

# How data draws a road map out of homelessness

As cities grapple with rising homelessness, states struggle to distribute relief money. Yet change is within our grasp.



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## In brief

- ▶ Even before the pandemic caused millions in the US to lose jobs and income, homelessness was on the rise in communities across the US.
- ▶ States are struggling to allocate federal relief funds, and cities are trying different approaches to provide housing to those in need.
- ▶ By pulling together data that already exists, agencies can work proactively to prevent individuals and families from becoming homeless.

You don't have to be a social worker to see how America's battle against homelessness is going. Across the nation, the homeless are no longer relegated to a certain part of town or some distant neighborhood. As the pandemic persists, more of us see homelessness at our own doorsteps.

Governments and agencies continue to grapple with the problem to varying degrees and with limited success. Too often, the approach is built on a flawed premise – that homelessness is a foregone conclusion.

To be sure, there are no easy answers. But what if we ask better questions? Recently, Ernst & Young LLP participated in research that begins with no premise, only a bold question: "how can we stop homelessness before it starts?" The results are nothing short of groundbreaking.

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# The current situation

Even before the COVID-19 pandemic, homelessness in the US was on the rise. On a single night in January 2020,<sup>1</sup> more than 580,000 individuals were homeless in the United States, according to an annual study by the U.S. Department of Housing and Urban Development (HUD).<sup>2</sup> The one-day nationwide snapshot revealed a 2% rise in homelessness – the fourth consecutive annual increase. For the first time in years, homelessness among veterans and families did not improve.

The pandemic-driven loss of jobs and employment income will cause the number of homeless workers to increase each year through 2023, according to a January 2021 report from the nonprofit research group the Economic Roundtable.<sup>3</sup> The study noted that without large-scale government employment programs, a “Pandemic Recession” is projected to cause twice as much homelessness as the 2008 Great Recession.

Housing costs consume an increasing portion of workers’ budgets as housing prices and rents continue to grow faster than incomes, according to the study. Over half of US families who are in poverty pay more than half of their income for housing.<sup>4</sup>

**Our approach to this challenge calls for a strategy in three phases: now, next and beyond.**

- ▶ Now: actions we must undertake immediately
- ▶ Next: actions we can take once conditions are stabilized
- ▶ Beyond: actions we can take once we’re able to shift our focus to the future

Always, throughout all three stages, state and local governments must be looking forward.

# Money and moratoriums

The federal government’s response includes the Emergency Rental Assistance (ERA) program, with a staggering \$46 billion in funds. The Centers for Disease Control and Prevention (CDC) issued moratoriums on evictions. But unforeseen challenges on each of these fronts have left most of the money undistributed and millions of additional individuals and families unprotected against eviction:

- ▶ ERA funds – A significant portion of the \$46 billion is sitting idle. The money has been available since January 2021, yet roughly 90% remained unspent in August 2021. States, each with its own approach to distributing the money, are struggling to get it into the hands of those who need it. Among the most common reasons for this failure are:<sup>5</sup>
  - ▶ Tenants’ and landlords’ lack of awareness that funds are available to them
  - ▶ States’ need for third-party vendors, which requires a lengthy vetting process
  - ▶ Tech-related challenges, for the applicants as well as the states themselves
  - ▶ Non-intuitive, convoluted application processes that cause errors and holdups
- ▶ Eviction moratoriums – The CDC’s first moratorium on evictions expired July 31, 2021. Its second moratorium would have expired October 3, 2021, but was cut short when the Supreme Court nullified it on August 26, 2021. A handful of states responded by setting their own eviction limitations, though most have expired.

# Now

Governments’ primary focus, providing safe shelter, has left little time for visionary efforts.

State and local governments, as they contend with rising numbers of those who are homeless or on the brink, must also focus on continuity of programs and protection of residents.

The critical first step is understanding who the vulnerable population is and getting them safely sheltered. The pandemic has changed our physical environments, with some facilities being temporarily or permanently closed, or completely repurposed. Cities’ efforts to increase capacity to shelter the growing number of homeless have run the gamut, from buying or commandeering hotels, to building small communities on city land:

- ▶ King County, Washington – The county’s [Health Through Housing](#) initiative immediately creates housing units by acquiring former hotels, nursing homes and other single-room settings.
- ▶ Portland, Oregon – The city plans six [“Safe Rest Villages”](#) with locations across Portland. They are composed of sleeping pods and retrofitted shipping containers that will serve as laundry rooms, showers, bathrooms and kitchen facilities. The new sites join Portland’s growing network of outdoor village-style shelters.

- ▶ New York City, New York – New York’s homelessness is reportedly worse than at any time since the Great Depression, according to the New York Coalition for the Homeless.<sup>6</sup> Mayor Eric Adams has announced a plan to convert the significant number of closed hotels (estimated at 200)<sup>7</sup> to supportive housing for the homeless.<sup>8</sup>

Reduction of risk and cost are key concerns, as cities seek solutions around shelter location and capacity strategy. And the immediate nature of the need heightens the requirement for efficiency. Collaborating with economic development and community planning resources can help the team develop a strategy and action plan and, later, analyze progress and impact.

Similarly, cities that are turning to sites such as shuttered hotels and civic arenas to fill the immediate need for shelter may be treading unfamiliar ground. Real estate industry insights will help with key tasks, such as assessing contractual obligations, reviewing regulatory compliance and developing solutions for maintaining functionality and maximizing efficiency.



6. “Basic Facts About Homelessness: New York City,” New York Coalition for the Homeless, coalition for the homeless.org, accessed November 2021.  
7. “Despite increase in leisure travel, urban hotels still in a depression with overall U.S. hotel industry in a recession,” American Hotel & Lodging Association report, ahla.com, June 2021.  
8. Andy Newman, “Eric Adams, N.Y.C.’s likely next mayor, wants to turn shuttered hotels into permanent housing for the homeless,” *The New York Times*, nytimes.com, September 21, 2021; updated October 3, 2021.

1. A January 2021 Annual Homeless Assessment Report was not undertaken due to the COVID-19 pandemic.  
2. The 2020 Annual Homeless Assessment Report (AHAR) to Congress, the U.S. Department of Housing and Urban Development, Office of Community Planning and Development, huduser.gov, accessed October 2021.  
3. Daniel Flaming, Anthony W. Orlando et al., “Locked Out: Unemployment and Homelessness in the Covid Economy,” Economic Roundtable, economicrt.org, January 11, 2021.  
4. Ibid.  
5. Joey Garrison and Michael Collins, “An epidemic in itself’: Why billions of federal aid isn’t making it to renters, landlords during pandemic,” *USA Today*, usatoday.com, August 15, 2021.

## Next

Agencies can connect data points to determine each resident's needs.

As a city's homeless shelter scenario begins to stabilize, residents should already be receiving the services they need to get back on their feet. By leaning into digital and focusing on unlocking their data, agencies are also unlocking the insights and agility that are essential for the "next."

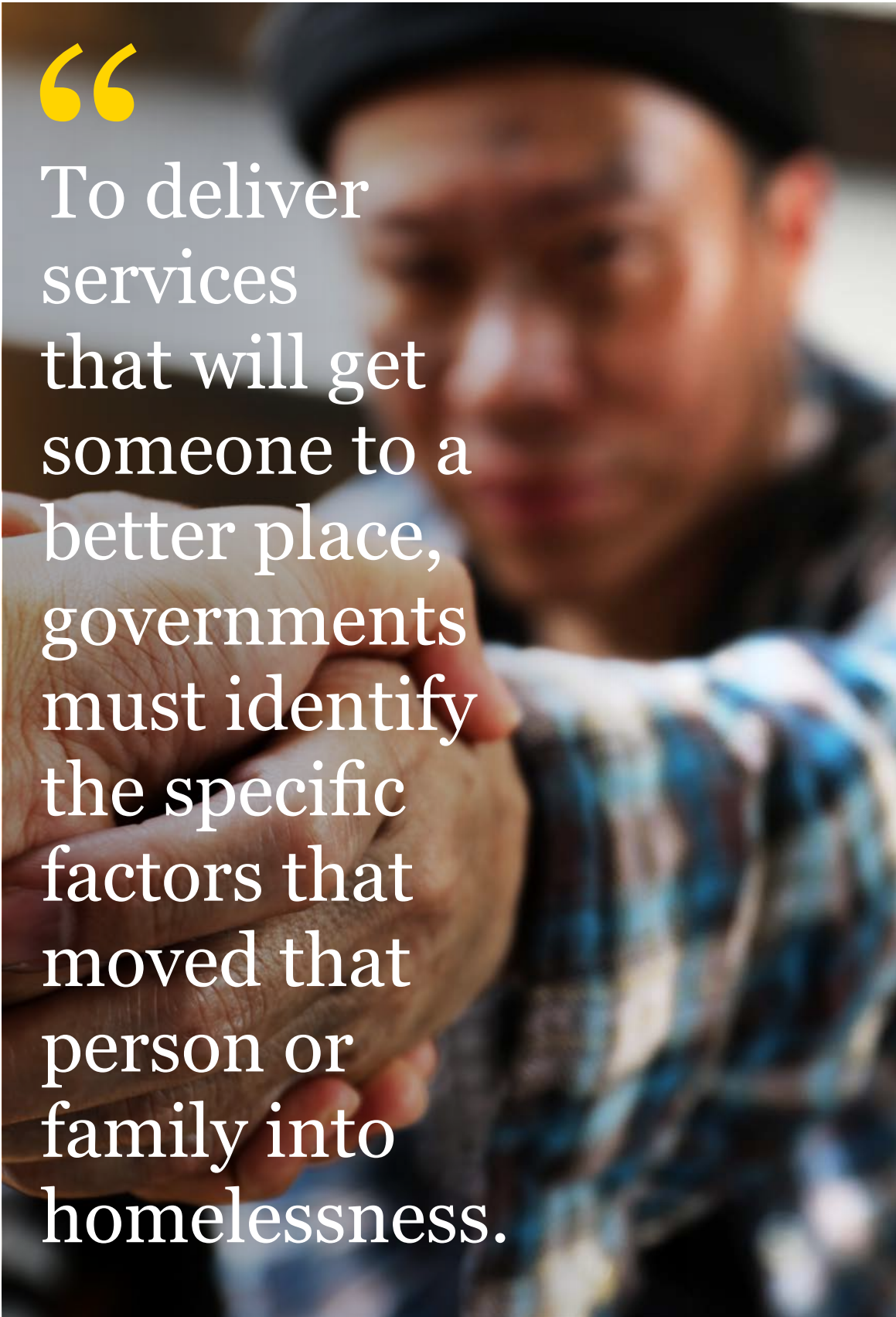
Applying a vanilla approach across the entire population will achieve little. Each person is different, and there are myriad causes for homelessness. Some may be grappling with mental health, substance abuse or financial challenges; some are unable to work because of health conditions.

To deliver services that will get someone to a better place, governments must identify the specific factors that moved that person or family into homelessness. Data, specifically the powerful insights that it provides, makes this seemingly impossible task possible. And governments have a wealth of data at their disposal. Government programs receive and amass enormous stores of data covering a broad range of public services, from housing, to health, to childcare.

When agencies connect individuals' many data points, they're able to construct a "digital twin" of the residents they serve; user experiences drive improvements in this integrated service delivery model:

- ▶ Digital twin – A digital twin is a digital representation of a real-world entity or system. In this case, data is aggregated and analyzed to enable a holistic view around an individual so that agencies can determine how best to support them so that they experience improved outcomes.
- ▶ Experience-led transformation – Insights from user experiences will continue to give agencies a better view across needs and services so that residents can get the help that best fits their needs.

Without properly integrated data and with only a partial picture of the person who is in need, agencies won't know how to help them. Without diving into the specifics and nuances of circumstances, an agency won't be able to answer the two most foundational questions: what is their challenge, and can that government do anything to help?



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## Beyond

Studies using data and analytics provide a glimpse of a world without homelessness.

Governments can go beyond merely providing shelter after someone becomes homeless. By accelerating their capabilities to unlock their data and analytics, agencies can do more than react – they can prevent.

In 2019, research by Ernst & Young Global Limited and Imperial College London's Institute of Global Health Innovation<sup>9</sup> explored the use of data and analytics by five health and human services providers around the world. The findings highlighted the ways data and analytics can improve people's lives. Results at an East London borough are just one example of what's possible:

- ▶ London Borough of Barking and Dagenham (UK) – Local government officials wanted to address the borough's challenges of unemployment, poverty and homelessness. Getting residents the right help and support in a timely way was challenging because their information was stored across case management systems. Caseworkers lacked the comprehensive overview necessary to keep risks from becoming crises.

"For too long, our residents faced a legacy of really poor outcomes," said Rhodri Rowlands, the borough's Deputy Director and Head of Programmes Community Solutions. "That, coupled with the challenges of rising demand and financial pressures, led us to a position where we wanted to think very differently about how we could better respond to address residents' needs," he said.

The borough turned to data and analytics software to integrate its data. When COVID-19 struck, the agency was able to predict more than 90% of its at-risk population and connect them with support. Over 8,000 residents in the borough received rapid assistance.

In a separate initiative,<sup>10</sup> a case study involving a borough in Kent, England, predictive modeling was applied:

- ▶ Maidstone Borough – In 2018, Maidstone had recorded a 58% increase in homelessness over the previous five years. Government funds had also been reduced. The Council sought a completely different approach to homelessness.

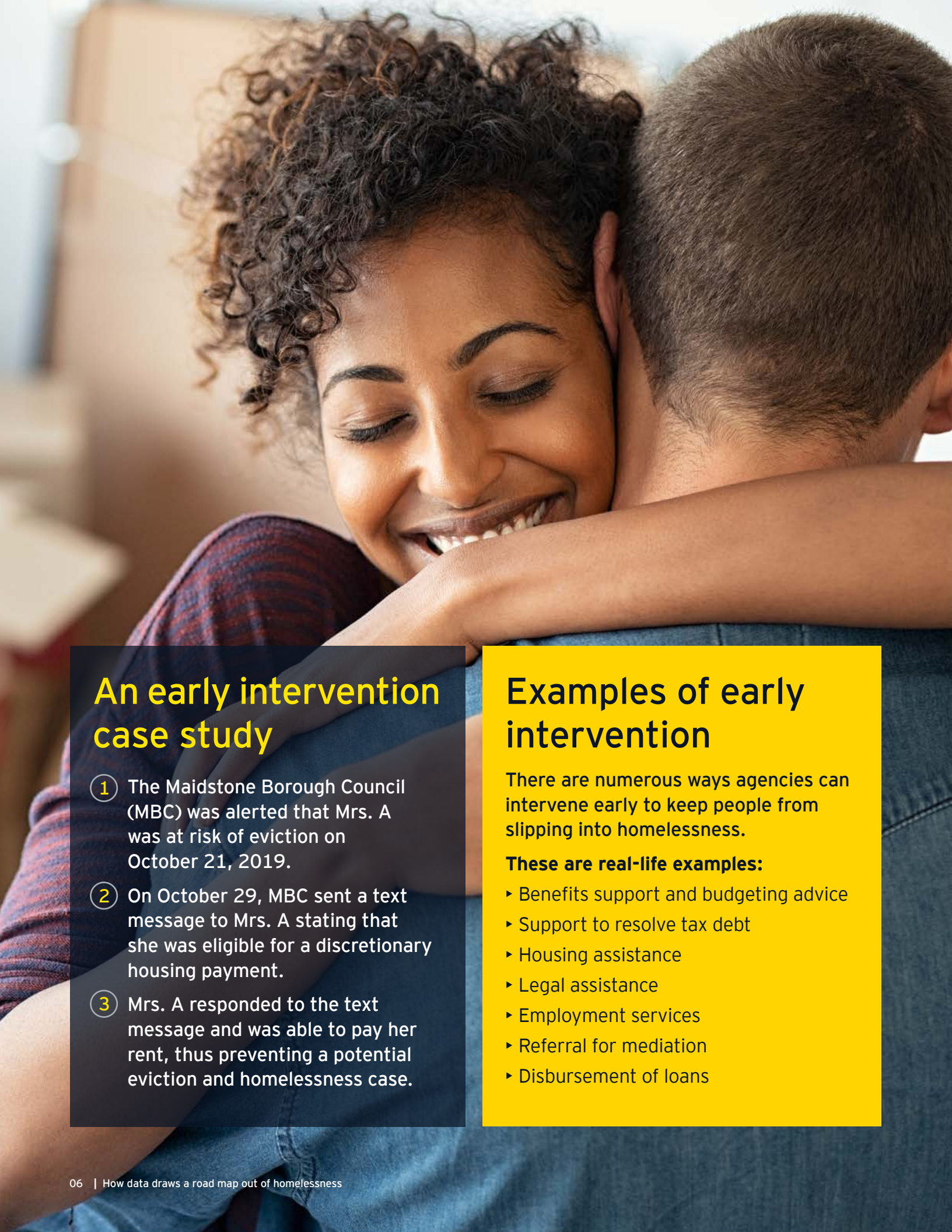
The borough transformed its service model from reactive to predictive, applying a proactive solution driven by data. Integrating data from multiple government systems helps agency workers understand what's happening with an individual or family.

### The results were nothing short of groundbreaking

Because agency workers were able to identify a trend toward homelessness, they could intervene earlier, before individuals were actually on the street. The results were extraordinary by any standards: for the initial pilot group, in one year, the rate of homelessness fell from 40% to 0.4% – a 99% reduction in homelessness.

9. Melanie Leis, Roberto Fernández Crespo et al., "Harnessing the power of data: can reality catch up with ambition?" from the Institute of Global Health Innovation (IGHI), Imperial College London, 2021.

10. Maidstone Borough Council case study, "How can we use data to prevent homelessness?" Ernst & Young Global Limited and Xantura data and analytics provider, 2021.



## An early intervention case study

- 1 The Maidstone Borough Council (MBC) was alerted that Mrs. A was at risk of eviction on October 21, 2019.
- 2 On October 29, MBC sent a text message to Mrs. A stating that she was eligible for a discretionary housing payment.
- 3 Mrs. A responded to the text message and was able to pay her rent, thus preventing a potential eviction and homelessness case.

## Examples of early intervention

There are numerous ways agencies can intervene early to keep people from slipping into homelessness.

### These are real-life examples:

- Benefits support and budgeting advice
- Support to resolve tax debt
- Housing assistance
- Legal assistance
- Employment services
- Referral for mediation
- Disbursement of loans

## Opportunities close to home

Combating homelessness makes sense whether your lens is economic or humanitarian. Some who govern are concerned about the economic impact on businesses and tourism; others believe fighting homelessness is simply the right thing to do for the people on the street. In cities across the nation, homelessness affects the entire community – not only those needing help but also the people who live, work and visit there. Local officials continue to seek solutions.

There are fewer constraints at the local level, while federal agencies must grapple with systemic challenges. For example:

- Funding programs are siloed. The funding stream for housing assistance is separate from the funding stream for food security – which is separate from the funding stream for medical services, and the one for mental health services, and so on.
- There is no incentive for these individual divisions to work together because they are held accountable to a metric that applies only to their specific area of focus.

But, as funding from the federal government level trickles down through the state and local governments, flexibility increases. The very structure of funding programs expands opportunities to set a different governance model.

## Summary

Rarely in human services will you hear the phrase “money is not the problem.” But eradicating homelessness will require more than money. This problem existed long before the pandemic and will continue to exist afterward, even after the states have managed to distribute every dollar of assistance. That is not to say that the emergency funds are not sorely needed. Digital tools and knowledge resources can provide the states with tailored solutions that help to remove obstacles around technology, third-party vendors and application processes.

Still, those who say there is no solution to homelessness are wrong. Data, not money, holds the key. Fortunately, data is an abundant government resource. Government,



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with its place at the head of the table, has the opportunity to know more and do more than the innumerable private organizations, online groups and nonprofits that are trying to end homelessness.

Sharing information across agencies provides valuable insights into specific needs. Determining how best to meet those needs, whether for an individual or a family, requires that the government know the data that is available. Both of these aspects, knowing the real need and knowing your data, will affect the ultimate goal: connecting people with the resources that keep them from sliding into homelessness.

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