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BRIEFING PAPER

Record Increases in New Homeless Families:
Early Signs of the Economic Recession's Impact on New York City Homelessness and a Warning for City and State Officials Planning Budget Cutbacks
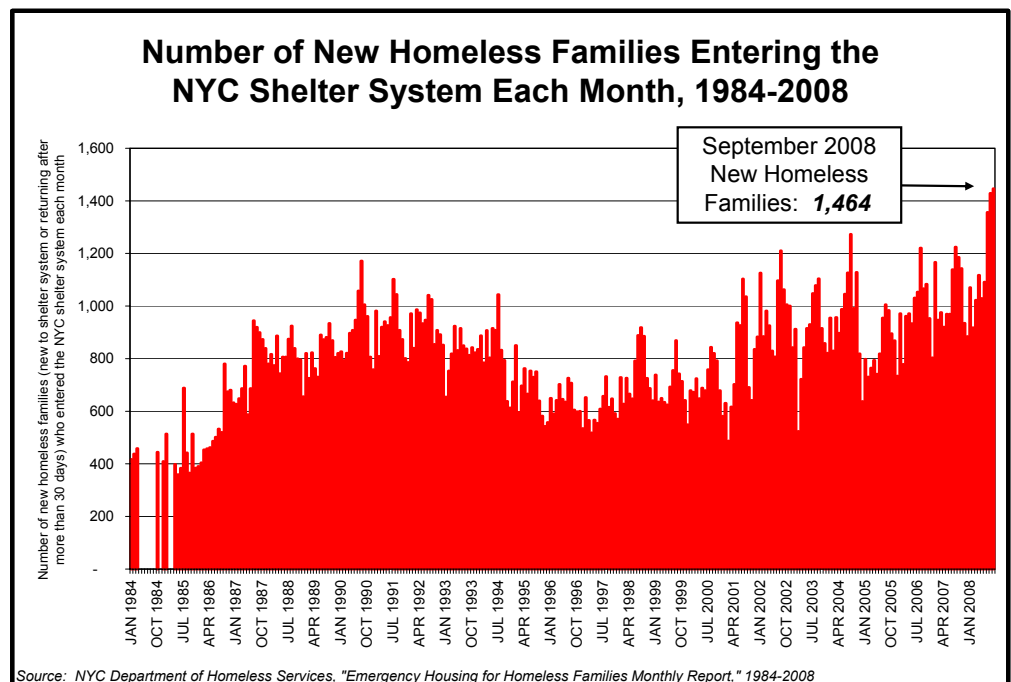October 29, 2008

Amidst growing signs that the Wall Street meltdown and the stalling economy are devastating New York City and the rest of the state, there is alarming new evidence of the impact of the economic recession on New York City homelessness.

According to little-noticed data from the New York City Department of Homeless Services, *the number of new homeless families entering the municipal shelter system has surpassed all-time record levels each of the past three months*.

Indeed*, in September 1,464 new homeless families entered New York City shelters, the highest one-month count since the City began keeping records 25 years ago*. And nine months into this year, *2008 is on target to see the all-time highest number of new homeless families seeking shelter since modern homelessness began in the late 1970s*.

Despite evidence of rising family homelessness, Governor Paterson, Mayor Bloomberg, and State and City officials are planning dramatic budget cutbacks in vital services – building on recent cuts in homelessness prevention and other services. *The current City budget already includes more than $3 million in cutbacks to homelessness prevention programs, while the State has also reduced funding for prevention and other vital homeless services*.

The clear evidence of all-time record numbers of new homeless families should be a wake-up call for State and City officials. Faced with a deepening economic recession which threatens to push more struggling New Yorkers into homelessness, *Governor Paterson and Mayor Bloomberg should preserve and expand funding for homelessness prevention services*.

Number of New Homeless Families Entering the NYC Shelter System Each Month, 1984-2008

September 2008 New Homeless Families: *1,464*

Number of new homeless families (new to shelter system or returning after more than 30 days) who entered the NYC shelter system each month

Source: NYC Department of Homeless Services, "Emergency Housing for Homeless Families Monthly Report," 1984-2008

All-Time Record Numbers of New Homeless Families Entering New York City Shelters

Here are the highlights of recent data[1] on rising family homelessness in New York City:
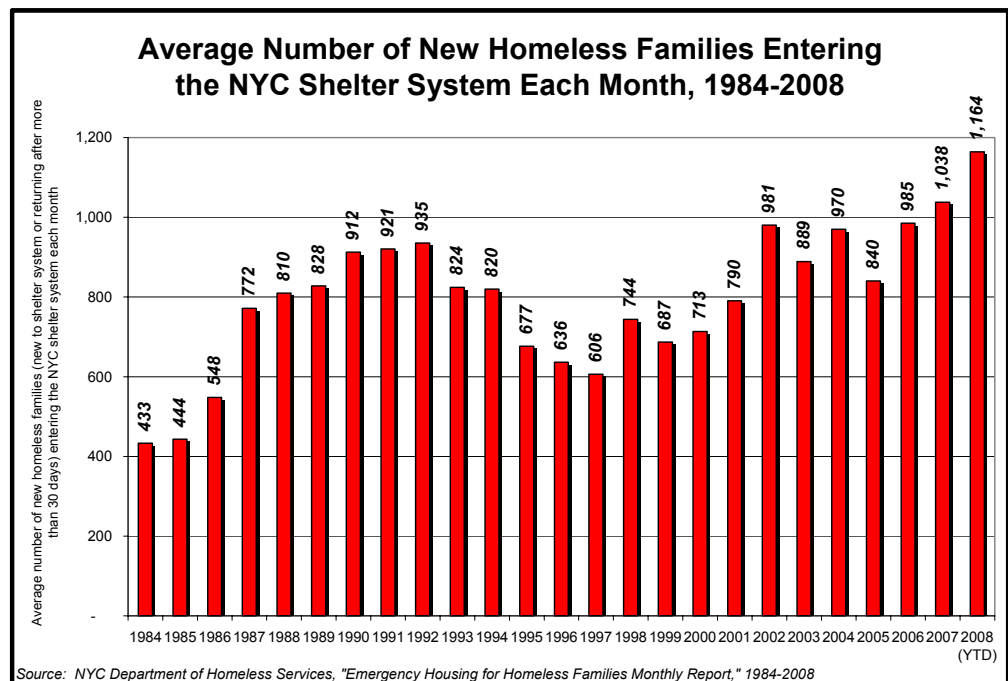
- In September, 1,464 new homeless families entered the New York City municipal shelter system, the highest monthly number since the City began keeping records 25 years ago.

- The previous record for the number of new homeless families entering the New York City shelter system had been reached the previous two months, July and August.

- The number of new homeless families entering shelters in September was 22 percent higher than the previous September. City officials also recently acknowledged the number of shelter *applications* in September was 24 percent higher than the previous year.[2]

Number of New Homeless Families Entering the NYC Shelter System Each Month, 2004-2008			
	July	August	September
2004	1,126	1,273	991
2005	954	1,005	983
2006	1,053	1,220	1,066
2007	1,138	1,224	1,185
2008	1,356	1,428	1,446
Percent Change 2007-2008	*19.2%*	*16.7%*	*22.0%*
Source: NYC Department of Homeless Services			

- So far this year, an average of 1,164 new homeless families have entered the New York City shelter system each month, the highest number since modern homelessness began in the late 1970s.

- The surge in new homeless families seeking shelter has led to a sharp increase in New York City's homeless shelter population. After declining slightly over the past year, the number of homeless New Yorkers sleeping in municipal shelters each night has risen again to more than 35,000 people.

- The number of homeless families sleeping each night in municipal shelters – which reached all-time record levels in October 2007, but had declined slightly earlier this year – has again risen to more than 9,300 families with 15,000 children by the end of September.

Average Number of New Homeless Families Entering the NYC Shelter System Each Month, 1984-2008

Average number of new homeless families (new to shelter system or returning after more than 30 days) entering the NYC shelter system each month

1984: 433; 1985: 444; 1986: 548; 1987: 772; 1988: 810; 1989: 828; 1990: 912; 1991: 921; 1992: 935; 1993: 824; 1994: 820; 1995: 677; 1996: 636; 1997: 606; 1998: 744; 1999: 687; 2000: 713; 2001: 790; 2002: 981; 2003: 889; 2004: 970; 2005: 840; 2006: 985; 2007: 1,038; 2008 (YTD): 1,164

Source: NYC Department of Homeless Services, "Emergency Housing for Homeless Families Monthly Report," 1984-2008

City and State Budget Cutbacks to Homelessness Prevention and Other Vital Services

This past summer, as the number of new homeless families was soaring, City and State officials made significant cutbacks in funding for homelessness prevention and other vital services. And even greater cutbacks are threatened in coming months – both Governor Paterson and Mayor Bloomberg are proposing reductions in current year spending and are likely to propose even more draconian cutbacks in next year's budgets.

Recent cutbacks by City and State officials illustrate the short-sightedness of this approach to looming fiscal deficits and to the problem of rising homelessness. In June, for instance, Mayor Bloomberg and the New York City Council adopted a FY 2009 City budget with more than $3 million in cutbacks to homelessness prevention programs, including the following:

Number of Homeless People in the New York City Shelter System Each Night, 1983-2008

March 1987 Shelter Census: **28,737**

September 2008 Shelter Census: **35,486**

Source: New York City Department of Homeless Services and Human Resources Administration, shelter census reports

- Anti-eviction Legal Services and SRO Legal Services – Cut $1.5 million (25% reduction)
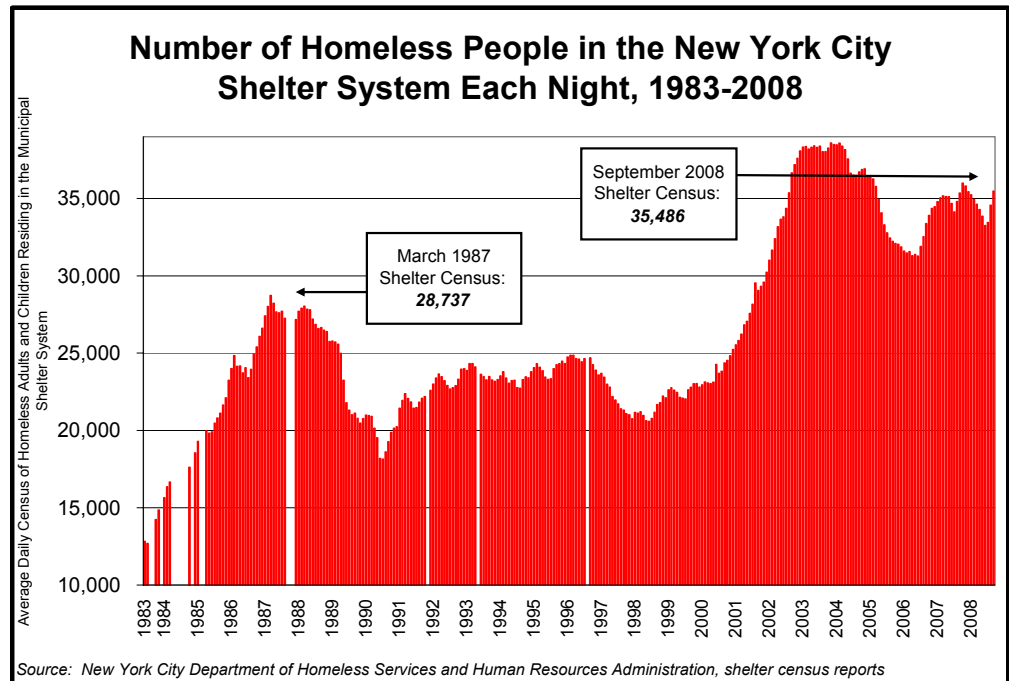- Homelessness Prevention Legal Services – Cut $1.5 million (100% reduction)
  These two programs provide legal services to low-income tenants who are at risk of eviction and homelessness, and have resulted in fewer attorneys and support staff to assist at-risk families and individuals.

- Homelessness Prevention Fund – Cut $250,000 (50% reduction)
  This program provides emergency grants to help low-income tenants pay rent arrears and remain in their homes. As a result of the cut, the program will serve at least 250 fewer at-risk families.

In addition, the FY 2009 City budget cut $2.3 million in other civil legal services programs and $750,000 for a program which provided permanent housing assistance for homeless people living with HIV.

In August, Governor Paterson and the New York State Legislature made across-the-board cuts in numerous programs assisting homeless and at-risk families, including cutbacks in prevention and after-care services, as well as funding cutbacks for homeless shelters and emergency food programs. And Governor Paterson has scheduled a special legislative session for November to propose some $2 billion in additional cuts to the current year's 2008-2009 State budget.

Halt Budget Cutbacks to Prevention and Other Vital Services

A wealth of research and experience prove that homelessness prevention programs are an effective – and cost-effective – way of addressing rising homelessness. Indeed, according to the New York City Independent Budget Office, [3] the annual cost of sheltering a homeless family in New York City is $31,000. In contrast, homelessness prevention services – whether anti-eviction legal services or rent-arrears grants to help struggling families remain in their homes – cost as little as $1,000 per family.

Research and experience also show that economic recessions trigger increases in homelessness, as low-income and working-poor families lose jobs and fall behind on the rent. Consequently, the demand for already inadequately-funded homelessness prevention services historically rises during economic downturns. That is exactly what occurred in the last two economic recessions in New York City, in the early 1990s and in the 2001-2002 recession.

That is why now is precisely the wrong moment to cut back on homelessness prevention and other vital services. Additional cutbacks will only lead to additional increases in the number of homeless families and individuals in New York City.

Therefore, Coalition for the Homeless urges Governor Paterson, Mayor Bloomberg, the State Legislature, and the City Council to preserve, and expand, funding for homelessness prevention and other vital homeless services.

Released October 29, 2008.
For more information, please visit www.coalitionforthehomeless.org..

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[1] New York City Department of Homeless Services, "Emergency Housing Services for Homeless Families Monthly Report" (various months 1984-2008). The Department of Homeless Services defines new homeless families entering shelter as families new to the municipal shelter system or who are returning to the shelter system after more than 30 days.
[2] Wendy Koch, "Homeless numbers 'alarming,'" *USA Today* (October 21, 2008).
[3] New York City Independent Budget Office, "Has the Rise in Homelessness Prevention Spending Decreased the Shelter Population?" (August 2008).