barriers	3.4%	2.8%	3.5%	3.2%	3.6%	3.3%	3.2%	3.6%	2.9%	3.6%	2.7% ^b	4.3% ^b	4.6% ^b

Notes: (a) The category "Federal chronic" is a sub-category within "MN long-term." These terms are defined on page 105.

(b) Excluding number and duration of homeless episodes (used in defining membership in MN long-term and Federal chronic homeless groupings), the average number of barriers for short-term homeless individuals was 2.4; Minnesota long-term, 2.8; Federal chronic, 3.1.

KEY QUESTIONS

The tables above show that unemployment (70%) is the most common barrier to housing, followed by serious mental illness (47%), and multiple and/or lengthy episodes of homelessness (41% homeless more than once, 43% homeless more than a year during current episode). Inability to pay \$200 or more per month for rent (30%), substance abuse disorders (25%), credit problems (22%), and problems associated with a criminal record (22%) were also mentioned by at least one-fifth of the respondents. Fewer than 4 percent of homeless adults had none of these barriers, and just 11 percent had only one. On average, homeless adults in the 2003 survey had 3.4 barriers, up from 3.1 in 2000.

However, for certain sub-groups, the picture is quite different. Among homeless adults who have children with them, credit problems are just as likely as a lengthy experience with homelessness (29% vs. 31%), and the need for an apartment with more than two bedrooms is the second most commonly reported barrier (47%). At the same time, homeless parents are much more likely than single adults to report being able to afford more than \$200 per month for rent. Caucasian people who are homeless are significantly more likely than members of other racial or ethnic groups to report having mental health or substance abuse problems, prior experiences of homelessness, and credit problems. Those who are under age 35 are more likely to report needing a larger apartment, and less likely to report having substance abuse or mental health problems. Those who are newer to Minnesota (two years or less) are less likely than longer-term residents to report substance abuse or mental health problems, multiple or extended histories of homelessness, criminal histories, or credit or eviction problems.

Residents of transitional housing are most likely to be employed, and most likely to have a mental health diagnosis. Compared to other shelter residents, emergency shelter residents are more likely to have been homeless before or to have been released from a correctional facility within the past two years (but less likely than those not using shelters). Other interesting differences are discussed in the section beginning on page 111, comparing different groups of homeless adults based on the extent and stability of their shelter use.

As one might suspect from the fact that so many people have more than one of these barriers, these barriers are often related to each other. For example, mental illness, especially if untreated, makes it more difficult to maintain steady employment and stable housing, and the lack of stable housing makes it more difficult to participate successfully in a regular course of mental health treatment. However, 15 percent of homeless individuals, and 24 percent of those who have been homeless less than a year (and less than four times in the last three years) have no barriers or only one barrier. Among individuals with only one barrier, 38 percent reported lack of current employment as their only barrier.

KEY QUESTIONS

The previous tables show lengthy or multiple episodes of homelessness are problems for many, and those who have been homeless for less than one year have fewer barriers to housing. This suggests that when people become homeless, especially for the first time, helping them regain stable housing quickly may help to avoid the trauma and costs associated with lengthy or repeated homelessness. Unfortunately, Minnesota does not currently have enough affordable housing to make this possible, resulting in people staying in shelters for months while they look for housing. During this time, people who have problems that might have been manageable in secure circumstances (such as mental or physical health problems) are likely to experience problems at an increased level because of the stressful and unstable living conditions. In addition, they will find it harder to get or to retain jobs.

The following table shows the number of barriers faced by men and women in different types of shelter situations.

Number of housing barriers, by gender and shelter type

	Shelter Type							
	Emergency shelter		Battered women's shelter		Transitional housing		Unknown shelter or street	
	N	P	N	P	N	P	N	P
None of the listed barriers								
Men	75	6.2%	-	-	17	1.9%	8	2.0%
Women	13	3.3%	11	3.9%	38	2.8%	8	3.6%
1 barrier								
Men	153	12.7%	-	-	102	11.4%	26	6.5%
Women	60	15.2%	45	16.1%	135	9.8%	23	10.2%
2 barriers								
Men	234	19.4%	-	-	142	15.9%	62	15.5%
Women	81	20.5%	78	27.9%	232	16.9%	39	17.3%
3 barriers								
Men	247	20.5%	-	-	164	18.3%	87	21.8%
Women	88	22.3%	51	18.2%	299	21.7%	50	22.2%
4 barriers								
Men	232	19.3%	-	-	154	17.2%	71	17.8%
Women	65	16.5%	38	13.6%	298	21.7%	56	24.9%
5 barriers								
Men	109	9.0%	-	-	147	16.4%	63	15.8%
Women	53	13.4%	43	15.4%	174	12.6%	28	12.4%

Number of housing barriers, by gender and shelter type (continued)

	Shelter Type								
	Emergency shelter		Battered women's shelter		Transitional housing		Unknown shelter or street		
	N	P	N	P	N	P	N	P	
6 barriers									
Men	97	8.0%	-	-	95	10.6%	54	13.5%	
Women	22	5.6%	8	2.9%	128	9.3%	12	5.3%	
7 barriers									
Men	48	4.0%	-	-	58	6.5%	17	4.3%	
Women	10	2.5%	3	1.1%	60	4.4%	9	4.0%	
8 barriers									
Men	8	0.7%	-	-	15	1.7%	7	1.8%	
Women	1	0.3%	3	1.1%	6	0.4%	0	0.0%	
9 barriers									
Men	2	0.2%	-	-	0	0%	4	1.0%	
Women	2	0.5%	0	0.0%	6	.04%	0	0.0%	
Total – Men	1,205	-	0	-	894	-	399	-	
Total – Women	395	-	280	-	1,376	-	225	-	

What do shelter providers say about the effects of budget cuts?

In preparation for the statewide survey of homeless people in 2003, Wilder surveyed shelter providers across the state by telephone in August and September. Providers answered questions about the numbers and types of people they served and the number of people requesting services who had been turned away. In addition, providers were asked whether recent budget cuts were having any effect on the services they were able to provide. These questions were answered by shelter staff at 198 different emergency or transitional housing programs for adults and youth across the state of Minnesota.

In brief, three-quarters of all providers (73%) had turned people away in the past year because they did not have the resources to serve them, and nearly half of all providers (47%) reported that the number of people turned away had risen from previous months. Over half (59%) reported that their ability to provide services to homeless people had been eroded by recent budget cuts, and an additional 13 percent were concerned that cuts would affect them in the near future.

KEY QUESTIONS

From the responses of these providers, it appears that the timing of the October 2003 survey of homeless individuals would reflect the conditions of this group at a time when the services available to help them were in a state of flux. It is especially important this year to remember that the results of the October survey are an indication of conditions at one point in time, and that conditions at any later date may be different.

Differences between regions and types of shelters

Just as not all providers reported similar effects, results also differed by region and type of shelter. Adult emergency shelters and providers in the Southeast Minnesota region were more likely than others to report that they had turned people away.

Of those providers who had turned people away, nearly two-thirds (66%, or 40% of all providers) reported that the number of people turned away had risen compared to earlier months. One-third of them (33%, or 20% of all providers) reported that the number had stayed about the same, and only two providers (1%) reported that they had turned away fewer people than in previous months. Battered women's shelters were most likely to report an increase in turnaways. West Central Minnesota and Hennepin County were more likely than other regions to report their numbers of turnaways had stayed level.³²

Compared to other kinds of shelters, youth emergency shelters were less likely to report that they had turned people away, and youth shelters in general (including transitional programs) were more likely to report steady (as opposed to rising) numbers turned away. Because of differences in how youth shelters receive their clients and how they are funded and licensed, however, these reports cannot be interpreted in the same way as reports on adult shelters. Unlike most adult emergency shelters, where individuals in need can come and request help directly, most spaces in youth shelters are available only to individuals who are referred by an authority who has approved their entrance to the shelter. In addition, while adult shelters can decide for themselves whether they can safely reduce staff without reducing the number of clients served, youth shelters are required to maintain a minimum staff-to-client ratio, so cuts in staffing are more likely to result in loss of bed capacity. Some youth shelters have program restrictions that may limit the number or kinds of youth who are referred or who accept referral (such as, for example, a requirement that the program attempt to reunify all youth with their families).

As a result, with youth shelters, it is hard to know if the lower rate of turnaways reflects lower need, or fewer referrals by authorities who are aware of the reduced capacity, or changes in program emphasis. Another suggested reason points to budget limitations in

³² See a brief discussion of Hennepin County efforts to reduce the need for emergency shelter, on page 24 of this report.

KEY QUESTIONS

the counties, limiting their ability to pay for shelter services for as many of their homeless youth as before. As a result, some counties are reported to be choosing to reserve the resources they have for those needing more restrictive settings such as mental health or juvenile correctional facilities.

Effects of budget cuts on clients and services

Around 6 in 10 providers (59%) reported that recent budget cuts at the county, state, or federal level had affected their ability to provide services to homeless people. One-quarter (28%) said their services had not been affected by cuts. One-eighth (13%) volunteered the answer, “Not yet” and said that they expected effects to come soon, with most of them expecting them in the coming year (2004).

Those who reported being affected by budget cuts were asked to name up to three ways in which their services had been affected. One in three of all providers surveyed (29%) reported reductions in the amount or quality of their own direct services to homeless people, including closing or terminating non-shelter supports such as transportation help. One in five (21%) reported cuts in administrative budgets, laying off staff, or freezing staff wages. Seventeen percent reported that their own services and clients had been hurt by cuts in other services and supports on which they depend (such as employment services, child care assistance, emergency assistance, and other safety net programs). One-tenth (11%) reported that they were receiving more requests for help, or that the clients they see have more or more difficult needs. Some (10%) cited the loss of Emergency Assistance funds with which to help their clients pay damage deposits and first month rent in order to leave shelter and regain regular housing.

Many providers commented, after naming these reductions in services, that they felt they were only beginning to see the effects of the budget cuts, and that changes expected in 2004 would likely affect them and their clients even more.