People Need Livable Incomes.

-Wages should be high enough for people to afford housing, food, clothing, medical care, and other necessities of life.
-People who are not able to work should be able to have a sustainable income to afford housing, food, clothing, medical care, and other necessities of life.

Homelessness and poverty are inextricably linked. Poor people are frequently unable to pay for housing, food, child care, health care, and education. Difficult choices must be made when limited resources cover only some of these necessities. Often it is housing, which absorbs a high proportion of income, that must be given up. Being poor can mean that one is an illness, an accident, or a paycheck away from homelessness.

Employment:

Primary reasons for increasing homelessness include stagnant or falling incomes and less secure jobs which offer fewer benefits. Low-wage workers have been particularly hard hit by wage trends and have been left behind as the disparity between rich and poor has grown. In sum, for many people, work provides no escape from poverty.

- Since 1975, the real value of the minimum wage has fallen by 25%.
- Declining wages, in turn, have put housing out of reach for many workers: in every state, no one earning minimum wage can afford a one or two-bedroom apartment at Fair Market Rent (FMR).
- In order to afford to rent a two-bedroom home at the nationally-weighted FMR, a worker would have to earn $14.66 per hour, which is nearly three times the federal minimum wage, and still more than double the highest minimum wage among states that have enacted higher minimum wages. (National Low Income Housing Coalition, 2002).
- 4.9 million households suffer from worse case housing needs, which is understood to be unassisted renters living below 50 percent of area median income and paying over half their income for housing (HUD).
- Overall, 15 million families have critical housing needs and 28 million Americans are paying more than 30 percent of their limited incomes on housing.

The connection between impoverished workers and homelessness can be seen in homeless shelters, many of which house significant numbers of full-time wage earners.

- Approximately 42% of people experiencing homelessness are employed (National Coalition for the Homeless, 2001).
- Many of these workers are employed by day labor agencies, an industry characterized by low pay, no job security, no health insurance, and inadequate worker protections.

The future of job growth does not appear promising for many workers.

- The economy is experiencing the worst hiring slump in 20 years (*New York Times*, 2003).
- 46% of the jobs with the most growth between 1994 and 2005 pay less than $16,000 a year; these jobs will not lift families out of poverty (National Priorities Project, 1998).
- 74% of these jobs pay below a livable wage (which allows for local housing costs at 30% of that wage).

Public Assistance:

Housing stability leads to employment stability, yet states have not, so far, replaced outdated welfare policies with ones that enable families and individuals to obtain above-poverty employment or benefit levels that sustain them when work is not available or possible.

The declining value of public assistance is a prime source of increasing poverty and homelessness.

- The entitlement to welfare programs ended in 1996 when Aid to Families with Dependent Children (AFDC) was repealed and the Personal Responsibility and Work Opportunity Reconciliation Act was enacted. AFDC was replaced with a block grant, Temporary Assistance to Needy Families (TANF).
- Current median TANF benefits for a family of three are approximately one third of the poverty level, thus, contrary to public opinion, welfare does not provide relief from poverty.

Although welfare caseloads have dropped dramatically since the implementation of TANF, there are serious concerns that declining welfare rolls have not translated into economic security for those moving out of welfare and into work.

- Income levels for previous welfare recipients have not increased over five years; most of the employment they find pays at or below the federal poverty level (Joyce Foundation, 2002).
- The sanction policies of many states are not taking into consideration the housing status of welfare recipients, and many homeless families are being sanctioned off welfare without such consideration.
- Almost by definition, TANF recipients are eligible for subsidized housing programs; however, only 25% of TANF families actually receive any form of subsidized housing.
- Although TANF is a "work-first" program, very little attention has been paid to the housing stability of welfare to work recipients.

Sources:

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