CAN YOUR SALARY BALANCE YOUR HOUSE VALUE?
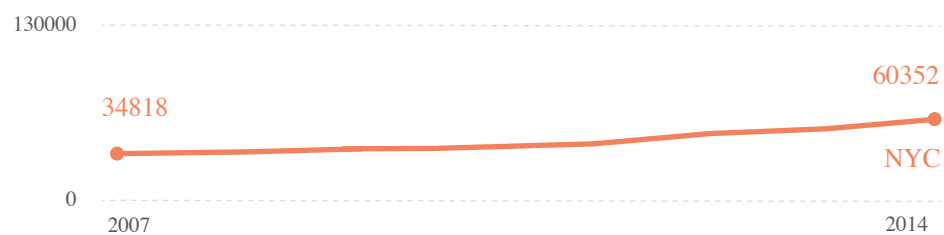
——A Study of Homelessness In Major Cities of The United States

Graphic by Zhizhou Wang
Main Source: 2014 AHAR Report
Catalog.Data.Gov

An Overview of the Homelessness in U.S.

651142

National

578424

On a Single Night in January 2014, **578,424** people were homeless in the United States. In the past eight years, the total homeless population in the United States was decreasing. This is undoubtedly a good news. However, the total homeless population in the **New York City** was **increasing constantly**. Coincidentally, in most of the largest cities in the United States, the homeless population is actually rising comparing to reduction in the nation wide. This comparison thus raises our question. Why does this situation happen?
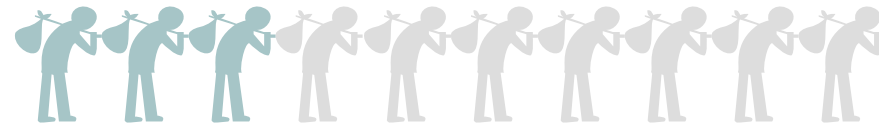
60352

34818

NYC

2007   2014

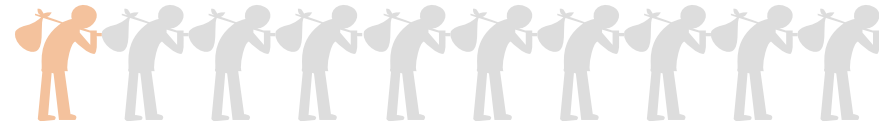## Large Cities and the Homelessness

1. Proportion of the homeless population in large cities

The graph on the left shows the proportion of the homeless population in the U.S. by cities. The cities shown are those with **most** homeless population. It is clear that nearly 1/3 of all homeless live in just 10 cities.
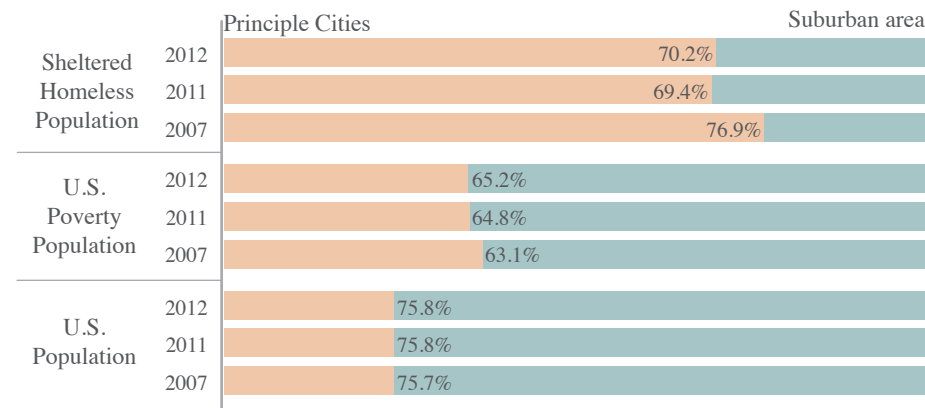
3 in 10 homeless people are from 10 cities

1 in 10 homeless people is from New York or from Los Angeles

0%
NYC
LA
LV
Seattle
SD
DC
SJ
Denver
SF
Chicago
50%
100%

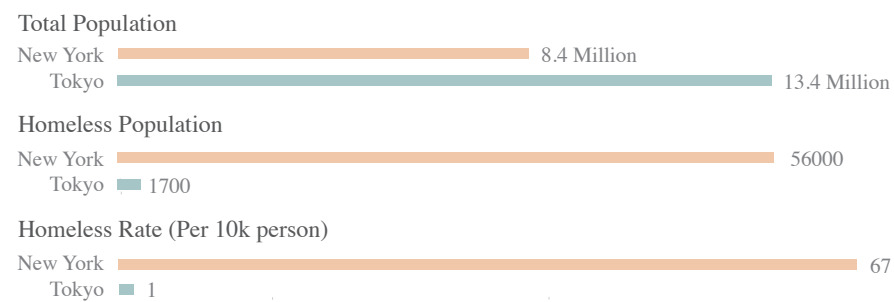### 2. Comparisons between principle cities and suburban area

Over 70 percent of people in the United States live in suburban area, about 65 percent of the poverties are from the same area. However, the homeless population in principal cities is **far more larger** than that in suburban area.

		Principle Cities	Suburban area
Sheltered Homeless Population	2012	70.2%	
	2011	69.4%	
	2007	76.9%	
U.S. Poverty Population	2012	65.2%	
	2011	64.8%	
	2007	63.1%	
U.S. Population	2012	75.8%	
	2011	75.8%	
	2007	75.7%	

3. Worldwide fact and Tokyo as an exception

The concentration of homeless people in large cities is happening worldwide. In Portugal, most of the homeless people are concentrated in the cities of Lisbon and Porto; in Italy, out of the 17,000 homeless people in total, 7,000 are from Rome. However, **Japan** is an exception.

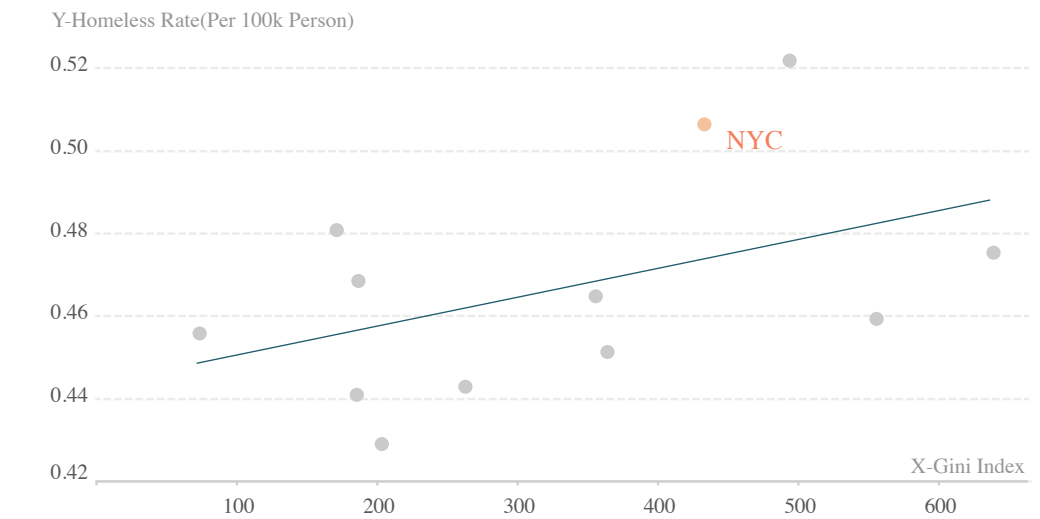·Comparison between New York and Tokyo

Total Population
New York   8.4 Million
Tokyo   13.4 Million

Homeless Population
New York   56000
Tokyo   1700

Homeless Rate (Per 10k person)
New York   67
Tokyo   1

Why is there a massive discrepancy in rates of homelessness between two of the most populous cities in the world? First and foremost, **income inequality** is a massive and growing problem in the United States, while Japan has historically had one of the lowest rates of inequality among developed countries. Another contributing factor is that Japanese tend to have a **stronger support system from their families** than in the United States, where individualism is prized.

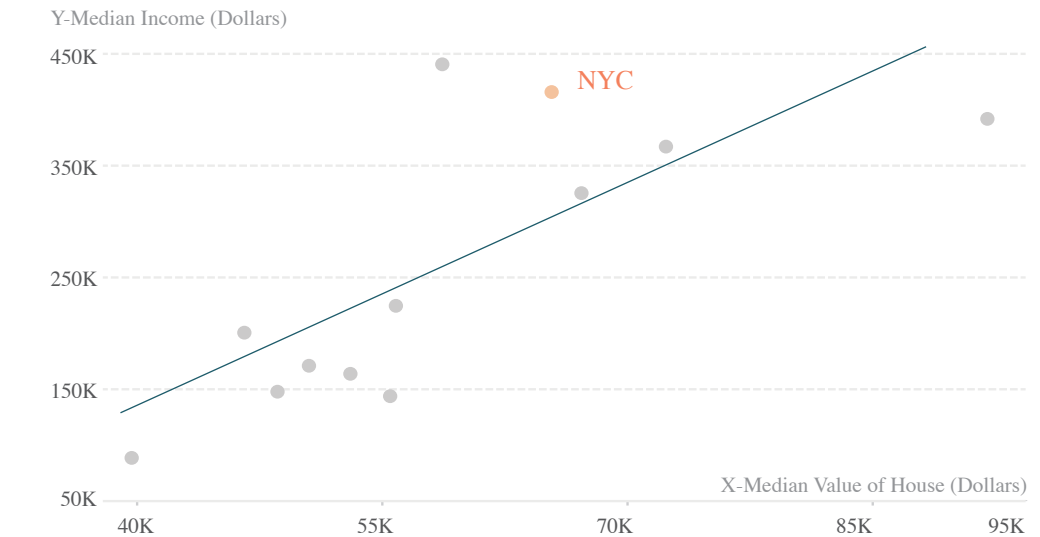## Income Inequality and Homeless Rate

As mentioned in the second part, the income inequality is a major cause for the large homeless population in the New York City. One principal measure of income inequality is the **GINI** coefficient. Using some cities from the United States, we thus explore the fact.

·Relationship between the Gini Index and the homeless rate

Y-Homeless Rate(Per 100k Person)

0.52
0.50   NYC
0.48
0.46
0.44
0.42

X-Gini Index

100   200   300   400   500   600

Above shows us a positive relationship between Gini Index and the homeless rate, so **how does the income inequality affect the homelessness**?

·Relationship between median income and median value of house

Y-Median Income (Dollars)

450K
350K   NYC
250K
150K
50K

X-Median Value of House (Dollars)

40K   55K   70K   85K   95K

As the median value of house is strongly related with the median income. The house value in large cities tends to be higher than those in suburban areas while the minimum income maintians the same. The dilemma thus happens. For instance in **New York**:

Min. Income $8.75 $1400
Median cost of 1 BDRM $3100

That is over 200% of minimum wage at 40 hours/week.

As a **conclusion**, the high homeless population and homeless rate in the large cities such as New York and Los Angeles is not simply a coincidence. The severe situation of income equality existed in those major cities serves as one of the major reasons. Therefore while the government tries to decrease the overall homeless population around the country using strategies such as offering the homeless people with permanent or temporary place to live, taking the income inequality in these major cities into consideration could also be a very effective solution. Afterall, if we want to solve a problem completely, we have to start from the root.