

Closing the Housing Gap

Homelessness in Minnesota

December 2006



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Minnesota HOUSING Partnership



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As fundamental as housing is, it is not available to many Minnesotans. Since 1991, when the Wilder Research Center first conducted its count of Minnesotans without permanent shelter, the number of people experiencing homelessness or in a temporary housing situation on a given night has more than doubled, increasing from roughly 8,000 to over 20,000 in 2003. Without stable housing these individuals and families are among the state’s most vulnerable, facing enormous challenges on a daily basis.

While homelessness is a growing problem in Minnesota, with the cooperation of the private and non-profit sectors, faith communities, and all levels of government, we do have the capacity to address this human and social tragedy. Communities across the state have achieved remarkable success through the implementation of local initiatives to end homelessness, and with continued action and expanded efforts we can achieve this goal throughout Minnesota.

What is Homelessness?

In the broadest sense, homelessness means being without a permanent place to call home. People experiencing homelessness can be found living in shelters or transitional housing; in abandoned buildings, camp grounds, or hotels; in cars or on the street. Many more people are “precariously housed,” without housing of their own and staying with family or friends on a temporary basis.

For most people, homelessness is a temporary condition spurred by an unexpected financial crisis, health emergency, or natural disaster. Results from the 2000 Wilder survey of Minnesotans without permanent housing indicate that 60 percent of adults surveyed were homeless for the first time; in general, these individual and families experience homelessness for only a few weeks or months.

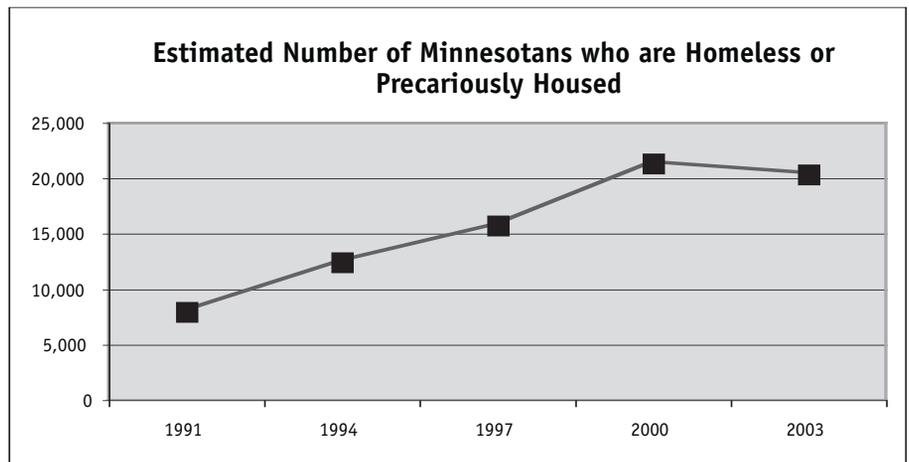
A subset of the larger homeless population, however, experience “chronic,” or long-term, homelessness, which is defined by local and federal agencies as “lacking a permanent place to live continuously for a year or more or at least four times in the last three years.”¹ Individuals who fit this description make up an estimated 16 percent of those experiencing homelessness in Minnesota in a given year, and usually face significant obstacles to finding and maintaining stable housing including extreme poverty, serious health conditions, mental illness, and chemical dependency.²

Who is Homeless?

Homelessness touches thousands of Minnesotans every year. While it is nearly impossible to gauge the exact number of individuals and families experiencing homelessness in the state, Wilder Research Center’s survey of Minnesotans with-

out permanent housing offers the best estimate of adults and children who lack permanent, stable housing on a typical night. Conducted every three years, the survey provides a snapshot of homelessness in Minnesota by counting the number of individuals and families in shelters, detox facilities, transitional housing programs, and on the streets on one night in October.

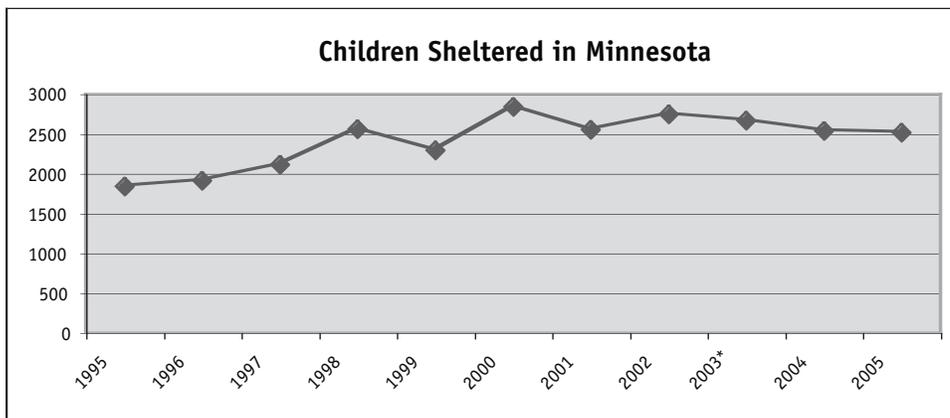
Since 1991, the year the survey was first conducted, the estimated number of Minnesotans who are homeless or precariously housed has grown from 7,980 to 20,347 in 2003—an increase of more than 150 percent.



Source: Wilder Research Center, *Homeless in Minnesota 2003* (2004), p. 3

Families with Children

Homeless families and children make up the fastest-growing segment of Minnesota’s homeless population. Between 1995 and 2005, the number of children staying in shelters increased by nearly 37 percent, as indicated by results from the Department of Human Services quarterly shelter survey.



Source: Minnesota Department of Human Services, *Quarterly Shelter Survey* (1995-2005)

*Data for all years except 2003 are from the February survey; figures were not available for February 2003 so the August 2003 survey was referenced instead.

The U.S. Conference of Mayors found that families with children now make up one-third of the homeless population in cities nationwide.³ According to the 2003 Wilder survey the situation is similar in Minnesota, where slightly more than one-third of the 7,811 people counted were children with their parents. Most of these families were staying in shelters or transitional housing programs; however, 138 of the children counted were with their parents on the streets.

While the number of homeless children appears to have stabilized in recent years, the impact of this experience can be far-reaching. Aside from poverty, the top predictor of adult homelessness is having been homeless as a child.

Unaccompanied Youth

The numbers above include only those children who were staying with one or both of their parents. In addition, the 2003 Wilder survey found roughly 500 to 600 homeless youth age 8 to 17 on their own in Minnesota. Further research suggests that this figure dramatically under-represents the actual number of unaccompanied homeless youth, as these individuals are likely to stay with friends or in other non-shelter environments that are not reached by the survey. Overall, Wilder Research Center estimates put the number of unaccompanied youth experiencing homelessness in 2003 between 10,000 and 12,000.⁴

People of Color

People of color are disproportionately represented in the homeless population. The 2003 Wilder survey found that African American, American Indian, and Hispanic people comprised 56 percent of Minnesota’s adult homeless population, although they made up only 6 percent of the state’s adult population as of the 2000 US Census.

African Americans are particularly over-represented among Minnesota’s homeless adults. Findings from the 2003 Wilder survey indicate that 40 percent of all homeless adults were African American, as compared with only 3 percent of all Minnesota adults.⁵

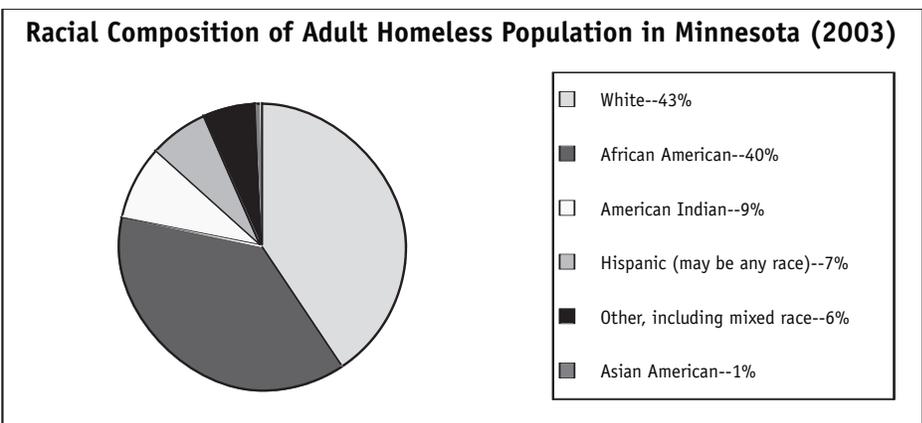
Racial disparities are also present among unaccompanied homeless youth. Whereas American Indians represent only 2 percent of all Minnesota youth age 10 to 17, they make up nearly one-quarter of unaccompanied homeless youth. Similarly, while only 5 percent of the general youth population in Minnesota

is African American, nearly one-third of homeless youth on their own are African American.⁶

Why are People Homeless?

People become homeless for many reasons; however, the primary causes of homelessness are poverty and the shortage of available affordable rental housing.⁷

In 2005, a renter household earning \$20,000—an income at approximately 30 percent of the statewide median and characterized by government programs as “extremely low”—could afford to spend \$500 per month on rent. Between 2000 and 2005, as the overall supply of rental units in Minnesota increased by 6.5 percent, the number of units renting for under \$500 decreased by 35 percent, shrinking from 37 to just 22 percent of the rental housing stock.⁸ During this same time period, the number of households with an annual income below \$20,000 increased by more than 1,900.⁹ In 2005, as a result of these trends, for every apartment renting for less than \$500 a month there were 3 households earning less than \$20,000 a year.



Source: Wilder Research Center, *Homeless in Minnesota 2003* (2004), p.9

Moreover, in the past, single adults who would have otherwise been homeless were able to rent space in a single room occupancy (SRO). Generally, tenants in SROs share a bathroom and kitchen, but rent a private bedroom for a very affordable price. In recent years, the number of SROs has fallen as a result of redevelopment and gentrification. Low-income individuals who may have found a home in these rooms may now be faced with homelessness if they are unable to find other affordable options.

With budgets stretched so tightly and growing numbers of families living paycheck to paycheck, job loss, a medical emergency, or a similar crisis can quickly lead to homelessness. Sometimes even employment is not enough to stem homelessness. In 2003, 3 in 10 homeless adults in Minnesota were employed; 13 percent worked full time.¹⁰

Domestic Violence and Abuse

Domestic violence is another major cause of homelessness in Minnesota. The 2003 Wilder survey found that the single most common reason for women to seek shelter was to flee an abusive partner.¹¹ Nearly one-third of all homeless women in the state identified domestic violence as a factor contributing to homelessness.

Unaccompanied youth are also likely to have been victims of abuse, neglect, or other trauma at home. According to one study of homeless youth in the Midwest, 43 percent reported having been beaten by an adult caregiver before leaving home and 22 percent had been forced to engage in sexual activity by an adult caretaker.¹² Others have experienced the death of a parent or guardian, or an economic crisis that left them homeless. Seventy percent of unaccompanied homeless youth in Minnesota were placed in a group or foster home, or corrections facility prior to becoming homeless.¹³

Inadequate Discharge from Public Institutions

Poor discharge planning is another cause of homelessness. In addition to youth leaving the child welfare system, people released from hospitals, mental institutions, and prisons may not be able to successfully transition to life on their own. Many emerge with mental illness or chemical dependency, and may be unable to function independently or secure housing without appropriate services or care.

Former inmates can have particular difficulty finding housing, as landlords may be unwilling to rent to an applicant with a criminal record. Without the resources to find housing upon reentry, about one-tenth of those leaving prisons end up homeless, and the percentages are higher for released prisoners who have a history of drug abuse or mental illness.¹⁴ The majority of those released from corrections initially find housing with a relative, friend, or romantic partner; although, in some cases family conflicts or parole conditions make this option unfeasible.¹⁵

Lacking the resources to find housing, about one-tenth of those leaving prison end up homeless.

The Cost of Homelessness

In addition to immediate hardships and threats to personal safety, homelessness is associated with a range of negative outcomes that can have a devastating impact on individuals and families. Some of the harmful conditions related to homelessness, such as poor academic performance or health crises, lend themselves to measurement and documentation. Other, less tangible effects, such as feelings of marginalization and disenfranchisement, are harder to quantify. Nevertheless, it is clear that experiencing homelessness has a lasting effect on peoples' lives.

Children

According to research done by the National Center on Family Homelessness, homeless children endure twice as many hospitalizations, suffer four times as many asthma attacks, and go hungry twice as often as children with a permanent home.¹⁶ In Minnesota, sixteen percent of homeless parents with children reported that at least one of their children had a chronic or severe physical health problem.¹⁷

Studies also indicate that homelessness is harmful to the emotional and mental health of young people. Nationally, close to one-half of school-age homeless children experience anxiety, depression, or withdrawal; as compared with one in five children in the general population.¹⁸ In Minnesota, nearly one-quarter of parents interviewed in the 2003 Wilder survey indicated that behavioral or emotional problems interfered with the daily activities of at least one of their children.¹⁹

Children who are homeless with their family also tend to move frequently, a phenomenon which can negatively affect school attendance and learning. Primarily as a result of repeated absenteeism and moves to new schools, homeless children are twice as likely as other children to repeat a grade, and have four times the rate of developmental delays.²⁰

Unaccompanied Youth

Unaccompanied homeless youth face many of the same threats to their physical and mental well-being as younger children, as well as additional risks due to age and the absence of parental care or guardianship. Youth on their own may find themselves exchanging sexual activity for shelter,



food, and other necessities, and face a greater chance of contracting sexually transmitted diseases as a result.

Homeless youth in Minnesota are three times more likely to have been physically abused than youth in the general population; girls are three times more likely to have been sexually abused and twenty times more likely to get pregnant.²¹ Nearly one-quarter of unaccompanied homeless youth in the 2003 Wilder survey reported having attempted to take their own life.²²

Adults

Homeless adults are significantly more likely than the general population to have a mental illness, chemical dependency, or both disorders. Approximately forty percent of homeless adults said they needed to see a doctor or other health professional for a physical or mental health problem, according to the 2003 Wilder survey. Fifteen percent of homeless adults in Minnesota reported having been physically or sexually assaulted while homeless.²³

Although a significant number of homeless adults in Minnesota are employed, not having a stable home can make it difficult to find and keep work. Three out of ten unemployed homeless adults interviewed for the 2003 Wilder survey identified the lack of housing as the greatest barrier to working, second only to a lack of transportation.²⁴ Without a permanent address or telephone number, communicating with potential employers can be extremely complicated. Moreover, lacking a place to bathe and get a good night's sleep, homeless adults face many obstacles to remaining employed.

These statistics give only a partial glimpse into the myriad ways homelessness impacts peoples' lives. Recognizing these outcomes makes apparent the urgent need for solutions that ensure permanent, stable housing for all Minnesotans.

Cost of Homelessness

Aside from the toll taken on those experiencing homelessness, the cost of managing homelessness imposes a high financial burden on all Minnesotans. For example, one longitudinal study of mentally-ill individuals experiencing long-term homelessness found that each consumed an average of \$40,500 in publicly funded services each year. After placement in supportive housing, annual costs associated

with the use of public services were reduced by an average of 30 percent.²⁵ According to the Ten Year Plan to End Homelessness in Minneapolis and Hennepin County, the cost associated with one episode of family homelessness is estimated to be nearly \$5,000, while the cost of prevention may be as low as \$472 per family.²⁶

Strategies to End Homelessness in Minnesota

In recent years, Minnesota's shelter capacity has increased; unfortunately, the homeless population has also swelled to fill this added capacity, and hundreds of individuals and families are turned away from shelters on a nightly basis. While shelter beds and other emergency services provide a temporary respite from life on the street, many communities across the state are looking for more permanent solutions and have created local plans to end homelessness. With clearly identified recommendations and action steps, these plans lay out goals that hold communities accountable for their implementation. The following strategies, drawn from community plans, offer promise for ending homelessness in Minnesota.

Strategies to End Homelessness in Minnesota:

- **Introducing rental assistance and development incentives programs to expand housing affordability**
- **Maintaining public housing funding to keep these units available for low-income households**
- **Stabilizing families at imminent risk of losing their housing through emergency grants**
- **Implementing adequate discharge planning to assist people leaving institutional settings**
- **Expanding outreach efforts to connect people with services and housing resources**
- **Encouraging the development of housing linked to support services**

Prevention

An essential step in ending homelessness is preventing people from losing their housing in the first place. As the main causes of homelessness are poverty and a lack of affordable housing, preservation and expansion of existing programs that enhance affordability will help families remain housed. These programs include rental assistance, which helps low-income households affordably rent market-rate units, as well as financial incentives for developers to build affordable housing. Households that do not need to spend a disproportionate share of their income on housing are better able to weather financial crises, and less likely to become homeless.

Lack of housing was identified as the greatest barrier to working, second only to lack of transportation.



Maintenance of the public housing program is another important step in preventing homelessness. Public housing is home to some of Minnesota's poorest households; the average income of a family living in public housing is less than \$12,000 a year. Without this valuable resource, now at risk due to federal budget reductions, these families would have an extremely difficult time finding alternative housing they could afford.

Other local programs and services also help vulnerable individuals and families stay in the housing they already have. Minnesota's Family Homeless Prevention Assistance Program, for example, allows counties and community non-profit organizations to issue grants that stabilize families and individuals facing a housing crisis. This program is not offered statewide; where it is available funds often run out shortly after they are first offered each month. Expansion of this program will allow more Minnesotans to remain in their homes. Resources are also needed to prevent homelessness following discharge from institutions. Seven in ten youth experiencing homelessness have lived in foster care, group homes, or other residential facilities; these young people, in particular, must receive assistance in transitioning to life on their own.²⁷

Outreach and Service Delivery

Outreach services, such as efforts to connect people with needed medical services or provide resource referral, help people experiencing homelessness get the assistance they need. At present, the shortage of outreach workers in Minnesota leads police officers to spend an inordinate amount of time working with the homeless, often with limited long-term results and at a high cost to taxpayers. A broader outreach strategy would connect people experiencing homelessness with appropriate services, helping individuals and families across the state get into stable housing more quickly.

Housing Linked to Support Services

While building an adequate supply of affordable housing would go a long way towards ending homelessness, many people need supportive services to help them remain stably housed. For example, many may have difficulty finding and maintaining employment because they need childcare, job training, and transportation. Housing that is connected to the appropriate services can help build self-sufficiency and allow workers to maintain a steady income and stay in housing. For people who are struggling with chemical dependency or mental illness, there may be a need for more intensive services to help them stay stably housed.

Offering a range of housing options allows people to choose the model that best meets their needs. While many excellent examples of housing linked to support services exist today, further investment is needed to ensure appropriate housing is available.

While no single solution will end homelessness in Minnesota, progress will be achieved through continued leadership and partnership between all levels of government, the private and non-profit sectors, and faith communities. The strength of Minnesota's communities and the success and well-being of Minnesota's families depend on our commitment to ensuring permanent, stable housing.

The purpose of this booklet is to provide an overview of homelessness in Minnesota. For further information on housing affordability and building strong communities, please see the other booklets in this series: *Housing Affordability in Minnesota* and *Better Communities in Minnesota*. Both are available at www.mhponline.org.

ENDNOTES

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