



A periodic email newsletter from Anthony Maione, President & CEO, intended to provide community leaders and partners with information about United Way's ongoing efforts to reduce the number of people in need in Rhode Island.

Helping Homeless Citizens through Housing First

In recent months, there has been much hand-wringing—with good reason—about the State of Rhode Island's large and growing structural deficit. With opportunities for one-time fixes nearly exhausted, the Governor and General Assembly face difficult choices as they work to develop a responsible budget for the fiscal year that begins next July. Advocates of social service programs will be challenged more than ever to make the case for programs in dollars-and-cents terms: how much do they cost taxpayers, and—just as important—how much do they save?

Creative solutions to human care issues will be needed if we are to resolve the deficit, while at the same time not losing site of the personal crises faced by Rhode Islanders.

There is encouraging news for those concerned about the plight of some of our most vulnerable citizens: new evidence suggests that an innovative strategy known as permanent supportive housing can be a cost-effective solution to the problem of chronic homelessness in Rhode Island. Further, the supportive housing strategy—which provides rapid access to permanent housing and voluntary social services—has been shown to help chronically homeless citizens live independent, stable, and productive lives.

Although the total cost of homelessness is difficult to assess, we do know that the financial toll is significant:

- the rate of psychiatric hospitalization for the homeless has been estimated at more than 100 times the average,
- homeless citizens spend an average of four days longer per hospital visit than comparable non-homeless citizens,
- more than 10 percent of those in prison and jail were homeless in the months before their incarceration, and
- the annual cost of a federally funded shelter bed is about \$8,000 more than the average annual cost of a federal housing subsidy.

In light of these stark realities, the State of Rhode Island and the United Way of Rhode Island joined forces in 2005 to develop a supportive housing initiative known as Housing First Rhode Island. The “housing first” philosophy is that interventions and social service support are more effective *after* individuals are living in their own housing rather than in emergency shelters or transitional housing, because permanent housing is critical to helping people regain confidence and control over their lives.

In its first year of operation, Housing First developed permanent housing solutions for 48 chronically homeless citizens in Rhode Island; on average, participants had been homeless for nearly eight years.

A recent evaluation of the program commissioned by United Way and completed by Providence College professor Eric Hirsch and Roger Williams University professor Irene Glasser found that participants reported a dramatic decline in the use of emergency rooms, in-patient hospital facilities, mental health facilities, jails and prisons, drug and alcohol treatment facilities, and emergency shelters. Just as remarkable as the impact on participants' lives was the impact on the state's bottom line: a savings of nearly \$9,000 per participant and a total savings of almost \$425,000.

Here's the cost breakdown. In the year prior to entering supportive housing, participants spent a combined total of 534 nights in hospitals and 9,600 nights in homeless shelters—an annual institutional cost of approximately \$31,600 per client. By contrast, during the first year of the Housing First program, study participants reported a combined total of only 149 nights in hospitals and 640 nights in shelters—an annual cost of approximately \$7,635 per client. Including the cost of supportive services (\$9,500 per person) and housing subsidies (\$5,643 per person), the Housing First program cost the state \$22,778 per resident—or \$8,839 less than the institutional cost of homelessness. For all 48 participants, the total savings of the Housing First program versus the institutional costs of one year of homelessness were approximately \$424,272.

The findings of the evaluation corroborate the results of supportive housing program evaluations nationwide, which have documented similar savings, as well as improvements in participants' access to health care and health status.

Housing First is a program that works. It's a creative and cost effective response to a serious human care issue. For Rhode Island to emerge from its fiscal crisis, we need to continue investing in solutions like Housing First that can help solve the deficit, while being respectful to those in need.