



## ILLINOIS FAMILIES STUDY

### policy brief

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# Trends in homelessness & housing insecurity

## Implications for welfare reform

### Summary

*Results from the first two waves of the Illinois Families Study survey show that between 1999-2000 and 2001 there were dramatic increases in the proportion of current and former welfare recipients who were evicted or could not pay their rent. Despite these troubling trends, housing instability overall did not increase and homelessness declined from 7% in 1999-2000 to 5% in 2001. About one-third of respondents were receiving housing assistance in 2001 and 27% spent more than 50% of their monthly income on housing. Receiving housing assistance and being employed were identified as protective factors that reduce the risk of homelessness. We conclude that most of these families have been able to avoid homelessness, but that underlying problems with affordability remain and could signal longer-term housing problems ahead for those affected by welfare reform.*

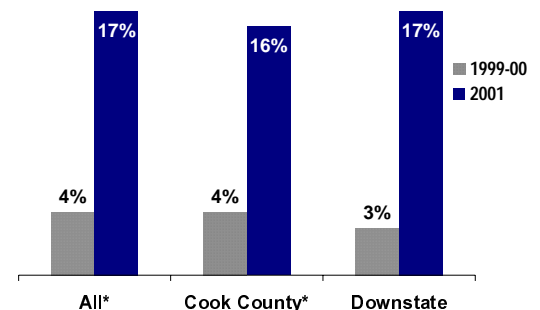
### Introduction

Stable and affordable housing is crucial for family well-being. Children in families experiencing homelessness are at greater risk than children with secure living arrangements for several adverse outcomes, including academic difficulties, behavioral problems, and poor health.<sup>1</sup> Children who lack affordable housing may also experience increased economic strain associated with the challenges their caregivers face in finding and maintaining employment.<sup>2</sup> High rates of poverty among welfare recipients make this population particularly vulnerable to homelessness and housing insecurity. This policy brief draws upon the results of two rounds of interviews with 1,183 current and former welfare recipients in Illinois to 1) assess changes in homelessness and housing insecurity between 1999-2000 and 2001, 2) examine regional differences in housing problems (Cook County vs. eight Downstate counties), and 3) identify risk and protective factors for homelessness.

### Housing insecurity

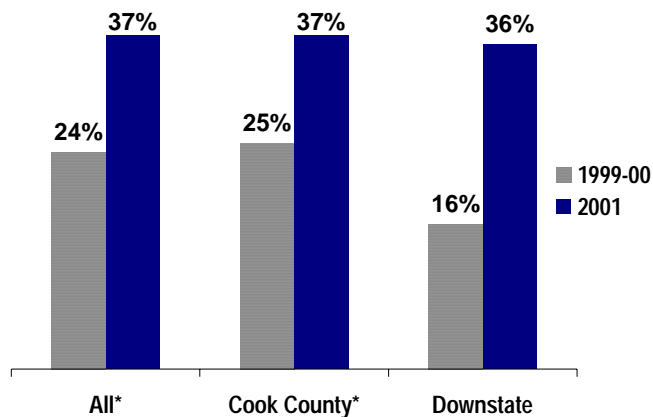
The proportion of respondents who were evicted or were unable to pay their rent or mortgage increased dramatically between 1999-00 and 2001 in Cook County and Downstate. In 2001, 17% of respondents said they had been evicted from their home or apartment during the past 12 months (see Figure 1), and 37% said they were unable to

Figure 1. **Evicted from home or apartment during past 12 months**



\*=  $p \leq .05$

Figure 2. **Unable to pay full rent or mortgage at least once in past 12 months**



\*=  $p \leq .05$

Figure 3. **Currently receiving any housing assistance**

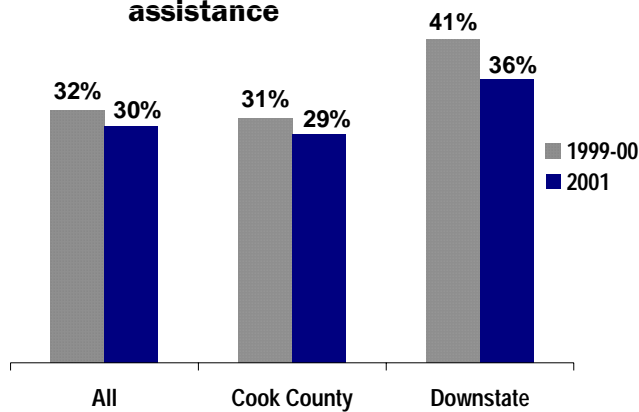
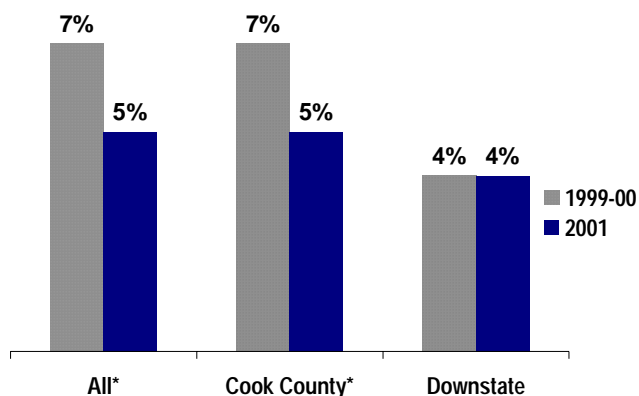


Figure 4. **Homeless in past 12 months**



\*=  $p \leq .05$

pay their full rent or mortgage at some point during the past year (see Figure 2). Respondents were also asked if they had “doubled up” on housing during the past year, defined as moving in with someone else or having others move in with them to reduce housing expenses. Downstate saw a jump in doubling up from 9% in 1999-00 to 17% in 2001. Cook County experienced no change in doubling up; 11% of Cook County respondents said they had doubled up at both time periods (not shown).

Despite the upward trends in evictions and difficulty paying for housing, and doubling up Downstate, housing instability did not increase between 1999-00 and 2001. Respondents actually reported living in fewer residences in 2001. In 1999-00, respondents lived in 3.3 residences on average during the 12 months prior to the interview. This average number dropped to 2.0 residences in 2001. Cook County and Downstate experienced similar patterns, although Downstate respondents were more likely to have moved often, living in an average of 3.8 residences in the year prior to the 2001 interview (not shown).

## Housing affordability and assistance

The proportion of monthly income that goes towards rent or mortgage is an important indicator of housing affordability. Overall in 1999-00,<sup>3</sup> 27% of respondents spent more than 50% of their monthly income on housing (not shown). This problem was much more prevalent in Cook County where 28% of respondents paid over 50% of their income, compared to only 17% for Downstate residents.

About one-third of respondents said they were receiving some kind of housing assistance. Thirty percent overall said they received assistance in 2001, down slightly from 32% in 1999-00. Downstate residents (36%) were more likely than Cook County residents (29%) to receive this assistance in 2001 (see Figure 3). Overall in 2001, 14% said they were living in a public housing development and 16% were receiving a rent voucher, such as Section 8 (not shown).

## Homelessness

Homelessness was assessed in the IFS survey by asking respondents if they had experienced any of the following situations in the past 12 months: staying in a homeless shelter, living in a car or other vehicle, living in an abandoned building, living “on the streets,” or staying with a friend or relative for less than two weeks because there was nowhere else to go. Overall, homelessness decreased from 7% in 1999-00 to 5% in 2001. Cook County drove this downward trend, while there was no change in homelessness Downstate (see Figure 4).

## Risk and protective factors for homelessness

In order to identify factors that uniquely contribute to homelessness, we conducted multivariate analyses that controlled for demographic characteristics (age, region, marital status, ratio of annual household income to number of household members), work, welfare, and several housing characteristics.

After controlling for these factors, the following characteristics were identified as *risk factors* for homelessness:<sup>4</sup>

- Difficulty paying full rent or mortgage
- Doubling up on housing

Again controlling for these factors, the following characteristics were identified as *protective factors* that appear to *reduce the risk* of homelessness:<sup>5</sup>

- Receiving a housing subsidy
- Being employed

## Conclusions

Increases in evictions and inability to pay for housing overall, and doubling up in Downstate, were troubling trends in housing insecurity for current and former welfare recipients from 1999-00 to 2001. Because difficulty paying for housing and doubling up were identified as the two most significant risk factors for homelessness for this population, the increases in these trends in the short-term may signal longer-term housing problems ahead for families. The slight decrease in receipt of housing subsidies, one of the main factors found to protect families from homelessness, may exacerbate this problem. Decreases in homelessness and instability (frequent moves), however, seem to reflect some improvements in housing for this population during the study period. It appears that most of these families are able to avoid homelessness, the “tip of the iceberg” when it comes to housing problems, but that underlying difficulties with affordability remain.

There were important regional differences in housing issues. Downstate respondents were more likely to double up or to experience multiple moves. Cook County respondents were more likely to pay more than 50% of their monthly income for housing, be homeless, and lack housing subsidies.

## Policy implications

Although homelessness may be a relatively rare problem for current and former welfare recipients in Illinois, other housing problems, particularly related to affordability, are prevalent in this population. Given the importance of housing stability for job retention and child well-being, policymakers should ensure that affordable housing for low-income families is part of the welfare reform agenda. The following policies may help to ameliorate housing problems for this population:

- Provide emergency housing assistance to prevent evictions
- Increase access to housing subsidies
- Enact policies that promote the development of affordable housing units

## Notes

1. Hart-Shegos, E. (1999). *Homelessness and its Effects on Children*. Minneapolis, MN: Family Housing Fund; Institute for Children and Poverty (1999). *Inside the Beltway: The State of Homeless Children in Washington, D.C.* New York, NY: Homes for the Homeless.
2. Sard, B. and Waller, M. (2002). *Housing Strategies to Strengthen Welfare Policy and Support Working Families*. Washington, DC: The Brookings Institution and the Center on Budget and Policy Priorities.
3. Because of the way income was measured in the IFS survey, it is not yet possible to present this data for 2001.
4. Results of logistic regression. Risk factors listed were found to be statistically significant at the 0.05 level.
5. Results of logistic regression. Protective factors listed were found to be statistically significant at the 0.05 level.

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## About this study

The goal of the Illinois Families Study (IFS) is to inform policymakers about how Illinois families have been faring since the implementation of welfare reform. The study is being conducted by a consortium of researchers from five Illinois universities: Northwestern University, Roosevelt University, Northern Illinois University, University of Illinois at Chicago, and the University of Chicago. The interviews are conducted by Metro Chicago Information Center (MCIC).

A total of 1,363 current and former welfare recipients from nine Illinois counties were interviewed at Wave 1 of the study (November 1999-September 2000). Of those respondents, 1,183 were interviewed again at Wave 2 (February 2001-September 2001). The response rates were 72% at Wave 1 and 87% at Wave 2. All analyses are weighted to adjust for regional stratification and non-response. The study will continue to follow these families for a total of six years.

## For more information about the study:

[www.northwestern.edu/ipr/research/IFS.html](http://www.northwestern.edu/ipr/research/IFS.html)

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