**The long-term impact of the COVID-19 Recession on homelessness in Canada:
What to expect, what to track, what to do**

FINAL REPORT

By Nick Falvo, PhD

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About the author

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Abstract

This report argues that the COVID-19 Recession may contribute to rising homelessness across Canada, but that the matter is complicated by several factors, namely: a lag effect of up to five years; many unknowns; and differences from one community to another. In order to monitor the many complex factors involved in this dynamic, this report recommends indicators for Employment and Social Development Canada (ESDC) to track. The report also identifies several policy changes that could prevent a rise in homelessness. At the federal level, this includes an enhancement to the Canada Housing Benefit and a soft approach to recovering Canada Emergency Response Benefit (CERB) overpayments from social assistance recipients. At the provincial and territorial level, it recommends increases to social assistance benefit levels, the reinstatement of social assistance eligibility for recipients who became ineligible due to the CERB, and the encouragement of housing-focused practices at emergency shelters. The report also recommends that ESDC introduce a new funding stream for Reaching Home that would focus on prevention.

Executive Summary

The COVID-19 pandemic has already had profound implications for Canada's homelessness sector. Many daytime services (e.g., drop-in centres) have been closed, as have many public spaces with access to washroom facilities (e.g., libraries). The pandemic has also created additional costs and operational pressures for emergency shelters, including for cleaning, personal protective equipment and increased staffing.

Across Canada, local officials in the homelessness sector have responded to the pandemic largely by creating more physical distancing at existing emergency shelters, opening new facilities, leasing hotel rooms, and creating facilities for both isolation and quarantine (Falvo, Forthcoming).

The Government of Canada has provided important financial assistance to the homelessness sector to support these efforts. Indeed, the Government of Canada's COVID-19 Economic Response Plan includes $157.5 million in one-time funding for Reaching Home. Flexibility has also been added to the Reaching Home Directives, which provide parameters on the use by communities of federal homelessness funding. On 21 September 2020, the Government of Canada announced an additional $236.7 million for Reaching Home, in addition to $1 billion for modular housing, the acquisition of land, and the conversion of existing buildings into affordable housing.

However, in spite of progress made related to local needs, there is a looming challenge—namely, the anticipated increase in levels of absolute homelessness that may stem from the current economic recession. Employment and Social Development Canada (ESDC) therefore commissioned the present report, seeking to answer the following five questions:[1]

1. What does the literature tell us about increased levels of homelessness that will likely stem from the present recession?

2. How will the extraordinary set of policies implemented during the current situation (e.g., CERB, eviction bans, extra efforts to shelter persons experiencing homelessness, etc.) affect this recession differently than previous ones?

3. What will be the likely impact of the present recession on funding for the homelessness sector?

4. What are some general types of policies that could be considered by Canada's federal government to offset anticipated increases in homelessness?

5. What indicators should ESDC use to identify risk factors, track trends and support projections for the demand for homelessness services?

[1] These are abridged versions of the research questions. Full research questions can be found in Appendix 1.

This report finds that the COVID-19 Recession may indeed contribute to rising homelessness across Canada, but the matter is complicated by several factors.

First, there is a lag effect of up to five years from the time of a recession's onset until the impact on homelessness if fully seen. This stems from a strong desire of households to avoid absolute homelessness, and it is enabled by other aspects of the social welfare system, including Employment Insurance and social assistance, which can delay or even prevent absolute homelessness. It is also affected by changes to the housing market—in fact, it is possible that rent levels in some jurisdictions could fall so much as to completely neutralize the effect of higher unemployment on homelessness. This lag effect has at least two implications for public policy. It means it could be years before we see rising homelessness in Canada as a result of the COVID-19 Recession. It also means that there is time for preventive measures to be implemented and to take effect.

Second, there are many unknowns. The current recession is very deep, and it is unusual in that it was caused by a public health crisis. We do not know how long it will take for Canada's labour market to rebound; perhaps it will never fully rebound. Further, we do not know for how much longer different social policy measures—including some directed at persons experiencing absolute homelessness—will remain in place, nor do we know which new ones will be introduced. It is also difficult to predict the impact of the current recession on fundraising in the homelessness sector.

Third, the effect of the present recession on homelessness will vary across Canadian communities. Housing markets, income assistance systems and homelessness system planning frameworks vary across Canada; what is more, migration patterns over the next several years will be hard to predict. As a result, it is challenging to say which communities will see rising homelessness at what junctures in time. We do know that, thus far, the following types of workers have been most directly affected by the COVID-19 Recession: young people, women, non-married persons, and persons without high school accreditation.

In short, it is very difficult to estimate the extent to which homelessness will rise or fall across Canada. Much will depend on Canada's labour market performance over the next several years, which social policies are extended (and which new ones might be introduced) and the extent to which fundraising by non-profit organizations is able to keep pace with pre-recession levels.

In order to monitor the many complex factors discussed above, the present report recommends that ESDC track the following indicators as the recession continues to unfold: the official unemployment rate; the percentage of Canadians falling below the Market Basket Measure (and especially those falling below 75% of the Market Basket Measure); social assistance benefit levels; median rent levels; the rental vacancy rate; the percentage of households with extreme shelter cost burdens; evictions; and average nightly occupancy in emergency shelters. As much as possible, such tracking should emphasize both how these indicators have changed since the start of the pandemic, and how this change varies across both geographical areas and specific populations (e.g., women, youth, Indigenous peoples, etc.).

This report also identifies several policy changes that could prevent a rise in homelessness. At the federal level, this includes an enhancement to the Canada Housing Benefit and a soft approach to recovering CERB overpayments from social assistance recipients. At the provincial and territorial level, it recommends increases to social assistance benefit levels, the reinstatement of social assistance eligibility for recipients who became ineligible due to the CERB, and the encouragement of housing-focused practices at emergency shelters.

In light of the successful implementation of prevention efforts in the United States following the 2008-2009 Recession, the present report also recommends that ESDC introduce a new funding stream for Reaching Home. The new stream should focus on prevention—especially time-limited financial assistance. Such funding should be directed at households who are either still housed (but at risk of becoming homeless), are in the process of losing their housing, or who have just begun to experience absolute homelessness. Targeting can evolve over time, in light of changes seen in the aforementioned indicators (e.g., the official unemployment rate, the percentage of persons with incomes below the Market Basket Measure, etc.).

Introduction

The COVID-19 pandemic has had profound implications for Canada's homelessness sector. Challenges have been created by the closure of both daytime services (e.g., drop-in centres) and public spaces offering access to washroom facilities (e.g., libraries). The pandemic has also created additional costs and operational pressures on supportive housing programs and emergency shelters, including for cleaning, personal protective equipment and increased staffing.

Across Canada, local officials in the homelessness sector have responded to the pandemic largely by creating more physical distancing at existing emergency shelters, opening new facilities, leasing hotel rooms, and creating facilities for both isolation and quarantine (Falvo, Forthcoming).

The Government of Canada has provided important financial assistance to the homelessness sector to support these efforts. Indeed, the Government of Canada's COVID-19 Economic Response Plan, announced on 18 March 2020, includes $157.5 million in one-time funding for Reaching Home, representing a 74% increase in Reaching Home funding for the 2020-21 fiscal year. In April 2020, revisions were also made to the Reaching Home Directives. For the first time ever, Employment and Social Development Canada (ESDC) now allows Reaching Home funds to cover health and medical services. Geographical restrictions were also relaxed, allowing Designated Communities to target some of their funding outside of their traditional catchment areas, especially if such a move was deemed likely to reduce the inflow of homelessness into the Designated Community in question (ESDC, 2020).

On 21 September 2020, the Government of Canada announced an additional $236.7 million for Reaching Home, in addition to $1 billion for modular housing, the acquisition of land, and the conversion of existing buildings into affordable housing.

It is important to underline, however, that all of these funding enhancements are one-time enhancements only, and that there has been no enhancement to *permanent* federal homelessness funding announced since the start of the pandemic.

In spite of progress made related to local needs, there is a looming challenge—namely, the anticipated increase in levels of absolute homelessness that may stem from the current economic recession. ESDC has therefore commissioned the present report, seeking to answer the following five questions:[2]

1. What does the literature tell us about increased levels of homelessness that will likely stem from the present recession?

2. How will the extraordinary set of policies implemented during the current situation (e.g., CERB, eviction bans, extra efforts to shelter persons experiencing homelessness, etc.) affect this recession differently than previous ones?

[2] These are abridged versions of the research questions. Full research questions can be found in Appendix 1.

3. What will be the likely impact of the present recession on funding for the homelessness sector?

4. What are some general types of policies that could be considered by Canada's federal government to offset anticipated increases in homelessness?

5. What indicators should ESDC use to identify risk factors, track trends and support projections for the demand for homelessness services?

The present report will begin by discussing the causes of homelessness. It will provide a brief overview of some of the major studies that have sought to shed light on what factors determine the rise and fall of the homeless population in a given community. This will include a discussion of unemployment and recessions. The lag effect—e.g., the time delay between a recession's onset and changes in the size of the homeless population—will be discussed, as will the mitigating role of various income support programs.

Various comparisons will then be made between the 2008-2009 Recession and the current COVID-19 Recession. This will include a consideration of the depth of the current recession in comparison to past ones, comparisons of the broad social policy responses to each recession, and fundraising comparisons.

The labour market impact of the current recession on specific populations will then be considered, followed by a discussion of possible indicators that can be tracked by ESDC.

The report will then discuss a major homelessness prevention initiative undertaken in the United States after the last recession. Finally, policy considerations for the federal, provincial and territorial governments will be outlined.

What causes homelessness?

Studies on causes of homelessness typically focus on either structural causes or individual-level causes. These two different types of studies answer two different types of questions: studies on structural causes answer questions about how much homelessness there is and what drives it, while individual-level studies are about which specific types of individuals are at highest risk of homelessness. Information from both types of study is useful to reflect upon.

In a review of the academic literature published about predictors of homelessness in the United States between 1970 and 2017, Giano et al. (2020) finds the following:

> Across all decades and studies, family instability predictors were most often cited (41), followed by mental illness (34), unemployment and poverty (33), substance use (31), unstable living arrangements (28), child maltreatment (20), social support (17), and crime (14) (Giano et al., 2020, p. 694).

Johnson et al. (2015) assess both structural factors and individual characteristics in the Australian context. Drawing from a panel of more than 100,000 homeless or at-risk individuals, they survey approximately 1,700 people every six months for three years. At the individual level, they find the following factors increase the likelihood of a person entering homelessness: being male; not having resident children; having poor social support; regular illicit drug use; and having previously experienced absolute homelessness. Several other factors have similarly large point estimates, but weak or insufficient statistical significance to be as conclusive: having low educational attainment; having recently lost one’s job; having recently experienced violence; having recently been incarcerated; higher alcohol consumption; and not being married. At the structural level, they find that high levels of unemployment and high median rent levels increase the probability of entering homelessness with very large effect sizes. In their preferred model, the probability of entering homelessness is 1.6 percentage points higher for every $100 of increase in the median rent and 1.0 percentage point higher for every percentage point increase in the unemployment rate.

Hanratty (2017) and Byrne et al. (2013) look at structural determinants of homelessness in the United States, each using approximately 400 communities with mostly consistent data provided via annual Point-in-Time counts. Byrne et al. find the following variables to increase the likelihood of homelessness in a community: high rent levels; a higher percentage of single-person households; a large percentage of households who have recently moved; low rates of homeownership; and a larger percentage of persons in the baby boomer cohort.[3] Examining the period from 2007 to 2014, when unemployment doubled and poverty increased by 23% across the United States, Hanratty finds that median rent levels and poverty rates[4] are positively

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[3] It also finds a larger percentage of Hispanic households to be associated with higher rates of homelessness. However, that factor may not be as relevant to Canada.

[4] Poverty as defined by the United States Census Bureau—i.e., a threshold set at three times the cost of a minimum food diet in 1963, adjusted for family size.

associated with homelessness. In other words, communities with higher rents and higher rates of poverty are more likely to see higher rates of homelessness.

These comprehensive national studies are instructive for the present exercise, as both the United States and Australia are viewed as having similar social welfare systems to Canada (Esping-Andersen, 1990; 1999). All three countries, relative to most other OECD countries, have relatively low levels of public social spending and relatively small subsidized housing sectors. In Canada it can be very challenging to find time series datasets that measure homelessness over many years, making it hard to undertake predictive work, particularly at the structural level.

In considering these studies, the following limitations should be taken into account:

Multicollinearity. Multicollinearity is a term used in statistics to describe the phenomenon whereby two independent variables have a strong relationship with each other (Studenmund, 2006). Indeed, many of the predictors cited in homelessness research are correlated with one another, making it very challenging to estimate the true strength of the relationship between each independent variable and the dependent variable—i.e., homelessness.

Ongoing interplay between independent variables. In a 2015 qualitative study on homelessness, Piat et al. find that predictors often interplay with each other over time, often exacerbating one another. For example, being a victim of child abuse or family violence exacerbates substance use. Likewise, mental health symptoms can contribute to losing friends and social support, which can then exacerbate substance use further (Piat et al., 2015).

Difficulty of measuring some factors. Empirical research relies on data for statistical analysis. However, some factors are hard to quantify. For example, it is not easy for researchers to integrate changes in bylaw enforcement over time into a statistical model. Nor is it easy to capture changes over time that relate to discharge practices from correctional facilities. Changes over time in the investment in day-time drop-in services are also hard to capture, especially when funding sources vary.

Jurisdictional variation. Each Canadian province, territory and municipality has unique factors that affect homelessness. For example, some cities have cheaper rental housing than others (Kneebone & Wilkins, 2016b), some cities have more sophisticated homelessness system-planning than others (Nichols & Doberstein, 2016) and some have stricter enforcement of rough sleeping than others (Chesnay et al., 2013). Further, income assistance systems vary across provinces and territories (Tweddle & Aldridge, 2019). Some provinces have better child protection services, while others have better discharge policies from correctional facilities than others. All of these differences are hard to capture in quantitative analysis and may affect the way in which broader conditions manifest at the local level.

Notwithstanding those caveats, the evidence presented above is the best available on the subject. We can immediately see that several of these factors may be affected by the pandemic: unemployment, poverty and rent levels being the obvious initial candidates.

Recessions, homelessness and the lag effect

This section of the report will provide an overview of the impact of recessions on homelessness, including a consideration of the lag effect.

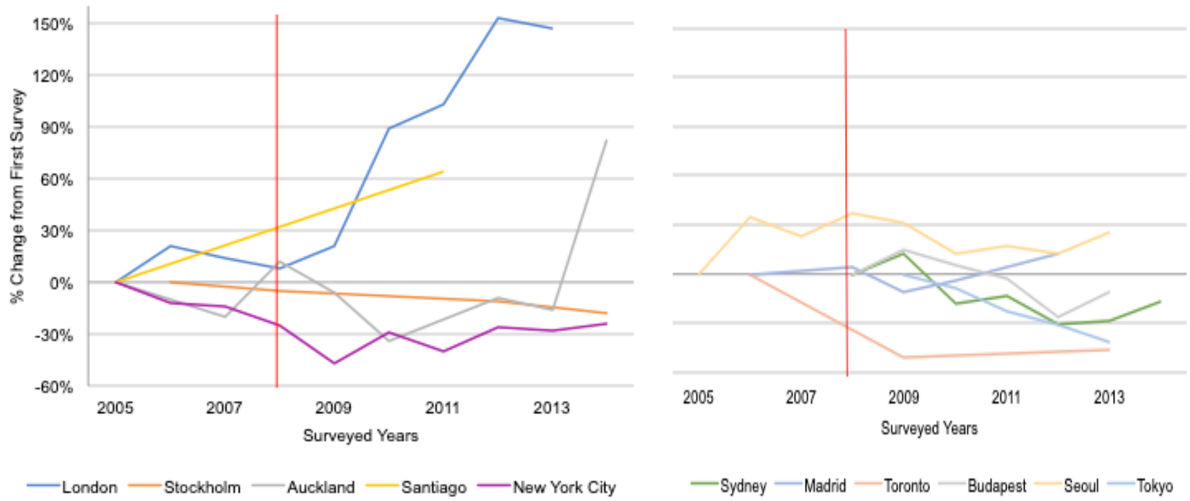
Writing in 2010, Falvo notes:

> The full impact of a recession takes many years to completely unfold and a recession's impact on households and communities is neither straightforward nor immediate. The homeless population of a given jurisdiction is one of the last groups to see a change after the onset of a recession, making homelessness the opposite of the proverbial canary in the mine shaft…Indeed, individuals resort to sleeping in a homeless shelter as an absolute last resort (Falvo, 2010, p. 1).

Reviewing the Canadian context following the recession of both the early 1990s and 2008-2009, Falvo (2010) finds evidence of a lag effect of up to five years. Bainbridge & Carrizales (2017) undertake a study of the impact of the 2008-2009 recession on homelessness across cities in 20 OECD countries, finding a lag of up to five years in London, Vienna, Berlin, Stockholm, Madrid and Auckland. However, not all cities showed the same pattern. A visual presentation of homelessness trends in 11 of these cities is presented Figure 1, and stand-alone visuals showing trends in individual cities are presented in Appendix 4 of the present report.[5]

[5] Two caveats are in order here. First, the methods of enumerating homelessness often changed during the time period under review. Second, other independent variables were not held constant for the study; rather, the observations are based on observable changes in each city's homeless population after the 2008-2009 recession.

Figure 1: Percentage Change in Unsheltered Homeless Surveys



Note. Data represent the percentage change in the number of rough sleepers over time in select cities, compared to their baseline. Red vertical lines represent start of recession. Data shared with the author by Jay Bainbridge.

A lag effect has also been found in the United States—specifically between the time of a home foreclosure and a household's experience with absolute homelessness. Faber (2019) finds that the rate of foreclosures in a given metropolitan area in a given year is correlated with the rate of absolute homelessness in that same metropolitan area the following year (after controlling for a variety of independent variables). This relationship is strongest among single adults without dependants and among rough sleepers (Faber, 2019).[6]

Many factors can help us understand this lack of clear pathways from higher unemployment to absolute homelessness. Indeed, when a person loses their job, they will not necessarily experience absolute homelessness at all—in a perfectly-designed income assistance system, this might never happen. Households will draw on their own accumulated financial and social resources (including help from family) to help prevent homelessness, and will likely attempt to draw on government-provided supports before experiencing absolute homelessness.
In Canada, such government-provided supports include Employment Insurance and social assistance (i.e., welfare). During the current pandemic, it has also included the Canada Emergency Response Benefit (CERB), to be discussed later in the present report.

The rental market also plays a potentially large role in delaying the onset of increases in homelessness. During recessions, rents tend to decrease and vacancies tend to increase, providing incentives for landlords to maintain tenancies and making it easier for individuals to find lower cost housing. As of June 2020, the median rent of new listings for one-bedroom apartments on one of the major apartment rental websites has fallen by 7% on a year-over-year basis (Myers,

[6] Having said that, the strength of the relationship was rather modest, with the study noting "a 1% increase in the number of foreclosures per 100 housing units is associated with a 0.05% increase in the number of total homeless individuals per 10,000 people…" (Faber, 2019, p. 600).

2020).[7] As the rental market recovers, individuals who have not managed to recover financially or socially may find themselves unable to maintain or secure housing.

Employment Insurance

Employment Insurance (EI) is a social insurance program that provides temporary benefits to Canadians who lose their jobs through no fault of their own (e.g., due to shortage of work, seasonal or mass lay-offs) and are actively seeking to find more work.[8] EI also provides special benefits to workers who need time off work as a result of specific circumstances (e.g., illness, pregnancy, caring for a newborn, caring for a family member, etc.). Workers receive EI benefits only if they have paid premiums into the program in the previous year (most employers automatically deduct EI premiums from worker pay) and meet various conditions—e.g., individuals must typically have worked 420-700 hours in the previous year. Self-employed workers may participate in EI and receive special benefits.

EI benefits typically consist of 55% of a worker's weekly earning each week, from 14 weeks up to a maximum of 45 weeks. The number of weeks a worker can receive benefits depends on factors such as: the official unemployment rate in the worker's local area; the amount of hours the worker has worked in the previous year; and the amount of time that has elapsed since their previous EI claim.

In the present context, most people transitioning from the CERB to EI will see a reduction in their benefits; however, many will see an increase. According to Macdonald (2020b):

> On average, the 811,000 people whose EI payment will be less than $500 a week will make only $312 a week. In other words, over three quarters of a million people will see their support drop by an average of almost $200 a week. For another 625,000 people, they'll make more on EI than the CERB as they were higher earners…There is an uneven distribution among people who will receive less on EI than they did on the CERB. In general, women fare worse. Of the women who are receiving the CERB but are already eligible for EI, 62% will see a drop in income support, but only half of men will receive less on EI. (Macdonald, 2020b).

Many people exhaust their EI benefits before applying for social assistance, where they face even greater vulnerability to absolute homelessness (largely due to social assistance benefit levels being lower than EI benefits).

It is worth noting that people with less labour market attachment tend to be less eligible for EI benefits. This is due to both the requirement of hours worked in the previous year and the fact that benefit levels are based on weekly earnings. Some people who have lost work due to the

[7] This is a national figure. There are large regional differences, and the methodology does not account for changes in the composition of listings.
[8] Léonard (2010) provides an excellent overview of Canada's EI system.

current recession therefore do not qualify for EI. Others may just qualify and then receive very little in the way of EI benefits.

Social assistance

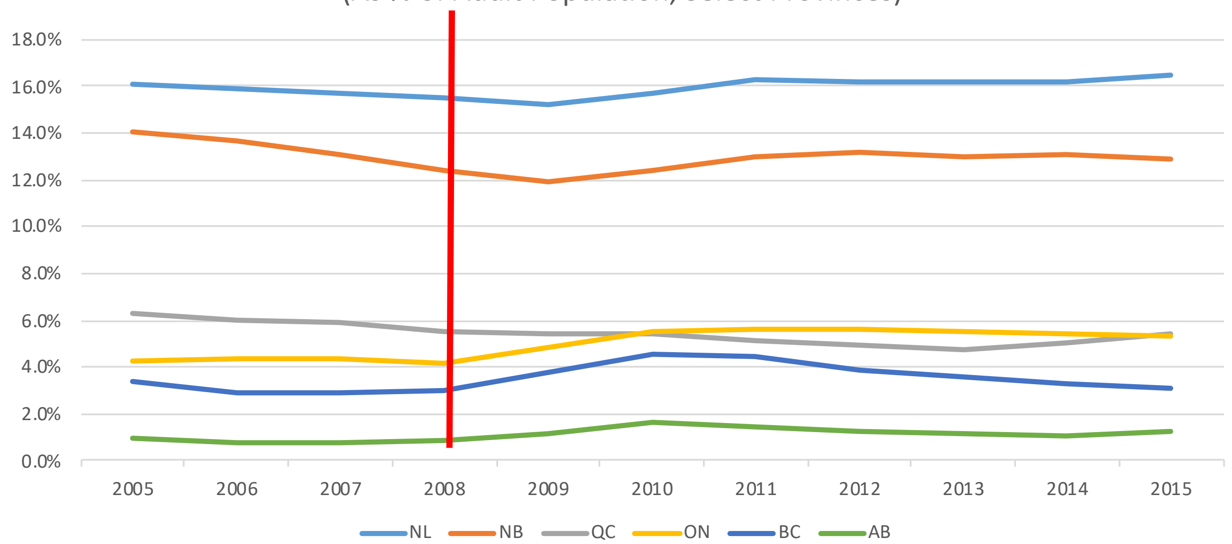
Social assistance is generally considered the income assistance system of last resort in Canada. Every Canadian province and territory has its own social assistance system—that is, its own legislation, its own regulations and its own policies. And First Nations typically administer an Income Assistance program that is fully funded by Indigenous Services Canada,[9] but very closely aligned with the mainstream social assistance system for the province or territory in question (Papillon, 2015).

Factors related to social assistance can also tell us about the propensity of recessions to increase homelessness and the inherent lag between the two phenomena. In Canada, social assistance benefit levels are considered inadequate (Tweddle & Aldridge, 2019). Once on social assistance, a person is likely to struggle paying for rent and other necessities, rendering them vulnerable to absolute homelessness. Kneebone and Wilkins (2016a) establish that Canadian jurisdictions with lower social assistance levels relative to housing costs have more shelter beds, implying more homelessness.

To better understand the lag effect between a recession's onset and changes to a community's homeless population, let us consider the case of single adults without dependants. Singles without dependants currently account for most of Canada's emergency shelter beds and we would expect employable persons to be those social assistance recipients most directly impacted by labour market shocks. Figure 2 shows caseload trends in select provinces for the 2005-2015 period inclusive, using a vertical red line to indicate the start of the 2008-2009 recession. While most provinces see an elevation in caseloads for single employable adults without dependants following the recession's onset, that elevation is not immediate.[10] Alberta and BC reach their peak year in terms of per-capita caseloads for single employable adults in 2010. Newfoundland and Labrador reach theirs in 2011. Ontario and New Brunswick reach theirs in 2012. Quebec shows no sign of a caseload increase in the years immediately following the recession, possibly due to the province's robust social welfare system (Van den Berg et al., 2017). One explanation for these inter-provincial discrepancies may lie in the fact that not all provincial economies enter and exit from recession at the same time; also, not all provinces suffer the same severity of recession.

[9] An exception is Ontario, where the provincial government is responsible for the administration of on-reserve income assistance (Papillon, 2015).
[10] Increases are modest compared to the 1991-1992 recession, when per capita caseloads in Ontario doubled. Stapleton (2009) explores the changes in social assistance that led it to absorb many fewer people in the 2008-2009 recession (and likely during the current recession, as well).

Figure 2: Single Employable Adults (No Dependants) on Social Assistance (As % of Adult Population, Select Provinces)



Notes. Social assistance caseload data represent the March caseload figure for the province and year in question. Caseload data were obtained by the author directly from provincial officials. Caseload data were not available for all provinces; they were available for *none* of the territories. Saskatchewan is not included because of an administrative change in 2013 that makes year-over-year comparisons challenging. Province-level population data were obtained from Statistics Canada, CANSIM Table 17-10-0060-01 (formerly CANSIM 051-0042). By "singles" I mean "Marital Status Single (not living common law)."

Considering that the onset of the 2008-2009 Recession in Canada was November 2008 (C.D. Howe Institute, 2012), these trends suggest a lag effect of up to four years from the start of a recession to the peak of social assistance caseload use.

In order to properly understand possible pathways for economically-vulnerable individuals, one must consider practices of social assistance officials related to both diversion and work requirements. These vary across provinces and territories and partially explain why caseload patterns are so different across jurisdictions.

Labour market factors. All other things equal, provinces and territories hit harder by the current recession will see more of their residents join the ranks of social assistance recipients (Falvo & Jadidzadeh, Forthcoming).

Generosity of benefits. All other things equal, provinces and territories with higher benefit levels will have more individuals on social assistance (Falvo & Jadidzadeh, Forthcoming). That is not to suggest that benefit levels should be made low; rather, it means that this known statistical relationship helps explain why caseload fluctuation shows different patterns both across provinces/territories and across time.

Social assistance diversion. In some provinces and territories, it is relatively easy to gain eligibility for social assistance; in others, it is more challenging (Berg & Gabel, 2015). Formal waiting periods, for example, would contribute to the lag effect between job loss and social assistance eligibility. In some cases, it may also increase the risk of the individual in question experiencing absolute homelessness (before gaining social assistance eligibility, for example).

Adequacy of benefits in relation to cost of living. Not only do social assistance benefit levels vary across Canada; so too does the cost of living. In a community where benefit levels come close to meeting the cost of living, recipients are less vulnerable to absolute homelessness. It is therefore useful to consider how social assistance benefit levels compare with the Market Basket Measure (MBM). With the MBM, Statistics Canada estimates the cost of a basket of goods and services they feel is sufficient for a standard of living between the poles of subsistence and social inclusion. Calculations are then made about how much such a basket costs (the cost of this basket has been estimated for 50 regions across Canada). The content of this basket is periodically adjusted and its value is adjusted each year for inflation. If you are poor according to the MBM, it is because experts believe you could not afford that basket of goods in your community. Social assistance benefits received by a couple with two children in Charlottetown represent 85% of the MBM. By contrast, social assistance benefit levels for a single employable adult receiving social assistance in Halifax represent just 39% of the MBM. [11] It is reasonable to suggest that where 'welfare incomes' represent a very small proportion of the MBM, the risk of homelessness among social assistance recipients is greatest (all other things equal).

Work requirements with sanctions. In some provinces—namely, Alberta, British Columbia, Nova Scotia and Ontario—social assistance recipients can have their benefits eliminated if they do not comply with work requirements. In the other provinces, such severe sanctions do not exist (Berg & Gabel, 2015). Several studies have found such sanctions to be associated with reduced social assistance caseloads (Berg & Gabel, 2010; Berg & Gabel, 2013; Berg & Gabel, 2015; Kneebone & White, 2009). However, some caution is in order when considering such policy measures. Indeed, very little publicly-available research has been carried out that assesses the broader impact of such work requirements. It would be reasonable to hypothesize that such measures may increase the likelihood of homelessness.

Asset and income rules. In every province and territory, eligibility for social assistance is determined in part based on a needs test which takes into account a household's financial assets and income. To be deemed eligible for social assistance, a household's assets must fall below a certain threshold. Asset tests consider how much cash a household currently has, as well as their investments. Other assets—such as primary residence, primary vehicle, and items needed for employment—are typically exempt. Once a household has passed the asset test, certain aspects of a household's income are then assessed, and some are exempt. Some employment earnings, for example, are typically exempt from the income test (Tweddle & Aldridge, 2019). All of these rules vary by jurisdiction, affecting both how long it takes to become eligible for social assistance. Some of these rules may have the effect of deterring an application altogether.

[11] For more on the MBM, see Heisz (2019). And for more on how social assistance benefit levels compare with the MBM across Canada, see Tweddle and Aldridge (2019).

Other factors

Factors not directly related to social assistance also help explain the lag effect between onset of a recession and changes to the size of a community's homeless population. One such factor is the use of food banks, and the other is shelter diversion.

Food banks. If a household has easy access to one or more food banks, then should they experience loss of employment, they may be able to hold on to their housing by re-routing part of their food budget to their rent. It is worth noting that, after the 2008-2009 Recession, food bank use in Canada increased substantially (Food Banks Canada, 2014). Easy access to food banks may therefore increase the length of time from job loss to homelessness onset.

Child benefits. In the case of households with children, the role of child benefits must be considered. The 2016 federal budget created the Canada Child Benefit (CCB), which resulted in increased federal spending on child benefits—they were made more generous for low- and middle-income households, and less generous for higher-income households. With the CCB, Canadian households can receive up to $6,765/year for each child under the age of six, and $5,708/year for each child between the ages of six and 17 (those maximum benefit levels apply to households earning less than $30,000 annually). In its 2017 Fall Economic Statement, the Government of Canada announced that it would be indexing federal child benefits to inflation. The benefit levels increase as households see an erosion of their income. In addition to federal benefits, some provincial and territorial governments have their own child benefit programs, most of which are means-tested (i.e., benefit levels increase as the household's income decreases). All of these child benefits therefore tend to 'ramp up' after a loss of employment income, which can slow a household's loss of housing during a recession. This can slow down or even prevent absolute homelessness altogether for households with children.

Shelter diversion as a shock absorber. One mechanism that may also slow the flow of a person from economic vulnerability into homelessness is shelter diversion, an organized process that in principle discourages the over-use of emergency shelters. With diversion, before gaining entry into an emergency shelter for the first time, an individual (or household head) must phone a telephone line and answer a series of questions, essentially asking the question: "Are there other safe places you could go aside from an emergency shelter, and can we help you access those other options?" This may, for instance, entail connecting a youth with a grandparent they have not spoken to in a while (Falvo, 2020).

The Region of Waterloo has had such a system in place for families since roughly 2015, for youth since 2018, and for singles since 2019. Staff who take the phone calls in the Region have access to funding for both transportation and food vouchers. They can arrange one-way plane tickets and bus trips to other communities (Falvo, 2020). St. John's (Newfoundland and Labrador) also has a shelter diversion system administered by provincial officials (Falvo, 2019). Hamilton, Ottawa and Toronto all have telephone diversion systems for families, but not for singles. A formal telephone diversion system does not exist in Calgary,[12] Montreal, Quebec City, Regina, Saskatoon, Winnipeg, Vancouver or Yellowknife.

The challenge of measuring homelessness in Canada

In addition to mitigating factors discussed in the previous section, being able to measure the rise and fall of homelessness in Canada is challenging. Point-in-Time (PIT) Counts happen only once every two years; some cities have just begun to undertake them in recent years; and small communities (including most First Nations communities) typically to not undertake them at all. Among communities that have conducted PIT Counts, each community has used its own methodological approach, and that methodological approach often changes from year to year; all of this can impact or skew a count. Differences across jurisdictions have included the time of year the count is conducted, the time of day the count happens, the people that are included as 'homeless,' weather conditions during the count, and changes in the locations within a city where people experiencing homelessness are known to sleep without interference from law enforcement.

In light of these many methodological challenges, it is perhaps not surprising that PIT Count results do not suggest a clear indication of rising homelessness after the 2008-2009 Recession. PIT Count data suggest that Toronto saw no substantial increase in homelessness between 2009 and 2013 (City of Toronto, 2018). Montreal's first PIT Count did not take place until 2015 (Latimer et al., 2015). Vancouver PIT Count results suggest an elevation in aggregate levels of absolute homelessness beginning in 2014, driven exclusively by a rise in the unsheltered (i.e., rough sleeping) homeless population, which may or may not be attributable to the 2008-2009 recession (Urban Matters CCC & BC Non-Profit Housing Association, 2018).[13] Calgary saw a slight decrease in homelessness after the 2008-2009 recession (Kalmanovitch et al., 2018), while Edmonton saw a fairly steady decrease in homelessness between its 2008 PIT Count and its 2016 PIT Count (Homeward Trust Edmonton, 2016). Of these cities, only Vancouver's public reporting provides a breakdown of the sheltered vs. unsheltered homeless population over time.

Shelter data might tell a different story, but three caveats are worth noting. First, such data at the city level may only be available for some of Canada's larger cities. Second, occupancy of shelter beds does not capture rough sleepers. And third, using changes in shelter bed occupancy over time as a gauge of homelessness assumes that new beds open in response to increased demand.

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[12] As a response to COVID-19, a pilot project has begun in Calgary whereby $800,000 of Reaching Home funds have been earmarked for diversion for Indigenous persons affected by COVID-19. The program's goal has been to divert these individuals away from the emergency shelter system. This initiative, administered by the Aboriginal Standing Committee on Housing and Homelessness, is for singles, couples and families; eligible participants must be 18 years of age or older.

[13] It is worth noting that, according to PIT Count results, Vancouver's unsheltered homeless population has seen wild fluctuation over time (Urban Matters CCC & BC Non-Profit Housing Association, 2018).

Put differently, the same data limitations that have made it challenging for Canadian researchers to undertake quantitative work on homelessness over time also make it challenging for the present analysis to assess fluctuations in homelessness after the 2008-2009 recession.

Taking stock

Prior to a recession, some households are already close to the edge, teetering on the loss of housing and absolute homelessness. The effect of a recession for them may be immediate, tipping them into absolute homelessness within months. However, the deeper and longer a recession, the more households will deplete resources and be tipped in, absent interventions to keep that from happening.

The purpose of this section was to outline some of the many 'shock absorbers' in Canada that mitigate the impact of rising unemployment on absolute homelessness; it focused on those related to social assistance (i.e., welfare), often considered a household's last-resort before absolute homelessness. While this is not a complete list, it does provide a glimpse of some of the many features of Canada's social welfare system that can cushion the blow of a recession and subsequently reduce or delay entries into absolute homelessness. We should reflect on these features when asking questions such as:

- Why wasn't there a large visible spike in homelessness after the last recession?
- Why haven't we seen rising homelessness yet?
- Why might there be rising homelessness in one city but not another?
- What are some factors outside of the direct control of homelessness officials that can influence homelessness numbers?

Comparisons with the 2008-2009 Recession

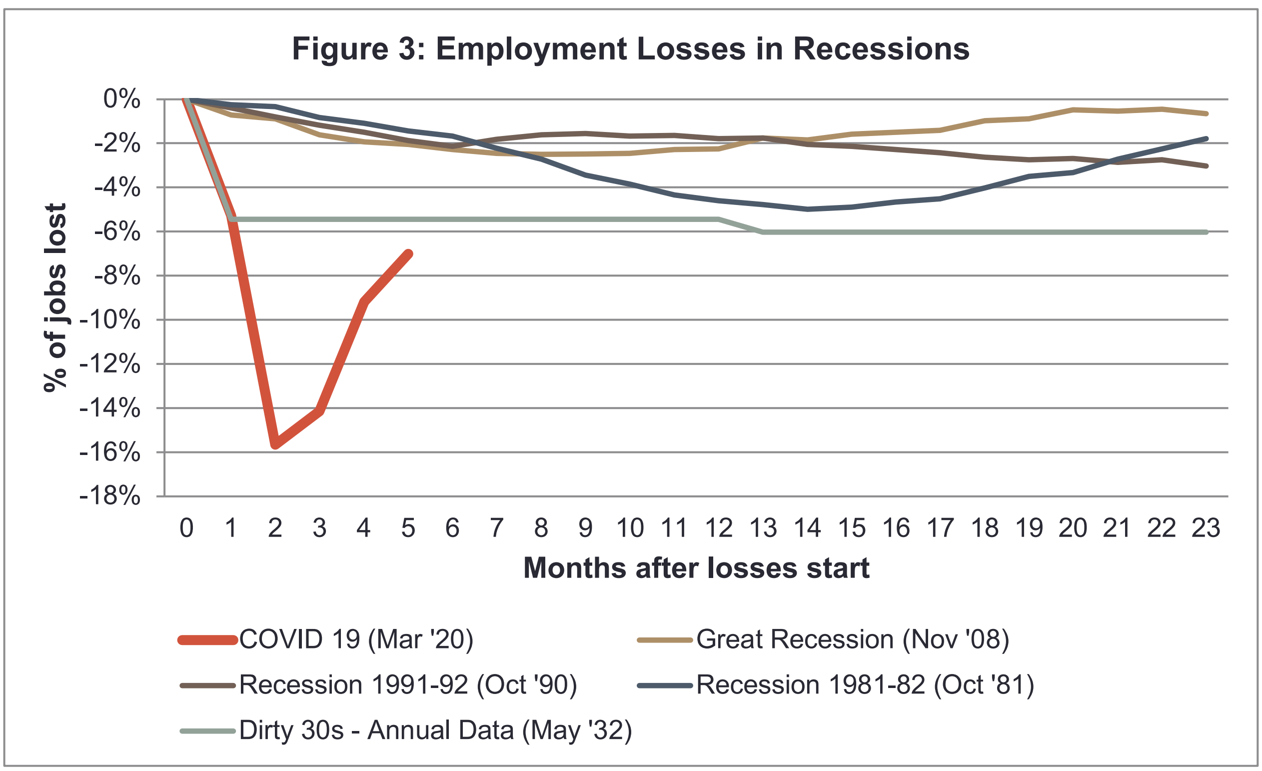
In anticipating the current recession's likely impact on homelessness, observers will be tempted to compare current events with those that transpired during the 2008-2009 Recession. Having said that, the present recession appears to be unfolding like no other. Speaking at a virtual 'town hall' in June 2020, Macdonald noted:

> The job losses during the Great Recession of 2008-09 were a garden party compared to what has happened since March 2020…By May 27, 2020, 43 per cent of everyone working in February had received the federal government's emergency benefit (Macdonald, 2020a).

Speaking at the same event, Bonen noted:

> The economic impacts of the COVID-19 crisis are still unfolding, but it is already clear that the speed and magnitude of job losses are entirely without precedent in Canadian history…In just two months, three million jobs were lost across Canada – representing a decline of 16 per cent…[T]hat's more than twice the number of jobs lost through the previous three recessions combined…(Bonen, 2020).

Having said that, as can be seen in Figure 3, this has been followed by a rather sharp increase in employment since May (though employment is still much below its pre-COVID level).



Notes. Calculations made by David Macdonald with unemployment data from Statistics Canada's Labour Force Survey, up to and including July 2020 (Table: 14-10-0287-01, formerly CANSIM 282-0087).

In sum, the COVID-19 Recession is unlike any other recession in Canadian history. Relative to past recessions, employment during the COVID-19 Recession dropped very suddenly and is now also rebounding very quickly. Also, because the pandemic is global, there have been restrictions on movements of people and goods between countries, and other countries have also suffered a recession because their governments have imposed measures to slow the spread of the virus. Canada's recovery will therefore depend upon how/when the restrictions on movement between countries are lifted, and how/when the economies of our trading partners recover.

We must therefore be both cautious and thoughtful about what lessons we try to take from past recessions.

Social policy responses to the 2008-2009 Recession

Canada's 2009-2010 federal budget was tabled in January 2009. It announced the federal government's intent to extend the duration of Employment Insurance (EI) benefits by five weeks, to a maximum of 50 weeks. The budget also announced the federal government's intent to increase spending on training for an additional 10,000 workers, to be financed by the EI fund at a cost of $2 billion over a two-year period. In order to speed up the receipt of new EI benefit payments, the federal government also committed to spending $60 million to hire additional workers to process new claims (Department of Finance, 2009).

The federal budget included affordable housing funding consisting of $1 billion for social housing repair and $475 million for new affordable housing for seniors and disabled persons. This funding, like much of the other funding announced in the budget, required matching funding from provinces and territories; it also needed to be spent by the end of 2010/11 (Falvo, 2010).

Each provincial and territorial government responded differently to the 2008-2009 recession. It is worth noting that leveraged provincial and territorial responses collectively amounted to less than half the scale of the federal response. Over fiscal years 2009-10, 2010-11 and 2011-12 combined, total federal stimulus measures amounted to more than $45 billion, while total leveraged provincial and territorial stimulus actions over the same period amounted to just over $18 billion (Department of Finance, 2012). Further detail is provided in Table 1.

Table 1
Stimulus funding after 2008-2009 recession
Millions of dollars

	2009-10	2010-11	2011-12	Total
Total federal stimulus measures	24,918	19,140	1,301	45,359
Leveraged provincial and territorial actions	8,553	7,679	2,164	18,395
Total stimulus	33,471	26,819	3,465	63,755

Source. Department of Finance. (2012). *Jobs, growth and long-term prosperity: Economic Action Plan 2012*. Retrieved from Government of Canada website: https://www.budget.gc.ca/
Note. This is a modified version of Table A2.2 from the budget document.

A brief consideration of policy responses from Canada's most populous province (Ontario) is illustrative. In part due to the federal budget stipulation that most of its stimulus funding had to be matched by other orders of government, the Ontario budget of March 2009 announced both significant spending increases and permanent tax cuts. The tax cuts included a reduction in Ontario's corporate tax rate from 14% to 10%. Spending increases included a near doubling of the Ontario Child Benefit—from a maximum annual amount of approximately $600 per child to a maximum of approximately $1,100 per child, beginning in July 2009—and $5 million in annual funding for municipalities to operate rent banks (Ontario Ministry of Finance, 2009).

Social policy responses to the COVID-19 Recession

Across Canada, governments quickly implemented a range of emergency support measures to the economic downturn caused by the COVID-19 pandemic; these measures were of a financial magnitude and range never seen before as a response to a Canadian recession. They have included income support, wage supports and loans for business, rental assistance (both commercial and residential), prohibitions against evictions, mortgage payment deferrals, and extraordinary monetary policies to keep interest rates low and ensure that businesses can borrow money. Most of these measures were intended to be of short-term duration; many have already started to wind down. This section of the report will provide an overview of some of the policy measures deemed to be of greatest relevance to homelessness. A more fulsome overview has been provided by Gosselin et al. (Forthcoming).

EI measures were an initial part of the federal government's social policy response to the COVID-19 Recession. This includes the acceleration of EI sickness benefits for workers who were either in quarantine or required to self-isolate. In the case of workers who had been directed to self-isolate but did not qualify for EI, several provincial governments implemented temporary income assistance programs intended to last until such time that temporary federal measures were enhanced more fully. On 18 March 2020, two new emergency income support programs were announced by the Government of Canada, namely the Emergency Care Benefit and Emergency Support Benefit. In discussing these two new measures, Gosselin et al. note:

> The first was intended for workers who were sick, quarantined or who had to stay home to care for a family member and it provided $450 a week, for up to 15 weeks. The second targeted non-EI-eligible workers facing unemployment as a result of the pandemic; its parameters were to be comparable to those of EI (Gosselin et al., Forthcoming, p. 2).

The maximum annual amount of the Goods and Services Tax credit was doubled, resulting in 1.5 million additional beneficiaries. Households eligible for the Canada Child Benefit (CCB) were granted an additional $300 per child per month. One-time increases in transfers to low and modest-income households were also announced in some provinces (Gosselin et al., Forthcoming).

On 25 March 2020, the Government of Canada launched the Canada Emergency Response Benefit (CERB). Administered by Canada Revenue Agency, CERB provides a taxable amount of

$500 per week per recipient, up to a maximum of 16 weeks to eligible workers who had stopped working for reasons related to COVID-19 (this was later extended to 24 weeks). As of 26 July 2020, more than 8 million Canadians (i.e., unique individuals) had applied for the CERB and nearly $63 billion in CERB benefits had been paid (Government of Canada, 2020).

Discussing CERB in a mid-July commentary piece, Robson (2020) notes:

> The program has proven to be by far the largest direct spending initiative in the federal government's COVID-19 response and has already paid out more than $50 billion. That's more than twice the amount the government projected in early April and more than 3.5 times the amount the government's original plan for emergency income support was expected to cost. The July fiscal update has suggested the final cost will be a little over $80 billion (Robson, 2020).

In May 2020, the Government of Canada announced a $300 tax-free one-time payment to seniors receiving Old Age Security, plus an additional $200 one-time benefit for seniors receiving the Guaranteed Income Supplement (Office of the Prime Minister, 2020).

Table 2 provides a sense of scale of the various initiatives implemented by both the federal and provincial governments.

Table 2: Summary of Canadian measures to support individuals during COVID-19

	Emergency support	*For eligible families or individuals*	*For students*	*For the elderly*	*For essential workers*	*Rental assistance*
Federal	CERB: $60B CEWS: $45B (via employers)	CCB: $1.9B GST: $5.5B	Existing loans: $0.2B CESB: $5.3B Canadian loans: $1.9B Grants: $0.9B Youth employment: $0.7B	RRIF: $0.5B OAS/GIS: $2.5B	$3B	
BC	Emergency Benefit for Workers	Climate Action Crisis Supplement Special Needs	Existing loans	Crisis Supplement	X	Rental Supplement
AB	$91M		Existing loans		X	
SK	$10M		Existing loans: $4M		$56M	

			Emergency support: $1M			
MB			Existing loans	$45M		
ON		$300M	Existing Loans	$75M	X	
QC	$14.5M		Existing loans: $48M	RRIF	IPREW: $890M Agricultural: $45M	SHQ Temporary housing
NB	$4.5M		Existing loans Emergency support			
NS	Bridge Fund: $20M	$2.2M	Existing loans		$13M	
PE	Income Relief Income Support Special Situations: $1M		Existing loans Farm Team		$17M	$1M
NL			Existing loans			

Note. This is a modified version of Table 4 from Gosselin et al. (Forthcoming).

Provincial and territorial governments implemented various measures to support renters and limit or ban evictions. These measures are summarized in Table 3.

Table 3: COVID-related provisions for renters across Canadian provinces and territories

Province / Territory	*Measure*	*End of eviction ban*
AB	Some restrictions on rent increases, penalties for late payment of rent and termination notices. More information: www.alberta.ca/rental-evictions.aspx	April 30, 2020
BC	Introduction of the Temporary Rental Supplement Program, providing $500 per month for up to four months to landlords with tenants who cannot pay rent due to pandemic. Evictions suspended, with some exceptions (e.g., health and safety). No rent increases allowed during pandemic. More information: news.gov.bc.ca/releases/2020MAH0048-000561	Unknown
MB	Rent increases temporarily frozen. Prohibition of late fees for non-payment of rent. New restrictions in place with respect to landlords issuing notices of termination. All non-urgent eviction hearings temporarily suspended. More information: www.gov.mb.ca/cca/rtb/covid19.html	September 30, 2020
NB	Suspension of all evictions of tenants who are unable to pay rent because of income loss due to pandemic. More information: www2.gnb.ca/content/gnb/en/news/news_release.2020.03.0139.html	May 31, 2020
NL	Legislative amendment introduced to ensure tenants cannot be evicted for non-payment of rent if they have lost income resulting from pandemic. More information: www.gov.nl.ca/releases/2020/exec/0326n03/	N.A.
NS	Tenants cannot be evicted for non-payment of rent if their income has been impacted by pandemic. More information: novascotia.ca/news/release/?id=20200319004	June 30, 2020
NT	Public housing tenants can defer rent payments until a later date. Restrictions also placed on eviction of tenants from public housing (tenants can only be evicted if they pose a serious health and safety risk). Some NWT residents eligible for one-time emergency financial aid ($500 for a single adult, and $1,000 for households with two or more people). More information: www.gov.nt.ca/covid-19/en/services/financial-support/housing-rent-supports	N.A.

NU	No specific provisions.	N.A.
ON	No new eviction notices to be issued. Enforcement of scheduled evictions postponed. More information: www.sjto.gov.on.ca/en/latest-news/	July 30, 200
PE	Moratorium on evictions from provincially-owned social housing units until June 2020. Eviction orders suspended until courts can resume regular operations. Temporary Rental Assistance Benefit for residents who have been laid off or are facing financial hardships due to pandemic and who are not eligible for existing rental programs or social assistance. Benefit provides up to $250 per month per eligible household, paid directly to landlord. More information: www.princeedwardisland.ca/en/information/social-development-and-housing/covid-19-supports-renters-and-landlords	Unknown
QC	Eviction hearings suspended for tenants who cannot pay rent due to pandemic. Suspension in place for as long as the province is under a public health emergency. Temporary, interest-free loan program introduced for tenants in arrears (maximum loan amount is $1,500, and loan amount is paid directly to landlord). More information: www.rdl.gouv.qc.ca/en	Unknown
SK	Eviction applications will not be accepted for missed or late rent. Cancellation of eviction orders and previously-scheduled hearings for non-urgent matters. More information: www.saskatchewan.ca/government/news-and-media/2020/march/26/evictions-suspended	Unknown
YT	Landlords banned from evicting tenants who cannot pay rent due to self-isolation or due to lost work due to pandemic. Tenants allowed to pay rent late. Tenants allowed to end tenancy early and without penalty. Tenants and landlords who have lost income during COVID-19 pandemic are eligible for new COVID-19 Rent Assist program. Benefit is paid directly to landlords on behalf of tenants. More information: yukon.ca/en/news/tenants-continue-receive-protection-during-covid-19-pandemic	June 30, 2020

Notes. This is a modified version of a table made by the Canada Mortgage and Housing Corporation (CMHC, 2020).

Across Canada, local officials in the homelessness sector have responded to the pandemic largely by creating more physical distancing at existing emergency shelters, opening new facilities, leasing hotel rooms, and creating facilities for both isolation and quarantine (Falvo, Forthcoming). The Government of Canada has provided important financial assistance to support these efforts. Indeed, the Government of Canada's COVID-19 Economic Response Plan, announced on 18 March 2020, includes $157.5 million in one-time funding for Reaching Home, representing a 74% increase in Reaching Home funding for the 2020-21 fiscal year. In April 2020, revisions were also made to the Reaching Home Directives. For the first time ever, ESDC now allows Reaching Home funds to cover health and medical services. Geographical restrictions were also relaxed, allowing Designated Communities to target some of their funding outside of their traditional catchment areas, especially if such a move was deemed likely to reduce the inflow of homelessness into the Designated Community in question (ESDC, 2020).

On 21 September 2020, the Government of Canada announced an additional $236.7 million for Reaching Home, in addition to $1 billion for modular housing, the acquisition of land, and the conversion of existing buildings into affordable housing.

It is important to note that all of the above Reaching Home funding enhancements are one-time enhancements only, and that there has been no enhancement to *permanent* federal homelessness funding announced since the start of the pandemic.

While these developments have been generally welcomed by homelessness officials across Canada, it is not known how the next six to 12 months will unfold. Many emergency shelters, for example, may operate at reduced capacity in order to create more physical distancing than was available before the pandemic. Thus, as homelessness officials transition out of the COVID-19 emergency phase (e.g., the temporary use of hotels), it is not known where individuals will go. What happens to an emergency shelter system that has less capacity than previously? Where will people go?[14]

Fundraising after the 2008-2009 Recession

Government funding is very important for Canada's homelessness sector, but so too is fundraising from private individuals, the corporate sector and charitable foundations.

Fundraising across Canada's charitable sector saw a modest dip after the 2008-2009 recession. According to Finance Canada data, $7.7 billion was donated to Canada's charities and organizations during both the 2007 calendar year and 2008 calendar year respectively. In 2009, this dipped to $7.4 billion before recovering to $7.9 billion during the 2010 calendar year (Rajotte, 2013). When adjusting for inflation, this amounts to a modest decline of 1.8% over the 2007-2010 period. However, it is important to distinguish between donations to the charitable section as a whole versus donations to the charitable organizations in the homelessness sector specifically.

[14] Falvo (Forthcoming) addresses these and related questions.

While no national-level analysis is available with respect to fundraising in Canada's homelessness sector, 10 well-placed key informants were interviewed for the present report, representing non-profit organizations of various sizes. The smallest had just seven full-time equivalent employees (FTEs) and an annual operating budget of $1.5 million, while the largest had approximately 500 FTEs and an annual operating budget of approximately $50 million.[15] Individuals interviewed offered a mix of fundraising experiences during the 2008-2009 Recession. Not surprisingly, several informants indicated that fundraising at their organizations took a hit, with one organization (60 FTEs; annual operating budget of $12M) seeing a 15% reduction in fundraising in the year following the recession. Those indicating that their organizations saw a loss typically indicated that it was donations from both corporations and private individuals that saw the most noticeable decrease.

Key informants reported that corporations typically got nervous in the initial months after the recession. An interviewee with a large organization (300 FTEs; annual operating budget of $40M) noted: "Corporate reacted quickly and conservatively. All of their marketing and promotions were shut down. Their philanthropic activities shut down afterwards."

Several key informants noted that private individuals, meanwhile, saw decreases in their own private investments, making them less able to make donations.

Those organizations that did see a decrease typically reported that their fundraising rebounded within 12-18 months of the recession; however, two small organizations considered in the present report did not recover until approximately four years later—each had fewer than 80 FTEs and an operating budget of less than $7 million. Neither of these organizations were devoting a lot of resources to fundraising when the last recession hit (e.g., neither had a full-time fundraiser at the time).

Other organizations reported either no changes, smaller changes (5% in one case) or changes that could not necessarily be attributed to the recession.

Two key informants from the youth sector reported that fundraising at their organizations *increased* after the 2008-2009 Recession. One key informant from the youth sector noted:

> We had our best year ever. I found that donors stopped giving to charities they deemed to be non-essential (e.g. arts, recreation, sports, environment). But organizations providing services deemed essential—homelessness, for example—did better.

The same key informant noted that their organization's fundraising probably increased 10-20% in the year following the 2008-2009 Recession, while also adding: "This doesn't happen automatically. You have to be nimble, get creative and act on new ideas to make this happen. We had a compelling case: homeless youth."

[15] For more information on the interviews, see Appendix 2 of the present report.

In short, the impact of the 2008-2009 Recession on fundraising in the homelessness sector was mixed. Youth-focused organizations considered in the present report did relatively well, while others typically lost some private donations. Larger organizations with more fundraising staff appeared to recover more quickly, while smaller organizations without a sophisticated team of fundraisers appear to have struggled.

Fundraising after the COVID-19 Recession

Key informants indicated a range of different ways Canada's homelessness sector has been impacted by the current recession. Several organizations, for example, have seen an improvement in fundraising due to the public health crisis.

One organization (130 FTEs; annual operating budget of $11M) is on track for a 10% improvement in fundraising this year as a result of the pandemic (keeping in mind that that organization has been very vocal in the local media about the pandemic's impact on persons experiencing homelessness). These increases have come from both foundations and private individuals.

One key informant (300 FTEs; annual operating budget of $40M) stated: "Our overall fundraising revenue is up because we can clearly demonstrate an urgent need that affects everyone in the city…Our current trend would suggest a 25-50% increase over anticipated revenue." But the same key informant indicates that giving during the pandemic varies by corporate sector, noting that the "financial sector and telecommunications sector are doing well." The same key informant also indicated that subsectors of the charitable sector are reacting differently as well: "Family foundations have increased their funding. They can change their internal policies on the fly, allowing them to dig into their capital reserves (and step up in light of the crisis)."

However, several organizations have seen a drop in fundraising in recent months, mostly due to decreased giving from private individuals.

One difference between fundraising now versus the 2008-2009 Recession pertains to the holding of events that bring together large numbers of people. One key informant (500 FTEs; annual operating budget of $47M) noted:

> Anything that has an event to it (e.g., an 'a-thon,' a gala, an auction, etc.) is toast. We cannot get crowds together. Even golf tournaments cannot happen until August 2020. Groups of people cannot come together. There've been virtual events, but even those have been abysmal for us.

Another (500 FTEs; annual operating budget of $50M) added:

> You can't bring people together in this recession. You can't organize events. So now we have to get more creative. Admittedly, events aren't always money-makers as much as

> they're 'friend makers.' The formal pitch for a donation often comes later. But crucial relationships get created at the event.

Not all key informants expressed the same level of frustration with such restrictions. One (200 FTEs; annual operating budget of $13M) noted:

> We have a well-established foundation now, whereas we had no fundraising plan after the last recession. I think we may be OK even though we can't bring people together. Some donors are getting tired of going to galas anyway—they're crunched for time, too. With our recent COVID-related ask, it was a simple email that brought in over $100,000 in a few days.

Another key informant (300 FTEs; annual operating budget of $40M) noted:

> It's true we can't bring people together physically, but we've adapted to that reality. Our organization typically holds two large public events every year; but we're modifying them and don't anticipate a loss for either event. For example, we took our annual walk online this year. And for our November event, we'll have small dinner parties instead of a large public gathering. People will host dinner parties in their home. You get a box of dinner delivered to your home.

The same key informant noted that the fundraising sector in general has changed since the last recession, stating: "There's more competition from 'side hustles' now (e.g., GoFundMe for one-off contributions). This negatively impacts our sector. In other words, there's competition now from outside the charitable world."

Reductions in fundraising dollars would likely impact specific non-profits differently, keeping in mind that non-profits in Canada's homeless-serving sector use fundraising dollars for different purposes. Several key informants stated that the specific impact would depend on the following four factors: 1) the amount of the reduction; 2) the depth of their organization's reserve funds; 3) whether the non-profit anticipated recovering those funds in the near future; and 4) how long their organization anticipated the decrease to continue. The deeper and longer the drop in fundraising, the more non-profits would have to consider closing programs altogether and selling properties.

Taking stock

This section has provided an overview of some of the differences between the 2008-2009 Recession and the COVID-19 Recession. It is useful to now consider how the recent measures will affect the current situation.

A remarkable feature of the current recession is its depth, as is illustrated in Figure 3 above. Never in the past century has Canada's employment rate dropped so much so quickly. It is therefore both logical and appropriate that Canada's federal government, with support from other orders of government and non-profit organizations, has responded in an equally unprecedented way. Put differently, the "Great Recession" in 2008-2009 was relatively mild, and social policy responses were fairly modest, in comparison to the COVID-19 Recession and unprecedented social policy measures enacted in response.

In light of the aforementioned factors that impact homelessness onset (making it a non-linear experience) it is very difficult to estimate the extent to which homelessness will rise or fall across Canada. Much will depend on three factors: 1) Canada's labour market performance over the next several years; 2) which social policies are extended, and which new ones might be introduced; and 3) the extent to which fundraising by non-profit organizations is able to keep pace with pre-recession levels.

Specific populations

Though we are still in the midst of the COVID-19 Recession, it is important to assess which populations have borne the greatest brunt of labour market changes.

Young people. Recent analysis of the current recession's impact on the Canadian labour market has found that younger workers have been hit especially hard. Béland et al. (2020) reach this finding for workers aged 15-34, Lemieux et al. (2020) for workers aged 20-29, and Statistics Canada (2020a) for workers aged 15-24.

Women. Statistics Canada (2020a) finds the current recession to have affected women especially hard. And Lemieux et al. (2020) find the labour market impact of COVID-19 on women without children to be larger than on those with children.

Non-married adults. Béland et al. (2020) find that the current recession has had especially strong labour market impacts on workers who are not married (Béland et al., 2020). This may stem from the fact that non-married individuals are less likely to be living with another adult who can share living costs in the event of a job loss. Having said that, it may be challenging to design policy interventions targeted directly at non-married individuals; and it may be that being non-married is simply correlated with other factors that are the main drivers of this group's recent labour market challenges.

Adults without high school. Béland et al. (2020) find workers without high school accreditation to be struggling through the current recession (Béland et al., 2020). This is intuitive, as lacking such accreditation makes workers more vulnerable in the job market.

Specific communities. Some communities have been more adversely affected by the current recession than others. Between June 2019 and June 2020, for example, the official unemployment had more than quadrupled in Quebec City, while for several other cities, it had not even doubled (Statistics Canada, 2020b).

Specific occupations. The current recession has also impacted workers from specific industries more than others. This is discussed in both Lemieux et al. (2020) and Statistics Canada (2020a).

There is also the matter of which household groups would likely have the most trouble coping with job loss. Prior to the current recession, Messacar and Morisette (2020) had identified specific household groups as facing higher levels of financial vulnerability. For example, they identified that, in the event of a short period of unemployment, 56% of single mothers would be at-risk of not being able to make ends meet even after selling their liquid assets and using other private sources of income. The figure for recent immigrants—i.e., persons who had immigrated to Canada within the previous five years—was 50%, and the figure for families headed by an Indigenous person was 47%. By contrast, the figure for Canadian households as a whole was just 26% (Messacar & Morisette, 2020).

Indicators to track

The report will now suggest indicators that ESDC should track. Such indicators could be used to identify risk factors, track trends and support projections for the demand for homelessness services across Canada. They are outlined in Table 4.

Table 4: Suggested indicators for ESDC to track

Topic	*Indicator*	*Notes*
Labour force	Official unemployment rate – StatCan (source link)	Emphasis should be placed on how it has changed since the start of the pandemic, and how this change varies across communities (i.e., cities) and subpopulations (e.g., women, youth, etc.). All other things equal, higher unemployment is a precursor to higher levels of homelessness.
Poverty	% of persons with incomes below MBM – StatCan (source link) % of persons with incomes below 75% of MBM – StatCan (source link)	Emphasis should be placed on how it has changed since the start of the pandemic, and how this change varies across communities (i.e., cities) and subpopulations (e.g., women, youth, etc.). In addition to tracking the percentage of the population falling under the MBM, ESDC should track the percentage of the population falling below 75% of the MBM. This is the threshold for 'deep income poverty' according to Canada's Poverty Reduction Strategy. Falling below 75% of the MBM makes a household especially vulnerable to absolute homelessness. All other things equal, a larger percentage of the population experiencing poverty is a precursor to higher levels of homelessness.
Social assistance	Benefit levels	Emphasis should be placed on any changes in benefit levels since the start of the pandemic, and how this change varies across communities (i.e., cities) and subpopulations (e.g., women, youth, etc.). Attention should also be paid to new supplementary benefits that may be introduced (or may have been introduced) since the start of the pandemic (e.g., tax credits for which social assistance recipients are eligible). All other things equal, higher social assistance benefit levels may help shield a jurisdiction from rising homelessness.

Housing market	Median rent - CMHC (source link)	Emphasis should be placed on any changes in these indicators since the start of the pandemic, and how this change varies across communities (i.e., cities) and subpopulations (e.g., women, youth, etc.). All other things equal, lower median rent and higher rental vacancy rates may indicate that a community will see less growth in its homeless population.[16] All other things equal, an increase in the percentage of households with extreme shelter cost burdens suggests a community will see growth in its homeless population. And all other things equal, an increase in rates of eviction may indicate that a community will see rising homelessness.
	Rental vacancy rate - CMHC (source link)	
	Households with extreme shelter cost burdens (i.e., paying over 50% of their income on rent).[17]	
	Evictions	
Homelessness	Average nightly occupancy in emergency shelters – ESDC	Emphasis should be placed on any changes since the start of the pandemic, and how this change varies by city and subpopulations (e.g., women, youth, families, etc.). Shelter occupancy is not a perfect gauge of homelessness, but it is a very useful one.

[16] After the 2008-2009 recession, average rent levels in Calgary dropped sharply and did not return to their pre-recession levels until 2012 (Statistics Canada, n.d.). Homelessness in Calgary also appears to have fallen during this same period (Kalmanovitch et al., 2018).

[17] Some readers may wonder if core housing need should be used as an indicator. The challenge with core housing need is that it relies on Census data; it is therefore infrequent, quickly becoming out of date. Risk of experiencing absolute homelessness might therefore be better assessed by looking at the percentage of households with extreme shelter cost burdens, which can be generated both from the Census as well as from intercensal data from the new Canada Housing Survey: https://www.statcan.gc.ca/eng/statistical-programs/document/5269_D1_V1.

Prevention in the aftermath of the 2008-2009 Recession

In the immediate aftermath of the 2008-2009 Recession, Canada saw no major federal commitments to homelessness prevention initiatives per se. The major focus of Canada's Economic Action Plan (EAP) was stimulus spending, which included a strong focus on short-term job creation. While the EAP did include $2 billion in federal spending on social/affordable housing over a two-year period, it did not include major spending initiatives earmarked as homelessness prevention (Pomeroy & Falvo, 2013).

By contrast, the United States saw major national initiatives pertaining to homelessness prevention following the 2008-2009 recession, the largest of which was the Homelessness Prevention and Rapid Re-housing Program (HPRP). That program alone, which was the recipient of US$1.5 billion in federal spending between 2009 and 2012 (Apicello, 2010; Colburn, 2014; Piña & Pirog, 2019), has been described as "the first ever large-scale homelessness prevention program in U.S. history" (Piña & Pirog, 2019, pp. 503-504). HPRP provided short-term financial assistance to households deemed to be at risk of absolute homelessness and to households who had recently experienced absolute homelessness. Seventy-five percent of HPRP funds went to households at risk of absolute homelessness, while the other 25% went to households who had recently become absolutely homeless. Also, 73% of funds went to households with children. Piña and Pirog (2019) elaborate:

> HPRP established four types of assistance: financial assistance (such as rental assistance, paying security deposits, paying utilities, legal assistance, housing search rental assistance, and assistance with moving costs), housing relocation and stabilization services (such as case management, outreach, legal services, and housing search), data collection and evaluation, and administrative costs (capped at 5% of the grants). Almost 80% of the funds were directed toward financial assistance… With HPRP, communities had some flexibility to design their own prevention assistance packages, including limiting the duration of financial assistance, setting the share of rent to be paid and maximum expenditure levels, and making financial assistance contingent on progress toward goals (Piña & Pirog, 2019, p. 504).

Across the United States, the program has been found to be associated with reductions in absolute homelessness among children located in communities where HPRP was implemented (Piña & Pirog, 2019). Specifically: "Having HPRP in the county, or closer to the school district where families with children in school live, on average reduce[d] the number of homeless students by 8–12%" (Piña & Pirog, 2019, p. 516).

Further, an Indianapolis study on adults enrolled in HPRP found that completion of HPRP was a significant predictor of remaining in permanent housing (Brown et al., 2018). Another Indianapolis study found most single adults "did not re-enter homeless services in Indianapolis following prevention and rapid rehousing assistance" (Brown et al., 2017, p. 139).

Policy considerations

Advocates, researchers and practitioners engage in ongoing debate about what measures are necessary to reduce or even end homelessness in Canada. However, those measures considered now will focus on preventing *additional* homelessness in light of the current recession. Keeping in mind the anticipated 3-5-year lag effect discussed above, policies should focus on preventing those suffering from recent job loss from experiencing absolute homelessness, possibly for the first time. This should involve interventions of time-limited duration directed at households who are either still housed (but at risk of becoming homeless), are in the process of losing their housing, or who have just become homeless. Many of these households will need help for only a limited time before regaining a foothold in a rebounding labour market.

Measures that should be considered by the federal government include an enhancement to the Canada Housing Benefit, a soft approach to recovering CERB overpayments to social assistance recipients, and the addition of a prevention stream to Reaching Home. Provincial and territorial governments should consider increasing social assistance benefit levels and encouraging housing-focused emergency shelters.

Federal government

Canada's federal government should consider enhancing the Canada Housing Benefit.

Enhancement to the Canada Housing Benefit. Central to the National Housing Strategy is the recent launch of the Canada Housing Benefit (CHB). This benefit provides financial assistance to help low-income households afford the rent, mostly in buildings with private landlords. The federal government estimates that the average beneficiary will receive $2,500 in support per year. It is expected that half of this money will come from the federal government, and the other half from provinces and territories. The CHB was supposed to launch nationally on 1 April 2020; however, at the time of this writing, just five provinces (British Columbia, Nova Scotia, Ontario, Quebec and Saskatchewan) had formally agreed to terms regarding the CHB.

The federal government could increase the value of this benefit, which could both prevent more homelessness and also encourage provinces and territories to sign on. For example, the federal government might offer 2/3 or 3/4 cost-sharing. The federal government could also consider expanding the maximum number of households eligible to receive the benefit.

Populations identified above who have been especially hard hit by the current recession could be targeted. These also tend to be the populations with the least access to alternative income support programs (child and seniors benefits) and thus the most vulnerable to becoming homeless with an employment shock. The enhancement could potentially be time limited, with the goal of covering the anticipated 3-5 year lag effect of the current recession.

This policy initiative would likely take 6-12 months to have an impact on homelessness prevention.

CERB forgiveness. There is growing concern across Canada about CERB overpayments made to many low-income individuals, including social assistance recipients. There are anecdotal accounts of income assistance staff in some parts of Canada encouraging their clients to apply for CERB, even though they may not have been eligible (it is also important to be mindful that social assistance recipients typically have lower levels of education and financial literacy than the general population). With this in mind, the federal government should consider taking a soft approach with some recipients of CERB who may not have been eligible for the benefit. Such an approach might include not trying to fully recover the value of the CERB from these individuals (via the tax system). Even complete amnesty should be considered in some cases. Admittedly, full amnesty may seem unfair to social assistance recipients who did not receive the CERB; but this could be addressed, at least in part, by targeting new benefits to this group (e.g., new supplementary financial benefits brought in as a result of the recession).

This policy initiative would likely take 3-12 months to have an impact on homelessness prevention.

A prevention stream for Reaching Home. Reaching Home currently funds some prevention work (in addition to other initiatives). However, ESDC should consider creating a new funding stream within Reaching Home with a specific focus on prevention, effectively creating a 'made in Canada' version of the aforementioned Homelessness Prevention and Rapid Re-housing Program which has an established evidence base in a post-recession period. The focus would be short-term financial assistance to prevent persons from losing their existing housing. Among other things, this would encourage communities across the country to focus more on prevention and submit more proposals with a prevention focus. Recognizing the lag effect of recessions, such a stream might be time-limited, perhaps lasting for three years to begin with, with the possibility of renewal.

Such a funding stream might also give priority to initiatives that already have an established evidence base. In some cases, this could mean replicating prevention initiatives that exist elsewhere (e.g., in the United States) for which there is already an established body of evidence.

International research can and should inform funding decisions made under a Reaching Home stream that focuses on prevention. For example:

- Wood et al. (2010) study the effectiveness of housing vouchers (i.e., financial assistance) provided to families receiving social assistance in the United States. Vouchers were randomly assigned to program participants in six cities and recipients were tracked over five years. Vouchers were found to reduce entries into absolute homelessness.

- Rolston et al. (2013) conducted a random assignment evaluation of New York City's Homebase Community Prevention Program designed to prevent family homelessness in 'high need' neighbourhoods. Some program participants received short-term financial assistance to pay rental or utility arrears, security deposits, or moving costs. The evaluation finds the intervention effective in reducing the average number of nights in emergency shelter. The evaluation also finds the intervention pays for itself (i.e., savings in reduced shelter nights more than offset the intervention's operating costs). Goodman et al. (2016) also find the program to be effective.

- Evans et al. (2016) evaluate the effectiveness of a Chicago-based program that provides temporary financial assistance with the aim of enabling individuals to stay in their housing and not enter into an emergency shelter. The analysis compares households that try to access the program when funds are available with ones who try to access it when funds are not available. The evaluation finds a one-time payment of up to US$1,500 reduces the likelihood of shelter use. The same evaluation estimates that savings accrued as a result of the intervention are greater than the program costs. Interestingly, the study uses data gathered from 2010 until 2012, very shortly after the 2008-2009 recession (Evans et al., 2016).

While Canadian research on prevention initiatives is limited, the Making the Shift Youth Homelessness Social Innovation Lab has recently begun to undertake such research focusing on youth (which is one of the populations identified above as having been especially hard hit by the current recession). Having received $17.9 million over five years from the Government of Canada's Research Tri-Council, the initiative's recently-funded projects include randomized controlled trials in Ottawa and Toronto, as well as an Indigenous-led project in Hamilton.

In cases where such funding is directed to new or emerging models of prevention, ESDC could stipulate that each proposal under the new stream include a budget line for third-party evaluation, built into the initiative from the outset. ESDC could also require that any such third-party evaluation become publicly-available once complete, thereby allowing the Canadian evidence base for prevention initiatives to grow. In such a case, the next time there is a recession in Canada, homelessness funders and program officials would be able to draw on Canadian evidence rather than international evidence.

Further, the indicators proposed above (e.g., the official unemployment rate, the percentage of persons with incomes below the MBM, etc.) could be used to shape this stream over time. For example, communities that have seen especially poor labour market outcomes stemming from the recession could be prioritized for funding under this new stream, as could communities that have been a large increase in the percentage of their population falling below the MBM. Similarly, initiatives proposing to target household types that have been hit especially hard by the recession (e.g., young people, women, etc.) could also receive priority funding from this stream. ESDC could tweak this targeting as the indicators change from one funding cycle to the next.

This policy initiative would likely take 12-24 months to have an impact on homelessness prevention.

Other income support programs. One of the strongest predictors of future changes to homelessness levels will be the extent of broad income supports provided in the recovery phase of the recession. Some of these will be provincial and territorial (see below). However, the greatest fiscal capacity rests with the federal government. ESDC should therefore work with Finance Canada to explore the possibility of offering enhancements to existing income support programs for low-income households—e.g., the Canada Workers Benefit, the CCB, EI, and the Goods and Services Tax credit.

An alternative approach would be to increase Canada Social Transfer payments with a requirement that provinces/territories set a minimum income assistance level and/or a maximum clawback rate—the former would put more money into the hands of low-income households, and the latter would likely do the same while also increasing labour force participation. The minimum income assistance level could be set to 75% of the MBM for all household groups—this is the threshold for 'deep income poverty' according to Canada's Poverty Reduction Strategy. And the clawback could be set to a maximum of 50% of each dollar of earned income.

These policy initiatives would likely take 3-18 months to have an impact on homelessness prevention.

Provincial and territorial governments

Provincial and territorial governments have crucial roles to play in preventing further homelessness. They should consider increasing social assistance benefit levels, reinstating social assistance eligibility for recipients who became ineligible due to the CERB, and encouraging housing-focused emergency shelters.

Social assistance benefit levels. As discussed earlier in this report, Kneebone and Wilkins (2016a) find that Canadian jurisdictions with higher social assistance levels relative to housing costs have fewer shelter beds, implying less homelessness. Using data from 51 cities across Canada, they find that a 1% increase in the ratio of social assistance income to rent is associated with a 1.15% reduction in the ratio of shelter bed usage to adult population. Put differently, increasing the annual amount of social assistance (for single employable adults) by $1,500/yr would result in an 18% reduction in homelessness, as measured by the use of shelter beds. Interestingly, all data gathered for this study was gathered in 2011, very shortly after Canada's last major recession (Kneebone & Wilkins, 2016a). With this in mind, higher social assistance benefit levels should be considered by provincial and territorial governments.

This policy initiative would likely have an immediate impact on homelessness prevention.

Social assistance suspensions caused by CERB. Officials in Canada's provinces and territories have treated CERB differently. Many public officials have been unclear with social assistance recipients as to whether or not they are eligible for the CERB. Some administrators penalized social assistance recipients who received it. Others did not. Some provinces (e.g., Newfoundland and Labrador) even encouraged CERB applications and then suspended social assistance benefits from the same individuals after they received it (EHSJ, 2020). At the time of this writing, Alberta had seen a recent drop of 10,000 social assistance recipients, primarily due to CERB (Fletcher, 2020). Such suspensions often result in the loss of health and dental benefits (in addition to the loss of social assistance cash benefits). For people who have lost their social assistance benefits after receiving the CERB, re-applications for social assistance may take a considerable amount of time, increasing their vulnerability to absolute homelessness. Provincial and territorial officials should not suspend people from social assistance because they received the CERB. Further, anyone who has already been suspended should be immediately reinstated.

This policy initiative would likely have an immediate impact on homelessness prevention.

Housing-focused shelters. The concept of 'housing focused shelters' is growing in Canada. It refers to operators of emergency shelters working very intentionally to move shelter residents into permanent housing. Such a practice is easier to carry out when rental vacancy rates are relatively high—and vacancy rates are expected to increase across Canada in light of the COVID-19 pandemic (Pomeroy, 2020).[18] Not all shelter operators in Canada currently encourage residents to move on to housing to the same degree. Provincial and territorial governments can encourage emergency shelters to be more 'housing focused' by both changing the terms of funding agreements (incentivizing flow rather than bed occupation) and providing additional financial incentives to shelters that can support more flow into housing (e.g., short-term financial assistance to assist a household's transition into permanent housing).[19]

This policy initiative would likely take 3-12 months to have an impact on homelessness prevention.

[18] In the current context, the key driver of rising rental vacancy rates is reduced demand for rental housing. This is stemming from reduced household incomes, reduced immigration, and more people 'doubling up' up in order to cope with the economic downturn.
[19] For a brief consideration of 'housing focused shelters,' see the module titled "Innovative practices" in Falvo's Homelessness 101 workshop, available here: https://nickfalvo.ca/wp-content/uploads/2020/04/Falvo-Innovative-practices-Homelessness-101-20apr2020.pptx.

Conclusion

Homelessness is a complex phenomenon caused by many factors, including unemployment. As a result, the COVID-19 Recession may contribute to rising homelessness across Canada. Having said that, several considerations are in order.

First, there is a lag effect of up to five years from the time of a recession's onset. This stems from a strong desire of households to avoid absolute homelessness, and it is enabled by other aspects of the social welfare system, including Employment Insurance and social assistance (which can delay or even prevent absolute homelessness). It is also affected by changes to the housing market—in fact, it is possible that rent levels in some jurisdictions could fall so much as to completely neutralize the effect of higher unemployment on homelessness.

This lag effect has at least two implications for public policy. It means it could be years before we see rising homelessness in Canada as a result of the COVID-19 recession. It also means that there is time for preventive measures to be implemented and to take effect.

Second, there are many unknowns. The current recession is very deep, and it is unusual in that it was caused by a public health crisis. We do not know how long it will take for Canada's labour market to rebound; perhaps it will never fully rebound. Further, we do not know for how much longer different social policy measures—including some directed at persons experiencing absolute homelessness—will remain in place. Nor do we know which new ones will be introduced. Finally, it is difficult to predict the impact of the current recession on fundraising in the homelessness sector.

Third, the effect of the present recession on homelessness will vary across Canadian communities. Housing markets, income assistance systems and homelessness system planning frameworks vary across Canada; what is more, migration patterns over the next several years will be hard to predict. As a result, it is challenging to say which communities will see rising homelessness at what junctures in time. We do know that, thus far, the following types of workers have been most directly affected by the COVID-19 Recession: young people, women, non-married persons, and persons without high school accreditation.

In short, it is very difficult to estimate the extent to which homelessness will rise or fall across Canada. Much will depend on Canada's labour market performance over the next several years, which social policies are extended (and which new ones might be introduced) and the extent to which fundraising by non-profit organizations is able to keep pace with pre-recession levels.
The present report recommends that ESDC track the following indicators as the recession continues to unfold: the official unemployment rate; the percentage of Canadians falling below the MBM (and especially the percentage falling below 75% of the MBM); social assistance benefit levels; median rent levels; the rental vacancy rate; the percentage of households with extreme shelter cost burdens; evictions; and average nightly occupancy in emergency shelters. As much as possible, such tracking should emphasize both how these indicators have changed since the start of the pandemic, and how this change varies across both geographical areas and specific populations (e.g., women, youth, Indigenous peoples, etc.).

This report identifies several policy changes that could prevent a rise in homelessness. At the federal level, it recommends an enhancement to the Canada Housing Benefit and a soft approach to recovering CERB overpayments to social assistance recipients. At the provincial and territorial level, it recommends increases to social assistance benefit levels, the reinstatement of social assistance eligibility for recipients who became ineligible due to the CERB, and the encouragement of housing-focused practices at emergency shelters.

In light of the successful implementation of prevention efforts in the United States following the 2008-2009 Recession, the present report also recommends that ESDC develop a new funding stream for Reaching Home. The new stream should focus on prevention—especially time-limited financial assistance. Such funding should be directed at households who are either still housed (but at risk of becoming homeless), are in the process of losing their housing, or who have just begun to experience absolute homelessness. Targeting can evolve over time, in light of changes seen in the aforementioned indicators (e.g., the official unemployment rate, the percentage of persons with incomes below the MBM, etc.).

Appendix 1: Complete research questions for current project

Nick Falvo Consulting is undertaking a two-part exercise for Employment and Social Development Canada (ESDC) looking at the economic impact of recessions on homelessness, seeking to shed light on the following key questions:

1. What does the literature tell us about increased levels of homelessness that will likely stem from the present recession?

2. How will the extraordinary set of policies implemented during the current situation (e.g., CERB, eviction bans, extra efforts to shelter persons experiencing homelessness, etc.) affect this recession differently than previous ones?

3. What will be the likely impact of the present recession on funding for the homelessness sector? This should include impacts from all sources of funds (both public funding and private giving).

4. With the aim of stemming the tide of homelessness—but without being overly prescriptive—what are some general types of policies that could be considered by Canada's federal government to offset anticipated increases in homelessness, particularly options to prevent people from becoming homeless and to deter the newly-homeless in a recession from becoming chronically homeless. In addition to general policies (e.g., scattered site housing and modular supportive housing), it will include some examples of innovative initiatives/approaches, including how they pertain to prevention.

5. What indicators should ESDC use that could be used to identify risk factors, track trends and support projections for the demand for homelessness services? This will include indicators that exert upward pressure on homelessness numbers (e.g., higher unemployment). It will also include indicators that exert downward pressure, effectively cushioning the blow (e.g., higher rental vacancy rates, declining rent levels).

Appendix 2: Methodology

Literature review. While the report's major focus is Canada, it also considers research from the other English-speaking countries of the OECD—especially the United States, and to a lesser extent Australia. The English-speaking countries of the OECD are all considered to have relatively similar (and comparable) social welfare systems. Moreover, vastly more empirical research on homelessness has come out of the United States than any other country. The present report has a focus on the past 15 years, including a consideration of the 2008-2009 recession.

Interviews. Interviews were conducted with 10 key informants who have strong knowledge of charitable giving in Canada's homelessness sector, representing non-profit organizations of various sizes. The smallest had just seven full-time equivalent employees (FTEs) and an annual operating budget of $1.5 million, while the largest had approximately 500 FTEs and an annual operating budget of $50 million. They were based in the following municipalities: Calgary, Hamilton, Montreal, Ottawa, Toronto, Vancouver (2), Winnipeg, Waterloo Region and Yellowknife. Some interviews were conducted via telephone and others by Zoom. They occurred between 27 July 2020 and 6 August 2020, typically lasting between 30 and 60 minutes each. The interview guide used to conduct the interviews can be found in Appendix 3 of the present report.

Appendix 3: Interview guide

Opening script

"Thanks for agreeing to take this call. As you may recall, I'm writing a report for Employment and Social Development Canada about the impact of the current recession on homelessness. The report will include a section on the recession's anticipated impact on fundraising. So I'd like to ask you some questions about what you've seen so far in that respect, and also what you anticipate seeing. I will not attribute any comments you make directly to you; in other words, your name will not appear directly beside anything you say. So this is a confidential discussion."

Questions

[***A version of each question will be asked, but wording may be modified. Some questions may be skipped. In many cases, there will be probing.]

1. Can you tell me what your relationship is with the topic at hand (e.g., how long have you been doing fundraising in the homelessness sector and for what organizations)? Also, with respect to the organizations you've worked for, can you give me a sense of how large they are? For example, approximately how many FTEs does each have, and what is the approximately size of each organization's annual operating budget?

2. Can you speak to the extent to which you have knowledge of the 2008-2009 recession's impact on fundraising in the homelessness sector (both private giving and government funding)?

3. Was there a difference in terms of impact of the 2008-2009 recession on fundraising from government vs. corporate giving vs. charitable foundations vs. private individuals? In other words, did giving from one of those four categories slow more or than others? How about differences between fundraising for operations vs. capital?

4. Did some funders actually enhance funding in light of the 2008-2009 recession?

5. To what extent was your organization able to take advantage of stimulus funding for shovel-ready projects after the 2008-2009 recession?

6. How long after the 2008-2009 recession did it take for fundraising for the homelessness sector (i.e., from government, corporate giving, foundations, and private individuals) to return to normal?

7. For the current COVID-19 Recession, what have you noticed in terms of impact on fundraising?

8. For the present recession, have you noticed a difference in terms of impact on fundraising from government vs. corporate giving vs. charitable foundations vs. private individuals? In other

words, has giving from one of those three categories slowed more or than others? How about bout differences between fundraising for operations vs. capital?

9. Are there indications that some funders have actually enhanced funding in light of either the public health crisis or economic downturn?

10. Have you seen signs of an uptick in terms of fundraising (e.g., light at the end of the tunnel)?

11. Have any funders tried to initiate conversations about a multi-year recovery strategy from the current recession? In other words, have some said: "Since there will likely be even more pressure on organizations in the homelessness sector, let's talk about funding new initiatives that will prevent a massive increase?"

12. To what extent have you noticed major changes in fundraising in the current period vs. during the 2008-2009 recession?

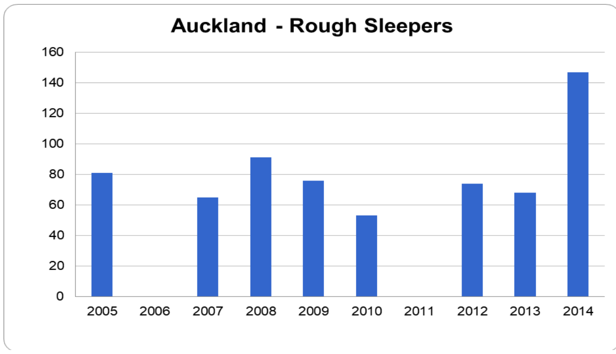
13. In terms of capital projects (e.g., building facilities such as non-profit housing or shelters) have you received indications that government will start to announce stimulus funding for shovel-ready projects?

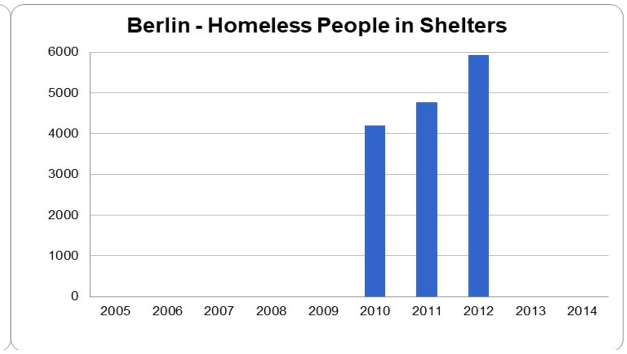
14. If government does announce stimulus funding for shovel-ready projects, to what extent do you think the sector's ready to take them up on the offer?

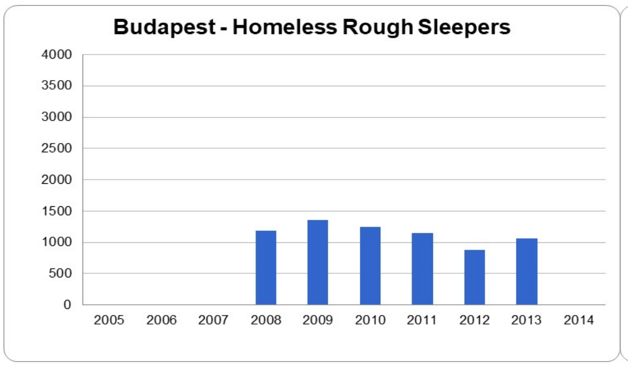
15. Are there specific readings you'd recommend that might help me understand the impact of either the last recession or the current recession on fundraising in the homelessness sector? These could be reports at either the national or the local level. Is there reporting at the level of your own organization (perhaps an annual report after the last recession or a report that was written for your agency's fundraising committee?) that might help me to better understand the situation?

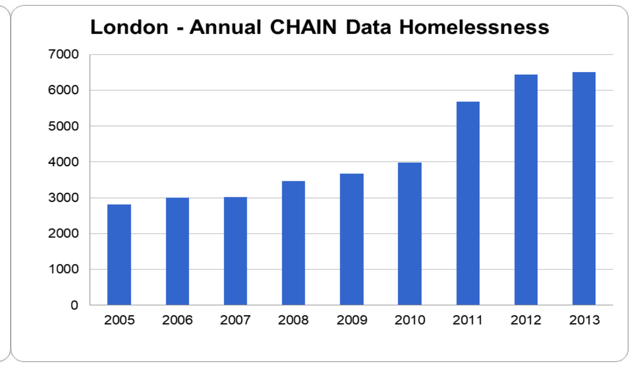
16. The present report is being written for Employment and Social Development Canada. Is there anything else you think they need to know about the likely impact of fundraising of this recession on Canada's homelessness sector?

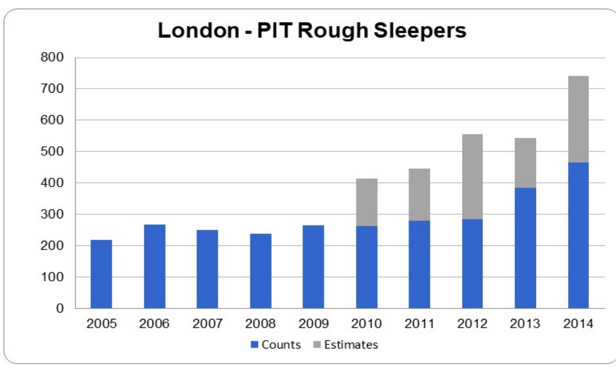
Appendix 4: Changes in homeless populations across a sample of large OECD cities[20]

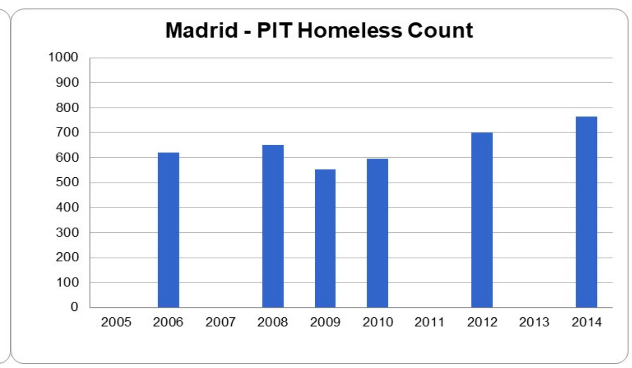




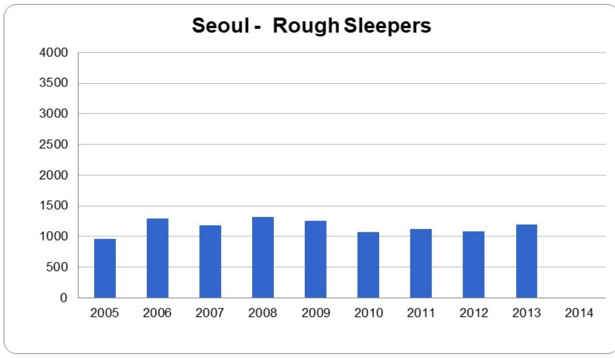


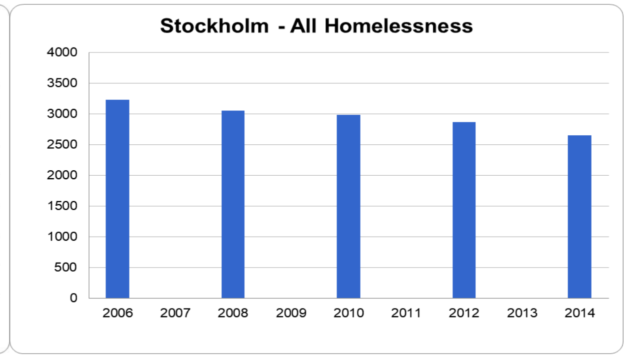


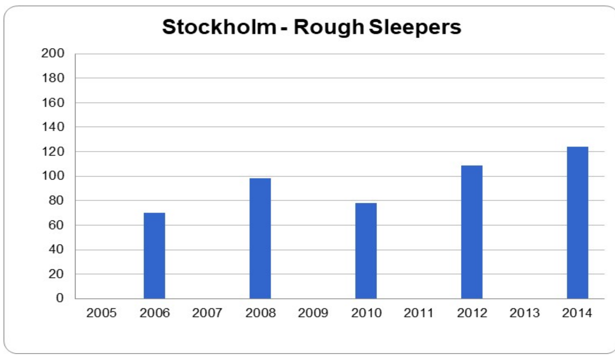


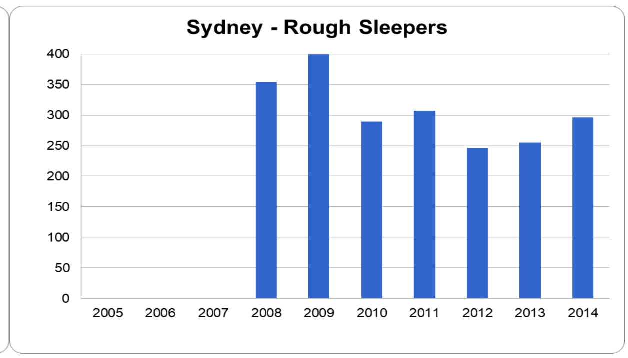


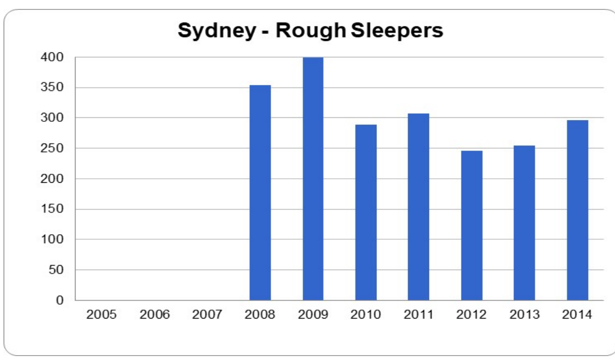
[20] Bainbridge, J., & Carrizales, T. J. (2017). Data shared by authors. Note that some of these figures are point-in-time and some are annual.


Seoul - Rough Sleepers
4000
3500
3000
2500
2000
1500
1000
500
0
2005 2006 2007 2008 2009 2010 2011 2012 2013 2014


Stockholm - All Homelessness
4000
3500
3000
2500
2000
1500
1000
500
0
2006 2007 2008 2009 2010 2011 2012 2013 2014


Stockholm - Rough Sleepers
200
180
160
140
120
100
80
60
40
20
0
2005 2006 2007 2008 2009 2010 2011 2012 2013 2014


Sydney - Rough Sleepers
400
350
300
250
200
150
100
50
0
2005 2006 2007 2008 2009 2010 2011 2012 2013 2014


Sydney - Rough Sleepers
400
350
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250
200
150
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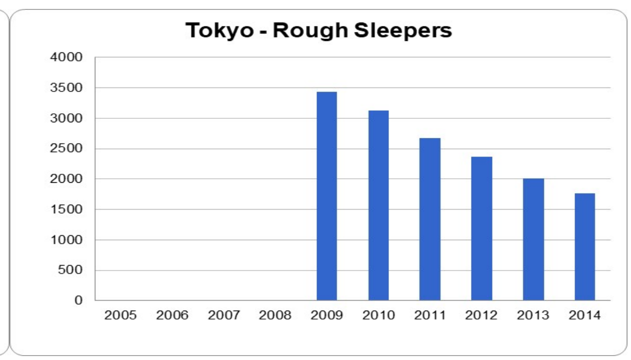
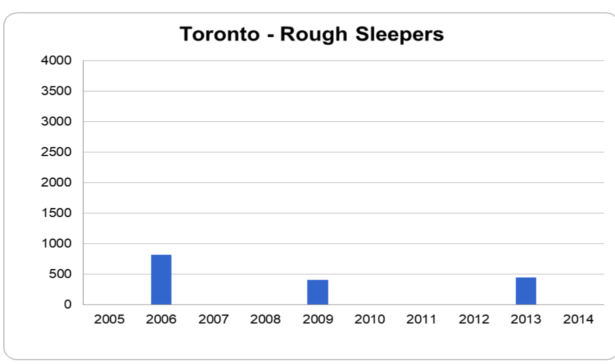
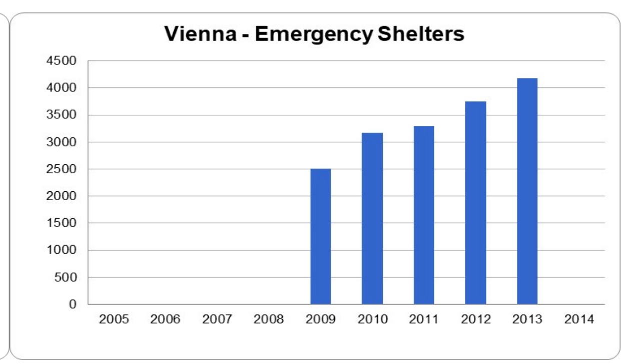
50
0
2005 2006 2007 2008 2009 2010 2011 2012 2013 2014


Tokyo - Rough Sleepers
4000
3500
3000
2500
2000
1500
1000
500
0
2005 2006 2007 2008 2009 2010 2011 2012 2013 2014


Toronto - Rough Sleepers
4000
3500
3000
2500
2000
1500
1000
500
0
2005 2006 2007 2008 2009 2010 2011 2012 2013 2014


Vienna - Emergency Shelters
4500
4000
3500
3000
2500
2000
1500
1000
500
0
2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

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