

Housing and labour market drivers of housing loss and homelessness

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Introduction

In this study, I propose a conceptual model describing the processes through which poor and disadvantaged populations experience housing loss, volatility and homelessness. Different types of housing and homelessness are conceived to lie along a spectrum, with street homelessness at one end and secure housing at the other (Watson 1984). Movements along the spectrum – described as housing pathways (Clapham 2003) – are shaped by personal, interpersonal, economic and macro-structural factors and the interactions between them (Toro et al. 1991; Fitzpatrick 2005). Transitions into homelessness and other accommodation states are hypothesised to be the product of two interconnected processes: 1) the loss of previous accommodation, including through eviction, household breakdown and institutional exit; and 2) on loss of housing, a transition into one of several potential states along the spectrum. While distal factors are thought to shape the risk of accommodation loss, economic, family, housing and personal shocks, including job loss and relationship breakdown, are hypothesised to have proximal effects (Curtis et al. 2013; Wiemar 2014; Clark 2016). Their effects may be immediate or delayed after the accumulation of housing and financial stress.

Access to personal, interpersonal, economic and institutional resources are theorised to influence where individuals and families find themselves on losing housing. Those with the most economic capital and access to affordable housing are best placed to secure alternative housing, while those with less economic resources but well-formed support networks are most likely to 'double up' with family and friends. Those with the least resources and deepest vulnerabilities are most likely to become homeless on the streets or in improvised dwellings. Resource levels are not likely to be static, rising and falling with changes in housing and life circumstances. Continuous cycles of housing and economic disadvantage may weaken resources and deepen vulnerabilities, thereby exposing people to the most severe and entrenched forms of housing disadvantage over time (Vacha and Marin 1993; Skobba and Goetz 2015). The state has power to disrupt these patterns through the provision and rationing of shelter and refuge accommodation, transitional, social and subsidised housing and non-accommodation support services (Wong and Piliavin 1997; Shinn et al. 1998; Metraux and Culhane 1999; Tsemberis et al. 2004).

In this paper, I test aspects of this model by addressing the following questions:

1. How are public and community (social) housing supports and labour market transitions associated with housing loss?
2. What factors are associated with entry to homelessness and how do social supports affect these patterns?

Data

The dataset for this analysis is the *Journeys Home* survey, a panel study of homeless and at risk adults in Australia (Wooden et al. 2012). The survey was conducted over six waves between 2011 and 2014 with an initial sample of 1,682 adults. The sample was taken from a low income and highly disadvantaged population who received some form of Government income support and were identified as having experienced, been at risk of, or vulnerable to homelessness prior to wave one. The initial response rate was 62 percent and the retention rate to wave six was 83 percent. An accommodation calendar provided the timing and type of housing/homelessness episodes, including those occurring between waves. Descriptive statistics are provided in Table 1.

Table 1 Descriptive statistics of *Journeys Home* sample

	% person-waves		% person-waves
Sex		Change in relationship status between waves	
Male	54.5	Marry/co-habit	5.8
Female	45.5	Separate - no co-resident children	2.9
Age group at wave 1		Separate - with co-resident child(ren)	0.9
15-24	38.7	Remain married/co-habiting	18.7
25-34	21.6	Remain single	71.7
35-44	20.0	Change in employment between waves	
45-54	14.0	Remain employed	15.7
55+	5.6	Move out of work - unemployed	12.9
Housing/accommodation type		Move out of work - not participating	8.3
Street/improvised dwelling	2.7	Move into work	8.1
Homeless shelter/refuge	5.3	Remain out of work - not participating	28.0
Private sub-market	6.7	Out of work <2 years - unemployed	13.9
Staying with family/friends	32.2	Out of work 2+ years - unemployed	13.1
Public housing	13.7	Victim of physical violence in last 6 months	
Community not-for-profit housing	6.2	No	79.8
Private rental housing	31.5	Yes, by current or former partner	4.9
Rent and subsidy level		Yes, by other person	11.7
Pay no rent	4.9	Opt out	3.6
Rent < 30% income without subsidy	42.8	Mental health	
Rent < 30% income after subsidy	17.4	Ever diagnosed with:	
Rent > 30% income after subsidy	17.6	Bipolar affective disorder	15.2
Rent > 30% no subsidy	17.3	Schizophrenia	11.5
Reasons for moving		Alcohol and drugs	
Housing problem	12.9	Self-described problem	16.8
Family conflict (incl. violence)	5.6	Received treatment in last 6 months	9.4
Non-family violence	1.7	Age first homeless	
Health and substance use	0.7	Never	6.8
Unemployment/job problems	0.7	0-14	17.4
Wanted to relocate	7.2	15+ years	74.0
Highest education completed		Ever in adult/juvenile detention	34.3
Post-school qualification	36.8	Experienced violence as a child	44.6
High school	10.3	Ever placed in foster/residential care	25.9
Less than high school	52.9		

Method

A multistate model is designed to analyse the incidence of housing loss and transition to different forms of housing and homelessness. Housing loss is operationalised as any residential move made by a respondent living in social or private market housing between one survey wave and the next (a six month period) where they cite a negative reason for moving (e.g. eviction/end of tenure, family conflict, health or employment problems) or immediately transition to street/sheltered homelessness or sub-market accommodation.

Housing loss is predicted with a multilevel multinomial logistic regression model. The dependent variable is a categorical variable based on the type of accommodation individuals transition to immediately after losing housing. There are seven categories: 1) No housing loss (base category); housing loss and transition to 2) private market housing; 3) public or community-sector (social) housing; 4) stay with family/friends; 5) sub-market accommodation, e.g. a single room occupancy, mobile home, hotel/motel or hostel; 6) homeless accommodation, e.g. a shelter or refuge; and 7) homelessness on the street or improvised dwelling. Independent variables include the origin housing tenure type (e.g. social or private rent) and rent and subsidy levels, change in relationship and employment status between survey waves, age, sex, violence, education, mental health, substance use and history of incarceration and homelessness (see Table 1). An individual-level random intercept is included to control for time-invariant unobserved factors.

Results

Housing loss is common among poor and disadvantaged populations. Respondents lost their social or private market housing in approximately one in four person-wave intervals (27 percent; 95% CI: [26; 29]). Housing-related problems were the most common reasons given for housing loss (38 percent [36; 41]), including eviction, end of lease and rent costs. Family and relationship conflict was also common, cited in 17 percent [15; 19] of all instances of housing loss. Of those who lose housing, 41 percent [38; 44] find alternative social or private market housing, while 44 percent [41; 47] stay with family or friends. Smaller proportions transition directly to street (4.1 percent [3.1; 5.5]) or sheltered (3.6 percent [2.7; 5.0]) homelessness.

Housing tenure and labour market dynamics are strongly associated with housing loss. Compared with private renters, the risks of transitioning to the street, sub-market accommodation and family/friends over a six month period are significantly smaller for public housing tenants with relative risk ratios (RRR) of 0.14 ($p < 0.01$), 0.08 ($p < 0.01$) and 0.23 ($p < 0.01$) respectively. Rent subsidies in the private market do not significantly reduce the risks of housing loss even where rent paid is no more than 30 percent of household income. RRRs are also significantly higher among people who lose their job between waves across tenure types, though associations are smaller than between public and private market housing.

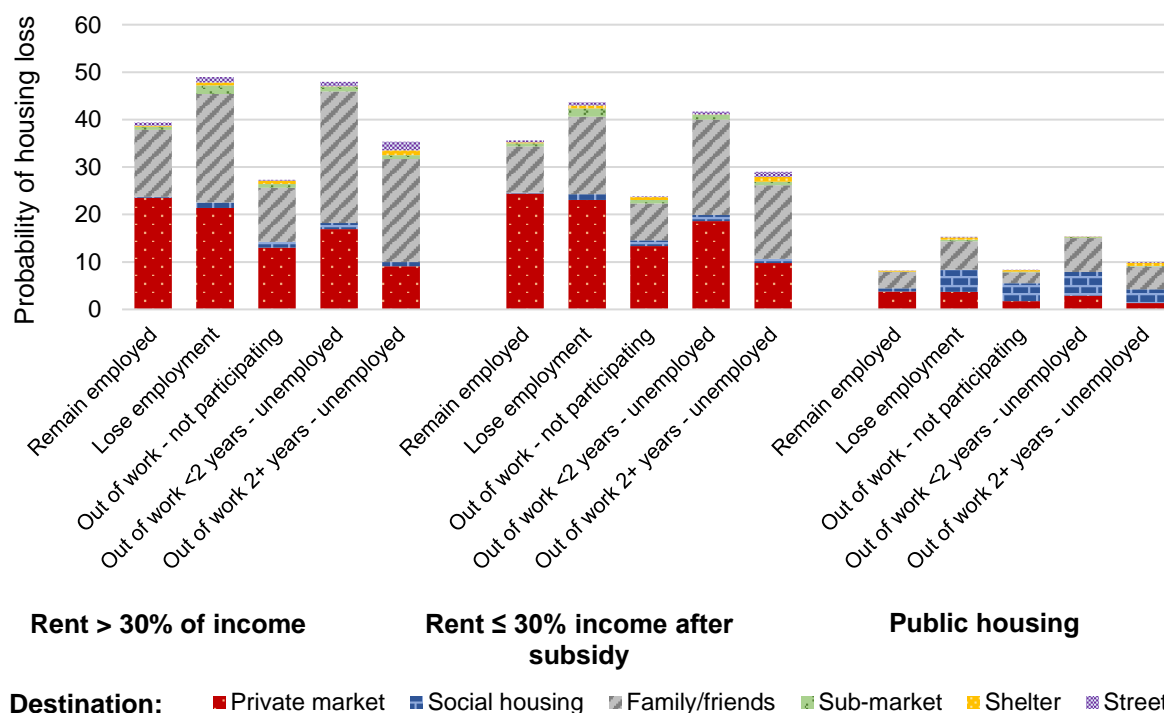


Figure 1 Predicted probabilities of housing loss by tenure and employment transitions

Predicted probabilities of housing loss in the private rental market are shown in Figure 1. People who remain employed between waves have a predicted probability of housing loss of 39 percent in unsubsidised and 36 percent in subsidised private rental housing and 8 percent in public housing. Job loss increases the probability of housing loss to 49 percent in unsubsidised housing. Interestingly, those who are not looking for work – often with a stable income such as a disability pension – have a relatively low risk of housing loss across all tenure types. Among those looking for employment, probabilities of housing loss are highest for those who lost their job more recently.

The probabilities of finding alternative housing are high for those with stable family and labour market situations. Those who separate from their partner and/or are unemployed are

less likely to transition to social or private market housing. The most common destination is to stay with family and friends, and more likely to stay with family or friends. Figure 2 shows the predicted proportions of people who transition to each destination state (excluding private market) after losing housing. Males and middle-aged adults have higher risks of transitioning to one of these accommodation types on losing housing. Experience of homelessness as a child is also strongly associated with these transitions. Education level has no significant association, while substance use and mental health problems increase the risk of street homelessness. Government and community sector support in the form of homeless accommodation (shelter) and social housing plays a relatively small role in accommodating people after housing loss, particularly for young adults.

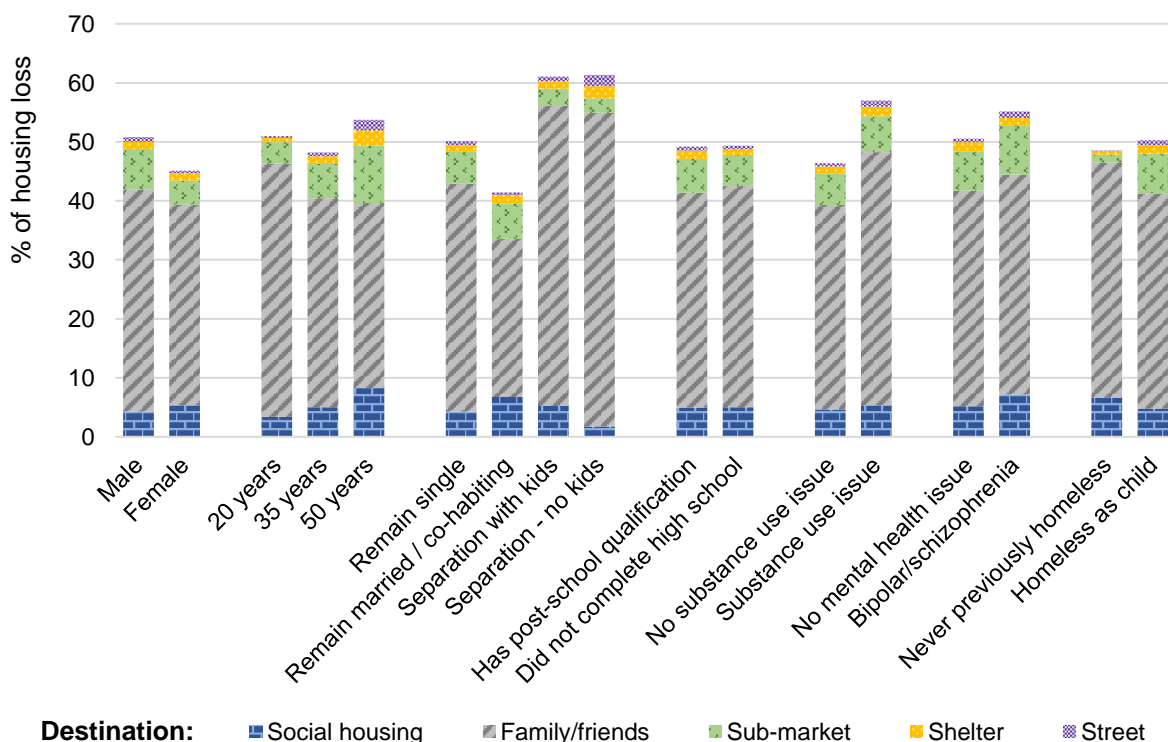


Figure 2 Predicted housing/homeless destinations after housing loss

Conclusion

These associations suggest that government housing support may have an important role in protecting disadvantaged populations from housing loss and homelessness, including in the face of financial shocks. Rent subsidies have weak associations though note that the main subsidy scheme in Australia operates differently to Housing Choice Vouchers in the US, providing less or no affordability and tenure protections. Job loss appears to have immediate and lagged associations with housing loss. This suggests income shocks may act as a tipping point among already financially stressed populations – as opposed, or in addition, to being a catalyst for the accumulation of stress.

Modest evidence is found that personal, interpersonal and economic resources influence housing and homelessness outcomes after a housing loss. Relationship breakdown, unemployment, sex, age and homelessness histories have the strongest associations. Those with stable wage and pension incomes are likely best placed to secure alternative housing, while young adults are most likely to access the support of family and friends. The importance of childhood homelessness perhaps taps into the effect of lifetime and intergenerational disadvantage and trauma. For those who lose and are unable to secure alternative housing, institutional support appears to have a relatively small role next to interpersonal support of family and friends, particularly among young adults.

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