

Economic Inequality, Homelessness & Guaranteed Income



<https://unsplash.com/photos/wTO6MWpMrJk>

By Jeremy Elvis Herman

March 25, 2024

Table of Contents

Problems	3
Economic Inequality: The Growing Gap	4
Housing Inequality: An Affordability Crisis	9
Homelessness: The Faces of Housing Inequality	18
Solutions	41
Guaranteed Income: An Idea 500 Years in the Making	42
Comprehensive Housing-Affordability Road Map (CHARM)	55
Conclusions	59
Getting There from Here	60



<https://www.mayorsforagi.org/about>

Problems



<https://unsplash.com/photos/a-group-of-people-standing-in-a-tunnel-kyeJW1zRH0I>

Economic Inequality: The Growing Gap



<https://unsplash.com/photos/grayscale-photo-of-people-walking-on-street-3tyDyCUF4OU>

The American Dream

In his 1931 book [The Epic of America](#), writer and historian James Truslow Adams popularized the term the “American Dream,” describing it as “that dream of a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement. It is ... a dream of social order in which each man and each woman shall be able to attain to the fullest stature of which they are innately capable.”

For generations, faith in the American Dream has inflated the American sense of self. Many of us believe that ours is an exceptional country in large part because we believe that ours is an exceptionally upwardly mobile country. The belief that any American can earn untold wealth through hard work and determination is nearly as foundational as the belief that rugged individualism is the only path to true happiness.

Citizen Kane, Rocky, Annie, The Pursuit of Happyness, The Social Network, The Wolf of Wallstreet, The Great Gatsby, Joy—the rags-to-riches story is a staple in Hollywood because it feeds the need in the American soul for confirmation of our own limitless potential. That self-confidence has empowered Americans to send humans to the moon and to create the world wide web, but it has also blinded us to the reality of life in the United States.



<https://cdv.org/2018/09/is-the-american-dream-off-limits-for-those-who-faced-major-adversity-in-childhood-such-as-childhood-domestic-violence/>

The American Delusion

The truth about economic mobility in the United States is much less heartening than most Americans believe. According to the World Economic Forum's [Global Social Mobility Index 2020](#)—which, in simplest terms, measures the “ability of a child to experience a better life than their parents”—the United States ranks 27th out of the 82 countries that received a score. The top 13 most socially mobile countries in the world were European, and 20 of the nations that scored higher than the United States are in Europe. If Hollywood wanted to tell a truer-to-life rags-to-riches story, it would do well to set that story in Denmark, the country that scored first in the index.

One of the ways that researchers determine a country's economic mobility is by measuring the likelihood that a person will make more money than their parents made. According to researchers at the World Economic Forum, people born in the 1980s are less likely than people born in the 1940s to make more money than their parents made, and that's true at every rung on the socio-economic ladder, as the table below reveals.

Decade Born	Chance of Outearning Parents (Bottom Percentile)	Chance of Outearning Parents (50 th Percentile)	Chance of Outearning Parents (Top Percentile)
1940	95%	93%	41%
1950	90%	81%	15%
1960	86%	62%	7%
1970	90%	59%	16%
1980	79%	45%	8%

<https://www.weforum.org/agenda/2020/09/social-mobility-upwards-decline-usa-us-america-economics/>

Researchers at the World Economic Forum blame two primary factors for the decrease in social mobility in the United States over the past fifty years. The first is the slow growth of wages over that period. According to these researchers, “The average hourly wage in 1964, when converted to 2018 dollars, is \$20.27. Compare this to \$22.65, the average hourly wage in 2018. That represents a mere 11.7% increase over a span of 54 years.” Given that the costs of most goods and services have increased significantly more than 11.7% since 1964, it should surprise no one to learn that ever more people are struggling to climb into and to remain in the middle class.

The other factor that researchers at the World Economic Forum believe contributed to the decrease in American social mobility is economic inequality. Over the past fifty years, money has been increasingly flowing out of the pockets of lower- and middle-income earners and into the pockets of upper-income earners, as the table below demonstrates.

Income Class	1970 Share of U.S. Aggregate Income	2018 Share of U.S. Aggregate Income
Upper	28%	48%
Middle	62%	43%
Lower	10%	9%

<https://www.weforum.org/agenda/2020/09/social-mobility-upwards-decline-usa-us-america-economics/>

From [1971 to 2021](#), the median income of middle-income earners increased from \$59,934 to \$90,131 (both incomes are in 2020 dollars), a wage growth of 50.4%. Over that same 50-year period, the median income of upper-income earners grew from \$130,008 to \$219,572 (also in 2020 dollars), an increase of 68.9%. In other words, money is trickling up the socioeconomic ladder.

That wage stagnation for middle-income earners has caused many of those on the lower end of the middle-income scale to drop into the lower-income category, increasing the number of lower-income earners. According to the [Pew Research Center](#), 61% of the US population lived in a middle-income household in 1971, but in 2021, that number had dropped to 50%. Two generations ago, in an era of greater social mobility, the middle class comprised a majority of US households. But because upper-income earners are taking home an ever-larger piece of the pie, the United States is on the verge of dropping below 50%.

One way that economists determine the level of economic inequality in a country in any given year is by calculating the "[90/10 ratio](#)." To compute the ratio, an economist divides the amount of money earned by a household in the 90th percentile of earners by the amount of money earned by a household in the 10th percentile. In 1980, the ratio was 9.1, which means that a household in the 90th percentile earned 9.1 times more than a household in the 10th percentile. By 2018, that ratio had increased to 12.6.

Income isn't the only measure of social mobility. The gap in household wealth—the net worth of all members of a household—is another important indicator of a country's economic health. As is true of income inequality, the wealth gap is growing in the United States. According to [Pew](#), in 1983 upper-income households had about 3.4 times more wealth than middle-income households and roughly 28 times more wealth than lower-income households. In 2016, upper-income households had about 7.4 times more wealth than middle-income households and about 75 times more wealth than lower-income households.

Here's another sobering stat from [Pew](#): In 1989, a member of the top 5% wealthiest households had 114 times more wealth than a household in the second quintile (20% to 40%)—\$2.3 million compared with \$20,300. In 2016, the top 5% wealthiest households had 248 times more wealth than the second quintile of households. That wealth gap grew even faster than the gap in income over that span of years.



<https://pixabay.com/photos/wallet-coins-euro-money-exchange-2754172/>

One way that economists measure economic inequality among countries is by calculating each nation's "[Gini coefficient](#)," which measures a country's equality on a scale from 0 to 1, where 0 is complete equality and 1 is total inequality. According to the [US Census Bureau](#), in 2022, the Gini coefficient for the United States was 0.488, which was down from a record high of 0.494 in 2021. In the [World Bank's](#) ranking of 84 nations according to their Gini coefficient, the United States ranked 56th. Economic inequality is greater in the United States than in China, India, the Russian Federation, all the other member countries of the G-7 (i.e., Canada, France, Germany, Italy, Japan, and the United Kingdom), and every European country but Bulgaria and Türkiye. Iran's Gini coefficient is higher than America's, but not by much.

No matter which metric you use to measure the problem, it's clear that economic opportunity in the United States is shrinking for tens of millions of lower- and middle-income earners. We Americans pride ourselves on living in the land of opportunity, but the hard economic truth is that we're falling ever further behind the industrialized world.

Housing Inequality: An Affordability Crisis



<https://unsplash.com/photos/white-and-blue-concrete-building-v6l6FVaLU4>

One of the most insidious truths about economic inequality is that it touches so many facets of life. For example, economic inequality has a profound impact on a person's life expectancy. According to [The Equality of Opportunity Project](#), the wealthiest men in the United States (top 1%) live an average of 15 years longer than the poorest (bottom 1%) American men, and the wealthiest American women live an average of 10 years longer than their poorest counterparts. In other words, economic inequality sends millions of Americans to an early grave.

Not surprisingly, economic inequality also impacts a household's ability to maintain stable housing. [Richard Florida](#), a professor of business economics at the University of Toronto's School of Cities and Rotman School of Management, explains that "economic inequality and housing inequality... are intertwined and mutually reinforcing." When these interrelated inequalities collide, they often create a negative feedback loop that can quickly spiral into homelessness.



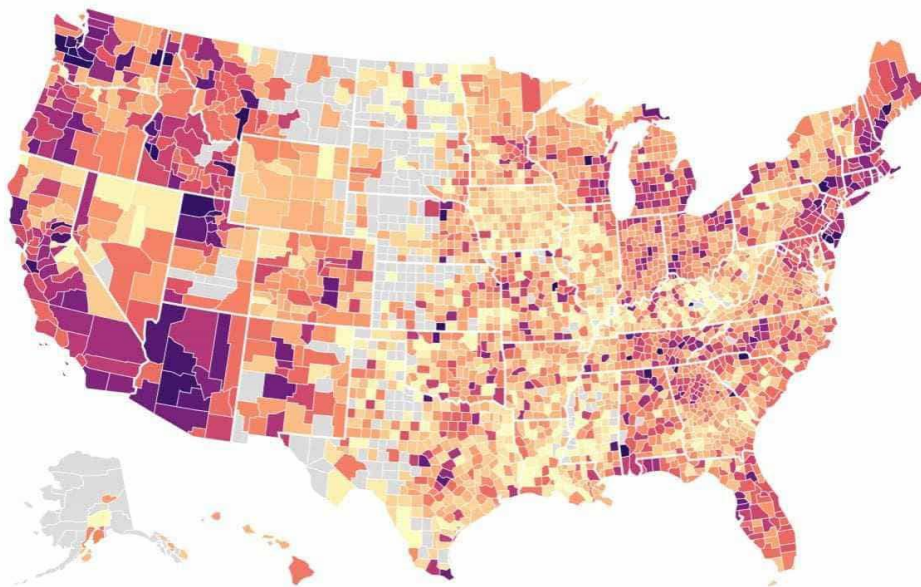
<https://pixabay.com/photos/poverty-black-and-white-emotion-4561704/>

Priced Out of Housing Markets

One of the primary ways of measuring the affordability of a housing or rental market is by determining the percentage of household income required to pay rent or a mortgage in that market. Financial advisors recommend that a household spend no more than 30% of its total income on housing, and many banks use that number to determine whether an applicant qualifies for a mortgage. But in some areas, almost all lower-income households and many middle-income households spend more than 30% of their income on housing.

If a household pays more than 30% of its income toward housing, then that housing is considered “unaffordable.” According to a [Harvard University](#) report co-sponsored by Habitat for Humanity, 31.8% of all households—that includes renters and homeowners—paid more than 30% of their total income toward housing in 2021. That number is disturbingly high, but it's masking an even uglier truth: 49% of all renters in the United States lived in unaffordable housing in 2021.

What's even more upsetting, however, is that 26.4% of all renters in the United States lived in housing that was considered “severely unaffordable” in 2021, meaning that those households spent more than 50% of their total income on rent. When a renter spends half of their income on rent, there's almost always insufficient money left over each month to cover necessities like groceries, utilities, travel expenses, and insurance. That also means that those households have little to no savings, which is why only 40% of Americans report that they have enough money in the bank to cover a [\\$1,000 emergency expense](#).



<https://sparkrental.com/hottest-real-estate-markets/>

In a 2017 report on affordable housing, the [Center for American Progress](#) found that only 2% of low-income earners working in San Francisco lived in an area that they could afford, and the same was true for only 3% of low-income earners in San Jose. When so many people pay so much money to keep a roof over their head, the gap between low-income earners and high-income earners grows, and we create a cycle of poverty that can take generations to escape.

Many low-income renters realize that they will continue to struggle financially unless they find housing that they can afford, which is why a sizable chunk of low-income earners live quite far from their places of employment. While it may seem that a long commute is preferable to high rent, in reality those long commutes have a profound impact on those commuters' lives, creating new problems that exacerbate the daunting problems that the commuters already face. We will explore those challenges in the next section.

Urban Migration

Migration within US borders has long been a way for the members of the underclass to improve their prospects. In the decades following the birth of the United States, people who wanted more opportunity than the original colonies could offer migrated elsewhere, often westward, hoping to find the land and the resources that eluded them. That westward push became a national mantra after an editor named [Horace Greeley](#) wrote an editorial published in the *New-York Tribune* in 1865. Greeley wrote, "Washington, [D.C.] is not a place to live in. The rents are high, the food is bad, the dust is disgusting and the morals are deplorable. Go West, young man, go West and grow up with the country."



<https://pixabay.com/photos/abandoned-architecture-old-ruin-3214392/>

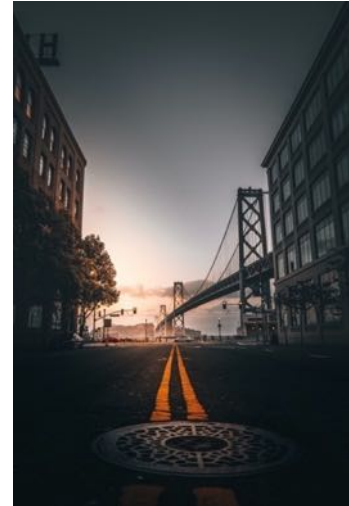
Over the centuries, California was often the preferred destination for those in search of greater opportunities, which is part of the reason that it's now the largest state in the union. That compulsion toward westward migration is also largely responsible for the development of the San Francisco Bay Area and Silicon Valley, a global hub for technological innovation. For a brief moment in history, the region seemed to be the pinnacle of human civilization, but in recent years, the dark side of that progress has become abundantly clear.

Over the past several decades, people have flocked to the Bay Area, largely because tech jobs pay so well. Some new housing was built to accommodate the new arrivals, but the housing supply couldn't keep up with the demand. As a result, housing prices and rents skyrocketed, pricing many people out of those markets.

Besides making it difficult if not impossible for the low-wage earners living in the Bay Area to afford housing, those increases in housing costs have also effectively countermanded Horace Greeley's command to "go West," at least for low-wage migrants hoping to find opportunity in the region. Many people without the knowledge required to find employment with a high-paying tech company have stopped migrating to the region because the wages of the jobs that they could secure can't cover the rent for an apartment in the Bay Area.

In other words, housing inequality has interrupted a migratory pattern that pre-dates the Declaration of Independence. Most low-income earners hoping to increase their opportunity in more-prosperous metropolitan areas can no longer "go West" because the modest salary increases that they might realize in a place like the Bay Area aren't sufficient to cover the housing costs in the area.

Housing inequality has created what Richard Florida—a professor at the University of Toronto's School of Cities and Rotman School of Management Housing—describes as a "[Darwinian sorting process](#), whereby more advantaged and highly skilled workers crowd into the tech hubs and superstar cities where those jobs are. 'Metro areas with high house price due to limited space attract skilled workers at the expense of the unskilled. ... This [gentrification](#) accumulates over time as the ratio of skilled workers in the overall work force rises, further raising wage and home price inequality.' This growing housing inequality "effectively locks less advantaged people in less advantaged places, denying them the opportunities that would come from more dynamic job markets."



<https://unsplash.com/photos/a-view-of-the-golden-gate-bridge-from-across-the-street-EOnl3L3lgQ>



<https://unsplash.com/photos/brown-and-white-concrete-building-BS7F8pBDO04>

Unless this trend in housing inequality is reversed, the metro areas of the near future will be marked by inequalities in every sphere of life. The regions that attract high-skill workers will “gain the revenues needed to fund better schools and parks and museums and bolster their amenities. All of these things become harder to keep up in less advantaged places, exacerbating the gap between different parts of the country over time.”

American cities will be caught in divergent feedback loops. Prosperous areas will become ever more prosperous, and the least-advantaged areas will become less and less capable of providing basic public services. “The end result is the creation of two separate and geographically distinct U.S. economies, with limited interaction

between them—a divide that pulls America apart culturally and politically as well.”

Long Commute, Less Opportunity

While housing unaffordability has drastically reduced the migration of low-wage workers from less-prosperous areas, it hasn't eliminated migration altogether. Even an area as prosperous as the Bay Area needs low-wage workers, and many low-skill jobs in the Bay Area pay better than comparable jobs in other regions, in part because minimum wage is higher in the Bay Area than in other regions of the US. For a low-wage earner in Mississippi, where minimum wage is [\\$7.25](#), San Francisco's minimum wage of [\\$18.07](#) makes the move to the Bay Area a seemingly sensible choice. Migrants continue to trickle into cities like San Francisco because they can more than double their annual income.

Because housing is so unaffordable in San Francisco, these migrants often choose to live outside of the city, where housing is more affordable, and they commute to work every day. Those commutes can be an hour or longer. In 2020, roughly 4.6% of Bay Area commuters were “[extreme commuters](#),” which meant that they traveled more than 90 minutes to work. In other words, one out of 20 commuters spends more than three hours traveling to and from work each day.

Those long commutes have a significant impact on a person's quality of life. For those extreme commuters who are parents, the three hours that they spend driving their cars or sitting on a bus or a train eat into their time with their children. One of the most heartbreaking facts about housing unaffordability is that it limits a parent's ability to educate their young ones, which has a profound impact on a child's likelihood of success when they reach adulthood. It also weakens the parent-child bond, which affects a child's mental health. These factors fuel the cycle of poverty, making it ever more difficult to escape.



<https://pixabay.com/photos/bus-stop-waiting-bus-72171/>

Some of those with long commutes sacrifice sleep to compensate for the hours they lose traveling to and from work. In a [study](#) that researched the link between commuting time and sleep quality, one researcher found that "longer commuting times were associated with a reduction in sleep duration of between 28% and 35%." Besides affecting a commuter's physical and mental health, which reduces a person's life expectancy, that lack of sleep can also be deadly because tired drivers are dangerous drivers. According to the [National Highway Traffic Safety Administration](#), in 2017, drowsy drivers caused 91,000 automobile crashes, injuring about 50,000 people and causing almost 800 deaths.

The expense of the commute also eats into a commuter's savings. A monthly six-zone [Caltrain](#) pass costs \$346.80 (as of 3/1/24), which represents 11% of gross income for a full-time worker making \$18.07 per hour. For those commuters who drive their own cars, the expenses can be even greater. Even in the best of circumstances, a commuter must pay for fuel, driver's insurance, registration fees, tires, oil changes, and engine maintenance. And if something goes wrong with a vehicle, as it often does with the older models that low-income earners drive, a person could have to pay a month of wages for repairs or might have to abandon a vehicle altogether.

For those who live far from where they work, the expense of a daily commute acts as a hidden housing tax. In some cases, the extra expense of a long commute all but eliminates the wage bump earned at that new job in San Francisco. Those expenses also make it more difficult for low-wage earners to save for a better apartment or for a down payment on a house. The expense of a long commute is yet another economic trap for low-wage earners, one that so often prevents them from climbing the socio-economic ladder and realizing their American Dream.



<https://pixabay.com/vectors/uncle-sam-hat-stars-usa-america-304887/>

Homelessness: The Faces of Housing Inequality



<https://unsplash.com/photos/person-sitting-beside-white-sack-AweUC9wTnbs>

Homelessness is a complex, multi-faceted problem, and there are many ways that a person can experience homelessness. There are also many ways that a person can become unhoused. Some end up unhoused because they have physical or mental health conditions that prevent them from working. Others are driven to homelessness by substance-use issues. But most people who become unhoused are victims of economic and housing inequality.

Rutger Bregman, a Dutch historian and author, said, "Poverty isn't a lack of character; it's a lack of cash." Much the same can be said about homelessness. To maintain stable housing a person needs sufficient money to pay their rent or their mortgage, and if they don't have enough money, then they usually become unhoused.

It has become increasingly difficult for people in the United States to earn sufficient money to maintain their housing because the cost of living—and especially the cost of housing—has increased so much over the past couple decades, particularly in regions like the Bay Area. When a person living paycheck to paycheck receives a notice from a landlord that their rent is increasing 10% the following month—as happens in states like Nevada, where laws offer only anemic protections to renters—many can't afford that rent jump, and homelessness is often the outcome.

The situation is, of course, more complex than that. In addition to increases in rent, some people also face challenges that make it difficult for them to maintain steady work. A person with a mental health issue like clinical depression or obsessive-compulsive disorder might not be able to hold a full-time job. The same is true for a person with a substance-use problem or a physical disability like chronic migraines. When those challenges are coupled with high housing costs, it's easy for a person to end up unhoused.

Although there are many secondary causes of homelessness, the primary cause is the lack of affordable housing. In other words, if housing was more affordable, then people with challenges would be less likely to lose their housing.



<https://unsplash.com/photos/a-man-sitting-on-a-step-with-his-head-in-his-hands-8-fHqPCNy4c>

Unhoused vs. Unsheltered

One of the most enduring misconceptions about homelessness is that an unhoused person is always unsheltered. It's important to note here that although the words sound interchangeable, they can represent two very different realities.

When a person is "unhoused," they don't have a place to call their own (please note that using the adjective "homeless" to describe a person has fallen out of favor among advocates of the unhoused and among many unhoused people themselves). But an unhoused person might be able to stay with a friend or a family member, or they could live in a van. When a person is "unsheltered," on the other hand, they don't have a place to call their own and they don't have a roof over their head when they lay their head down to sleep.

In other words, a person who is unsheltered is also unhoused, but a person who is unhoused isn't necessarily unsheltered.



<https://pixabay.com/photos/homeless-street-art-reality-2223116/>

It's important to draw this distinction because it sheds light on a problem that's much worse than most people know. Many housed people believe that the unsheltered people sleeping in tents on an empty lot or under a building's awning are the face of homelessness, but they are just the tip of the iceberg.

Most people who are unhoused have shelter, which means that they are mostly invisible. It's easy to spot an unsheltered person sleeping behind a grocery store, but it's virtually impossible to see the unhoused foster care graduate sleeping on a friend's couch.

In the remainder of this chapter, we will explore some of the different ways that people experience homelessness so that we housed people can better understand the scope of the problem.

The Many Faces of Homelessness

No two people ever experience homelessness the same way, but it's possible—and even useful—to group unhoused people by the sorts of experiences they endure. This exercise in categorization can help us study the problem so that we can craft appropriate solutions.

That said, it can also be limiting to group people by their experiences because unhoused people sometimes belong to several categories at once. A sofa-surfing student might also be a vet with mental health issues. An unhoused single mother might also have a physical disability that prevents her from working.

This is all to say that we acknowledge that these descriptions of the ways that people can experience homelessness are far from perfect. But this is still vitally important information that every housed person should know.



<https://unsplash.com/photos/man-holding-card-with-seeking-human-kindness-text-8UG90AYPDW4>

Unhoused People Who Are Employed

For many people, the word “homelessness” evokes images of a disheveled person who is unable to hold a job, but the truth about homelessness is far more nuanced. A large percentage of people who experience homelessness work part-time or even full-time jobs. But if rents in an area are high and pay is low, an employed person still may not be able to afford permanent housing.

According to a recent study conducted by a team of researchers at the [University of Chicago](#), about 40% of unhoused Americans are employed. Maintaining steady employment can be difficult for unhoused people, but hundreds of thousands of people in the United States manage to hold on to their jobs despite their housing status.

Employment is necessary for most permanent housing, but it isn't always sufficient. Too many employers still don't pay a living wage, and millions of Americans working in low-paying jobs are teetering on the brink of homelessness. A [2019 survey](#) by Charles Schwab found that 59% of Americans are living paycheck to paycheck.

Unhoused Children



<https://pixabay.com/photos/poverty-homeless-street-children-6835460/>

Most of the unhoused people we see living on the streets are adults, but the fact is that nearly 20% of unhoused Americans are [under 18](#). A 2022 [University of North Carolina study](#) found that public schools identified 1.1 million students who experienced homelessness for part of the 2020-2021 school year. Sadly, the number of unhoused children has grown over the past decade.

Unhoused children face many challenges that their housed peers don't. Children who experience periods of homelessness have more social-emotional and physical health complications. If they don't receive consistent schooling or if they move schools frequently, they are also more at risk for dropping out of school before graduation, which decreases their chances of escaping the cycle of poverty as adults.

Vehicle Residents

Vehicle residency is known as the "hidden homelessness crisis" because unhoused people sleeping in their cars aren't as visible as those who sleep in parks or on sidewalks.

Tens of thousands of unhoused Californians live in their vehicles. In 2019, more than [16,500](#) people lived in their vehicles in Los Angeles County alone. That same year, San Francisco counted 1,800 unhoused vehicle dwellers, and Oakland counted 2,800.

Parking laws that lead to impoundment pose a serious threat to vehicle dwellers. Impoundment fees can be prohibitively expensive, and if a person can't raise the money to pay the fees, they can lose their vehicle, their home, and their belongings.

Many cities have made it illegal for residents to sleep in their cars, which means that desperate vehicle dwellers often face fines and other legal consequences. To accommodate the increase in vehicle residency, some cities permit vehicle dwellers to park in designated parking lots so they can sleep at night without fear of break-ins. Some of those parking lots have security and restrooms. [Safe-parking programs](#) run by nonprofits, churches, and government agencies can also help unhoused vehicle owners find permanent housing.

RV Nomads

Some people don't believe that folks who live in an RV full time should be considered unhoused because they have a roof over their head, a functioning restroom, and a cooktop for preparing meals. But the estimated [one million](#) "RV nomads" in America, who live in their RVs full time, still face many challenges that traditionally housed people don't.

Although RV nomads do have a place to sleep every night, sleep can still be difficult to come by in an RV. Many states and cities have banned sleeping in RVs or cars parked on residential streets. In cities like San Francisco, where it's difficult to find parking even for compact cars, searching for a place to park an RV overnight can be time consuming and frustrating. It's also illegal to park in most Walmart or mall parking lots. To address the issue, some cities have created [safe-parking programs](#) for people living in RVs or cars.

RVs are complicated machines built from thousands of parts. Tires, carburetors, radiators, air conditioners, waste-disposal systems—they all have limited lifespans, and repairs can be costly. For someone living below the poverty line, repairing a blown-out tire can eat into a food budget.



<https://unsplash.com/photos/white-and-green-rv-on-brown-field-under-blue-sky-during-daytime-nBL67es3fO0>

Health and safety can also be issues for RV nomads, who must often park outside of city limits, far from the protection of police departments, ambulances, and hospitals.

Finding a place to safely dump an RV's waste tank can be difficult. Worse yet, in snowy regions, waste can freeze into a solid block that clogs the system.

Unhoused Families

Of the world's developed countries, the US has the greatest number of unhoused women and children. [Families with children](#) comprise about 30% of the unhoused population in the US. The causes of homelessness are multifaceted, but for unhoused families headed by women, intimate partner violence is the primary reason for homelessness.

Women aren't the only victims of intimate partner violence. Their children also suffer the consequences. A staggering [83% of unhoused children](#) under the age of 13 have witnessed one or more serious acts of violence.



<https://pixabay.com/photos/family-holding-hands-parents-child-1866868/>

Education and marital status are significant contributing factors to homelessness among women. Approximately [85% of unhoused families](#) are headed by a single mother. A typical unhoused family in a shelter is made up of a single mother in her late twenties and her two children. And about [53% of unhoused mothers](#) didn't graduate from high school.

Children who experience periods of homelessness are likelier than their housed peers to face hunger, learning challenges, physical and mental health problems, social-emotional issues, violence, and school interruptions. Those difficulties make it hard for unhoused children to complete their education and to move up the socio-economic ladder as adults. In other words, the consequences of homelessness during childhood can follow a person for decades after they find permanent housing.

Sofa-Surfing Students

College has become a must for socio-economic mobility in the United States, but tuition and housing fees have become prohibitively expensive for so many aspiring students. Some students are completely priced out of a college education, and many who do enroll face a financial burden during their college years. Even students who receive financial aid often have economic challenges because their aid packages only help with tuition. Too many students struggle to find affordable housing, and they end up crashing on their friends' sofas.



<https://www.mentalhelp.net/addiction/approaching-addiction-as-a-community/>

The term "sofa surfing" may evoke thoughts of youthful adventures, but in reality it's a type of homelessness. And there are a shocking number of sofa-surfing students in the Bay Area. About 13,000 or [17% of Silicon Valley high school students](#) struggle with homelessness. Another 18,000 community college students in the area sleep on friends' couches. Nationwide, approximately [44% of community college students](#) reported that they had sofa-surfed or knew a classmate who had sofa-surfed in the past six months. Those sofa surfers are one argument away from sleeping in a public space.

Education is one of the surest routes out of homelessness and food insecurity, but it's difficult for a student to concentrate on their studies when they spend much of their day worrying about where they will sleep that night or trying to find enough food to fuel their bodies and brains.

It's not always easy to land a sofa for a night, so students must often find backup shelter. Some students who can't find a sofa sleep in all-night university libraries to keep out of the elements and to get a few hours of rest before morning classes.

Unhoused Veterans

Our military personnel volunteer to fight our battles overseas and to protect us from the threat of foreign invaders. When those citizen soldiers return to the US at the end of their service, they often face many obstacles to social re-integration. Some of those obstacles are overwhelming for veterans, and too many experience homelessness. An estimated [40,000](#) veterans are unhoused on any given night in the United States.

Sadly, about [20% of unhoused men](#) in the United State are veterans, and [88% of the unhoused veterans](#) are men. While women make up a relatively small percentage of that population, they are about [three times likelier](#) than non-veteran women to experience homelessness.



<https://www.washingtonpost.com/posteverything/wp/2016/07/08/one-reason-so-many-veterans-are-homeless-they-cant-afford-lawyers/>

Veterans who return home from war zones often bring physical and emotional scars back with them. Physical injuries and mental health conditions like post-traumatic stress disorder (PTSD) can make it difficult for veterans to hold a stable job. Those employment struggles can cause veterans to become socially isolated, which can lead to depression and substance abuse. An addiction combined with housing unaffordability may be the most immediate cause of homelessness for some veterans, but that addiction can usually be traced back to untreated traumas and a lack of adequate social and emotional support.

As painful as it may be to read about veterans who are experiencing homelessness, the news isn't all bad. Thanks to the tireless efforts of veterans' rights advocacy groups, nonprofit organizations, and government agencies, the number of unhoused veterans has [decreased by about 43%](#) since 2011.

Unhoused Couples

Having an intimate partner while experiencing homelessness can be both a blessing and a curse. On the upside, a partner can make the difficulties of the unhoused life more bearable, but it can also create additional burdens for the couple. Many homeless shelters don't allow unhoused couples to stay together. They give the couple the option of separating to find beds in the shelter—often in different buildings—or staying together on the streets.

The systems that provide services to people experiencing homelessness are far from perfect. One of the major systemic flaws is that organizations don't track unhoused couples. That lack of data can make it difficult for organizations and government agencies to address the issues that couples face. It's difficult to solve a problem if no one understands the scope of that problem.

Finding a place to be intimate can be especially challenging for a couple who can't find a room of their own. If they aren't allowed space to be together in a shelter and if they can't legally be together in public spaces, then where do they express their love?

Unhoused People with Physical Challenges

Homelessness is a physically and emotionally demanding experience for anyone, but it can be especially difficult for people with physical challenges. Homelessness can also compound challenges because it's usually a barrier to healthcare. For example, an unhoused person whose diabetes has damaged the nerves in their feet (diabetic neuropathy) may need a wheelchair, but that wheelchair may make it difficult for them to get the medication and treatment they need to care for their feet.

Another reason that a higher percentage of unhoused people have physical challenges is because the lack of permanent housing makes it more difficult for a person to care for their health. A person without a challenge who becomes unhoused may also become disabled while experiencing homelessness, which could make escaping homelessness even harder, increasing the chronically unhoused population.



<https://stock.adobe.com/images/a-disabled-person-without-a-leg-sleeps-on-a-yellow-bench-crutches-homeless/188597861>

A greater percentage of the unhoused population has physical challenges ([24%](#)) than the housed population ([13%](#)). That's partly because physical challenges can prevent a person from holding a full-time job, which can lead to housing insecurity and eventually homelessness.

Chronically Unhoused Individuals

The term "[chronically unhoused](#)" refers to a person with a disability who has experienced homelessness continuously for twelve months or more or who has experienced four or more stretches of homelessness over the past three years so the total time spent unhoused adds up to twelve or more months.



<https://unsplash.com/photos/a-pile-of-garbage-sitting-on-the-side-of-a-road-rhPZ5cJ864Y>

There are many causes of chronic homelessness, including chronic physical or mental health conditions, physical or mental challenges, and substance-use disorders. When a person facing such challenges becomes unhoused, it can be exceedingly difficult to seek the support they need to address those challenges and to find permanent housing.

According to a [2020 HUD report](#), about 27% of the country's unhoused population is chronically unhoused. Not surprisingly, California has the nation's largest total number of chronically unhoused people (nearly 49,000). That's about 40% of all the chronically unhoused people living in the US. Worse yet, 56% of all chronically unsheltered Americans live in California.

Research shows that many American cities spend about [\\$36,000](#) per chronically unhoused person per year. It would cost cities only \$13,000 per person per year to provide permanent supportive housing. It turns out that compassion is good for city budgets.

Unhoused People with Mental Health Conditions

Unhoused people with mental health conditions face many difficulties, some related to their conditions and others related to people's perceptions of them. Between [74% and 87%](#) of unhoused people with mental health conditions are victims of violence at some point while unhoused. They are, arguably, more stigmatized than any other subgroup of the unhoused population, and those stigmas are obstacles to treatment and support.

While between 4% and 6% of the population of the United States has a serious mental health condition, among the unhoused population, the rate is as high as [25%](#). Those mental challenges are the third leading cause of homelessness for single adults.



<https://unsplash.com/photos/black-and-white-wooden-wall-0y3UGupi7Tk>

The psychotropic medications and sleeping aids prescribed to treat mental health conditions impact a person's coherence and their ability to function in their environments. That makes them vulnerable to violence at the hands of people who don't understand their symptoms or the side effects of their medications. What's more, consistent sleep can be hard to come by for an unhoused person, and insufficient sleep can contribute to the development of mental health conditions.

The "demedicalization" of mental health is a major cause of homelessness in the United States. People who could benefit from in-patient psychiatric care are too often thrown onto the streets or put into prisons.

Unhoused People with Substance-Use Issues

Perhaps the most common stereotype about unhoused people is that they all have substance-use problems. While substance abuse is more common among unhoused populations than among the general population, most unhoused people don't have such problems. In fact, [62%](#) of unhoused people are NOT addicted to alcohol, and 74% are NOT addicted to drugs.

Sometimes an addiction is a cause of homelessness; other times a person becomes addicted while experiencing homelessness, which is hard on the mind and the body. To cope with the fear, depression, and discomfort of the unsheltered life, some unhoused people [self-medicate](#).

Rather than blaming unhoused addicts for their substance-use problems, we must realize that their addictions are diseases that must be treated with medical and psychological interventions. They need more empathy, not more scorn.

Unhoused people with addictions face a variety of barriers to treatment. Because most lack health insurance, it can be nearly impossible to get the counseling and other support they need to treat their addictions. They also often lack the necessary documentation.

Unhoused Migrant Laborers

The term "[hidden homelessness](#)" is often used to refer to people who live in squats or in insecure housing or who are temporarily staying with friends or family. While people in such situations are sheltered from the elements, their housing conditions are often unsafe and overcrowded, making it difficult for them to maintain their mental and physical health.



<https://www.deccanchronicle.com/nation/in-other-news/150520/tamil-nadu-leaps-into-second-place-on-corona-positive-cases.html>

Hidden homelessness affects unhoused migrant workers throughout the United States. Because they struggle to find enough year-round work to afford their own housing, they often share an apartment with many other people who also can't afford their own living spaces. It's not uncommon for a dozen or more people to share a small apartment. In more extreme situations, an apartment or a trailer is so full of people that residents must [sleep in eight-hour shifts](#).

Besides being stressful, overcrowded living conditions affect a person's ability to get quality sleep, which damages their short- and long-term health. A [2014 study](#) of 147 sleep-deprived adults found that a lack of quality sleep has been linked to a decrease in total brain volume and an increase in brain disorders like Alzheimer's and dementia.

Sleep deprivation doesn't just affect the sleepy individual. It also has a social cost. One study found that [53%](#) of night-shift workers admitted that they had accidentally fallen asleep at work. Companies that push their employees to the point of exhaustion endanger employees and the public.

Unhoused Pet Owners

Homelessness is usually an isolating experience that can have a profound impact on a person's mental health. To cope with that isolation, some people take their pets with them when they become unhoused. Others adopt pets while experiencing homelessness. It can be costly to feed a pet, but a bond with a pet can make the agony of homelessness much more bearable. For some unhoused people, their love for their pets gives them the courage to face their daily difficulties.



<https://www.animalsnew.com/2023/04/these-dogs-dont-leave-homeless-guy-they.html>

For an unhoused person with a substance-use issue, a pet can be a reason to get [clean and sober](#). For many unhoused addicts, the decision between spending money on drugs or alcohol and spending money on food for a pet is a no-brainer. Pets reduce other high-risk behaviors as well.

People experiencing homelessness face a variety of barriers to services. Shelter rules are one of the most frustrating barriers for unhoused pet owners. Many [shelters don't allow pets](#), which means that owners must decide between their pets and the relative safety of a shelter.

Unhoused Prison Parolees

About [5 million](#) formerly incarcerated people live in the US, and each year about [600,000](#) people are released from prison. As parolees try to reintegrate into society, they face a variety of challenges that reduce their chances of successfully rebuilding their lives.

Housing is one of the biggest hurdles that an ex-offender must clear after their release from prison. In regions without sufficient affordable housing, parolees must compete against people without a criminal record to find a home. Landlords are often reluctant to rent to anyone with a criminal history, and some cities and counties are unwelcoming. In 2018, [Clayton](#), a city in the East Bay, considered banning parolees from living within the city limits.

The link between homelessness and incarceration can be difficult to break. About [15%](#) of people who are incarcerated experienced homelessness in the year before they entered prison. And each year, about [50,000](#) people become unhoused after they are released from prison.

Helping a formerly incarcerated person find secure housing is the best way to help a parolee successfully re-enter society. A “housing first” strategy that prioritizes secure, permanent housing for parolees could reduce homelessness and recidivism.

Unhoused Adults Who Age Out of Foster Care

American foster care systems are notoriously underfunded, and many of the young adults who age out of the systems aren't prepared to care for themselves. In their first four years of emancipation, [50%](#) have no income, and the average yearly income for those who do work is \$7,500. That's one of the reasons that about [20%](#) of former foster care youth become unhoused within four years of emancipation.

An undeniable link exists between homelessness and foster care systems in California. In San Francisco, more than [28%](#) of unhoused young adults (25 and under) were foster youth. In Sacramento County, [57%](#) of unhoused people over the age of 35 spent time in foster care.

Former foster care youth often struggle with homelessness because they haven't received the support they need to cope with the traumas that landed them in foster care. That might include parental abandonment or addiction, sexual or physical abuse, family dysfunction, or death.



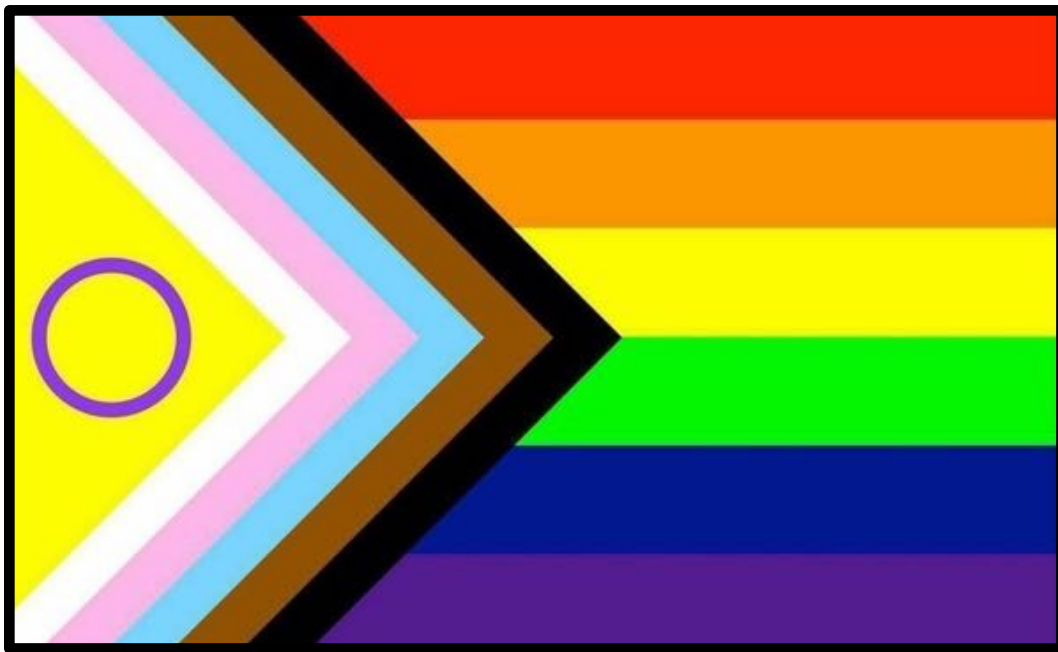
<https://www.peace4kids.org/george-white>

“[Extended foster care](#)” is an effective way to reduce homelessness among former foster care youth. By allowing young adults to remain in foster care until they turn 21, government agencies could cut the rate of homelessness in half among those who age out of the system.

Unhoused Members of LGBTQ+ Communities

A shockingly high number of children in LGBTQ+ communities are unhoused in the United States. Of the 1.6 million youths who experience homelessness each year, about [40%](#) identify as LGBTQ+. Too many parents can't see past their prejudices, and it's common for those parents to kick their children out of their homes after their children come out to them.

[No federal programs](#) exist to provide services specifically to unhoused members of LGBTQ+ communities. And because many cities and states don't provide such services, many sex/gender-diverse youths who are experiencing homeless lack the resources they need to address their housing difficulties or to seek the counseling they may need after being rejected by their families.



According to the organizations that work with unhoused members of LGBTQ+ communities, about [68%](#) of their clients were rejected by their families. Those family conflicts are their main cause of homelessness.

In addition to being at greater risk for experiencing homelessness, people in LGBTQ+ communities are likelier to face that struggle at a younger age.

Experiencing so many challenges so early in life is part of the reason that unhoused sex/gender-diverse youths face a greater-than-average number of [mental health issues](#) like depression and PTSD. It's also the reason that unhoused members of LGBTQ+ communities struggle with more [substance-use problems](#) than their peers.

Climate Refugees

A “[climate refugee](#)” is anyone forced to flee from their home country due to climate change–related disasters, including droughts, wildfires, hurricanes, tornadoes, floods, and rising sea levels.

Climate change has a disproportionate impact on people from developing countries, but it will still have a profound impact on developed nations. And because many climate refugees will migrate to developed nations, even countries like the US will feel the effects of climate refugees.



<https://unsplash.com/photos/man-in-black-jacket-walking-on-street-during-daytime-rTXKkhHgoVM>

About [31 million](#) people in 135 countries were forced to migrate from their countries in 2017, and about 60% of them were displaced by natural disasters like floods and hurricanes. Many of those refugees received hostile welcomes in the countries they fled to. Destination countries sometimes have to protect refugees from their own citizens.

Could World War III be fought over drinking water? Some experts believe that climate change and the subsequent lack of basic resources are likely to spark armed conflicts. Those wars could worsen problems by creating even more refugees.

Climate change has become the leading cause of homelessness in the world, and the problem is only going to get worse unless we act now to address climate change. According to the research team at [EcoWatch](#), one billion people may become climate refugees by 2050. Many of those people will be unable to find permanent housing in their adoptive countries.

Climate Migrants

A “[climate migrant](#)” is anyone forced to flee to another city or region within their home country due to weather-related disasters caused by climate change. Those disasters could include droughts, wildfires, hurricanes, tornadoes, floods, and rising sea levels.

Climate change will affect millions of Americans, and those effects will take many forms. The drought-induced [wildfires](#) that have been unhousing Californians are an especially harmful consequence of climate change. In 2020, [900 wildfires](#) forced 100,000 Californians from their homes.

When a weather-related disaster destroys a home in a disaster zone, a person may not receive insurance money or federal support if they didn't have catastrophe insurance. And [insurance companies](#) often stop providing insurance in areas struck by weather-related disasters, That means that homes in an area may be uninsurable, forcing people to flee an area.



<https://unsplash.com/photos/footprints-in-the-sand-NraCi7VU9Hc>

If it becomes impossible to insure a home in a region or if a region becomes too dangerous to live in, people must flee to larger cities. In places like San Francisco, where affordable housing is already scarce, climate migrants often end up unhoused.

As Americans move to other states to escape the effects of climate change, the colors of political maps are likely to change as well. Midwesterners migrating from Tornado Alley states could turn Colorado or New Mexico red. Californians could turn Idaho or Arizona blue. Change will be the one constant in the America of the future.

Underground Dwellers

In a few American cities like [New York](#), [Chicago](#), and [Las Vegas](#), a portion of the unhoused population lives in the hundreds of miles of subway and train tunnels or storm channels beneath the cities. Upwards of 5,000 people live in subway tunnels beneath New York City. More than 1,000 people live in storm channels under Las Vegas.

What does it say about our society that people surviving on the fringes believe that living in underground subway tunnels is a safer, more sensible alternative to living aboveground?

Underground dwellers are sometimes known by the pejorative term "[mole people](#)." The phrase is dehumanizing, and it speaks to some of the challenges that underground dwellers face every day. If a person feels that the people living aboveground think of them as animals, then they are less inclined to seek support from the agencies and people who might help them reintegrate into the world above.



<https://www.villagevoice.com/2019/04/19/7-days-the-city-below/>

Besides discrimination, underground dwellers must also cope with the daily possibility of violence. The darkness and the lack of law enforcement make underground tunnels and storm channels particularly dangerous. They are also breeding grounds for rats and diseases like tuberculosis.

Some underground dwellers band together to form underground towns, headed by mayors who assign tasks and maintain order.

Follow the Money



<https://pixabay.com/illustrations/dollars-coins-money-currency-517113/>

One of the most frustrating truths about homelessness is that each year governments, organizations, and individuals in the United States collectively spend billions of dollars to address the issue, and yet the problem persists.

Those dollars are, no doubt, well-intended, but it's worth asking whether those funds are well-spent. We're spending ever more money on the problem. But then why is homelessness worse now than ever before? According to the US Department of Housing and Urban Development, approximately [653,100](#) people were unhoused in 2023. As [Axios](#) notes, that was the worst year for homelessness since the problem was first tracked.

To understand where we're going wrong, it's important to know where the money is coming from. In this section, we examine the funding sources.

Federal Funding

The 2021 US federal budget included more than [\\$51B](#) in funding for programs created to address homelessness and to provide housing support to low-income people. Most of that money is passed down to state and local governments and to nonprofits.

State Funding

California's '21-'22 budget set aside [\\$10.7B](#) to fund 50 programs. About \$1.5B of that money helped unsheltered people. Most of the money was used to build temporary shelters. About \$500 million was dedicated to finding shelter for people living beside highways and on medians.

City Funding

Cities spend much money on homelessness programs, but sometimes that money doesn't directly help currently unhoused people. Of the [\\$250M](#) San Francisco spent to address homelessness in 2017, two-thirds of the money didn't help unhoused people. But it did prevent more low-income people from becoming unhoused.

Building Tiny Homes

Building tiny homes is a smart solution, though some people argue that it's better to spend money only on long-term housing solutions. But tiny homes are relatively inexpensive to build, and they can get a roof over an unhoused person's head while governments craft those long-term solutions.



<https://www.archpaper.com/2022/09/in-l-a-new-tiny-home-villages-offer-a-temporary-solution-in-the-citys-struggle-with-homelessness/>

Universal Vouchers

A universal voucher program, which guarantees housing assistance to every low-income person in America, could help end homelessness and drastically reduce poverty. Only about one-quarter of eligible people receive [housing vouchers](#) today.

Nonprofit Organizations

Nonprofits are another major source of funding. The revenues of nonprofits that provide shelter to unhoused people were about [\\$8.5B](#) in 2015, but some of that money came from the federal government. The money that nonprofits spend on permanent supportive housing programs saves cities upwards of \$100,000 in services per unhoused person per year.

Private Foundations

Private foundations also make sizable donations to homelessness projects, but it's difficult to know precisely how much they give because many don't publicize their donations. Much of that money is granted to organizations that provide direct services, but foundations also fund lobbyists who advocate for the unhoused.

Individual Taxpayers

Individual taxpayers are another significant source of funding. In 2020, individuals donated [\\$65.14B](#) to human services. It's not clear how those funds were dispersed, but some chunk of that money funded organizations that meet the needs of unhoused people.

Adaptive Reuse

“[Adaptive reuse](#)” is another effective solution. By renovating abandoned buildings like motels, hotels, and malls, governments can create thousands of new homes for much less than the cost of building new structures. And unlike housing vouchers, this approach wouldn't require a monthly outlay of money.



<https://www.planning.org/planning/2021/spring/how-adaptive-reuse-can-help-solve-the-housing-crisis/>

Homelessness Won't End Until We Stop Blaming the Victims

Most of us have heard someone publicly shaming an unhoused person at some point. "Get a job!" yells the housed bigot. "If I give you money, you'll just buy drugs," says the well-fed snob. That willingness to kick unhoused people when they're down is a symptom of a diseased culture.

Becoming unhoused is usually the product of economic inequality and bad luck, but too many among us treat homelessness as a moral failing. Mother culture has brainwashed us into believing that poverty is born from laziness or a weakness of character, and when we believe that lie, we harden our hearts against people who need an extra helping of compassion.

As long as we continue blaming the victim, we will never solve the problem of homelessness or the economic inequality that is usually at its root. We acknowledge that unaffordable housing isn't the only reason that a person can become unhoused, but it's an undeniable fact that economic inequality and unaffordable housing will worsen any challenge a person is facing. A woman trying to navigate an abusive husband is likelier to become unhoused when she also has to navigate an unaffordable rent bill every month. The hardships facing a man trying to keep his job and manage his depression are only worsened by astronomically high rents. For those facing life challenges, the margin of error shrinks as housing expenses grow.



<https://unsplash.com/photos/a-man-pushing-a-cart-full-of-bags-down-a-street-MlHzt9tMvFg>

Solutions



<https://pixabay.com/photos/light-light-bulb-electric-bulb-bulb-681540/>

Guaranteed Income: An Idea 500 Years in the Making



<https://pixabay.com/illustrations/dollar-money-us-dollar-arrangement-1443244/>



<https://www.theatlantic.com/business/archive/2016/06/unions-and-ubi/488951/>

Even for people who acknowledge that homelessness isn't the fault of the unhoused, economic inequality and a lack of affordable housing can feel inevitable, as if it's an unavoidable byproduct of capitalism. They worry that solving these problems would require us to dismantle the systems that gave rise to them. And wouldn't dismantling those systems cause even more pain and suffering?

This is a prime example of the straw man fallacy. Advocates for sensible solutions to homelessness aren't pushing for the overthrow of our economic system. They're agitating for solutions that work within that system.

There are two such simple, sensible solutions to the affordable-housing/homelessness crisis. We could build housing for those who are unhoused or at risk of becoming unhoused, or we could give them money each month so they can pay their rent. This chapter focuses on the second of those two solutions.

As we discuss that solution, we should keep in mind that economic inequality and homelessness are the result of the collective choices that we made as a society. We could choose to solve those problems by making different choices.

Guaranteed Income at a Glance

The idea of a “guaranteed income”—sometimes known as a “basic income” or a “guaranteed basic income”—has been gaining traction over the past decade, but the concept is nothing new. In fact, it dates back to Thomas More, who discussed it in his book *Utopia*, published in 1516. For half a millennium, philosophers, economists, and politicians have proposed a variety of guaranteed income programs, some of which seem more plausible than others, but those programs all shared one thing in common: they sought to reduce or eliminate poverty by giving people free money—no strings attached.

You know that saying about there being no such thing as a free lunch? It turns out that that doesn't have to be true.

The United States is a land of plenty. We have plenty of food to feed everyone in the country and plenty of land and resources to provide everyone with a home. But then why do we also have so many hungry and unhoused people? Because we refuse to divorce the concept of money from the concept of work.

We could easily feed and house every person in the country, but we insist on making people work for the money to pay for food and shelter. Those who can't work starve and become unhoused.

A guaranteed income drastically reduces—if not eliminates—hunger and homelessness by divorcing the concept of money for life's necessities from the concept of work. In other words, under a guaranteed-income program, even people who can't work can still pay for food and housing.

Before we dive into the details of guaranteed income, let's briefly examine the history of the concept.



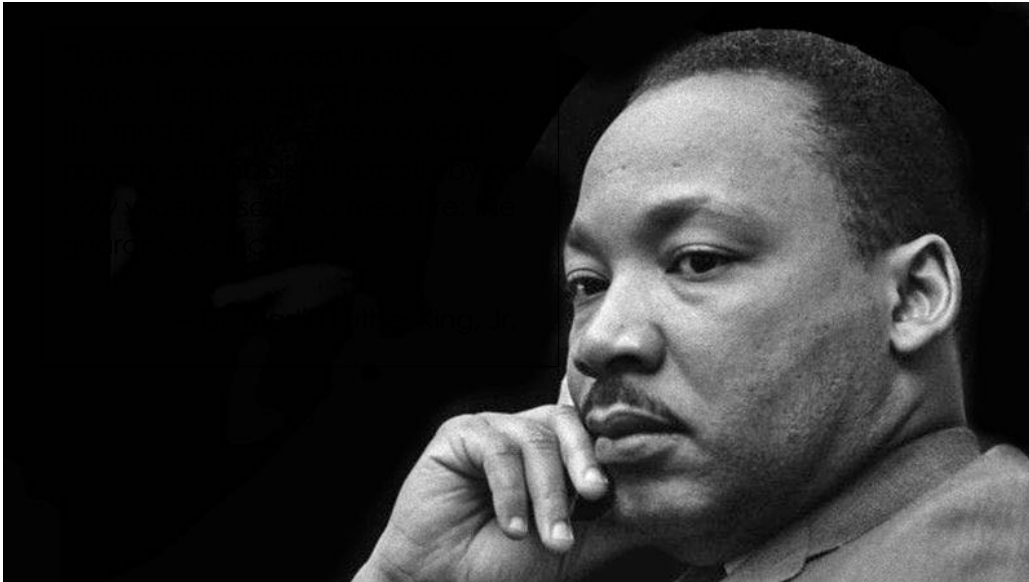
<https://www.proactiveinvestors.co.uk/companies/news/1016985/what-if-would-universal-basic-income-be-a-boon-for-investors-1016985.html>

A Brief History of Guaranteed Income



What's most surprising about an examination of the history of guaranteed income is that an idea that's more than twice as old as the United States could still seem novel in the 21st century. Millions of Americans are unfamiliar with the concept, and many reject the idea outright when they learn about it because it sounds so radical and untested.

Guaranteed Income Pilot Programs



Guaranteed income is anything but untested, though. In fact, as of this writing, about [200 American cities](#) are currently running or have run guaranteed-income pilot programs to determine how no-strings-attached money impacts the lives of the people receiving it.

No two pilot programs are alike, but they do share certain commonalities. The recipients of the guaranteed income payments typically receive a set amount of cash every month—usually somewhere between \$500 and \$1,000—for a certain number of months, from as few as six months to as many as 60. There are no restrictions on how recipients can spend the money, which means that people are free to make bad decisions if they so choose. But here's what the cities that are running the pilot programs and the researchers who are studying those programs are discovering: the recipients routinely make good decisions about how to spend those unearned dollars.

According to the [Guaranteed Income Pilots Dashboard](#), which is part of the Stanford Basic Income Lab and Center for Guaranteed Income Research, the 7,934 recipients of the pilot programs that the lab has studied spent their guaranteed-income dollars in these categories:

- Retail Sales and Services: 36.35%
- Food and Groceries: 31.38%
- Transport Related Expenses: 9.41%
- Housing and Utilities: 9.19%
- Financial Transactions: 5.62%

- Travel/Leisure/Entertainment: 3.79%
- Healthcare/Medical Expenses: 2.23%
- Miscellaneous Expenses: 1.49%
- Educational Expenses: 0.54%

Here's an interesting and relevant tidbit about the history of guaranteed income: [Richard Nixon](#) was an advocate, and in 1969, he proposed creating a program that gave every family of four the equivalent of \$10,000 per year. But on the eve of what might have been the beginning of the end of poverty in the United States, one of his advisors brought to his attention a since-discredited sociological report on the "Speenhamland" guaranteed-income program, which began in 1795 in Berkshire, Great Britain. Through that program, every citizen of Speenhamland, a rural region in southeast England, received free money to help them pay for food during a period of inflation. Most of those who wrote about the project claimed that it worked just as it was intended, but a royal commission created a fabricated report that claimed that the people who received the money became idle and wasted their unearned money on alcohol and other "immoral" pursuits. The report was eventually shown to be riddled with fabrications, but not before it perpetrated far and wide the lie that low-income people are incapable of making smart decisions about how to spend money.



<https://www.scientificamerican.com/article/the-u-s-could-help-solve-its-poverty-problem-with-a-universal-basic-income/>

That myth persists today (remember that housed bigot who said to the unhoused person, "If I give you money, you'll just buy drugs"?), but these pilot programs are debunking that myth. The recipients of guaranteed income payments are using the money to pay for the necessities that allow them to live healthier, more secure lives. Their individual stories are revealing.

One woman who received money through a pilot program in Shreveport, Louisiana, used the money to secure a higher-paying job than the one she had before she started receiving the guaranteed income. She had been stuck in a low-paying job that forced her to live hand to mouth, and while she knew that the best way to secure a better job was to send out her resume and apply for other jobs, she could never find the time to do the necessary legwork. Rather than stripping the woman of her will to work or inducing her to engage in “immoral” behavior, the extra money helped her find a job that allowed her to provide more opportunities to her children.



<https://www.scottstantens.com/negative-income-tax-is-not-cheaper-than-universal-basic-income-ubi-nor-is-guaranteed-income-more-progressive-by-excluding-the-rich/>

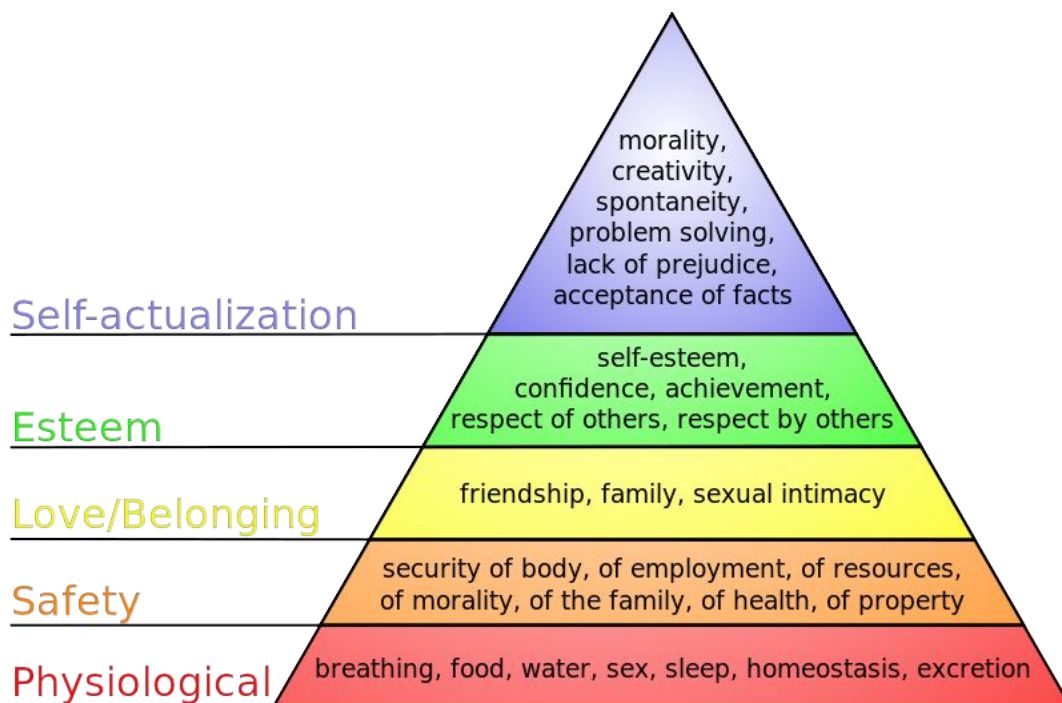
A man who participated in a pilot program in Gainesville, Florida, used the money to purchase a mobility scooter, which isn't covered in conventional social welfare programs. The extra money—and the increased mobility—allowed him to care for his wheelchair-bound mother, which isn't work that traditional welfare programs offer compensation for.

In 2021, a Bay Area nonprofit called [Miracle Messages](#) gave 14 unhoused people \$500 per month for six months. About two-thirds of the recipients used the money to secure housing, including one unhoused man whose heart disease brought him to the brink of death. He used the money to purchase a defibrillator vest to reduce his chances of a stroke, and in his final month in the pilot program, he moved to Kansas and secured permanent housing. That extra \$500 per month might literally have saved his life.

The outcomes of the pilot projects demonstrate an important truth about poverty: it's a debilitating state that harms the mind and the body. People who are food insecure often survive on cheap fast food, which causes heart disease, diabetes, cancer, and a host of other diseases that cut short their lives. The stress of constant money worries also interferes with a person's ability to make sound decisions. In a 2013 study published in

the [Journal of Science](#), researchers at the Centre for Competitive Advantage in the Global Economy at the University of Warwick (UK) found that the perpetual stress caused by an inability to pay one's bills causes a low-income person to develop a cognitive deficit that is equivalent to losing 13 IQ points. The mental and physical strain caused by poverty can trigger a feedback loop that can exacerbate a person's problems. A person who develops cancer due to an unhealthy diet can lose a job, which increases stress, which decreases a person's ability to think critically, which can make it more difficult to find a new job, which can make it harder to recover from cancer, which can trigger bouts of depression, which can Those feedback loops often end in homelessness or even death.

In a 1943 paper called "[A Theory of Human Motivation](#)," psychologist Abraham Maslow introduced a concept now widely known as "Maslow's hierarchy of needs," which describes the necessity of satisfying physiological needs before a person can move on to the next level of needs in a pyramid topped by the need for self-actualization. Food and shelter are basic physiological needs, and when poverty prevents a person from fulfilling those needs, it's difficult to worry about higher-order needs.



https://en.wikipedia.org/wiki/File:Maslow%27s_hierarchy_of_needs.svg

A guaranteed income isn't a panacea, but it goes a long way in reducing—if not eliminating—some of the financial stressors that can have such a detrimental impact on a person's life because that money allows a person to meet their basic physiological needs. A person who doesn't have to decide whether to eat or to take their life-saving medications is likelier to have a healthy, fulfilled life.

Guaranteed Income vs. Universal Basic Income

During his 2020 presidential bid, Andrew Yang proposed a universal basic income (UBI)—he called it a "Freedom Dividend"—of \$1,000, paid monthly to every person in the United States over 18 years of age. Yang's proposal demonstrated his political savviness because it gave every voter an incentive to vote for him, but the unavoidable truth is that the price tag of his proposal would have been unacceptably high.



https://commons.wikimedia.org/wiki/File:Andrew_Yang_talking_about_urban_entrepreneurship_at_Techonomy_Conference_2015_in_Detroit,_MI.jpg

According to the [2020 US Census](#), there were approximately 258.3 million adults in the United States the year that Yang ran for president. His proposal would have cost US taxpayers \$3.1T annually. The federal government spent [\\$6.13T](#) in 2022, and given that the federal deficit was [\\$1.4T](#) that year, to afford Yang's proposal, we would have to cut other government spending in half or raise 65% more money in taxes. There are certainly ways to raise an additional \$3.1T in tax revenue annually, but that's a tall order.

The biggest downside of Yang's proposal was that it was "universal," meaning that all American adults—low-income and high-income alike—would have received a monthly check. The universality of Yang's proposal was undeniably democratic, but it was also impractical. For a high-income earner, an extra \$12,000 of income each year would have little to no impact on their lifestyle, and it makes more economic sense to give those dollars to the people whose lives will be most impacted. By swelling the ranks of recipients, Yang's proposal also shrank the possibility of congressional approval.

To fund a universal basic income like the one that Yang advocated for, some people have proposed eliminating all social welfare programs that currently address issues facing people who are unhoused or at risk of becoming unhoused (e.g., Section 8; the Supplemental Nutrition Assistance Program; Women, Infants, and Children). They argue

that the administration of those programs is expensive, that the waiting lists for those programs can be ten years or more, and that those programs usually disincentivize work. While those critiques may all be valid, eliminating those programs to fund a universal basic income would take money out of the pockets of many low-income earners and redistribute it into the pockets of high-income earners.

For example, a person receiving a total of \$2,500 between a monthly Section 8 housing voucher and SNAP benefits would be considerably worse off if those programs were eliminated to pay for a program that only gave that person \$1,000 per month. To avoid harming the people guaranteed-income programs are designed to help, such a program should supplement existing social benefit programs rather than replacing them.



<https://pixabay.com/photos/us-dollars-american-background-bank-84594/>

Unlike a UBI, a guaranteed income doesn't flow into the pockets of all people. Most guaranteed income pilot programs have eligibility requirements (e.g., a recipient must be unhoused or a former foster youth or must earn less than 250% of the federal poverty level), which means that a much smaller pool of people would receive the monthly payments, which means that the program would cost government substantially less money each year. Because the purpose of a basic income program is to reduce poverty, it seems sensible to make sure that the money is given to those who need it most and that the program is likely to receive the political support and the funding necessary for its implementation.

A guaranteed income given only to those who fall below a certain income threshold would substantially decrease the cost of such a program. A monthly payment of \$1,000 to the [25.6 million adults](#) in the US who live below the poverty line would cost \$307B annually. A monthly payment of \$500 to the 38.2 million adults who earn between 100% and 200% of the poverty line would cost \$229B. That's a total of \$536B per year, which is only 17.3% of Yang's UBI proposal.

Guaranteed Income vs. Traditional Social Welfare Programs

The main criticism of traditional social welfare programs like Section 8 and the Supplemental Nutrition Assistance Program (SNAP) is that they encourage dependence by disincentivizing work. In many cases, the critics have a valid point.

Eligibility for programs like Section 8 and SNAP is determined by a recipient's annual income. For some people, the programs are stopgaps, temporary measures during difficult times. For example, a person who loses a decent-paying job while undergoing treatment for cancer might only need the support of those programs until they can return to work after the cancer goes into remission. The money that such a person receives through traditional social welfare programs might be enough to prevent them from becoming unhoused, but the money that they make at work is much greater than the money they receive through the social welfare programs, so it makes sense for them to return to work after treatment.



<https://www.choosehope.com/product/cancer-sucks-button/>

For a person with a low-paying job with a similar cancer diagnosis, however, the financial calculation about returning to work after treatment might yield a very different result. If the money that a person receives through traditional social welfare programs is almost equal to—or even greater than—the money that they receive at a low-paying job, then it might not make financial sense to wholeheartedly pursue work after the cancer goes into remission. Because a person loses benefits as their income increases, it might be more sensible for them to not increase their income.

That's especially true of people with chronic conditions that make it difficult for them to maintain year-round full-time work. For a person whose medical conditions force them

to miss long stretches of work during any given year, it might not make financial sense for them to pursue full-time work during those stretches of good health. Why risk losing benefits by working full-time when a person knows that they are likely to need those benefits again in the near future? And for a person living in a city with a ten-year waiting list for enrollment into a Section 8 program, the wisest course is often to avoid work that puts those benefits at risk.

Guaranteed income, on the other hand, incentivizes work. A guaranteed income of \$500 or \$1,000 per month—combined with income from a job and/or income from a traditional social welfare program—is enough to keep almost all recipients fed and housed, but it doesn't cover all of life's expenses. That means that the vast majority of recipients will choose to work full time. Or perhaps they will work part time while attending college full time or while caring for a chronically ill family member. And because a guaranteed income doesn't penalize people from working, recipients won't be incentivized to stay out of the workforce.



<https://pixabay.com/vectors/dollar-fractal-money-currency-2028567/>

Funding Guaranteed Income

Pilot programs consistently demonstrate the value of a guaranteed income, and the likelihood that the United States will implement a national guaranteed-income program seems to grow by the day. A recent national survey by [Lake Research Partners](#) reveals that upwards of sixty percent of surveyed voters support the creation of a national guaranteed income program that would pay recipients \$500 or \$1,000 per month, as determined by their annual income. As we approach the tipping point for support for a national guaranteed-income program, we must consider how to pay for such a program.

An annual bill of \$536B per year represents an 8.7% increase in spending (based on the \$6.13B that the federal government spent in 2022), which is significant, but economists have proposed a variety of taxes to offset those costs, either in part or in whole.

*Financial Transaction Tax: **\$78B annually***

By charging a 0.1% tax on all equity and options financial transactions, the federal government could raise [\\$78B](#) annually, which represents 14.6% of the money needed to fund the proposal outlined in this chapter.

Top 0.1% Tax: \$109B annually

By raising the top marginal tax rate to 45% on earners with an average annual income of \$3.2M or more, the United States could raise an additional \$109B each year, which is 20.3% of the proposed program.

Carbon Tax: \$125B annually

If the government imposed a carbon tax of \$25 for every ton of CO₂ emitted, the federal government could raise [\\$125B](#) annually, or 23.3% of the proposed program.

Value Added Tax (VAT): \$600B annually

A 10% consumption tax on all goods and services at each stage of production could bring in approximately [\\$600B](#) every year, which would more than cover the cost of the proposed program.

Taken together, these four proposals would raise \$912B annually, or 170% of the funds necessary to pay for the proposed program.



<https://www.axios.com/local/des-moines/2022/07/29/des-moines-guaranteed-income-project-gets-one-no-vote>

The Time to Act Is Now!

The 200-something guaranteed income pilot programs around the nation are demonstrating the merits of free money, and an examination of the numbers reveals that a national guaranteed-income program is financially feasible. It seems likely that Congress will eventually implement such a program, but we hope that political leaders act sooner rather than later. Every year that we delay the creation of a guaranteed-income program is a year full of unnecessary suffering for the millions of people who can't afford necessities like food and shelter.

Comprehensive Housing-Affordability Road Map (CHARM)



<https://unsplash.com/photos/man-in-black-jacket-holding-brown-box-1Ovqp3n1cw>

Let's dream for a moment: imagine a place where unhoused people of every sort can receive the services they need to live the life they envision for themselves. Everyone who wants to sleep indoors would be welcome to stay for as long as they want. No one would go hungry or thirsty. There would be toilets and showers for all.

Besides meeting the basic human needs of unhoused people (i.e., food, shelter, clothing, safety), this place would also address many of the causes and consequences of homelessness. In this imagined space, trained professionals could provide:

- Physical and mental healthcare services
- Social-services coordination
- Veteran support services
- Substance-abuse needs-assessments and counseling
- Legal advice for undocumented immigrants
- Prison-release transition assistance
- Mentoring for foster care graduates
- Counseling for members of LGBTQ+ communities
- Childcare for unhoused parents
- Space for vehicle residents and RV nomads to park
- Elder care
- GED preparation classes
- Employment training
- Any other aid that could help an unhoused person pursue personal fulfillment

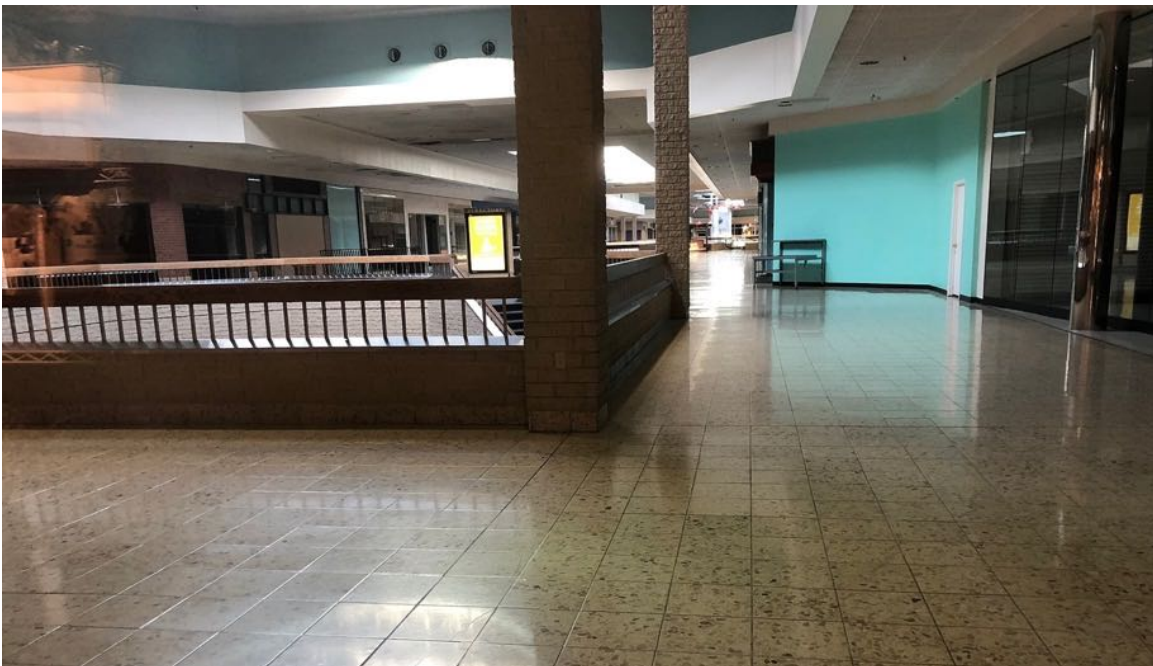
The Comprehensive Housing-Affordability Road Map (CHARM) initiative could be a government-run program, or it could be administered by nonprofit organizations, funded through a combination of public and private dollars. CHARM would provide a wide array of no-cost services under one roof.



<https://ridley-thomas.lacounty.gov/index.php/mega-clinic-provides-free-healthcare-to-1000-homeless-people/>

According to DeadMalls.com, more than 300 abandoned or failing malls are spread across 45 states around the US, and about 68% of Americans live less than an hour from a “dead” mall. Imagine if an organization—government or nonprofit—bought and renovated abandoned malls so they could provide free shelter and support services to every unhoused person who wants the help. The average mall is 250,000 to 300,000 square feet, space enough for hundreds of tiny apartments. And portions of the parking lots could be torn up and repurposed as urban farms.

American cities spend an annual average of [\\$36,000](#) on each of the 128,000 chronically unhoused Americans. Providing supportive housing akin to the CHARM model could save a collective total of \$4.61B annually.



https://en.wikipedia.org/wiki/Dead_mall#/media/File:Century_III_Mall_interior.jpg

Besides offering clients free shelter and support services, the CHARM initiative would also provide jobs to all those who want one. We envision inviting the first pool of clients to eventually serve as the first group of triage providers and outreach coordinators, responsible for finding other unhoused community members and inviting them to join CHARM.

We don't believe that receiving services through CHARM should be contingent on work, but we also acknowledge that many people find purpose in work, especially when that work saves lives and changes trajectories. Giving CHARM “graduates” the responsibility of supporting newer clients is empowering and uplifting. And no one understands the needs of unhoused people better than those who have been unhoused themselves.

Because CHARM communities could house upwards of 1,000 people in a single site, the initiative would also ask clients to elect from among themselves a governing council. Members would be responsible for coordinating with CHARM administrators and maintaining order within the community. Self-autonomy is one of the pillars of a life of dignity.



<https://unsplash.com/photos/lets-love-over-community-text-wall-Xtnt5xtK03E>

Some people who join a CHARM community would use the experience as a springboard into a housed life. Others may choose to live in a CHARM community for years. We envision creating model communities that are as inviting as they are supportive. Many unhoused people suffer deprivation that's hard to imagine, and we want to relieve them permanently of the stress caused by unstable housing.

Conclusions



<https://pixabay.com/photos/martin-luther-king-monument-statue-623955/>

Getting There from Here

We Americans frequently pat ourselves on the back for living in the greatest country on the planet. That unwavering self-confidence is largely based on the belief that the United States offers its citizens opportunities that other countries can't offer their citizens. But when we examine the realities of life in the United States, especially for the people on the lowest rungs of the socio-economic ladder, we find that our country is rife with inequalities that put the American Dream out of reach for millions of people.

When we discuss those inequalities, it's important to acknowledge that none of them are inevitabilities. They are all the byproducts of deliberate choices, and if we can admit to ourselves that those choices are harming people, then we can make different choices, ones that offer support to the people those decisions are hurting. We're addicted to some terrible ideas, and as is true of any addiction, taking that first step (i.e., admitting that we have an addiction that is making life unmanageable) to kick that addiction is often excruciatingly difficult.



<https://futurism.com/study-universal-basic-income-finland-work-less>

Overcoming that addiction is so difficult because a segment of the population continues to perpetuate lies that support that addiction. For example, it's a terrible idea to believe that low-income people shouldn't receive any social welfare support—let alone a guaranteed income—because the money will make them idle or because they will use it to buy drugs or alcohol or to engage in other “immoral” behaviors. That pernicious lie was created by elites more than [200 years ago](#), and it continues to be perpetuated today by elites who are either blinded by their bigotry or who are working to promote the interests of those who benefit from poverty.

The fact is that poverty enriches people in positions to exploit desperation. For unscrupulous employers who put profits before people, poverty is great for the bottom line. When ten hungry applicants apply for one low-paying position (because even a terrible job is better than starvation), the winner of that desperate competition is unlikely to complain about poor working conditions. That's because the employer can easily replace a complaining employee. The fear of hunger has a way of keeping employees in check.

But when there are no hungry people because everyone's basic needs are met, then the unscrupulous employer is forced to pay a decent wage and to treat employees with respect. That takes profits out of the pockets of the unscrupulous employer and puts it into the pockets of the employees. That shrinks the gap between the haves and the have-nots. That reduces the power of that employer.

This is all to say that creating a national guaranteed-income program will require a dogfight because those who stand to benefit from the continuation of the status quo will resist with all of their considerable might. They will tell us that a guaranteed income will hurt the hungry and the unhoused because it will sap them of their will to work, because it will destroy the nuclear family, and because it will erode moral virtues. They will argue that reducing poverty through a guaranteed-income program is un-American because it amounts to socialism. They will laud the free market and claim that a guaranteed income will destroy the economy for everyone. These lies are meant to obscure the truth about their greed and their lust for power over people.



https://en.wikipedia.org/wiki/Universal_basic_income

