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Covid-19 Catalyzed America's Homelessness Pandemic

Although the rate of people experiencing homelessness was increasing even before 2020, the Covid-19 pandemic contributed to a further rise in the nation's unemployment rate. Studies have shown that a one-percent increase in the nation's unemployment rate could bring an increase in homelessness of 0.065 per every 10,000 people. Unemployment during the pandemic rose to over fourteen percent, meaning that the pandemic will likely precipitate increased levels of homelessness in America. The influx of economic stimulus payments during the pandemic has refocused discussions on the extent to which guaranteed income programs could be used to provide some financial support to Americans experiencing homelessness. Guaranteed income programs provide an unconditional and permanent monthly stipend to recipients.

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Moore's Law and Increasing Rates of Unemployment and Homelessness

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The pandemic and the decreasing cost of automation is leading to a double-disruption, where companies fast track new technologies to save costs in light of the economic drawback from inactive markets. Generally, Moore's law provides that the speed, capability, and affordability of computers will double every two years. This implies that the cost of automating m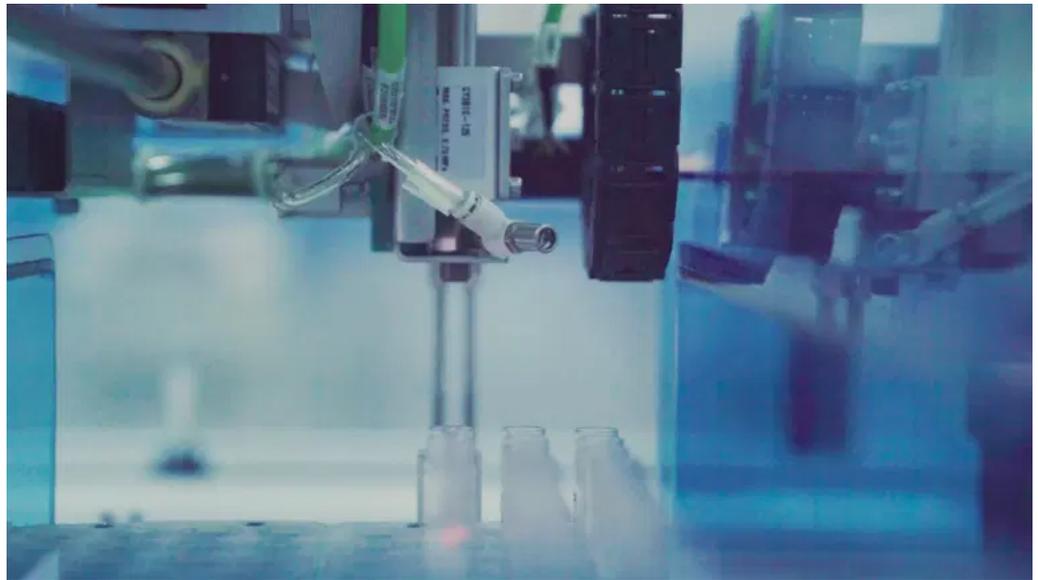any jobs, such as retail checkouts, will be reduced as time progresses. Therefore, an automated workforce may one day be significantly cheaper than a human workforce. Prior to the pandemic, automation had already replaced millions of jobs. Lockheed Martin was able to reduce the work of multiple individuals performed over several shifts down to several hours through the use of Microsoft's HoloLens. Automation during the pandemic has also eliminated jobs. Some malls swapped security guards for robotic patrols, and AI chatbots have replaced some call center positions. While automation will likely not eliminate all available employment opportunities, rural areas of America that have less diversified economies may experience up to twenty-five percent displacement of jobs to automation. Individuals will need to learn new skills in order to switch occupations and adapt to an automated economy. A guaranteed income program in local municipalities throughout America could provide some financial stability to Americans experiencing unemployment or homelessness who need to learn new skills in order to support themselves in an automated economy.

One Potential Remedy

Guaranteed income programs are not an all-inclusive solution against the root causes of homelessness (exclusionary zoning laws are one of many examples of other causes). However, such programs would provide greater financial stability to individuals experiencing homelessness in light of a decreasing supply of employment opportunities from automation. Guaranteed income programs could supplement other solutions addressing homelessness. These programs would be permanent unlike unemployment benefits, which eventually run out. In one trial, the city of Stockton, California gave $500 a month unconditionally to 125 residents for two years. Data from Stockton's program revealed that the "cash reduced the month-to-month income fluctuations that households face, increased recipients' full-time employment by 12 percentage points and decreased their measurable feelings of depression." The city of Oakland has recently introduced a guaranteed income program for low income minority families, while Marin County has also introduced a guaranteed income program for low-earning women of color.

Local municipalities could also create guaranteed income programs to lessen the costs of learning new job skills in light of decreasing employment opportunities from automation. This would allow regional poverty concerns to be addressed quickly based on the specific circumstance of homelessness and unemployment in each municipality. Guaranteed income programs can also be funded through initiatives that relied on corporate and income taxes. Some states, such as New York, have even considered taxing marijuana as the basis for guaranteed income programs.

Some arguments against guaranteed income programs note that because automation will never completely displace the need for human labor, guaranteed income is unnecessary. Essentially, because some jobs will always exist, why bother with guaranteed income at all? These arguments are far too absolute in their logic. While certain jobs (like judges, for example) are unlikely to be automated, other industries, such as construction, law enforcement, and hospitality have already begun to be automated. Americans are left with a bottom-up effect where less specialized jobs become automated and thus unavailable. Automation will likely reduce the number of available jobs in the market, while increasing demand for specialized skills. Guaranteed income programs could lessen the financial burden of acquiring new job skills to compete in an automated economy. Therefore, arguments against guaranteed income that take an all-or-nothing approach (as above) are necessarily flawed.

Automation will allow some corporations to quickly recover from the pandemic by implementing new technologies to cut costs. This, combined with the decreasing cost of automation due to Moore's law, means that Americans experiencing unemployment or homelessness will need to learn new skills to acquire jobs in industries that are more resilient to automation. Guaranteed income programs in local municipalities could reduce the cost of job skill development for Americans experiencing unemployment or homelessness in an increasingly automated economy.

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