



11350 Random Hills Road, Suite 800, Fairfax, Virginia 22030 Phone (703) 934-6101 Fax (703) 352-3678

fff@fff.org www.fff.org

The Market for Homelessness

by Scott McPherson

Advertisers are a simple lot — they want you to buy what they’re selling. So in their quest for the perfect way to influence your purchasing decisions, they’re always on the lookout for a new pitch. Everyone is familiar with the typical television or radio commercial, and of course there’s the standard billboard out on the highway.

However, recently there have been many changes in the way advertising is done. This was, quite simply, a necessary market development: It is estimated that the average American is subjected to 50,000 advertisements, in one form or another, every single day. That’s quite a competitive atmosphere.

As a result, those with something to sell are always looking for a way to break through the “ad clutter,” to ensure that their particular message gets heard. Sometimes it can border on gratuitousness: witness Benetton’s use of pictures of dead animals to draw attention to their label. Other, less gutterlike changes in the business are the use of temporary tattoos on people’s foreheads and hiring models to sport cell phones. Product placement on TV shows is on the rise. One company is even using a steamroller machine to imprint product names on beaches.

But an industrious young entrepreneur in Portland, Oregon, has come up with a rather interesting and unique new medium: the homeless.

Andre Jehan, the 26-year-old founder of Pizza Schmizza, with businesses in both Oregon and Washington state, first tried using phony parking tickets and make-believe election placards to advertise his restaurants. Then, after growing tired of feeling guilty walking past homeless people on the street, he had an idea. “I thought, ‘What skills could they have?’ Holding a sign was an obvious one,” he said.

So, according to the June 17 *Washington Times*, he “has hired homeless people off the street to promote” his pizza. “They are paid in pizza, soda and a few dollars,” the *Times* reports, to hold up a sign for 40 minutes that reads, “Pizza Schmizza paid me to hold this sign instead of asking for money.”

“I think it’s a fair trade,” said Peter Schoeff, a 20-year-old homeless man who took Jehan up on his offer.

What a wonderful development! Homeless people, despite having few skills and being down on their luck, nonetheless get to earn some food, drink, and money. And what a brilliant idea! Passersby naturally have their attention drawn to a panhandler holding a sign.

This way, the business owner gets cheap advertising, the homeless person is certainly better off (he doesn’t have to rely on charity — he’s finally working for his pay), and people don’t have to feel guilty about not parting with their spare change. In short, important social and market functions are performed, and everyone wins. Sounds like a good thing, doesn’t it?

Not surprisingly, however, someone had to get upset about it. The *Washington Times* report continues: “Gary Ruskin, director of Portland-based Commercial Alert, an advertising watchdog group founded by [who else?] Ralph Nader, said homeless people acting as billboards are being exploited if not paid minimum wage.”

Exploited? Really? One of the very persons supposedly being exploited had something else entirely to say about it. “Fair trade,” is what he called the deal. Nothing could be more definitive than that.

Obviously, that’s what’s at the root of Commercial Alert’s complaint: Despite the obstacle of a minimum-wage law, which simply causes unemployment for those whose skills do not warrant that level of pay, this particular employer is still getting what he wants for the price he’s willing to pay and his employees are willing to accept. All involved are effectively stating that they are better off. Nothing is more distressing to a Naderite than the market at work.

And, perish the thought, what if the idea catches on? If more businesses begin demanding homeless advertisers, those providing the service will be able to demand even higher pay for their time.

Capitalism gives everyone the opportunity to sell what they have to offer, as long as someone is willing to pay for it. “Sure,” sneers the leftist, “but what does a homeless person have to sell?”

Who would have thought that there would some day be a market for homelessness?

Scott McPherson is a policy advisor at The Future of Freedom Foundation.

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