The Hidden Economy of Homelessness: A Year Inside Washington State's Homeless Complex

By Joseph Wankelman

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Homeless Heart: Photo Taken by Author

At hour 30 in the emergency room, Daniel, a Navy veteran and former submarine engineer, asks through his psychosis, "Am I a good person?" When crisis responders finally call his name, I already know what happens next. Thirty-day stay. Insurance runs out. Discharge to the street. No plan.

I know because I've spent a year conducting 598 interviews throughout the King and Snohomish homelessness ecosystems. What I discovered: a $200 million machine that counts bodies, not souls. A system so fragmented that emergency services, treatment facilities, and housing programs operate in total isolation from each other.

The problem isn't about homelessness. It's about how we built a machine that manufactures human misery, then profits from managing it.

The Black Box

Fifty agencies. Fifty databases that don't communicate. All scrambling for 128 funding sources while four organizations swallow most of the pie. Emily, 23, arrives at the ER in schizophrenia, feeling as trapped as her ER medical records that get created as part of this visit. Health Insurance Portability and Accountability, HIPAA, meant to protect her, becomes another barrier to her recovery. Her father can't access information that could have saved her life. "The privacy laws protected her right to die alone," he tells me.

Three miles away, a treatment bed sits empty. The facility didn’t know she existed. She didn’t know it existed. The databases don't talk to each other or broadly with those they’re meant to serve.

She was found naked, murdered in Seattle the next day. "HIPAA was her death sentence," her father said. "They gave her the privacy to die but not the [warning to her] family to live

Warehouse Deaths

"They're mixing fentanyl with oven cleaner now," Mike Kersey tells me. After three decades in addiction recovery, first saving his own life, then countless others, he co-founded Courage to Change with Christina Anderson to combat an epidemic that keeps finding deadlier forms.

Walk past any "Housing First" building and look up. See the photos taped to the windows. Faces of the dead watching the living pass by. "Ten ODs, five deaths in one week," reports one resident of East Lake, Seattle's flagship Housing First complex. We imported the Housing First model from New York, celebrated by Finland's success, but stripped away the wraparound services that made it work. What remains are warehouses of neglect, where people die alone behind doors that staff rarely check, their only memorial a photograph pressed against glass.

At 2:47 AM, Leslie's phone rings. Another overdose. As a former DESC Building case manager, she fought for real solutions, demanded medical interventions, and pushed for mental health assessments. She had to leave because DESC demanded paperwork for funding rather than connection. "You care too much," they said. "You're not following protocol." The protocol: document occupancy for funding, not outcomes. Dead or alive, they're “housed,” funding secured.

Now she answers crisis calls on her personal phone, prohibited from entering, her clients in desperation. DESC considers her care as a threat to their model. Leslie counts them as murdered by indifference. With funding secured, the machine grinds on.

The Missing Millions

In 2008, Snohomish County instituted the chemical dependency and mental health sales tax to help solve these problems. The Human Services report to County Council for last quarter shows that they allocated $1.378 million for "contract managers," $638,774 for "1.9 FTE evaluators" despite there not being an unbiased evaluation report done on any of the programs since 2016. The evaluator reports directly to the person controlling all Human Services funding, a textbook conflict of interest that ensures positive reviews regardless of actual outcomes. When the person grading your performance signs your paycheck, failure becomes impossible to document. For the 25/26 fiscal year, how does the County account for $638,774 being spent in tax dollars on less than two evaluation positions especially when no reports or evaluation of the CDMH funded programs is happening? How does the County account for over $2,000,000 for Human Services overhead?

Beloved Mary: Photo Taken by Author

The Carnegie Center, which has no documented outcomes at all, received $2.9 million of this sales tax last year. The Human Services director at the June CDMH board meeting claimed 7,000 people served by the Carnegie Center but when pressed whether these were unduplicated individuals or repeat visits, the real number emerged: 500. Nobody was able to say exactly what outcomes were achieved for these people or what services they had received. Meanwhile, HopeNWellness, where people actually recover, faces closure over zoning violations and lack of funding. Despite millions of CDMH dollars being spent on administrative tasks at the County, agencies trying to help the community are often going without.

At LEAD, an employee who feared retribution whispered the truth: "We've had the same data-sharing meeting every quarter for 14 years with the county. Same PowerPoints. Same promises. We burn $50,000 annually on software contracts that can't communicate across data silos. Fourteen years of meetings about connecting systems while people die in the gaps between them. Nothing changes except the body count.”

The system captures every arrest, overdose, ER visit, documenting how trauma screams through broken bodies while the person disappears into databases that protect budgets, not people. We've

built a machine that ignores trauma, recognizes people only by their symptoms, feeds on failures while treatment beds sit empty.

The Trauma Nobody Sees

From the nearly 600 interviews I've conducted, 92% of homeless women in Everett reported sexual abuse. When trafficking survivor Luz arrives at a street clinic, 3 AM, bruised, holding her daughter, the nurse documents injuries into a void. The trafficking program down the road has beds available. They'll never know she exists, and she is too afraid to call.

"The brain built in violence becomes conditioned to chaos and addicted to tension that inhibits the human from any real connection," Frank Grijalva, MSCC, MSPH, reveals. "When your neural pathways were carved by fear instead of love, you don't just struggle to recognize healthy relationships, you're magnetically drawn to what destroys you. Your capacity for connection has been hijacked. Your survival instincts remain intact but operate in isolation. What should signal an alarm feels familiar."

This is the predator's blueprint: They don't hunt the strong. They hunt the wounded whose nervous systems broadcast vulnerability and interpret exploitation as intimacy. Whose bodies learned that love comes with a price, whose minds were trained that care always carries a threat. Predators find those whose internal warning systems were disabled in childhood, those who run toward the very thing that will devour them, because abuse is the only touch they've ever known.

An interviewee, Jack, who has been clean for five years, says: "They handed out Oxycontin like candy after surgery. When prescriptions stopped, the pain didn't." His journey from a Boeing employee to a street addict illuminates what the system ignores: addiction isn't a moral failing, it's a survival strategy for unbearable pain.

The local drug addiction program offered is a 28-day detox for what ultimately equates to lifetime trauma, not simply a one-time addiction. This program discharges people to corners where dealers wait, and pimps circle. It's called "treatment resistance" when someone relapses, ignoring that we returned them to the environment that created- and will again feed- the addiction.

What Works and Why We Kill It

We know care coordination saves lives. Everett's CHART program proved it in 2016. The Chronic High Utilizer Alternative Response Team program was created specifically to address in a compassionate way the needs of those most vulnerable in our community. After just one year, they found that for six chronic utilizers, there were not only improvements for them but also for taxpayers. Results: 80.6% reduction in EMS contacts, 92% reduction in jail days, and $143,450 saved in hospital charges.

If you watch the YouTube video on the Everett Safe Streets, you get more detail from the people who created the program. https://www.youtube.com/watch?v=xdWUfnClaMY

“Homelessness affects the entire community,” says Julie Zarn, the former director of emergency services for Providence Hospital, Everett. People are coming into the emergency department since they have nowhere else to go.

“At the jail, we were seeing an influx of people in specialty housing, people coming in on Oxy, people coming in with mental health issues. They were there on minor charges. My issues coincided with CHART issues and that was: we needed to find a solution,” says Anthony Aston, former Bureau Chief of Corrections for the Snohomish County Jail.

“We definitely want people to get the help that they need,” said Dr. Robin Fenn, former research manager for Snohomish County Human Services. “But while we are doing that, we need to take a look at the impacts to the system. When we start just pushing the money back and forth across the systems, we aren’t doing anybody any favors.”

I tried finding out what happened to the CHART program. CHART died, not from failure, but from success. Staff turnover and "lack of institutional mandate" killed a program transforming lives. The machine doesn't want solutions. It wants problems to manage. CHART was breaking down silos and forging unprecedented partnerships, like the Lynnwood Jail and Community Health Center, building a clinic inside the jail. Months of collaboration. Tax dollars saved. Healthcare access expanded. They even built out the space during a remodel. Then malpractice insurance and the federal bureaucracy killed it. A fully constructed clinic sits empty while inmates go without care, and taxpayers’ foot big bills.

This is how innovation dies, not in flames, but drowning in paperwork. CHART didn't just coordinate services; it exposed the lie that our institutions want coordination. Instead, they want their fiefdoms. They want their budgets. They want problems that justify next year's funding, not solutions that might reduce it.

Eye Love You: Photo Taken by Author

The Choice

Another interviewee, Daniel, wakes on concrete, his brilliant mind cataloging his dissolution. Fairfax Psychiatric Hospital just released him after 30 days, stabilized him enough so that he remembers what he's lost, and then discharged him to the street with a garbage bag of prescriptions. "Take these three times daily," some doctor wrote, signing what amounts to a death sentence. The pills will last two weeks. His psychosis will return in three.

His DOC officer doesn't know where he is; the databases don't talk. Daniel shuffles back to Courage to Change's door, clutching discharge papers no one will read. Mike Kersey looks at him with knowing despair. CTC runs on donations and recovered addicts' sweat equity. They're not equipped for acute psychosis, for the nuclear engineer whose mind splits between submarine calculations and CIA conspiracies. Daniel will get coffee, not the intensive psychiatric intervention he needs.

"We can't take him," Mike tells me quietly. "He needs 24/7 medical supervision, trauma therapy, medication management. We're addicts helping addicts. This is beyond us." But where else can Daniel go? The system offers no middle ground between psychiatric lockdown and street abandonment.

We could house Daniel with wraparound psychiatric care for roughly $30,000 yearly. But instead, taxpayers will spend $100,000 cycling him through emergency rooms, police interventions, and brief day-long hospitalizations that will end as expected. He'll be discharged to nowhere with pills that run out before the next appointment he'll never make. In essence, we've signed his death warrant with prescriptions and indifference.

According to VERA institute for justice, cities spend more than $47,057 annually jailing someone when roughly $12,000 could provide the trauma inform support needed. 771,480 Americans experienced the trauma of homelessness in 2024, the highest ever recorded. Five deaths happened last week in single Housing First buildings in Seattle. Photos multiply on windows. Daniel will die from our inaction if we don't find a solution.

The Path Forward:

Connect databases so emergency rooms know who to contact to support the next homeless patient, so case managers can find their clients before they overdose, families can advocate before it's too late, and treatment facilities can reach people while they're still alive. End the black box that turns humans into scattered data points no one can piece together until the autopsy.

Track real outcomes beyond "discharged stable," or "housed successfully." Fund intensive interventions, not pharmaceutical Band-Aids. Treat trauma, not just symptoms. But in a system where Fairfax gets paid per admission, not per life saved, where failure is profitable and success threatens funding streams, competence becomes revolutionary.

"I just want to be good again," Daniel told me between explanations of submarine engineering, clutching his two-week supply of sanity.

The machine has signed his death warrant. Every activist screaming "choice" while watching him shoot poison into his veins is complicit. Every policy that prioritizes his "right" to die in the street over his chance to heal is murder disguised as compassion and ignorance.

We've given the addiction a voice. We've given the psychosis autonomy. We've given the trauma voting rights. And they all vote for death.

Daniel, the engineer, the father, the human being, hasn't had a voice in years. His disease speaks for him now, and we nod along, calling it "dignity" while he rots on concrete. This isn't harm reduction. It's harm worship.

Stop giving trauma a voice. Start giving humans treatment. Stop documenting deaths in the name of choice. Start preventing them in the name of life.

The system is corrupt and broken, and we know it. Daniel knows it too, in his rare moments of clarity when the real him surfaces, gasping: "I just want to be good again."

We can honor that voice, the human one, or keep listening to his disease tell us what it wants. Choose now. He can't.