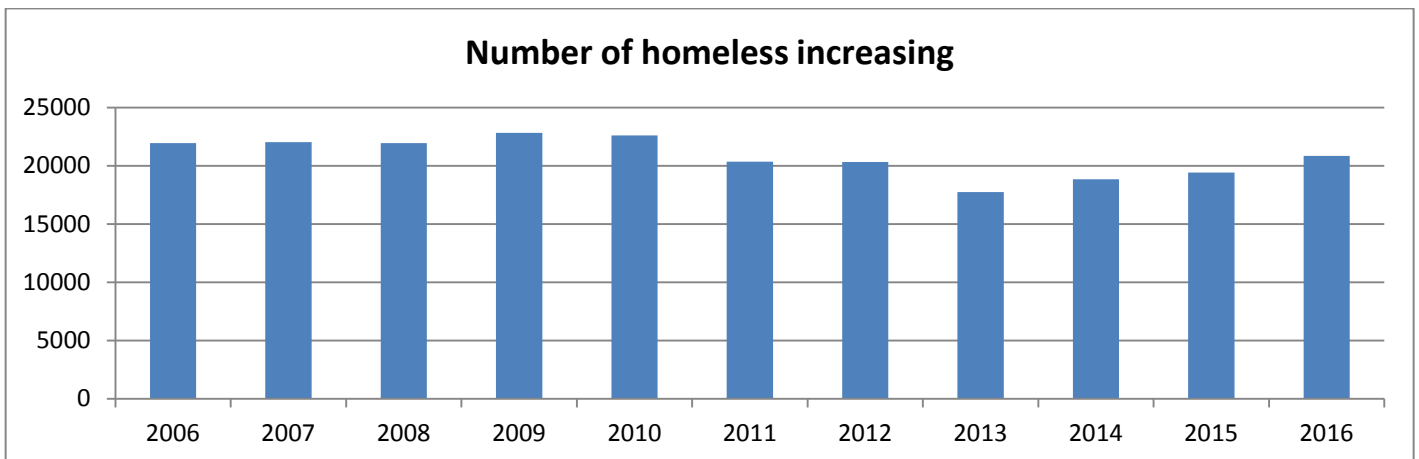




Why is homelessness increasing?

Homelessness has increased since 2013

After eight years of steady improvement, the number of people experiencing homelessness in Washington State began to increase in 2013. After examining potential drivers of the upward trend, it appears the increase is overwhelmingly caused by growing rents pushing people living at the margins into homelessness. This paper examines the potential causes of the increase as an aid to developing solutions that could reverse this troubling trend. The paper also examines other generally perceived causes and provides information about their relationship to homelessness.



Point-in-Time count data, Commerce

Increasing rents are the main driver of increases in homelessness

National research shows a connection between rent increases and homelessness: a \$100 increase in rent is associated with an increase in homelessness of between 6 and 32 percent.

Rents have increased sharply since 2012, and not just in the Puget Sound Corridor. Statewide average monthly rents increased \$111 from 2012 to 2015 (from \$838 to \$949), a 16% increase. Rent increases were most pronounced in urban centers such as King County which saw increases of \$250 in average monthly rents (from \$978 to \$1,228; +26%), but even more rural areas have seen rent increases (e.g. Chelan County saw rents increase 8%).¹

Problems caused by rent increases are exacerbated by the associated issue of very low vacancy rates, which make it difficult for people to find a unit even when they have sufficient income or rental assistance to pay market rents. In Washington State the vacancy rate was 3.3% in 2015, and even lower in some urban areas.²

¹ Census Bureau, American Community Survey, Median Contract Rents 1-year estimate, Table B25058

² Census Bureau, American Community Survey, Selected Housing Characteristics, Rental Vacancy Rate 1-year estimate, Table DP04

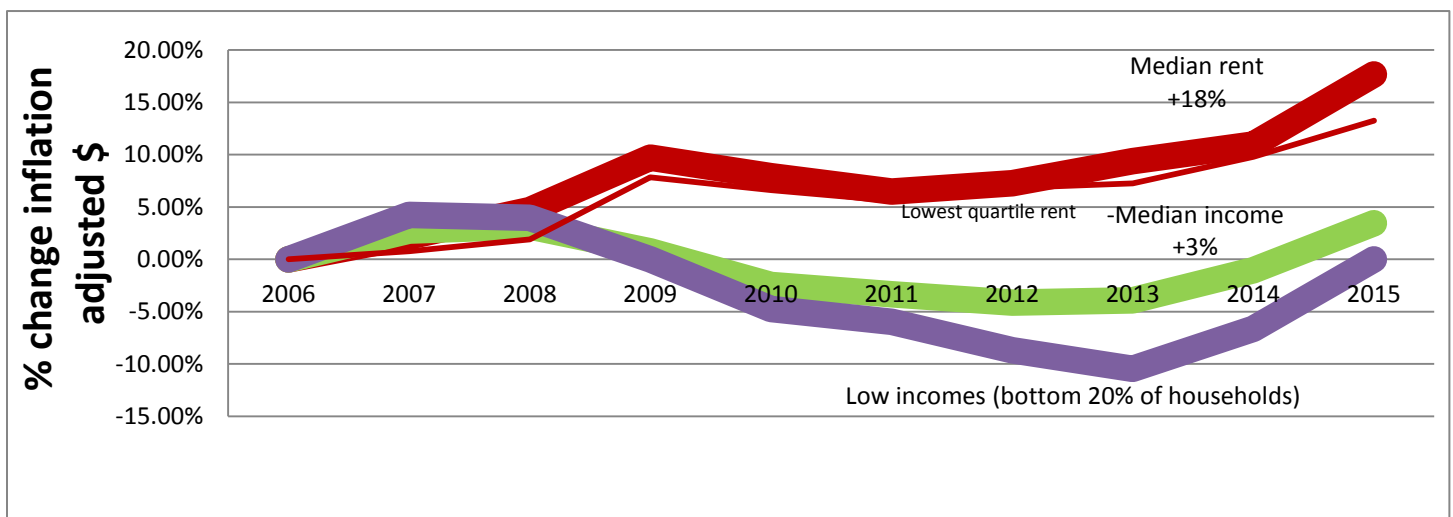
Vacancy rates below 5% (indicated in shades of red) are generally considered too low, and lead to housing price inflation.

	2010	2012	2014	2015
United States	8.2%	6.8%	6.3%	5.9%
California	5.9%	4.5%	3.9%	3.3%
Oregon	5.6%	4.7%	3.6%	3.6%
Texas	10.6%	8.5%	7.3%	7.0%
Washington	5.8%	5.3%	4.2%	3.3%
Clark County	8.2%	3.4%	2.4%	2.2%
King County	5.2%	4.1%	2.5%	2.6%
Pierce County	6.6%	5.4%	5.7%	3.3%
Spokane County	4.0%	7.2%	5.5%	3.7%
Yakima County	3.1%	4.5%	5.1%	3.6%
Seattle	4.0%	3.5%	1.2%	2.7%

Census Bureau, American Community Survey

Rent increases are not necessarily harmful, if incomes increase at the same pace as rents. Although income has been growing in Washington, and growing faster than the national average, income increases for middle and lower incomes have not kept pace with rent increases.

The chart below shows the relationship between rent and income. One important note is the lower incomes are dropping at a faster pace than the lowest rent markets.



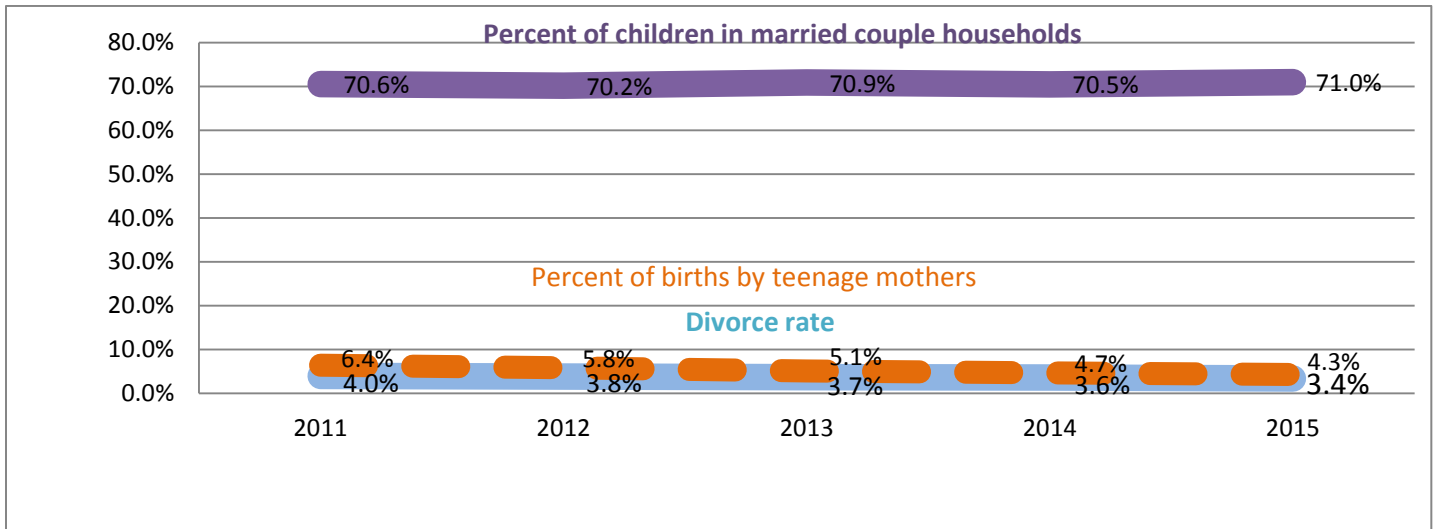
Data sources: U.S. Census Bureau American Community Survey one-year estimates; inflation adjusted using the Bureau of Labor Statistics CPI-U.

Increasing rents impede progress on reducing homelessness

Increases in homeless housing system investments and effectiveness since 2012 appear to be overwhelmed by the rent-driven increases in the number of people becoming homeless. Additional investments and system improvements are critical and a focus of state and local governments. However, soaring rents make net progress more difficult by both increasing the number of people needing homeless housing, and increasing the cost of each housing intervention. Addressing the causes of rent increases is a critical part of reducing the count of people experiencing homelessness.

Family stability and composition have been stable since 2011

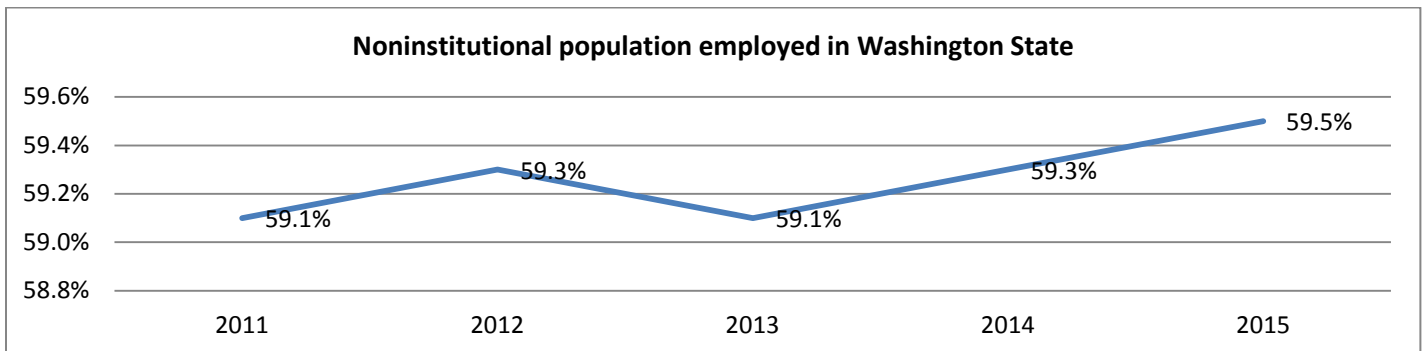
It is generally believed that family break up and conflict can lead to crises, that most two parent households have higher incomes, and having children before adulthood can jeopardize family stability. In Washington State all of these factors have been stable or improving since 2012, and therefore do not appear to be drivers of the increase in homelessness. The chart below shows the percent of children in married households, the percent of births by teenage mothers and the divorce rate.



Sources: Children in married-couple households from Census Bureau ACS Table B09005; Divorce rate and percent of births by teenage mothers from WA Department of Health Vital Statistics

Employment levels are stable

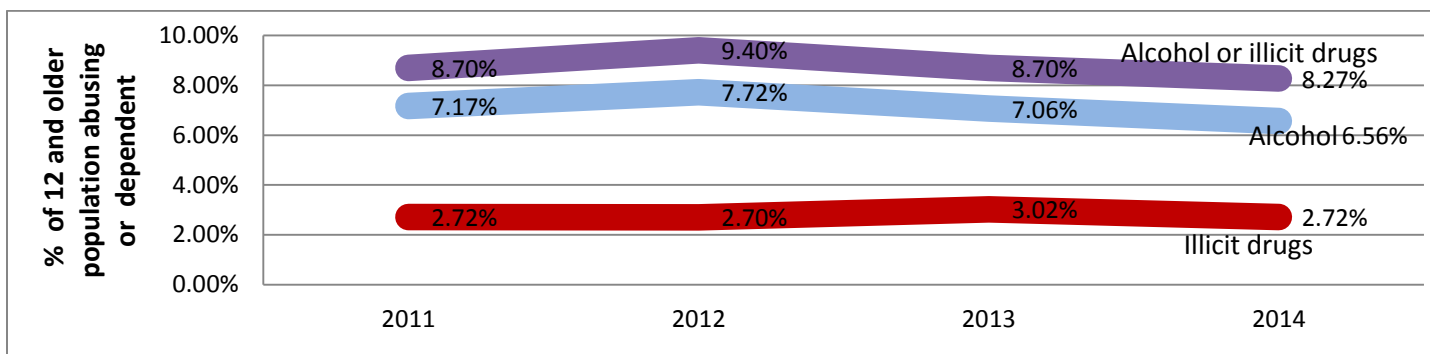
A change in the percentage of working age people with jobs does not appear to be driving the change in homelessness.



Source: Federal Bureau of Labor Statistics, Employment Status of the civilian non institutional population, annual averages

Opiate use has increased, and overall alcohol and other drug dependence has decreased since 2012

The abuse or dependence of drugs and alcohol can impact a person's ability to successfully obtain an education and remain employed, and therefore changes in the prevalence of alcohol and drug use could impact homelessness. Even as opiate dependence has increased in recent years across the county and in Washington State, a larger decline in alcohol dependence has resulted in a net decrease in overall dependence. Although it is difficult weigh the effect of opiate dependence versus alcohol dependence on homelessness, an assessment of the harm to users of alcohol and other drugs showed heroin to be about fifty percent more harmful than alcohol.³ The larger decline in alcohol abuse and dependence reduces the impact of the increase in opiate dependence. Changes in opiate use since 2012 may be a driver of increased homelessness. This chart below shows that overall alcohol and other drug use does not appear to be increasing.



Source: SAMHSA, Center for Behavioral Health Statistics and Quality, National, Survey on Drug Use and Health, Table 106, Washington State

National data shows a significant increase in heroin use after 2010

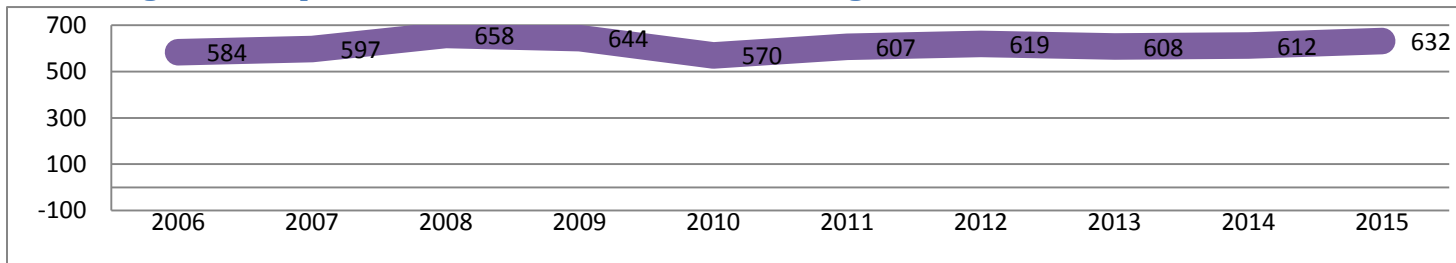
Figure 38 Table. Heroin Use Disorder in the Past Year among People Aged 12 or Older, by Age Group: Percentages, 2002-2014

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
12 or Older	0.1+	0.1+	0.1+	0.1+	0.1+	0.1+	0.1+	0.1+	0.1+	0.2	0.2	0.2	0.2
12 to 17	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1
18 to 25	0.2+	0.1+	0.2+	0.3+	0.2+	0.2+	0.3+	0.3+	0.3	0.4	0.5	0.5	0.5
26 or Older	0.1+	0.1+	0.1+	0.1+	0.1	0.1+	0.1+	0.1	0.1	0.1	0.1	0.2	0.2

+ Difference between this estimate and the 2014 estimate is statistically significant at the .05 level.

Source: Behavioral Health Trends in the United States: Results from the 2014 National Survey on Drug Use and Health

In Washington state opiate-related deaths have been increasing since 2013



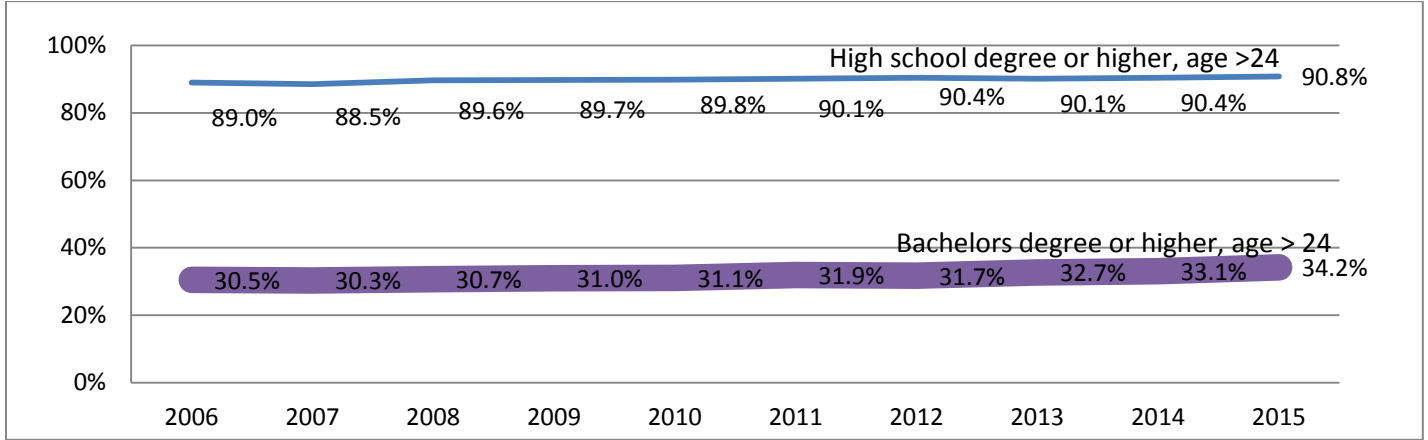
Source: Washington State Department of Health, Opioid-related deaths in Washington State, 2006-2015

³ [http://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(10\)61462-6/abstract](http://www.thelancet.com/journals/lancet/article/PIIS0140-6736(10)61462-6/abstract)
January 2017

Educational attainment and skills are trending upward

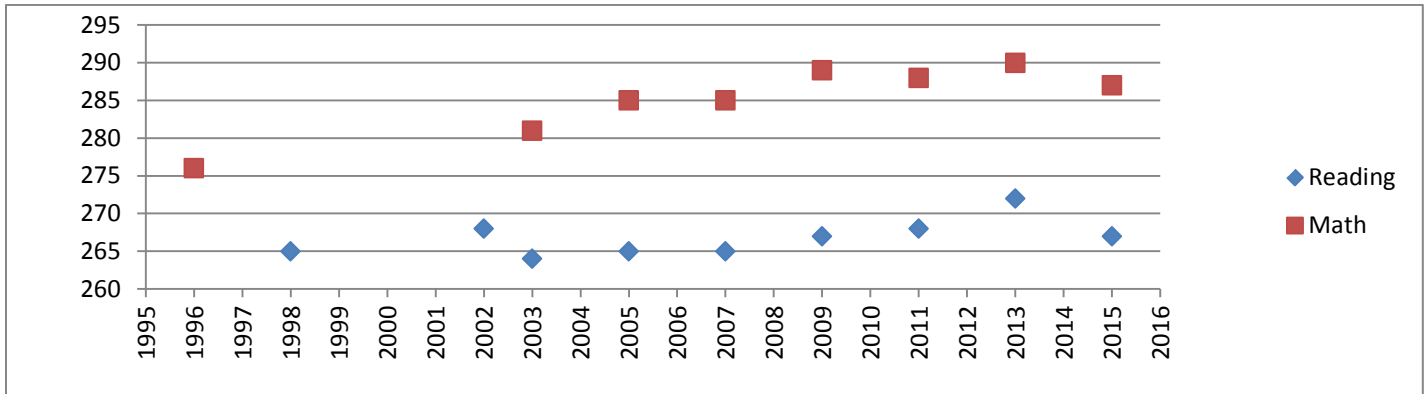
Education is central to obtaining living wage jobs, so changes in education attainment could impact the prevalence of homelessness. Since 2012 education attainment has continued to improve, with more people graduating from high school and college, and students improving their reading and math skills.

Education attainment is increasing in Washington State



Source: Census Bureau, American Community Survey, Educational Attainment 1-year estimate, Washington State, table S1501

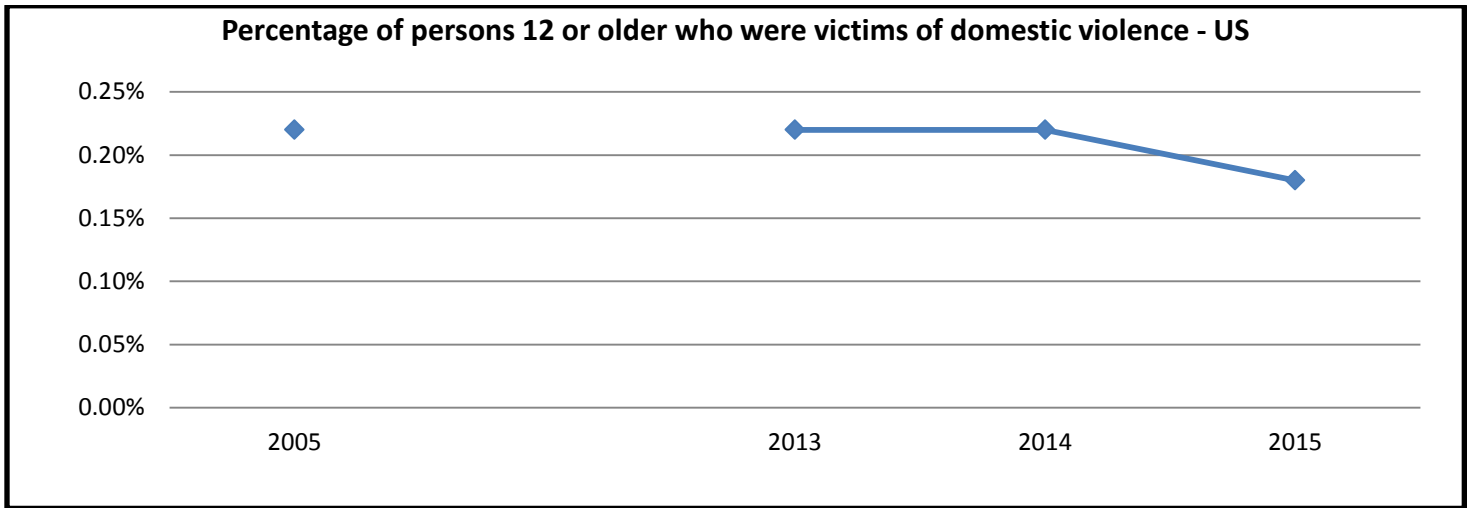
...and reading and math skills are improving



Washington State Results for 8th graders: National Assessment of Educational Progress

Prevalence of domestic violence does not appear to be increasing

People fleeing domestic violence often experience homelessness. State and national crime data seem to indicate the number of domestic violence offenses is growing as population grows. However, the number of people requesting assistance that are not able to be served due to a lack of resources is increasing.



Source: U.S. Justice Department, Bureau of Justice Statistics