

Homelessness, Housing and Health:

The Secrets ALICE Will Not Tell You

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Abstract

The number of individuals and families facing homelessness in Delaware far outstrips the available stock of subsidized or low-income units. This article reviews facts and figures that paint a grim picture of the plight of persons experiencing homelessness or unstable housing conditions. It discusses low-income, rent-stressed families who do not earn enough to meet basic needs such as food, transportation, childcare and health care. It further explains why the housing crisis has an impact on all of us, whether or not we, ourselves, ever have been without a home. Finally, it provides several possible steps to take to address this seemingly unsolvable puzzle.

The Illness Among Us

The housing crisis in Delaware is evident in our cities and on our streets. Persons experiencing homelessness show us their presence, but often we look away. Those people are the visible symptom of a huge – almost inconceivably huge – illness among us.

Housing Alliance Delaware reports that in July 2022, they received 1100 calls from people in a housing crisis or experiencing homelessness and who needed assistance. More than 360 of those callers recently had slept in a car, outdoors, in a homeless encampment or in an abandoned building. Another four hundred households were temporarily staying with family or friends. Sadly, only 231 referrals were available for assistance, and zero permanent supportive housing units were available anywhere in the state.¹

This was not a unique finding. The United States Interagency Council on Homelessness reports that as of January 2020, 1,165 Delaware households experienced homelessness on any given day. That number comprised 136 family households, 78 Veterans, 43 unaccompanied young adults (aged 18-24), and 267 persons experiencing chronic homelessness.²

The U.S. Department of Housing and Urban Development reports approximately 16,000 units of public housing and 9,300 housing vouchers are available in Delaware to serve approximately 127,000 households with incomes below the federal poverty level.³

So, What Is Being Done?

In January 2023, Delaware Governor John Carney announced record-breaking funding for housing initiatives in his proposed state budget -- some \$101.5 million to go towards affordable housing, including \$31.5 million from the state's revenues and the remainder from the American Rescue Plan Act (ARPA) funds.⁴

Recently, Wilmington Mayor Mike Purzycki announced what he called the most ambitious housing plan in the city's history: a \$50 million residential redevelopment project. Some \$55.6 million of the funding is from the American Rescue Plan Act (ARPA).⁵ The revitalization is fueled by key partners such as Wilmington Neighborhood Conservancy Land Bank, Wilmington

Housing Authority, DE Affordable Housing Group, Central Baptist CDC / Eastside Housing Partners, LLC, Habitat for Humanity of New Castle County, Woodlawn Trustees / Todmorden Foundation and New Castle County Vo-Tech School District.⁶

A non-governmental effort, REACH Riverside is building high-quality, mixed-income housing in the Riverside section of Wilmington replacing nearly 300 units of public housing with some 700 mixed-income rental homes including 130 affordable income units in a purpose-built community.⁷

Woodlawn Trustees and partners Todmorden Foundation and HDC MidAtlantic are well into redevelopment of the hundred-year-old homes in The Flats community. More than 220 units of the projected 453 total units in Wilmington's West Side have been completed.⁸

Numerous dedicated nonprofits such as First State Community Action Agency, Salvation Army, Sojourners Place, Neighborhood House, Peoples Place and many more provide housing services and emergency shelter.

What About ALICE?

People experiencing housing emergencies and crises are the proverbial tip of the iceberg. Not far below lies a group who are but one crisis away from homelessness.

UWDE participated with local partners to conduct a study that showed that 32% of Delaware families fall into the category of Asset Limited, Income Constrained, Employed (ALICE).⁴ These families live above the Federal Poverty Level (FPL) but do not earn enough to meet the family's basic needs such as housing, food, transportation, childcare, health care, and basic household technology.

They are disqualified from many governmental support programs and the help they do receive does not increase them to a household survival budget level.

The report indicated that in 2019, before the pandemic, 47% of households in Delaware were rent-burdened with rent that accounted for more than 30% of household income, and 24% were severely rent-burdened with rent that consumed more than 50% of household income.

ALICE families are often financially consigned to rental housing (sometimes substandard), in conditions with more people sharing a space, or living in less desirable locations such as neighborhoods with older infrastructure, scarce health care options, food deserts, lacking in greenspace and play areas, and exposure to environmental hazards.

Figure 1. Household Survival Budget, Delaware Average, 2019

Household Survival Budget, Delaware Average, 2019			
	SINGLE ADULT	SENIOR (1 ADULT)	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Monthly Costs			
Housing	\$840	\$840	\$1,152
Child Care	–	–	\$1,356
Food	\$291	\$250	\$883
Transportation	\$388	\$337	\$860
Health Care	\$222	\$490	\$910
Technology	\$55	\$55	\$75
Miscellaneous	\$220	\$238	\$624
Taxes	\$400	\$409	\$1,006
Monthly Total	\$2,416	\$2,619	\$6,866
ANNUAL TOTAL	\$28,992	\$31,428	\$82,392
Hourly Wage*	\$14.50	\$15.71	\$41.20

As shown in Figure 1, the survey calculates that a family of four needs to earn \$41.20 per hour to meet basic needs. The actual cost of household basics in every county in Delaware is well above the Federal Poverty Level (FPL) for all household sizes and types.

The ALICE survival budget is calculated on costs from 2019. Some four years later, inflation has driven prices higher for necessities such as food, gasoline, and utilities.

When funds run short, cash-strapped ALICE households are forced to make unthinkable choices: Do we pay the rent this month or the childcare? Do we fix the furnace or the car, do we pay the electric bill or order fuel oil? Can we afford to visit a doctor or refill prescriptions?

What do you see in the rent-burdened ALICE family's future? We see a potential loss of their home or apartment, and possibly eviction.

Discussion of eviction and its consequences are found in a synopsis of a bill⁹ now in the Delaware General Assembly that if passed, would provide the right to counsel for covered individuals with household income below 200% of the federal poverty guideline for evictions.¹⁰

The bill contends that “Approximately 18,000 eviction cases are filed each year in the State of Delaware, and while 86% of landlords are represented by an attorney, agent, or business manager, only 2% of tenants have representation.”

“The disruptive displacement that accompanies eviction proceedings create significant costs for state and local government related to shelter funding, education funding, health care provided in hospitals instead of community-based providers, transportation costs for homeless youth, and foster care. Evictions and disruptive displacement also have significant, well-documented, and long-lasting effects on the lives of individuals and families, including poorer physical and mental health, increased risk of homelessness, increased risk of employment loss, loss of personal property, damage to credit standing, and relocation into substandard housing. Further, evictions fall disproportionately on Black and Latinx

families, who have also been the hardest hit by the COVID-19 crisis.”¹⁰

The statistics cited paint a dire outlook for the working poor. Going through life burdened by financial stress and fear undoubtedly takes a toll on family dynamics.

- Low-income parents often need to take on more than one job or work jobs with nonstandard schedules and recent studies indicated that more than one-quarter of low-income working parents with children under 12 years of age work evening or night shifts or a schedule that changes week to week. Their children display poorer brain and language development and more behavioral issues, more frequent absenteeism, repeating a grade and placement in special education programs.¹¹
- Housing disruption both causes and exacerbates family strife. Having no home or being removed from a home can cause negative adults’ job performance issues and possibly loss of work. A lack of public or personal transportation may increase time away from home if a new housing location results in long commutes.
- Businesses may be affected by employee turnover.
- Students may have to change schools or may be unable to attend regularly while the family is relocating. Disrupted students can experience declining grades, inability to connect with peers, depression and dysregulated behaviors causing upheaval in the classroom (and affecting the other students around them.)

Here Is the Secret That ALICE Will Not Tell You

Lacking or inadequate housing affects you —whether you have personally experienced it or not. It is a complex social problem that affects Delaware in many ways:

Chronic homelessness causes strain on social services from increased emergency room visits, increased hospitalizations, crime and police intervention, justice system overloads, incarceration, the use of mental health interventions, poverty supports, homeless programs and puts a strain on the foster care system.

Treating persons experiencing homelessness contributes to overall health care costs. Homelessness causes or is associated with serious health issues, including HIV/AIDS, addiction, psychological disorders, malnutrition, dental diseases, joint diseases and complications of diabetes. For a homeless person, even routine medical care is difficult to adhere to and even maintaining bed rest is complicated when the patient does not have a bed.¹²

Why is the housing crisis so pervasive?

- There are not enough affordable housing units to meet the need.
- There are not enough housing support services to help families learn the skills to maintain a home, such as budgeting, planning, saving, and understanding the use of credit.
- There are inadequate financial curricula in middle school through high school.
- People living in chronic poverty lose hope for a better future.

- Solutions need long-term commitment and collaboration among government, nonprofits, businesses, financial services, and community leaders.
- Affordable housing must be recognized by the voting public as a long-term investment with a high rate of return.

How Can a State Approach the Housing Crisis?

- Continue and strengthen First-Time Home Buyers' Programs to offer affordable loans, assist with down payments and closing costs, and work with lenders to offer favorable interest rates.
- Increase the use of non-traditional credit data to allow more people to qualify for rentals or homeownership, including wire transfer data, auto insurance payments, rent payments, payments for child care, and others.¹³
- Incentivize the creation of low-income housing units in all parts of the state.
- Maintain a minimum wage that reflects the local cost of living so working families can thrive.
- Continue to find creative housing strategies for remaining American Rescue Plan funds.
- Drive legislative changes to remove barriers and provide a level playing field for all regardless of race or ethnicity.

We must have the will to win. Do we want to continue to pay for costs associated with the housing crisis, or would we rather use that money to provide affordable housing and help families create a stable, productive lifestyle?

Consider this:

- If homelessness is closely associated with crime and incarceration... Delaware would save the \$39,080 per person per year the state spends on incarceration¹⁴
- If a family is not rent-stressed, they will have more expendable income to purchase goods and services in the community.
- If a community provides stable housing for children, it is likely to see higher school attendance rates, greater academic achievement, improved student behavior and higher graduation rates.
- If a family has stable affordable housing, residents are more likely to have increased access to health care, healthier lifestyles and improved overall health.
- If an employee can put down stable roots in a location, they will likely remain at the job longer, perform better at work, and contribute to the tax base.
- If a family is not rent-stressed, they may be able to save money to buy a home and begin generational wealth accumulation.

Just as ALICE families face challenges and seemingly impossible difficult decisions, we as a community must face the challenge and make policies and decisions that engender housing equity in our communities.

In the words of Martin Luther King, “No one is free until we all are free.” I will add, “No one is stable until everyone is stable.

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