



NO PLACE LIKE HOME: Homelessness, Housing Shortages, Funding Cuts, and Misplaced Priorities

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The 1949 U.S. Housing Act declared that the general welfare and security of our post-war nation required the establishment of a national housing policy to realize, as soon as feasible, the goal of a decent home and suitable living environment for every family in America. It was a goal in keeping with Catholic social teaching on basic human rights (see article on page 5) and reflected the turn of the nation’s attention to domestic matters after years of war.

Homelessness

Now, more than 65 years later, we should reflect on how we have kept this pledge of decent housing for every family. There are several measures to consider. The one most in the public eye is widespread *homelessness*. The homeless “snapshot” taken across the nation by the Department of Housing and Urban Development (HUD) in January 2014 revealed that over half a million people (578,424) were homeless at that time. Almost half that number (216,261) were people in families; 45,205 were unaccompanied children and youth; and 49,933 were veterans. Table 1 (page 2) shows homeless statistics at that time for the nation, the Gulf South states, and the Gulf South region.¹

While mental health and substance addiction certainly factor into the homelessness phenomenon, the costs of housing and the economic status of U.S. families are critical factors, as well.

Housing Cost-Burdened

Housing costs and household ability to pay are reflected in two measures used by HUD for those considered to be “housing cost-burdened”: those whose housing costs are greater than 30 percent of their income (having “unaffordable housing costs”) and those whose housing costs are greater than 50 percent of their income (termed “severely cost-burdened”).

While spending more than 50 percent of one’s income still may leave a substantial balance for a millionaire, the same is hardly true for *low-income renters*.² Tables 2 and 3 on page 2 focus on low-income and extremely low-income renters. HUD defines low-income as “those with incomes at or below 80 percent of Area Median Income (AMI),” meaning those in the lowest 40 percent of area income (adjusted by household size). *Extremely low-income* households have incomes of 30 percent or less of HUD’s AMI limits.³ This means the incomes of these households are in the lowest 15 percent (30 percent of the median) of area households. The tables also display those

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TABLE 1: Homeless Population—January 2014¹

AREA	People	People in Families	Children & Youth	Veterans
United States	578,424	216,261	45,205	49,933
Alabama	4,561	1,446	276	542
Florida	41,542	12,812	3,656	4,552
Louisiana	4,606	1,162	491	437
Mississippi	2,226	512	171	279
Texas	28,495	9,318	2,210	2,718
Gulf South	81,430	25,250	6,804	8,528

in non-metro areas, those who are elderly and disabled, and the percent composed of families with children.

In the United States, 18,832,706 low-income renter households pay more than 30 percent of their monthly cash income for housing. Of these, 3,261,493 households reside in the Gulf South states. These households are “housing cost-burdened.” (See Table 2 for individual state statistics.⁴)

Of U.S. households, 10,250,592 are “severely cost-burdened,” meaning that they pay more than 50 percent of their household income for housing. The Gulf South states are home to 1,745,076 of these households. (See Table 3 for individual state statistics.)

To understand better the implications of being “severely cost-burdened,” the median monthly income of these U.S. households in 2011 was \$1,150 and the median housing costs were \$1,010. This leaves only \$140 to manage other expenses. This is why these households are at great risk of becoming homeless.

TABLE 2: Gulf South Low-Income Renters with Unaffordable Housing Costs, 2011—3,261,493 Households with Housing Costs Greater Than 30% of Income

STATE	Number of Households	Percent Extremely Low Income	Percent in Non-Metro Area	Percent Elderly	Percent Disabled	Percent Families with Children
Alabama	251,406	47%	11%	15%	23%	34%
Florida	1,192,215	43%	3%	18%	15%	32%
Louisiana	258,771	48%	6%	15%	19%	33%
Mississippi	142,518	43%	39%	15%	22%	37%
Texas	1,416,583	44%	3%	14%	15%	36%

TABLE 3: Deep South Low-Income Renters Who Are Severely Cost-Burdened, 2011—1,745,076 Households with Housing Costs Greater Than 50% of Income

STATE	Number of Households	Percent Extremely Low Income	Percent in Non-Metro Area	Percent Elderly	Percent Disabled	Percent Families with Children
Alabama	128,099	72%	8%	13%	24%	34%
Florida	680,819	63%	2%	19%	17%	31%
Louisiana	147,855	71%	6%	13%	20%	32%
Mississippi	78,128	62%	39%	12%	21%	38%
Texas	710,175	71%	3%	15%	17%	35%

Why such problems?

There are several reasons for the shortage of available and affordable housing for so many people. Chief among these is the continuous rise in housing costs, especially as family income has been so stagnant for so long. In addition, federal housing efforts have failed to keep up with need, being subject to frequent budget cuts. As far back as 1988, the U.S. bishops observed, “This nation appears to be walking away from its commitment, expressed in 1949, to provide a decent home for all Americans.”⁵ They went on to emphasize, “We have witnessed the increasing abandonment of the national role in housing.”⁶

The Congressional Budget Office (CBO) recently reported the significant slowdown in our commitment to housing:

Spending on housing assistance grew much more quickly during the first 20 years of the 1972-2011 period than during the second 20 years. Between 1972 and 1991, spending on housing assistance programs increased fivefold, from \$5 billion to \$26 billion (adjusted for inflation). Both the participation rate and spending per participant roughly doubled during that period. Between 1991 and 2011, spending on means-tested housing programs grew much more slowly, by about 50 percent, and remained roughly constant as a share of GDP.⁷

CBO went on to emphasize that the growth of spending in the latter period was caused mainly by increased spending per household. Annual assistance per subsidized household increased from \$5,800 in 1991 to \$8,000 in 2011, reflecting increases in housing costs. Program participation grew only slightly (from 4.4 million households to 4.8 million) and actually declined as a percentage of all households (from 4.1 percent to 3.7 percent).

Federal housing efforts also are badly targeted—in two ways. In 2012, the federal government spent \$270

billion to help Americans buy or rent their homes, but “little of that spending went to the families who struggle the most to afford housing.”⁸

First, federal housing spending disproportionately targets higher-income households. The Congressional Joint Committee on Taxation estimates that three-fourths of the value of the mortgage interest and property tax deductions go to households making more than \$100,000. “The 5 million households with incomes of \$200,000 or more receive a larger share of such spending than the more than 20 million households with incomes of \$20,000 or less...”⁹

The second way our federal housing policy is warped is that federal housing outlays and tax expenditures reward homeowners disproportionately, so renters receive less than one-fourth of federal housing subsidies despite being 35 percent of the nation’s households.

When we see that almost 19 million low-income renter households are housing cost-burdened and that federal housing assistance for low-income families reaches only 4.8 million households, we know we are far from our professed goal of a decent home for every American family. The cost of this shortfall is paid by struggling families least able to bear the burden of our common failure.

ENDNOTES

- 1 Source: U.S. Department of Housing and Urban Development, *The 2014 Annual Homeless Assessment Report to Congress: Part 1*, October, 2014.
- 2 While owners/buyers also may be “cost-burdened,” my focus here is on renters, who are more likely to be cost-burdened in this country.



A new city ordinance bans “obstructions” such as tents from public rights of way, but some homeless people are still lodging beneath New Orleans’ Pontchartrain Expressway. Photo by Cheryl Gerber.

- 3 Center on Budget and Policy Priorities, *Methodology: Federal Rental Assistance Facts*, December 19, 2012 at www.cbpp.org/files/4-15-rihous.pdf
- 4 Center on Budget and Policy Priorities, *National and State Housing Data Fact Sheets*, updated November 20, 2014, at www.cbpp.org/cms/index.cfm?fa=view&id=3586
- 5 United States Catholic Conference, Administrative Board, *Homelessness and Housing: A Human Tragedy, A Moral Challenge*, March 24, 1988, no. 7.
- 6 Ibid.
- 7 Congressional Budget Office, *Growth in Means-Tested Programs and Tax Credits for Low-Income Households*, February 2013, p. 21. at www.cbo.gov/sites/default/files/43934-Means-TestedPrograms.pdf (accessed February 23, 2015).
- 8 Will Fischer and Barbara Sard, Center on Budget and Policy Priorities, *Chart Book: Federal Housing Spending Is Poorly Matched to Need*, December 18, 2013, at www.cbpp.org/cms/index.cfm?fa=view&id=4067