



House the Homeless, HTH, founded in 1989, is the oldest, all volunteer, action organization fighting to *combat, end and prevent* homelessness in Texas and all across North America.

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December 13, 2025

The Honorable Governor Gavin Newsom
Governor of the State of California
1021 O. Street
Suite 9000
Sacramento, CA 95814

Dear Governor Newsom:

Re: **Income Inequality** and **Affordability**

House the Homeless, HtH, continues our 40-year fight for Living Wages for all.

Proposal: *Housing* is the single most expensive item in the budget of almost every American, including Veterans who ***without transferable skills***, have slipped into homelessness. The two principal sources of funding at the bottom of the economic ladder are the Federal Minimum Wage, FMW, (for those who ***can*** work) and the Supplemental Security Income, SSI, (for those who ***cannot*** work). However, both of these sources of income fall well short of the amount necessary to access even a one-bedroom apartment. Congress's method of picking a random wage standard of \$7.25 per hour or even \$20.00 per hour in places like Santa Cruse, California, only ensures these wage earners the inability to afford basic rental housing. The FMW must be *linked to the local cost of housing* throughout United States.

Additionally, Congress, has voted to raise the FMW only once over the last 2.5 *decades*. Continued Congressional inaction is compounding the situation while 90% of people experiencing homelessness express their *desire to work*. As a result, taxpayers are bearing the entire burden of the homeless situation. We propose that the U.S. Congress use the "whole-of-government" approach to address our nation's housing "*affordability*" needs. We must meet the demands to create *living wages* and *link the Federal Minimum Wage to the local cost of housing. By linking the wage to the local cost of housing & so long as the individual puts in their 40 hours of work, they will keep their housing no matter the rent!*

In order to make these changes possible, we must also meet the needs of business. We can do both.

The Small Business Administration, SBA, tells us that 1 in 5 new businesses fail in their first years and 64% of businesses fail after only 4 years. The SBA suggests that this may be related to the fact that we continue to create a de-stabilized workforce due to the wage amount. By paying our workers less than the minimum amount needed to afford the basics of life (food, clothing, shelter (housing), public transportation & phone access), the workers and the businesses are in danger of de-stabilization. We also realize that businesses are benefiting from the labor of the worker. As a moral issue, every business should pay their employees enough to put a roof over their heads...other than a bridge. Henry Ford, facing economic collapse as a result of exorbitant training costs due to high employee turnover,

was forced to replace every employee four times a year. He also found that absenteeism was equally unproductive with employees working second and third jobs to make ends meet. (This is much the same today.) To address this concern, he took an unique approach and nearly doubled the daily wage.

Surprisingly, the immediate result was:

- Significant reduction in employee turnover,
- Significant reduction in retraining costs,
- Significant reduction in unscheduled absenteeism,
- Almost complete stoppage of internal theft (roughly 50% of the theft in today's retail world is committed by a business's own employees).

As a result, Henry Ford created a true **economic stimulus** because workers were then able to spend discretionary funds right back into his company. As *purchasing consumers*, they bought the very cars they were making with their new found funds. In today's scenario, we believe that the local and national, low end housing construction of efficiency apartments, will blossom filling part of the housing shortage. Not by doubling the wage, but rather a good bit less & then linking it to the local cost of housing. At the same time that this living wage stabilizes the individual, it also stabilizes the business itself. It would create a win-win situation as *economic homelessness* would end, and housing would be produced **all without tax dollars**. We are calling for a fair wage. **"A fair wage for a fair day's work"**

Furthermore, anyone who has traveled, realizes that we are a nation of *not* simply one economy (\$7.25 per hour wage) but rather 1,000 economies of *varying* wages needs in each locality. Everybody knows housing costs are several times more in D.C. than Mobile, AL., Gary, IN., Kansas City, MO., etc., See <https://universallivingwage.org/wage-calculator/>. (Renamed: National Locality Wage). The response is **to link the wage to the local cost of housing** for an *efficiency apartment* by using the HUD fair market standard. Then, if the workers put in their 40 hours of work, (be it from one job or more), they are able to afford basic food, clothing, housing, phone and public transportation to and from work!

This pulls the workers off the dole as 90% of the people experiencing homelessness by our statistical surveys, show *they want to work*. This brings low-wage workers back into the workforce & into housing.

In this fashion, (businesses, who benefit from the work of the laborer), also benefit from their stabilization, when *the business itself, becomes stabilized*.

Fixing the wage rate will put desperately needed dollars into the pockets of minimum wage workers who all need the same *thing: Affordable Housing*. So long as the worker puts in their 40 hours of work, **the wage will rise with the cost of the housing!** This will *end* economic homelessness.

Veterans: For those who are disabled, they can use the same basic formula to enhance their SSI stipend and/or people on public assistance, unemployment, SSDI, SS, SNAPs (without financial consequence them as well.to the recipient) and enable them to also attain housing. This *also* stimulates the local/national construction industry. Note-* By including tax credits and supports for small businesses and non-profits we ensure living wages for all, including Veterans.

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A study released 2022-09-17 by, Leo Shane III, published in Military Times, in collaboration with Alabama and Duke Universities, "Veteran Suicides may double Federal calculations, bringing suicide estimates to **44 Veteran suicides per day**." <https://tinyurl.com/2hbup4rz> Post Traumatic Stress Disorder.

"...The National Coalition for Homeless Veterans, NCHV, strongly believes that all programs designed to assist homeless Veterans must focus on helping Veterans reach the point where they can obtain and sustain *gainful employment*. *If not*, clients will be unable to find and maintain safe, decent, permanent housing."

Remember, while expressing a desire to work, "a Veteran's military occupation skills are not always transferable to the civilian workforce", ***thus relegating most Veterans to minimum wage jobs***. Using this formula, damaged Veterans will be housed and economically stabilized along with everyone else.

Call to Action: We remain ready to work with you and your team to help implement this program. We thank you, and welcome your questions. Please discuss with the others. We need affordability for all.

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CC:	Senator Bernie Sanders	Representative Eric Swalwell	Charles Schumer
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	Senator Tom Tillis	Mayor-Elect Zohran Mamdani	Ben Cardin
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	Governor-Elect Mikie Sherrill	Hakim Jeffries	Capt. Mark Kelly
	Governor-Elect Abigail Spanberger	Roy Cooper	Corry Booker

Titles by Richard R. Troxell

***Looking Up at the Bottom Line: The Struggle for the Living Wage -The Wage Formula here
Short Stories in a Long Journey: What it Takes to End and Prevent Homelessness***