



Department of Commerce

Drivers of Homelessness

August 2018

We Strengthen Communities

The Department of Commerce touches many aspects of community and economic development. We work with local governments, businesses, and civic leaders to strengthen communities so all Washington residents may thrive and prosper.



Planning



Infrastructure



Community
Facilities



Housing



Safety /
Crime Victims



Business
Assistance



Commerce Organization



Administrative Services

Community Services &
Housing (CSHD)

Policy, Strategy &
Communications

Office of Economic
Development &
Competitiveness

Local Government

Energy



Community Services and Housing Division Organization

Community Economic
Opportunities

James Helling
360.725.4144

Housing Assistance

Tedd Kelleher
360.725.2930

Community Services and
Housing Division

Assistant Director
Diane Klontz
360.725.4142

Office of Crime Victim
Advocacy and Public Safety

Rick Torrance
360.725.2905

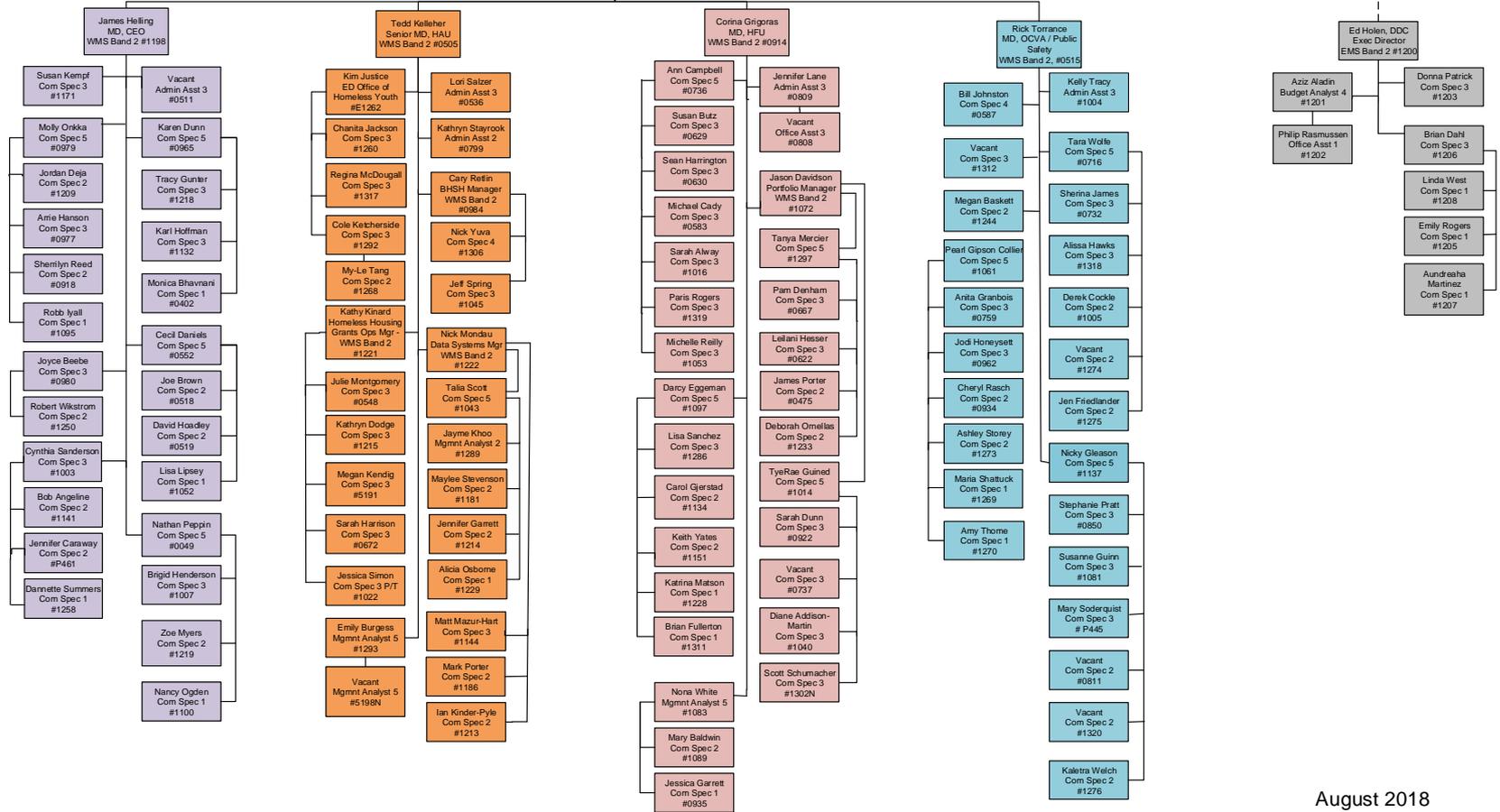
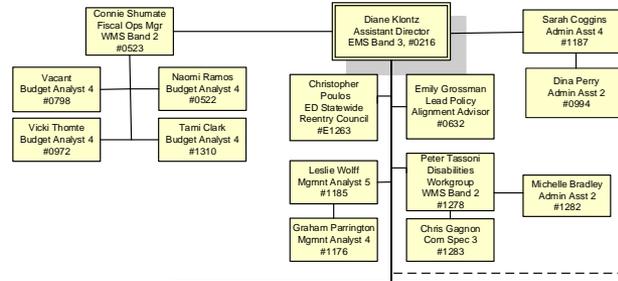
Housing Finance

Corina Grigoras
360.725.4134



Community Services and Housing Division

Administration
Community Economic Opportunities Unit (CEO)
Housing Assistance Unit (HAU)
Housing Finance Unit (HFU)
Office of Crime Victims Advocacy/Public Safety (OCVA)
Developmental Disabilities Council (DDC)

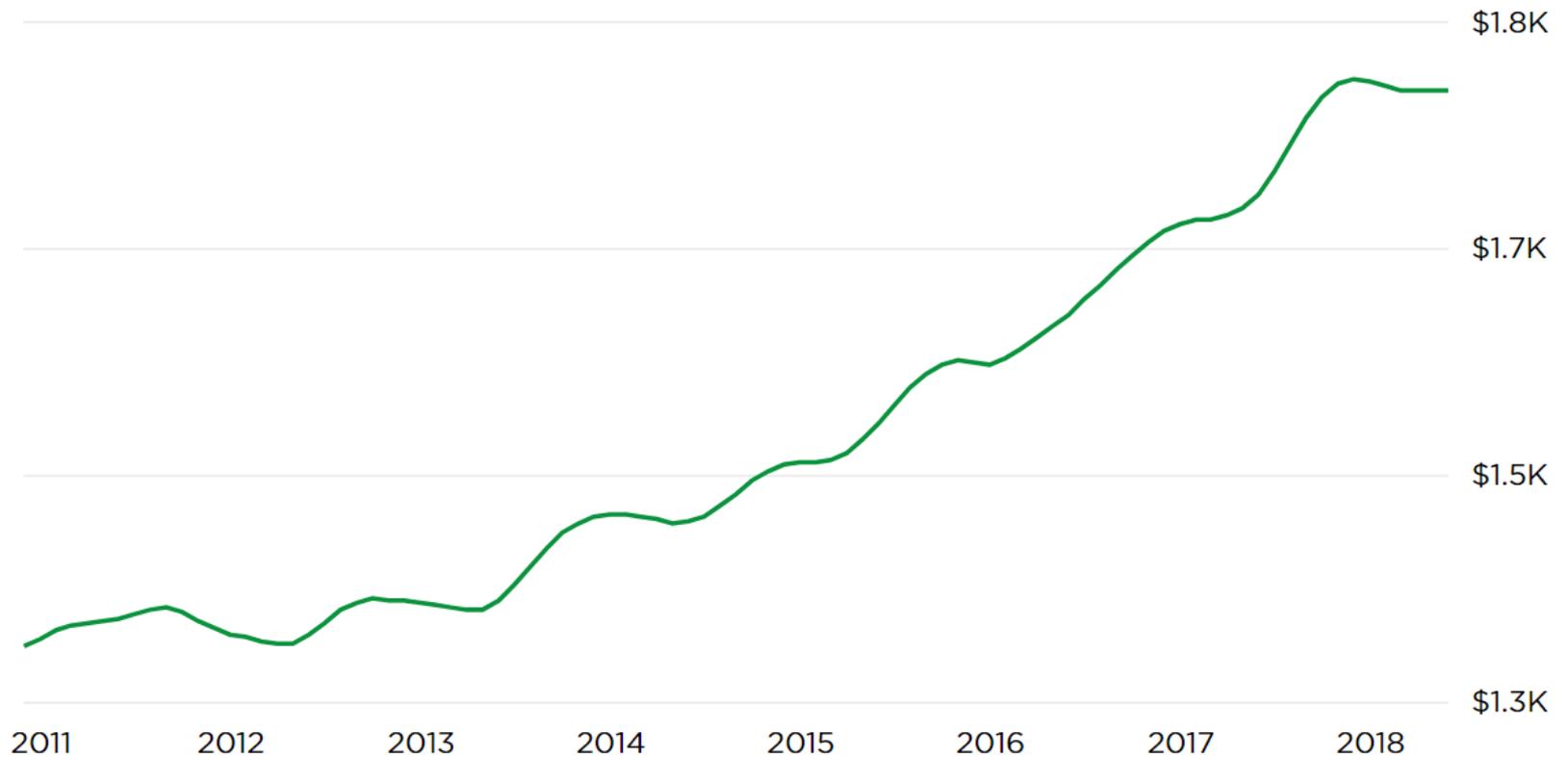


August 2018



Increased Rents in Washington

May 2018 — Washington \$1,837/mo



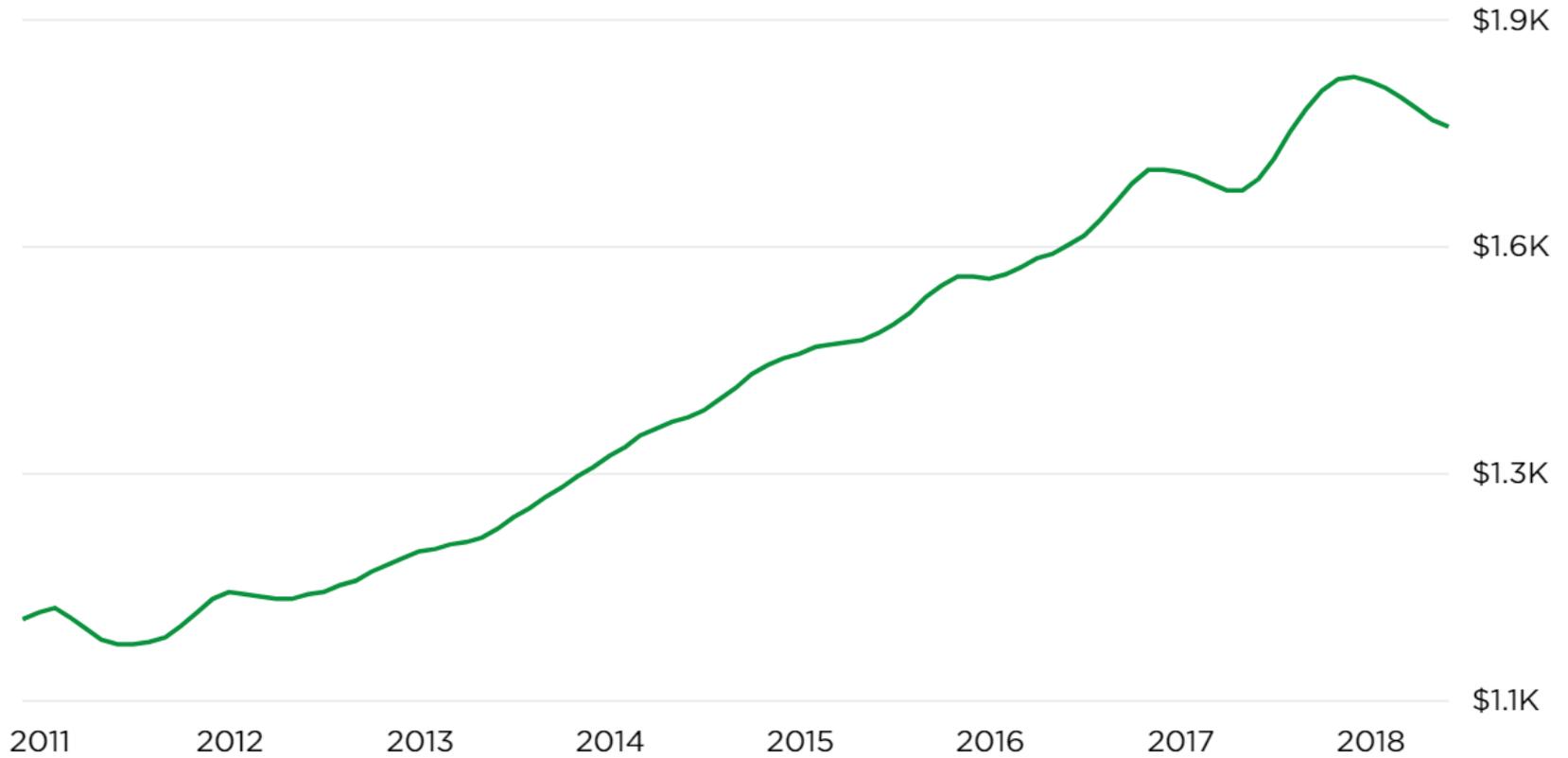
Source: one bedroom <http://www.zillow.com/home-values/>



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Rents in King County

May 2018 — King County \$1,783/mo



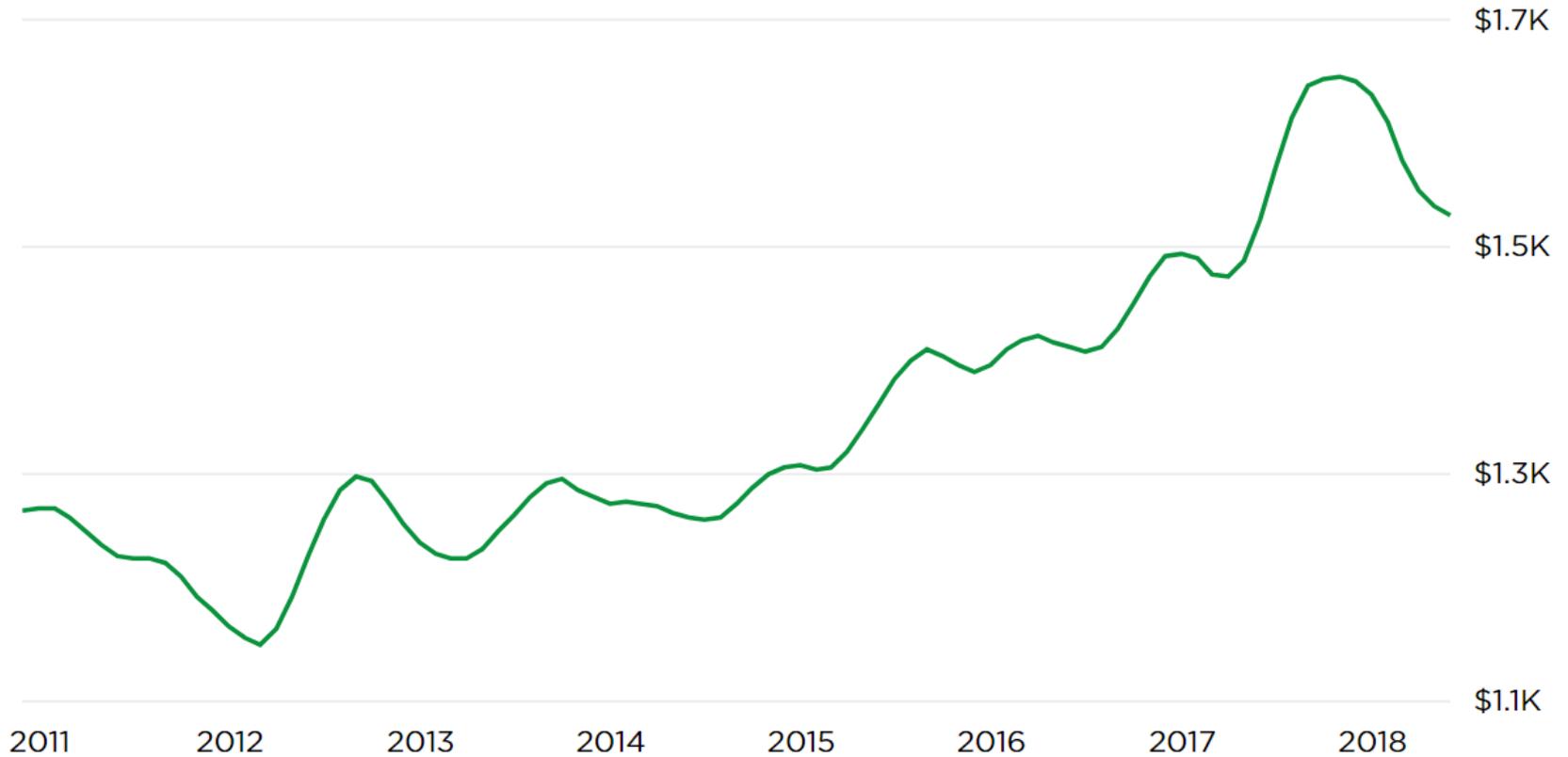
Source: one bedroom <http://www.zillow.com/home-values/>



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Rents in Whatcom County

May 2018 — Whatcom County \$1,587/mo



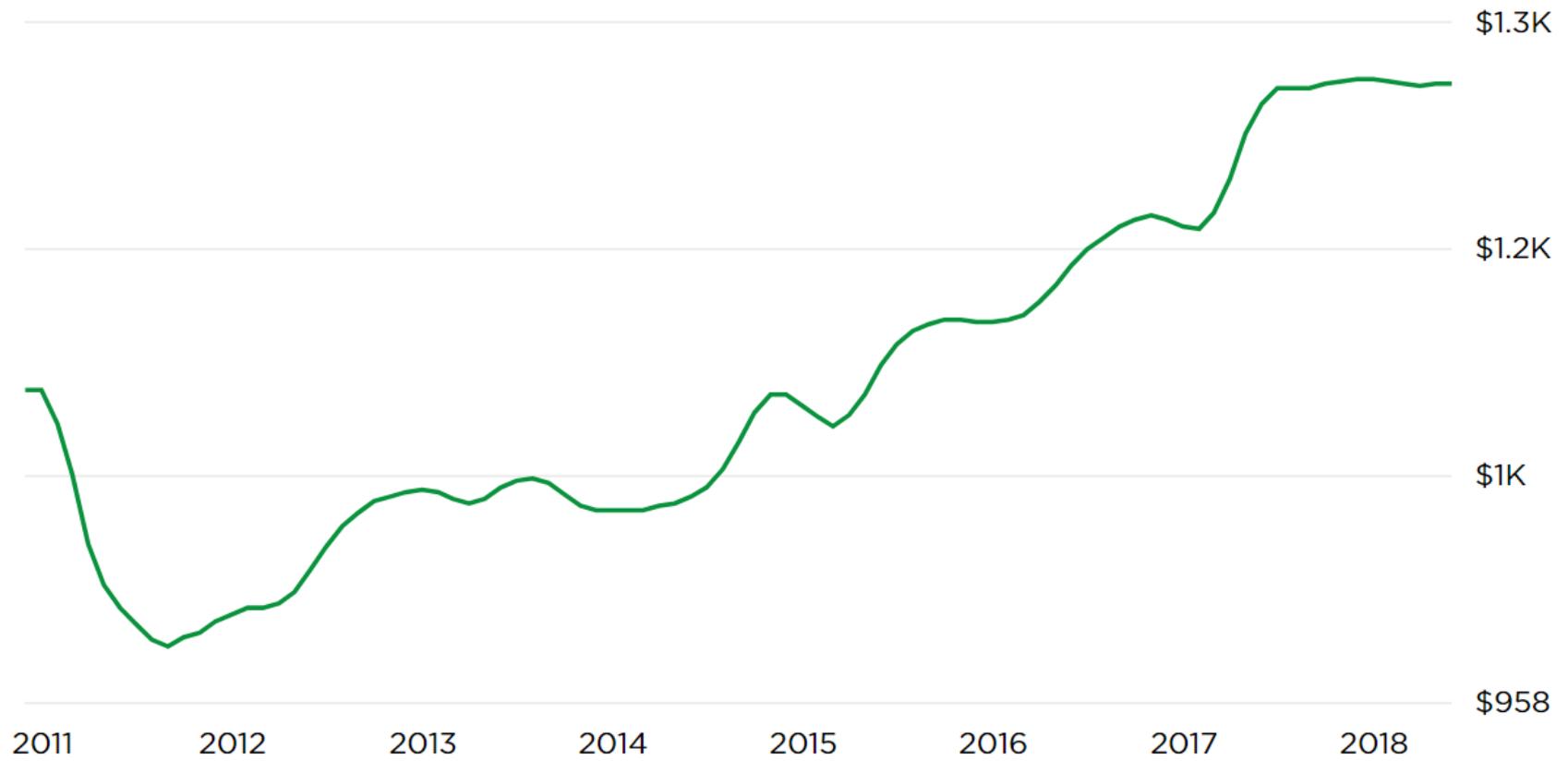
Source: one bedroom <http://www.zillow.com/home-values/>



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Rents in Spokane County

May 2018 — Spokane County \$1,338/mo



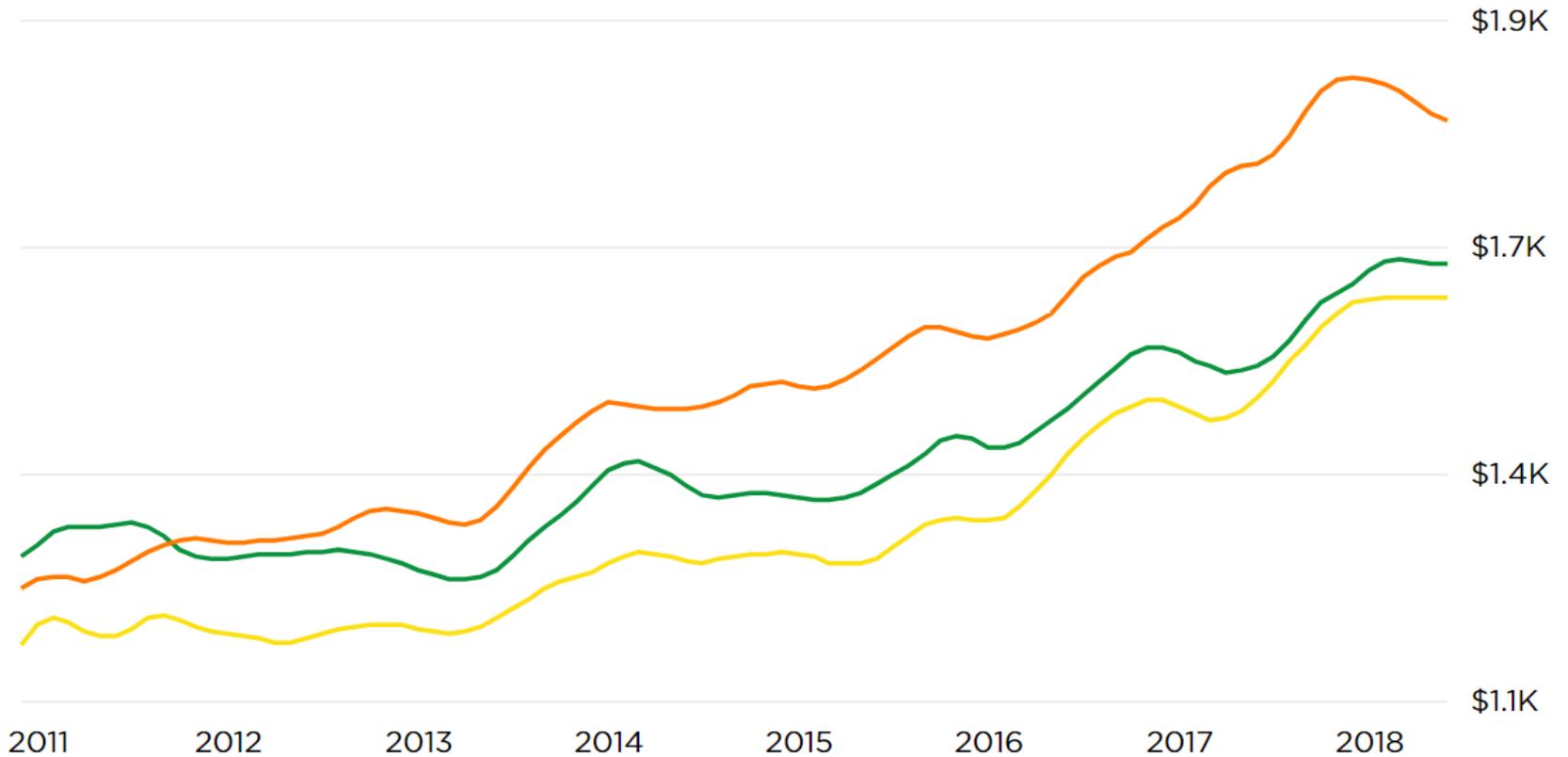
Source: one bedroom <http://www.zillow.com/home-values/>



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Rents in Lower Cost Areas Served by Sound Transit

May 2018 — Lakewood \$1,680/mo — Everett \$1,850/mo — Tacoma \$1,641/mo

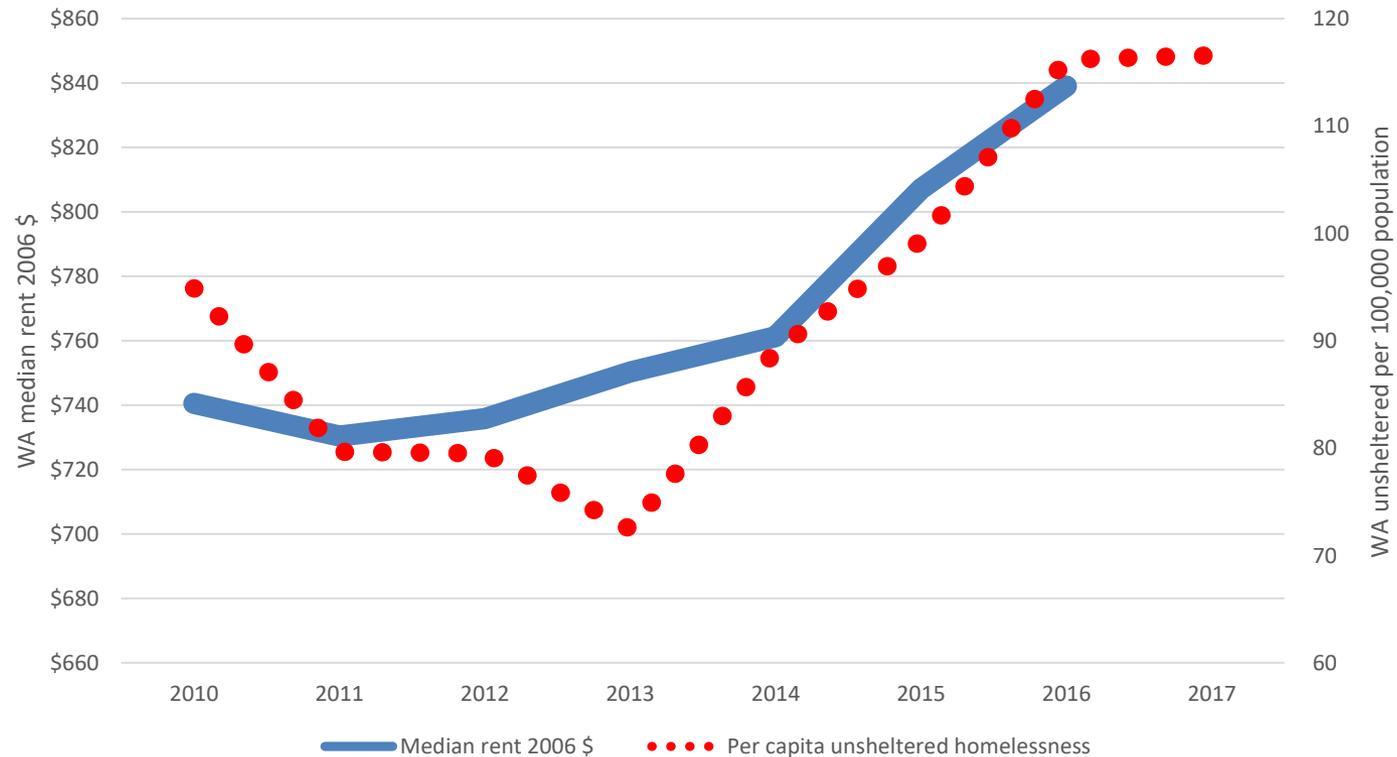


Source: one bedroom <http://www.zillow.com/home-values/>



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As Rents Grow, Homelessness Increases



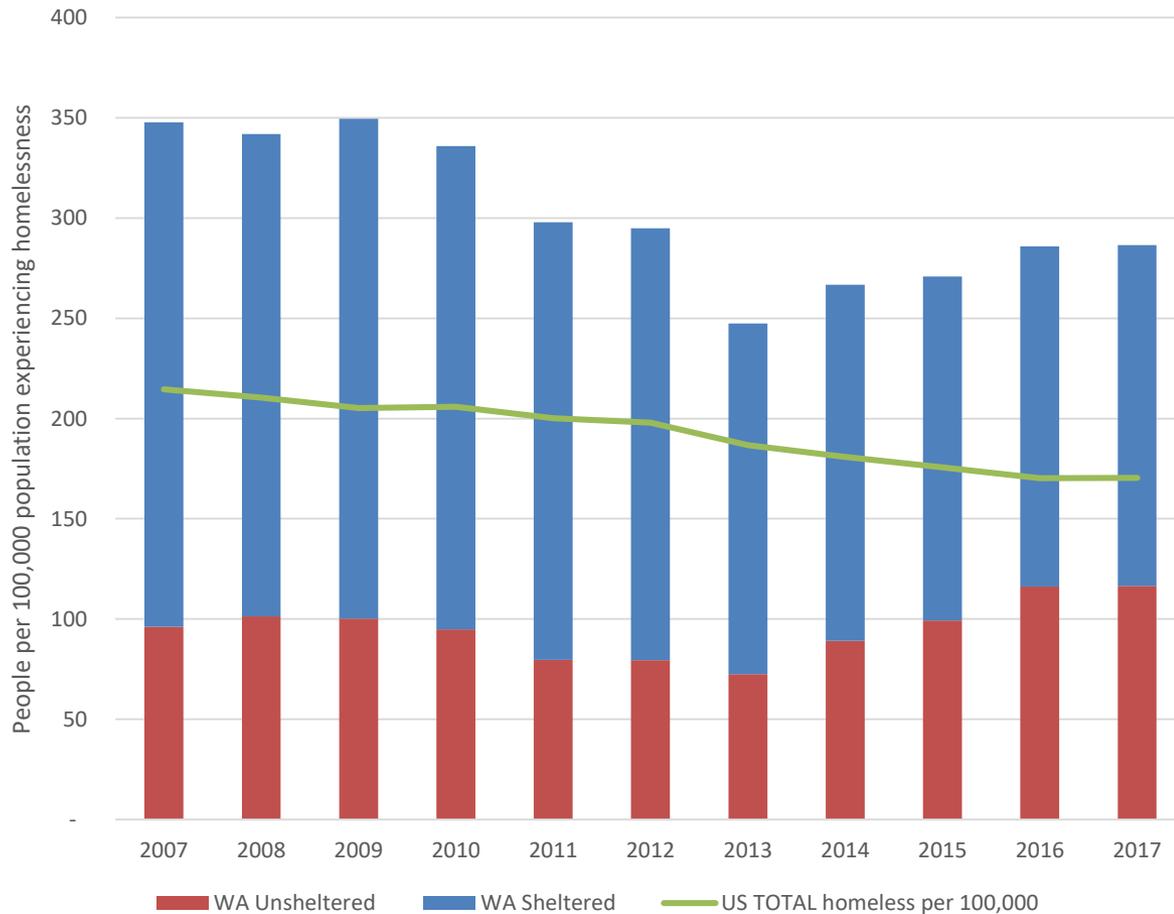
Sources:

- Rent: U.S. Census Bureau American Community Survey one-year estimates for Washington State, B25058, inflation adjusted using Bureau of Labor Statistics CPI-U
- Homelessness: WA point in time count, adjusted by : U.S. Census Bureau American Community Survey one-year population estimate for Washington State
- 1 - Journal of Urban Affairs, *New Perspectives on Community-Level Determinants of Homelessness*, 2012
- 2 - Dynamics of homelessness in urban America, arXiv:1707.09380



Homelessness Per Capita Rate

WA 5th highest per capita rate - WA: 0.29%, US: 0.17%



21,112 people

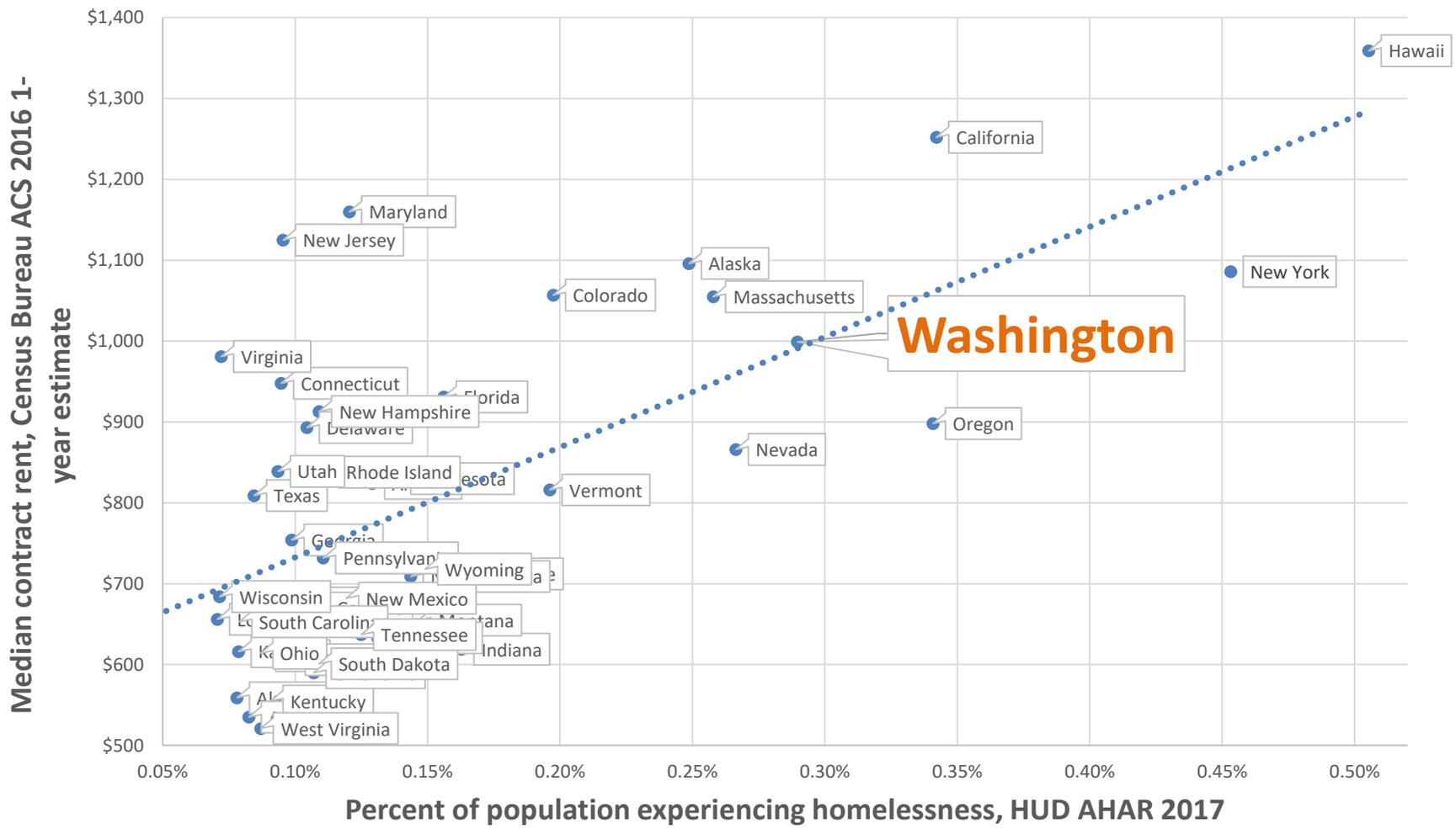
8,591 living unsheltered

7,834 in households without children

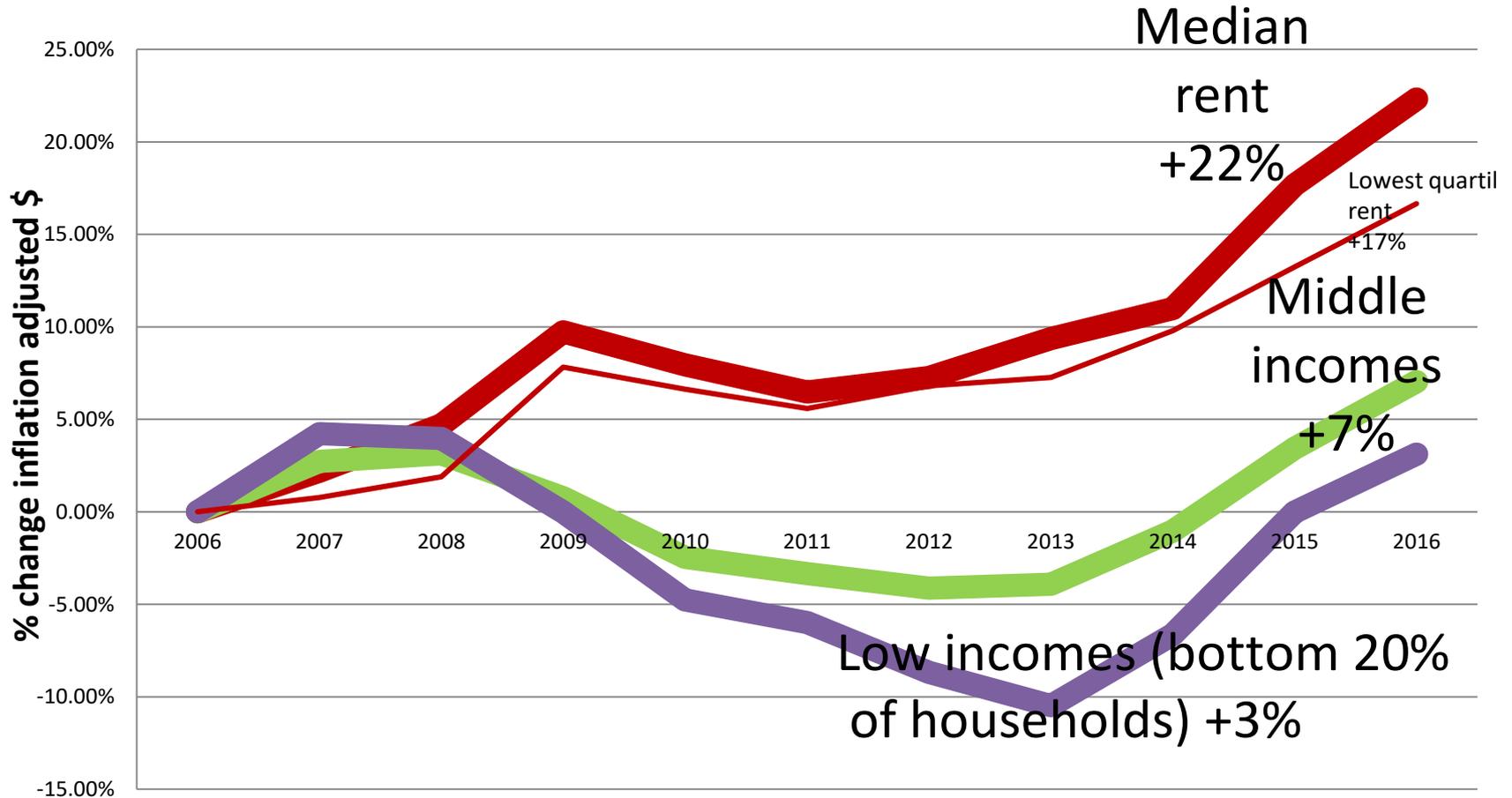
757 people in households with children



Rents vs. Homelessness - WA is Average



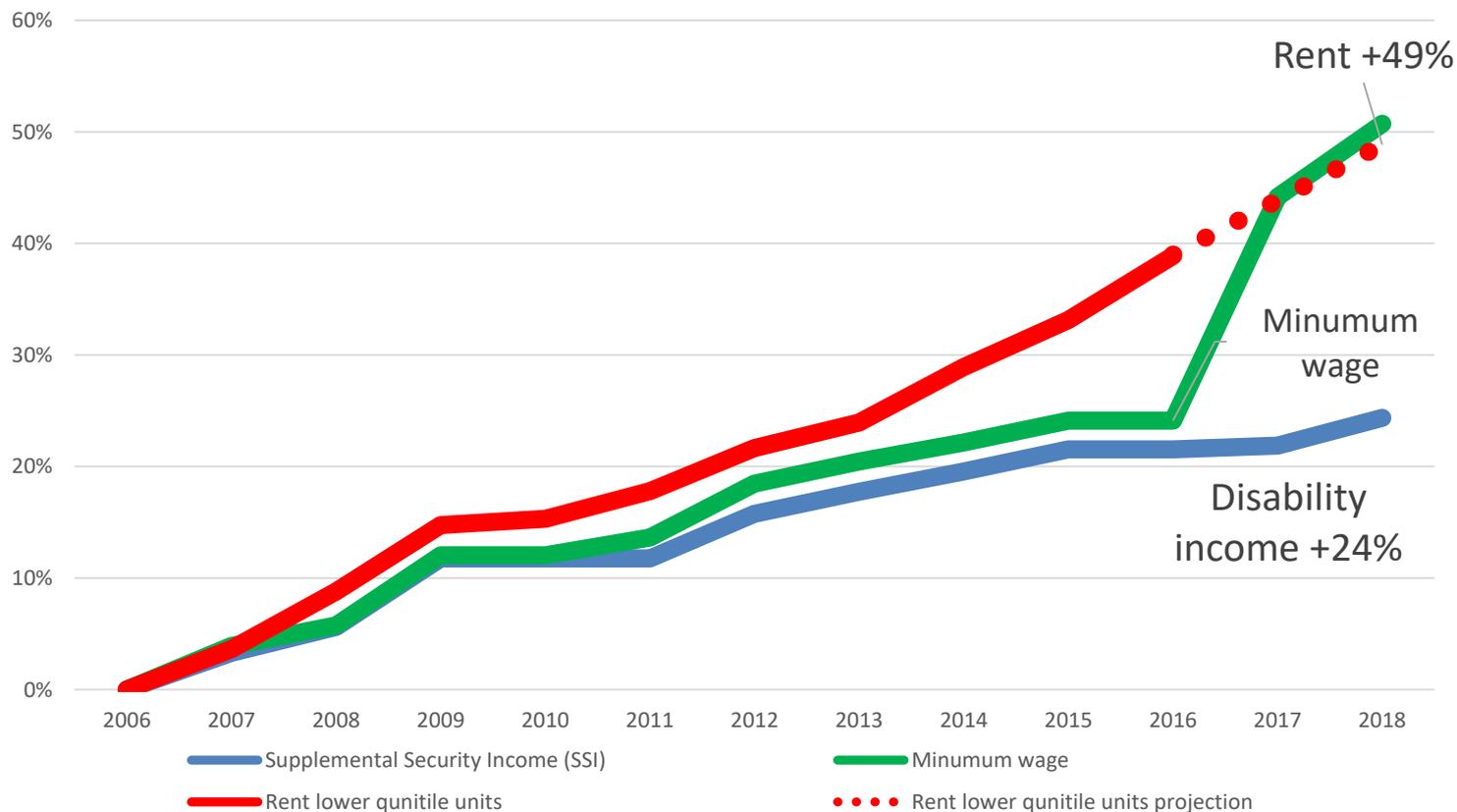
Rents Are Increasing While Income Growth Lags



Data sources: U.S. Census Bureau American Community Survey one-year estimates for Washington State, B25058 , B25057, B19081; inflation adjusted using the Bureau of Labor Statistics CPI-U.



Rents Compared to Minimum Wage and Disability Income Growth



Rent data sources: U.S. Census Bureau American Community Survey one-year estimates for Washington State, B25057



WA Economy is Above Average and Improving

Since 2012:

Ranked #1 in GDP growth – two years in a row

- Per capita GDP ranked #10

More people working

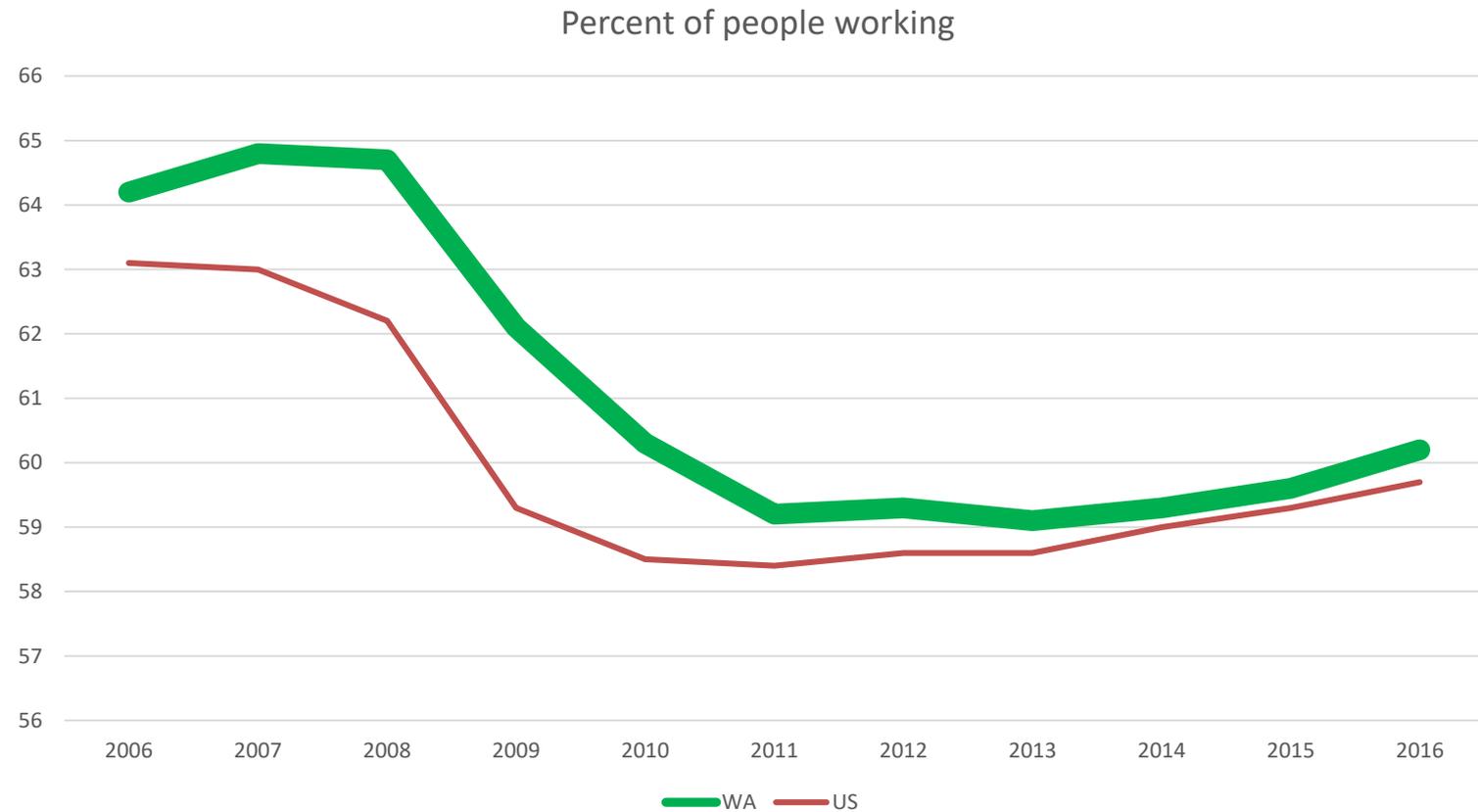
- Percent of population employed increasing - ranked #25

Earned incomes increasing

- Median income ranked #9, median income growth ranked #2
- Lowest quintile income rank #8, lowest quintile income growth ranked #4



WA Employment Rate is Above Average



Source: U.S. Department of Labor, Bureau of Labor Statistics, Employment status of the civilian noninstitutional population, percent of population employed

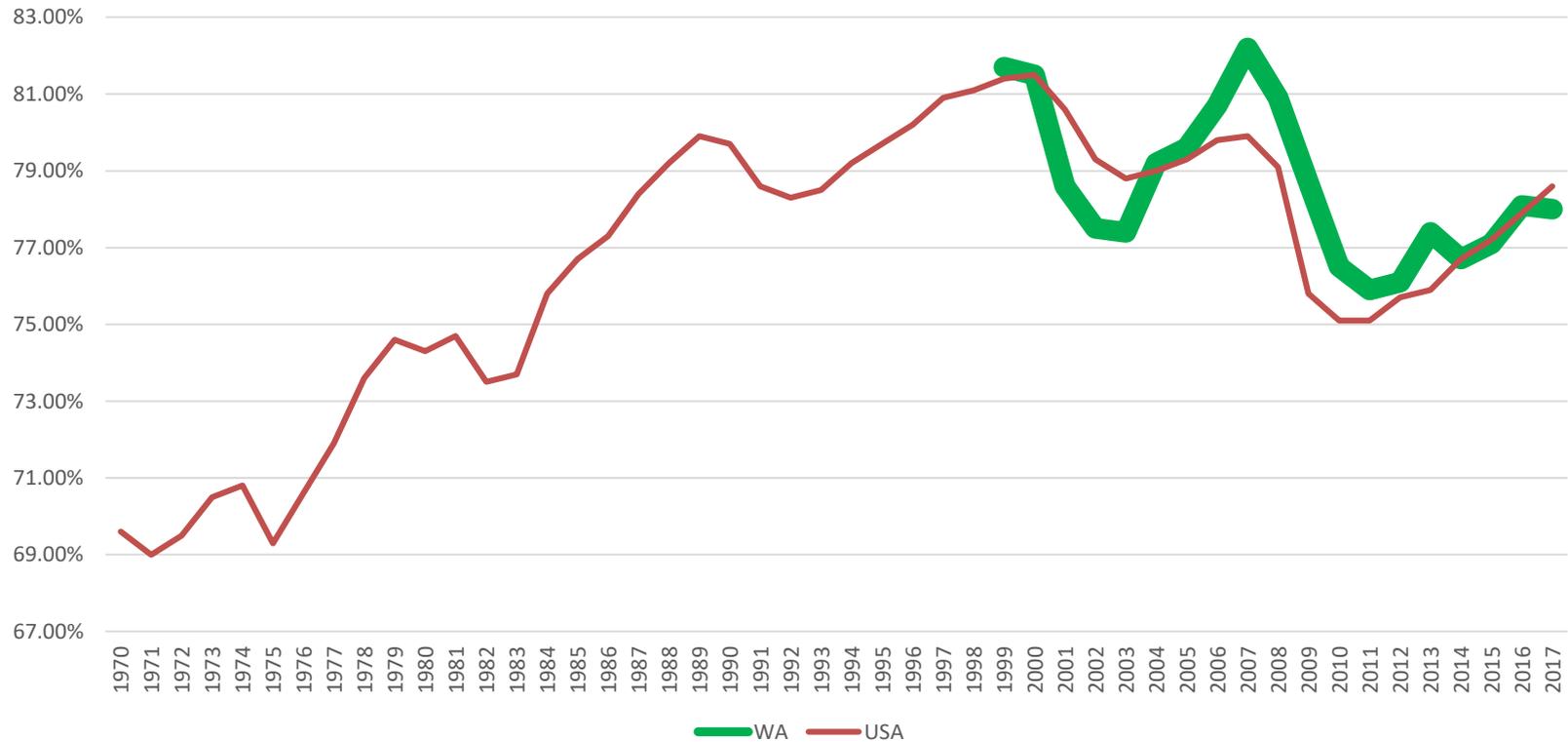


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In WA More Prime-Age People are Working



Prime Age Employment - Ages 25-54



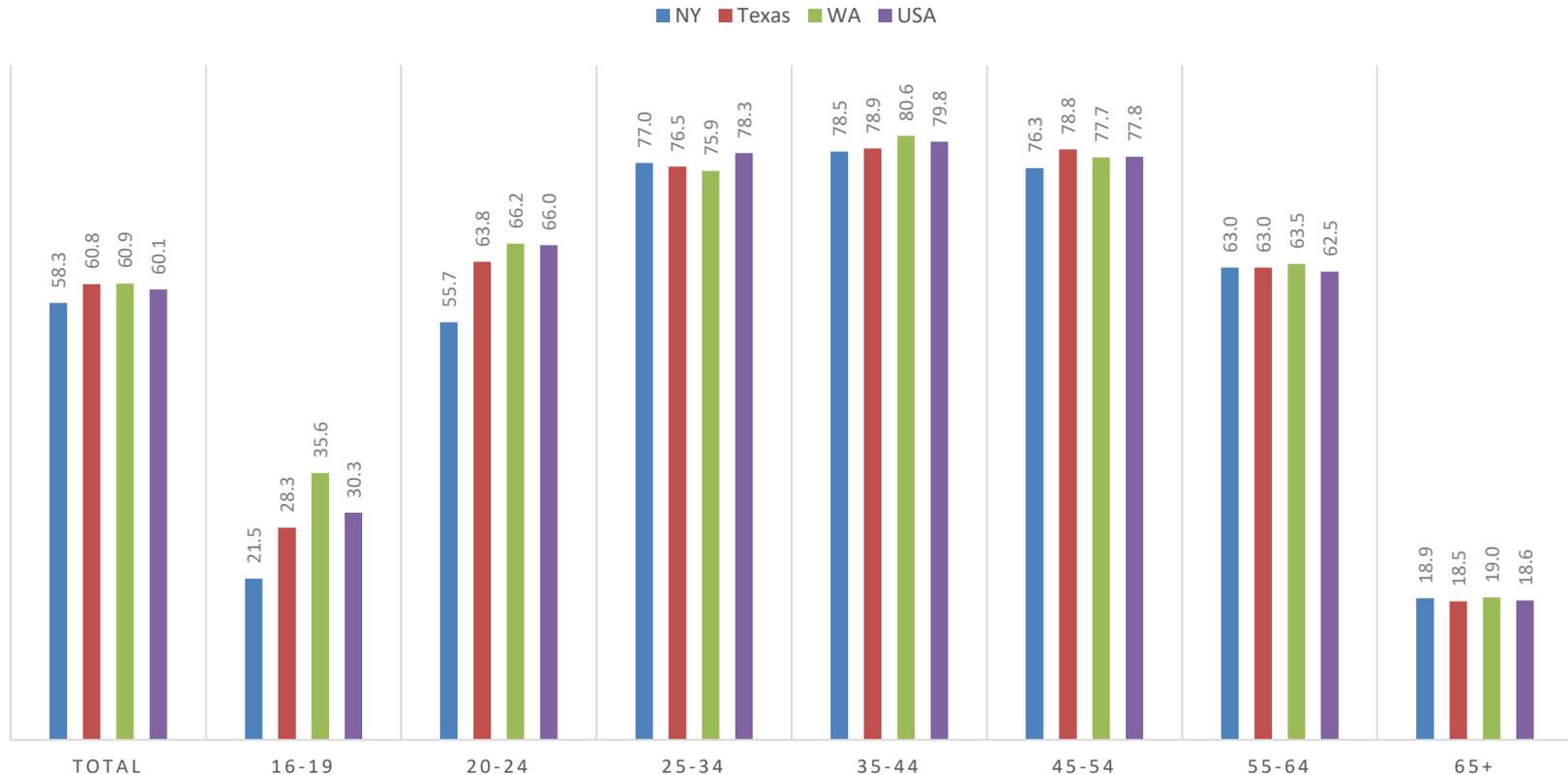
Source: U.S. Department of Labor, Bureau of Labor Statistics, Employment status of the civilian noninstitutional population, percent of ages 25-54 employed



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Washington Ranked #25 in Employed Population

2017 PERCENTAGE OF POPULATION EMPLOYED BY AGE GROUP



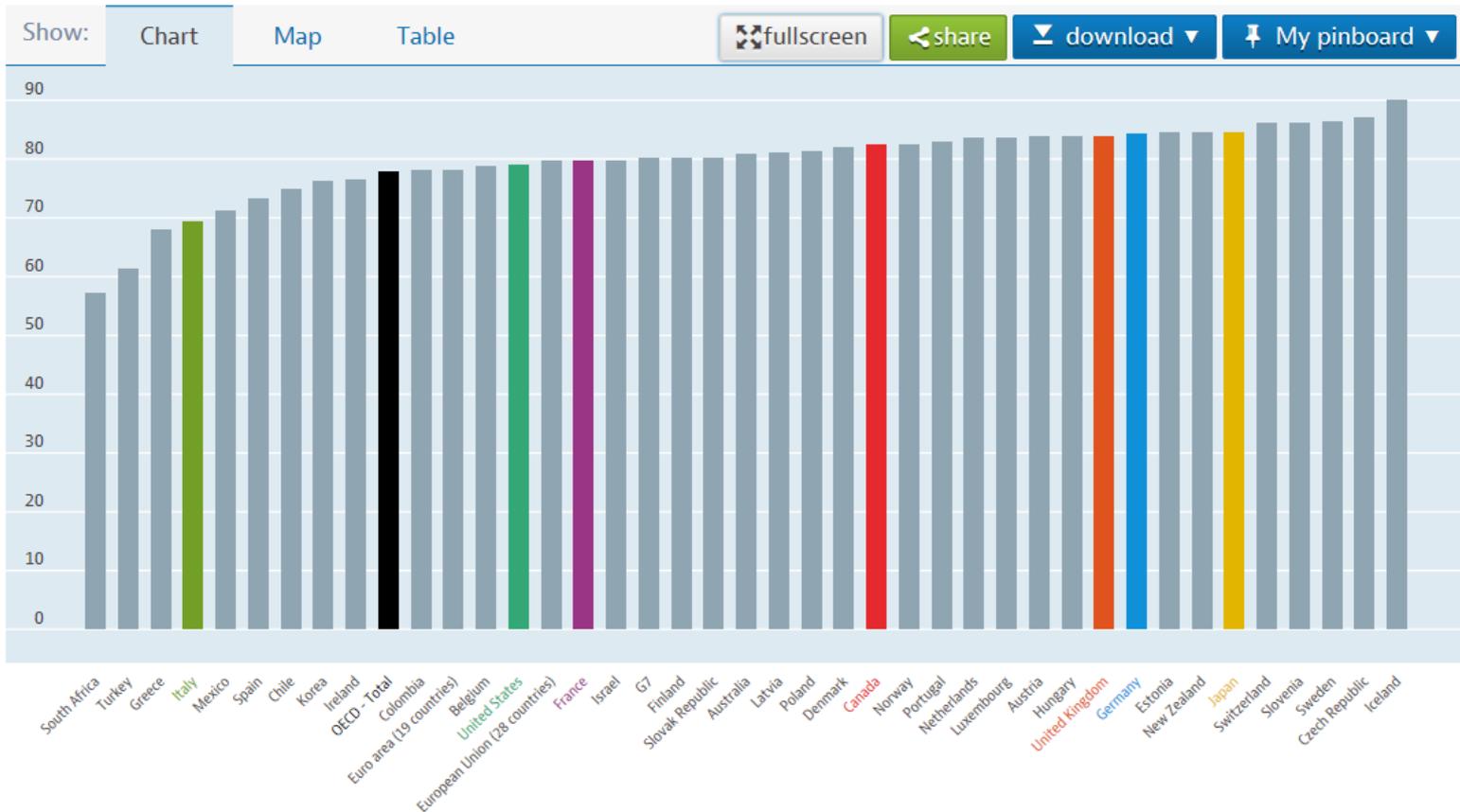
Source: U.S. Department of Labor, Bureau of Labor Statistics, Employment status of the civilian non-institutional in states, percent of population employed



What's the Maximum Level of Achievable Employment?

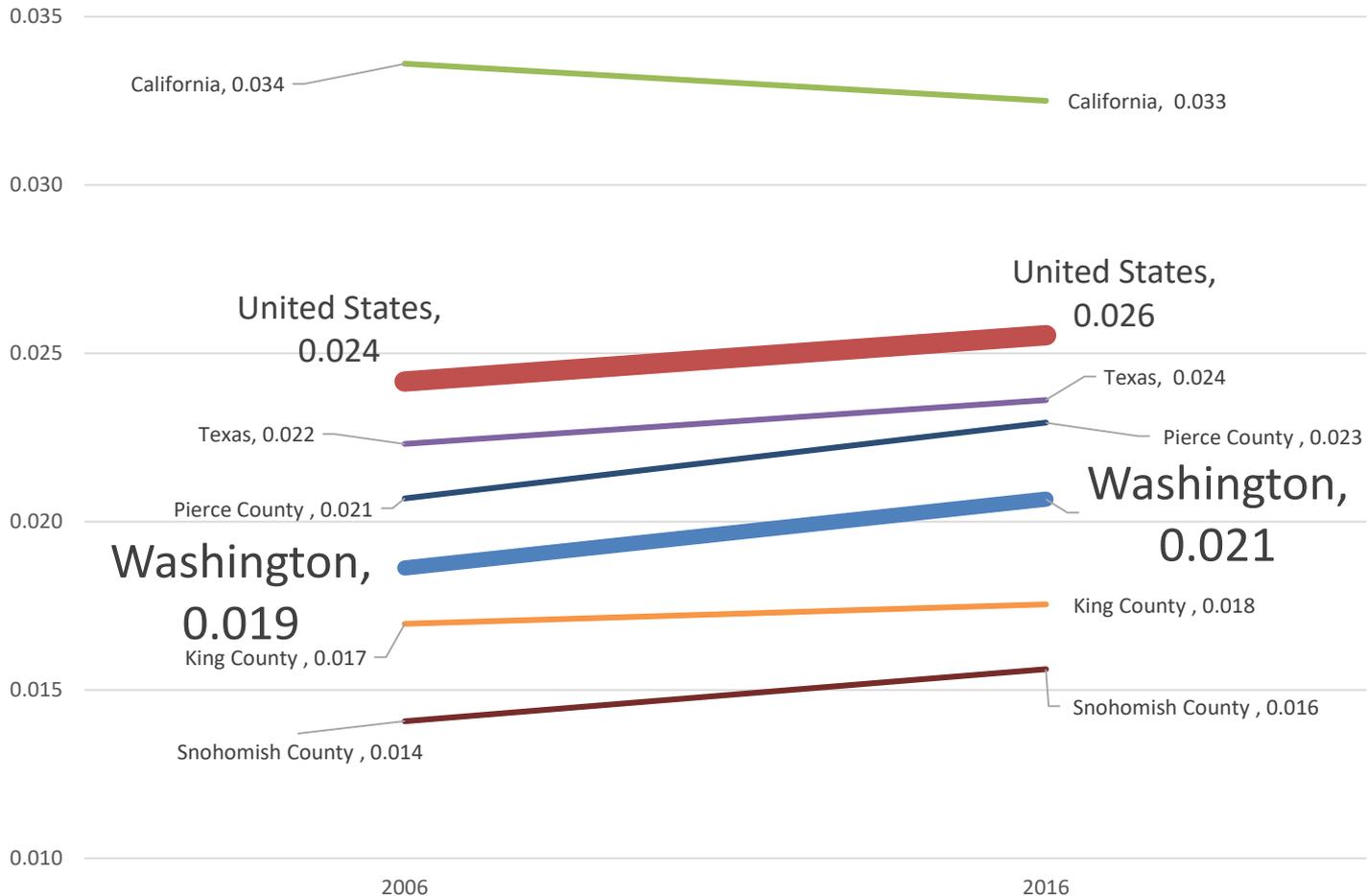
Employment rate by age group 25-54 year-olds, % in same age group, Q4 2017 or latest available

Source: Labour: Labour market statistics



WA Ratio of People with Disabilities Receiving SSI Below National Average

Ratio: Supplemental Security Income recipients vs. Population



WA Families are Above Average and Improving

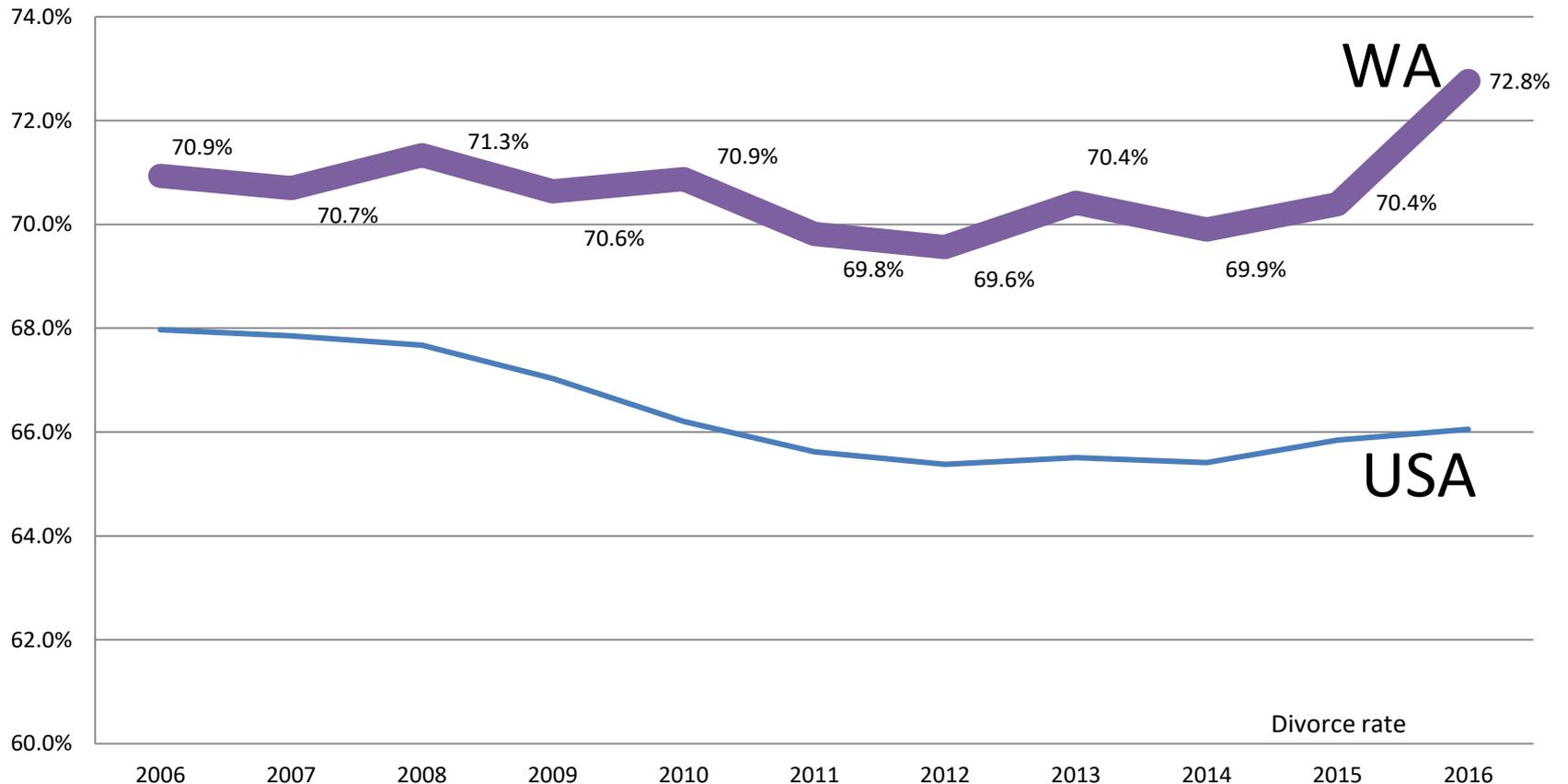
Since 2012:

Family stability increasing

- Divorce, domestic violence, and teenage pregnancy declining
- Percentage of children in married couple households increasing - WA ranked #5
- Percentage of married couple households increasing – WA ranked #8



More WA Children Living in Married-Couple Families



Sources: Children in married-couple households from Census Bureau ACS Table B09005;

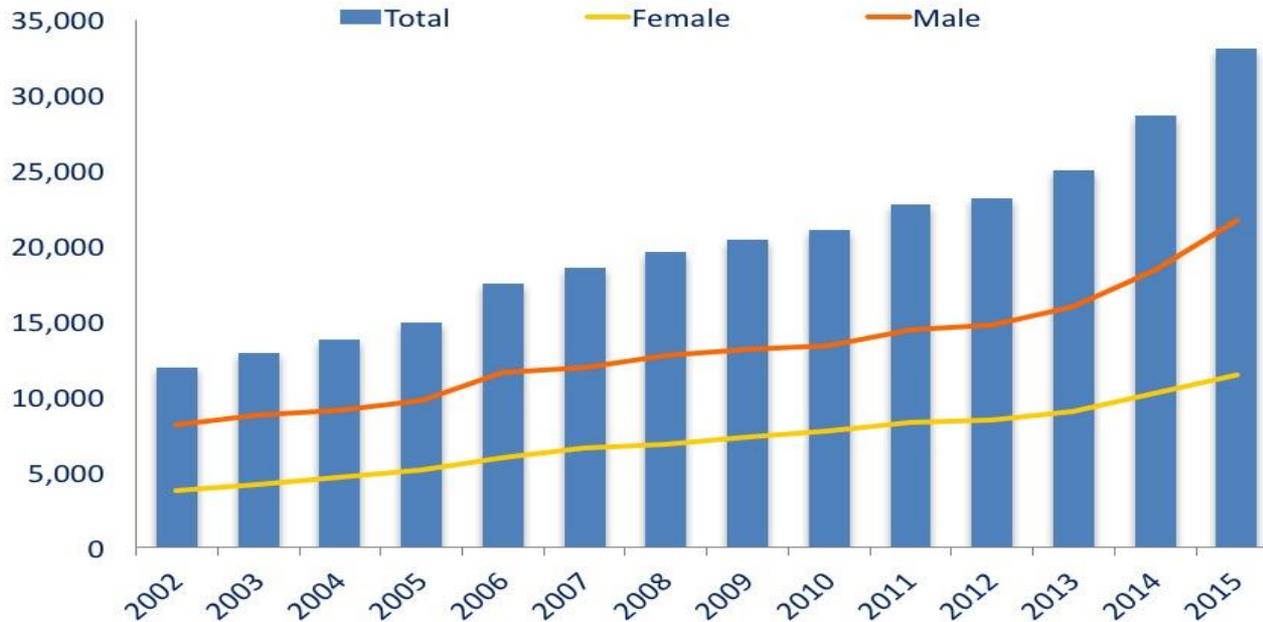


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A National Crisis – Opioid Deaths



National Overdose Deaths Number of Deaths from Opioid Drugs



Source: National Center for Health Statistics, CDC Wonder

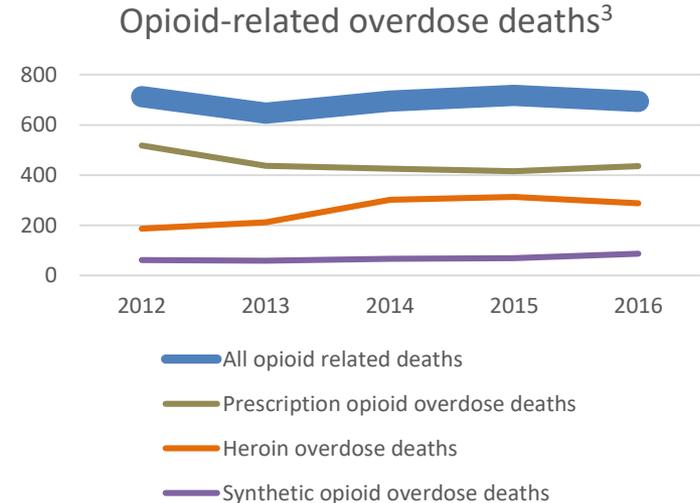


Alcohol and Drug Dependence: A Mixed Picture

Since 2012:

WA ranks 18th in substance use disorder ²

1. Alcohol use disorder declined, ranked 29th ²
2. Overall illicit drug dependence may be stable, ranked 11th ^{1, 2}
3. Ranked 13th in pain reliever use disorder, and 12th in heroin use ²
4. Opioids continue to be a crisis, WA ranks 32nd in prevalence of drug overdose deaths ⁴



Sources:

1 - SAMHSA, Center for Behavioral Health Statistics and Quality, National, Survey on Drug Use and Health, Table 106, Washington State, 2010-11 report compared to 2014 report

2 - Rank derived from 2015-2016 National Survey on Drug Use and Health: Model-Based Prevalence Estimates 50 States; trend derived from National Survey on Drug Use and Health: Comparison of 2008-2009 and 2014-2015 Population Percentages 50 States

3 - DOH: <https://www.doh.wa.gov/Portals/1/Documents/Pubs/346-083-SummaryOpioidOverdoseData.pdf>

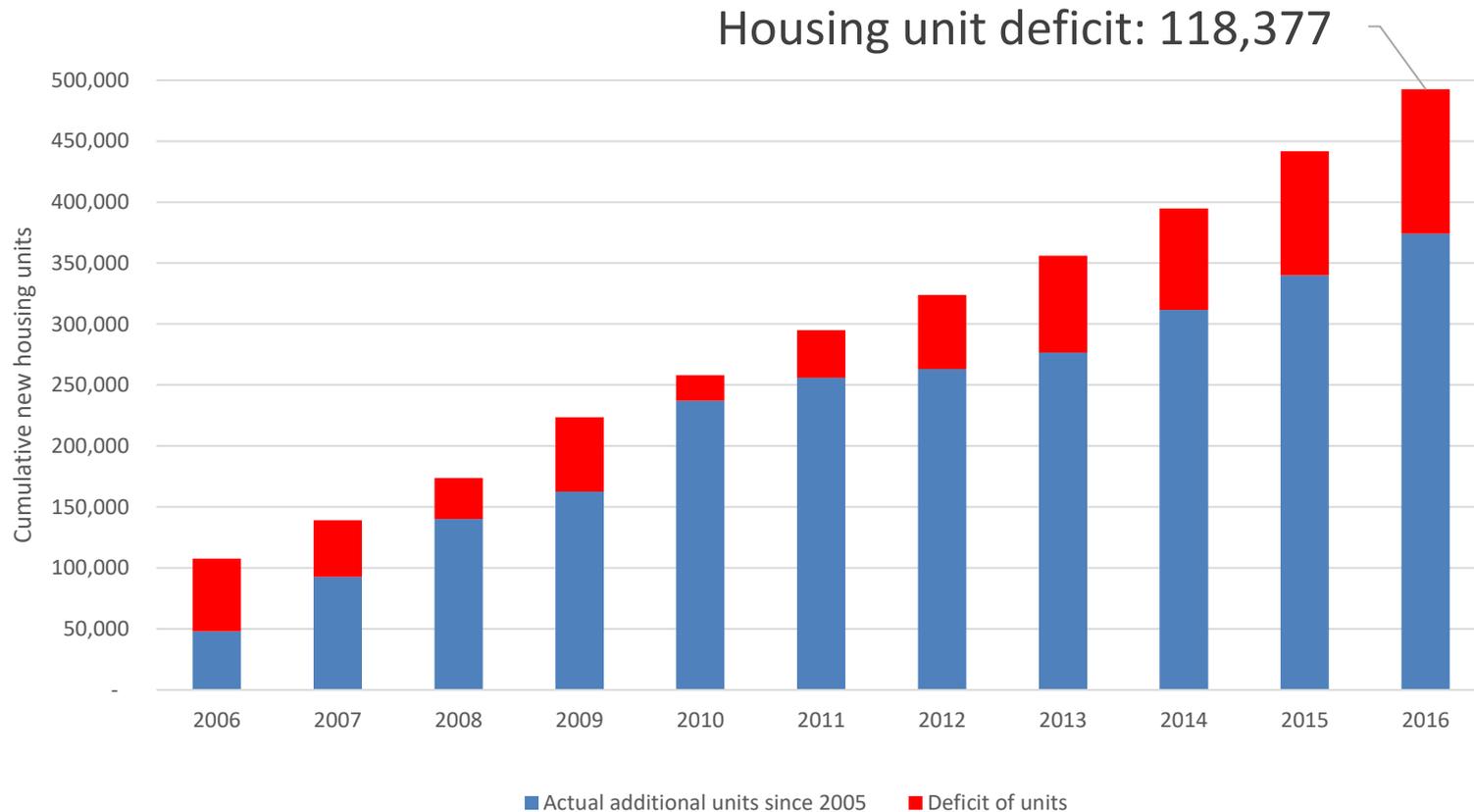
4 - CDC: <https://www.cdc.gov/mmwr/volumes/65/wr/mm655051e1.htm>



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Since 2005: Population +19%, Housing units +14%

Deficit of new housing units necessary to maintain 2005 ratio of people to housing units in WA



Source: American Community Survey 1-Year Estimates

http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_14_1YR_DP04&prodType=table

https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_B25001&prodType=table

https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_S0101&prodType=table



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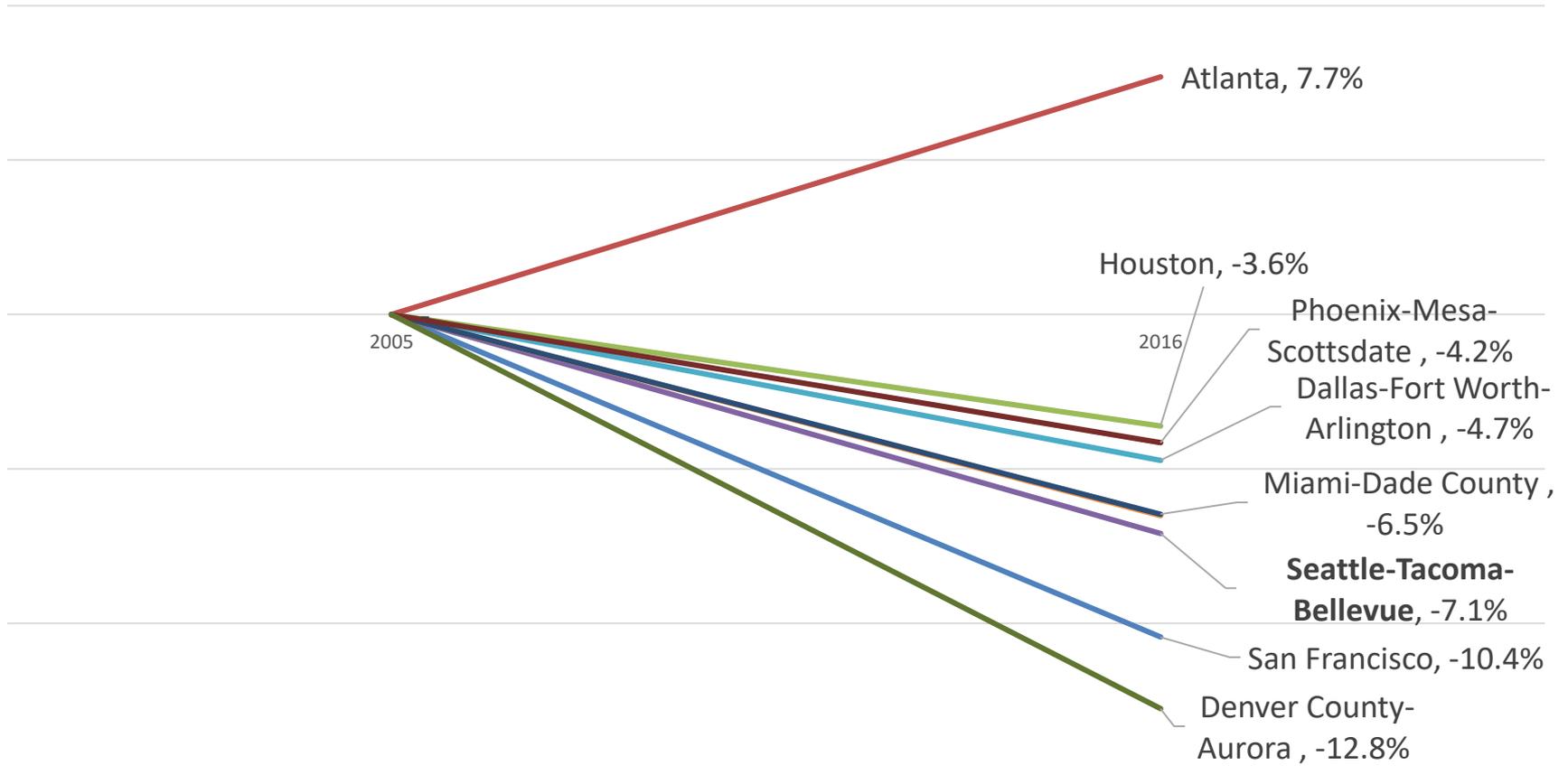
Below historic average building permits being issued - WA through June 2018

WA Ratio of housing permits to population increase



National Comparison of Growth in Population vs. Housing Units

Large metropolitan areas with >10% population growth, housing unit growth minus population growth



Source: American Community Survey 1-Year Estimates



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WA ranked #50 - Rental Vacancy Lowest in the US

	2010	2012	2014	2015	2016
United States	8.2%	6.8%	6.3%	5.9%	5.9%
California	5.9%	4.5%	3.9%	3.3%	3.3%
Massachusetts	5.8%	4.5%	4.0%	3.5%	4.0%
Oregon	5.6%	4.7%	3.6%	3.6%	3.2%
Texas	10.6%	8.5%	7.3%	7.0%	7.7%
Washington	5.8%	5.3%	4.2%	3.3%	3.2%
Clark County	8.2%	3.4%	2.4%	2.2%	3.0%
Clallam County	11.4%	11.3%	6.1%	3.5%	1.8%
King County	5.2%	4.1%	2.5%	2.6%	2.7%
Pierce County	6.6%	5.4%	5.7%	3.3%	2.0%
Spokane County	4.0%	7.2%	5.5%	3.7%	3.7%
Yakima County	3.1%	4.5%	5.1%	3.6%	2.2%
Whatcom County	3.90%	5.50%	4.10%	1.80%	1.8%
Seattle	4.0%	3.5%	1.2%	2.7%	2.5%
San Francisco	4.4%	2.8%	2.5%	2.5%	3.0%
Atlanta	16.4%	8.6%	9.3%	6.6%	6.4%
Houston	15.9%	11.2%	7.2%	7.7%	7.7%

A 7% vacancy rate is considered the balanced, or “natural” rate ²

Sources: American Community Survey 1-Year Estimates, Table DP04

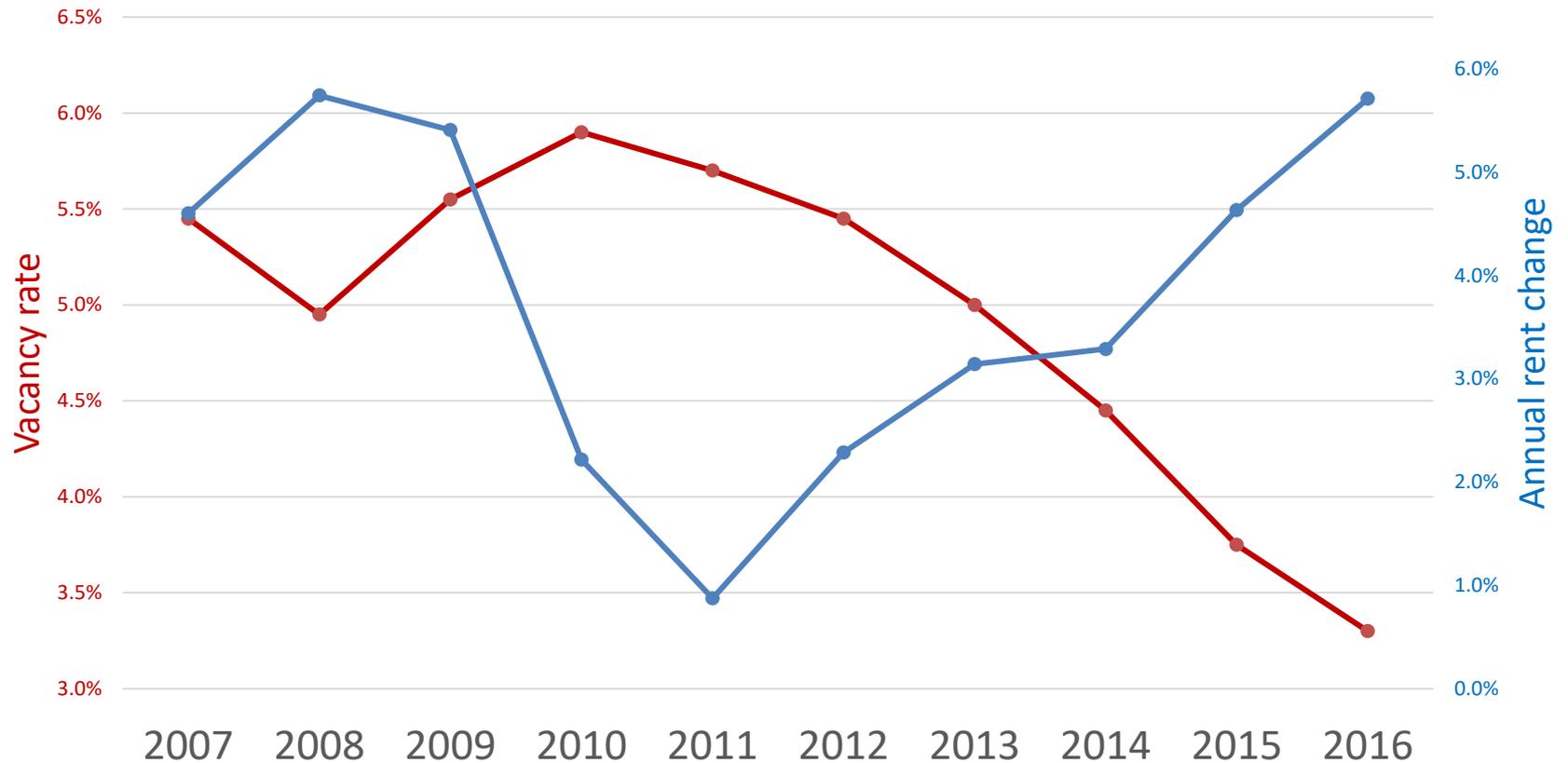
1 – U.S. Census Bureau Quarterly Vacancy and Homeownership rates by State

2 - <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w07-7.pdf>



Vacancy Rates and Rent Increases are Inversely Related

Relationship between vacancies and rents - WA



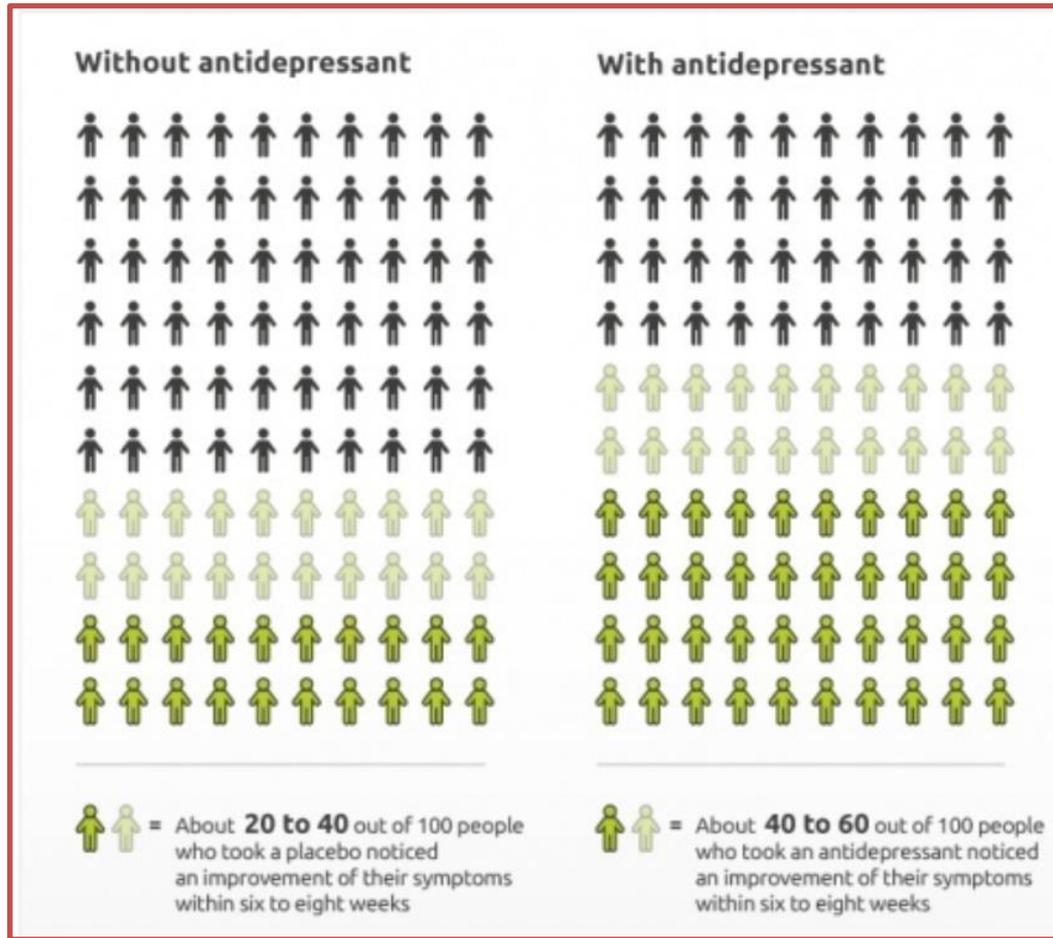
Source: American Community Survey 1-Year Estimates, two year running average



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Interventions to change behavior work less than half of the time

20%



Try the intervention to improve efficiency, but focus on the majority of people for which the intervention does nothing

Source: <https://www.ncbi.nlm.nih.gov/pubmedhealth/PMH0087089/>



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*An intervention can be
“effective,” pay for itself
in reduced public costs,
be the right thing to do
to improve or save lives,
AND...*

...NOT significantly improve income and related housing stability

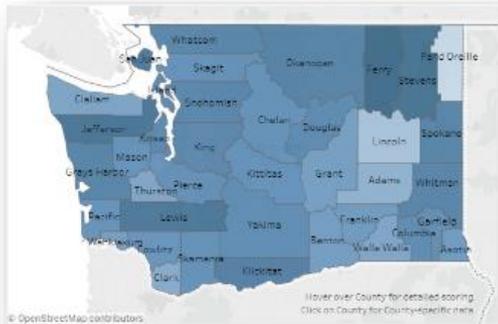
DRAFT: Comparison of strategies to increase income

Annual income	% increase	Strategy	
\$374	4.5%	Welfare to work	1
\$3,212	152.1%	Supported employment for people with severe mental illness	2
\$294	1.5%	Early childhood education for low income students (WSIPP data)	3
\$77	0.3%	Treatment for substance use disorder (contingency management)	4
\$53	0.2%	Treatment of major depression	5
\$0	0.0%	Providing low income students the same quality of teachers that high income students have	6
\$0	0.0%	Charter schools	7
\$480	6.0%	Job training and incentives for low income people in subsidized housing (Jobs-Plus)	8
\$0	0.0%	Marriage education for low income, married couples	9
\$3,186	11%	Earned income tax credit	10
\$3,477	31%	Moving a low income family to a high income area; impact on earnings of moved child in mid-20s	11

- Page 137 of this study: https://www.mdrc.org/sites/default/files/full_391.pdf ...shows the most successful welfare to work program in the study (in Portland) increased annual income from \$8,361 to \$8,735. People with severe mental illness provided Supported employment increased average annual weeks worked from 4.8 to 12.1. Under an \$11/hour minimum wage, it would translate to an increase from \$2,112 annual income to a \$5,324 annual income. Page 285: [http://www.implementatiescan.nl/pdf/Psych%20Rehab%20Journal%20\(2008\).%20An%20Update%20on%20Randomized%20Controlled%20Trials%20of%20Evidence-Based%20supported%20employment.pdf](http://www.implementatiescan.nl/pdf/Psych%20Rehab%20Journal%20(2008).%20An%20Update%20on%20Randomized%20Controlled%20Trials%20of%20Evidence-Based%20supported%20employment.pdf)
- WSIPP earnings increase estimate of \$13,521 (page 22) divided by working years, from baseline of non-high school graduate wage of \$20,000/year http://www.wsipp.wa.gov/ReportFile/1547/WSipp_Early-Childhood-Education-for-Low-Income-Students-A-Review-of-the-Evidence-and-Benefit-Cost-Analysis_Full-Report.pdf <http://www.wsipp.wa.gov/TechnicalDocumentation/WSippBenefitCostTechnicalDocumentation.pdf>
- This analysis shows a particularly effective drug treatment intervention increases earned incomes by \$2,331 over fifty years (about +\$77 in annual earnings assuming 30 years of working post treatment): <http://www.wsipp.wa.gov/BenefitCost/Program/297>
- Treatment for major depression increased earnings by \$1,603 (about +\$53 in annual earnings assuming 30 years of work post treatment). <http://www.wsipp.wa.gov/BenefitCost/Program/494>
- "There are small differences in the effectiveness of teachers of high- and low-income students, on average. The average teacher of a low-income student is just below the 50th percentile of effectiveness based on value-added, while the average teacher of a high-income student is at the 51st percentile. Providing low-income students with equally effective teachers would not substantially reduce the achievement gap." https://ies.ed.gov/ncee/projects/evaluation/tq_distribution.asp
- Charter schools are no more effective than regular schools <https://ies.ed.gov/ncee/pubs/20104029/>
- Pages ES-5-6: https://www.mdrc.org/sites/default/files/full_485.pdf
- "SHM did not lead more couples to stay together." https://www.acf.hhs.gov/sites/default/files/opre/shm2013_30_month_impact_reportrev2.pdf
- <https://www.cbpp.org/research/federal-tax/policy-basics-the-earned-income-tax-credit>
- Moving a low income family to a higher income neighborhood increase child income by 31% (from \$11,270 in mid 20s, to \$14,747 (+\$3,477): <http://www.nber.org/papers/w21156.pdf>



WA Homeless System Performance Reports



[County Report Card](#) provides information by county on system-wide performance measures, including exits to permanent housing, returns to homelessness, length of time homeless, and cost per exit to permanent housing.



[Year to Year Comparison](#) table provides information by county on system-wide performance measures for each year. It also includes contextual information such as PIT Count results and rental vacancy rates. The interactive table allows you to see trends over time.





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