



# Families With Kids Go Homeless as U.S. Rents Exceed Pay: Economy

By Jeanna Smialek

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When Montoria Freeland separated from her husband of 15 years in 2008, she left a four-bedroom house and economic security. Before long, her pay and hours as a pharmacy technician were cut and she found herself and her son facing homelessness.

Freeland lived with family for a time, she said, and four months ago moved into [transitional housing](#) funded by the city government in Washington, D.C., while searching for work that pays more than her \$8.25-an-hour retail job. Having lost her oldest son in a 2000 homicide, Freeland said she insists on looking for housing in a safe neighborhood for her surviving one, now 17. She found that's available only at an increasingly steep price.

“You’re trying to pay car insurance, rent, electric, cable and if you’re using public transit, putting money on [your card](#), groceries,” said Freeland, who was accepted into a program that provides temporary housing, financial planning and job-placement counseling. “It’s hard to survive out here.”

For households with children, rising housing costs, elevated unemployment and stagnant [earnings](#) are increasingly placing rent beyond reach. The housing slump made matters worse as former homeowners turned into renters, increasing competition for available apartments.

“There is just a mismatch between what people earn and what it takes to pay for housing,” said [Sheila Crowley](#), chief executive officer of the Washington-based National Low Income Housing Coalition. “Unemployment continues to be persistently high, and wage stagnation at the low end seems to go out as far as the eye can see.”

## Homeless Families

The [number of homeless](#) people who are part of a family climbed 1.4 percent in January 2012 from the prior year, even as total homeless numbers declined, based on a National Alliance to End Homelessness [analysis](#) of the most recent nationwide statistics available. The number of

children without a home increased by an estimated 2 percent, according to NAEH, a Washington-based non-profit focused on policy and research on the needs of homeless people.

More recent local data from places such as Seattle and Portland, Oregon, suggest that in some markets where rent is rising, homelessness has followed suit. What's more, federal budget cuts to government housing programs threaten to trim aid.

Nationally, the [average hourly wage](#) among renters is \$14.32 this year compared with the \$18.79 needed to afford an apartment at a fair-market rent, as defined by the U.S. Department of Housing and Urban Development, without spending more than 30 percent of income on housing, a National Low Income Housing Coalition report found in March. The \$4.47 gap this year is wider than the \$4.10 differential in 2012.

### **Not Affordable**

The report found that extremely low-income households could afford to spend no more than \$495 a month on an apartment this year, while the national two-bedroom fair-market rent was \$977.

The number of full-time jobs at the prevailing state minimum wage that people in a household need in order to afford the average two-bedroom fair-market rent ranges from 1.4 jobs in Puerto Rico to 4.4 jobs in Hawaii, the report showed.

As incomes for the impoverished stagnate, rents rose 3.5 percent nationally through Aug. 31, from a year earlier, based on [data](#) from Trulia.com, a real-estate website.

“Units with more bedrooms are getting harder to find, and if you have kids, when you don't have childcare, adequate employment is hard to find,” said [Nan Roman](#), chief executive officer of the NAEH.

### **Seattle, Portland**

Seattle and Portland are among the top 10 metropolitan areas with the biggest rent gains in 2012, according to a Trulia analysis of the 25 largest rental markets. At the same time, homelessness is on the rise.

A [one-night](#) tally taken in January of unsheltered homeless people in parts of King County, which includes Seattle, found a 2 percent increase compared to the same areas a year earlier. In the Portland region, 5 percent more people were living on the streets or in shelters on a night in January 2013 than in 2011.

The nationwide increase in homeless family members in 2012 contrasted with other populations: about 1.4 percent fewer single people were homeless that year compared with 2011, the NAEH report shows.

That's partly because the government has focused programs on veterans and chronically homeless populations, Crowley said. Also, homelessness among families has failed to abate because it is tied more closely to the economy, said Douglas Rice, who works on housing issues at the Washington-based Center on Budget and Policy Priorities, which focuses on public programs for low-to moderate-income Americans. Homelessness among single people is more likely to be related to substance abuse and mental health issues, he said.

## **Doubling Up**

Also, "single people maybe can double up more, they can find smaller places," Roman said.

Median household income has fallen every year for the past five after adjusting for inflation, with Americans earning no more than they did in 1996, according to data from the Census Bureau. The share of people making less than \$15,000 climbed to 13 percent of the population in 2012, from 10.9 percent in 2000, and the share making less than \$35,000 expanded to 35.4 percent from 31.4 percent.

The share of Americans experiencing "deep poverty," living at less than 50 percent of the \$23,492 poverty line for a family of four, climbed to 6.6 percent in 2012 from 4.5 percent in 2000, based on Census Bureau [data](#) released last month.

## **In Pipeline**

That may increase the pipeline of Americans heading toward homelessness. There was a 9.4 percent increase in the number of poor people "doubled up," or living with friends or family due to economic need, between 2010 and 2011, based on the NAEH 2013 report. Crowley said 2011 is the latest year for which usable data on doubling up is available.

"If we see an increase in doubling up, that means there are people who cannot find affordable housing" and it indicates those people are at increased risk for homelessness, Crowley said.

According to the NAEH report, living doubled up is the most frequently cited previous living situation for people who enter the homeless system.

The across-the-board federal budget cuts, known as sequestration, that began in March could worsen the situation, particularly if Congress leaves them in place. Lawmakers this week passed legislation extending current funding levels through Jan. 15, entrenching sequestration at least until a new budget agreement is reached.

## **Budget Cuts**

The cuts resulted in reductions to many programs within the Department of Housing and Urban Development, including Section 8 Housing Choice vouchers.

The vouchers are the federal government's main [program](#) for helping very low-income families, seniors and the disabled afford private housing and are administered by local agencies. They subsidize rents, and can reduce payments to 30 percent of earned income.

The number of households receiving the subsidies will drop by an estimated 125,000 to 155,000 by mid-2014, between 6 and 7 percent below pre-sequestration levels, said Rice from the Center on Budget and Policy Priorities.

The rise in family homelessness is a function of a weak job market, and thus isn't something government programs can fix, said [Mark Calabria](#), director of financial-regulation studies at the Washington-based Cato Institute, which supports limited government.

### **Labor Market**

"The biggest driver now of increase in family homelessness is the labor market," Calabria said in an e-mail. "The most effective thing we can do is create jobs, which federal programs don't have a good record at."

Regaining independence can be difficult, said Freeland, who has found her lack of a higher education poses a barrier.

"The higher-paying jobs are sometimes unattainable" without a college degree, said Freeland.

She said she's lucky to have help in the meantime, something she remembers each time she sees homeless people standing outside a shelter.

"Thank God that's not my situation," she said. "It very well could have been."

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