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The Power of Independent Thinking

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Lessons on Homelessness

By Mary L. G. Theroux

Our Campaign for Housing and Human Dignity creates innovative solutions to tackle the homelessness crisis in California—and beyond.



Even while homelessness rates have declined nationally, communities in California have seen dramatic increases, with an estimated 161,000 people now experiencing homelessness across the state (a 40% increase from 2015). The cause for this tragic increase can be attributed primarily to failing state and local government policies that have fueled homelessness. This includes directing funding almost exclusively to Housing First, a one-size-fits-all approach for providing every individual experiencing homelessness in California permanent housing. This is not only prohibitively expensive, but studies show Housing First does not reduce homelessness. Meanwhile, an immense government regulatory regime on housing development disincentivizes and obstructs the building of all housing, driving the crisis in affordable housing.

Independent Institute is partnering with a broad-based coalition in San Francisco to move transformative ideas into impact in restoring our communities and helping affected individuals and families achieve their full potential. Here's a sample of the important work we are advancing together (see also Page 3):

Producing Pathbreaking Research into the Causes of and Cures for Homelessness: As always, we start with rigorous research. Our in-depth, peer-reviewed *Independent Policy Report*, *Beyond Homeless: Good Intentions, Bad Outcomes, Transformative Solutions*, analyzes the drivers of homelessness and lays out bold solutions.

Putting Ideas into Action in San Francisco: Independent is the designated Policy Partner for an exciting new coalition of 32 organizations developing a way out of homelessness for every San Francisco resident who suffers from substance abuse and desires to change.

Amplifying Our Findings and Solutions through Entrepreneurial Marketing and Promotion: Independent moves our research to impact by securing feature stories, interviews, and op-eds across major online, broadcast, and print media outlets such as in NPR, *Los Angeles Times*, and the *San Francisco Chronicle*.

Producing the High-Impact Documentary on Homelessness to Reach Millions, *Beyond Homeless: Finding Hope*: Independent Institute is differentiated by an innovative transmedia approach to sharing our findings, solutions, and perspective.

Mary L. G. Theroux is Senior Vice President of the Independent Institute. She is former Chairman of the Advisory Board for the Alameda County Salvation Army; former Chairman and current member of the San Francisco Salvation Army Advisory Board, and also serves on the National Advisory Board of The Salvation Army.

EXECUTIVE DIRECTOR'S LETTER

Ideas, Action, and Liberty





Ideas matter. And ideas matter even more when they move into

I'm pleased to report that this past year featured inspiring work and meaningful results as our mission to advance liberty, opportunity, and prosperity became even more important during a global pandemic rife with threats to liberty.

As an organization, we pivoted to focus on the harmful impact of government responses to the crisis. Our message and principles remained the same as ever, as we set forth market-based solutions, backed by peer-reviewed research, to provide antidotes to Leviathan.

During mandatory stay-athome orders, we were unable to meet with our friends in person

but found a way to keep in touch through a series of virtual events as well as an enhanced social media presence where friends, supporters, and the general public could easily access our content.

Through the following initiatives, among others, we provided a beacon of clarity during a time of challenge:

- Curbing Big Government during a crisis — Our scholars and research fellows in economics, healthcare, education, and civil rights were at the forefront of research and commentary.
- Inspiring the next generation for liberty - Our award-winning Love Gov video series continued to reach young people and achieved over 10 million views this year and total combined views of 35.5+ million since it launched.
- Preserving opportunity as unemployment spiked — The economic fallout from COVID-19 results in millions of people losing their jobs. The government even focused on taking away opportunities for independent contractors by banning "gig economy" workers. We took strong and

decisive action to curtail this legislation by actively seeking a suspension of a disastrous California assembly bill as well as submitting our amicus brief before the U.S. Court of Appeals for the Ninth Circuit.

- Expanding housing affordability - Our Center on Entrepreneurial Innovation released an Independent Policy Briefing, Restoring the California Dream: Removing Obstacles to Fast and Affordable Housing (part of our California Golden Fleece Award® series).
- Securing quality education — Improving K-12 academic standards and schools was the focus of our Center for Educational Excellence through in-depth policy reports and briefings, especially to fight the capitalism-is-racism message of proposed curricula in "ethnic studies."

Thank you for being a key partner of the Independent Institute as we stand together in our quest for a better future, with compelling, innovative approaches for advancing civil society and opportunity-creating policies!

Thank you!

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HOMELESSNESS REPORT

Beyond Homeless

Homelessness is a substantial—and growing problem in California, even as it declines in some parts of the country.

It is a growth not only in sheer numbers but also in visibility, with even well-to-do neighborhoods experiencing the rise of tent cities—along with the crowded, unsanitary conditions that have fueled outbreaks of disease.

California has become the poster child of "third world" conditions and the return of "medieval" diseases in encampments of people experiencing homelessness, as well as record overdose deaths, and the degradation of neighborhoods.

At the state level. Although homelessness has actually declined by 12 percent across the nation in recent years, it has continued to increase in California by nearly 9 percent.

And despite the fact that California comprises only 12 percent of the nation's population, it now contains 27 percent of the nation's population of those experiencing homelessness.

At the local level. Approximately one-quarter of those experiencing homelessness in the U.S. reside in the nation's two largest cities: New York City (14 percent) and Los Angeles (10 percent). But in terms of the fraction of the population experiencing homelessness who are also unsheltered, the top five major metropolitan areas are all located in California—Fresno County/Madera County (82.5 percent), Santa Clara County (81.6 percent), Alameda County (78.7 percent), Los Angeles County (75.5 percent), and Sacramento County (70.1 percent).

Housing First. In recent years, federal, state, and local officials have rushed to adopt the "Housing First" approach to the problem-whereby people experiencing homelessness are placed in permanent housing with no requirement to access services for recovery, employment, or other



programs.

The issue at hand. Homelessness is an incredibly complex problem with many various causes. Some of these are predictable (housing policies that restrict the supply of housing and otherwise raise prices; economic policies that make it more difficult to earn a living), while others are not (the loss of a job, mental illness, and/or substance abuse—sometimes as a result of untreated childhood trauma; sudden health emergencies, including disability or the death of a head of household).

As such, and in light of the fact that different people respond in different ways to different approaches and incentives, there is no one silver bullet that will fix all of the myriad underlying issues. Furthermore, merely throwing more money at the problem has not been working.

Transformative Solutions. Everyone deserves the opportunity to reach their full potential. The Housing First approach can help some experiencing homelessness to do so. But there are many experiencing homelessness who can benefit from more personalized programs leading to transformed lives. Successful models of these programs exist and should be emulated so our communities can move Beyond Homeless.

The Independent Institute is excited to share the full report, to be released late summer.



Victor Davis Hanson

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Richard E. Wagner Hobart R. Harris Professor of Economics, George Mason University Paul H. Weaver Author, News and the Culture of Lying and The Suicidal Corporation

Independent Institute in the News

Center on Entrepreneurial Innovation

"California illustrates the dangers of outsized public-employee-union influence and should serve as a warning to other states—and the federal government—that are following down the same path."

—Lawrence J. McQuillan and Adam B. Summers in *National Review*, 4/1/21

"All we know for certain is that increasing government power begets increasing government power. And that vicious circle does imperil the future of free-market capitalism."

—**Judy L. Shelton** in *The Wall Street Journal*, 5/27/21



WILLIAMSON M. EVERS ON "THE INGRAHAM ANGLE," 5/21/21

Center on Healthcare Choices

"The biggest obstacle to getting a doctor consultation in the privacy of your own home is government. When the Covid pandemic arrived, it was illegal (by law of Congress) for doctors to bill Medicare for a consultation – even by phone or email ..."

—John C. Goodman on FoxBusiness.com, 3/17/21

Center on Educational Excellence

"If California education officials have their way, generations of students may not know how to calculate an apartment's square footage or the area of a farm field, but the 'mathematics' of political agitation and organizing will be second nature to them. Encouraging those gifted in math to shine will be a distant memory."

—Williamson M. Evers in *The Wall Street Journal*, 5/18/21

Center on Health and the Environment

"We can go to essentially zero emission of CO2 and you find the impact on temperature change is negligible. But the impact on the economy, the

impact on humans, the impact on human life is draconian."

—**David R. Legates** on KVOI radio's *Liberty Watch*, 5/16/21

Center on Global Prosperity

"Venezuela, Cuba and their allies in Nicaragua, Argentina and Bolivia see the instability in Peru and the turmoil in Colombia as opportunities to extend the reach of radical socialism in the Western Hemisphere. With poverty and corruption endemic, political reform rare and ineffective and the COVID-19 pandemic making matters worse, there is abundant popular discontent for the totalitarians to exploit. Let us hope they fail."

—Alvaro Vargas Llosa in Newsweek, 5/21/21

Center on Peace and Liberty

"The Chinese do convincingly argue that they do not meddle militarily in Latin America, the traditional American sphere of influence. Thus, the American people should ask why the United States needs to be a military nanny to the smaller nations in China's immediate neighborhood."

— **Ivan Eland** in *The American Conservative*, 5/15/21



STEPHEN P. HALBROOK ON "THE BEN SHAPIRO SHOW," 6/10/21

Center on Law and Justice

"Whether the right to bear arms is good or bad policy is beyond the purview of the Supreme Court. Instead, its duty is to establish what the Constitution means and requires. As the Supreme Court stated in *Heller*, 'the enshrinement of constitutional rights necessarily takes certain policy choices off the table.' That principle would likely take off the table any policy which declares that Second Amendment rights can only be exercised inside of one's home."

— **Stephen P. Halbrook** in *The Washington Times*, 5/24/21

THE INDEPENDENT REVIEW

Virus and Leviathan

In early 2020, coronavirus disease (COVID-19) was unleashed on the world. What began as an outbreak in China quickly spread and was declared a pandemic in March 2020. In response, governments around the world activated their regulatory machinery, adopting a wide range of activities, including but not limited to detainment, surveillance, lockdowns, the shuttering of schools and "nonessential" businesses, travel restrictions, and the banning of certain events. Contributors to The Independent Review's Spring 2021 Symposium: "Virus and Leviathan," examine the consequences of government lockdowns and the maintenance of a free society. Here's a quick rundown.

Public health is an oft-used illustration of market failure and justification for governmental action to solve as a corrective, notes Richard E. Wagner (George Mason Univ.). COVID-19 is just the latest in a continuing series of claims of market failure that are alleged to require solutions by politically selected experts. Although recognizing that COVID-19 presents problems of public health, Wagner argues that solutions are a complex matter of social organization and not a simple matter of selecting the right expert to determine the right solution.

Phillip W. Magness and Peter C. Earle (both of American Institute for Economic Research) analyze the nonpharmaceutical interventions (NPIs) aimed at mitigating the transmission of COVID-19. Examples of NPIs include closing businesses, canceling events, restricting travel, limiting the size of gatherings, and imposing shelter-in-place mandates. Magness and Earle identify the various political



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economy dynamics at work in the design, implementation, and persistence of NPIs in the context of COVID-19.

Although a growing body of research estimates the benefits and costs of lockdowns, Ravmond J. March (North Dakota State Univ.) notes that there is less research examining the role of deregulation in expanding healthcare capacity. His paper fills this gap by analyzing the impact of the FDA and CDC's deregulation on COVID-19 testing. He finds that laboratories and test developers greatly expanded both the COVID-19 testing availability and the variety of tests after deregulation occurred. His findings have implications for the way we think about responding to pandemics beyond COVID-19.

Next, Nathan P. Goodman (George Mason Univ.), Christopher J. Coyne (George Mason Univ.), and Abigail Devereaux (Wichita State Univ.) explore how government responses to public-health crises can result in the permanent growth of Leviathan. Some of the consequences of expansions of the scope of government power in response to public-health crises are immediate and observable.

Others, however, are not readily observable and appear only over time. They explore these long-run consequences with a specific focus on how institutional changes can persist after a public-health crisis ends, causing increases in state power. These changes have the potential to undermine the liberties of future persons and disrupt bottom-up, nonstate processes of social coordination.

Finally, **Byron B. Carson III** (Hampden-Sydney College) argues that individuals partially internalize epidemic externalities by limiting infectious behavior and encouraging preventative behavior. He notes that this is more likely to happen voluntarily when prevalence and mortality rates rise. Carson develops the logic underpinning this responsiveness with a specific focus on voluntary changes in behavior, innovative means of prevention, and changes in rules.

Responsiveness, viewed as a voluntary phenomenon, implies that the effectiveness of many governmental public-health policies is overstated, that herd immunity depends on responsiveness, and that public-health agencies can improve their fight against infectious diseases by promoting entrepreneurial efforts of individuals. Carson's analysis has important implications for the way we think about the range of feasible options for dealing with the challenges posed by infectious diseases.

Thoroughly researched, peer-reviewed, and based on scholarship of the highest caliber, *The Independent Review* is the acclaimed interdisciplinary journal devoted to the study of political economy and the critical analysis of government policy.

PUBLICATION SPOTLIGHT: POST-PANDEMIC REFORMS

Emergency Reforms Worth Keeping*

Governor Newsom freed up the health care sector during the pandemic. It should stay that way.

By Lawrence J. McQuillan and Jonathan Hofer

Gov. Gavin Newsom want[ed] to fully reopen California's economy on June 15, returning to "business as usual." But health care should not return to the pre-pandemic status quo.

In June 2020 Newsom signed an executive order allowing companies that were not licensed by the state to provide urgently needed supplies such as hand sanitizer, ventilators, respirators, masks, and other personal protective equipment, provided the companies certified that their items complied with FDA standards. Newsom's order opened California markets to entrepreneurs who wanted to combat the severe shortages. The new supply chains saved the lives of health care workers and others.

Medical associations, aided by government policies, have artificially restricted the number of people allowed to enter California health care occupations. For example, much like a medieval guild, the California Board of Registered Nursing limits how many students can attend nursing programs. As a result, more than 21,000 qualified applicants were denied enrollment in 2016–17.

Those people could have been nurses when Covid-19 swept across California. Instead, California experienced self-inflicted shortages of medical workers, which prolonged the lockdowns and restrictions on non-emergency care.

Some of Newsom's reforms targeted staffing shortages. The governor eased licensing restrictions, permitting the hiring of out-of-state doctors, nurses, respiratory therapists, and other medical personnel. He streamlined the process for reinstating inactive or retired health care professionals.

Scope-of-practice rules were relaxed. These rules limit the tasks that specific health care workers can perform legally. Also, the cap on the number of nurse practitioners and physician assistants who can serve under a supervising physician was removed.

Some staff-to-patient requirements were eased. For example, the Newsom administration unveiled a fast-track waiver process for hospitals to increase the number of patients that a nurse can treat at one time.

All of these reforms improved patient care by giving providers the flexibility to hire out-of-state

workers and allowed supervisors to better allocate staff, delegate duties, and prioritize care as conditions changed, while ensuring patient safety.

A series of rule changes at the state and federal levels also allowed telemedicine to flourish using in-state and out-of-state health care professionals. Telemedicine became a godsend for the elderly, disabled people, and others without reliable transportation during the pandemic.

Newsom and the state legislature should make these patient-centered emergency reforms permanent. After all, if it was right to eliminate those regulations during the pandemic, it would be immoral to reinstate them after the crisis. And officials should permanently weaken or eliminate the power of medical associations to restrict entry into health care occupations.

Governor Newsom made mistakes, too, and not just the French Laundry fiasco. He was typically reactive, not proactive, waiting for bottlenecks to appear. Some key reforms were not adopted until June and December 2020, deep into the crisis.

Newsom loaned 500 ventilators to the national stockpile and 50 ventilators to Michigan when health officials in Santa Clara County were asking for donations of ventilators.

And he pursued a multibillion-dollar PCR testing strategy to detect infections, which was worthless at containing the spread of the virus because getting the results took too long. Instead, Newsom and officials across the country should have lobbied the FDA to quickly authorize inexpensive, at-home, nonprescription rapid antigen test kits, which would have helped contain the virus early in the pandemic.

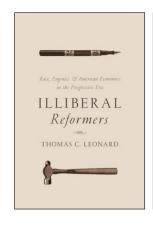
In his State of the State Address, Newsom said, "We won't be defined by this moment. We'll be defined by what we do because of it." Making the temporary pro-patient reforms permanent would lower health care prices and improve access to higher quality care, an appealing strategy as a recall election looms.

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Recommended Readings on Race and Civil Rights

By Willamson M. Evers

Independent Institute's Center on Educational Excellence created one of the most exhaustive annotated bibliographies ever assembled on the issues of civil rights, police reform, race relations, and the welfare state. The list relies heavily on exemplary but less-

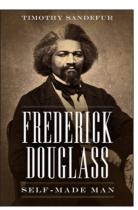


er-known scholarship that draws on America's heritage of individual rights, equality under the law, free markets, and freedom of opportunity.

If you can read just one item on this list, then make it *Illiberal Reformers: Race, Eugenics, and American Economics in the Progressive Era*, by **Thomas C. Leonard**. If you can read only two, make your second choice *Frederick Douglass: Self-Made Man*, by **Timothy Sandefur**. And for a contemporary work, be sure to pick up *1620: A Critical Response to the 1619 Project*, by **Peter W. Wood**.

Illiberal Reformers: Race, Eugenics, and American Economics in the Progressive Era, by **Thomas C.** Leonard. Princeton University Press, 2017.

Virginia Postrel writes, "Leonard ... brings to light an embarrassing truth: In the early twentieth century, the progressive definition of the common good was thoroughly infused with scientific racism. Harvard economist William Z. Ripley, for example, was a recognized expert on both railroad regulation and the classification of European races by coloring, stature and 'cephalic index,' or head shape. At the University of Wisconsin, the red-hot center of progressive thought, leading social scientists turned out economic-reform proposals along with works parsing the racial characteristics—and supposed natural inferiority-of blacks, Chinese, and non-Teutonic European immigrants. ... 'The "race suicide" of the American or colonial stock should be regarded as the most fundamental of our social problems,' the Wisconsin economist John R. Commons wrote in 1920. His colleague Edward A. Ross, who popularized the terms 'social control' and 'race suicide,' called interest in eugenics 'a perfect index of one's



breadth of outlook and unselfish concern for the future of our race." Malcom Harris writes in *The New Republic* magazine, "Among his revelations: The minimum wage was created to destroy jobs; progressives (including the founders of this

magazine) really did hate small businesses and they were all way too enthusiastic about Germany's social structure."

Frederick Douglass: Self-Made Man, by **Timothy Sandefur**. Cato Institute, 2018.

The story of the life of Frederick Douglass, one of the greatest orators in all of American history and leading voice in the abolitionist cause. Peter C. Myers writes, "From Timothy Sandefur's elegantly written new biography, the reader gains a profound education in the life and thought of Frederick Douglass, one of the most heroic and insightful champions of liberty in this or any nation's history."

1620: A Critical Response to the 1619 Project, by **Peter W. Wood**. Encounter Books, 2020.

Wood writes, "The 1619 Project is, arguably, part of a larger effort to destroy America by people who find it unbearably bad. The project treats the founding principles of our nation as an illusion—a contemptible illusion."

William Allen writes, "Peter Wood's 1620 claims the prize as the most comprehensive response to the ill-fated 1619 Project. ... He appropriately honors the [1619] Project's intention to pursue a mission of redress, while nevertheless pinpointing its consistent resort to misrepresentation that cannot be dismissed as merely different interpretation. Wood identifies the heart of the matter: Surely there are ways to incorporate a forthright treatment of slavery, racism, and the black experience into the story of America's rise as a free, self-governing, creative, and prosperous nation.

To see the full biography, go to www.independent .org/issues/recommendedreadings/.

MISSION

Together, We Provide an *Independent* Voice

Independent Institute remains firm in its commitment to steer clear of government funding of any kind. An independent voice – one guided by research and the principles of a free society – is crucial for solving our most pressing social and economic challenges. This is why we rely solely on tax-deductible contributions from supporters like you. Your generosity ensures we remain fully equipped to promote the innovative, robust, and liberty-affirming policy solutions that we are known for.

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- Legacy Giving. Members of our Safe Harbor Legacy Society ensure that future generations will learn and benefit from our work. Leave a bequest to the Independent Institute by adding us to your will or draft a new one. The assets will be exempt from estate taxes.

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