

# SHELTER

## Homelessness in a growth economy: Canada's 21st century paradox

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### Summary Findings

- ▶ Housing insecurity is a national concern, an issue that affects a broad portion of Canada's population and reflects major trends in income distribution. In 2004, one in seven Canadian households – 1.7 million – spent 30 per cent or more of their income on housing and are considered to have housing affordability issues. And in January 2007, the Canadian Council on Social Development (CCSD) reported that “almost one-quarter of Canadian households – more than 2,700,000 households – are paying too much of their income to keep a roof over their heads.” The ranks of at-risk Canadians no longer occupy a small minority: Canada's “new homeless” can be found everywhere – towns, cities, suburbs.
- ▶ Street counts of homeless people have increased, sometimes at triple-digit rates: Calgary's homeless population grew 740 per cent between 1994 and 2006, for example, an average 40 per cent increase in homelessness every two years. In 2005, the National Homeless Initiative, the federal secretariat most directly responsible for homelessness in Canada until its closure in 2007, estimated that 150,000 Canadians were homeless. Given the rapid growth found in municipal homeless counts, some non-governmental sources estimate Canada's true homeless population, not just those living in emergency shelters, ranges between 200,000 and 300,000.
- ▶ Canada's “new homeless” population is diverse: nearly one-in-seven users of emergency shelters across Canada are children – and almost one-third of Canada's homeless population are youths, aged 16 to 24 years. Although Canada's House of Commons resolved to “seek to achieve the goal of eliminating poverty among Canadian children by the year 2000” in 1989, an estimated 1.2 million children, one child in six, still live in poverty in Canada. In 2007, Greater Vancouver announced that the number of homeless senior citizens had nearly tripled between 2002 and 2005. Aboriginal Canadians continue to be vastly overrepresented in homeless counts across the country. And in 2006, the CMHC reported that nearly one quarter of all new Canadians were paying “more than half their family income on rent.”
- ▶ Poverty is now the leading cause of homelessness in Canada. The 2005 Greater Vancouver Regional District homeless count, for example, found that 66 per cent of all homeless people surveyed cited “lack of income” or “cost of housing” as the main cause of homelessness. According to a 2006 survey by Environs, roughly half of all Canadians live in fear of poverty, and 49 per cent polled believed they might be poverty stricken if they missed one or two paycheques.
- ▶ Housing affordability problems threaten both low and middle income households. While affordability in housing has improved for many Canadians, due mainly to income gains, the fortunes of the lower half of Canadians remain stagnant or have declined. Across Canada, renter households in the lowest income quarter have highly elevated – 18 times average – likelihood of housing affordability problems. As the CCSD noted in 2007, it is families who rent

Supporting a Canada-wide  
homeless population of  
150,000 people costs  
Canadian taxpayers  
between \$4.5- to  
\$6-billion each year

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that are “the most likely to have to pay a disproportionate amount of their household income for shelter – almost 40 per cent of all tenant households.” And with home prices in Canada predicted to double in the next 20 years, middle class Canadians face housing security challenges: over 15 per cent of moderate income Canadians are already in core housing need, according to Canada’s most recent census and 54 per cent of these troubled households are also home owners.

- ▶ Based on a core, Canada-wide homeless population of 150,000 people, as estimated by the federal government, homelessness costs Canadian taxpayers between \$4.5 and \$6 billion annually, inclusive of health care, criminal justice, social services, and emergency shelter costs. By comparison, the annual cost of the 2006 GST reduction, from 7 per cent to 6 per cent, totals approximately \$4.35 billion. The total cost of homelessness in Canada has not yet been officially determined, a crucial policy calculation that underlines the ongoing absence of a national strategy on homelessness.
- ▶ Canada’s decade of relative inaction on homelessness, 1993 to 2004, cost Canadian taxpayers an estimated \$49.5 billion, across all services and jurisdictions. Much of this expenditure represents the status quo cost of sustaining a growing population of homeless people in temporary shelters, hospital wards, welfare offices, non-profit organizations as well as the criminal justice system and mental health institutions; expenses are systemic and range well beyond the hundreds of millions spent on front-line homeless services.
- ▶ The high cost of homelessness in Canada results from the role of homelessness as a proven multiplier of societal ills: malnutrition, unemployment, addiction, mental illness, family strife and lack of income security are all intensified when an individual or household becomes homeless. As the foundation of civil society, shelter is an indispensable asset and source of well-being. Conversely, lack of shelter often poses insurmountable barriers, effectively removing people from able participation in economy and society.



- ▶ Shelter offers an opportune pathway to address long-standing problems. Rather than tolerate failure, Canada should consider the kind of integrated, results-oriented “Housing First” approach currently underway in United States and the United Kingdom. This will require high-level leadership from Canada’s federal cabinet, as well as provincial and municipal integration. It is a paradigm shift on homelessness: strategic investment as well as national leadership on housing and income security. Recent evidence from Europe and the United States – as well as Quebec, where housing priorities have not declined relative to the rest of Canada – indicate that long-term strategic commitments can radically reduce the number of street homeless, reduce the larger population of “at-risk” poor, as well as impart savings to all levels of government by reducing the scale of crisis and attendant costs.

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