

## How Housing Policy Benefits from a Socioeconomic Perspective

Posted December 13th, 2016

By: Nick Falvo, Ph.D, Director, Research and Data, CHF

On November 17, I delivered a [webinar](#) presentation for the [Canadian Housing and Renewal Association](#) titled “The Missing Piece: How Housing Policy Benefits from a Socioeconomic Perspective.”

The presentation focused on both macroeconomic factors and factors pertaining to Canada’s social welfare system in general; I argued that leaders in Canada’s non-profit housing sector should be mindful of such issues (and not just focus on housing and homelessness). My PowerPoint presentation can be downloaded [here](#); the entire webinar [can be viewed here](#).

Here are 10 things to know:

1. **In the past several decades, Canada’s economy—as well as its social welfare system—has gone through profound changes.** For example, since the 1980s, spending on social welfare by Canada’s federal government has decreased substantially. Likewise, since the mid-1990s, taxation in Canada (by all orders of government combined) has decreased substantially. Canada’s official unemployment rate has been considerably higher in the past several decades than it was in the first two decades after World War II, and a much smaller percentage of unemployed workers are eligible for unemployment insurance benefits today than was the case in the 1970s and 1980s. Federal spending on housing has also seen a general decrease in the past two decades, and federal spending on homelessness is considerably lower today than it was 15 years ago. Some social scientists refer to this broad trend as [neoliberalism](#).
2. **Most of these changes have not been good for Canada’s non-profit housing sector.** Less public spending typically means less protection for vulnerable households. What’s more, higher unemployment is usually [‘bad news’ for poverty](#) and [homelessness](#).
3. **It’s very difficult for researchers to know the precise impact of all these factors on homelessness.** Early attempts to understand the main determinants of homelessness in the United States can be found [here](#), [here](#), [here](#) and [here](#). A recent Australian attempt [can be found here](#). [Ron Kneebone](#) and [Margarita Wilkins](#) have done some research on this in Canada. Their recent policy report—along with some policy prescriptions—[can be found here](#). A nice, succinct PowerPoint presentation they put together about their report [can be found here](#). (For a general consideration of some of the challenges involved in establishing causation, however, see point #1 in [this blog post](#).)
4. **Just because there are unanswered questions about ‘cause and effect,’ doesn’t mean it’s not reasonable to suggest many of these changes likely left a lot of people without affordable**

**housing.** In light of the challenges involved in establishing causation, researchers have little choice but to make well-researched arguments. With that in mind, I'd argue it's reasonable to suggest that higher unemployment and cuts to social welfare programs (including cuts to affordable housing) have almost certainly led many Canadian cities to have more homelessness in the post-neoliberal era than in the pre-neoliberal era. For example, between 1980 and 2000, the average number of persons sleeping in an emergency shelter in Toronto on a nightly basis increased by 300%. (For a consideration of pre-neoliberal vs. post-neoliberal homelessness in Toronto, see [this 2010 book chapter](#).)

5. **The trends discussed in point #1 above are likely reversible.** Indeed, other countries have gone in the other direction as Canada in the past several decades. Between 1980 and 2016, public social spending as a percentage of GDP nearly doubled in Australia, Finland and Italy. (You can see these figures for yourself at the [OECD web site here](#).) It's also useful to consider the case of Japan, which currently has an official unemployment rate of just 3%. [Bill Mitchell](#) (Chair in Economics at the University of Newcastle) attributes Japan's low unemployment in part to increased public spending; he [writes about this here](#).
6. **Non-profit housing leaders should pay attention to macroeconomic and social trends, and not simply think about what's directly in front of them (namely, housing).** To do this, I recommend they do the following: read every column [Thomas Walkom](#) ever writes; subscribe to the [Canadian Social Research Newsletter](#); read the blog of the [Progressive Economics Forum](#); read reports and blog posts of the [Canadian Centre for Policy Alternatives](#), the [Caledon Institute of Social Policy](#) and the [Institute for Research on Public Policy](#). On Twitter, I suggest people follow: [Miles Corak](#), [Andrew Coyne](#), [Rob Gillezeau](#), [Seth Klein](#), [David Macdonald](#), [Angella MacEwen](#), [André Picard](#), [Trevor Tombe](#) and [Armine Yalnizyan](#).
7. **When advocating with elected officials and government staff, non-profit housing leaders should discuss macroeconomic factors as well as the broader social welfare system.** Several organizations already do this. One example can be seen in [CHRA's recent submission](#) to Canada's National Housing strategy (NHS) consultations; another is the [Calgary Homeless Foundation's recent submission](#) to the NHS consultations.
8. **Non-profit housing leaders should partner with researchers who are knowledgeable of macroeconomic factors and the broader social welfare system.** An important example of this is the [Alternative Federal Budget](#) exercise, which brings together a large array of advocacy organizations and researchers; together, they put forth an alternative to each year's federal budget.
9. **Non-profit housing leaders—and researchers with whom they partner—should be honest about what they don't know.** There are at least two reasons for this. First, it's the honest thing to do. The [late John Kenneth Galbraith](#) reminded us of this when he said the following about economic forecasters: "There are two kinds of forecasters: those who don't know, and those who don't know they don't know." Second, exaggerating your point may hurt you in the end. To see how, read [this blog post I wrote in August 2016](#).



10. **When graduate students do placements at non-profit organizations, their supervisors should have them write annotated bibliographies of existing research.** They should then learn from those annotated bibliographies and become more informed on the research topic in question than any elected official, any senior staff or any academic researcher. (Here's a little secret: one reason I know about all the homelessness studies I discuss in point #3 above is that, last summer, a graduate student wrote an annotated bibliography for the Calgary Homeless Foundation; in preparing the present blog post, I was able to quickly review the document he prepared in a matter of minutes.) For more on how annotated bibliographies, [see this link](#).

*The author wishes to thank the following individuals for assistance in the preparation of this blog post: Ron Kneebone, Tamara Krawchenko, Louise Gallagher, Brian MacLean, Marc-André Pigeon and Mario Seccareccia. Any errors lie with the author. The views expressed in this blog post are those of the author, and not necessarily those of the Calgary Homeless Foundation. Any errors lie with the author.*