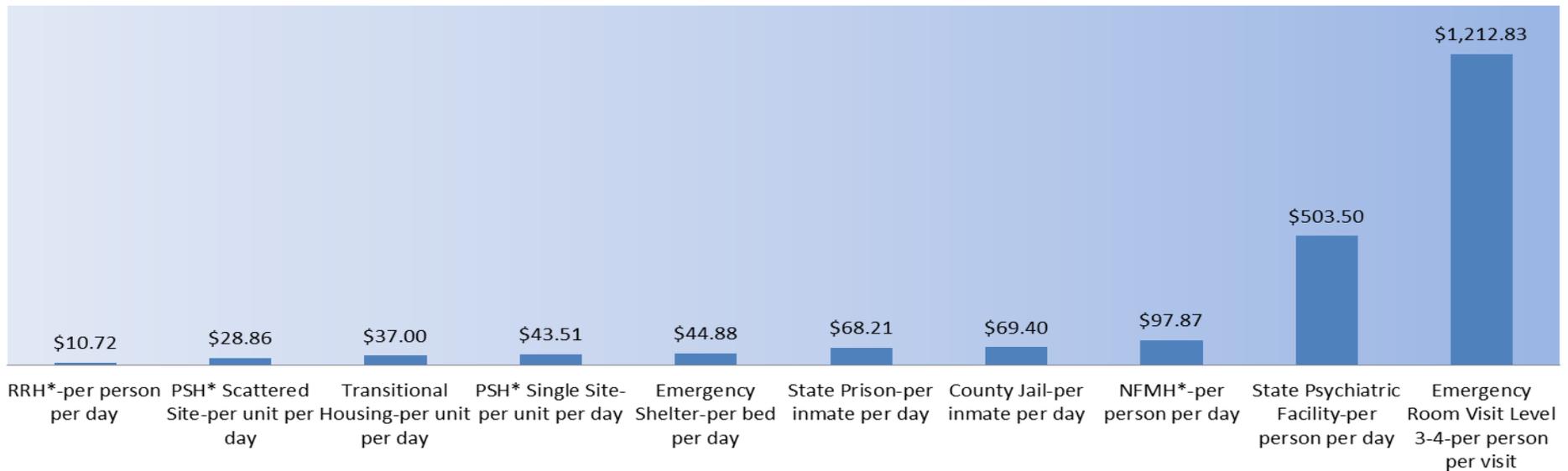


The Cost Benefit Analysis of Housing the Homeless: State of Kansas

Drawing Comparisons



Key: RRH = Rapid Rehousing Housing; PSH = Permanent Supportive Housing; NFMH = Nursing Facility for Mental Health

Other related costs:

- Average cost of an ambulance ride = **\$569.00 per ride**
- Average cost of a motel/hotel in Kansas (frequently used by persons who are homeless) = **\$69.98 per night**
- Average cost every time a unit is turned over = **\$2,000 per unit**
- The national cost of “doing nothing” to end homelessness is **\$56,000 per year/ per person** which is \$153.00 per person/per day (National Alliance to End Homelessness; Homeless Outreach Team in Colorado and Kansas). As part of Kansas’ 2013 Point-In-Time Homeless Count, 2,693 people reported being homeless on a given night. Using the national figure of \$153.00 per person/per day, Kansas will spend, at a minimum, **\$412,029 per day** in public services just for these individuals to maintain homelessness!



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This cost comparison takes a look at the per diem costs at community agencies, state facilities and county-run programs that provide housing and services for persons who are homeless throughout Kansas. This project sought to demonstrate the local costs passed on to the taxpayer when it comes to systems of care for those who are homeless in Kansas. **Congruent with a large and growing body of national research, local data supports that it continues to be significantly more cost-effective to invest in “housing-first” solutions for individuals/families who are homeless - such as rapid rehousing and permanent supportive housing (PSH) – versus the alternatives of jail/prison, hospitalization/nursing care, or even doing nothing at all.** By comparing costs of homelessness to other systems of care frequently used by individuals/families that are homeless, we can begin to explore how we can save taxpayer dollars and help our most vulnerable citizens recover emotionally and financially.

When drawing comparisons, please remember:

-  **Housing is both an intervention and an outcome.** Data is supporting – and driving -- the changing service delivery landscape. There is no single “magic remedy” to end homelessness. Communities that continue to shift resources into diverse housing types and “layered” community support systems are seeing the largest returns on investment. The homeless population has become diverse, and this requires interventions and solutions to be diverse as well.
-  **Housing alone won’t solve the problem.** Communities that continue to see a decline in their numbers of persons who are homeless offer a variety of housing options/interventions and have a unified delivery system. Certain populations -- for example, youth exiting foster care – require more intensive supports. When measuring the “best housing intervention” for a certain population, other program evaluation components must be considered (such as outcomes/impact of the housing type and service).
-  **“Prevention is always cheaper than a cure.” (Peter Drucker)** Regardless of the system, history has repeatedly shown us that investing in solutions earlier is cheaper and has a longer cost-benefit. Allocating resources toward housing programs/services for individuals/families that are homeless or at-risk ***is an investment***, not simply a charitable act, and one can/should expect a return on that investment. In addition to the cost savings to systems of care, there is an economic benefit to local communities and states by subsidizing rents to tax-paying landlords, assisting people to stabilize and return to work, and/or minimizing lifestyle impacts brought on by traumatic events or disabilities. Historically, when investments are not made in providing permanent housing solutions to individuals/families that are homeless, unnecessary and inflated costs are shifted to the tax payer because individuals/families that are homeless fall into more expensive systems of care, and they do so more frequently than those who are not homeless.

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- The data collected in each housing category was calculated based on the agency’s net program expenses and divided by the total number of units/voucher, then divided by the days in the year. Hospital, county jail and prison costs vary by census and were provided by each individual hospital, county or state facility.
 - This cost comparison was collected by staff at Kim Wilson Housing with the assistance of graduate-level social work students in the 2014 Spring Social Research Class at the University of Kansas Edwards Campus.
 - A breakdown of each category will be found on www.kimwilsonhousing.org after website renovations scheduled to go live October 2014. Contact Missy Zink-Martin at zink-martin_m@wmhci.org for a detailed breakdown until it is posted. Only those agencies and organizations who responded to the inquiries from the SW 740 Research Class and KWH staff were included in the comparison.