

The Impact of the 2008 World Financial Crisis on Homelessness in Developed Countries: the Case Study of New York City

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ABSTRACT

This study is concerned with the 2008 World Financial Crisis impact on homelessness in developed cities and the associated affordable housing response. After giving a brief background about homelessness and its size in the United States, the study discusses homelessness nature in New York, its size/scale and the main individual/structural causes through the housing pathway framework within the 2008 financial crisis role on homelessness. The study then critically review the federal and local responses to homelessness pointing out the main policy instruments used and the possible strengths and weaknesses. Finally, the study lists some recommendations such as lower level of welfare system, group borrowing, and providing jobs.

Keywords: Affordable Housing, Homelessness, 2008 World Financial Crisis, Housing Pathway Framework, Homelessness Federal Response, Homelessness Local Response, Housing Policies.

1. Introduction

Homelessness is one of the issues that have an enormous effect on communities all over the world these days. The new problems associated with modernisation such as the rapid population growth, urbanisation, lack of job opportunities in addition to some individual and social/economic factors; all that affected badly on these communities raising the numbers of the homeless and widening the gap between the rich and the poor ((SHMGSM), 30th December 2008, Kelletta and Moore, March 2003). The problem of homelessness is not new and is affecting both developing and developed countries; however, there are some key differences in regards to the main factors that led to homelessness in these countries such as policies, welfare system as well as individual and social/economic factors.

First, who are the homeless? Moreover, how homelessness is defined?

According to ((HUD), 2012), homeless people are defined as “*people who are most often unable to acquire and maintain regular, safe, and adequate housing, or lack “fixed, regular, and adequate night-time residence”*”. The term homeless may also refers to people whose primary night-time residence is in a homeless shelter, a

domestic violence shelter, a warming centre, cardboard boxes or other ad-hoc housing situation. This also includes people who sleep in a public or private place not designed for use as a regular sleeping accommodation for human beings. Most US homelessness studies and papers divide homeless people in the United States into three types: transitionally homeless, episodically homeless and chronically homeless people ((SHMGSM), 15th November 2008, (HUD), 2006a, (HUD), 2006b).

Homelessness has increased overall in the US and similar countries and regions ((USICH), 2010), however there are some regions within the US where homelessness were decreasing. According to most recent estimates, there are more than 3000 unsheltered homeless individuals and families with a decline of more than 500 individuals compared to 2007 ((DHS), 2012, (DHS), 2007). However, there are a number of indicators that prove that this decline had been affected by the 2008 financial crisis and the depression that followed. This, in turn, led the federal and local governments to put new strategies to tackle homelessness and decrease the potential effects derived from homelessness and the 2008 depression.

2. Methodology

This research aims to explore the relation between the last world financial crisis in 2008 and homelessness in the United States through the case study of New York

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City. Due to the complexity of such cases and the lack of information concerning the effects of the 2008 financial crisis, the research will be using both qualitative and quantitative data analysis to ensure reliable outcomes and to fulfil any possible gaps in the literature.

Based on (Bryman, 2012, May, 2011), the research will start through a review of the academic literature and statistics from governmental organizations to help understand the nature and the scale of homelessness in NYC respectively. Additionally, using both methods the research will try to form an understanding of the origins of the 2008 world financial crisis and the potential individual and social/structural roles on homelessness in this city of New York based on Clapham's Pathway approach (Clapham, 2003). Finally, the research will use qualitative analysis of the current policies and responses to homelessness after the 2008 world financial crisis - specifically the (Opening Doors) federal strategy and NYC government strategy- verifying the results using quantitative data when available and required. The research will then point out some potential strengths and weaknesses in these programmes and end up with a set of recommendations for change and the potential instruments for this change.

3. The Nature of Homelessness in New York City

3.1. Background about New York City

New York City is one of the biggest metropolitan cities in the world with a variety of characteristics that makes it a special case study in terms of homelessness. New York is the most populous city in the United States with a population of more than eight million residents distributed over a land area of just 790 km², it is also one of the most populous and densest metropolitan areas in the world ((USCB), 2009). The area is also known for its rapid population growth of 2.1 percent between the years 2000 and 2010 only ((USCB), 2009). See Figure 1. New York exerts a significant impact upon global commerce, education, finance, media, technology, research, fashion, art and entertainment. The home of the United Nations Headquarters, New York is an important centre for international diplomacy and has been described as the cultural capital of the world (United Nations Visitors Centre, 2012, Office of the Mayor Commission of the United Nations Consular Corps & Protocol, 2012). The city is also referred to as New York City or The City of New York to distinguish it from the State of New York, of which it is a part.

New York City is divided into five boroughs; Bronx, Brooklyn, Manhattan, Queens, and Staten Island each of which comprises a state county (Cahoon, 2002). There are as many as 800 languages spoken in New York overall which indicates the wide variety of its residents' backgrounds and making it the most linguistically diverse city in the world (ROBERTS, April 28, 2010). According to the National ((USCB), 2012), The city's population in 2010 was 58.3 percent white non-Hispanic, 17.6 percent Hispanic or Latino origin, 15.9 percent black, 7.3 percent Asian and the rest are either from other background or have two or more races. It is important to mention here that while Asians constituted the fastest-growing segment of the city's population between 2000 and 2010; the non-Hispanic white population declined 3 percent.

The population can also be divided into 6 percent under 5 years old children, 22.3 percent of under 18 years old teenagers, 13.5 percent of over 65 percent elderly, which leaves about 58.2 percent of the population aged between 18-65 years old. Females consist about 51.6 percent of New York population. These indicators show a very high similarity between the topography of New York's population and the national average.

3.2. Scale and types of Homelessness in New York City

In the city of New York, there is a total estimate of 3,262 unsheltered homeless individuals. Which is 614 more than in 2011 and about 15 percent less compared to the numbers in 2007 ((DHS), 2012, (DHS), 2007). See Figure 2. The decreasing number of unsheltered homeless people in NYC could be attributed to the successful initiatives by the federal and local New York City authorities in association with some profit/non-profit based agencies working on providing shelter to the homeless. This will be explored further later in this research.

It is important to notice here that, although the number of unsheltered homeless people in NYC has been decreasing from 2004 until 2008, after the 2008 the number of unsheltered homeless people was fluctuating back and forth till 2012 ((DHS), 2012). This indicates that there are some changes in the balance between the size and the type of homelessness and the welfare system associated with it and authorities responses. This, to some extent, might be a reflection of the enormous effects of the last economic recession in 2008 on social and welfare services all over the world including homelessness

welfare systems and programmes in New York City (Duffield and Lovell, December, 2008).

New York has one of the medium-lowest numbers of unsheltered homeless people and one of the medium-highest numbers of sheltered homeless people when compared to other cities in the US taking into consideration the overall population of these cities. See Table 1. As mentioned earlier in the research, the homeless in New York and other similar cities are divided into three categories; transitionally homeless which means those who are temporarily homeless due to problems such as loss of job and domestic violence...etc. These people normally require shelter for about 1-20 days only and form about 24% of the total number of homeless in NYC. The second type is episodically homeless which

includes those who some circumstances in which persons have recurrent problems with housing and they normally have other problems such as addictions, seasonal/minimum wage income or sporadic domestic situations that affect stable housing. They normally stay between 4-73 days and form nearly 35% of the homeless in NYC. Finally there are chronically homeless people who according to (Culhane, June 2011) are defined as *“unaccompanied homeless individual with a disabling condition who has either been continually homeless for a year or more or who has had at least four episodes of homelessness in the past 3 years”*. These people stay for up to 252 days in homeless shelter and form about 41% of the homeless in NYC ((DHS), 2004, (DHS), 2012).

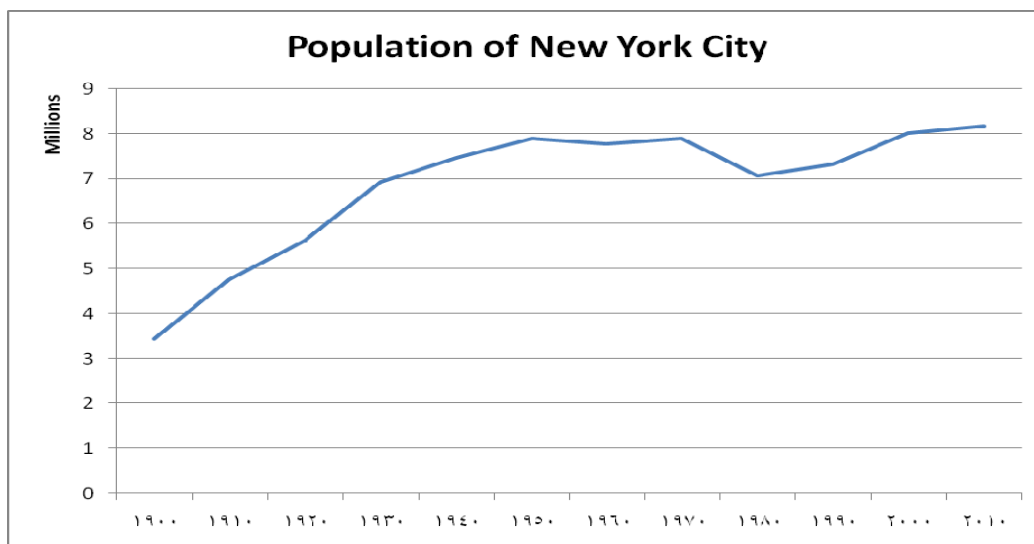


Figure 1: Population changes of New York City over the period between 1900 and 2010 Based on: ((USCB), 2009)

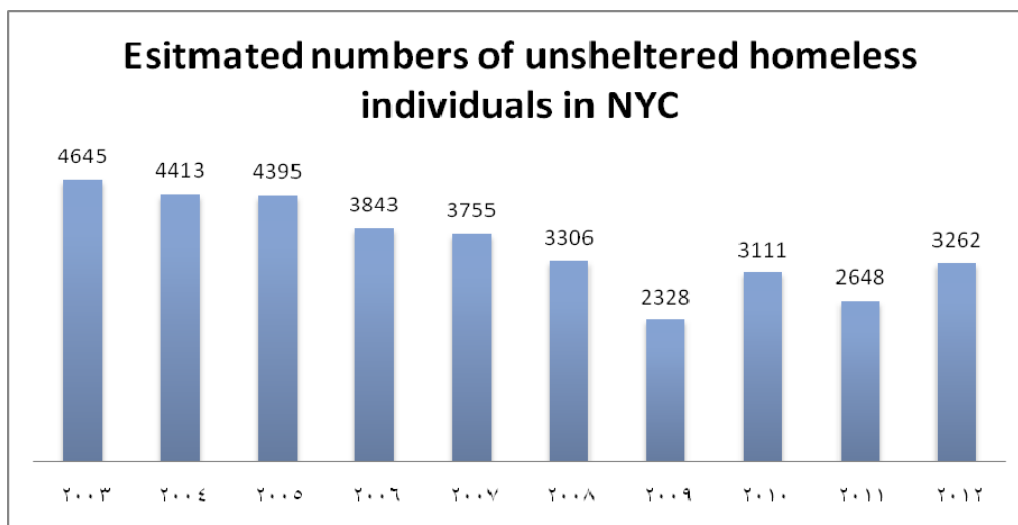


Figure 2: Changes in the numbers of homeless individuals in New York City between 2003 - 2012 as estimated by HOPE Based on: ((DHS), 2012, (DHS), 2005, (DHS), 2004)

Table 1: Numbers and percentages of the unsheltered homeless in New York City compared to other major US cities according to 2012 estimates. Based on: ((DHS), 2012)

	Unsheltered Homeless Estimates	General Population	Ratio in percentage %
New York City, NY	3262	8175133	0.04
San Francisco, CA	3106	805235	0.39
Los Angeles, CA	12977	3792621	0.34
Seattle, WA	1898	608660	0.31
Miami, FL	487	399457	0.12
Washington, DC	305	601723	0.05
Chicago, IL	1722	2695598	0.06
Boston, MA	182	617594	0.03

3.3. Reasons and causes for homelessness in New York City

There are a variety of causes that lead to homelessness in New York City and similar metropolitan areas, in order to understand these factors, it is vital to understand the financial crisis and how it led to the explosion of homeless numbers in the US and similar countries.

3.3.1 The 2008 Financial crisis and its effects on homelessness

The financial crisis, which began as problems with sub-prime mortgages, has spread to all other industries and financial mainstream. It affected the overall economy through banks, federal government budgets, state government budgets and local government budgets (HomeBase, October 17, 2008). The accompanied drop in housing prices decreased the revenue at government levels. This resulted in budget cuts for many housing and service providers. It has also affected the credit market, making it more difficult for municipalities, non-profit organizations, businesses, and individuals to borrow money to support operations. Unemployment has risen because of trickle-down effects of the squeeze on businesses and consumers. The dramatic drop in housing prices in several US cities has resulted in outstanding mortgages for many of property owners. This led to exceeding their equities in their properties. At the same time, the monthly payments due on the mortgages exceeded the amounts many borrowers can pay. This is particularly true for sub-prime and adjustable rate mortgages that were widely used especially in places like Las Vegas, Florida and California. However, the problem spread through Wall Street market to other regions such as New York making investors realise that the housing

prices has been inflated way more than it really worth (Wylde, August 6, 2009). This led to major movement towards selling housing units that tipped the balance of housing demand-supply reducing housing prices to the extent that it became insufficient investment in the market. See Figure 3. Bajaj (the 15th of October 2008) says, *“The number of empty homes is hovering near the highest level in more than half a century”*. Around 2.8 percent of homes previously occupied by its owners were vacant. Nearly 10 percent of rentals were without a tenant. Both numbers are near their highest levels since 1956. Simultaneously, the number of people who were losing jobs or having their incomes decline was dramatically increasing. The unemployment rate climbed from 4.4 percent to about 6.1 percent in 2008 only, and wages for those who kept their jobs have barely kept up with inflation.

The financial crisis resulted in several changes to the nature and size of homelessness in USA cities such as the city of New York:

- Increase in the number of families and individuals seeking homeless/low-income services and housing such as governmental unemployment benefits, emergency shelters, soup kitchens and transitional housing programs (Ochoa, September 24, 2008). According to the most recent consensus nearly 40 million people are now qualified as homeless or endangered by homelessness in the US which is considered the highest number in centuries (BBC, 2012, (USICH), 2010).

- Changes in homeless people demography: more seniors, low-income families, immigrants, minorities and others who were considered among the working poor. This has stretched their capacities to serve other homeless clients, many of who had special needs like disabilities, substance abuse, and mental illness.

- The financial crisis also resulted in higher borrowing costs that could endanger more people to be homeless and produce some issues for small businesses.

The financial crisis resulted in a number of individual

and structural factors affecting and leading to homelessness that could be added to the existing factors inherited from previous years.

Real Estate Bottom May Still Be Far Off

Despite a steep fall, housing prices are still elevated in many markets, measured by historical standards, and it may be a while before prices begin to rise again, as was the case in Los Angeles after a bubble in the early 1990s.

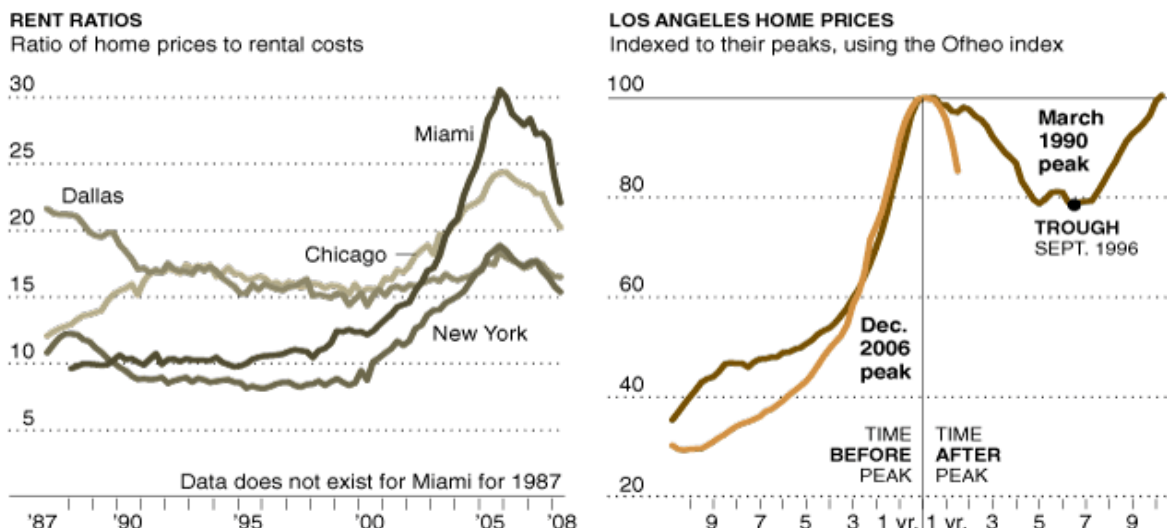


Figure 3: Housing prices and rent dropped due to the financial crisis. Source: (Bajaj, the 15th of October 2008)

3.3.2 Individual Causes

Based on what was discussed earlier in the research and (HomeBase, October 17, 2008, BBC, 2012, (SHMGSM), 15th November 2008, (SHMGSM), 30th December 2008), there are a number of factors which could be considered as individual causes leading to homelessness some of which are a result of the financial crisis effects and others are not:

- **Employability and low wages:** The population of the US have the least social mobility; this effect was expanded to other families during and after the recession. According to professor Jeffery Sachs from Columbia University *"If a child was born in a poor family it is very high possibility that he/she will grow up to be a poor adult"* (BBC, 2012). He also argues that the majority of homeless people are people who did not get jobs during the second half of the post-world war 2 period who had little education and health services. According to (BBC, 2012, Duffield and Lovell, December, 2008, (SHMGSM), 30th December 2008) about 20 percent of the national US income goes to only 1 percent of the population which leaves the poor at a very low level of

income. These numbers has been exploded after the recession making the gap even worse to the extent that it is considered the worst in the American history. In addition to that, New York is considered one of the top states in terms of the size of the gap between the rich and the poor, with a Gini Coefficient of 0.499 it comes in the third place after each of Puerto Rico and District of Columbia respectively. See Table 2. On the other hand, statistics shows that there was an increase in the numbers of unemployed people of about 3 million between 2008 and 2010 only ((USCB), 2012, BBC, 2012). The numbers of unemployed people has reached a peak after 2008 of about 50 million people; most of these people are unmarried adults and some families where one or both of the parents lost their jobs and often associated with other problems of over-spending such as drug addiction, alcoholism...etc.

- **Education:** low level of education could lead to employability and lower level of awareness of the importance of having appropriate housing, health care, and education for the children...etc. According to ((USCB), 2012) the High school graduates age 25 or

more form about 84.4 percent of the population of New York which is considered very close to the national average. On the other hand the percentage of those with Bachelor's degree or higher is about 32.1 percent which is slightly higher than the US national average of 27.9 percent. Although these numbers could appear promising, this is not the true problem in New York City. According to (TAVERNISE, April 28, 2010), studies show that the gap between the rich and the poor in terms of education is widening in the US in general but especially in metropolitan cities such as New York, that is because the rising number of parents without sufficient education led

to lower numbers of educated children especially if the rising costs of living and education in such cities and the lack of job opportunities after the economic crisis is considered.

- **Social conflict and violence:** this could mean loss of family provider or for his/her job, loss of money and savings...etc. especially when combined with other factors higher borrowing costs and the low number of jobs available.

- **Other causes:** such as disability, age, mental and physical health, sex, ethnicity...etc.

Table 2: Gini Coefficient for the US by state Based on: (U.S. Census Bureau, 2010)

Rank	State	Gini Coefficient	Rank	State	Gini Coefficient
1	Utah	0.419	2	Alaska	0.422
3	Wyoming	0.423	4	New Hampshire	0.425
5	Iowa	0.427	6	Wisconsin	0.43
7	Nebraska	0.432	8	Idaho	0.433
8	North Dakota	0.433	8	Hawaii	0.433
11	Montana	0.435	12	Maine	0.437
13	Minnesota	0.44	13	Delaware	0.44
13	Indiana	0.44	16	Washington	0.441
17	South Dakota	0.442	18	Maryland	0.443
19	Vermont	0.444	20	Kansas	0.445
21	Nevada	0.448	22	Oregon	0.449
23	West Virginia	0.451	23	Michigan	0.451
25	Ohio	0.452	26	Oklahoma	0.454
27	Missouri	0.455	27	Arizona	0.455
29	Colorado	0.457	30	Arkansas	0.458
31	Virginia	0.459	32	South Carolina	0.461
32	Pennsylvania	0.461	34	North Carolina	0.464
34	New Mexico	0.464	34	New Jersey	0.464
37	Illinois	0.465	38	Kentucky	0.466
39	Rhode Island	0.467	40	Tennessee	0.468
40	Mississippi	0.468	40	Georgia	0.468
43	Texas	0.469	44	California	0.471
45	Alabama	0.472	46	Florida	0.474
47	Louisiana	0.475	47	Massachusetts	0.475
49	Connecticut	0.486	50	New York	0.499
51	District of Columbia	0.532	52	Puerto Rico	0.537

3.3.3 Structural Causes

As with the individual causes, there are a number of factors which could be considered as structural causes leading to homelessness in New York. Based on what was discussed earlier in the research and (BBC, 2012, SCHWARTZ, 2006, O'Flaherty, 15 June 2011, Smith et al., September 2005) are:

- **Weak welfare system to support the homeless:** according to (M. and M., 1992), the US is considered amongst the countries with the weakest welfare system in regard to homelessness. Unlike other social democratic countries which consider housing provision for the homeless as one of human rights (such as Sweden and Denmark), or conservative/corporatist

countries (like Germany and France) which see housing provision and homelessness treatment necessary to achieve social-justice, The United states adopt liberal welfare system which often sees housing provision and homelessness treatments from a narrow economic perspective. This means that the governmental system will often only work when homelessness treatment and housing provision is beneficial and saves money.

- **Unequal interest in different types of homelessness:** the US homelessness system is more concentrated around the chronically homeless people especially disabled people with good employment record. This mean that other types of homeless people will often not be able to access and benefit from the homelessness welfare system. This means excluding the majority of the homeless after and before the recession that are mainly consisted from non-disabled unemployed adults and families.

- **Lack of fund:** another problem in the US welfare system in general and welfare systems in metropolitan cities like New York City. The lack of fund to the welfare system which mainly belongs to limited private/social agencies, charities and churches accompanied with the large numbers of homeless and poor people resulted from the recession has led to very long waiting lists. According to (BBC, 2012), the waiting list for discounted and free health services and other welfare service for the homeless has been doubled after the recession.

- **Lack of job opportunities:** basic services industry such as schools, hospitals, banks ...etc. is in trouble because there is no enough clients after the financial crisis and the recession that followed. This make these industries inefficient economically to continue and that in turn could lead more people to lose their jobs and also lead to lower level of basic services accompanied with higher prices due to the low demand in these areas. According to (BBC, 2012, Smith et al., September 2005), large numbers of schools and hospitals were forced to close in some areas of sub-urban New York due to financial deficit.

- **Other causes:** such as high borrowing costs, high collateral requirements...etc.

4. The Current Policy Response

It is not possible to understand the impact of the 2008 world financial crisis on homelessness without taking into consideration the governmental response both on the local and national levels.

4.1. Policies and Strategies Associated with Homelessness

As mentioned earlier in the research, the United States' wealth system is based on liberal conception where the state is mainly responsible for enabling the market to provide shelter and other services to the homeless. However, due to 2008 financial crisis and the recession that followed which had an enormous effect on the whole wealth system as well as other industries associated with it, the government had to intervene directly to stop the collapse of the wealth system and put an end for the rising numbers of the homeless all over the US. As a response to the growing danger of homelessness, there were a variety of strategies and policies introduced or expanded on both the federal level and the local level to fight homelessness in the US and New York City.

4.1.1. On the Federal level

As a response from the US federal government, the government, through the United States interagency council on homelessness, laid down a 10-years strategy to remedy the exploding homelessness happened after the 2008 recession (Culhane, June 2011, (USICH), 2010). The strategy called "Opening Doors: Federal Strategic Plan to Prevent and End Homelessness". The strategy is based on a number of barriers and objectives:

- Increase collaboration, leadership, and civic engagement through:
 - Provide and encourage collaborative leadership between different levels of government and across all sectors to inspire and invigorate Americans to commit to preventing and ending homelessness
 - Reinforce the capacity of private and public organizations via increasing knowledge about homelessness, collaboration and the successful interventions to prevent and end homelessness.
 - Increase access to stable and affordable Housing through:
 - Provide affordable housing to people who are experiencing or at risk of homelessness.
 - Provide permanent supportive housing to avert and end chronic homelessness.
 - Increase economic security through:
 - Increase sustainable and meaningful employment for people experiencing or at risk of homelessness.
 - Improve access to mainstream programs and

services to decrease financial vulnerability to homelessness.

- Improve health and stability through:
- Primary and behavioural health care services integration with homeless welfare programs and housing to decrease people's vulnerability to homelessness and its impact on them.
- Advance health and housing stability for youth aging out of systems such as juvenile justice and foster care.
- Advance health and housing stability for people experiencing homelessness especially those who have frequent contact with hospitals and criminal justice.
- Retool the homeless crisis response system through Transform homeless services to crisis response systems that prevent homelessness and rapidly return people who experience homelessness to stable housing.

In light of this strategy, president Obama signed a number of bills and acts in 2009 and 2010. This included the American Recovery and Reinvestment Act by to invest \$1.5 billion in the new Homelessness Prevention and Rapid Re-Housing Program, the Affordable Care Act which is meant to provide new and more effective methods for targeting uninsured, chronically ill individuals as well as children, youth, and adults experiencing homelessness and others.

4.1.2. On the Local level

New York is one of the earliest states in the US which started different programmes to decrease and end homelessness ((DHS), 2003). The strategies for fighting homelessness in New York had a massive change in 2002 after the changing the role of the local government from providing and enabling the provision of social housing and other services for the homeless such as housing vouchers, into plans for preventing homelessness through cross-agency coordination, developing and maintaining affordable housing, homelessness prevention programs...etc.

The main approach used by city council was by providing tax reliefs for businesses instead of cutting expenses for the poor. The notion of this strategy is that; promoting businesses in the City of New York means more job opportunities to the people that will, in the long term, lead to reducing the gap between families and individuals income and housing costs. This was accompanied with the promotion of wealth services agencies and charities to reduce the effects on existing

homeless in the short term.

4.2. Strengths and Weaknesses

The homelessness system in New York has been promoted as consequence of promoting and developing both the federal and local welfare systems. On the federal level, the system overall could be considered as a big step forward because for the first time in years the government started to consider other types of homelessness beside the chronically homeless. Additionally, The change towards collaboration between different government levels and across all industries in addition to the connections between different welfare systems and programmes in the area, all that could provide a very good solution to remedy the problem of homelessness in the long term. At least that applies to the recent changes in policies on the federal level in 2009 and on the local level in 2002-2012.

In practice, on the other hand, the situation does not seem to be changing or at least not up to the speed needed. According to (BBC, 2012), the queues waiting for having free treatment, shelter,...etc. is not getting shorter. This can be attributed to a variety of reasons; there is a clear difference in understanding the size and the true reasons for homelessness in the US by government officials and congress senators. Robert Rector, a government official at The Heritage Foundation and a nationally recognized expert on poverty issues, says, *"Most poor people are not really poor because they have their own cars and mobile phones...etc."* Republican say that the right way for solving homelessness is not by handing money a services over instead it should be via hard work which is opposite point of view from the Democratic (BBC, 2012).

Additionally, the integrated evaluation system is not very practical because it will require a very long period to identify the problems in the system, put a solution, have the changes approved and then implement them. A good indicator for this problem is unexpected low results of applying this approach in some of the US cities and regions such as Louisiana.

On the local level. Aside from the recent fluctuation in homeless numbers which could be attributed to the time gap between acquiring the required updates about homelessness in NYC and putting a policy/solution in action. The new approach of fighting homelessness through promoting businesses and providing jobs seem to be making good progress especially when compared with other cities in the US. However, there is still the issue of

the size and characteristics of New York City combined with the lack of fund for the welfare system and the diversity of both the homelessness treatments in NYC and the city itself that again mean some difficulty and thus time consuming. There is also the issue of evaluation that as with the federal level makes it difficult to keep the system up to date with homelessness and welfare fund changes.

Overall, both systems are considered very good improvements and could achieve promising results on the long term. However, the systems do not really provide any good solution for the short term. These systems maybe successful in stopping more people from becoming homeless in the meantime; However, there is still a large number of homeless families who do not have homes where there are a large number of inhabited housing units. The idea of recruiting these people or finding appropriate jobs and shelter could take a very long time which is expected to be up to 10 years from now ((DHS), 2003, (USICH), 2010).

5. Recommendations

Based on what was discussed earlier in this research, it is possible to recommend few changes that could improve the policies and the welfare system associated for tackling homelessness in New York City.

- Improving the overall awareness of public officials about homelessness size and causes which could improve the performance of the whole system.
- Improving the role of the state as a third guaranteeing party in order to increase the speed the recovery of welfare system and try to tackle the issues derived from lack of trust between investors and banks on one hand and between banks and borrowers/clients on the other hand.
- Introduce a lower level of welfare system which could be associated with the different districts. This could improve the speed and the accuracy of the evaluation process making the system more flexible and up to date.
- Due to the large number of homeless people and vacant housing units which is associated with the lack of trust between investors-banks-borrowers it is possible to introduce new strategies towards tackling the problem in the short term such as:
 - Introduce and promote group borrowing method which could overcome the operational mandates for ensuring the repayment of loans, and replace the collateral requirements banks normally required for

issuing loans.

- Connect housing provision with job opportunities even closely through different industries. For example giving long term housing loans for jobless people via the same company which provide them with jobs with their jobs as collateral.
- Issuing tax reliefs for companies and organisations that work or part of the welfare system for the homeless in commensurate with their efforts in providing the effects of homelessness.
- Redistribute/Prioritise the distribution of jobs amongst the homeless according to family size and need.

6. Conclusions and Concluding Remarks

In conclusion, homelessness have an enormous impact on societies worldwide especially with the rising number of homeless people and the issues derived from modernisation, urbanisation, lack of job opportunities as well as other reasons. Although governments try to address or reduce the number of homeless people through policies and welfare systems, homeless people are still the weakest ring in the chain during national or worldwide crisis. The 2008 world financial crisis had major impact on homelessness worldwide including developing and developed countries. The research aimed to understand the impact of the 2008 world financial crisis on homelessness in developed countries through a case study of New York city in the United States tacking into consideration the local and national response to the crisis. The research first explored the nature and size of homelessness, homelessness was divided into three categories based on their type; transitionally homeless, episodically homeless and chronically homeless people. The number of homeless people was steadily decreasing until 2008, but it started to fluctuate after 2008 indicating balance changes between the size and the type of homelessness and the welfare system.

In the second part, the research examined the possible reasons and causes for homelessness in New York City and the role the 2008 world financial crises may have on homelessness through homelessness pathway approach introduced by Clapham. The research highlighted that the 2008 world financial crisis led to:

- An increase in the number of families and individuals seeking homeless/low-income housing and services.
- Changes in homeless people demography as more people became homeless such as immigrants,

seniors, low-income families as well as others who were considered among the working poor.

- The financial crisis resulted in higher borrowing costs that could endanger more people to become homeless.

- Additionally, the financial crisis increased the impact of the individual and structural factors thus affecting/leading to homelessness

- Individual Causes include lowering employability and wages, education issues, social conflict and violence as well as other individual causes.

- Structural Causes include weakening the welfare system, biased and unequal interest in the different types of homelessness, lowering fund availability, decreasing job opportunities as well as other structural causes.

In the third part, the research examined/evaluated the governmental response both on the local and national level. On the national level, the US Federal Government laid down a 10-year strategy to address the increasing homelessness after 2008 world financial crisis. The so-called "Opening Doors" strategy is based on a number of objectives including increasing civic engagement, encouraging collaborative leadership, reinforcing private and public organisations capacity to resolve homelessness issues, increasing access to affordable housing, increasing economic security and improving health and stability. On

the local level, the State of New York had massive change in their role in 2002 from providing to enabling the provision of social housing and services. This was done through housing vouchers, cross-agency coordination, developing and maintaining affordable housing and homelessness prevention programs. Although both the national and local programs are considered big step forward in theory, the numbers of homeless people is not decreasing. This could be attributed to a number of reasons such as; the lack of clear and shared understanding of the true size and reasons of homelessness between government officials. The lack of reliable evaluation and monitoring system. The long time-gap between acquiring the required data and putting new policies in action on the local level. The mismatch between the homelessness people and the associated fund.

Finally, there is a clear impact by the 2008 world financial crisis on homelessness in New York City which could be an indicator of a similar impact on other cities and developed and developing countries. Although governments may respond to such situations through policies and welfare system improvements, it is highly important to take time examining these responses and monitoring/ evaluating their effects to make sure they achieve what they intended for.

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اثر الازمة المالية العالمية عام 2008 على ظاهرة التشرد في الدول المتحضرة: دراسة حال مدينة نيويورك

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ملخص

هذا البحث يناقش دور الأزمة المالية العالمية عام 2008 على ظاهرة التشرد في المدن المتحضرة وسياسات السكن الاقتصادي للاستجابة لها. بعد التعريف بظاهرة التشرد وحجمها في الولايات المتحدة الأمريكية ينتقل البحث إلى تحليل معالم ظاهرة التشرد في مدينة نيويورك كمثال بشكل تفصيلي لفهم حجم ومقياس الظاهرة وأهم الأسباب الشخصية والتنظيمية لها ضمن مفهوم "طريق السكن" وتأثير الأزمة المالية العالمية في تغيير نوع وحجم أزمة السكن. ثم يناقش البحث الاستجابة الحكومية على المستوى الفدرالي والمحلي لهذه الظاهرة بشكل علمي دقيق لتحديد أهم مميزات البحث بمجموعة من التوصيات لتحسين هذه الحلول والاستجابات كتقديم نظام للرعاية الاجتماعية، تشجيع القروض الجماعية، وتوفير فرص العمل.

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