

# Fact Checker



National Alliance to  
END HOMELESSNESS

Accurate Statistics on Homelessness

## Chronic Homelessness

MARCH 2007

About half of the people who experience homelessness over the course of a year are single adults.<sup>1</sup> Most enter and exit the homeless system fairly quickly. The remainder live in the homeless assistance system; in a combination of shelters, hospitals, jails, and prisons; or on the streets. An overwhelming majority (80 percent) of single adult shelter users enter the homeless system only once or twice, stay just over a month, and do not return. Approximately 9 percent enter nearly five times a year and stay nearly two months each time. This group utilizes 18 percent of the system's resources.<sup>2</sup>

The remaining 10 percent enter the system just over twice a year and spend an average of 280 days per stay—virtually living in the system and utilizing nearly half its resources.<sup>3</sup> Many of these individuals are defined by the Department of Housing and Urban Development (HUD) as chronically homeless.<sup>4</sup> They often cycle between homelessness, hospitals, jails, and other institutional care and often have a complex medical problem, a serious mental illness like schizophrenia, and/or alcohol or drug addiction. There are approximately 150,000 to 200,000 chronically homeless individuals nationwide.<sup>5</sup> Although chronic homelessness represents a small share of the overall homeless population, chronically homeless people use up more than 50 percent of the services.<sup>6</sup>

Despite the difficulties in serving chronically homeless people, several cities have launched initiatives to end chronic homelessness, and many are showing results. In some cases, the results represent reductions in the number of people living on the streets. Cities with more advanced data systems are able to track reductions in chronic homelessness for people who are living in shelters. In most cases, these initiatives are part of larger efforts to end all types of homelessness.

- **Denver, Colorado** reduced homelessness by 11.5 percent in the metro region including a reduction in street homelessness from 1000 to 600 people since January 2005.<sup>7</sup>
- Over many years, **Philadelphia, Pennsylvania** has reduced street homelessness by more than half.<sup>8</sup>
- When they released their plan to end homelessness in December 2004, **Portland, Oregon** had an estimated 1,600 chronically homeless

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individuals.<sup>9</sup> During 2005, they housed 660 of them.<sup>10</sup>

- Over a three year period, **San Francisco, California** reduced homelessness by 28 percent, reduced street homelessness by 40 percent, and reduced the number of people who died while living on the streets by 40 percent from the prior year.<sup>11</sup>

In addition to documenting their success at reducing chronic homelessness, many cities are also documenting the cost effectiveness of their efforts. Portland found that prior to entering the Community Engagement Program, 35 chronically homeless individuals each utilized over \$42,000 in public resources per year. After entering permanent supportive housing, those individuals each used less than \$26,000, and that included the cost of housing.<sup>12</sup> While making progress toward ending chronic homelessness, Portland Oregon is saving the public over \$16,000 per chronically homeless person.

The successes in these communities provide insight to effective strategies in ending chronic homelessness. Ending chronic homelessness requires permanent housing with supportive services, and implementing policies to prevent high-risk people from becoming chronically homeless.

- **Housing.** The most successful model for housing people who experience chronic homelessness is permanent supportive housing using a Housing First approach. *Permanent supportive housing* combines affordable rental housing with supportive services such as case management, mental health and substance abuse services, health care, and employment. The *Housing First* approach is a client-driven strategy that provides immediate access to an apartment without requiring participation in psychiatric treatment or treatment for sobriety. After settling

into new apartments, clients are offered a wide range of supportive services that focus primarily on helping them maintain their housing.

- **Prevention.** The vast majority of people who become chronically homeless interact with multiple service systems, providing an opportunity to prevent their homelessness in the first place. Promising strategies focus on people who are leaving hospitals, psychiatric facilities, substance abuse treatment programs, prisons, and jails.

Although chronic homelessness represents a small share of the overall homeless population, its effects on the homeless system and on communities are considerable. Chronically homeless people are inefficiently served by the systems they interact with, including emergency shelters, emergency rooms, hospitals, and police departments. These systems in turn are adversely affected by chronic homelessness.

A landmark study of homeless people with serious mental illness in New York City found that on average, each homeless person utilized over \$40,000 annually in publicly funded shelters, hospitals (including VA hospitals), emergency rooms, prisons, jails, and outpatient health care. Much of the cost was for psychiatric hospitalization, which accounted for an average of over 57 days and nearly \$13,000.<sup>13</sup> When people were placed in permanent supportive housing, the public cost to these systems declined dramatically.

The documented cost reductions—\$16,282 per unit of permanent supportive housing—were nearly enough to pay for the permanent supportive housing. If other costs, such as the costs of police and court resources and homeless services were included, the cost savings of permanent supportive housing would likely have been higher.

In other words, the study found that it cost about the same or less to provide permanent supportive housing as it did for people with serious mental illnesses to remain homeless. But while the costs were the same, the outcomes were much different. Permanent supportive housing results in better mental and physical health, greater income (including income from employment) fewer arrests, better progress toward recovery and self-sufficiency, and less homelessness.

Guided by research, Congress has taken several steps to encourage the development of permanent supportive housing. Beginning in the late 1990s, appropriations bills have increased funding for HUD's homeless assistance programs and targeted at least 30 percent of funding to permanent supportive hous-

ing. Congress has also provided funding to ensure that permanent supportive housing funded by one of HUD's programs (Shelter Plus Care) would be renewed non-competitively, helping to ensure that chronically homeless people could remain in their housing.

More recently, the Bush Administration included a funding incentive called the Samaritan Housing Initiative to help spur the development of more permanent supportive housing. Congress is considering other measures, including a \$209 million increase in HUD homeless assistance funding for FY 2007 and the Services for Ending Long Term Homeless

## Endnotes

<sup>1</sup> Burt, M.R., Aron, L.Y., Douglas, T., Valente, J., Lee, E., and Iwen, B. 1999. *Homelessness: Programs and the People they Serve, Findings of the National Survey of Homeless Assistance Providers and Clients Technical Report*. Urban Institute. Washington, DC: Interagency Council on the Homeless.

<sup>2</sup> National Alliance to End Homelessness. 2007. *Homelessness Counts*. Washington, DC: National Alliance to End Homelessness

<sup>3</sup> Kuhn, R. & Culhane, D.P. 1998. Applying cluster analysis to test of a typology of homelessness: Results from the analysis of administrative data. *American Journal of Community Psychology*, 17(1), 23-43.

<sup>4</sup> According to HUD's definition, a person who is "chronically homeless" is an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or has at least four (4) episodes of homelessness in the past three (3) years. In order to be considered chronically homeless, a person must have been sleeping in a place not meant for human habitation (e.g., living on the streets) and/or in an emergency homeless shelter. A disabling condition is defined as a diagnosable substance abuse disorder, serious mental illness, developmental disability including the co-occurrence of two or more of these conditions. A disabling condition limits an individual's ability to work or perform one or more activities of daily living.

<sup>5</sup> National Alliance to End Homelessness tabulations of Continuum of Care 2005 point in time estimates.

<sup>6</sup> Kuhn, R. & Culhane, D.P. 1998. Applying cluster analysis to test of a typology of homelessness: Results from the analysis of administrative data. *American Journal of Community Psychology*, 17(1), 23-43.

<sup>7</sup> Metro Denver Homeless Initiative. 2006. *Homelessness in Metropolitan Denver: Seventh Annual Point-in-Time Study, 2006*.

<sup>8</sup> Eckholm, Erik. "New Campaign Shows Promise for Homeless." *New York Times*. 7 June, 2006.

<sup>9</sup> Citizen's Commission on Homelessness. 2004. *Home Again: A 10-year plan to end homelessness in Portland and Multnomah County*.

<sup>10</sup> Multnomah County. 2006. *Home Again 2005 Status Report*.

<sup>11</sup> National Alliance to End Homelessness. 2005. *Community Snapshot: San Francisco*.

<sup>12</sup> Moore.

<sup>13</sup> Culhane, Dennis; Metraux, Stephen, and Hadley, Trevor. (2002) "Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing." *Housing Policy Debate*. Volume 13, Issue 1. Fannie Mae Foundation.

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