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How effective homelessness prevention impacts the length of shelter spells

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ABSTRACT

Homelessness prevention programs intervene with households apparently in imminent danger of becoming homeless, and try to keep them housed. If they are at least partially successful, how do they change the average shelter spell of households actually becoming homeless? We use data from 2003 to 2008 for Homebase, a New York City homelessness prevention program that studies have found to be effective in reducing shelter entries. Homebase made no difference in average shelter spells at the community level. This result, like many results about shelter spell length, is not easy to reconcile with the idea that shelter spell length is a reflection of the seriousness of underlying problems.

1. Introduction

Consider a program that takes some families who are about to become homeless, gives them assistance with their immediate problems, and successfully diverts some of them from becoming homeless. Will this program lengthen the average stay of families who do enter homeless shelters, shorten it, or leave it unchanged? This paper is the first to investigate this question. Our answer is that the average stay does not change.

The question is important for two reasons. The more practical reason is the evaluation of homelessness prevention programs. These programs are the subject of rising interest among homeless advocates and service providers (see, e.g., National Alliance to End Homelessness, 2013), and received a large appropriation ($1.5 billion over three years) in the American Recovery and Reinvestment Act of 2009 (ARRA). If homelessness prevention programs prevent homelessness only among families who would have stayed in shelters for just a few days, they look quite different than they would if they prevent homelessness among families who would have stayed in shelters many months.

Second, understanding the effect of homelessness prevention programs on shelter stays can yield some insight into what homelessness is like and how it should be modeled. A traditional view, for instance, considers homelessness to be intimately linked to a long-lasting pathology of some kind (substance abuse or mental illness, for instance), and so sees spells of homelessness as manifestations of the underlying long-lasting pathology. In this view, which is theoretical, shorter spells are manifestations of the weaker cases of the underlying pathology and longer

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spells are manifestations of more serious cases. Homelessness prevention programs do not make expensive investments in their participants, and so in that sense, probably cannot eliminate severe pathologies. The traditional view thus implies that if homelessness prevention programs work at all, they work with the weakest cases, and so they should lengthen the average shelter stay for those who enter shelters.

An alternative view is that families are buffeted by stochastic shocks, both positive and negative, and become homeless when they suffer enough negative shocks to be left with a very low level of resources (financial capital, obviously, but also health, human, and social capital). By supplying a favorable shock to a family with severely depleted resources, a homelessness prevention program can therefore sometimes avert or postpone homelessness. (Suppose families whose resources fall to level 0 become homeless, and every period each family receives a shock of (+1) or (−1), with equal probability. Then half of families at resource level 1 will become homeless in the next period. A homelessness prevention program identifies families at level 1, and increases their resource level to 2. As a result, some families who would have become homeless never become homeless (families destined to receive a negative shock next period and then mainly nonnegative shocks after that without long strings of mainly negative shocks), and others will have their homeless spells postponed. See O'Flaherty (2012 for a technical discussion).

In this view, homeless families are similarly buffeted by stochastic shocks. They leave homelessness when the cumulative effect of those shocks is to raise their resources high enough that they become conventionally housed again. How long families stay homeless then depends on the process that generates the stochastic shocks. An obvious story about the distribution of shocks is that it depends only on the family's resource level (or is totally invariant); that is, the process is Markovian, or "memory-less." If this is the case, then the history of how a family reached homelessness—in particular, whether it received homelessness prevention services or not—would have no influence on the distribution of homeless spells.

But other theories about the shocks that families receive when homeless can lead to alternative predictions about homeless spells. In particular, suppose that the probability of some favorable shocks (getting a job, winning the lottery) depends on calendar time, not the resources a family has or its time in shelter. Then the process is not Markovian. Suppose further that homelessness prevention programs delay shelter entry for some of their participants, but do not affect the timing or probability of these favorable shocks. Then by postponing the start of spells whose ends do not depend on when they start, the homelessness prevention program will shorten spells instead of averting them.

Therefore studying the effect of prevention programs on spell length can give us useful (though obviously not definitive) insight into how homelessness works.

Our data come from New York City, and concern families, not single individuals unaccompanied by children[1]. The New York state constitution (as interpreted in consent decrees that apply only to New York City) guarantees a right-to-shelter, and the New York City Department of Homeless Services (DHS) operates a large shelter system for families. Because of the consent decrees and local law, New York City is required to provide single units with private bath and kitchen facilities for families with housing emergencies. The cost is about $100 per family per day (New York City Independent Budget Office, 2012). On September 24, 2013 DHS housed 10,465 families with children and 1830 families without children.

In November 2004, DHS inaugurated a homelessness prevention program called Homebase. We study that program from its inception through November 2008. DHS did not start Homebase in the entire city at the same time. Instead, Homebase started in 2004 in only a few neighborhoods, and then expanded citywide in two waves in 2007 and 2008. The phased start-up provides a quasi-natural experiment that allowed Messeri et al. (2012) to estimate the effect of Homebase on shelter entries. Their estimate is that it reduced shelter entries by between 10 and 20 for every hundred families it served officially. Rolston et al. (2013) in a small controlled experiment of a later version of Homebase also concluded that it reduced shelter entries among participants, and that it reduced the unconditional average of days in shelter among participants (where this average includes both families who entered shelters and those who did not).

The phased start-up also allows us to estimate the effect on shelter exits in this paper.

For purposes of this paper, "homelessness" means "sheltered homelessness." We cannot observe street homelessness. But it is extremely unlikely that the shelter entries that Homebase averted among families were converted to street homelessness. Street homelessness among families in New York City during this period was extremely rare, and there is no reason to believe it was correlated with Homebase activities. Homebase participants were free to enter shelters, retained their right-to-shelter, and were never encouraged to become street homeless. The goal of Homebase was to make being housed more attractive and feasible, not to make entering shelters more difficult.

2. Theory

Homebase could affect exits in three different ways. All of these ways are indirect, because Homebase provides no services designed to help individual families leave shelters sooner or to encourage them to stay longer; it is entirely devoted to keeping them out of shelters. Two of these ways would make spells longer, and one would make spells shorter.

Selection in the traditional view of homelessness would make spells longer. If Homebase were more successful in averting homelessness for families with less serious prob-

[1] However, pregnant women count as families.