



DISPLACED!

The Impact of Continuum of Care Cuts on Tarrant County and Texas

Recent reductions in Federal Continuum of Care funding are expected to increase the number of people without shelter in Tarrant County and many other areas. Approximately 850 persons will be displaced in Tarrant County and almost 10,000 throughout Texas. In addition to the immeasurable human cost of these cuts in support, there are also tangible adverse economic consequences to local areas such as increased health care expenses, crime and incarceration costs, and lost economic productivity and earnings.

As a starting point for this analysis, typical economic and fiscal costs of an individual in poverty in Tarrant County and Texas were estimated.

The Perryman Group developed a method for measuring the cost of poverty based on studies of the effects of poverty on earnings losses, criminal activity and incarceration,

incremental educational costs, incremental health care costs, and productivity losses associated with increased morbidity and mortality. This model has been widely used in national and state level studies in all 50 states for policy analysis and implementation related to hunger, child maltreatment, and other issues related to poverty. The system was fully localized to the Tarrant County area and Texas to reflect the unique economic characteristics and composition of each area.

Information from extensive academic and policy research was then implemented to calculate the incremental economic and social costs associated with displacement from housing over and above those typical of any person in poverty. For example, this population segment tends to earn less and are more likely to experience substance abuse issues and other social

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Tarrant County:

-\$10.77

in total spending,

-\$5.57

in gross product, and

-\$3.42

in personal income

for every single dollar cut from Continuum of Care

The Estimated Economic Cost of the Increase in Displacement

Region	Component	Total Expenditures	Gross Product	Personal Income	Jobs
TARRANT COUNTY					
	Increased Displacement	-\$147.4 m	-\$77.1 m	-\$47.4 m	-718
	Increased Poverty	-\$103.1 m	-\$53.9 m	-\$33.1 m	-502
	TOTAL	-\$250.5 m	-\$131.0 m	-\$80.5 m	-1,220
TEXAS					
	Increased Displacement	-\$2,152.1 m	-\$1,061.3 m	-\$642.4 m	-9,404
	Increased Poverty	-\$1,505.0 m	-\$742.2 m	-\$449.3 m	-6,577
	TOTAL	-\$3,657.2 m	-\$1,803.6 m	-\$1091.7 m	-15,981

Source: US Multi-Regional Impact Assessment System, The Perryman Group

Notes: Monetary values in millions of 2025 dollars. Components may not sum due to rounding. For more information, see the methodology section.

costs than the typical individual in poverty. The research indicates that these effects are exacerbated by certain factors, such as being unsheltered. The direct economic effects of additions to this population on the area were first estimated, and then the total impact (not only direct, but also indirect and induced) was quantified using The Perryman Group's US Multi-Regional Impact Assessment System (see below for additional methodology).

When multiplier effects are considered, the economic cost of the increase in the population without housing and poverty associated with the funding cuts includes an estimated **\$131.0 million** in annual gross product in constant 2025 dollars) and **1,220 jobs** in Tarrant County. Some of these costs are specific to the characteristic of being displaced in addition to the normal costs associated with poverty, and The Perryman Group isolated the portion of overall economic costs which are specifically associated with being without shelter. The economic cost associated with the increased displacement includes an estimated **\$77.1 million** in annual gross product and about **720 jobs** in Tarrant County (including multiplier effects). For Texas, the total economic cost of the increase in displaced persons and poverty associated with the funding cuts includes

an estimated **\$1.8 billion** in annual gross product and about **15,980 jobs**. The annual economic cost to Texas associated specifically with the increased displacement includes almost **\$1.1 billion** in annual gross product and about **9,400 jobs** (including multiplier effects).

Business activity generates tax receipts, and these economic costs lead to reduction in fiscal resources. The Perryman Group estimates that the annual losses in fiscal resources associated with the cuts in Texas include **\$187.8 million** to the Federal government, **\$147.7 million** to the State of Texas, **\$6.5 million** to Tarrant County, and **\$80.4 million** to other local taxing entities. (Note that these costs reflect the aggregate reduction in available tax revenue associated with the types of economic harms measured in this study including outlays to deal with incremental social costs.)

There are compelling social and humanitarian reasons to assure that people are sheltered that transcend economics, including the positive effects on human health, wellbeing, and dignity. At the same time, there are significant economic and fiscal costs which are worthy of consideration when evaluating community priorities and public policies.

METHODS AND ASSUMPTIONS

The Perryman Group developed a method for measuring the cost of poverty based on studies of the effects of poverty on earnings losses, criminal activity and incarceration, incremental educational costs, incremental health care costs, and productivity losses associated with increased morbidity and mortality. This model has been widely used in national and state level studies in all 50 states for policy analysis and implementation related to hunger, child maltreatment, and other issues related to poverty. The system was fully localized to Tarrant County to reflect the economic characteristics and composition of the area.

Information from extensive academic and policy research was implemented to calculate the incremental

economic and social costs associated with displacement over and above those typical of any person in poverty. For example, displaced persons tend to earn less and are more likely to have substance abuse issues than the typical individual in poverty. The research indicates that these effects are exacerbated by certain factors, such as being unsheltered. This process was used to determine the direct economic effects of the displaced population on the area.

The total impact of the homeless population was then estimated using The Perryman Group's dynamic input-output assessment system (the US Multi-Regional Impact Assessment System), which measures the total (not only direct, but also indirect and induced) effects of poverty and

displaced population. The model was developed by the firm more than 40 years ago and has been consistently maintained and updated since that time. It has been used in hundreds of analyses for clients ranging from major corporations to government agencies. The impact system uses a variety of data (from surveys, industry information, and other sources) to describe the various goods and services (known as resources or inputs) required to produce another good/service. This process allows for estimation of total economic impacts (including multiplier effects). The sub-models used in the current analysis reflect the specific industrial composition and characteristics of the Tarrant County and Texas economies.

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M. RAY PERRYMAN, PH.D.

Dr. Perryman is the President and CEO of the Perryman Group and Distinguished Professor of Economic Theory and Method at the International Institute for Advanced Studies. Over the past 40 years, Dr. Perryman has helped recruit corporations providing tens of thousands of jobs through economic development work, resolved billion-dollar legal issues, and revamped public policy through impact assessments and other studies. His firm has measured economic impacts for corporate locations and expansions involving billions in investments, and his economic forecasts are used by corporations and government agencies alike.

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