

# Health or Wealth: What causes homelessness?

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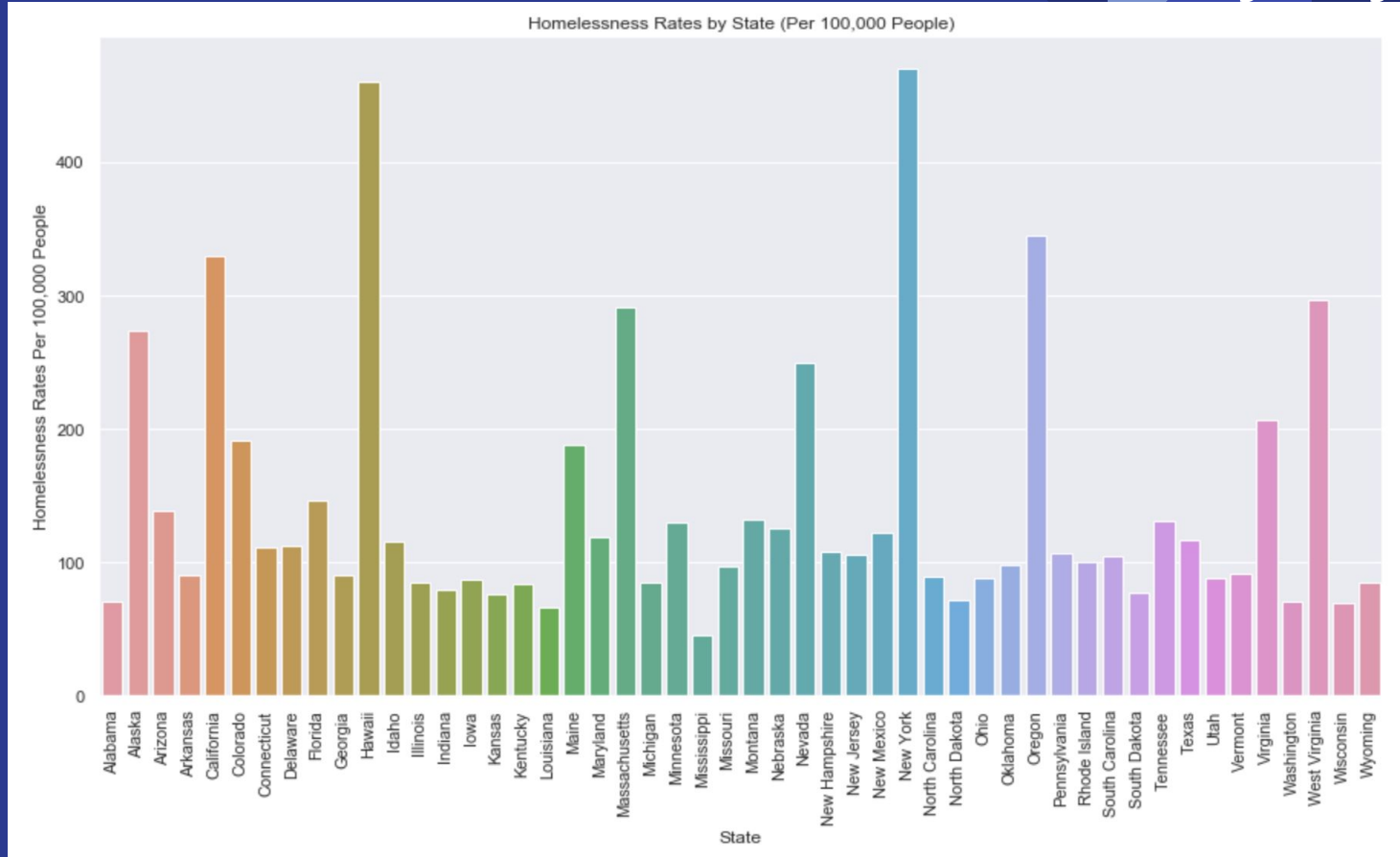
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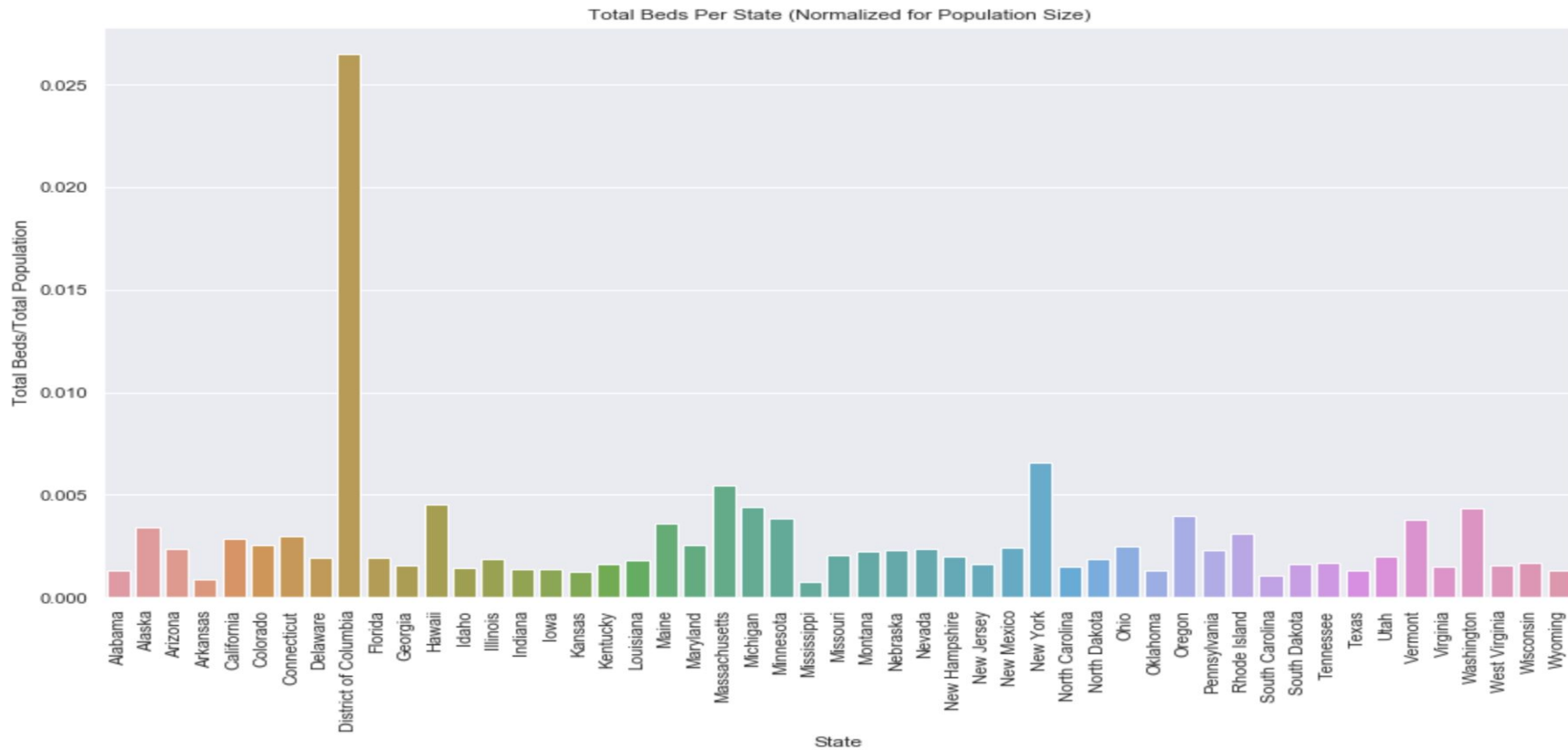
# Homelessness is a huge public policy concern

- Would be incredibly useful for agencies to know what factors can influence homelessness
- Goal of this project is to use regression analysis to answer this question

# Homelessness varies enormously by state



# There is also enormous variation in state policies and demographics



# Regression Results

Source	SS	df	MS	Number of obs	=	50
				F(8, 41)	=	6.33
Model	257368.463	8	32171.0579	Prob > F	=	0.0000
Residual	208479.537	41	5084.86675	R-squared	=	0.5525
				Adj R-squared	=	0.4652
Total	465848	49	9507.10204	Root MSE	=	71.308

homelessness_rate	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
alcohol_deaths_hundred_thousand	5.11507	2.228786	2.30	0.027	.6139443	9.616195
drug_deaths_hundredthousand	-.2622889	1.168211	-0.22	0.823	-2.621538	2.096961
Unemployment_rate	13.19265	16.59562	0.79	0.431	-20.32289	46.7082
mental_health_spending_pc	-.0526796	.1379517	-0.38	0.705	-.3312786	.2259194
liv_minus_min	24.50339	9.640023	2.54	0.015	5.034966	43.97181
grad_rate	.8585873	3.367403	0.25	0.800	-5.942022	7.659197
beds_per_100000	.6408935	.1288465	4.97	0.000	.3806828	.9011043
spending_pupil	-.0074202	.0046889	-1.58	0.121	-.0168896	.0020493
_cons	-181.7822	309.8062	-0.59	0.561	-807.4484	443.8841

# Takeaways & ideas for future research

- Results of the regression
  - Support for raising the minimum wage
  - # of homeless shelters and the # of homeless is highly correlated
- Primary issue: this regression does not show the direction of causality
  - For example: increasing the number of beds could be attracting more homeless people, or the beds could be constructed in response to the homeless population
  - Alternatively, a third unidentified factor could be causing both
- One promising solution would be to conduct a difference-in-differences analysis
  - We can identify a sudden exogenous increase in the homeless population, and see if this sudden increase is correlated with an increase in different factors compared to states that did not see this sudden shock
  - One such event: Lanterman-Petris-Short Act
    - Reagan closed CA's mental hospitals in 1967
    - Compare variables from California with other states