

## Providing Free Housing to the Homeless

*Why Problems Like Homelessness May  
Be Easier to Solve Than to Manage*

MALCOLM GLADWELL

*How policymakers address a social problem reflects the way they construct the harm. In this selection, Malcolm Gladwell describes a recent and growing trend in how policymakers across U.S. cities are thinking about and responding to the homeless: by allocating resources disproportionately to the roughly 10 percent of this population who are chronically homeless rather than distributing resources more equitably among all homeless people. In practice, this means that providing rent-free apartments to the chronically homeless is gaining favor over making shelters and soup kitchens available to anyone who happens to be homeless on a given day. Gladwell discusses the economic rationale for the rising popularity of this "power-law theory of homelessness" and explores the moral implications of focusing social policy on the chronically homeless instead of addressing homelessness as a whole.*

**M**urray Barr was a bear of a man, an ex-marine, six feet tall and heavy-set, and when he fell down—which he did nearly every day—it could take two or three grown men to pick him up. He had straight black hair and olive skin. On the street, they called him Smokey. He was missing most of his teeth. He had a wonderful smile. People loved Murray.

His chosen drink was vodka. Beer he called "horse piss." On the streets of downtown Reno, where he lived, he could buy a two-hundred-and-fifty-millilitre bottle of cheap vodka for a dollar-fifty. If he was flush, he could go for the seven-hundred-and-fifty-millilitre bottle, and if he was broke he could always do what many of the other homeless people of Reno did, which is to



walk through the casinos and finish off the half-empty glasses of liquor left at the gaming tables.

"If he was on a runner, we could pick him up several times a day," Patrick O'Bryan, who is a bicycle cop in downtown Reno, said. "And he's gone on some amazing runners. He would get picked up, get detoxed, then get back out a couple of hours later and start up again. A lot of the guys on the streets who've been drinking, they get so angry. They are so incredibly abrasive, so violent, so abusive. Murray was such a character and had such a great sense of humor that we somehow got past that. Even when he was abusive, we'd say, 'Murray, you know you love us,' and he'd say, 'I know'—and go back to swearing at us."

"I've been a police officer for fifteen years," O'Bryan's partner, Steve Johns, said. "I picked up Murray my whole career. Literally."

Johns and O'Bryan pleaded with Murray to quit drinking. A few years ago, he was assigned to a treatment program in which he was under the equivalent of house arrest, and he thrived. He got a job and worked hard. But then the program ended. "Once he graduated out, he had no one to report to, and he needed that," O'Bryan said. "I don't know whether it was his military background. I suspect that it was. He was a good cook. One time, he accumulated savings of over six thousand dollars. Showed up for work religiously. Did everything he was supposed to do. They said, 'Congratulations,' and put him back on the street. He spent that six thousand in a week or so."

Often, he was too intoxicated for the drunk tank at the jail, and he'd get sent to the emergency room at either Saint Mary's or Washoe Medical Center. Marla Johns, who was a social worker in the emergency room at Saint Mary's, saw him several times a week. "The ambulance would bring him in. We would sober him up, so he would be sober enough to go to jail. And we would call the police to pick him up. In fact, that's how I met my husband." Marla Johns is married to Steve Johns.

"He [Murray] was like the one constant in an environment that was ever changing," she went on. "In he would come. He would grin that half-toothless grin. He called me 'my angel.' I would walk in the room, and he would smile and say, 'Oh, my angel, I'm so happy to see you.' We would joke back and forth, and I would beg him to quit drinking and he would laugh it off. And when time went by and he didn't come in I would get worried and call the coroner's office. When he was sober, we would find out, oh, he's working someplace, and my husband and I would go and have dinner where he was working. When my husband and I were dating, and we were going to get married, he said, 'Can I come to the wedding?' And I almost felt like



he should. My joke was 'If you are sober you can come, because I can't afford your bar bill.' When we started a family, he would lay a hand on my pregnant belly and bless the child. He really was this kind of light."

In the fall of 2003, the Reno Police Department started an initiative designed to limit panhandling in the downtown core. There were articles in the newspapers, and the police department came under harsh criticism on local talk radio. The crackdown on panhandling amounted to harassment, the critics said. The homeless weren't an imposition on the city; they were just trying to get by. "One morning, I'm listening to one of the talk shows, and they're just trashing the police department and going on about how unfair it is," O'Bryan said. "And I thought, Wow, I've never seen any of these critics in one of the alleyways in the middle of the winter looking for bodies." O'Bryan was angry. In downtown Reno, food for the homeless was plentiful: there was a Gospel kitchen and Catholic Services, and even the local McDonald's fed the hungry. The panhandling was for liquor, and the liquor was anything but harmless. He and Johns spent at least half their time dealing with people like Murray; they were as much caseworkers as police officers. And they knew they weren't the only ones involved. When someone passed out on the street, there was a "One down" call to the paramedics. There were four people in an ambulance, and the patient sometimes stayed at the hospital for days, because living on the streets in a state of almost constant intoxication was a reliable way of getting sick. None of that, surely, could be cheap.

O'Bryan and Johns called someone they knew at an ambulance service and then contacted the local hospitals. "We came up with three names that were some of our chronic inebriates in the downtown area, that got arrested the most often," O'Bryan said. "We tracked those three individuals through just one of our two hospitals. One of the guys had been in jail previously, so he'd only been on the streets for six months. In those six months, he had accumulated a bill of a hundred thousand dollars—and that's at the smaller of the two hospitals near downtown Reno. It's pretty reasonable to assume that the other hospital had an even larger bill. Another individual came from Portland and had been in Reno for three months. In those three months, he had accumulated a bill for sixty-five thousand dollars. The third individual actually had some periods of being sober, and had accumulated a bill of fifty thousand."

The first of those people was Murray Barr, and Johns and O'Bryan realized that if you totted up all his hospital bills for the ten years that he had been on the streets—as well as substance-abuse-treatment costs, doctors' fees, and other expenses—Murray Barr probably ran up a medical bill as large as anyone in the state of Nevada.



"It cost us one million dollars not to do something about Murray," O'Bryan said.

In the nineteen-eighties, when homelessness first surfaced as a national issue, the assumption was that the problem fit a normal distribution: that the vast majority of the homeless were in the same state of semi-permanent distress. It was an assumption that bred despair: if there were so many homeless, with so many problems, what could be done to help them? Then, fifteen years ago, a young Boston College graduate student named Dennis Culhane lived in a shelter in Philadelphia for seven weeks as part of the research for his dissertation. A few months later he went back, and was surprised to discover that he couldn't find any of the people he had recently spent so much time with. "It made me realize that most of these people were getting on with their own lives," he said.

Culhane then put together a database—the first of its kind—to track who was coming in and out of the shelter system. What he discovered profoundly changed the way homelessness is understood. Homelessness doesn't have a normal distribution, it turned out. It has a power-law distribution. "We found that eighty per cent of the homeless were in and out really quickly," he said. "In Philadelphia, the most common length of time that someone is homeless is one day. And the second most common length is two days. And they never come back. Anyone who ever has to stay in a shelter involuntarily knows that all you think about is how to make sure you never come back."

The next ten per cent were what Culhane calls episodic users. They would come for three weeks at a time, and return periodically, particularly in the winter. They were quite young, and they were often heavy drug users. It was the last ten per cent—the group at the farthest edge of the curve—that interested Culhane the most. They were the chronically homeless, who lived in the shelters, sometimes for years at a time. They were older. Many were mentally ill or physically disabled, and when we think about homelessness as a social problem—the people sleeping on the sidewalk, aggressively panhandling, lying drunk in doorways, huddled on subway grates and under bridges—it's this group that we have in mind. In the early nineteen-nineties, Culhane's database suggested that New York City had a quarter of a million people who were homeless at some point in the previous half decade—which was a surprisingly high number. But only about twenty-five hundred were *chronically* homeless.

It turns out, furthermore, that this group costs the health-care and social-services systems far more than anyone had ever anticipated. Culhane estimates that in New York at least sixty-two million dollars was being spent annually



to shelter just those twenty-five hundred hard-core homeless. "It costs twenty-four thousand dollars a year for one of these shelter beds," Culhane said. "We're talking about a cot eighteen inches away from the next cot." Boston Health Care for the Homeless Program, a leading service group for the homeless in Boston, recently tracked the medical expenses of a hundred and nineteen chronically homeless people. In the course of five years, thirty-three people died and seven more were sent to nursing homes, and the group still accounted for 18,834 emergency-room visits—at a minimum cost of a thousand dollars a visit. The University of California, San Diego Medical Center followed fifteen chronically homeless inebriates and found that over eighteen months those fifteen people were treated at the hospital's emergency room four hundred and seventeen times, and ran up bills that averaged a hundred thousand dollars each. One person—San Diego's counterpart to Murray Barr—came to the emergency room eighty-seven times.

"If it's a medical admission, it's likely to be the guys with the really complex pneumonia," James Dunford, the city of San Diego's emergency medical director and the author of the observational study, said. "They are drunk and they aspirate and get vomit in their lungs and develop a lung abscess, and they get hypothermia on top of that, because they're out in the rain. They end up in the intensive-care unit with these very complicated medical infections. These are the guys who typically get hit by cars and buses and trucks. They often have a neurosurgical catastrophe as well. So they are very prone to just falling down and cracking their head and getting a subdural hematoma, which, if not drained, could kill them, and it's the guy who falls down and hits his head who ends up costing you at least fifty thousand dollars. Meanwhile, they are going through alcoholic withdrawal and have devastating liver disease that only adds to their inability to fight infections. There is no end to the issues. We do this huge drill. We run up big lab fees, and the nurses want to quit, because they see the same guys come in over and over, and all we're doing is making them capable of walking down the block."

The homelessness problem is like the L.A.P.D.'s bad-cop problem. It's a matter of a few hard cases, and that's good news, because when a problem is that concentrated you can wrap your arms around it and think about solving it. The bad news is that those few hard cases are *hard*. They are falling-down drunks with liver disease and complex infections and mental illness. They need time and attention and lots of money. But enormous sums of money are already being spent on the chronically homeless, and Culhane saw that the kind of money it would take to solve the homeless problem could well be less than the kind of money it took to ignore it. Murray Barr used more health-



care dollars, after all, than almost anyone in the state of Nevada. It would probably have been cheaper to give him a full-time nurse and his own apartment.

The leading exponent for the power-law theory of homelessness is Philip Mangano, who, since he was appointed by President Bush in 2002, has been the executive director of the U.S. Interagency Council on Homelessness, a group that oversees the programs of twenty federal agencies. Mangano is a slender man, with a mane of white hair and a magnetic presence, who got his start as an advocate for the homeless in Massachusetts. In the past two years, he has crisscrossed the United States, educating local mayors and city councils about the real shape of the homelessness curve. Simply running soup kitchens and shelters, he argues, allows the chronically homeless to remain chronically homeless. You build a shelter and a soup kitchen if you think that homelessness is a problem with a broad and unmanageable middle. But if it's a problem at the fringe it can be solved. So far, Mangano has convinced more than two hundred cities to radically reevaluate their policy for dealing with the homeless.

"I was in St. Louis recently," Mangano said, back in June, when he dropped by New York on his way to Boise, Idaho. "I spoke with people doing services there. They had a very difficult group of people they couldn't reach no matter what they offered. So I said, Take some of your money and rent some apartments and go out to those people, and literally go out there with the key and say to them, 'This is the key to an apartment. If you come with me right now I am going to give it to you, and you are going to have that apartment.' And so they did. And one by one those people were coming in. Our intent is to take homeless policy from the old idea of funding programs that serve homeless people endlessly and invest in results that actually end homelessness."

Mangano is a history buff, a man who sometimes falls asleep listening to old Malcolm X speeches, and who peppers his remarks with references to the civil-rights movement and the Berlin Wall and, most of all, the fight against slavery. "I am an abolitionist," he says. "My office in Boston was opposite the monument to the 54th Regiment on the Boston Common, up the street from the Park Street Church, where William Lloyd Garrison called for immediate abolition, and around the corner from where Frederick Douglass gave that famous speech at the Tremont Temple. It is very much ingrained in me that you do not manage a social wrong. You should be ending it."

The old Y.M.C.A. in downtown Denver is on Sixteenth Street, just east of the central business district. The main building is a handsome six-story stone



structure that was erected in 1906, and next door is an annex that was added in the nineteen-fifties. On the ground floor there is a gym and exercise rooms. On the upper floors there are several hundred apartments—brightly painted one-bedrooms, efficiencies, and S.R.O.-style rooms with microwaves and refrigerators and central air-conditioning—and for the past several years those apartments have been owned and managed by the Colorado Coalition for the Homeless.

Even by big-city standards, Denver has a serious homelessness problem. The winters are relatively mild, and the summers aren't nearly as hot as those of neighboring New Mexico or Utah, which has made the city a magnet for the indigent. By the city's estimates, it has roughly a thousand chronically homeless people, of whom three hundred spend their time downtown, along the central Sixteenth Street shopping corridor or in nearby Civic Center Park. Many of the merchants downtown worry that the presence of the homeless is scaring away customers. A few blocks north, near the hospital, a modest, low-slung detox center handles twenty-eight thousand admissions a year, many of them homeless people who have passed out on the streets, either from liquor or—as is increasingly the case—from mouthwash. "Dr. Tichenor's—Dr. Tich, they call it—is the brand of mouthwash they use," says Roxane White, the manager of the city's social services. "You can imagine what that does to your gut."

Eighteen months ago, the city signed up with Mangano. With a mixture of federal and local funds, the C.C.H. inaugurated a new program that has so far enrolled a hundred and six people. It is aimed at the Murray Barrs of Denver, the people costing the system the most. C.C.H. went after the people who had been on the streets the longest, who had a criminal record, who had a problem with substance abuse or mental illness. "We have one individual in her early sixties, but looking at her you'd think she's eighty," Rachel Post, the director of substance treatment at the C.C.H., said. (Post changed some details about her clients in order to protect their identity.) "She's a chronic alcoholic. A typical day for her is she gets up and tries to find whatever she's going to drink that day. She falls down a lot. There's another person who came in during the first week. He was on methadone maintenance. He'd had psychiatric treatment. He was incarcerated for eleven years, and lived on the streets for three years after that, and, if that's not enough, he had a hole in his heart."

The recruitment strategy was as simple as the one that Mangano had laid out in St. Louis: Would you like a free apartment? The enrollees got either an efficiency at the Y.M.C.A or an apartment rented for them in a building



somewhere else in the city, provided they agreed to work within the rules of the program. In the basement of the Y, where the racquetball courts used to be, the coalition built a command center, staffed with ten caseworkers. Five days a week, between eight-thirty and ten in the morning, the caseworkers meet and painstakingly review the status of everyone in the program. On the wall around the conference table are several large white boards, with lists of doctor's appointments and court dates and medication schedules. "We need a staffing ratio of one to ten to make it work," Post said. "You go out there and you find people and assess how they're doing in their residence. Sometimes we're in contact with someone every day. Ideally, we want to be in contact every couple of days. We've got about fifteen people we're really worried about now."

The cost of services comes to about ten thousand dollars per homeless client per year. An efficiency apartment in Denver averages \$379 a month, or just over forty-five hundred a year, which means that you can house and care for a chronically homeless person for at most fifteen thousand dollars, or about a third of what he or she would cost on the street. The idea is that once the people in the program get stabilized they will find jobs, and start to pick up more and more of their own rent, which would bring someone's annual cost to the program closer to six thousand dollars. As of today, seventy-five supportive housing slots have already been added, and the city's homeless plan calls for eight hundred more over the next ten years.

The reality, of course, is hardly that neat and tidy. The idea that the very sickest and most troubled of the homeless can be stabilized and eventually employed is only a hope. Some of them plainly won't be able to get there: these are, after all, hard cases. "We've got one man, he's in his twenties," Post said. "Already, he has cirrhosis of the liver. One time he blew a blood alcohol of .49, which is enough to kill most people. The first place we had he brought over all his friends, and they partied and trashed the place and broke a window. Then we gave him another apartment, and he did the same thing."

Post said that the man had been sober for several months. But he could relapse at some point and perhaps trash another apartment, and they'd have to figure out what to do with him next. Post had just been on a conference call with some people in New York City who run a similar program, and they talked about whether giving clients so many chances simply encourages them to behave irresponsibly. For some people, it probably does. But what was the alternative? If this young man was put back on the streets, he would cost the system even more money. The current philosophy of welfare holds that gov-



ernment assistance should be temporary and conditional, to avoid creating dependency. But someone who blows .49 on a Breathalyzer and has cirrhosis of the liver at the age of twenty-seven doesn't respond to incentives and sanctions in the usual way. "The most complicated people to work with are those who have been homeless for so long that going back to the streets just isn't scary to them," Post said. "The summer comes along and they say, 'I don't need to follow your rules.'" Power-law homelessness policy has to do the opposite of normal-distribution social policy. It *should* create dependency: you want people who have been outside the system to come inside and rebuild their lives under the supervision of those ten caseworkers in the basement of the Y.M.C.A.

That is what is so perplexing about power-law homeless policy. From an economic perspective the approach makes perfect sense. But from a moral perspective it doesn't seem fair. Thousands of people in the Denver area no doubt live day to day, work two or three jobs, and are eminently deserving of a helping hand—and no one offers them the key to a new apartment. Yet that's just what the guy screaming obscenities and swigging Dr. Tich gets. When the welfare mom's time on public assistance runs out, we cut her off. Yet when the homeless man trashes his apartment we give him another. Social benefits are supposed to have some kind of moral justification. We give them to widows and disabled veterans and poor mothers with small children. Giving the homeless guy passed out on the sidewalk an apartment has a different rationale. It's simply about efficiency.

We also believe that the distribution of social benefits should not be arbitrary. We don't give only to some poor mothers, or to a random handful of disabled veterans. We give to everyone who meets a formal criterion, and the moral credibility of government assistance derives, in part, from this universality. But the Denver homelessness program doesn't help every chronically homeless person in Denver. There is a waiting list of six hundred for the supportive-housing program; it will be years before all those people get apartments, and some may never get one. There isn't enough money to go around, and to try to help everyone a little bit—to observe the principle of universality—isn't as cost-effective as helping a few people a lot. Being fair, in this case, means providing shelters and soup kitchens, and shelters and soup kitchens don't solve the problem of homelessness. Our usual moral intuitions are little use, then, when it comes to a few hard cases. Power-law problems leave us with an unpleasant choice. We can be true to our principles or we can fix the problem. We cannot do both.



## QUESTIONS

1. What are policymakers' rationales for conceiving homelessness policy primarily in terms of those who are chronically homeless?
2. Bush Administration housing czar Philip Mangano and other proponents of the power-law theory of homelessness hail the provision of rent-free apartments as a way to solve homelessness because people will now have a place they can call home rather than having to sleep in doorways or on subway grates. To what extent does this policy offer a meaningful solution to the array of problems associated with chronic homelessness?
3. What are the implications of politicians' reducing funding for shelters and soup kitchens, the likely consequence as homelessness policy shifts increasingly toward providing housing for the chronically homeless?
4. Why does Gladwell argue that providing rent-free apartments to the chronically homeless is unfair?
5. Do a Web search and identify three cities that are embracing the power-law theory of homelessness. What do the results look like so far? Is homelessness being reduced? If so, to what degree?