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Entrepreneurial Activities of Homeless Men

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Encouraging and assisting homeless people to become self-employed provides a way for some of them to increase their incomes, and may help close the gap between the cost of housing and labor market earnings. A survey of operators of homeless shelters was conducted to determine the types of work activities that adult homeless men participate in. Self-employment was found to be a common activity for a substantial proportion of adult homeless men; and a preferred mode of employment for many. Advantages and disadvantages of such an approach are discussed. Several program models are described which can be used to enhance and initiate self-employment activity for adult homeless men.

Introduction

One view of homelessness sees it caused by a gap between the housing market on the one hand, and the labor market and transfer payment system on the other. A disparity emerges between the rental cost of housing and the income people can acquire. Strategies to reduce homelessness concentrate on narrowing this gap: increase the stock of affordable housing; increase incomes so the poor can afford the rents; and provide supportive social services to assist in maintaining a stable situation. Rossi (1989) compared the income of the homeless of the 1950s and 60s to that of the homeless in the 1970s and 80s. He found the new homeless to have lower real incomes. "It is no mystery why the homeless are without shelter; their incomes simply do not allow them to enter effectively into the housing market." (Rossi 1989, p.41).

Efforts to increase the income of the homeless mostly concern helping them to find wage employment or apply for transfer payments. Creating blue-collar high-wage jobs through

macroeconomic stimulation and effective industrial policy; and improving the transfer payment system would go along way to bolster the income of the homeless. This paper explores a third avenue: helping some of the homeless to become self-employed or expand on the entrepreneurial activities that they already participate in. This third approach could provide vocational counselors and job developers with an additional tool for achieving the economic improvement of the homeless. Redburn and Buss (1986) would call this approach part of "developmental assistance" to help the homeless towards the goal of achieving economic sufficiency.¹

The homeless are heavily involved in self-employment activities because it is a refuge, a job of last resort. Laying blame for homelessness on the homeless themselves, many employers label overtly homeless people as unsatisfactory employee prospects, assuming they will be erratic and troublesome. Therefore, many of the homeless who are willing and able to engage in wage work face employment discrimination. Some homeless do not want the strictures of wage employment; some are mentally or physically disabled, or have substance abuse problems such that they can't engage in steady wage work; some do not choose wage work due to rules of transfer payment systems which limit the amount of earnings after which benefits are reduced; and some simply can not find wage jobs suitable to their skills.²

There is empirical support for viewing self-employment as a refuge. Evans and Leighton (1987), using data from the National Longitudinal Survey, found the switch into self-employment was greater from the status of unemployment than from wage employment, and that individuals who earned low wages, and individuals who changed jobs frequently, were more likely to switch to self-employment. Bauman (1988), using 1980 census data for the Great Lakes region, found the rate of participation in full-time self-employment for those in poverty was greater than for the working population not in poverty.

Ethnographic studies of homeless men have documented the myriad types of economic activities that they participate in (Cohen et. al. 1988; Wallace 1968; Nash, G. 1964; Bogue 1963; Bendiner 1961; and Sutherland and Locke 1936). Though day

labor seems the most frequent, self-employment is common.³ From the studies above, these endeavors include: peddling small articles such as shoestrings, pencils, and razor blades; making and selling rolled cigarettes by recycling tobacco from cigarette butts; selling discarded newspapers; washing and polishing parked cars; going house to house asking for odd jobs in exchange for money and/or food; gathering trash in alleys and selling the accumulations to junk dealers; wiping windshields of cars at traffic lights; and selling discarded goods at an informal flea market.

Begging is another form of self-employment that is sometimes practiced among homeless men, although it is not a particularly socially useful or remunerative one. One purpose of this research is to provide alternatives to begging. Begging can, however, be viewed as a socially useful activity like any other occupation.

The vagrant accepts a donation with the conviction that he has brightened the day for his benefactor. He knows that he sells merit to masquerading philanthropy and ideas to the funny man, the marginal utility to each individual purchaser being greater than from a like expenditure in gum, cigars or vaudeville. (Allen 1903, p. 381 cited in Wallace 1961).

And according to George Orwell,

Yet if one looks closely, one sees that there is no essential difference between a beggar's livelihood and that of numerous less respectable people. . . It is a trade like any other; quite useless, of course but, then many reputable trades are quite useless. And as a social type a beggar compares well with scores of others. (Orwell, 1933, p. 153 cited in Wallace, p. 197).

While these ideas are thought provoking, this author does not fully agree with them. First, begging is an activity that tends to cause low self-esteem for the beggar. Second, selling something substantial may be more remunerative than just selling momentary guilt alleviation.

Perhaps one can help the homeless to find remunerative self-employment opportunities based on their skills. The idea is NOT to encourage begging, or even some of the low pay

self-employment activities mentioned above. The goal is to help them cross over into legitimate occupations, utilizing their past work histories as assets and guides.

Homeless men generally are confined to the secondary labor market, where the worst wage jobs are.

Isolated from the community, exploited by employer and employment agency alike, the homeless man has always done the hardest work under the worst possible conditions, and at the lowest wage. (Wallace 1965, p. 86).

According to theories of the secondary labor market, the nature of a job (e.g. good or bad working conditions, existence or non-existence of opportunities for advancement, provision or lack of fringe benefits) inculcates work habits and lifestyles which could be helpful or harmful to upward economic mobility (Piore 1971). Many of the wage jobs that homeless men have access to "guarantee against responsibility, advancement or success." (Bendiner, 1961). Assisting homeless people to initiate self-employment activities, or improving the profitability of doing business if they are already self-employed, may be a good strategy, if low-skill low-pay casual wage work is their best alternative.⁴

Types of Homeless People

Homeless people are a mix between youth and adults, and male and female. The greatest proportion of homeless people, historically, has been adult males, who are overwhelmingly single. Sosin's (1988) survey of the Chicago homeless found that 63% were male; 81% were over age 25; 94% were unmarried; 64% were in single person households; and 63% were Black. Women with children but no husband in the household comprised 22% of Sosin's homeless sample. In terms of personal problems, 24% of the sample had some symptom of alcoholism; 16% were currently using illegal drugs; 65% had been in jail at some time (only 14% had ever been in prison); and 20% had been hospitalized for mental health problems.⁵ A substantial proportion of the Chicago homeless have some social/pathological problem, but considering that the problem

categories above are not mutually exclusive, a large proportion are NOT psychiatric cases, substance abusers, or criminals.

The empirical data used in this paper, and the ensuing policy suggestions, will be for adult homeless males in Chicago. However, the results and suggested policies may also be applicable to youth, women, heads of families, and to other areas of the country⁶.

Survey Methodology

The original universe consisted of sixty Chicago facilities listed in the directory of the Chicago Coalition for the Homeless (1988). Twenty-two facilities were immediately eliminated from the universe because they primarily served women, senior citizens, or runaway youth. Fourteen shelters dropped out of the sample because they could not be reached for reasons such as being closed, having the same phone number as another facility already in the sample, or no one answering the phone. That left twenty-four shelters whose clients are primarily adult homeless men. Forty people operating these 24 shelters were interviewed over the telephone⁷.

This study is designed as an exploratory study, focusing on shelter operators. The decision to limit interviews to shelter operators was made because the author wished to obtain detailed information on the work activities of homeless men from persons providing social services to them, and to get their perspective on the advantages and disadvantages of assisting homeless men to become self-employed. In addition, conducting meaningful interviews with the clients themselves is difficult and costly. Many are suspicious of strangers asking questions, and it takes time and repeated contact for people not regularly involved with them to build rapport⁸. Since many homeless generate income in informal or illegal ways, they are particularly wary of telling officials, or official-looking people, exactly what they do⁹. However, a focus group, composed of homeless men at a shelter, was run to determine their views of the desirability of engaging in self-employment activities. In addition, a check of some key statistics of the sample against estimates, obtained from another recent Chicago survey that

did extensively interview homeless persons, revealed similar results, as reported in the following section.

Results

Work Activities

The median response from Chicago shelter operators was that 35% of their adult male clients engaged in gainful income earning activity. This is consistent with Sosin's (1988) study of Chicago's homeless, which found that 33% of the homeless were employed¹⁰. Those not gainfully employed were receiving transfer payments and/or looking for work.

Table 1 lists the types of work activities that homeless men in Chicago participated in and classifies each in terms of mode of employment. The work activities in the list generally involve services or retail sales and are classified into three categories: predominantly wage employment (W), predominantly self-employment (S), or something in-between called "gray" employment (G).¹¹ If the activity was predominantly performed under close supervision, with one boss, paid by a time dimension (e.g. hourly, weekly), involved no financial risk, required no purchase of inventory, and the worker received an IRS W-2 form, it was classified as "wage employment". If the activity predominantly required no supervision, involved sales to several customers, had remuneration by the job or item, involved some financial risk, may have required ownership of inventory or tools, and IRS W-2 forms were not received for the work, it was classified as "self-employment". A third mode emerged: gray employment. These were activities where (1) there were some characteristics of wage employment and some of self-employment or (2) a substantial proportion of homeless men performed these activities in either the wage employment or self-employment mode¹².

The work activities in Table 1 are listed in descending order of frequency mentioned. Frequency is defined as the number of times the sample of shelter operators affirmed that at least some of their clients participated in that activity. Respondents were also requested to add work activities not on the initial list. The initial list was developed by a pretest procedure.

Table 1

Work Activities of Adult Homeless Males in Chicago (in descending order of frequency mentioned)

Modes: W = predominantly wage employment
 S = predominantly self-employment
 G = gray employment: mixed between wage work and self-employment

Rank	Work Activity	Mode
1.	Wage work for a day labor firm	W
2.	Selling newspapers for a commission	G
3.	Collecting old cans from the garbage	S
4.	Washing/helping in restaurant for wages	W
5.	Selling blood	G
6.	Handymanwork/general help	G
7.	Selling drugs	S
7.	Panhandling	S
8.	Selling ice cream from cart on commission basis	G
9.	Washing cars independently	S
10.	Shoveling snow door to door	S
11.	Working in a carwash	W
12.	Prostitution	S
13.	Delivering newspapers for a piece rate	G
14.	Mowing lawns door-to-door	S
15.	Wage landscape work for a landscape firm	W
15.	Helping/washing in restaurant for food	G
16.	Carrying groceries for tips	S
16.	Selling haircuts	S
17.	Making/selling own artwork or craftwork	S
17.	Street musician	S
18.	Selling drinks from a liquor bottle	S
19.	Selling own prescribed medicine	S
20.	Selling newspapers and owning the inventory	S
20.	Babysitting	S
21.	Washing car windows at a stoplight	S
22.	Shoveling snow for wages for snow removal firm	W
23.	Selling ice-cream for hourly or day wages	W
24.	Selling combs, gloves, incense (often on trains)	S
25.	Returning luggage carts at airport	S

Continued . . .

Table 1 continued

Rank	Work Activity	Mode
25.	Janitorial work	G
25.	Painting, interior decorating	G
25.	Selling clothes/other items received in charity	S
25.	Construction work	G
25.	Moving chores	G
25.	Driving cabs/school buses	G
26.	Selling food from carts	G
26.	Selling cigarettes loose	S
26.	Collecting recyclables (papers, scrap metals)	S
26.	Car repair	W
26.	Electronics repair	G
26.	Plumbing work	G
26.	Running errands to stores	G
26.	Part-time work at fast food restaurants	W
26.	Telephone sales/telemarketing	W
26.	Entertaining at small parties or night clubs	S
26.	Industrial jobs	W
26.	Contractual work from vocational center (stuffing envelopes, packaging goods)	W
26.	Passing out handbills, fliers	G
27.	Selling novelty items at expressway exits	S
27.	Window cleaning	S
27.	Sweeping sidewalks, streets	G
27.	Returning bottles	S
27.	Collecting/selling food restaurants dispose of	S
27.	Garbage removal	S
27.	Electrician work	G
27.	Door-to-door sales of clothing	S
27.	Harvesting crops	G
27.	Theft, stealing	S
27.	Peddling stolen goods	S
27.	Con games	S
27.	Extras on movies	W
27.	Raising earthworms to sell to fishermen	S

The most common work activity was day labor¹³. Day labor seems to clearly fall into the category of wage employment. The work mode distribution for all 63 activities shows only about a fifth (19%) of the activities were wage employment¹⁴. The proportion of activities that were self-employment was a little more than a half (52%), and the proportion in the "gray" category was about a third (29%) of the total¹⁵.

Client Preferences for Self-employment

Respondents were asked about their perception of the preferences of their clients. They were asked what percent of their clients, who engage in some earning activity, prefer wage work rather than hustle or barter work. Wage work was perceived to be more preferred by clients, but almost a third of the clients were thought to prefer self-employment.

Attitudes from a focus group of homeless men support the findings above: wage work is preferred but there is substantial interest in self-employment. However, the type of wage work mattered: full time vs. part time or day labor. They were asked about their preference between a full time wage job, a part-time wage job, day labor, and doing a small business. A full time wage job was preferred by half the group; second was doing a small business; third was a part time job; and no one mentioned day labor as being a preferred mode of employment. The members of the group provided their views of the advantages and disadvantages of doing a business vs wage employment. The advantages mentioned were: independence, can make a lot of money, good experience, can be more stable compared to day labor. The disadvantages mentioned were: may not make much money—people won't buy from you; no preparation; being too shy; and too much responsibility—have to be constantly motivated; and day labor may be better. The issues raised concerning profitability, preparation, shyness, and motivation may be able to be addressed by appropriate programs and policy.

Expectations to Successfully Operate Small Businesses

All the shelter operator respondents, except one, reported that at least some of their clients could learn to successfully

operate a very simple small business. The median response was that 10% of clients could do this.

The respondents were then asked about the advantages and pitfalls of encouraging this. Two types of advantages were mentioned: expected improvements in self-confidence, and economic benefits. Self-confidence benefits were mentioned slightly more than economic benefits. Two respondent quotes on self-confidence benefits were: "they will believe in themselves again," and "it will provide a chance to prove themselves." Four elements of economic benefits that were mentioned include: helping them become self-supporting, getting them off welfare, providing a steady income, and improving productivity.

The following are (in descending order of frequency) the expected pitfalls of encouraging small business ownership for adult homeless men: lack of training and education; money should be spent on their general needs first; will require constant guidance; capital requirement and risk are too high; failure will further depress them; no previous business experience; lack of achievement motivation; not being able to handle money; only a small number of men will be helped by such an approach; a change in social environment will be required; unable to handle stress; problems of mental illness; too time consuming; and organizers will have unrealistic expectations. Anybody attempting such a strategy should ponder the list above carefully. These expected limitations seem especially relevant for the policy of assisting homeless men to own and operate small, independent, fixed-location, formal businesses. These caveats, however, may be addressable by programs that build simplicity, a degree of dependency, and sheltering into the establishment of these enterprises.

Policy Approach

In terms of the labor market one can consider four categories of homeless people: the homeless working poor; the homeless unemployed (those in the labor force but jobless); the homeless not in the labor force due to a physical or mental disability (including substance abuse); and the homeless, "voluntarily" not in the labor force (discouraged workers or society dropouts who choose street life)¹⁶. Assistance into self-employment can

address the needs of some members of all these groups. The working poor need higher hourly earnings and/or more working hours; the unemployed need jobs; the mentally and physically disabled need employment, for income and self-esteem reasons, which can be flexible enough to encompass their handicaps; and the "voluntary" dropouts need more opportunities to earn income that fit with their lifestyle.

For many homeless men, education and skill training leading to high wage employment (with fringe benefits) is likely preferable to the entrepreneurial activities that homeless people could easily engage in. But the homeless who have low toleration for classroom training and regular full time employment may be able to cope only in a self-employment work environment. Self-employment, like other types of work, does not have to be a career. It can be used as a transition process to ease people into permanent full time wage employment.

Models of Business Assistance

There are at least five models for helping the homeless own and operate businesses: formal business training; credit only; mentor only; sheltered linkage; and franchises¹⁷. These approaches are basically individualistic in character. They are a useful set to start with because their individualistic nature does not make the enterprises vulnerable to dependence on possibly unreliable partners. However, cooperation with others in business and with suppliers and customers will be crucial at some point¹⁸.

Formal Business Training

The most common programmatic approach to training low income people to own and operate a small business is to provide classroom training focusing on preparing a business plan. Business plans contain a description of the enterprise and its officers, delineation and measurement of the market, cash flow projections, and forecasts of balance sheets and income statements. From a 1987 national survey of self-employment training programs for low income people, 78% concentrated on having clients prepare a formal business plan (Balkin 1989).

Some programs use business plans because they are easier to produce than actual businesses, and this requirement weeds out participants who have marginal arithmetic and literacy skills. In effect it becomes a form of "creaming": assisting the most job ready clients. Operating a program with job-ready participants, who have decent literacy and numeracy skills, means that the program, to be successful, has to assist their clients into high profit substantial businesses that can provide earnings better than what they could earn at a good paying wage job. This is difficult to do. Therefore, this formal and rigorously structured approach for well educated clients is possible for only a very small proportion of the homeless.

Credit Only Model

This is a program approach with little structure. Clients are provided money capital through a small loan. It is assumed that clients know how to locate, start, operate, and sustain their own self-employment activities and all they need is some money to initiate things; no technical assistance or training is provided. The emphasis here is on providing very small amounts of credit in very simple ways, with expectations of a low loan default rate.

An example for this model is the Grameen Bank of Bangladesh and its prototypes in the United States (O'Connell 1986). The Grameen Bank was organized to help landless peasants in Bangladesh start small enterprises. Small loans are provided to individuals organized in groups of five called solidarity groups. "Market rates" of interest are charged but they are well below the village loan shark rates. Loans are to be repaid on a weekly basis. The "stick" is if the first people in a group receiving loans do not repay the bank, then the other people in the group are denied loans. This puts peer pressure on the loan recipients to repay their loans on time and provides them with a support group, who, in their own self-interest, will try to assure that the loan money will be invested wisely. The "carrot" is that clients are entitled to bigger loans if they repay the smaller loans. An adjunct to this is a forced savings plan where part of the loan is immediately placed in a savings account and where additions to it are made on a periodic basis. This inculcates thriftiness, provides an additional fund for investment, and provides a

contingency fund if loan payments should get in arrears. A helpful support to this is a Grameen Bank code of ethics that fosters personal and economic development and is recited at every meeting.

Some aspects of this approach would have to be modified with a homeless male population because the level of social skills required may initially be too great for this target group. Either the solidarity groups would have to be smaller, e.g. size of three, or they may not be applicable at all¹⁹. Another problem could be the requirement of weekly meetings at which time loan payments are collected. A less frequent schedule, perhaps twice a month, might be preferable. The transient nature of homeless men and lack of permanent abode may inhibit their ability to meet weekly at one place, and the cost of weekly meetings might be prohibitive. However, the great strength of this approach, which is its simplicity (small loans, frequent periodic repayment, minimal paper work, coming to the client) would still be applicable.

Mentor Only Model

This is also a program approach with minimal structure. Clients are assigned to someone who is self-employed in a way similar to what the client desires. It is assumed that the capital required to initiate the venture is so small that the client can garner the funds himself, and that classroom training would not be effective. Here, the program objective is to provide the practical knowledge to do the myriad little things it takes to start and sustain the enterprise.

This approach is an attempt to emulate the same historic mechanism that is purported to transmit begging skills.

The technique of begging is a skill which has to be acquired. Many men learn the technique of begging from other shelter men. This is done in part by a successful beggar taking a novice out and actually teaching him how to beg and in part through casual conversation of information on the technique, the dangers, and the most profitable places. (Sutherland and Locke, 1936, p. 137.)

The program focus would be to prepare the client with enough social and verbal skills to successfully interact with the mentor, and to monitor the progress of their relationship, acting

as a troubleshooter and mediator. The practical knowledge to initiate the business would be transmitted from the mentor to the client. In the ideal, the mentor successfully shows the client how to initiate and operate the business and takes the client in as a full partner or finances the client in exchange for a small share of the profits²⁰.

This type of program skips the expensive, arduous, and unproven classroom training component. The main tasks would be to find mentors that are optimally socially close to the client, and to find incentives for the mentor to sincerely devote him/herself to the client. Mentors have to be close enough socially so that the mentor and client can communicate as peers and understand each other's lingo, but not so close that mentors are not stable enough to be supportive and inculcate good work habits. Further, there has to be some reason why the mentor should want to teach the client his/her business. Incentives can be extrinsic, such as obtaining a fee from the program, acquiring a way to expand their business, finding someone to sell the business to, or enhancing public relations. Or, rewards can be intrinsic, such as ego gratification from showing off what you know, the satisfaction of teaching someone your secrets of success before you die, or helping someone from your own ethnic or religious group.

Sheltered Linkage Model

This program approach has moderate structure. Clients are provided a type of business to initiate that is linked to a parent organization. It is assumed that clients can be successfully self-employed if given a market sheltered from full competitive forces and a benevolent parent organization where guidance and assistance is provided. Capital requirements and training are minimal or nonexistent. The emphasis here is on the parent organization's research to find sheltered retail, service, or manufacturing activities that clients can easily do. There are at least two examples for this approach: the Randolph Sheppard Vending Program for the Blind, and the newspapers sold only by the homeless, such as Street News.

The Randolph Sheppard Vending Program for the Blind is a program of the federal government under the Rehabilitation

Services Administration, but administered through the states (U.S. Department of Education 1989). Blind persons are provided space and equipment to operate a retail establishment in government office buildings, along with training and a basic initial inventory. Training varies from minimal to extensive depending on the degree of handicap and the sophistication of the operation. Three types of facilities are available: vending machines, a snack bar/convenience store, and a cafeteria. Competition is strictly limited, thus providing a built-in market. On-going technical assistance is also provided.

Street News, a monthly newspaper, is a recent enterprise in New York City initiated by Street Aid, a not-for-profit corporation with a mission to aid the homeless. The newspaper is primarily sold on the streets by homeless vendors. Vendors receive the first ten papers free. If they are still interested, they then buy an inventory of newspapers for 30 cents each and sell the newspaper at its retail price of 75 cents. In addition to the 45 cents revenue per paper, 10 cents of the 30 cents going to Street News is put into a mandatory savings account for an apartment security deposit²¹. Vendors wear an official Street News apron and cap, which helps in marketing and provides a symbol for their legitimacy to be out on the street²².

Neither program establishes clients in a fully independent business; that is the strength of these programs for this type of target group. There are, however, some disadvantages to these types of enterprises. Since it is likely there may not be enough slots to fill the demand for them, it would be useful to use the slots as a transition to other employment: either higher paying wage employment or a more independent type of self-employment situation. Other ways to increase slots would be to expand the types of things that are sold. For example, Street News vendors may be able to eventually move up to an operation which is more complex and has a diversified product line. They might sell tee shirts and candy in addition to the newspaper itself²³. Perhaps some homeless who have severe mental health problems, such that they are unable to work with the public, may be organized to be vendors to the vendors. They may be able to manufacture items in a controlled setting,

and sell them to the street vendors, who then sell them to the public²⁴.

Franchise Model

This approach is very structured, but the program operates as a facilitator rather than providing training itself. Clients are assisted to purchase a franchise with a small amount of their own funds, along with loan money. It is assumed that clients can be successfully self-employed if linked with a franchisor who provides the training and technical assistance. The emphasis here is on the program doing research to find, screen, and monitor the franchisors who participate.

The cost and sophistication of operation of most franchises are beyond the reach of most individuals in this target group. However, a recent study identified 165 franchisors from whom a person or group could obtain a franchise with \$15,000 or less equity capital and no obvious requirement of a college education (Balkin 1988). Nonetheless, even this downscale segment of the formal franchise industry may presently be applicable for only a small portion of the target group. Franchisors have many rules to follow and many may not trust the capabilities or reliability of the homeless, who lack permanent addresses and appear to be in dire straights. Franchisors want the money, but they are also concerned about quality control and standardization. Assistance might be provided in this area by programs which are designed to act as technical assistance intermediaries, to work with unprepared franchisees on their social and work skills.

These program efforts might be coordinated with efforts of community organizations which are well suited for this. Community organizations are experienced at fund raising, want to earn revenue for their efforts, and are more likely than for-profit companies to have community development goals. Perhaps they might develop simple enterprises which they can spin-off as franchises or franchise-like enterprises to the most poverty stricken people in their community: the homeless. Or they might help to organize groups of homeless people who can undertake a franchise together, and/or provide or locate financing.

Facilitating Participation

Like many of us, homeless people engage in economic activities that they see others, similar to them, engage in. Through informal networking and observation, they learn from others what seems to be successful or doable to earn income. This does not, however, always lead to socially useful outcomes. Some may appear successful because they are able to acquire extra income, in the short run, by using coercive or distasteful techniques such as aggressive begging. It is, however, only a short run strategy because, eventually, passersby will complain to authorities, ignore beggars, or avoid coming in contact with them by traveling different routes. Indeed, some cities already have ordinances to ban street begging.

Programs can exploit this naturally occurring tendency to emulate successful behaviors among peers by strategically choosing homeless people who carry status among homeless cliques, and providing self-employment assistance to them first. If other homeless people see that they are successful, they may try to do what they do even without formal assistance.

We must not have low expectations of homeless individuals, just because they are homeless. Some critics might say the homeless lack self-esteem and have an external locus of control such that they are incapable of engaging in self-employment activity. However, studies have shown that psychological dimensions, such as poor motivation towards achievement, are the result of past negative experiences in occupational situations and can be reversed by success in current work endeavors (Corcoran, et.al 1985; Buchele 1983). Assistance must be well thought out so that risk is minimized and incremental successes can be achieved, paving the way for psychological as well as economic improvement.

Conclusion

Encouraging and assisting homeless people to become self-employed may provide a way for some of them to increase their earnings and help close the gap between the cost of housing and income. In addition, it seems like a good way to ease some people into full time wage employment. Wage employment

may be beyond the grasp of some, and self-employment may be a way for them to more fully participate in the economic mainstream.

Self-employment is already a common activity for a substantial proportion of adult homeless men. Some homeless men may be able to pull themselves up by their bootstraps, if they are provided with a good pair of boots, and their path is cleared of obstacles. Program models exist to help them do what they already do, but to do it better. Skeptics might say that this approach merely suggests that homeless people peddle apples on a corner. The implication of the policies suggested, however, is that if someone is peddling apples already, they would be better off operating a fresh fruit cup stand.

Several program models were described that can enhance and initiate self-employment activity for adult homeless men. Certain models may work best or only work with certain types of the target group. It is important, therefore, to experiment and evaluate.

Notes

1. Redburn and Buss (1986, p. 44) provide an example of homeless entrepreneurs who became squatters in an abandoned motel in rural Ohio. They scavenged for old clothes and food and sold these to other homeless people passing through the area.
2. Bogue (1963, p. 197) lists five factors that caused unemployment among skid row men: seasonality of occupations; disability; inability to work due to age; age discrimination; alcoholism; and lack of ambition.
3. Bahr (1973; p. 75) describes attitudes towards the homeless by analyzing popular cartoons about the homeless. He cites examples where the theme is "the problems of the skid row entrepreneur are like those of other businessmen, although perhaps smaller in scale."
4. Day Labor can be a worthwhile work activity to pursue if the labor agency does not take too high a fee and it is used as a transition to permanent full time or even part-time employment. One such organization that does this is Just Jobs, Inc. a Chicago not-for-profit temporary help contractor. In addition, they bus workers to the suburbs where the better jobs are.
5. All these percentages are likely to differ by city and therefore differ with national estimates.
6. This research concentrates on males because, according to Burt and Cohen (1989), homeless men are significantly different than homeless women on

several dimensions and this may imply different approaches to prevention and ameliorative efforts.

7. An attempt was made to obtain two respondents from each facility. This was accomplished only with about half the shelters. Results were obtained using both weighted and unweighted data and no substantial differences emerged. The unweighted results are presented in this paper.
8. A small number of homeless males were interviewed and observed working on the street, but this did not constitute a systematic random sample.
9. Snow, et.al. found that while the arrest rates for the homeless were higher than for their domiciled counterparts, the majority of their arrests are for non-violent, minor and victimless offenses. Their view of the cause of criminal activities among them is that "With few personal resources and only a narrow band of survival options or niches at their disposal, we would expect certain criminal activities to become more salient strategies in their behavioral repertoire." Assisting homeless people into legal self-employment may widen the band of survival options for them.
10. Sosin (1988) reports that 41 percent of the homeless were looking for work. Those working were more likely to be male, younger, and have more years of schooling.
11. Classification into the three modes of employment was made by observations made on the street, in shelters, and in discussions from several shelter operators.
12. In a separate part of the interview, Sosin (1988, p.276-280) examined work activities in a more micro way and found the homeless substantially engaged in the following three sporadic activities: hustling (15%), panhandling (14%) and selling blood (4%), earning on average \$541, \$21, and \$18 per month respectively. Respondents were not asked about the specific types of things they did that they considered "hustling" but from side comments made by the respondents, "hustling" included such things as prostitution, selling drugs, games of chance, baby sitting and shoveling snow. Sosin (1988, p.279) concludes that the homeless seem to have more informal and irregular sources of income than the non-homeless poor. "These are the places where one turns out of desperation, when regular sources of income have been interrupted."
13. Sosin (1988, p. 282) found, using his aggregate typology, the following types of work activity by the homeless were the most common (in descending order): day labor (17%), occasional work (12%), full time work (5%), part-time work (5%), and other (2%). The numbers in parentheses are the percent of the homeless who were engaged in that type of work activity at the time of the interview. In comparing the labor environment of the homeless poor to the non-homeless poor, Sosin found the homeless poor work "less days, at more sporadic types of work, and earn less money" (Sosin 1988, p. 282).

Stevens, et.al. (1983) in their survey of homeless people in twelve Chicago communities found the following types of work activities the

most common: day labor (29%), begging (23%), recycling (16%), other (14%), illegal activities (12%), and selling newspapers (6%). The numbers in parentheses are the percent of those who report an occasional income source who work primarily in that type of activity.

14. This result is consistent with a study of older skid row men in the New York Bowery where approximately 23% of the men who worked, held wage employment jobs (Cohen et.al. 1988).
15. If there is a large proportion of homeless male workers participating in the few types of wage employment that is open to them, it is, of course, still possible for the majority of homeless men to be engaged in wage employment. To better calibrate the proportional distribution of homeless male worker participation in different modes of employment, another study would need to be conducted to directly measure this.
16. There are, of course, homeless persons who are not in the labor force for other reasons, such as having to take care of children or a sick relative.
17. Another possible model is community or agency owned enterprises. This type of enterprise for the homeless is very common since organizations such as the Salvation Army and Goodwill Industries are heavily engaged in this activity. However, this is not essentially a self-employment program because the enterprises are solely owned by the program. It can become a self-employment program if the ownership is spun off to clients in the form of subcontracting, partnerships, buyouts, or workers' cooperatives.
18. Balkin (1989) argues that entrepreneurial opportunities and information primarily come from social networks. Homeless people, like the rest of us, maintain social networks. However, the networks for the adult homeless males have been substantially weakened by the destruction of communities of homeless people (e.g. SRO hotels, skid row areas) (Hoch and Slayton 1989). Therefore, providing permanent housing for adult homeless men in homogeneous communities with good access to transportation should boost the degree of their remunerative self-employment activities, by increasing information about entrepreneurial opportunities.
19. Some adult homeless men do have experience working in small groups, pooling money for liquor and food, or using informal credit mechanisms such as borrowing from loan sharks (Cohen et.al. 1988).
20. Many self-employment training programs include finding mentors for clients as a program component, but they are used only as a supplement to formal classroom training.
21. Information about Street News was obtained from interviews with their staff, their press releases, and two newspaper articles (Persons 1989; Chicago Tribune 1989). Since the initial writing of this paper, Street News has had some major management and controversy problems. Nonetheless, similar newspapers have appeared successfully in other cities such as Street Sheet in San Francisco, Street Wise in Chicago, and Spare Change in Boston.
22. Balkin and Houlden (1982) found that people performing work activities

- in public spaces reduced others' fear of criminal victimization more if they were uniformed.
23. Consideration should be given to the strategy of reserving certain sectors in the economy just for the self-employed homeless and others in extreme poverty. Examples of candidates for these reserved sectors could be: newspaper selling (of all kinds), peanut vending, shoe shining, and automobile washing. Large corporations, medium sized businesses, and franchisor companies are already engaged in some of these activities. If these sectors were restricted for the survival activities of the very poor, the consumer may end up paying higher prices but the benefit would be providing additional avenues for people to escape poverty in ways that are consistent with dignity, self-help, and a mainstream work ethic. There may also be a side benefit of providing extra activities on our city streets that can create a richer and safer urban life (Balkin and Houlden 1982).
 24. An art exhibit, "Brushed Aside", was organized in Chicago for homeless people who can do art. Gallery space was provided so they could sell their works of art and receive the full proceeds from the sale of their works (Randle 1989). A New York City organization called "Crafts from the Streets" publishes a catalog of cards, poetry, and crafts produced by homeless people.

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