

# WHAT IS THE COST OF HOMELESSNESS?

The cost of homelessness can be quite high, particularly for those with chronic illnesses. Because they have no regular place to stay, people who are homeless use a variety of public systems in an inefficient and costly way. Preventing a homeless episode or ensuring a speedy transition into stable permanent housing can result in a significant cost savings.

**“ . . . costs associated with those who are the most vulnerable and disabled ranged from \$35,000 to \$150,000 per person annually. . . . the annual cost of the solution, permanent supportive housing, ranges from \$13,000 to \$25,000 per person.”<sup>1</sup>**

## Average Cost of Public Services Provided to a Person Who is Homeless

**Unsheltered vs Permanent Supportive Housing:** The average public cost for an unsheltered homeless person is \$2,897 per month in Los Angeles. In comparison, the average public cost for a resident in supportive housing is \$605 per month in Los Angeles. By providing supportive housing with supportive services, public costs can be decreased by 79%.<sup>2</sup>

Emergency shelter beds funded by the U.S. Department of Housing and Urban Development’s Emergency Shelter Grant Program cost approximately \$8,000 more than the average annual cost of a Section 8 Housing Certificate.<sup>3</sup>

The prevalence rate of childhood foster care among children experiencing homelessness is 34 times the childhood foster care prevalence rate among all U.S. children. The adjusted marginal cost associated with foster care is \$60,422/child annually.<sup>4</sup>

**Health Care Costs:** 38% of all public costs for those who are unsheltered are health care costs. A study of hospital admissions of homeless people in Hawaii revealed that 1,751 adults were responsible for 564 hospitalizations and \$4 million in admission costs. Their rate of psychiatric hospitalization was over 100 times their non-homeless cohort. The researchers conducting the study estimate that the excess cost for treating these homeless individuals was \$3.5 million or about **\$2,000 per person.**<sup>5</sup>

Hospital stays for people experiencing homelessness average four days longer than their stably housed peers.<sup>6</sup>

Average cost of a hospital stay in Hawaii **\$4,519 per day**<sup>7</sup>

Average ER Visit for non-urgent medical treatment in Hawaii **\$830 per visit**<sup>8</sup>

Average cost of imprisonment in Hawaii **\$43,070 a year** per inmate, or **\$118 per day.**<sup>9</sup>

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<sup>1</sup> “OP-ED: Mangano: Ending Homelessness What doesn’t work and what does” Philip Mangano, Washington Times, September 1, 2008.

<sup>2</sup> “Where We Sleep, Cost When Homeless and Housed in Los Angeles” 2009, A full copy of this report can be downloaded from <http://www.economicrt.org>

<sup>3,4</sup> The Cost of Homelessness – A brief by the National Center on Family Homelessness, December 2012.

<sup>5</sup> From Martell J.V., Seitz R.S., Harada J.K., Kobayashi J., Sasaki V.K., Wong C. Hospitalization in an urban homeless population: the Honolulu Urban Homeless Project. *Annals of Internal Medicine* 1992; 116:299-303.

<sup>6</sup> The Cost of Homelessness – A brief by the National Center on Family Homelessness, December 2012.

<sup>7</sup> Pacific Business News: <http://www.bizjournals.com/pacific/stories/2008/10/27/story2.html>, Sunday October 26, 2008.

<sup>8</sup> “Potential Savings through Reduction of Inappropriate ER Utilization in Hawaii” by Josh Green, MD, State Senator, ER physician and Medical Director of the Hawaii IPA.

<sup>9</sup> Calculated from “Hawaii’s Imprisonment Policy and the Performance of Parolees Who Were Incarcerated In-State and on the Mainland” by Department of Sociology, University of Hawaii Manoa and the Department of the Attorney General, State of Hawaii, January 2011. Available at [hawaii.gov/ag/cpja](http://hawaii.gov/ag/cpja)