**Fiscal Facts: Homeless Population Edges Back Up**

In the years prior to the pandemic, Wisconsin’s reported homeless population shrank, following changes in programs to serve that population. For the past two years, however, homelessness in Wisconsin has been on the rise.

In the pre-pandemic years, Wisconsin’s homeless population fell from an estimated 6,055 in 2014 to 4,237 in 2021. But more recently, it has increased, according to data from the Department of Housing and Urban Development. In 2023, local agencies in Wisconsin reported 4,861 homeless individuals -- a 1.8% increase from 4,775 the previous year.

The recent rise in homelessness likely was driven – at least initially – by the layoffs and economic hardships that accompanied the pandemic. Another important factor appears to have been the recent sharp rise in housing costs.

During the period from 2014 to 2021, the decreasing homeless population was largely driven by trends in transitional housing programs. That in turn was spurred by a decrease in those who no longer sought aid, or turned to sources such as permanent housing programs, friends, or relatives.

The decrease in Wisconsin’s homeless individuals also coincided with a shift in the types of programs addressing homelessness. Following the federal HEARTH Act of 2009, there has been a move away from programs that provide temporary shelter towards those that immediately place individuals in permanent homes without prerequisites such as sobriety. This Housing First approach is based on the premise that a permanent dwelling helps a person focus on the issues that led to their housing instability, such as substance use or unemployment.

Over the last decade, the number of housing facilities in the state used to address homelessness has grown, along with a shift in focus from temporary to permanent placement. Since 2014, Wisconsin facilities saw a reduction of 2,120 temporary beds but an increase of 4,720 permanent beds - for a net increase of 2,600 beds overall.

In recent years, with the homeless population climbing upward, officials may want to evaluate what steps they can take to curb the increase. If permanent housing programs are found to be an effective tool in the current environment, then efforts may be considered to expand them further.

Such a step would mean overcoming obstacles to increasing the supply of permanent housing for low-income individuals and those with special needs. While this would not be easy, its potential to reduce homelessness makes it an important task for policymakers to consider.

*This information is a service of the Wisconsin Policy Forum, the state’s leading resource for nonpartisan state and local government research and civic education. Learn more at* [*wispolicyforum.org*](https://wispolicyforum.org/research/state-tax-burden-up-but-overall-burden-still-falling/)*.*