

# Explainer



Questions and Answers on Homelessness Policy and Research

## How Much Does the Federal Government Spend on Homelessness?

OCTOBER 2006

*\$1.928 billion dollars is spent on federal programs dedicated to homeless people.*

Answering the question about how much the federal government spends on homelessness should be as simple as summing the total expenditures for homeless assistance programs. Homeless programs, however, do not fit neatly into one federal agency; instead they are spread across several, including the Department of Housing and Urban Development (HUD), the Department of Health and Human Services (HHS), the Social Security Administration (SSA), the Department of Homeland Security (DHS), the Department of Education (ED), and the Department of Labor (DOL). These federal agencies administer programs that are *dedicated* to serving homeless people—meaning that the goals and eligibility requirements target homeless people—and *mainstream* programs that serve homeless people as well as other low-income people, for example, Medicaid, TANF, or mainstream housing and community development programs (Section 8, public housing, CDBG, HOME). This fact sheet focuses on how much is spent on *dedicated* homeless assistance programs and—because hous-

ing is critical to ending homelessness—examines trends in HUD funding for low-income housing programs.

In 2006, the federal government spent \$1.928 billion dollars on dedicated homelessness programs. As Table 1 shows, HUD's McKinney-Vento Homeless Assistance Grant is the primary source of funding for homeless people. McKinney-Vento funds support emergency shelters, transitional housing, permanent housing, and supportive services. Since 2001, McKinney-Vento Homeless Assistance funding has been increasing slightly, with a dip in 2005. In 2001, the McKinney-Vento Homeless Assistance Grant was funded at \$1.286 billion; by 2006 it had increased slightly to \$1.327 (after adjusting for inflation). Other major programs for homelessness programs include Health Care for the Homeless (HHS) and the Emergency Food and Shelter Program (DHS).<sup>1</sup>

<sup>1</sup> This fact sheet does not include funding for the Department of Veteran's Affairs Homeless Providers Grants and Per Diem (GDP) program because Congress does not appropriate money directly to this program, instead leaving it up to the VA's discretion.

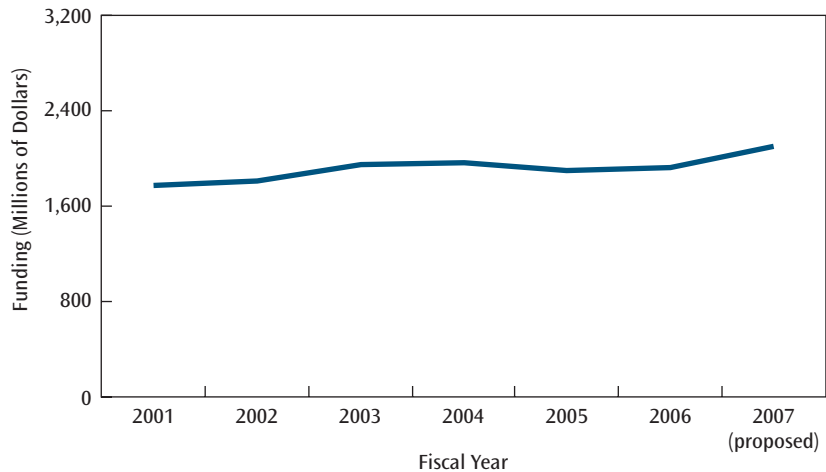
**Table 1 Total Dedicated Homelessness Funding - Federal Government (Shown in Millions of Dollars)**

|   |     | 2001         | 2002         | 2003         | 2004         | 2005         | 2006         |
|---|-----|--------------|--------------|--------------|--------------|--------------|--------------|
| Homeless Assistance Grants                                    | HUD | 1,286        | 1,262        | 1,342        | 1,344        | 1,281        | 1,327        |
| Health Care for the Homeless                                  | HHS | 114          | 130          | 141          | 148          | 154          | 155          |
| Runaway and Homeless Youth                                    | HHS | 96           | 116          | 115          | 111          | 107          | 103          |
| Emergency Food and Shelter Program                            | DHS | 160          | 157          | 168          | 163          | 158          | 151          |
| Education for Homeless Children and Youth                     | ED  | 40           | 56           | 60           | 59           | 64           | 62           |
| Projects to Assist in the Transition from Homelessness (PATH) | HHS | 42           | 45           | 47           | 53           | 56           | 54           |
| Homeless Veterans Reintegration Program                       | DOL | 21           | 20           | 20           | 20           | 22           | 22           |
| SSI HOPE Outreach Grants                                      | SSA | 0            | 0            | 9            | 9            | 8            | 8            |
| Treatment for Homeless (GBHI and other discretionary)         | HHS | 11           | 22           | 50           | 49           | 49           | 46           |
| <b>Total</b>  |     | <b>1,771</b> | <b>1,809</b> | <b>1,952</b> | <b>1,956</b> | <b>1,899</b> | <b>1,928</b> |

Notes: This table includes federal programs with funding streams dedicated to homeless individuals and families. The U.S. Department of Housing and Urban Development (HUD), U.S. Department of Health and Human Services (HHS), the Department of Education (ED), the Department of Homeland Security (DHS), the Social Security Administration (SSA), and the Department of Labor. The table is presented in real dollars (2006). The GDP deflator was used to adjust for inflation. The numbers represent budget authority, not budget outlays.

## Exhibit 1 Total Dedicated Homelessness Funding - Federal Government

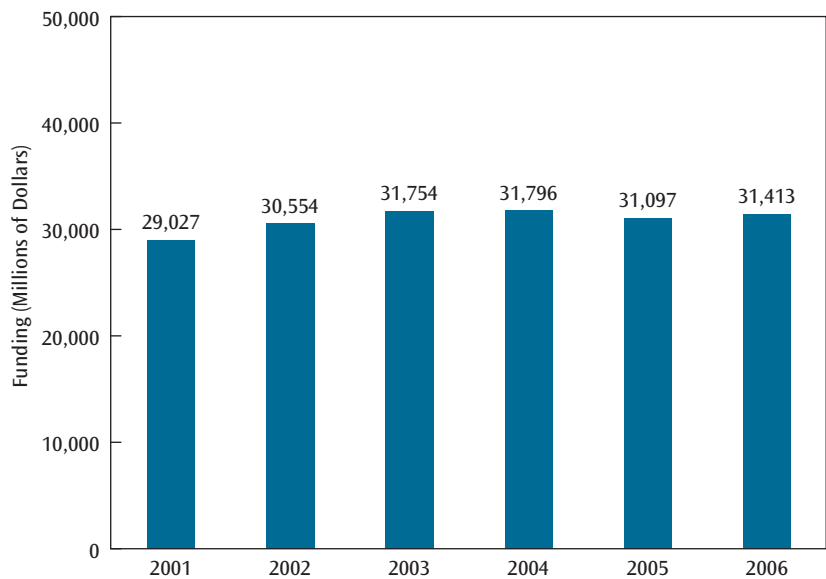
Federal spending on homelessness is on an upward trajectory. As Exhibit 1 shows, from 2001 to 2006 dedicated federal funding for homelessness increased 9 percent, from \$1.771 billion to \$1.928 billion. If approved, the Administration's FY 2007 budget request of \$2.140 billion would continue this trend, increasing federal homeless spending by 10 percent from 2006 to 2007.



Note: This chart represents budget authority, which is the amount Congress appropriates for homeless projects. This chart is presented in real dollars (2006). The GDP deflator was used to adjust for inflation.

## Exhibit 2 Housing Assistance - HUD

While federal funding for homeless assistance programs has increased slightly, funding for housing assistance programs for low-income households—a critical component of ending homelessness—has not increased significantly since 2003. Exhibit 2 shows that in 2001 federal funding for housing assistance totaled \$29 billion; funding increased to \$31.7 billion in 2003 and then decreased slightly in 2005 (\$31 billion) and 2006 (\$31.4 billion).



Note: This chart represents outlays, which is the amount actually spent on housing assistance. This chart is presented in real dollars (2006). The GDP deflator was used to adjust for inflation.

The National Alliance to End Homelessness' **Explainer Series** answers common and frequent questions about homelessness policy and research. This series draws on the best expertise, data, and research available. For more information about homelessness, please visit [www.endhomelessness.org](http://www.endhomelessness.org).