



# Understanding Chronic Homelessness: History, Cost, & Needs

## Emerging Research

Over the last four decades, major metropolitan cities across the United States have witnessed a steady increase in the number of individuals and families experiencing homelessness. Widespread changes to the national economy, drastic decreases in the stock of affordable housing, deinstitutionalization, and the emergence of new and powerful illegal drugs have all contributed to this growing and costly problem.

However and with the emergence of new research and technologies, an understanding of the specific characteristics and individual needs of those experiencing homelessness has put forth best-practice models and effective housing and treatment scenarios. By examining the characteristics of those experiencing homelessness and the systems they interact with, it has been discovered that a small percentage of those experiencing homelessness actually live in emergency shelter and on the streets or cycle between hospitals, emergency rooms, jails, prisons, and mental health and addiction treatment facilities.<sup>1</sup>

## Defining Chronic Homelessness

This new and guiding research facilitated the creation of a federal definition of “chronic homelessness” determined to be a long-term or repeated homelessness accompanied by a disability. Specifically, this refers to an individual experiencing continual homelessness for more than one year or four episodes of homelessness in the past three years.<sup>2</sup>

## The Cost of Chronic Homelessness

Focused research on the group of individuals experiencing chronic homelessness determined the population to represent only ten percent of the overall population of people experiencing homelessness, however consume approximately fifty percent of available resources.<sup>3</sup> This high cost to local, state, and federal programs is due to inefficient interaction with multiple systems. However, there is a long-term cost-effective strategy to meet the needs of this hard to serve population, emphasizing supportive housing and wrap-around supportive services.

## The Answer is Housing

Emergency shelters were originally designed to provide short-term relief to households who had experienced a crisis, not serve as a residence for those living with a disability. Housing truly creates the context for successful intervention and service provision and ending chronic homelessness requires permanent housing with wrap-around supportive services. Specifically, this approach combines affordable rental housing with supportive services such as case management, mental health and addiction services, health care, and employment. This approach has been proven its cost-effectiveness as shown by the figures below.

One day of inpatient hospital care costs are	\$1,285
One day in a psychiatric hospital costs	\$700
One day in a detoxification program costs	\$200
One day in prison costs	\$75
One day in emergency housing/shelter costs	\$36
One day in a permanent-supportive housing costs	\$50

Permanent-supportive housing better serves those experiencing chronic homelessness, and provides cost-savings to communities.

<sup>1</sup> National Alliance to End Homelessness. *Chronic Homelessness in Brief*. Washington, D.C., July 2006.

<sup>2</sup> 42 U.S.C. Sec. 11301 (1999).

<sup>3</sup> Mangano, Philip. Statement to the House, VA/HUD/Independent Agencies Appropriations Subcommittee. FY2005 Federal Agency Appropriations, Hearing, March 17, 2004.