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**UNITED WAY HOMELESS STUDY EXPOSES
COST OF LIVING ON STREETS IN LOS ANGELES**

USC-Conducted Homeless Cost Study Profiles Four Los Angeles Homeless Individuals to Demonstrate Financial and Social Benefits of Permanent Supportive Housing Programs

Over \$80,000 in Taxpayer Savings When Homeless Moved Off Streets

LOS ANGELES, October 13, 2009 –United Way of Greater Los Angeles today unveiled findings from its Homeless Cost Study, uncovering the financial implications of living on the streets in Los Angeles and the social and economic benefits of permanent supportive housing programs. Conducted by researchers at the University of Southern California’s Center for Community Health Studies at the Keck School of Medicine and Housing Works, the qualitative study profiles four previously-homeless individuals who have now been placed in a supportive housing environment. The study shows tremendous savings to the average taxpayer, in addition to individual and community benefits by placing chronically homeless people into permanent supportive housing.

“With more people living on the streets in Los Angeles than any other city in the nation, we cannot continue to ignore the growing chronically homeless issue, which is crowding our health and criminal justice systems and impacting the strength of our community. Our goal is to prove there is a better way, and facilitate change,” said Elise Buik, president and CEO of United Way of Greater Los Angeles. “We must change our attitudes towards the homeless, many of which are families and veterans, and move swiftly to impact the system so we can get them into life-changing environments.”

Profiling C.N., a 52 year-old White female; D.B., a 58 year-old White male; J.S., a 32 year-old Hispanic male; and J.W., a 61 year-old African American male, the study takes into account five principal cost areas, including **substance abuse, physical health, mental health, criminal justice and housing**. Combining costs associated with these five areas, the study finds that that **the total cost to provide public services for two years was over \$80,000 greater than with permanent housing with support services**, representing a nearly 43% savings for taxpayers when permanent housing solutions are used. What’s more, the study found that the quality of life of the four profiled homeless individuals had greatly improved, given changes in housing quality, substance dependency, criminal behavior, social engagement and overall health.

The United Way findings are consistent with several quantitative studies, which provide growing evidence that permanent housing is a far less costly approach to managing chronic homelessness than

leaving people on the streets or in emergency shelters. And, as recently reported by the American Medical Association, savings increase the longer chronically homeless people live in housing¹. By investing in supportive housing solutions, U.S. cities like New York and Chicago have significantly increased taxpayer savings and drastically reduced their chronic homeless populations.

“Recent quantitative data has underscored the positive impact that supportive housing solutions have on communities and residents, but numbers can only tell you so much,” said Dr. Michael Cousineau, from USC’s Center for Community Health Studies at the Keck School of Medicine and principal investigator for the report. “By looking at the individual stories behind these numbers, we were able to understand the real social, financial and health factors impacting the homeless, providing texture to the data and helping organizations like United Way devise tailored solutions to impact the issue of chronic homelessness.”

Cost of Life on the Streets:

To analyze the costs of public services, investigators first focused on the two-year period before the individuals were placed in permanent supportive housing. During this time period, two of the four had gone through the detox process six times. Two of the four had been hospitalized, and all four had used the hospital emergency room for health and alcohol issues, multiple times. All four had been arrested at least once and spent time in jail, with one of the homeless individuals profiled serving 90 days in prison. **The total cost of public services spent on these four individuals over two years on the streets was \$187,288.**

The Cost of Permanent Supportive Housing:

After two years in permanent housing, investigators observed increased stability in the lives of the four individuals. All four were housed with access to mental and physical health and education classes. None of the four had required medical attention, except for one emergency room visit (**versus a total of 19 emergency room visits total while the four lived on the streets**). None of the individuals had entered the criminal justice system and, while one individual did relapse into drug and alcohol abuse, the services available for rehabilitation and therapy helped this person to regain sobriety (seven months at time of the interview). Costs increased in one area – mental health – which is a desirable outcome given the benefits of regular encounters with the community mental health system. **The total cost of public services for these four individuals living in permanent housing with support services for two years was \$107,032.**

In addition to providing context around the issue of chronic homelessness, the study underscores the immense need for programs to address the growing problem of homeless families and--the most vulnerable segment – the chronically homeless. With current economic conditions and heightened unemployment further exacerbating the homeless issue, solutions must be devised to drive the homeless population off the streets and integrated back into our communities.

¹ Larimer ME, Malone DK, Garner MD, Atkins DC, Burlingham B, Lonczak HS, Tanzer K, Ginzler J, Clifasefi SL, Hobson WG, Marlatt GA. Health care and public service use and costs before and after provision of housing for chronically homeless persons with severe alcohol problems. *Journal of the American Medical Association*, 2009;301(13):1349-1357

Ending homelessness is a critical part of United Way's work to fight poverty, and the organization has implemented strategies to impact the three inter-related root causes of poverty (and homelessness, the most extreme form of poverty). These include programs to impact housing and healthcare, education and financial stability. United Way's Pathways Out of Poverty Plan aims to provide affordable housing and healthcare to residents; help high school students graduate prepared for college and the workforce; and teach adults job skills and financial education. United Way continues to bring the public, private and non-profit sectors together to increase funding streams for permanent supportive housing and other necessary programs.

In order to mobilize people to take action and raise the funds and awareness to drive change, United Way will also host its annual walk to end homelessness, **HomeWalk, on November 7, 2009**. In the last two years, 8,000 people have walked, raising \$1M and helping over 5,000 people off the streets. For more information please go to www.homewalkla.org.

The Homeless Cost Study was conducted by Dr. Michael Cousineau and Heather Lander, with the University of Southern California's Center for Community Health Studies at the Keck School of Medicine, in conjunction with Mollie Lowery, with Housing Works.

About United Way of Greater Los Angeles

United Way of Greater Los Angeles is a nonprofit organization that creates pathways out of poverty by focusing on meeting basic needs, improving educational achievement and increasing financial stability for the most vulnerable in our community. Through its research work, United Way identifies the issues and works in partnership with community leaders and supporters to solve them by funding targeted programs and advocating for change. For more information, visit www.unitedwayla.org.

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