Research letter

Income and spending patterns among panhandlers

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Panhandlers are a highly visible group of street people in urban areas. Some believe panhandlers must beg because they have fallen through the social safety net,[1] but others have suggested that panhandlers make considerable amounts of money and spend most of it on their addictions.[2] This raises the question of whether giving money to panhandlers is beneficial to them or not. Income from panhandling could clearly have significant health effects: higher income is strongly associated with better health,[3] and panhandling could have a positive effect if earnings were used to obtain food or housing. On the other hand, use of panhandling income to buy alcohol or illicit drugs could be harmful to health.

Although panhandlers have been studied from a sociologic perspective,[4] little quantitative information is available on income and spending among panhandlers. The characteristics of homeless people have been described,[5] but the relevance of this information is uncertain because not all homeless people panhandle, and those who do so may be atypical. We therefore conducted this survey of panhandlers in Toronto to determine their demographic characteristics, income from panhandling and other sources, spending patterns and attitudes toward panhandling.

We defined panhandlers as individuals who were soliciting donations of money for personal use from passersby, without providing any goods or services in return. We therefore excluded people who were actively busking (performing music), selling newspapers or using squeegees to clean car windows at the time they were approached to participate. Between February and April 2001, we located panhandlers by systematically searching major streets and subway stations during the late afternoon in a 6-km² region of downtown Toronto. To avoid double-counting, a single investigator visually screened all panhandlers.

We decided in advance that panhandlers would be offered a nonnegotiable amount of money in exchange for their participation. Participants were not allowed to solicit donations during the 20-minute interview and could not bargain for greater amounts of reimbursement. We sought to determine the lowest payment that would elicit a high response rate by offering $10, $1, $4, $5, $7 and $8 to sequential groups of panhandlers. The number of participants offered each level of reimbursement was recorded, and all individuals who refused to participate were asked to

Table 1: Characteristics of panhandlers in Toronto (*n* = 54)

Characteristic	No. (and %)* of panhandlers
Age range, yr	16–58
Median	37.5
Male	44 (81)
Education	
Grade 8 or less	3 (6)
Some high school	41 (76)
Some college or university	10 (19)
Ever homeless over lifetime	54 (100)
Total duration of homelessness over lifetime, yr	
< 1	9 (17)
1–5	25 (46)
> 5	18 (33)
Declined to answer	2 (4)
Current living situation	
Homeless (living in shelter or on the street)	35 (65)
Living with friends or relatives	4 (7)
Housed in own room or apartment	13 (24)
Declined to answer	2 (4)
Chronic health problem, handicap or disability in the last 12 mo†	
Yes	38 (70)
No	15 (28)
Declined to answer	1 (2)
Stayed overnight at a psychiatric hospital in the last 12 mo	
Yes	9 (17)
No	44 (81)
Declined to answer	1 (2)
Stayed overnight at a detoxification or alcohol or drug treatment program in the last 12 mo	
Yes	14 (26)
No	39 (72)
Declined to answer	1 (2)
Stayed overnight in jail in the last 12 mo	
Yes	20 (37)
No	33 (61)
Declined to answer	1 (2)

*Unless stated otherwise. Some percentages add up to > 100% because of rounding.
†Respondents who stated that they had a chronic health problem, handicap or disability were asked to describe their conditions (individuals could report more than one condition). The investigators categorized these conditions as psychiatric (*n* = 12), respiratory (*n* = 10), traumatic injuries (*n* = 8), nontraumatic musculoskeletal problems (*n* = 7), neurologic (*n* = 4), hepatitis C infection (*n* = 4), diabetes (*n* = 2), dermatologic (*n* = 2), visual impairment (*n* = 2) and other (*n* = 9).

explain the reason for refusal. We hypothesized that acceptance of a particular level of reimbursement would be a crude validation of a participant's estimated panhandling earnings during the same 20-minute period.

The survey consisted of 90 questions. Demographic characteristics and substance use were assessed using mostly closed-ended questions (Tables 1 and 2). Respondents were asked to state their monthly income from each of 9 possible sources and their spending in each of 15 categories. Subjects were asked "Do you enjoy panhandling?" (yes or no) and "Why?" (open ended) and "Which would you prefer: a minimum-wage job ($6.85 per hour) or panhandling?" and "Why?" (open ended). The St. Michael's Hospital Research Ethics Board in Toronto approved this study.

Of 67 panhandlers approached, 54 (81%) agreed to participate. Thirteen individuals declined to be interviewed, of whom 8 stated they could earn more by panhandling and 5 cited noneconomic reasons. Excluding the 5 individuals who declined for noneconomic reasons, acceptance rates at each payment level were 43% at $1, 100% at $4, 67% at $5, 100% at $7, 91% at $8 and 90% at $10. Three participants refused to provide information about their income or spending.

When asked if they enjoyed panhandling, 23 participants (43%) replied "yes," commonly because of the opportunity to "meet people," 26 (48%) answered "no," often describing panhandling as "degrading," and 5 (9%) were undecided. Overall, 38 (70%) stated that they would prefer a minimum-wage job, typically citing a desire for a "steady income" or "getting off the street." However, many felt they could not handle conventional jobs because of mental illness, physical disability or lack of skills.

Panhandlers in Toronto reported a median monthly income of $300 from panhandling and $638 from all sources (Table 3). The amount of payment that panhandlers were willing to accept for participating in a 20-minute survey was generally consistent with their self-estimated earnings from panhandling for the same length of time. This suggests that few panhandlers earn extremely large amounts of money. Their single largest reported expense was food, followed by tobacco, then alcohol and/or illicit drugs. These findings differ significantly from those of John Stackhouse, a journalist who briefly lived on the street in Toronto working as a panhandler and who reported that panhandlers can earn more than $200 per day and typically spend "almost all their begging money on their addictions" and very little on food.[2] These differences may be partly explained by the fact that high-earning panhandlers were presumably less likely to participate in our survey, and these individuals may have formed the basis for Stackhouse's observations. Our results may be more representative of the majority of panhandlers who earn lesser amounts.

In conclusion, the majority of panhandlers in Toronto are homeless and living in extreme poverty. We found that

Table 2: Substance use among panhandlers in Toronto (*n* = 54)

Substance use	No. (and %)* of panhandlers
Current tobacco use	
Yes	50 (93)
No	1 (2)
Declined to answer	3 (6)
Alcohol use in the last 12 mo	
Every day	14 (26)
1–6 times per week	15 (28)
Less than 1 time per week	11 (20)
None	11 (20)
Declined to answer	3 (6)
Marijuana use in the last 12 mo	
Yes	28 (52)
No	23 (43)
Declined to answer	3 (6)
Cocaine use in the last 12 mo	
Yes	20 (37)
No	31 (57)
Declined to answer	3 (6)
Heroin use in the last 12 mo	
Yes	5 (9)
No	46 (85)
Declined to answer	3 (6)
Other illicit drug use in the last 12 mo	
Yes	12 (22)
No	39 (72)
Declined to answer	3 (6)
Reported no alcohol use or illicit drug use in the last 12 mo	7 (13)

*Some percentages add up to > 100% because of rounding.

Table 3: Income and spending among panhandlers in Toronto

Income or spending	Median (interquartile range), $
Hourly income from panhandling	8 (4.25–15)
Daily income from panhandling*	30 (15–50)
Monthly income from panhandling	300 (150–600)
Monthly income from all other sources†	200 (20–568)
Total monthly income	638 (350–1179)
Monthly spending	
Food	200 (80–400)
Housing‡	0 (0–400)
Tobacco	112 (32–160)
Alcohol and/or illicit drugs	80 (0–600)
All other items§	120 (22–335)

*Median time spent panhandling per day was 6.3 h (interquartile range 4.0–8.3 h).
†Includes welfare, disability and other government payments (*n* = 23), selling newspapers or other items on the street, busking and/or wages from jobs (*n* = 14), receiving money from friends or family (*n* = 13) and other sources of income (*n* = 3).
‡Among the 24 subjects who reported any spending on rent or housing in the past month, median monthly spending for housing was $400 (interquartile range $183–488).
§Includes transportation, clothing and laundry, personal care items and money given to friends.

the amount of money panhandlers spend on alcohol and illicit drugs is significant, but much lower than some have suggested. The health effects of a loss of panhandling income are uncertain, because panhandlers might reduce their food intake, reduce their substance use or find other sources of income. For the one-fourth of panhandlers who rent a room or apartment, however, any loss of income could easily lead to homelessness. Future studies of panhandlers should attempt to verify income and spending patterns objectively and examine differences in these variables by sex, housing status and health status.

References

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