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Estimated Revenue of the Nonprofit Homeless Shelter Industry in the United States: Implications for a More Comprehensive Approach to Unmet Shelter Demand

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ABSTRACT

This study merged data from the 2015 Housing Inventory Count, a list of temporary housing programs serving homeless persons nationally, and the Internal Revenue Service Form 990 tax filings for nonprofit organizations that same year. Matching records were used to develop estimates of various organizational measures per bed, adjusting for outliers, including revenues by source, expenditures by type, number of employees, employee compensation, and number of volunteers. Average values of these measures per bed by program type and by target population were extrapolated to the overall inventory to generate sector-wide estimates. Based on various measures of central tendency and after addressing outliers, a best guess of total revenues for nonprofit temporary housing providers is estimated at approximately \$8.5 billion in 2015. As many as 160,000 people are employed by nonprofit shelters, or 0.4 persons per bed, with average annual compensation of approximately \$24,000. Universal bed coverage for unsheltered persons is estimated to cost an additional \$3.3–\$4.5 billion annually.

ARTICLE HISTORY

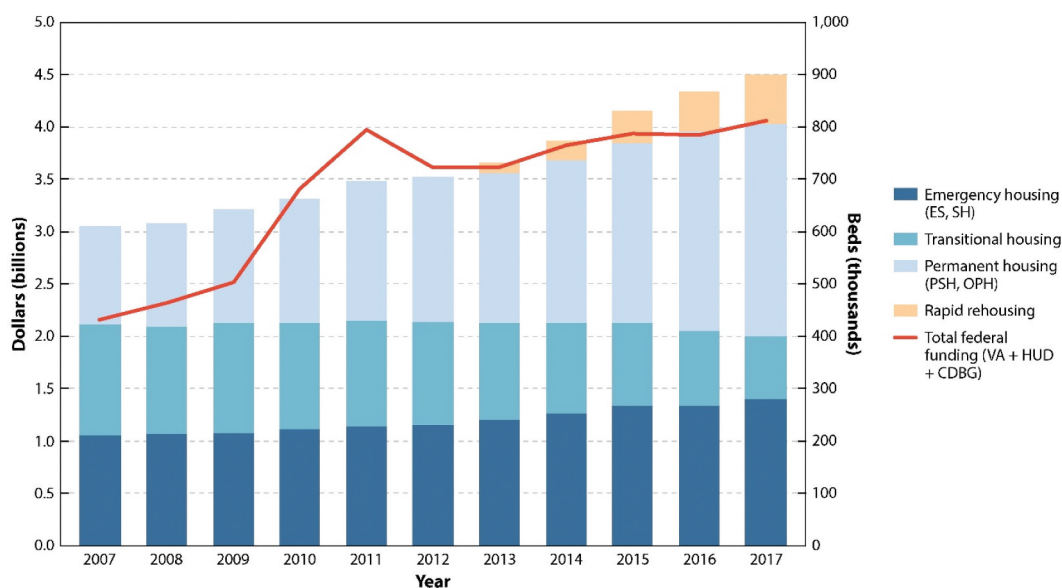
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KEYWORDS

homelessness; temporary housing; cost of emergency shelter

The authors of two recent books describe the development of a “homelessness industry,” which they attribute to neoliberal social policy (Beck & Twiss, 2018), and to the self-interested advocacy of homelessness assistance service providers (Padgett et al., 2016). Beyond bed counts from the last decade, the size, growth, and scope of this so-called industry is not well documented. Even calling it an industry is likely to raise some eyebrows, as in many communities of small and modest size, the industry is not much more than a few facilities, and some seasonal beds opened during winter in church basements and such. Neither of the recent books provides much in the way of details about the sector, as much of the data needed have not been readily available. Bed counts can be derived from the Housing Inventory Count (HIC) data that communities submit as part of their annual application for homelessness assistance funding from the U.S. Department of Housing and Urban Development (U.S. HUD Exchange, n.d.). Since 2007, those data have been compiled as part of the Annual Homelessness Assessment Report to Congress (see U.S. HUD, 2021 for the most recent report). Figure 1 shows the growth in beds and federal funding over that period (Fowler, Hovmand, Marcal, & Das, 2019).

Despite the doubling in federal spending depicted in the figure, from \$2 billion in 2007 to \$4 billion in 2017, the combined number of emergency shelter and transitional housing beds has been relatively flat at around 400,000, with the growth mostly occurring among permanent supportive housing (PSH) units and, secondarily, rapid rehousing. The PSH and rapid rehousing programs fund exits from homelessness, and therefore technically serve formerly homeless persons, whereas the emergency shelter and transitional housing (temporary beds) form the core of the nation’s nightly response to



 Fowler PJ, et al. 2019.
Annu. Rev. Public Health 40:465–86

Figure 1. Bed counts and federal funding, 2007–2017. Source: Fowler et al. (2019). Republished with permission of Annual Reviews; permission conveyed through Copyright Clearance Center, Inc.

currently homeless people. The local supply of temporary beds is often referred to as a shelter system, which in most communities is better understood as a loosely affiliated set of charitable organizations, but which can range to large city-administered systems of shelters, hotels, and master-leased buildings with substantial public financing. Most temporary beds in shelters were organized in the 1980s by local charities seeking to fill gaps in the safety net, and to meet survival needs of people otherwise sleeping on the streets and other public spaces. Over time, in more populous communities, these facilities have been complemented by governmental or quasi-governmental facilities, and for-profit providers, including private landlords offering temporary housing.

The original concept of emergency shelter was never envisioned to be a permanent or formal component of the social safety net, beyond providing a place to sleep, and shelters have no clear publicly authorized mandate to comprehensively serve an area's needy, with a few exceptions (the few places with a right to shelter include New York City, and Massachusetts and Washington DC for families only; a few other communities are required to provide shelter to unsheltered persons when temperatures drop below a certain threshold). Thus, it is noteworthy that whereas these facilities collectively provided sleeping accommodations for 356,386 persons on a given night in January, 2020, an additional 226,080 people were estimated as visibly unsheltered, meaning sleeping outdoors or in spaces not meant for human habitation. People who were unsheltered in 2020 represented 39% of the total homeless population and 51% of the single adult homeless population (U.S. HUD, 2021).

In places like California, where the number of unsheltered persons grew by 60% between 2014 and 2020 (U.S. HUD, 2014; U.S. HUD, 2021), some policymakers have argued for expanding shelter supply, or even establishing a right to shelter, to reduce the size of the unsheltered population, a policy change resisted by some state officials including Governor Newsom (Oreskes, 2019). Yet the limited availability of data on the cost of emergency shelter has made it difficult to assess the potential fiscal impact of such an approach, and whether it represents the best policy option relative to expanding permanent housing or other programs that could prevent or facilitate exits from

homelessness. In this article, we combine publicly available data from nonprofit service providers to estimate the total annual revenues committed to the provision of emergency and transitional shelter in 2015, and to illuminate the potential fiscal impact of more universal shelter provision. We also produce estimates of employee numbers, employee compensation, and volunteerism in the sector, to assess the size and cost of the labor force currently committed to this work. Permanent supportive housing provider data are also reported, for comparison purposes.

Methods

Data

Housing Inventory Count (HIC) data are reported annually to the U.S. Department of Housing and Urban Development (HUD) by Continuums of Care (CoCs) as part of their applications for funding (U.S. HUD Exchange, [n.d.](#)). CoCs are geographic units created by local communities (mostly cities and/or counties) and the balance of the state for less populated areas. The 2015 HIC included 9,354 organizations that provide emergency shelter, transitional housing, rapid rehousing, or permanent supportive housing. Emergency shelter and transitional housing are temporary housing programs for people who experience homelessness, with emergency shelters generally intended for stays of less than 6 months, and transitional housing intended for stays of 6 months to 2 years. Rapid Rehousing is a program intended to expedite returns to conventional housing, providing relocation assistance and up to 12 months of rental assistance. Permanent supportive housing provides federal housing vouchers or their equivalent for an indefinite duration, along with case management services to assist in housing placement, stabilization, and tenancy sustainment. These organizations were merged with the Internal Revenue Service (IRS) Form 990 data obtained by GuideStar, an online database of nonprofit organizations. The Form 990 data include reporting of total revenues by source, expenditures by type, employees, executive compensation, volunteers, and founding year of the organization.


Sample

By matching names and geographic information (state and city), 4,436 nonprofit organizations were identified as unique matches, or 47% of the HIC providers, accounting for 53.4% of the temporary bed supply. The nonmatches include nonprofit organizations too small to be required to file a Form 990 (less than \$100,000 annual revenues), public agencies and housing authorities, for-profit companies or landlords, and nonprofit organizations whose annual reporting to the IRS is handled by a larger network (e.g., a diocesan Catholic Charities umbrella organization) or a state-level parent organization (e.g., Salvation Army). Nonmatches were manually reviewed and coded by ownership type (public, for-profit, nonprofit).

The HIC data distinguish bed supply by program type (emergency shelter, transitional housing, permanent housing, and rapid rehousing). The Form 990 reports these measures for the whole organization, not for distinct programs within the organization, and many organizations provide multiple program types. Assuming that costs and staffing may vary significantly as a function of program type (e.g., permanent housing vs. emergency shelter) and target population (e.g., families vs. singles), a method was required to enable estimates of the various organizational measures disaggregated by program type and target population. A subset of providers was thus selected that provide only a single program type to a single target population (e.g., emergency shelter for single adults only, or transitional housing for families only). Approximately one third (34%, $n = 1,515$) of the nonprofit organizations with matching Form 990 data met these criteria (see [Table 1](#)).

Some organizations that provide homelessness assistance do so as part of a much larger organization with a broad array of services and activities. For example, medical centers, multiservice family service organizations, and community mental health providers are included in this restricted sample of single program type/single target population organizations, and the homelessness-

Table 1. Data sources and sample development procedures.

Data collection	Data sources	Variables
A nationwide database of housing program providers (<i>n</i> = 9,354)	Housing Inventory Count (HIC), U.S. Department of Housing and Urban Development (2015)	Program type Target population No. of beds/units
Extracting nonprofit organizations (<i>n</i> = 4,436)	Internal Revenue Service (IRS) Form 990, GuideStar, 2015 matches	Expenditures by type Revenues by source No. of employees No. of volunteers Executive compensation Founding year
Organizations in the HIC without a matching Form 990.	Nonmatches were manually reviewed and coded by ownership type.	Public, private for profit/ individual landlord, and nonprofit.
		
Sampling process		
To isolate the most likely distribution of revenues and other measures by bed, only organizations that provide a single program type to a single target population were selected (removing providers whose data would intermingle program types and populations served) (<i>n</i> = 1,515)	<ul style="list-style-type: none"> • A subset of 2,612 organizations run a single program type: emergency shelter, safe haven, transitional housing, or permanent supportive housing • A subset of 1,515 organizations run a single program type and serve a single target population: family, adult, or youth 	
To remove outliers, the sample distributions were restricted such that the mean and mode for revenues per bed are within one third of a standard deviation of the median (<i>n</i> = 783)	Temporary housing <ul style="list-style-type: none"> • Below 70th percentile for family beds (<i>n</i> = 315) • Below 55th percentile for adult beds (<i>n</i> = 255) • Below 40th percentile for youth beds (<i>n</i> = 55) Permanent housing <ul style="list-style-type: none"> • Below 40th percentile for family units (<i>n</i> = 25) • Below 40th percentile for adult units (<i>n</i> = 133) 	

specific services they provide are not disaggregated from the larger organization's tax reporting. These organizations therefore represent significant outliers with respect to the various intended study measures, with revenues, employees, and volunteers included in the reported data that have nothing to do with the homelessness programs of interest. The distribution of reported revenues for the sample was examined, and the impact of various cutoffs on measures of central tendency was assessed. Overall, when the top 30th percentile of organizations was removed from the total revenue distribution as outliers, the measures of central tendency converged, such that the mean and mode were within one third of a standard deviation of the median. This heuristic—a median that was one third of a standard deviation from the mode (always lower than the median) and the mean (always higher than the median)—was applied to the revenue distributions for each of the specific program types by target population.

Although the *within one third standard deviation of the median* criterion is arguably arbitrary, choosing some relative convergence of central tendencies strengthens our confidence in the reasonableness of the measures. The final sample was created from the provider distributions below the given percentile when this convergence point was reached, representing 18% of the total nonprofit providers with matching Form 990 data (*n* = 783). The resulting distributions for revenue per bed for emergency shelter and transitional housing were very similar by target population, and have been combined in a temporary housing group for ease of presentation.¹ Figure 2, based on temporary housing serving single adults, is provided as an example. The modal organizations are likely minimal in their service provision, focusing on shelter alone (\$14,064 in annual revenue per bed in the case of single adults), which creates the largest cluster at the lower values. However, a smaller subset of providers also provide additional services, such as case management, and indeed some may provide many more services, such as on-site behavioral health and health services, legal services, etc., and that will be reflected in the higher mean value for the distribution overall (\$25,806 annual revenue per bed) and a positive skewness. The range of services provided cannot be determined beyond the broad categories in the HIC.

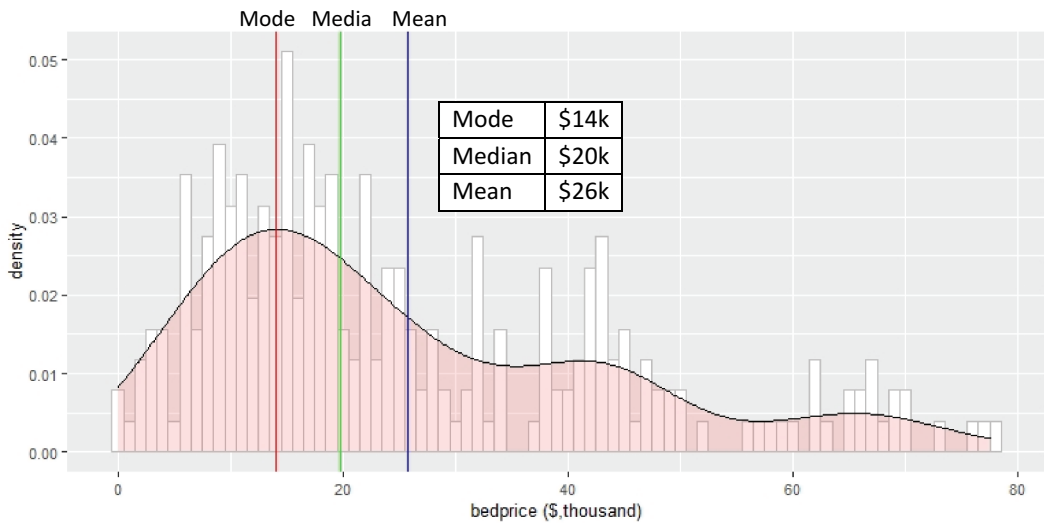


Figure 2. Distribution of revenues per bed among the 55th percentile of temporary housing providers serving single adults only ($N = 255$).

In our sample, no rapid rehousing programs served an adult-only population. Rapid rehousing units also appear to be clearly underreported overall within the HIC, given the known number of service units funded by the U.S. Department of Veterans Affairs alone through its Supportive Services for Veteran Families program (U.S. VA, 2018). For these reasons, rapid rehousing programs were excluded from these measures per bed/unit in the sample, and programs providing only temporary and permanent supportive housing programs were included (see Table 2).

Measures

Organization age: Organization age was calculated from year founded relative to 2015, and is only available for matched records ($N = 4,436$). Results were sorted by state and by year of establishment.

Revenues: Measures per bed were derived from the sample organizations by program type and target population, and those estimates were extrapolated to the remaining nonprofit organizations in the HIC by bed type, representing 87.4% of the total number of temporary beds. The extrapolation was thus applied to nonprofit organizations with multiple program types or target populations, and those nonprofits that did not file taxes in 2015 (the Form 990 nonmatches). For the purposes of generating the various estimated measures for nonprofits, public agencies, for-profit agencies, and individual landlords were excluded (12.6% of the temporary bed inventory). Some implications of this underestimation on overall revenues in the temporary housing sector are considered in the discussion.

With respect to the primary measure of interest—annual revenues per bed—estimates based on each of the measures of central tendency are considered (mean, median, and mode), providing a range of potential estimates. Despite our attempt to restrict outliers and to isolate providers of a single program type to a single target population, providers within the sample may yet provide

Table 2. Number of beds/units provided by 783 sample nonprofit organizations.

Program	Total	Family	Adult only	Child only	Seasonal	Overflow/ voucher
Temporary housing (beds)	23,061	10,404	11,013	337	1,595	908
Permanent housing (units)	12,958	581	12,377	n/a	0	0

additional programs beyond homelessness assistance, which could lead to inflated measurement of average revenues for the temporary beds and related support services. Reporting the range of central tendency measures provides a boundary of estimation.

Expenditures: Expenditures are reported on Form 990 as a percentage of total spending by type of expenditure (program service, fundraising, and administration).

Number of Employees: On Form 990, organizations are required to report the total number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by the tax return. The number of employees includes full-time and part-time workers, and cannot be disaggregated based on available data.

Employee compensation: Employee compensation reported on Form 990 includes salaries, other compensation, and employee benefits. Because compensation is not disaggregated for part-time versus full-time employees, the average compensation reported here will be lower than would be reflected in compensation for full-time employees alone.

Executive compensation: On Form 990, executive compensation is reported as additional data that we were not able to obtain as digitized data. Thus, we manually collected and analyzed executive compensation data from a 20% sample of organizations randomly selected from our matched study group (organizations below the 70th percentile serving a single population in a single program type, $n = 259$). Thirty percent of the organizations report \$0 compensation for the executive director. This would likely include religious and clergy or other managers who may be paid or have their living costs covered by a larger organization. The remainder of executive directors who received compensation were examined separately, and the distribution of their salaries is calculated and reported here.

Results

Homelessness Assistance by State

Among the 9,354 homelessness assistance service providers, California has the highest number of organizations (841), followed by New York (554) and Pennsylvania (473). [Figure 3](#) shows the number of homelessness assistance service providers by state to illustrate the significant geographic variation. (Readers are directed to other studies [Byrne et al., 2021; Hanratty, 2017] that have modeled the factors associated with geographic variations in shelter bed supply rates and in unmet bed demand as measured by unsheltered homelessness rates.)

Nonprofit Organizational Age

The average nonprofit organizational age was 37.8 years (with a minimum of 3 years and a maximum of 209 years; standard deviation [SD] = 23.2), with a mean founding year of 1977. The data on organizational age are limited to those nonprofits that matched to a Form 990, representing roughly half of the total organizations in the HIC, and 53.4% of the temporary beds. The growth rate appears steady from 1970 through 1990, after which it tapers off and then flattens around 2005. Interestingly, there is no noticeable rate of increase in organization formation as a result of the CoC policy in 1994, which made McKinney–Vento Act funding available by formula to virtually every community in the nation. Also, the growth in organizations is well under way by 1975, before the 1980s when contemporary homelessness is popularly thought to have surged. However, the peak growth in new organizations does occur in the 1980s. Half of all organizations were founded between 1975 and 1990. The growth in beds (observed in [Figure 1](#)) in the 2000s and beyond, especially in permanent supportive housing, apparently took advantage of an established organizational infrastructure, rather than the formation of new organizations (see [Figure 4](#)).

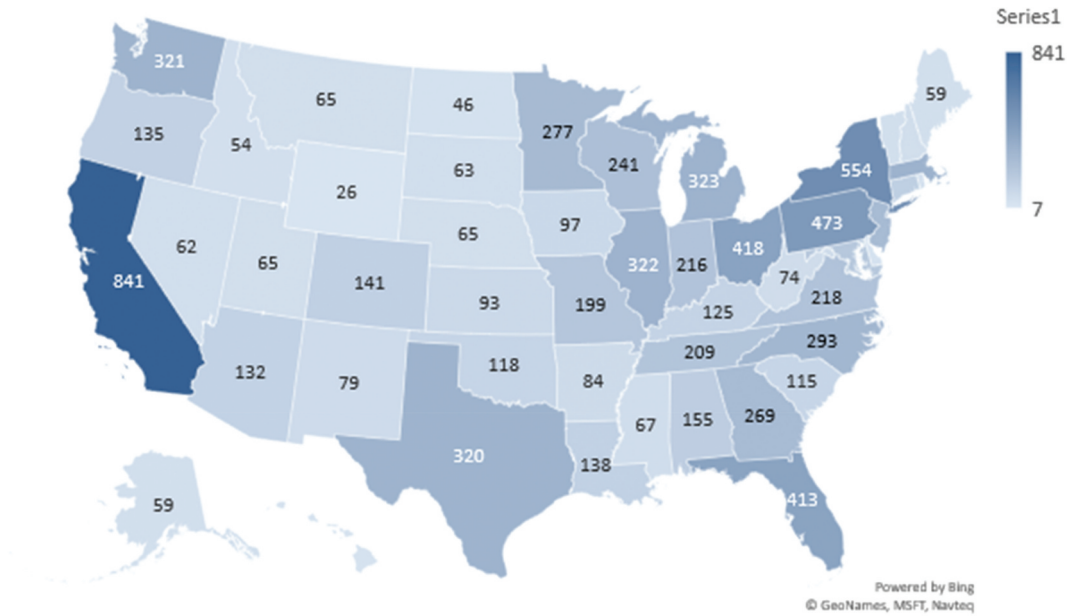


Figure 3. Distribution of homelessness assistance providers by state in 2015.

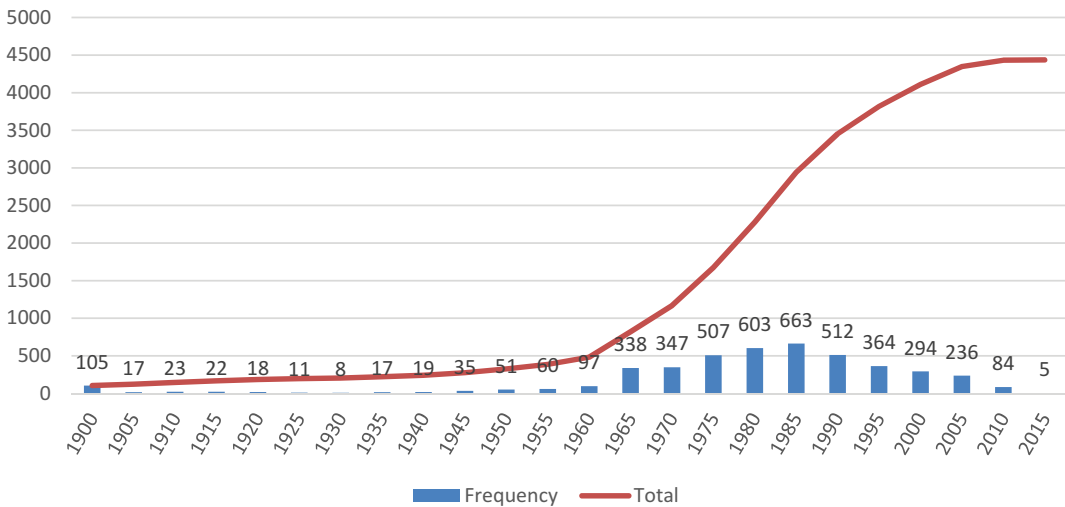


Figure 4. Number of organizations by founding year (N = 4436).

Nonprofit Bed Supply by Service Type and Target Population

According to the 2015 HIC, and as shown in Table 3, the homelessness assistance service providers offered 456,496 temporary housing beds (emergency shelter and transitional housing) and 266,007 permanent housing units. Seasonal beds are treated as operating one quarter of the year in estimating the various measures per bed. (Given that the 2015 point-in-time [PIT] count enumerated 391,440 persons in temporary housing on a single night in January that year [calculated from U.S. HUD, 2020], the occupancy rate for temporary housing was 86%.)

Table 3. Number of beds/units by program for all HIC reported organizations.

Program		Total beds/ units	Family units	Year-round beds			Seasonal	Overflow/ voucher
				Family beds	Adult-only beds/units	Child-only beds/units		
Temporary (beds)	Total	456,496	-	217,843	206,878	4,153	20,907	22,395
	Nonprofits	398,934	-	187,798	188,677	4,012	19,659	13,532
	Public	49,140	-	24,145	15,900	136	1,233	8,651
	For-profit /individual	8,422	-	5,900	2,301	5	15	212
Permanent (units)	Total	266,007	50,427	-	214,865	715	0	0
	Nonprofits	161,738	28,431	-	133,228	79	0	0
	Public	103,050	21,712	-	80,702	636	0	0
	For-profit /individual	1,219	284	-	935	0	0	0

Note. Total beds for temporary housing = Family beds + Adult-only beds + Child only beds + (seasonal beds × 0.25) + overflow/voucher. Total units for permanent housing = Family units + Adult-only beds + Child-only beds. Family unit and family bed categories include units and beds for households with one adult and at least one child under age 18. We excluded RRH units in the HIC data from our analysis.

Table 4. Estimated annual revenue per bed/unit: Temporary and permanent housing nonprofit programs by varying measures of central tendency.

		Temporary (\$)	Permanent (\$)
Family	Mode	17,742	25,390
	Median	22,750	38,523
	Mean	26,250	52,405
Adult	Mode	14,064	18,809
	Median	19,787	24,198
	Mean	25,806	28,772
Youth	Mode	34,492	-
	Median	39,432	-
	Mean	43,519	-
Total	Mode	16,042	18,462
	Median	23,030	25,863
	Mean	27,589	32,511

Estimated Average Revenue of Nonprofits per Bed/Unit

The estimated annual revenues per bed are provided in [Table 4](#), based on measures for the mean, median, and mode, rolled up within target populations and program type. Results show a systemwide average revenue per temporary bed of \$27,589, and of \$32,511 per permanent supportive housing unit (note that permanent housing is measured in units, not beds).² Revenues are slightly higher for family versus adult temporary housing beds; however, the average family size is 3.18 persons, resulting in nearly triple the costs per family household, or about \$82,000 per year. These high average revenues per bed for families are heavily influenced by government payment for mandatory shelter provision in New York City and Massachusetts, which together represented 31% of the homeless family beds in the United States in the 2015 PIT. New York City's per diem reimbursement for family shelter was \$201.60 (per family, not per bed) in 2019, or \$73,584 annually (Mayor's Management Report, 2019), a figure that does not include contract revenue for additional services or private fundraising revenue (New York City accounted for 23% of the nation's total population of sheltered families in 2015, calculated from U.S. HUD, 2020). In contrast, the mode of \$17,742 per bed per year reflects the more common cost of family shelter beds, particularly those beyond New York City and Massachusetts. Unlike most single adult shelters, which are night-only facilities, family shelters operate 24 hours per day, often have minimum

staffing requirements, and typically provide on-site daycare services. Some programs may also provide Medicaid-funded mental health and substance abuse treatment services.

As shown in [Figure 2](#), the distribution in bed revenues for single adults indicates that the modal cost is \$14,064 per bed, which is likely the best estimate of the cost of a bed-only facility (no services beyond a meal and bathrooms), and which is arguably the most common type of facility serving single adults. More service-enriched facilities drive the national mean higher, to \$25,806 per bed. The average is also influenced by the mandatory government funding of shelter for adults in New York City, which in 2019 was \$31,805 per year (City of New York, 2019), and which accounted for 13% of the nation's bed supply for single adults in 2015 (U.S. HUD, 2020). As with families, this public reimbursement for beds does not include revenues for additionally contracted health and social services or from private fundraising, which can be substantial (see the discussion below of revenues by source).

Youth temporary housing beds are significantly higher in average revenue per bed than adult only beds, likely skewed by group homes for minors and runaways, which operate 24 hours per day and may be funded and licensed through child welfare agencies.

Permanent housing units are higher in revenue per family than those for single adults, and in this case the families' measure includes the revenues per unit for the whole family (not per bed). Notably, average annual revenue for PSH for a family (\$52,405) is significantly lower than the average revenue for temporary housing for a family of three (\$78,750); among single adults, the average revenue for PSH (roughly \$29,000) is slightly higher than for temporary housing (about \$26,000 per bed). Both figures are higher than what public agencies typically budget for PSH (approximately \$15,000–\$18,000 per year), so revenues from private fundraising and from other services the agency may provide are contributing to a higher per-unit revenue.

Estimated Total Revenue by Source

Multiplying the number of nonprofit beds from [Table 2](#) to the estimated revenues per bed or per unit in [Table 4](#) yields the total estimated revenues for nonprofits in [Table 5](#), again shown by mean, median, and mode. The total estimated revenue for both permanent and temporary housing among nonprofits in the HIC based on the mean is \$15.8 billion, of which \$10.5 billion (65%) is for temporary housing and \$5.3 billion (35%) is for permanent housing. To the extent that this upper boundary may

Table 5. Total estimated revenue for temporary and permanent housing (excluding RRH) by nonprofit providers based on varying measures of central tendency.

		Total	Temporary housing	Permanent housing
Mean	Total revenue	15,805,384,347	10,482,221,776	5,323,162,571
	Private contribution	5,347,717,558	4,569,104,194	778,613,364
	Government grant	5,899,027,607	3,649,770,216	2,249,257,391
	Service fee	3,680,773,971	1,749,063,795	1,931,710,176
	Other	877,865,210	514,283,570	363,581,640
Median	Total revenue	12,907,884,693	8,588,786,136	4,319,098,557
	Private contribution	4,375,522,971	3,743,772,989	631,749,982
	Government grant	4,815,499,729	2,990,501,108	1,824,998,621
	Service fee	3,000,472,779	1,433,125,075	1,567,347,704
	Other	716,389,213	421,386,963	295,002,250
Mode	Total revenue	9,647,518,654	6,419,770,112	3,227,748,542
	Private contribution	3,270,438,195	2,798,318,827	472,119,368
	Government grant	3,599,136,463	2,235,278,574	1,363,857,889
	Service fee	2,242,513,222	1,071,203,006	1,171,310,216
	Other	535,430,773	314,969,704	220,461,069

Note. Temporary revenue is estimated by Number of family beds * Family bed price + Number of adult beds * Adult bed price + Number of youth beds * Youth bed price + Number of seasonal beds * 0.25 * Temporary housing price + Overflow * Temporary housing price.

Permanent housing revenue is estimated by Number of family units * Family unit price + Number of adult units * Adult unit price.

be inflated by revenue from services unrelated to homeless services but reported on Form 990, the median may represent a best guess of \$8.6 billion for total temporary housing revenue in 2015.

Government grants account for the largest share of revenue, at 38%, with private contributions and service fees contributing 31% and 25%, respectively. The government grants may include state and local grants, as well as federal, but these are not disaggregated in the Form 990 data. Service fees represent contracts for services, typically funded by government agencies, and may include per diem reimbursements for shelter, as well as ancillary services such as childcare, case management, health, behavioral health, employment, and legal services. Perhaps not surprisingly, service fees are a substantially higher source of revenue for permanent than for temporary housing, as this category includes permanent supportive housing that can provide intensive, team-based case management to people with disabilities, including people with severe mental disabilities. Private contributions account for a substantial 44% of the funding for temporary housing providers, and a much lower share of total revenue for permanent housing providers (15%).

Expenditures on Nonprofit Providers by Type

Expenditures by nonprofit temporary housing providers are reported on Form 990 as a percentage of total spending. Program services account for 83.4% of total spending, fundraising for 3.9%, and administrative costs for 12.7% (see Table 6). Comparing the expenditure on fundraising with the revenue from private contributions, and using the mean total revenue estimate in Table 5, yields a return on investment of \$11.20 and \$6.79 per dollar spent on fundraising for temporary and permanent housing programs, respectively (see Table 7).

Table 6. Proportion of expenditures (%) by type and program type among nonprofit homelessness assistance providers.

	Program service	Fundraising	Administration
Temporary housing	83.4	3.9	12.7
Permanent housing	85.5	2.2	12.2

Table 7. ROI: Fundraising efficiency for nonprofit housing providers (\$).

	ROI ^a	Private contributions	Fundraising expenditure
Temporary housing	11.20	4,569,104,194	407,976,039
Permanent housing	6.79	778,613,364	114,607,807

^aDonations per \$1 fundraising.

Table 8. Estimated number of employees by program type among nonprofit homelessness assistance providers.

	Estimated employees	No. beds/units	Employees per bed/unit
Total	207,706		
Temporary housing beds	160,850	398,934	0.40
Permanent housing units	46,855	161,738	0.29

Table 9. Estimated compensation of employees by program type among nonprofit homelessness assistance providers, based on estimated average revenue per bed.

	Estimated total compensation of employees (\$)	No. employees	Average compensation per employee
Total	5,536,757,171	207,706	
Temporary housing	3,820,674,535	160,850	\$23,753
Permanent housing	1,716,082,636	46,855	\$36,625

Estimated Number of Employees and Employee Compensation in the Nonprofit Sector

As shown in Table 8, an estimated 207,000 employees work for the nonprofit providers of homelessness assistance. Nearly three times as many are employed in the provision of temporary housing as permanent housing (about 160,000 vs. 47,000), and represent 0.4 workers per temporary housing bed. Their average annual compensation, shown in Table 9, is about \$24,000 for temporary housing workers and \$36,600 for those who work in permanent housing (including benefits), using the mean estimate for annual revenue in the sample. (Again, note that the employees reported on Form 990 include part-time and full-time workers, but they are not disaggregated in the tax data.) Supportive service workers for PSH are more likely to have professional degrees than those in shelters or temporary housing. Nonprofit temporary housing providers spend roughly double on employee compensation annually (\$3.8 billion), compared with nonprofit providers of permanent housing (\$1.7 billion). It should be cautioned that some of these employees may be associated with activities not directly related to the delivery of homelessness assistance.

Estimated Volunteer Effort

Table 10 shows the estimated volunteer effort by program type. As with other measures, these estimates per bed were derived from the bottom 70th percentile of programs that matched to the Form 990, as the distribution included outliers from organizations that had large volunteer events, such as marathons, races, or other such efforts, with potentially thousands of participants. Excluding outliers, results show that about 620,000 people volunteer for homeless services programs. Nearly 95% of volunteers work for temporary housing programs, representing 1.27 volunteers per bed.

Executive compensation

About 30% of organizations reported \$0 annual compensation for the executive director, and this likely reflects persons who are paid or have living expenses covered by other organizations, such as religious orders and clergy, and parent organizations. Looking at only those with a reported income greater than \$0 reveals a median of \$67,163. The average is \$81,695.

Discussion

This study estimates total revenue for nonprofit providers of temporary housing at \$10.5 billion in 2015, based on an average of approximately \$27,500 per bed per year. This estimate should be treated with caution as it is extrapolated from a subset of providers (18% of the nonprofits) that serve a single target population with a single service type, and with outliers removed. Because reported revenues by nonprofits may include income unrelated to homeless services, this should be considered an upper boundary estimate. The modal value of \$16,000 may indicate basic shelter, with few if any support services provided other than bathrooms and meals. The total revenue estimate based on median per-bed revenues may offer a best guess of total annual spending on temporary housing at \$8.5 billion in 2015. Extrapolating from the median measure to the public and for-profit providers (12.6% of beds) would raise the estimated total spent on temporary housing to \$9.6 billion, recognizing that public and for-profit providers (including hotels/motels and master-leased

Table 10. Estimated number of volunteers among nonprofit homelessness assistance providers.

	Estimated number of volunteers	No. beds/units	Volunteers per bed/unit
Total	530,907		
Temporary housing	506,646	398,934	1.27
Permanent housing	24,261	161,738	0.15

buildings) may have different cost structures than nonprofit providers. (Approximately 40% of permanent supportive housing units are administered by housing authorities or for-profit providers. Extrapolating from the median measure to them would raise the estimated total spent on supportive housing to \$7.1 billion, including \$1.9 billion for family units and \$5.2 billion for single-adult units.)

The additional cost of providing a right to shelter to the unsheltered could be conservatively estimated by using the modal cost per bed, presumed to be the cost for beds in facilities with few if any additional services. For single adults, that would be approximately \$14,000 per bed per year, and for families it would be \$17,700 per bed. Unsheltered PIT counts in 2020 estimated 209,413 adults and 16,667 persons in families (U.S. HUD, 2021). Providing universal access to shelter for this visible unsheltered population would be approximately \$2.93 billion for the single adults, and \$295 million for persons in families, for \$3.22 billion overall. Some researchers estimate that the visible unsheltered estimate undercounts total unsheltered homelessness by as much as 40% (Glynn & Fox, 2019). Adjusting for that undercount, universal access to basic shelter for unsheltered persons would cost an additional \$4.5 billion in 2015 dollars. (This estimate does not take into account the accessibility of vacant beds in the national inventory, which will vary geographically.)

Given that current total federal spending on homelessness is approximately \$4 billion, including both permanent and temporary housing (see [Figure 1](#)),³ creating universal access to shelter could require more than a doubling in federal spending. A right to shelter in California alone in 2019, based on the raw unsheltered count (103,454 singles; 4,978 persons in families; U.S. HUD, 2020) and the modal bed revenue from 2015 estimated here, would be \$1.54 billion. Adjusting for the potential 40% undercount of unsheltered persons, the cost of universal shelter in California would rise to \$2.5 billion annually, in 2015 dollars.

Creating more universal access to shelter, or even a right to shelter, could also have some unintended consequences. Given that many people who experience homelessness avoid shelters some or all of the time—including in jurisdictions with a right to shelter, like New York City—expanding bed supply to all of the unsheltered would not eliminate unsheltered homelessness. Guaranteed access to shelter could also open the way to the legal enforcement of public camping and sleeping bans, based on a recent Federal Court ruling (*Martin v. City of Boise*, 2019) that prohibited such enforcement in the face of a limited supply of shelter beds. The experience of New York City and Massachusetts regarding the right to shelter for families also suggests that broadened access to shelter by right could lead to increases in daily demand for shelter, beyond what might be indicated by unsheltered counts on a given day. Regulations for shelter by public funders and from litigation have led to minimum quality standards for shelter that very often include residence in conventional apartments (up to 2 years), at no cost to the family, along with on-site child care services. These amenities have the potential to tap latent demand for temporary housing, and could contribute to longer stays, either of which would result in increased daily demand for shelter. As a caution, consider that New York City and Massachusetts accounted for 36% of the nation's family shelter occupancy in 2019 (calculated from U.S. HUD, 2020).

Other findings of note are the proportion of revenues for temporary housing from private contributions, and the size of the temporary housing workforce. The temporary housing providers are prosperous fundraisers, with revenues from private fundraising accounting for 44% of total revenues. Their fundraising proficiency is also remarkable, with a little more than \$11 earned for each dollar spent on fundraising. Clearly, these organizations are fond targets of charitable giving, which may reflect public sympathy for homelessness or for the organizations themselves. Whether that support could translate into public policies that better prevent and end homelessness is worth further investigation. The number of people employed in the sector, nearly 160,000, is also impressive. Although we could not disaggregate full- and part-time employees, the total number reflects a substantial commitment of human resources to homelessness assistance, with an average compensation of \$24,000.

Considering the average revenue per bed, the number of employees, and the amount spent on compensation, one important question for future research is whether more direct forms of assistance, such as cash transfers and rental assistance paid directly to clients or landlords, would be more efficient

and more effective, and reach more people, than this indirect system of temporary housing—which, after all, currently serves only half of the homeless adult population and two thirds of the total homeless population on a given day. Of course, demand for shelter could not be completely supplanted by increased income and rental assistance, as some housing emergencies would continue to occur, including those for victims of domestic violence, runaways, and others whose housing loss would not be preventable with increased income or housing assistance alone.

An important new book about homelessness policy and research by Shinn and Khadduri (2020), *In the Midst of Plenty: How to Prevent and End Homelessness*, estimates the cost for providing federal housing vouchers to all eligible very low-income renters to be \$30 billion annually. The study results reported here, including the projected total cost of providing universal shelter access of at least \$12.6 billion annually (2015 dollars), should be considered in the context of their proposal. Housing subsidies would substantially prevent many homelessness episodes currently served by temporary housing providers, and with demonstrably greater positive impacts on families and individuals (Evans, Phillips, & Ruffini, 2019; Wood, Turnham, & Mills, 2008). Given the different revenue sources for these approaches, including the large private donations provided to shelters, a shift of funding from one category to another is at best hypothetical, but deserves further consideration and study.

This study is limited in that it was based on aggregate data reported on Form 990 by nonprofit organizations. Analysis of these administrative data was opportunistic, motivated by the absence of national organizational research on shelters, and the convenience and low cost of accessing these records. The homelessness-specific program data from the Form 990 records could not be disaggregated, so the reported measures are likely to be inflated by program activities unrelated to homelessness assistance. Removal of outliers and isolating providers to those serving a single target population in a single program type resulted in an 18% sample of unknown representativeness. The study results should be considered with some caution, given these limitations. The one previous study of shelter costs for single adults in a small sample of providers in nine cities 17 years ago (the Lewin Group, 2004) estimated median costs per bed of \$12,000 in 2015 dollars, which is roughly consistent with the modal cost estimate found here for adult shelter beds (\$14,000), providing some validation of the study results. Nevertheless, future research should involve a more detailed survey or audit of financial records of a representative sample of providers where the homelessness program measures can be more clearly distinguished from other organizational revenues and expenditures.

Notes

1. Although transitional housing and emergency shelter have historically had different service structures, those distinctions have become blurred in recent years. As illustrated in Figure 1, the net number of these temporary beds has been relatively unchanged since 2007, although the mix has shifted significantly toward more emergency shelter and fewer transitional housing. HUD has disincentivized the use of transitional housing in its McKinney–Vento funding competition, so many programs have reclassified themselves from transitional to emergency beds. This has led to a substantial blending of these models and, thus, the observed lack of distinction in the distributions on the study measures.
2. After consulting with HUD (William Snow, personal communication, September 11, 2018), we count the permanent housing as units because they are typically funded as such, and we continued to count the temporary housing as beds because communities often fund them as such.
3. Figure 1 represents permanent housing for families as beds, whereas we count them as units in our analysis, creating an apparent discrepancy between the two studies. Although PSH for families in the 2015 HIC listed 135,235 beds, those beds were in 50,427 units.

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