

Ending Homelessness Transforms Communities and Reduces Taxpayer Costs

Exhaustive scholarly research in communities across the country has found that permanent supportive housing costs taxpayers significantly less than leaving people on the streets. These savings, often as much as 40 percent, are due to the fact that chronically homeless people cycle in and out of expensive, taxpayerfunded emergency services (including emergency health care, shelters, jails and the criminal justice system) during their homelessness. This service use drops dramatically in housing. The counterintuitive truth about homelessness is that **the solution costs far less than the problem.**

Permanent Supportive Housing is Proven to Reduce Costs

- A 2014 study found the cost of homelessness in Central Florida to be \$31,065 per year primarily from inpatient hospitalizations, emergency room fees and criminal justice costs. In contrast, the study found that **permanent supportive housing for chronically homeless individuals costs just \$10,051 per person/year** one third the cost of leaving these individuals on the streets.¹
- In Seattle, a 2009 JAMA study found that chronically homeless individuals had a median services costs of \$4,066 each per month, which decreased to \$958 per month after one year in housing. Even after factoring in the cost of housing and supportive services, **the total monthly cost savings of housing these individuals averaged \$2,449 per person, a 60% reduction in costs.** ²
- A Denver study found that permanent supportive housing **saved taxpayers \$15,773 for every chronically homeless person housed.**³ Over the course of the 24 month study, total emergency service related costs for the 19 individuals studied **decreased by 72.95 percent, or almost \$600,000** , compared to the 24 months prior.
- In Rhode Island, the estimated cost per person in permanent supportive housing totaled \$22,778 per year in 2006 – **\$8,839 less than the annual cost of chronic homelessness (\$31,617 per person).** ⁴

1 Shinn, G. (2014). The Cost of LongTerm Homelessness in Central Florida. Central Florida Commission on Homelessness.

2 Larimer, ME., Malone, DK., & Garner, MD., (2009). Health Care and Public Service Use and Costs Before and After Provision of Housing

for Chronically Homeless Persons With Severe Alcohol Problems. JAMA. 13491357.

3 Perlman, J., & Parvensky, J. (2006). Cost Benefit Analysis and Program Outcomes Report. Denver Housing First Collaborative.

4 Hirsh, E., & Glasser, I. (2007). Rhode Island's housing first program first year evaluation. Providence College. www.cmtysolutions.org

Contact: Adam Gibbs • agibbs@cmtysolutions.org • 202.810.3511