



SAN DIEGO STATE  
UNIVERSITY

December 2020



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# The Impact of Utility Assistance on Keeping People Housed



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*A special thank you to the Lucky Duck Foundation for their financial support of this research project and final report.*

*Thank you to Debbie, Tom, and Drew for all their support and encouragement.*

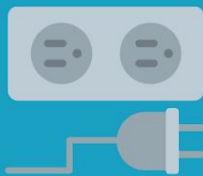
*We would also like to thank Mr. Jonathan Herrera at the housing commission for all his help distributing our request for interviews.*

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# Utility Assistance



## Executive summary

Homelessness has and continues to be one of the most challenging social issues of the San Diego region (the number of homeless people was 7,658 at the point in time this report was written).<sup>1</sup> To address and assist unsheltered people, a large portion of services have been directed to providing assistance and rehousing individuals. While these are noble efforts, it is essential to examine preventative measures that reduce the number of vulnerable people from falling into homelessness in the first place. According to the *San Diego Union Tribune*<sup>2</sup> there has been a recent increase in the number of individuals that are more than 4 months delayed in paying their utility bills. This is a clear sign of the need to increase utility assistance in these times.

This study examines the impact of utility assistance (electricity mainly) on keeping people housed, thus reducing their risk and ensuring they do not enter the cycle of homelessness. This study measures the perceptions of individuals living in four zip codes in the San Diego region (two in the City of San Diego and two in the City of El Cajon), as well as those of homeless individuals concerning the impact of utility assistance on housing.

### Findings:

1. Utility assistance does help the people utilizing it stay housed.
2. Utility assistance benefits individuals who are currently housed, and not single individuals who are renting a room within a residence (based on interviews).
3. Zip codes where the research was conducted contain large, vulnerable populations that need and could benefit from utility assistance.

### Recommendations:

- Increase accessibility of utility assistance programs.
- Explore ways to provide utility assistance to single room renters.
- Increase utility assistance for those eligible from 30% to 50%.
- Cover 100% of utility bills for people who are extremely impoverished.
- Promote collaboration between utility assistance and rental assistance programs.

<sup>1</sup>Data retrieved from San Diego Regional Task Force on the Homeless at <https://www.rtfhsd.org/reports-data/>

<sup>2</sup>Data retrieved from San Diego Union Tribune at

[https://www.sandiegouniontribune.com/business/story/2020-11-27/another-economic-effect-of-covid-19-more-sdg-e-c-customers-falling-behind-on-paying-their-bills](https://www.sandiegouniontribune.com/business/story/2020-11-27/another-economic-effect-of-covid-19-more-sdg-e-customers-falling-behind-on-paying-their-bills)

## Introduction

Homelessness has a high human and financial cost in any region of the world. The impact of homelessness on individuals, their families, and their communities is destructive on physical and mental wellbeing. The best approach to address homelessness is to prevent it from occurring in the first place. By preventing people from becoming homeless, the mental and physical health devastation associated with experiencing homelessness, as well as the costs associated with rehousing can be avoided. By instating preventative measures early on, the human and capital costs of homelessness can be reduced tremendously.

This study examines the perceptions of both housed individuals and those experiencing homelessness concerning the impact utility assistance might have on their housing situation, both currently and in the past. This study's main purpose is to measure whether utility assistance can keep people housed longer, thus preventing or delaying the onset of homelessness. While utility assistance is one factor that might assist people in staying housed, it is not the only factor that can ensure such an outcome. Rental assistance, mental and physical healthcare, as well as access to jobs remain essential factors that have a strong impact on maintaining housing. This study understands that utility assistance is an additional tool that needs to be deployed in coordination with these other tools.

To measure the impact of utility assistance, this study surveyed individuals living in four zip codes across San Diego county (two in the City of San Diego and two in the City of El Cajon).<sup>3</sup> These zip codes were chosen because they had the highest numbers of calls asking about utility assistance to the 211 hotline. These zip codes were also some of the most vulnerable areas in terms of housing insecurity, according to a model by the Urban Institute.<sup>4</sup> In addition to the survey, this study interviewed twenty four currently homeless individuals to examine their views on the impact of utility assistance.

In this report we focus on the question of whether or not utility assistance can keep people housed. Does utility assistance benefit people and support their living expenses, ultimately decreasing their chances of falling into homelessness? These questions and more will be answered through the analysis of the data collected, and the trends seen across the homeless population of these regions of San Diego.

## Background:

While the goal of eradicating extreme poverty in the form of homelessness is widely endorsed, the measures by which it is to be achieved are less agreed upon. This is to be expected, particularly when such a goal can only be achieved from a diverse coalition of approaches and the participation of a growing number of entities. The present study examines one such measure in the form of utility assistance programs.

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<sup>3</sup> See zip codes and map in Appendix A

<sup>4</sup> <https://www.urban.org/features/where-prioritize-emergency-rental-assistance-keep-renters-their-homes>

Since their adoption in the 1980s, utility assistance programs have been recognized as a low stakes, uncontroversial form of assistance, extending help to families and individuals by keeping the gas and electricity functioning in dire times. In California, policies established through the California Public Utilities Commission (CUPC) ensure that all electric corporations within the state with 100,000 or more customers offer a 30%-35% discount on gas and electric bills to low-income earners with annual household incomes that meet thresholds in relation to federal poverty guidelines.<sup>5</sup>

The San Diego Gas and Electric Company (SDG&E), for example, holds two main utility assistance programs. The California Alternate Rates for Energy (CARE) program offers a 30% discount on monthly gas and electric bills for those who fall within certain low-income thresholds.<sup>6</sup> Typically, those currently receiving public assistance or are unemployed are eligible for the CARE program. The Family Electric Rate Assistance (FERA) program offers households of 3 or more people an 18% discount on their monthly electric bills. Qualifications are based on total household income.<sup>7</sup>

The question examined in our study was as follows: What roles do utility assistance programs play in preventing or delaying homelessness?

Before going into our methods and data analysis, a few words should be mentioned about the rationale behind this research question. Homelessness can be viewed in terms of a continuum. On the furthest end are chronically homeless individuals living on the streets for at least a year, while struggling with a disabling condition such as a serious mental illness, substance abuse, or physical disability (National Alliance to End Homelessness).<sup>8</sup> On the other end of the continuum are housed individuals on the brink of becoming homeless. These include individuals and families, who for a variety of reasons, are no longer able to make ends meet. In identifying this research question, our aim was to understand the extent to which utility assistance programs serve as a safety net in preventing or delaying individuals and families from falling into homelessness in the first place. Doing so would help policy makers, institutions, and agencies in their efforts to safeguard the most vulnerable residents from falling into a condition that would only intensify demands for social services. In other words, resources funding utility assistance programs may prove to be less costly than dealing with the repercussions of homelessness, thereby calling attention to this form of homelessness prevention as one to be strengthened.

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<sup>5</sup> Retrieved from <https://www.cpuc.ca.gov/iqap/>

<sup>6</sup> To view a table with current income eligibility limits per household size for the California Alternate Rates for Energy (CARE) of a 30% discount, see Appendix B

<sup>7</sup> A table with eligibility limits for FERA and CARE can be found in Appendix B

<sup>8</sup> <https://endhomelessness.org/homelessness-in-america/who-experiences-homelessness/chronically-homeless/>

## **Method:**

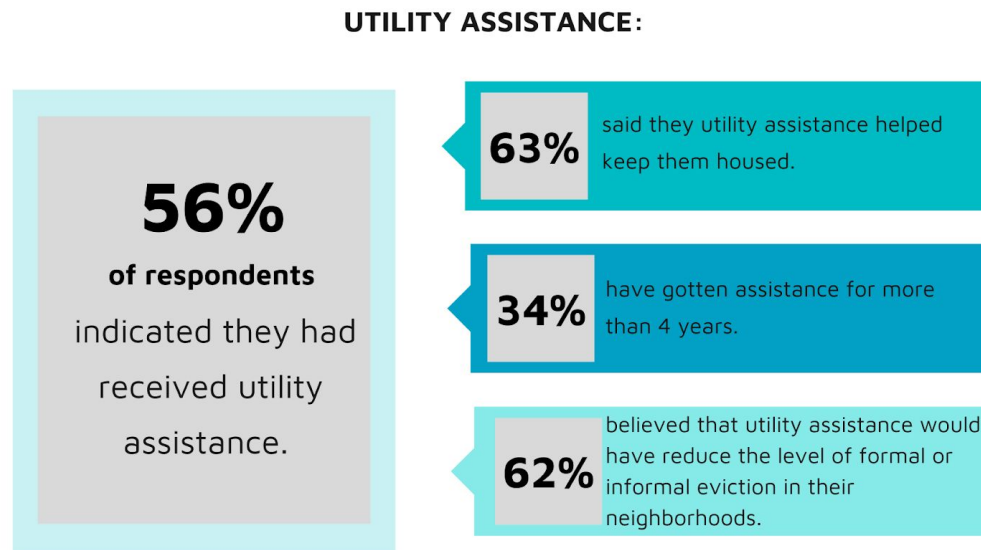
To capture insights and experiences from individuals falling in different places on this continuum, two forms of data collection were used. First, surveys were sent to households within neighborhoods which held the highest frequency of calls within San Diego county to 211 inquiring about housing assistance. These surveys sought to measure a variety of indicators, such as fears residents held of becoming homeless, whether they were receiving utility assistance, and whether such assistance helped them feel more housing secure, among many other factors. 184 valid responses were collected via this method. Individuals participating were compensated for their time participating by receiving \$10 Target gift cards or by being part of a drawing to win one of 10 \$50 Target gift cards.

Another set of data was collected from seeking out individuals who had fallen into homelessness within the past two years. Ultimately, however, the individuals who participated in interviews had experienced homelessness for a varied amount of time. This set of data was collected in the form of interviews, which sought to ask people to share their stories of how they became homeless, with special emphasis being placed on their struggles to keep up with their bills and the extent to which utility assistance served as an effective form of help. Interviews ranged from approximately 15 minutes to 90 minutes depending on how liberally interviewees shared about their experiences. A total of 24 individuals were interviewed. The manner in which these individuals were selected was through a collaboration with the SDHC's Homeless Housing Innovations Division, who agreed to distribute flyers to a number of homeless shelters, safe parking lots, and sober living homes. Individuals participating in interviews were offered a \$25 Target gift card to compensate for their time and willingness to participate.

## Findings:

Findings from this study highlighted the positive impact of utility assistance in keeping people housed, the limited reach of utility assistance, the limited impact of utility assistance on people who were couch surfing or renting rooms, and finally the vulnerability of the populations in the four zip codes where the research was conducted.

### 1. Utility Assistance is Helping



*Figure 1. Survey respondents on utility assistance.*

This study finds that nearly 56% of individuals who completed our survey were benefiting from some form of utility assistance programs, which vary in their discount rates and eligibility requirements (See Appendix E). The most commonly used assistance was through SDGE's CARE program, which constituted 72.5% of all utility assistance being utilized.

Our study found that a little more than half of our survey respondents (56%), who answered our question, had received utility assistance in the past, and out of those who did, 63% indicated that utility assistance helped them stay housed. This is an impressive positive impact of utility assistance.

In addition, utility assistance has slowed the effects of the homelessness process, with a third of respondents indicating that they have received utility assistance for more than 4 years. While utility assistance may not have a significant impact on poverty alleviation or increasing the standard of living, it can serve as a buffer which, in collaboration with other forms of assistance, could reduce severe poverty.

While utility assistance has a direct impact on keeping people housed, it is also perceived (62% of respondents) that utility assistance may decrease formal and informal evictions. Hence,

keeping people in the same neighborhood where they might have some social support and remain in a location they are comfortable in and knowledgeable of.

In addition to the answers from the survey, this study found that 53% of individuals experiencing homelessness interviewed, who previously rented apartments, explained that they would have stayed housed longer as a result of receiving utility assistance. The study also ran correlations and found that there is a positive correlation (.296\*\*at the 95% confidence) between those who have worried or stressed about having enough to pay rent or mortgage, with those who feel more confident in maintaining stable housing as a result of receiving utility assistance. This means that those using utility assistance felt that they did not have to stress as much about having to pay their rent/mortgage payment.

“Some people you know, they really need a helping hand for them to get back on their feet again so you know all services are doing.. are helping people out there, and the more the merrier. **Interview participant, 2020.**”

“[...] just a higher percentage of helping people with their utility bills. Or maybe to do utilities so that they're free. Because we use a lot of utilities with the weather and air conditioning. It is a necessity to have electricity and all that stuff to be raising a family. That's kind of important. **Interview participant, 2020.**”

Nearly all individuals experiencing homelessness interviewed explained that the money they would have saved from benefiting from utility assistance programs would have gone toward paying for other necessities. These include food, transportation, medicine, child-related expenses, paying off debt, household necessities, and rent.

In addition to the survey, this study found that more than half (58%) of homeless individuals interviewed, who rented an apartment, indicated that utility assistance would have helped them while they were housed. Of these individuals:

- 35% said receiving utility assistance that covered 100% of their bills would have been helpful
- 64% said receiving utility assistance that covered 50-75% of their bills would have have been helpful

In a number of cases, interviewees saw utility bills as necessities especially with the current change in weather conditions. The recent heat waves this past summer were especially influential to people's perception of the need for utility assistance. Some interviewees even explained that utility assistance can be a helping hand that allows people to get back on their feet.



## 2. Falling Through the Cracks

While utility assistance was perceived to benefit people who are currently renting/owning, there are individuals who are vulnerable and eligible yet unable to access this assistance. Utility assistance benefits individuals who are currently housed and not single individuals/families who are renting a room or living with a relative.

Of the individuals interviewed, 45%<sup>9</sup> explained that prior to becoming homeless, they were renting a room within an apartment or a house as a subtenant, in which they were not listed as a customer of SDG&E. Although these individuals fell within low-income thresholds, because they were not listed as a customer of SDG&E, they were not eligible to receive utility assistance. In one instance, an interviewee explained that her landlord would list themselves as a roommate to be able to visit the house unannounced and to be listed as the customer on the utility bill. Obstacles like these prevent a significant number of individuals from benefiting from utility assistance programs.

“You know, I mean, if people can live utility free, that'd be great. I don't know if that's a possibility..This heat, man, there's no there's no end in sight. I've never seen this before, but guess what they're saying this is the worst heatwave that we've had since like 1986 I think. So it's been decades since we've had this before. I mean, this is horrible. **Interview participant, 2020.**”

### FALLING THROUGH THE CRACKS

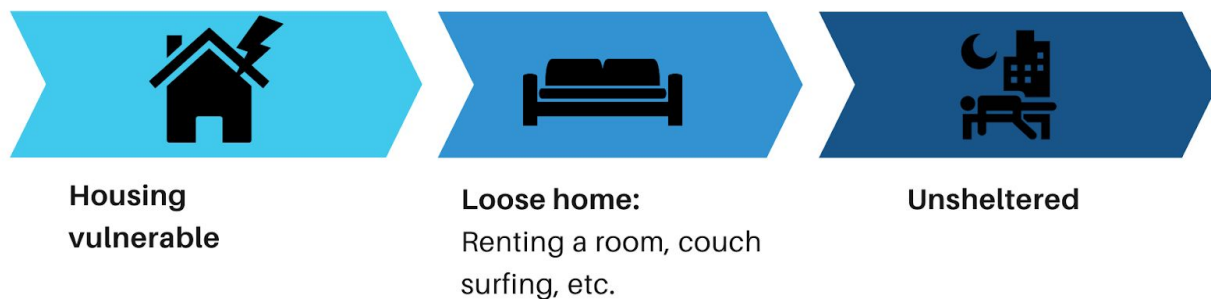


Figure 2. Unsheltered spectrum.

“The way our landlord had it set up is that he had himself listed as roommate number 1 even though he didn't regularly live there, he had it set up as being a roommate, so he could just drop by without the 24 hour notice but also he came over on the weekends and usually did his laundry and things so he kind of contributed to the bill. He didn't pay any part of that bill. It was split between us, a few people and our other roommate in the house.. so none of us were able to use the discount.

**Interview participant, 2020.**”

In addition to not benefiting from utility assistance, as they rented a room or lived with a relative, only 45% of all individuals experiencing homeless who were interviewed had heard about utility assistance programs. Only 26% of this same sample previously benefited from receiving utility assistance. Similarly, 22.5% of survey respondents were not familiar with the process of applying for

utility assistance programs. This lack of knowledge poses an obstacle in enabling individuals in need of this extra help from receiving it. When learning about the discounts utility assistance provides, nearly 2/3 of individuals experiencing homelessness interviewed said it may have kept them housed longer. The consequences of not benefitting from utility assistance, in some cases, can be dire. Our interviews with individuals experiencing homelessness revealed that 14% had unpaid utility bills that prevented them from getting housed.

Through our findings we have determined that utility assistance is beneficial for a specific group of individuals: those who are currently housed, who are vulnerable to falling up to \$250 short on their overall expenses within any given month, would benefit the most from utility assistance. On the other hand, those who are couch surfing or renting rooms may not benefit as much or at all. In addition, those who are unable to pay the majority of their rent or mortgage may not benefit enough from this assistance, and rental assistance may be a more realistic way for them to maintain their housing.

### 3. A Highly Vulnerable Population that can Benefit from Utility Assistance

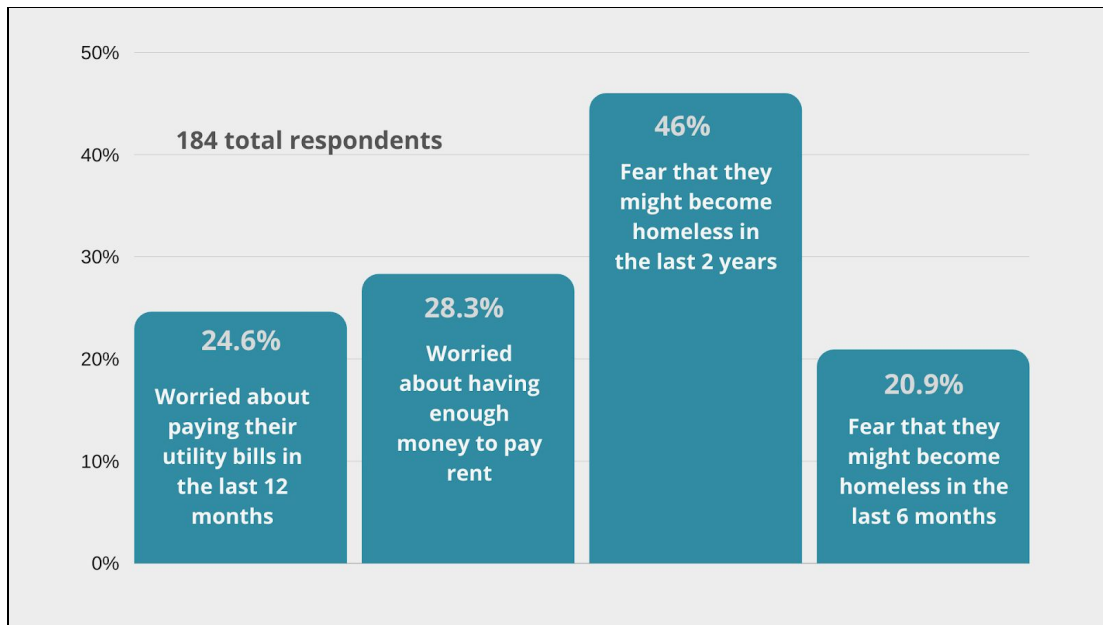


Figure 3. Survey respondents thoughts on expenses.

Based on our surveys, this study found (see figure 3 above):

First, surveys distributed to residents within designated zip codes revealed that close to half (46%) of all respondents feared that they might become homeless within the last 2 years. Of these, 20.9% feared falling into homelessness in the last 6 months. This high level of housing insecurity can have a negative impact on people's mental and physical health, including

increasing their stress levels<sup>10</sup>. This in turn can impact people's ability to maintain jobs, and diminishes their ability to flourish in society.<sup>11</sup> In addition, Covid-19 appears to have had a negative impact on people in these communities, with close to 21% of the population fearing becoming homeless in the last six months.<sup>12</sup> The pandemic has created a sense of fear of job loss which could translate into the inability to pay rent/mortgage and utility bills.<sup>13</sup>

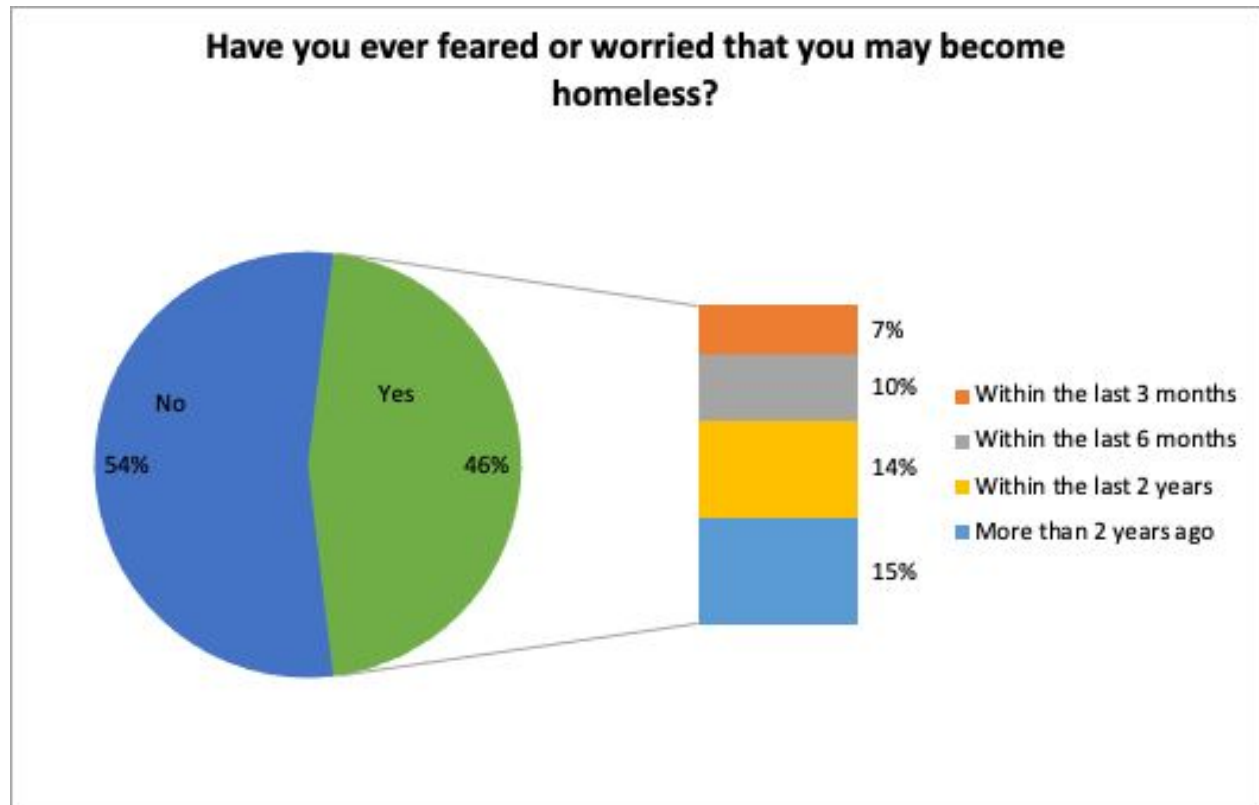


Figure 4. Survey respondents fears and worries of becoming homeless timeframes.

Second, that nearly a quarter of respondents (24.6%) are worried about paying their utility bills. This finding is a clear indicator of the severity of these people's situations. When a quarter of the people cannot afford to pay their utility bills, it means they are facing very harsh economic times. This implies that individuals like these are likely living paycheck to paycheck, without significant savings. This means any unforeseen event causing an increase in expenses, particularly when there is lack of social support, could be a catalyst to offset homelessness. Therefore a sizable form of assistance (utility or rent) may be helpful to keeping them housed.

“I just believe that it's pretty hard to maintain a household, you know what I mean? The rent going up unexpectedly, things are changing all the time with gas, electricity, water. The assistance needed..there's a pretty high demand for it.. there's lots of people out there, living check to check.. people just not being able to make their payments. [...] **Interview participant, 2020.**”

<sup>10</sup> <https://www.ncbi.nlm.nih.gov/pmc>

<sup>11</sup> <https://policyoptions.irpp.org/wp->

<sup>12</sup> Our research was conducted in (

<sup>13</sup> <https://www.nber.org/papers/w27>

Third, 28.3% of respondents indicated that they were worried about having enough money to pay rent. Similar to our second finding, when a third of the population is unable to pay rent, the possibility that they might fall into homelessness increases. Important to note is the extent to which savings accrued from utility assistance go towards paying rent or a mortgage. Many respondents explained that the money saved from not paying utilities would go directly to rental payments or other necessary living costs.

Our survey findings were supported by the data from our interviews with homeless individuals. This study found that 92% of homeless interviewees, who had previously rented an apartment, were worried about being able to pay their utility bills.

The high level of housing vulnerability is a clear indicator of the need for more assistance in these communities. Especially during the Covid-19 crisis, people who are not economically and housing secure find it hard to take time off work and care for themselves or their families in the case of healthcare emergencies. Thus, they must keep working, which would increase the chances of sickness in their household.

Countless amounts of previous research speak to the relationship between economic distress and negative health outcomes.<sup>14</sup> These were confirmed in our interviews with individuals experiencing homelessness. While some noted that health conditions directly caused their spiral into homelessness, nearly all respondents noted their overall health diminishing upon becoming homeless. Only 31% noted having no health conditions, with 58% citing physical issues and 11% discussed mental health problems. In the context of staying in homeless shelters, one interviewee voiced that their stress and anxiety levels spiked tremendously upon arrival, which does not appear to be an uncommon experience for newly unhoused individuals.

“ I'm sorry, I'm just so sorry for the people that have to face mental illness. I've never been around that much my entire life and then you have the combination of them. Yeah, that's exhausting every day. And I've had nightmares every night this week, and they're all about being in the shelter. ”  
**Interview participant, 2020.**

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<sup>14</sup> <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1365-2648.2007.04234.x>

## Recommendations:

While a vast majority of the data gathered suggests the high cost of rent is the greatest factor in causing housing insecurity, utility assistance programs offer a veritable safety net to prevent or delay homelessness. In order to bolster the favorable influence these programs have on those most vulnerable, we recommend the following:

- **Increase accessibility of utility assistance programs.**  
Of those benefiting from utility assistance through SDG&E, only 32.1% heard about the program directly through SDG&E. The rest learned about utility assistance through agencies like 211, other non-profit organizations and through their own personal network of friends and acquaintances. Furthermore, 22.5% of survey respondents were not familiar with the process of applying for utility assistance programs. As individuals set up services through their public utility company, they could be screened for eligibility and placed automatically for the utility assistance program. Doing so would enable a wider pool of those in need to benefit from utility assistance and would prevent any potential obstacles involved in applying for the program.<sup>15</sup>
- **Explore ways to provide utility assistance to single room renters.**  
Of the homeless individuals interviewed, several (46%) explained that prior to becoming homeless, they rented a room within a home or an apartment as a subtenant. Since they were not listed as the primary resident, they were not eligible to benefit from utility assistance programs. In these cases, their portions of rent and utilities were covered in one bill paid by the primary resident. To offer utility assistance to subtenants who meet income eligibility requirements, we recommend further research and exploration of this topic.
- **Increase utility assistance for those eligible from 30% to 50%.**  
21.4% of survey respondents who expressed worry about being able to pay for utility bills felt they would be more housing secure if they received a 50% discount of their utility bills. Similarly, interviews with individuals experiencing homelessness revealed that 58% would have felt more housing secure if 50-100% of their utilities were covered prior to becoming homeless. This would be a significant increase from what is currently offered by SDG&E's CARE program.
- **100% of utility bills covered for people who are extremely impoverished.**  
For those who are considered of extremely low income (0-30% of area median income), eliminating or forgiving utility bills may help a great deal as a temporary measure. These individuals who often are facing unemployment or can only secure part-time work are most vulnerable and likely to fall into homelessness. Individuals interviewed who recently became homeless explained that the money they would have otherwise used for utility bills would have been spent on rent, food, or other household essentials. Furthermore, when these individuals are unable to pay utility bills and lose their home, those unpaid bills can hinder them from gaining access to housing in the future.
- **Promote collaboration between utility and rental assistance programs.**

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<sup>15</sup> See appendix C

While utility assistance programs have shown to provide a safety net for economically distressed individuals, there is no denying that the impact can only go so far. For individuals earning less money than needed to maintain stable housing, no amount of utility assistance can ensure all their needs are met. Therefore, we propose utility assistance programs work in conjunction with rental assistance programs and other measures aimed to safeguard the most vulnerable from becoming homeless. The Department of Housing and Urban Development (HUD) provides utility allowances for those dwelling in federally assisted public housing to ensure living expenses do not exceed 30% of a household's income.<sup>16</sup> While the availability of federally assisted public housing is extremely limited, a similar form of collaboration between housing assistance programs of various sorts and utility assistance programs is an area that merits further consideration.

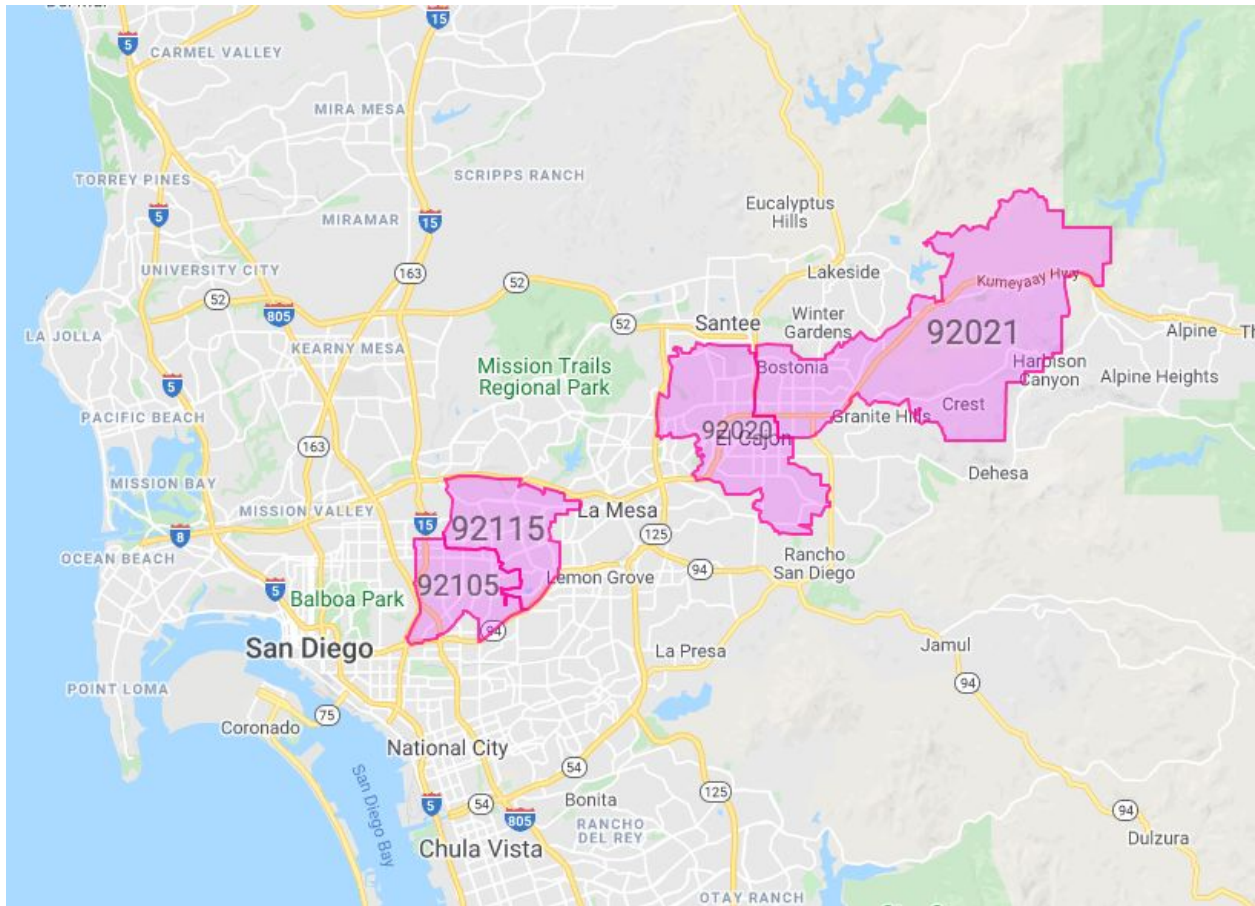
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<sup>16</sup> [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/ph/phecc/allowances](https://www.hud.gov/program_offices/public_indian_housing/programs/ph/phecc/allowances)



## Appendix A

### Map of the Zip Codes Included in Survey



## Appendix B

### CARE and FERA Income Eligibility Limits

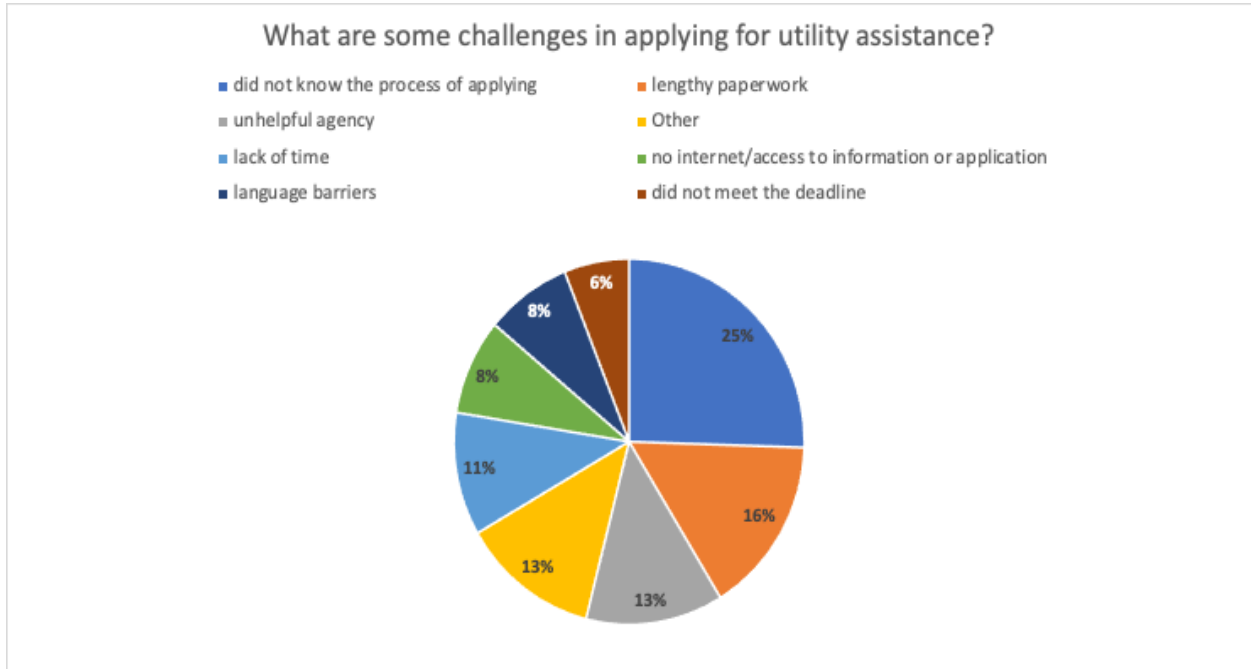
Income Eligibility Upper Limit		
Household Size	CARE	FERA
1-2	\$33,820 or less	Not eligible
3	\$42,660 or less	\$42,661 - \$53,325
4	\$51,500 or less	\$51,501 - \$64,375
5	\$60,340 or less	\$60,341 - \$75,425
6	\$69,180 or less	\$69,181 - \$86,475
7	\$78,020 or less	\$78,021 - \$97,525
8	\$86,860 or less	\$86,861 - \$108,575
Each Additional Person	\$8,840	\$8,840 - \$11,050
* Effective June 1, 2019 to May 31, 2020		

Retrieved from: <https://www.cpuc.ca.gov/lowincomerates/#fera>



## Appendix C

### Challenges in Applying for Utility Assistance

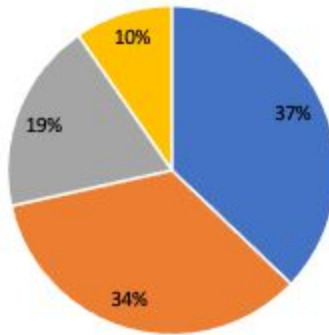


## Appendix D

### Worried or Stressed about Enough Money for Housing

**How often in the past 12 months would you say you worried or stressed about having enough money to pay your rent or mortgage?**

■ Never or rarely ■ Sometimes ■ Usually ■ Always



## Appendix E

### Survey Results for Utility Assistance Utilization

Have you utilized any of the following utility assistance programs?		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	79	42.2	43.2	43.2
	Yes, SDGE CARE Program (Offers a 30% or more monthly energy bill discount for those participating in public assistance programs like Medicaid and SNAP)	76	40.6	41.5	84.7
	Yes, SDGE FERA Program (Offers 18% monthly bill discount on energy bills to households with three or more people, for those who qualify, based on income guidelines.)	10	5.3	5.5	90.2
	Yes, SDGE Medical Baseline Program (Offers energy allowance to those who depend on life support equipment or special environmental conditions)	9	4.8	4.9	95.1
	Yes Campesinos Unidos, Inc (Offers limited utilities and rental assistance)	4	2.1	2.2	97.3
	Yes Other (Specify):	5	2.7	2.7	100.0
	Total	183	97.9	100.0	
Missing	System	4	2.1		
Total		187	100.0		