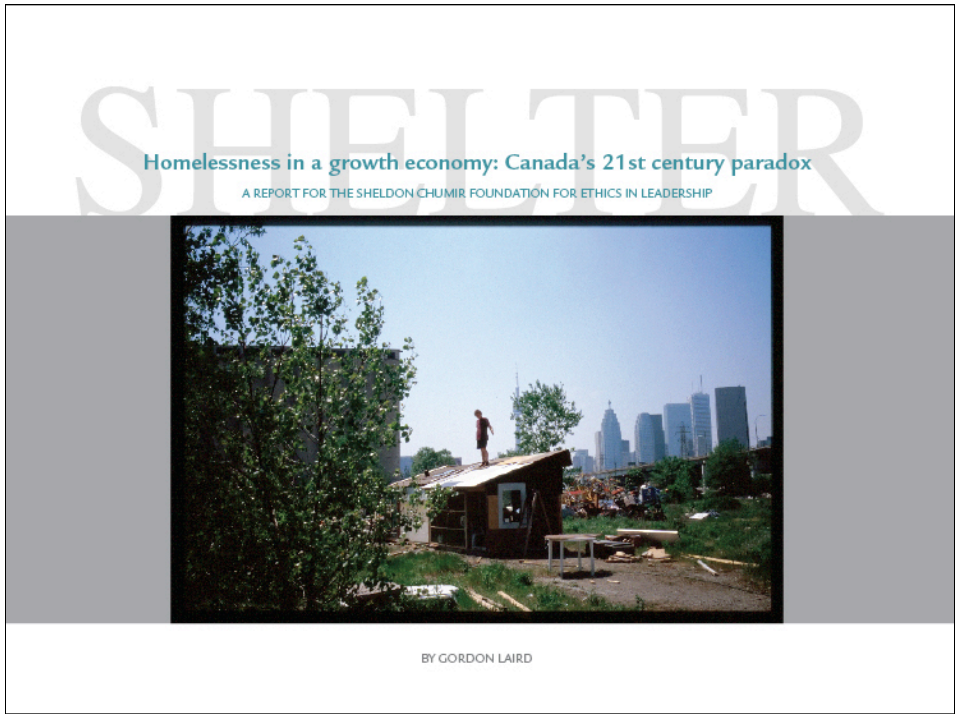
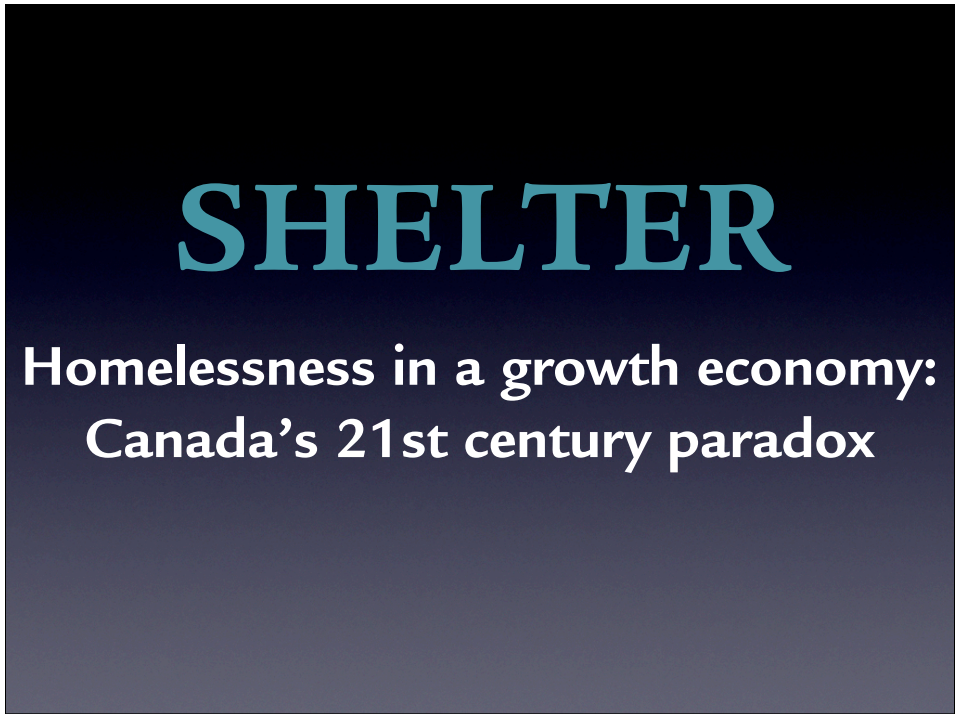


This is an October 2007 presentation from a report published by the Sheldon Chumir Foundation for Ethics in Leadership: SHELTER: Homelessness in a Growth Economy -- Canada's 21st Century Paradox

Sponsored by the Vancouver Foundation and Homelessness Action Week.

Full report available for Download at:
http://www.chumirethicsfoundation.ca/main/page.php?page_id=88



Canada is one of the world's most robust economies, a country that consistently scores top mark's on the UN's human development index, yet we have a chronic homeless crisis.

It's like a slogan from the 1930s: poverty amid plenty. We're troubled by homelessness not merely because government didn't spend enough money, but also because our approach to poverty and housing hasn't changed much since the 1970s.

Housing is one of the great social and economic challenges of this century.

Across Canada, people are living in third world conditions. Not everyone makes it out of homelessness alive -- and many never fully recover after cycling through shelters, street living, welfare offices, and drop-in centres. It is a trap; and we have been wittingly & unwittingly pushing people into it.

Canadians who are homeless or under-housed are no longer a small minority: Canada's "new homeless" can be found everywhere – towns, cities, suburbs. Upwards of 200,000 to 300,000 Canadians are homeless, based on independent estimates. And depending on whose numbers you read, between 1.7 and 2.7 million Canadians face serious housing affordability problems.

The thing is, we're already spending billions on managing homelessness and housing issues, and we're making too few gains. What are missing? What, if possible, can we change?

My work on homelessness began almost by accident; I Came to Nunavut to research climate change in February 2001 and to talk with Inuit hunters and elders about floe ice, polar bears and weather patterns.

Interviewing Inuit hunters in Iqaluit, it turned out that some were also homeless. Most hunters were just barely getting by, taking part-time jobs to supplement cost of living.

An estimated 19 per cent of Nunavut’s population was relatively homeless in 2003. And approximately one in seven are without adequate shelter.

As hunter David Audlakiak told me. “There's not one person in this room who hasn’t had to go to social services for help. There are contaminants being discovered in our ocean. Governments make it hard for us to hunt. What’s next?”

Upwards of 10 per cent of Nunavut’s population waiting for social housing.

This is Insiq Shoo, homeless in Iqaluit at minus 30.

Insiq had been homeless for nearly a year when I had met him. Iqaluit's men's shelter has only 20 beds and there are no areas for mats on the floor. Like others, he spent his daytimes wandering Iqaluit looking for warmth and food, while trying to arrange education and social housing for himself.

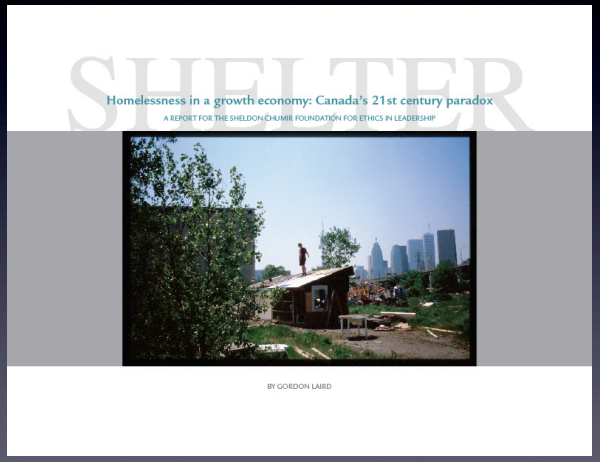
The Arctic leads Canada in “hidden homelessness.” These are people who live in cars, sleep on couches, crash in porches and church basements. They may not spend all their time on the street, but they are without fixed address. Some studies indicate they are the vast majority of homeless -- the people we don’t see.

Many homeless Canadians, therefore, have often been invisible to governments & policy-makers.

Hidden homelessness, in turn, tends to obscure and exacerbate other problems, such as domestic violence, substance abuse and malnutrition. Housing plays no small role in Nunavut’s record rates of suicide and violence; tuberculosis runs here at 14 times the national average.

Just like our weather, our future often comes from the north. It's important to observe what's happening on Canada's geographic and social margins, not only to correct neglect, but also to know what is possible. If the North is any indication, we have not yet hit bottom.

SHELTER findings



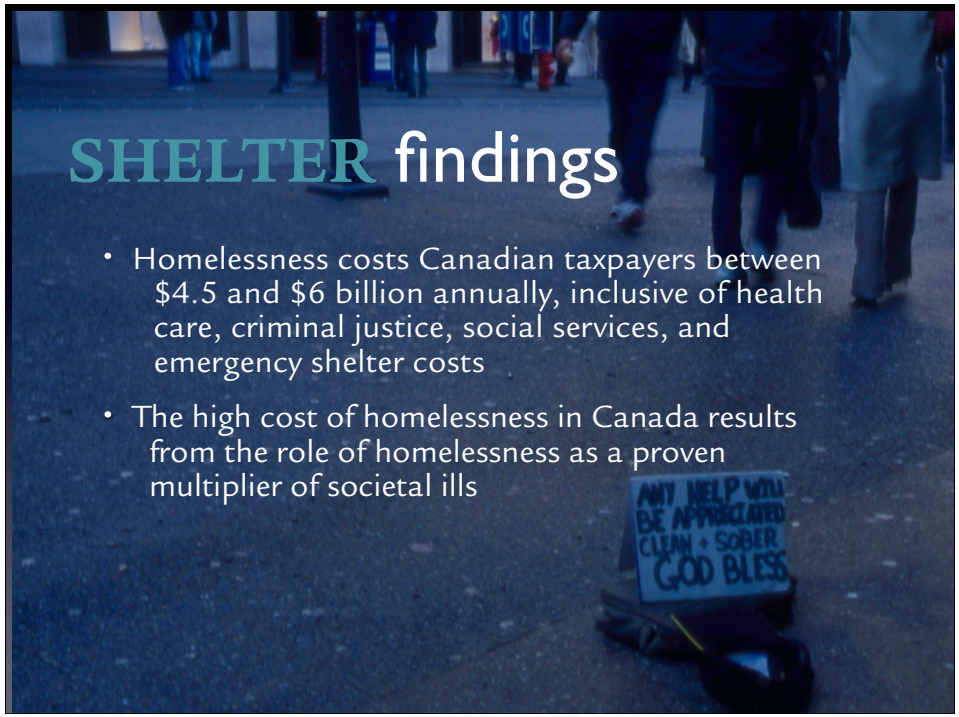
In this report, we attempted something that many of our governments have not: to estimate a national cost to homelessness and try to place the issue within a 21st century context. It's not an original idea, as the US and EU nations have been looking at the costs of homelessness for a number of years.

Think of the double standard Canada has maintained for more than a decade: throughout the 1990s, when it came to debt and tax reduction we enforced fierce fiscal discipline, yet with homelessness, we simply neglected the public and human costs.

This is the national picture: Mary, who was panhandling across the street from Parliament Hill in Ottawa. In 1993, Canada began to abandon its national housing program, which had been moderately successful in providing affordable housing. For this and other reasons, homelessness has since become commonplace across Canada.

Some government policy since 1993 has actually helped create poverty and housing insecurity: such as limiting EI benefits, and keeping minimum wage and welfare shelter allowances well below market realities. Along with booming rents and housing prices, billions of taxpayer dollars were spent on housing-related emergency services and short term measures that have provided little long-term relief to the largest homelessness crisis since the Great Depression of the 1930s.

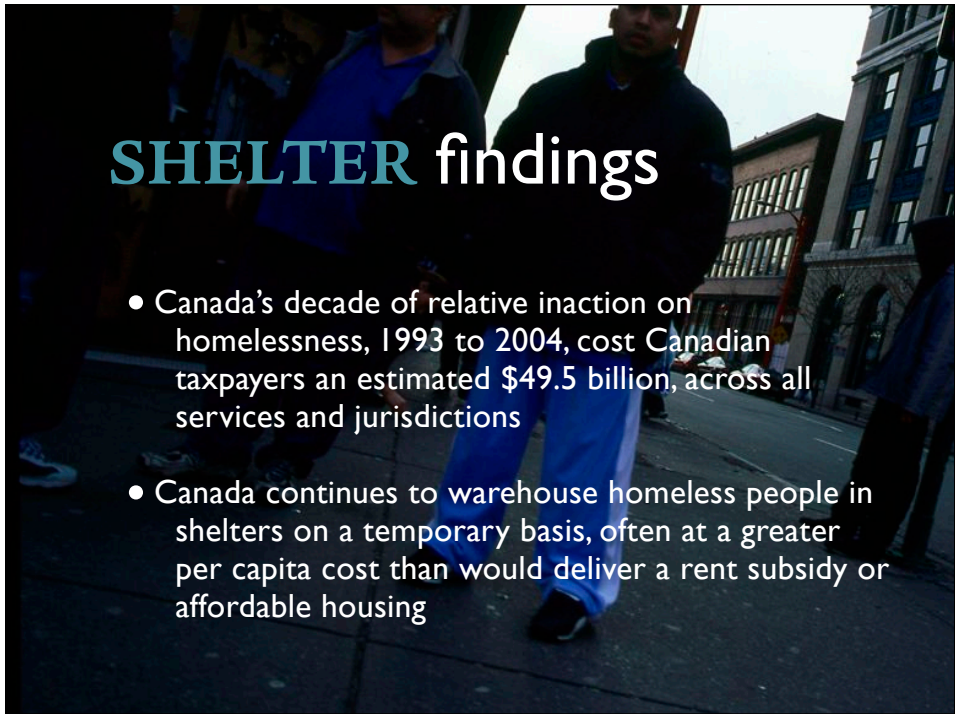
Unlike the United States and the United Kingdom, who have already launched major initiatives on homelessness, Canada has a federal secretariat on homelessness, but no integrated long-term plan, let alone an official estimate of what homelessness costs our society. Instead, Canadian government attempted to contain the rapid growth of homelessness with homeless shelters and other short-term, crisis-based services. This strategy of containment and human warehousing has failed.



So, what does our status quo cost? Homelessness costs Canadian taxpayers between $4.5 and $6 billion annually, inclusive of health care, criminal justice, social services, and emergency shelter costs. Much of this expenditure represents the status quo cost of sustaining a growing population of homeless people in temporary shelters, hospital wards, welfare offices, non-profit organizations as well as the criminal justice system and mental health institutions; expenses are systemic and range well beyond the hundreds of millions spent on front-line homeless services.

It's about pushing folks with mental health issues and addictions into extreme environments. It's about systems failure.

The high cost of homelessness in Canada results from the role of homelessness as a proven multiplier of societal ills: malnutrition, unemployment, addiction, mental illness, family strife and lack of income security are all intensified when an individual or household becomes homeless



Canada's decade of relative inaction on homelessness, 1993 to 2004, cost Canadian taxpayers an estimated $49.5 billion, across all services and jurisdictions. This is the opportunity cost of attempting to manage homelessness over the course of a decade with the hopes that it would diminish or disappear. It hasn't. Canada continues to warehouse its underclass on a temporary basis, often at a greater per capita cost than would deliver a rent subsidy or affordable housing.

In other words, it is ultimately more expensive to house homeless people on a temporary, emergency basis than it is to invest in solutions. For example: the daily cost of maintaining a bed in some shelters (transition beds for substance abusers, for example) is comparable to some of Canada's low-security prisons. In 2006, the Wellesley Institute determined that Toronto taxpayers pay two and one-half times as much for homeless shelters as for rent supplements.

Poverty is the leading cause of homelessness in Canada

In 2005, the GVRD found that 66 per cent of all homeless people surveyed cited “lack of income” or “cost of housing” as the main cause of homelessness

Of course, addiction and mental health issues still figure highly as contributing causes of homelessness, but given the surge in Canada’s “new homeless,” it is hardly universal. Family breakdowns and single motherhood are major causes of poverty in Canada and, I would wager, will be recognized as major homelessness causes in the future.

In many homeless shelters across Canada, a significant percentage actually have jobs...

Canada has a growing population of working homeless.

For example: In 2007, at the Calgary Drop In Centre, one of Canada's largest homeless shelters 40.2 per cent of all residents reported that they work more than 32 hours a week. A majority of these employed homeless reported that they still could not afford accommodation within a city whose average 2006 rent was $851 per month.

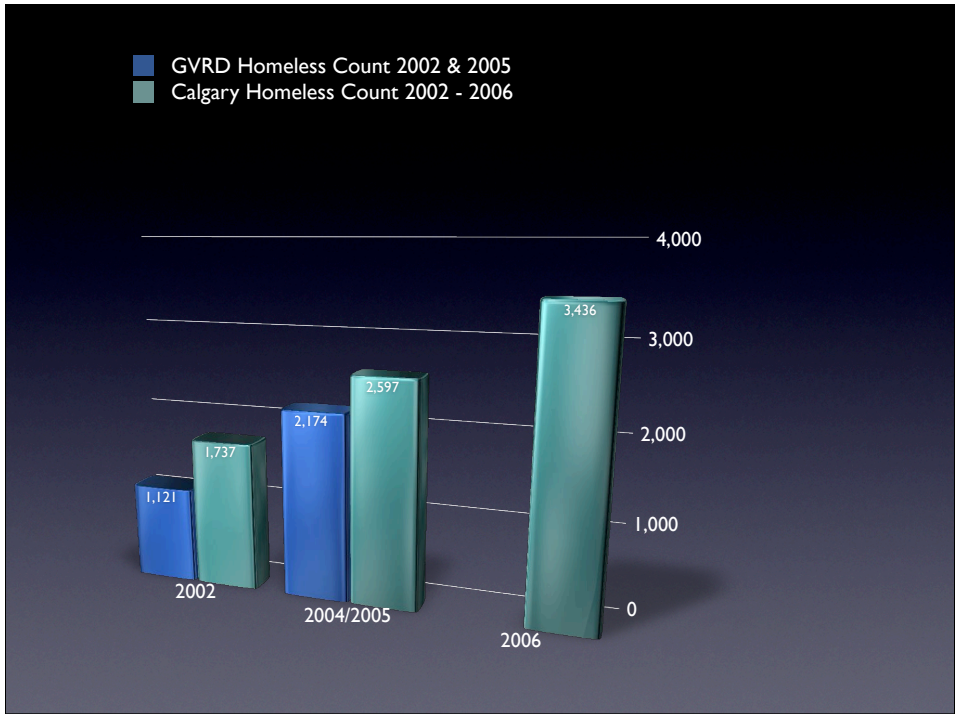
$10/hour is no longer a living wage in many Canadian cities.

This reality is economic entrapment: pushing people to choose between food and shelter, with just one rent increase away from homelessness.

Street counts of homeless people across Canada have increased, sometimes at triple-digit rates

In 2005, the federal government estimated 150,000 homeless in Canada

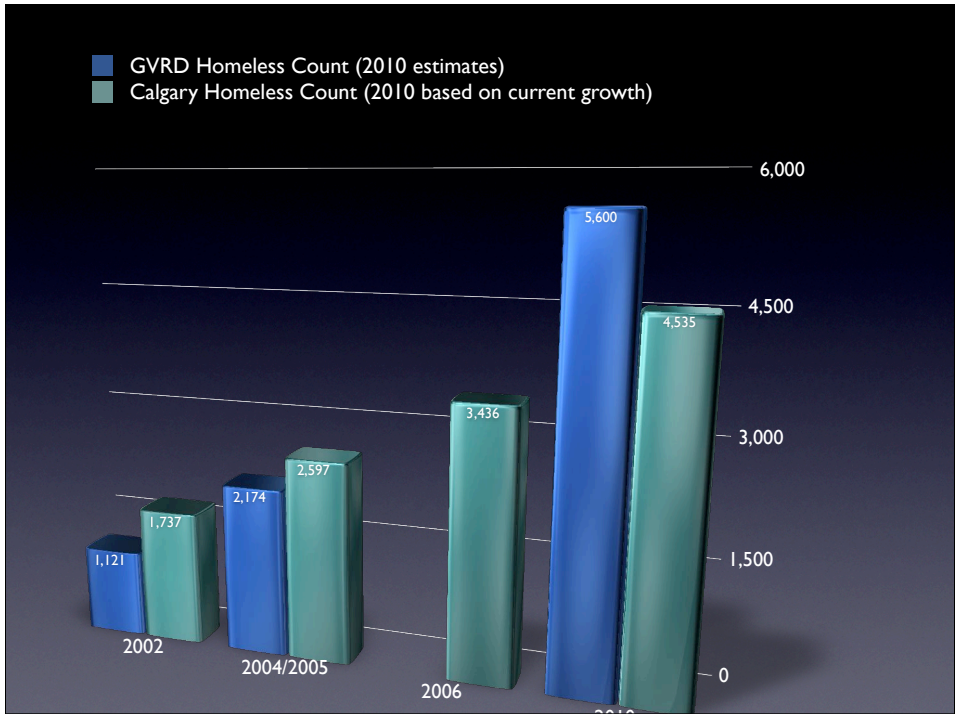
Non-governmental sources estimate Canada's true homeless population, not just those living in emergency shelters, ranges between 200,000 and 300,000



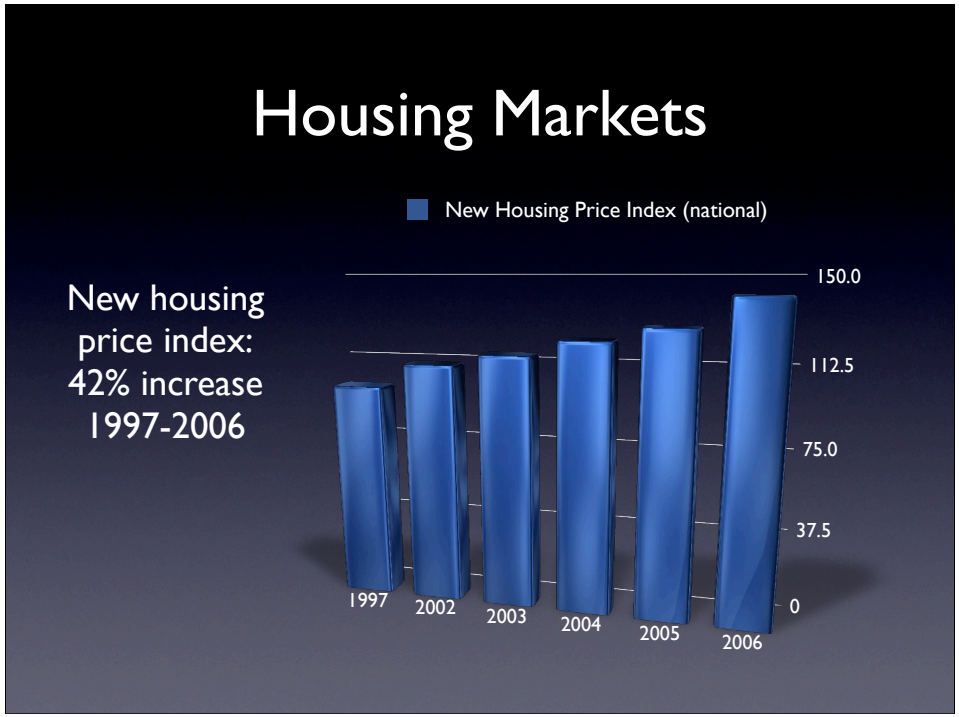
Municipal homeless counts offer a more detailed view. For example: Western Canada is a now hotspot for homelessness.

Street counts of homeless people have increased in some cities at triple-digit rates: Calgary's homeless population grew 740 per cent between 1994 and 2006, for example. A 2003 survey of the Greater Vancouver Regional District (GVRD) found there were more "street homeless" in the largely suburban community of Surrey than in any other municipality in the region, including Vancouver itself.

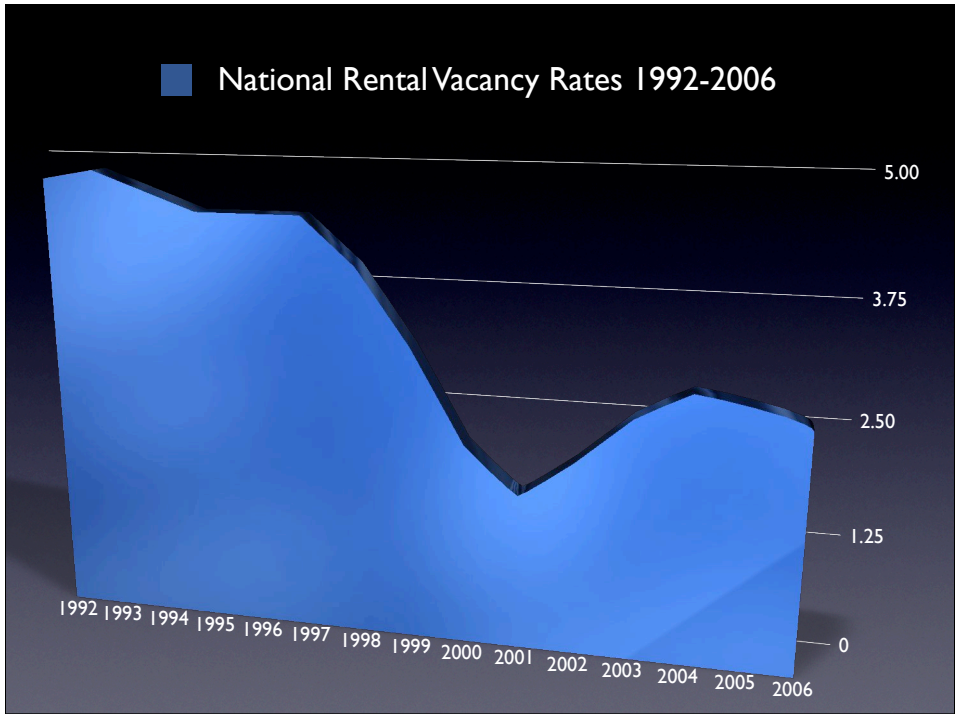
Between 2002 and 2005, a 238% increase in street homeless in the GVRD; considered an undercount by many.



And with new estimates: an estimated 5,600 homeless people in Greater Vancouver by 2010, which would outnumber athletes at the 2010 winter Olympics



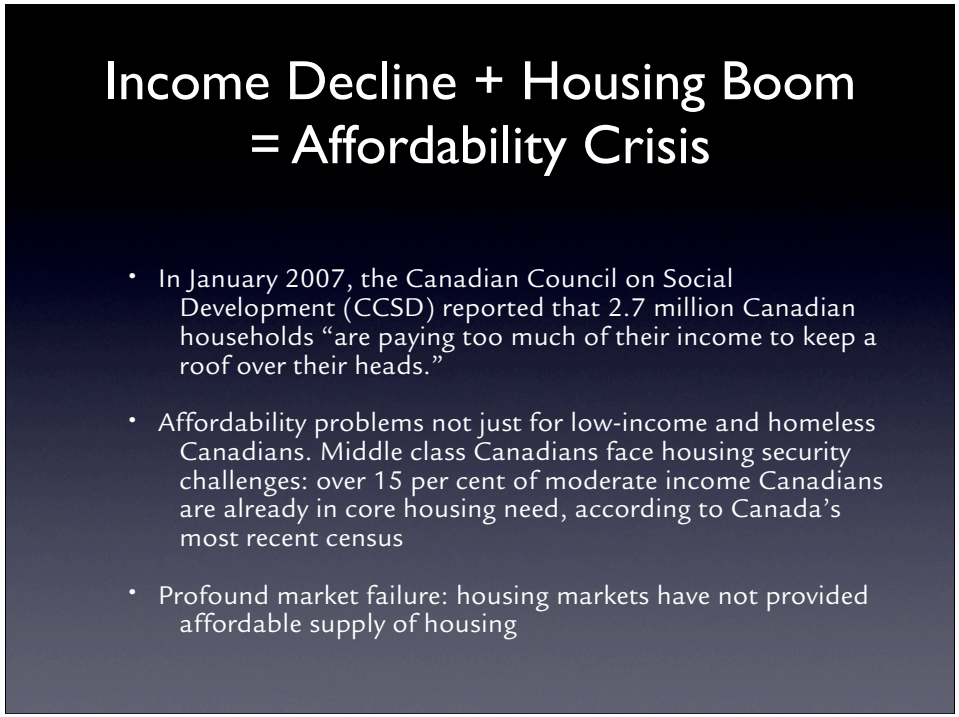
Prices for new housing across Canada increased 42 % between 1997 and 2006.
In 2007, CIBC World Markets predicted that average Canadian housing prices will double by 2026.



Rental vacancies are at a critical stage. This is a national graph, but a a western Canadian trend: vacancy rates from earlier this year were lowest in Alberta (0.9 per cent) and British Columbia (1.2 per cent) Nation-wide, lowest vacancy rates were Calgary (0.5 per cent), Abbotsford (0.6 per cent), Victoria (0.8 per cent). Under 2 per cent, it's a very tight market and very tough on renters.

In the GVRD between 1994 and 2005, there has been an estimated average shortfall of 2,500 rental units a year. As of June 2006, an estimated 11,000 people were on the waiting list for subsidized housing across British Columbia.

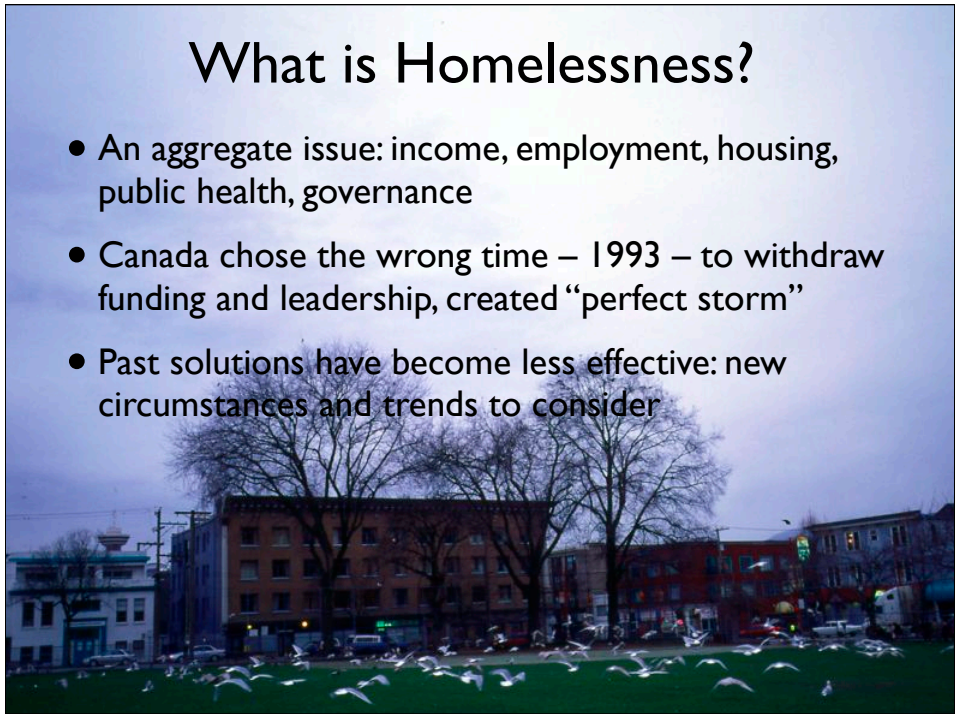
In Canada, renter households in the lowest income quarter have highly elevated – 18 times average – likelihood of housing affordability problems.



In January 2007, the Canadian Council on Social Development (CCSD) reported that 2.7 million Canadian households "are paying too much of their income to keep a roof over their heads."

Not just renters face affordability issues: with home prices in Canada predicted to double in the next 20 years, middle class Canadians face housing security challenges. Over 15 per cent of moderate income Canadians are already in core housing need, according to Canada's most recent available census data from 2001.

This is profound market failure: housing markets have not provided affordable supply of housing



With so many major social and economic changes afoot, we're being forced to question our assumptions as to what homelessness is really about -- and what solutions remain relevant, and what solutions can be stolen, borrowed or adapted from elsewhere. It is an aggregate issue: income, employment, housing, public health, governance. Canada's default strategy on homelessness – containment and warehousing of a growing underclass – has failed. In the past, many assumed that Canada's growth economy would lift the fortunes of all Canadians, yet evidence shows a growing income gap and housing affordability challenges.

In other words, Canada picked the wrong time – the early 1990s – to withdraw funding and leadership, with income, demographic and housing changes afoot, it became a "perfect storm" scenario for homelessness

Canada still has a leadership deficit on homelessness. Clearly, we have demonstrated the ability to spend on homelessness. It's just that we've too often elected to manage the problem with low-yield solutions. Canada is one of the only G8 nations without a substantive strategy on housing and homelessness

New investment in affordable housing and homelessness has been introduced since 2005, but without a national strategy on homelessness and housing affordability, there are no guarantees that this money will be well-spent. By by 2006, federal funding had increased to $2.03 billion. A one-time federal expenditure of $2 billion might seem like a lot of money, but without a national strategy that addresses core issues like income security and housing affordability, it may be of limited benefit: with a average cost estimate of approximately $155,000 per new unit of housing, (which is low) Canada's 2006 housing expenditure might yield 13,096 new affordable units in a country where at least 1.7 million people face affordability problems.

By contrast, the U.S. Interagency Council on Homelessness now administrates a 10 year plan to end chronic homelessness under the current Bush Administration with an annual budget of $4 billion.

It’s about more than money...

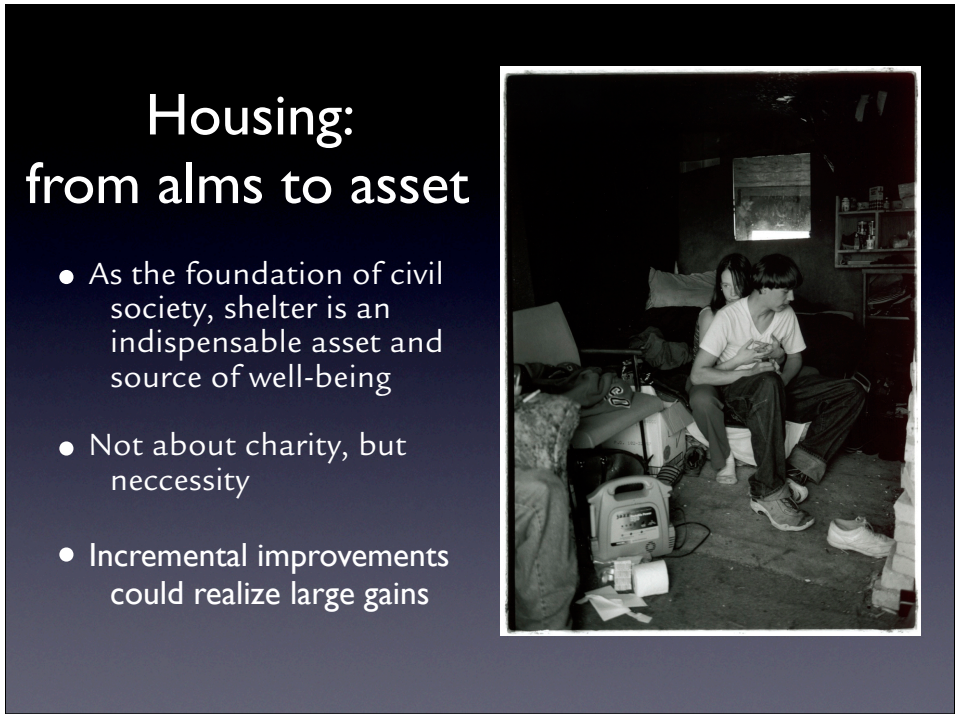
After more than a decade after Canada’s homeless crisis began, we are still in the planning stages, it seems. Even though some funding has be reinstated, funding alone will not fix things. In fact, if we continue to spend as we have in the past -- largely managing homelessness -- new money will likely not prove effective.

Rather than tolerate failure, Canada should consider the kind of integrated, results-oriented “Housing First” approach currently underway in United States and the United Kingdom. This will require high-level leadership from Canada’s federal cabinet, as well as provincial and municipal integration. It is a paradigm shift on homelessness: strategic investment as well as national leadership on housing and income security. Recent evidence from Europe and the United States – as well as Quebec, where housing priorities have not declined relative to the rest of Canada – indicate that long-term strategic investments can radically reduce the number of street homeless, reduce the larger population of “at-risk” poor, as well as impart savings to all levels of government. Yes, it may well be possible to learn about homelessness from George Bush’s America.

As part of a long-term solution, Canada will need to consider investing $2 billion annually on affordable housing, rent supplements and poverty mitigation programs. Canada should continue to fund front-line homeless shelters and services, as many are already under-funded, but ultimately aspire to downsize Canada's emergency shelter system. Existing data suggest that it is possible to save billions with an effective strategy – and, at the very least, it is ultimately clear that indiscriminate spending on the immediate and hidden costs of homelessness is irresponsible governance. Canada should attempt to track savings on new investment, to provide data for planning and ensure success. Money invested in homelessness is not alms or charity and Canada should recognize this

Canada already spends billions on homelessness; let's find ways to make it benefit Canadians. A business case is emerging for governments to start fighting poverty on an investment basis, since Canada cannot afford to maintain a status quo based largely on crisis management.

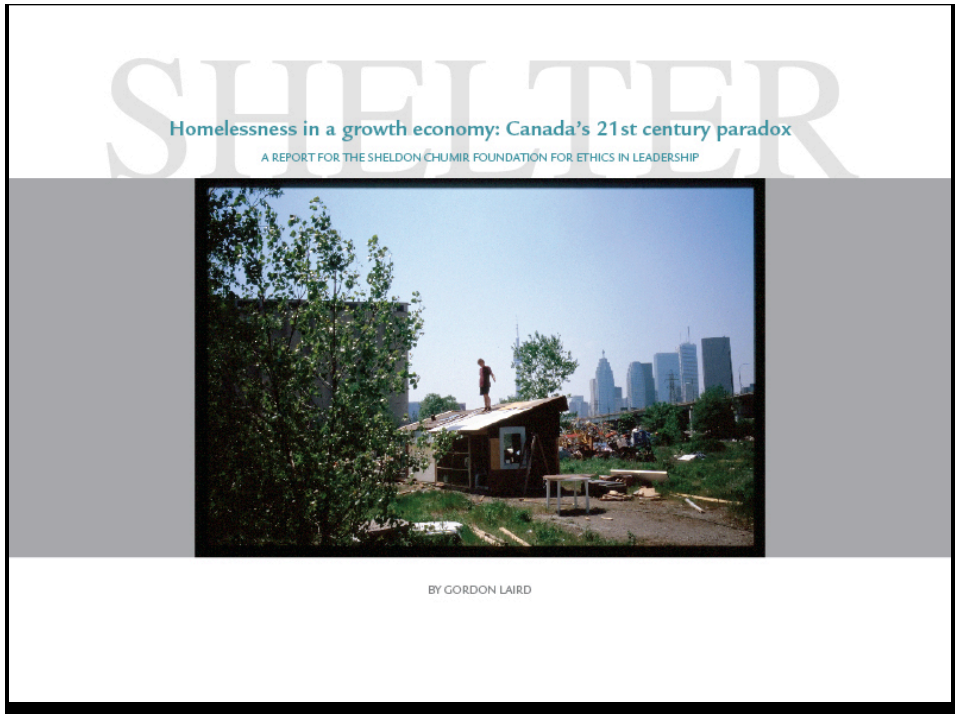
In addition to creating new affordable housing, rent subsidies and adjustments to minimum wage have become new tools for immediately reducing poverty-induced homelessness across Canada. Moreover, Canadians are becoming aware of the importance of non-profits and volunteer organizations within their communities – and the need to improve the health of these bodies after years of cutbacks and neglect so that they continue to deliver innovative solutions.



As a natural resource-rich nation with a resource-based export economy, it can be difficult for Canadians to ascribe value to things like affordable housing, social capital or poverty reduction. Sometimes, these things don't seem as real to us -- and the last decade certainly shows this.

As the foundation of civil society, shelter is an indispensable asset and source of well-being. Conversely, lack of shelter often poses insurmountable barriers, effectively removing people from able participation in economy and society. Housing and housing security are not a question of alms, charity or assistance. If anything, our slow-burning homeless crisis underlines the fact that shelter is an asset, something that grounds our economy in the everyday lives of its citizens. Safe, affordable and healthy housing is a holistic and preventative tonic that, like nothing else, can keep people from slipping into the nether-world of deep poverty, addiction and breakdown.

We must act on homelessness and poverty not only because it is the right thing to do, but also because it makes sense.



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