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This writing sample is an assignment from Van Kolpin's January - March 2022 EC 512 Foundations of Economic Policy Analysis class. The prompt was to critique a paper from a scientific journal and link topic of the paper to the concepts discussed in class.

The assignment description is repeated in its entirety below for your information and the writing sample itself begins on the following page.

Each Master's student will "referee" one of the five papers from their reference list. This means that they are to pretend that the editor of the journal has requested that they read the paper carefully and provide a report summarizing their personal assessment of the paper's merits and shortcomings. The report should be 1-2 pages single-spaced (somewhat longer reports are acceptable, but four full pages of text should be considered a firm upper bound) and include each of the following elements: 1) A brief overview, in the student's own words, of the paper's subject matter. This overview should also briefly highlight both common ground and departures from the theoretical framework that is presented in the relevant module(s) of this course. 2) A description of the paper's main contributions and their significance to this strand of literature. 3) A discussion on the paper's most substantive weakness(es) from a student's perspective. For instance, is the paper poorly written, does it provide inadequate intuition for technical material, is the scope of application too narrow or too broad, etc? Similarly, the student should also discuss the paper's most substantive strength(s). This "referee report" is intended to express the student's assessment of the paper from the perspective of student reader, so this assessment may be different from that provided by an expert in the relevant field.

Citation:

Corinth, Kevin. "The Impact of Permanent Supportive Housing on Homeless Populations." *Journal of Housing Economics* 35 (2017): 69-84. https://alliance-primo.hosted.exlibrisgroup.com/permalink/f/qgisft/TN_cdi_webofscience_primary_000395968500006CitationCount

Referee Report:

In "The Impact of Permanent Supportive Housing on Homeless Populations", Kevin Corinth attempts to identify the causal effect of permanent supportive housing (PSH) on the number of unhoused individuals in the U.S. between 2007 and 2014. Corinth uses panel data of the number of sheltered and unsheltered homeless individuals in each of the 414 Continuums of Care (CoCs) over time. A CoC is a geographic service area defined by the U.S. Department of Housing and Urban Development (HUD) that can be an entire state or some sub-section of that state. For example, the Lane County boundaries also delineate a single CoC region but several central Oregon counties are grouped together into a single CoC. To qualify for HUD funds, each CoC is required to provide Point-in-Time (PIT) counts of sheltered and unsheltered individuals. The sheltered count is required every year and the unsheltered count every two years, although most CoC's perform both the sheltered and unsheltered counts annually. Corinth claims that his paper is distinct from those cited in his literature review in that he examines variation across both time and CoC to correlate economic factors with levels of homelessness and that his is the only causal analysis.

The most visible theory in this paper is related to labor-leisure optimization in that Corinth makes explicit his belief that increasing government aid could incentivize individuals to become or remain homeless. We did not cover labor-leisure optimization in this class but since the paper is concerned with evaluating the efficacy of federal funding use it is implicitly considering the social welfare function. Even stopping short of a Rawlsian utility curve we can easily imagine a social welfare function where welfare is negatively correlated with levels of homelessness. Corinth concludes that increased PSH reduces homelessness and that PSH is one of the more effective homeless reduction approaches currently in use. He obliquely implies that reducing homelessness is good which suggests that he does believe social welfare and homelessness are negatively correlated.

The paper's strongest merit is Corinth's valiant attempt at a causal analysis of an extremely complicated question. However, despite his attempts to provide controls, he fails to make a convincing case that he has identified the causal effect.

Corinth includes instruments for PSH and transitional shelter beds but neglects emergency beds because he is unable to identify an instrument for them. His instrument for PSH and transitional beds is the funding for those beds which he claims is an instrument and not a direct effect because the availability of the beds lags the funding. However, funding is not assigned randomly which I thought would be necessary for a valid instrument. Part of the application process for

funding is showing a track record of reducing homelessness so funding awards are likely to be correlated with all the same errors as the other explanatory variables.

Corinth acknowledges two major limitations of his analysis. First that he omits emergency shelter beds from the causal analysis. If PSH or transitional housing inventories affect the homeless population, the outcome he's testing for, and if CoC's respond to the changing need by adjusting the availability of emergency beds, a reasonable response, this subjects his analysis to omitted variable bias. Second that PIT counts are inexact measures of the unsheltered population. He mentions that the count is performed by volunteers with no special training, which is generally true but he fails to mention that the count is conditional on the volunteers finding the target population and the target population being willing to be interviewed. I've taken part in the PIT count and both conditions can be high bars to clear.

Of more interest to me than what I perceive as the methodological shortcomings of the paper is the idea that we might be incentivizing people to become or remain homeless. I understand that given the labor-leisure optimization theory there would be some level of benefit that would disincentivize work but I know of no positive analysis that suggests benefits are so generous anywhere as to actually incentivize being homeless. If Corinth truly believes that then he is vastly overestimating the level of benefits available to unhoused individuals and vastly underestimating the trauma of being unhoused and I suggest he spend some time volunteering at his local shelter to get some perspective. Furthermore, in order for benefits to actually incentivize homelessness, people would need to make a very calculated and rational choice. Given that the limited benefits that are available tend to be targeted towards those with mental health and/or substance abuse problems, those are the individuals least likely to be making calculated, rational choices. I think a more effective way of evaluating the PSH funding policy would be to track outcomes of individuals who have been able to access PSH beds and to the extent that access is randomly granted, compare the outcomes to individuals who were not able to access the beds.