



1-1-2008

The Cost of Homelessness: A Perspective from the United States

Dennis P. Culhane

University of Pennsylvania, culhane@upenn.edu

Follow this and additional works at: http://repository.upenn.edu/spp_papers

 Part of the [Public Affairs, Public Policy and Public Administration Commons](#)

Recommended Citation

Culhane, D. P. (2008). The Cost of Homelessness: A Perspective from the United States. *European Journal of Homelessness*, 97-114. Retrieved from http://repository.upenn.edu/spp_papers/148

Suggested Citation:

Dennis P. Culhane. "The Cost of Homelessness: A Perspective from the United States" *European Journal of Homelessness*. 2.1 (2008): 97-114.

This paper is posted at ScholarlyCommons. http://repository.upenn.edu/spp_papers/148

For more information, please contact libraryrepository@pobox.upenn.edu.

The Cost of Homelessness: A Perspective from the United States

Abstract

This paper discusses how researchers and others have analyzed the services histories of persons who have experienced homelessness, as well as their imputed costs. This research has been used both to make visible the ways in which the clients of mainstream social welfare systems (health, corrections, income maintenance and child welfare) become homeless and, complementarily, the impact of people who experience homelessness on the use of these service systems. Most published work in this area has been based on the integration of administrative databases to identify cases and service utilization patterns; some have used retrospective interviews. Results have been used to encourage agency administrators and policymakers to make investments in programs that reduce homelessness and/or the duration of homelessness periods. Quite recently, many local homeless services planning organizations in the US have used this approach to demonstrate the high costs of chronic homelessness and the potential cost offsets associated with the placement of people in supported housing. The opportunities and limitations associated with these various approaches, including their potential applicability to other countries and service sectors are discussed.

Keywords

homelessness, cost analyses, integrated data, costs of homelessness

Disciplines

Public Affairs, Public Policy and Public Administration

Comments

Suggested Citation:

Dennis P. Culhane. "The Cost of Homelessness: A Perspective from the United States" *European Journal of Homelessness*. 2.1 (2008): 97-114.

The Costs of Homelessness : A Perspective from the United States

Dennis P. Culhane

University of Pennsylvania

› **Abstract_** *This paper discusses how researchers and others have analyzed the services histories of persons who have experienced homelessness, as well as their imputed costs. This research has been used both to make visible the ways in which the clients of mainstream social welfare systems (health, corrections, income maintenance and child welfare) become homeless and, complementarily, the impact of people who experience homelessness on the use of these service systems. Most published work in this area has been based on the integration of administrative databases to identify cases and service utilization patterns; some have used retrospective interviews. Results have been used to encourage agency administrators and policymakers to make investments in programs that reduce homelessness and/or the duration of homelessness periods. Quite recently, many local homeless services planning organizations in the US have used this approach to demonstrate the high costs of chronic homelessness and the potential cost offsets associated with the placement of people in supported housing. The opportunities and limitations associated with these various approaches, including their potential applicability to other countries and service sectors are discussed.*

› **Key Words_** *Homelessness ; cost analyses ; US policy ; integrated data ; costs of homelessness*

Introduction

Data on the service utilization patterns of persons who experience homelessness has the potential to inform significantly the design of policies and programs that affect the incidence and duration of homelessness. Evidence of the use of multiple service systems may identify how 'mainstream' systems (those not targeted specifically to homeless persons) may be contributing to homelessness; it may also identify the impact of homelessness on those service systems. Calculating or imputing the costs of these various service utilization patterns can educate the public regarding the economic impact of homelessness on society, and can inform policymakers about the potential comparative efficiency of alternative approaches to the problem. In this paper, efforts to identify service utilization patterns and the costs associated with homelessness in the United States are described. The roles of these analyses in policy formulation and the mobilization of political will are also discussed.

Background and Literature

Among advocates for the homeless in the US, a truism has long held that homelessness is more expensive to society than the costs of solving the problem. For as long as two decades, public education campaigns on subways and in newspapers have periodically made the simple case that the cost of housing, even with support services, is cheaper per night than the cost of a shelter cot, a hospital bed or a prison cell. Judging from the low priority accorded to permanent housing solutions for homelessness in the US over most of this period, these arguments have not always been persuasive with policymakers. Government officials and legislators expect advocates to make such claims and understand the difference between advocacy statistics and research. However, beginning in the early part of this decade, academic research substantiated some of these claims for particular subpopulations of persons who are homeless. Quite recently, a rather incredible spate of related cost analysis efforts has issued forth from local planning organizations throughout the US. Unlike the previous advertising campaigns, these projects are having a substantial impact on policies, at the national and local levels, including garnering significant new resources for permanent housing solutions to the problem.

Making Homelessness Visible to Public Agencies and Payers

For most public agencies, the ‘homeless’ are invisible. Healthcare payment systems do not identify whether particular clients are ‘homeless’, neither do the records of most of the hospitals or emergency rooms that treat them. State child welfare agencies are not required to denote which of the families they serve are experiencing housing loss or severe housing instability. Police reports do not include a code for indicating that an alleged violator is living in a public shelter or in a public space. To be sure, the direct care workers in these settings are often well aware that they are the front-line responders to homelessness. In some cities, certain hospital emergency rooms and police patrols may spend substantial proportions of their work effort addressing issues associated with persons who are homeless. Yet that knowledge rarely, if ever, comes to the attention of agency administrators, because no one is systematically collecting data to indicate who among the people they serve is homeless and who is not.

Research on the service utilization histories of persons experiencing homelessness has proven to be one of the few tools that can redress this situation. Through the integration of data on persons served in homeless programs with data on the persons served by mainstream agencies, the people who are homeless in these mainstream agencies can be identified and enumerated and their service histories analyzed and monetized. On the basis of such data, these agencies and administrators can learn the degree to which their clients are homeless, the role that their services (or lack thereof) may play in contributing to homelessness, and the subsequent impact of homelessness on their systems. Once made visible, agency administrators can see how their service systems may play a more positive role in addressing the needs of people who are homeless and in mitigating the incidence and duration of the problem. Public policymakers can also see the aggregate costs of homelessness among various subpopulations and to various service sectors, potentially providing needed support for strategic reallocations of resources and even new investments in housing solutions.

Services Utilization Research in the United States

Published Research

The earliest research on contemporary homelessness in the US focused on the service utilization histories of homeless persons (Fischer, 1989). A widespread belief that homelessness was caused by the 'deinstitutionalization' of former patients of state psychiatric hospitals led researchers to inquire as to the extent of prior hospitalization among adults who were homeless. Results indicated that about 15% of the population at that time had experienced an inpatient psychiatric stay, but few of those were in state operated facilities. In effect, the deinstitutionalization argument didn't pan out. People with psychiatric disabilities had joined the ranks of other people with very low incomes in losing out in the tightening housing market; they weren't exceptional.

Most subsequent research on homelessness in the US has likewise relied on samples of the homeless in a given city or cities, and involved interviews with persons who are homeless to determine their characteristics and, in some cases, their services histories and needs. This research has been important in showing that people who are homeless have high rates of prior involvement with the child welfare system, frequent contact with the police, courts and correctional facilities, as well as the behavioral health treatment system (for national data see Burt *et al.*, 2001; for reviews of relevant literature, see Baumohl, 1996, see also recent reviews published by the Federal Government at <http://aspe.hhs.gov/hsp/homelessness/symposium07/index.htm>). However, because most of this research does not include housed comparison groups, the degree to which these service needs or usage rates are different for people who are homeless as compared to the housed poor more generally has not always been clear. Moreover, because most of this research is based on samples of the homeless rather than the overall service-using population, this research has not enabled public agencies to estimate the degree to which *their* clients are homeless or how people who are homeless are similar to or different from their other clientele.

The availability of administrative data, particularly data which track homeless program utilization, has helped to overcome those limitations. In the early 1990s, the cities of Philadelphia and New York were unique in the US in that they had separately developed automated systems for recording discrete entries and exits from their publicly funded shelter systems. These 'management information systems' (MIS) had essentially created a data archive of shelter users, including their identifiers (names, birthdates, gender, ethnicity, Social Security Number and prior address), shelter placements and dates of service. These data were initially used to develop 'period prevalence' counts of homeless shelter use in the US (Culhane *et al.*, 1994), as well as population-adjusted rates of shelter use. For example, researchers found that 1%

of the general population in these cities was homeless each year in the early 1990s, including 10% of poor children annually and 20% of poor African American men in their 30s and 40s (Culhane & Metraux, 1999).

These MIS data also enabled researchers to identify distinct patterns of shelter use, including differentiating between the vast majority of single adults (80%) who used the shelters on a very short-term basis, with a relatively small minority (10%) moving in and out shelters episodically and another small minority (10%) of 'chronically homeless' who used the shelters on a long-term basis (staying a year or more per stay, on average, and not including days of unsheltered homelessness) (Kuhn & Culhane, 1998). While people who are chronically homeless account for relatively few of the homeless overall, a tabulation of the 'bed days' consumed by this group showed that half of the adult shelter system days were accounted for by the 'chronic' shelter users. This led public shelter administrators, other policymakers and some homeless advocates to conclude that substantial reductions in homelessness and daily shelter capacity could be achieved by targeting this relatively small population with permanent housing. Stated simplistically, the rental costs of market-rate housing (\$6,000-\$8,000 per year, or €3,885-€5,184 per year) could be paid for by the shelter costs, which are estimated to be an average of \$13,000 (€8,417) per bed per year nationally (Wong, Park & Nemon, 2005). While this point is illustrative, given that the sources of funding for shelter and housing are quite different and have different requirements, having these services utilization and cost data made it possible to make the case that, indeed, with regard to the people with long-term shelter stays, homelessness *is* potentially more expensive than permanent housing.

Apart from the analysis of the homelessness system, access to the identifiers in the MIS also enabled researchers to tap a much larger and more potent source of information regarding services utilization among people who are homeless. Identifiers in the homelessness records could be merged or integrated with identifiers from the mainstream social welfare systems to learn the proportion of the sheltered population with involvement in these various systems, as well as the proportion of the users of these systems who were entering shelters. An early example of this work involved merging the homeless records with the mental health and substance abuse treatment records in Philadelphia. This research showed that approximately 18%-20% of the adult homeless had a treatment history for a severe mental illness (Culhane, Averyt & Hadley, 1998). Interestingly, this research also showed that people with schizophrenia had a lower rate of shelter use (3% per year) than the poverty population in general (6% per year), suggesting that the safety net for people with psychiatric disabilities conveyed some protection against homelessness, at least in this city (Culhane, Averyt & Hadley, 1997). This stood in marked contrast to people who did not have a serious mental illness, but who had prior inpatient substance abuse treatment paid by public insurance, whose annual rate

of shelter use was 14%, more than double the rate for poor people in general, and fourteen times the population-wide rate. Further research was able to examine the timing of homelessness episodes relative to inpatient treatment and how risk for homelessness following hospital discharge was mediated by continuity of outpatient care with a community service provider (Kuno *et al.*, 2000; Averyt *et al.*, 1997). Researchers were also able to examine how housing programs supported by the mental health system were able to interrupt a homeless spell, and how people with mental illness were able (or unable) to access this housing. Such information has proved vital to local policymakers charged with managing those housing resources and in their advocacy for additional resources from state officials to close the gap between the current inventory and expected demand.

Many other 'integrated database research' projects based on access to the homeless services MIS data in New York and Philadelphia have been completed¹. These have included studies of homelessness among young people exiting foster care; birth outcomes for homeless mothers; the timing and placement of children from homeless families into foster care; the co-occurrence of AIDS and homelessness; rates of homelessness among people discharged from prison and jail, and rates of subsequent reincarceration; and rates of homelessness among school children, and impacts on school attendance and achievement. Studies have also used the 'last permanent address' data in the MIS records to look at the spatial distribution of the former residences of families which become homeless. Address data have been merged with utility records to examine rates of utility shut-offs and fires at those addresses prior to the homelessness spell, and to target neighborhood-based homelessness prevention programs. Hence, a wide variety of projects have been pursued with the overall intent of identifying how the mainstream social welfare systems impact homelessness and how homelessness impacts them.

This approach was also the basis for a large, multi-system cost analysis of homelessness among persons with severe mental illness in New York City, which tracked nearly 10,000 persons (Culhane, Metraux & Hadley, 2002). The study examined the cost-offsets associated with a major initiative to provide 3,700 units of supported housing targeted to this population. The results of the study showed that those people who were homeless with a severe mental illness used an average of \$40,500 (€26,223) per year in services (1998 dollars), including health, corrections and shelter services. Once housed, people used fewer services, for an average decline of \$16,200 (€10,489) in expenditures per occupied unit per year (at least expenditures that could be tracked; many, such as ambulance transport and court costs could not be tracked per individual). The cost of the supported housing intervention was \$17,200 (€11,137) per unit per year, resulting in a net cost of approximately

¹ For a list of publications and articles for download see: http://works.bepress.com/dennis_culhane/.

\$1,000 (€647) per unit per year. When the study was published in 2002, it provided significant evidence that ending homelessness among many people with severe mental illness in New York City, while no cheaper based on this admittedly conservative estimate, was nearly a break-even proposition.

The New York study was cited in the Bush administration's 2003 budget in which it pledged to 'end chronic homelessness' in the US (US Executive Office of Management and Budget, 2002). The Congress and the President subsequently increased Federal funding for homelessness programs by 35% from 2003 through 2007, much of it targeted to the creation of supported housing for people experiencing chronic homelessness (US Interagency Council on Homelessness, 2007). Mayor Michael Bloomberg of New York City also cited the study in 2004 when he announced an initiative to develop 12,000 units of supported housing in five years, targeted to people experiencing chronic homelessness (NYC Office of the Mayor, 2004). The study has served as a basis for numerous replications by other local planning organizations over the last five years (see section on 'Ten Year Plans' below).

Other academic research has likewise found significant cost offsets associated with the placement of people who are homeless and with severe mental illness in supported housing. Rosenheck *et al.* (2003) studied a national supported housing demonstration program and found that because of cost offsets associated with declines in the use of acute care services, the supported housing had a net cost of \$2,000 (€1,295) per unit per year. Interestingly, the study relied on self-reported services use to estimate changes in service use, rather than administrative records. A recent randomized clinical trial found that people who were homeless, with a chronic health condition and recently discharged from a Chicago hospital, had substantial cost offsets when placed in supported housing compared to a group that got 'usual care'. Although the final results are not yet publicly available, the investigators' initial results suggest that overall they found a net negative cost of the intervention (Barrett, 2008).

However, not every study of services use among persons who are homeless has found that they are costly service users. A study in Houston found that people with severe mental illness who were homeless used very few services, as compared to persons with severe mental illness who were not homeless (Sullivan *et al.*, forthcoming). This suggests that there may well be substantial regional variations in the United States with regard to the availability and accessibility of services for persons who are homeless. Areas with more limited public services overall may well have fewer costly service users among the people who are homeless, meaning that there are few costs to offset as a result of an intervention.

A major limitation of the published housing intervention research is that it has focused primarily on persons who are homeless and also have a severe mental illness. While the Chicago study cited above included people who were not mentally ill, most of the research on housing interventions for the formerly homeless have focused on people with severe psychiatric disabilities. Given that people with severe mental illness account for approximately 25% of the chronic homeless population, 20% of the single adult homeless and 6% of the parents in homeless families, much remains to be known about the effects of various housing interventions for the vast majority of people who are homeless and who do *not* have a severe mental illness. Homeless families in particular have not been studied as intensively as single adults².

Rosenheck has also pointed out that some of these housing intervention studies may have been biased in selecting higher users of services for inclusion in the study. Clearly, it is easier to demonstrate cost offsets when the persons placed have high costs prior to the intervention. Based on national data, Rosenheck estimates that only the highest 10% of persons who are homeless with mental illness have service costs as high as were found in the New York study cited above. Rosenheck argues that average inpatient costs for this population nationally are closer to \$9,000 (€5,827) per person per year, rather than the \$34,000 (€22,015) found in the New York Study (inpatient costs only; corrections and shelter costs excluded). Again, this may indicate regional differences in the accessibility of services. Regardless of this, it should temper expectations that broadly representative samples of people who are homeless will have universally high service costs.

'Ten-Year Plan' Cost Studies

Since 2003, localities around the United States have seized on the concept of a 'cost study' of homelessness with great enthusiasm. Remarkably, more than forty studies have been undertaken by local communities, most often as part of their 'Ten Year Plans to End Chronic Homelessness'. The idea that communities should create local plans to 'end homelessness' was initially inspired by the National Alliance to End Homelessness, an NGO that advocates for Federal homelessness policy reforms. The Alliance published its own ten year plan in 2000, encouraging local communities to follow its lead (National Alliance to End Homelessness, 2000). In 2002, under the Bush Administration, a reinvigorated United States Interagency Council on Homelessness also made the establishment of ten-year plans a major priority for local and state Governments. Under the leadership of Philip Mangano, the Federal

² A recent analysis of their shelter costs, however, did find that a small proportion of families (20%) also use half of the shelter resources, at an average cost of \$35,000-\$50,000 (€22,662-€32,375) per family, or the equivalent of 5 years of a federal housing subsidy in the US, see: Culhane *et al.*, 2007.

office has led a campaign to enlist cities and states to create such plans. Mangano has also championed the use of 'cost analyses' of chronic homelessness as a means of generating political will to leverage funding for the local plans.

Mangano has helped to inspire communities to this task by distributing an article by Malcolm Gladwell (2006), entitled 'Million Dollar Murray', from a popular literary magazine. Gladwell, a best-selling non-fiction writer in the US, tells the story (which he first learned from Mangano) of a man named Murray living on the streets of Reno, Nevada. Two local police officers tallied up his rides in emergency medical transport, his emergency room visits and hospital stays, and his time spent in the local jail, by going through the local program records by hand. They estimated that it had cost the taxpayers \$100,000 (€64,750) a year to maintain Murray in a state of homelessness, and that over a ten year period it reached \$1 million (€647,500). What the taxpayers got for that public 'investment' was a man who lived and died on the streets. The story has served as an inspiration, not only because the officers found such a remarkable cost to the public for such a chaotic and ineffective system of 'care', but because the officers' 'study' didn't require an academic professional with an advanced degree and a research grant for its completion. People have concluded that a savvy person with the right connections to the right agencies could do just as well as the two police officers in Reno.

Since 2003, more than forty such 'cost studies' have been conducted by local communities in the US, engaged in these 'ten year plans to end chronic homelessness' (see Culhane *et al.*, 2008, for tables summarizing the studies and their results). Slightly fewer than half of the studies have examined the costs of services use by people *only* during their homelessness episode; the others have looked at people who had been homeless and then placed in housing, comparing the costs before and after their housing placement. Few, if any, have involved comparison or control groups. From a scientific perspective, the studies are therefore primarily illustrative. The study populations are non-random or 'convenience samples' and are usually selected on the basis of their being presumed to be 'high cost users' as well as chronically homeless. In some cases, the names are elicited from the police or emergency-room staff. The investigators have proven quite adept at obtaining cooperation and records from a variety of agencies, including jails, hospitals, shelters and emergency medical transport. Because the samples are not standardized and the sample sizes vary widely, study results are correspondingly quite heterogeneous. In general, the larger the sample (and presumably the more representative of adults who are homeless), the lower the average annual costs of services use. Furthermore, the intervention

offset the costs of those interventions even among the less costly of the persons who experience chronic homelessness. The interest and energy around developing these cost analyses certainly represents an opportunity for public and private research agencies to assist communities and researchers in achieving the same instrumental political goals, but with greater scientific rigor.

Regardless of their methodological merits, academic research and local plans that have incorporated cost analyses have succeeded in generating new investments in homeless programs. According to early results, these efforts appear to be working. The Federal Government has announced that chronic homelessness declined in the US for two consecutive years: 12% from 2005 to 2006, and a further 20% from 2006 to 2007, giving a net reduction of 50,000 persons (US Department of Housing and Urban Development, 2008). While these reductions no doubt reflect improved counting at the local level, there is also little doubt that some progress is being made, as US HUD claims to have supported the development of 40,000 units of permanent supportive housing for the formerly homeless under the Bush Administration's initiative.

Potential Applicability to Other Sectors and Countries

The cost and services utilization research that has emerged in the US over the last decade may represent a model for other countries struggling with homelessness and other social policy sectors that deal with complex and multifaceted problems. The US experience also suggests some important limitations and challenges within this approach that researchers should keep in mind.

Perhaps the most important factor that has made the US work possible, and which may represent the biggest obstacle in many other communities is the availability of administrative data on the use of homelessness programs. Only a handful of US cities have had these systems historically; two of those cities (New York and Philadelphia) were the basis of most of the early work done of this nature. Since the 2000 federal budget, the US Congress has required that all communities in the US implement 'Homelessness Services Management Information Systems' (HMIS). The goals are to give to local communities the data with which they can identify trends and subpopulations of people who are homeless, and to enable communities to engage in record linkage projects that would identify the use of mainstream social welfare systems by persons served in the homelessness system. However, most communities in the US have not successfully implemented such systems. Technical challenges, human resource issues and provider attitudes toward automated data collection have all contributed to the slow adoption of these systems. However, substantial progress is being made, especially as Federal

agencies incentivize data collection. The US Department of Housing and Urban Development awards extra points for applications for homelessness funds from communities where an HMIS is being implemented. The most recent federal reporting year, 2007, shows that almost one community in four in the US now has sufficient coverage of its homeless program network in its HMIS to participate in the national reporting system (US Department of Housing and Urban Development, 2008). Growth in system implementations has been especially good in the last two years and could reach half of all US communities in the next two or three years.

Without these data, communities have had to rely on primary data collection to obtain information on samples (typically convenience samples) of people who experience homelessness or who are placed in various housing interventions. Services utilization data has been gathered either through retrospective interviews which have more limited reliability the longer the period for recall, or through tedious record searches, often of a single individual at a time, at each respective data source. As noted in the section on 'Ten year plans' above, these projects have proven quite influential and politically instrumental. However, they don't represent a viable long-term approach to data gathering and record linkage that would support the on-going evaluation and planning needs of public agencies. That said, these approaches are more amenable to *ad hoc* projects, or to research projects on smaller, well-defined samples. This may represent, therefore, a reasonable scientific alternative to HMIS-type systems implementations in many communities and countries.

A further challenge to some communities may be in obtaining the cooperation and participation of the mainstream or 'non-homeless' agencies. Confidentiality laws and other privacy protections limit agencies with regard to the sharing of client data. Some of these concerns may be overcome through carefully developed legal agreements and data handling procedures, or even through obtaining client consent at the time of registering for program enrollment. However, in many communities which have limited experience in this kind of data sharing agreement, obtaining appropriate permissions may prove to be more of a challenge than a manual search of the records (of course, even a manual search of a given institution's records would require some approval by the agency, although a small institution may find ways to choose to share its records confidentially more readily than would a region-wide 'system'). The US experience suggests that these manual searches can be done quite effectively, and often with greater efficiency relative to the execution of more comprehensive automated data sharing agreements among large Government departments. This is an area where governments or other major research sponsors may choose to offer technical assistance grants to assist researchers and communities in developing the appropriate data sharing protocols.

A further caution regarding the approach taken in the US relates to the tendency of advocates to overstate the cost-savings that may result from housing persons who are homeless. In the view of many, homelessness should be eradicated irrespective of its cost (of course, within the limits of society's resources), and citizens and public agencies should not be promised 'cost savings' or even 'cost offsets' from homelessness solutions, lest they be unattainable and support for these solutions be subsequently withdrawn. In light of these concerns, researchers should be careful to consider (and explicitly observe) that the services utilization cost of homelessness is only one dimension of the moral issues raised by the problem. Other moral dimensions of homelessness include dehumanization, diminished capacity to actualize basic societal rights and privileges, and susceptibility to victimization, including violence. While less easily 'monetized' these moral dimensions reflect 'costs' to the individuals affected, as well as to society. Indeed, the services utilization research summarized above is also limited in that it is based on a 'cost accounting' approach to cost analysis; more comprehensive economic studies would monetize these other aspects of homelessness, including the value to persons and to society of having stable housing and improved health, employment prospects and relations with family members. In defense of the 'cost accounting' approach, its promise is that government agencies and the public can be shown that existing resources could be reallocated to more effectively assist people who are homeless with ending their homelessness. The efficient and effective use of public resources falls squarely on the shoulders of policymakers and, once identified, the moral argument regarding the use of current expenditures can carry more weight (and potentially more resources), than the less tangible costs in a purely economic analysis of less accountable benefits to society. In any case, researchers and advocates should be careful not to over-promise or over-generalize the results found for particular interventions for very specific populations.

Even when services utilization and costs among people who are homeless are identified, it is not always the case that the dollars spent can be recouped from reduced utilization, and redirected to housing solutions. Public resources are typically allocated by government departments individually and resources saved in one area, even those which are clearly responsible for the savings in another department, cannot necessarily be recaptured and invested elsewhere. Moreover, while the reduced utilization of services can result in reduced expenditures, that is not always the case. In systems where services are funded by direct support or subsidy of facilities and operational activities (such as jails), and not through cost-based reimbursement systems (as in health care), reduced utilization by some people will not reduce the overall facility operating costs, as those costs are paid

irrespective of who uses the system, or for how long. While inappropriate utilization can be reduced, freeing staff-time for other responsibilities, no real dollars are released in these systems and they can't therefore be recaptured or reinvested.

Finally, the approach described here could be applicable to the analysis of other social problems. Many social problems have multiple dimensions; they impact multiple sectors, such as education, disadvantaged youth or adults with behavioral disabilities. These areas would seem to be strong candidates for an approach of this sort, where the population or problem of interest can be tracked across multiple systems and a truer picture of its 'multi-sector' impact observed. To address issues in this way, several communities in the US (including some states) have undertaken the assemblage of 'integrated administrative database' infrastructures. These infrastructures are intended to make data available for various cohorts of people across service systems. Integrated file extracts can be created in response to a specified request, or routinely by agencies seeking knowledge of how particular service interactions occur over time. The advantage of maintaining these infrastructures is that the data are more readily available for analysis, while requests can be substantially more streamlined than is the case with *ad hoc* enquiries. The development of such systems requires substantial investments of time and resources, but could be beneficial in sectors beyond homelessness, as society deals with the broad range of issues which manifest themselves through multiple agencies.

Conclusion

Services utilization research in the area of homelessness has helped researchers and policymakers in the US to better understand the prevalence and dynamics of homelessness and the impacts that agencies have on the problem, however intentionally or unwittingly. Evidence of these impacts has engaged the mainstream social welfare systems into further dialogue regarding their practices and how their resources could be shifted to better assure a positive outcome for their clients, including reduced homelessness. By using the databases from these agencies as the basis for the analyses, agencies can be more readily engaged in this dialogue, as the data track the resources and programs for which they are responsible. From these projects, policy-makers and the public at large can also learn about the inefficient use of resources associated with homelessness as well as the potentially positive impact of housing programs, where found. All of this can be used to help identify better and more effective programs, and better and more effective uses of resources. Such outcomes can also be used to generate on-going public support and political will for further investments in housing solutions to homelessness.

The homelessness 'system' in the US is essentially a residual phenomenon. It is largely unregulated, unlicensed, underfunded, and ultimately unsuccessful in ending homelessness. An important benefit of the analyses of homelessness services utilization and costs is that this research can demonstrate that people who experience homelessness do not just use shelters, but are often the clients, sometimes the well-known clients, of these larger and more intensively funded service systems. Many of the homeless are homeless because these service systems do not recognize the housing needs of such persons, whether intentionally or otherwise, and do not readily advocate for housing solutions that would result in better outcomes for their clients and their agencies. Services utilization research and associated cost analyses hold the promise of challenging policymakers to recognize these gaps in services, the costs to the public and the need for more efficient responses. The public and legislators can't be expected to support more expenditure on ameliorating homelessness and poverty if agencies can't also show that the current anti-homelessness and anti-poverty systems are effective stewards of present resources. To be an effective partner in that process, researchers need to help identify the excess resources being consumed, the most effective and efficient housing alternatives, and the information that can be used by mainstream social welfare agencies to achieve greater accountability and reduced homelessness.

› References

- Averyt, J.M., Kuno, E., Rothbard, A. & Culhane, D.P. (1997) Impact of continuity of care on recurrence of homelessness following an acute psychiatric episode, *Continuum* 4 (3).
- Barrett, J. (2008) Homeless Study Looks at 'Housing First': Shifting Policies to Get Chronically Ill in Homes May Save Lives, Money. *The Wall Street Journal* 6 March 2008 p A10.
- Baumohl, J. (ed.) (1996) *Homelessness in America*. Phoenix: Oryx Press.
- Burt, M., Aron., L.Y., Lee, E. & Valente, J. (2001) *Helping America's Homeless: Emergency Shelter or Affordable Housing?* Washington, DC: The Urban Institute Press.
- Culhane, D.P., Averyt, J.M. & Hadley, T.R. (1997) The rate of public shelter admission among Medicaid users of behavioral health services. *Psychiatric Services* 48(3) pp 390-392.
- Culhane, D.P., Averyt, J.M. & Hadley, T.R. (1998) The prevalence of treated behavioral health disorders among adults admitted to the Philadelphia shelter system: Results from the integration of longitudinal data. *American Journal of Orthopsychiatry* 26(2) pp 207-232.
- Culhane, D.P., Dejowski, E., Ibanez, J., Needham, E. & Macchia, I. (1994) Public shelter admission rates in Philadelphia and New York City: The implications of turnover for sheltered population counts. *Housing Policy Debate* 5(2) pp 107-140.
- Culhane, D.P. & Metraux, S. (1999) One-year prevalence rates of public shelter utilization by race, sex, age and poverty status for New York City (1990, 1995) and Philadelphia (1995) *Population Research and Policy Review* 18(3).
- Culhane, D.P., Metraux, S., Park, J.M., Schretzmen, M.A., Valente, J. (2007) Testing a typology of family homelessness based on patterns of public shelter utilization in four US jurisdictions: Implications for Policy and Program Planning. *Housing Policy Debate* 18(1) pp 1-28.
- Culhane, D.P., Metraux, S. & Hadley, TR. (2002) Public service reductions associated with the placement of homeless people with severe mental illness in supportive housing. *Housing Policy Debate* 13(1) pp107-163.
- Culhane, D..P, Parker, W.D., Poppe, B., Gross, K. & Sykes, E. (2008) Accountability, cost-effectiveness, and program performance: Progress since 1998. Washington: US DHHS and DHUD.

Fischer, P.J. (1989) Estimating the prevalence of alcohol, drug and mental health problems in the contemporary homeless population, *Contemporary Drug Problems* 16 pp. 333-389.

Gladwell, M. (2006) Million Dollar Murray. *The New Yorker* February 13 & 20, 2006 pp.96-107.

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) pp. 23-43.

Kuno, E., Rothbard, A., Averyt, J & Culhane, DP (2000) Homelessness among persons with severe mental illness in an enhanced community-based mental health system. *Psychiatric Services* 51(8) pp. 1012-1016.

Mondello, M., Gass, A.B., McLaughlin, T., & Shore, N. (2007) Cost of Homelessness: Cost Analysis of Permanent Supportive Housing. Portland, ME: Maine State Housing Authority (<http://www.mainehousing.org/Documents/HousingReports/CostOfHomelessness.pdf>).

National Alliance to End Homelessness (2000) *A Plan, Not a Dream: How to End Homelessness in 10 Years*. Washington: author (<http://www.naeh.org/content/article/detail/585>).

New York City Office of the Mayor (2004) *Uniting for Solutions Beyond Shelter*. New York City: author.

Rosenheck, R., Kaspro, W., Frisman, L., Liu-Mares, W. (2003) Cost-Effectiveness of Supported Housing for Homeless Persons with Mental Illness. *Archives of General Psychiatry* 60(9) pp. 940-951.

Sullivan, J.G., Koegel, P., Jackson, C.A., Jinnett, K., Morton, S.C., Miu, A., Chien, S. (forthcoming). Use of public sector services and associated costs among homeless adults with and without serious mental illness.

United States Department of Housing and Urban Development (2008) *The 2007 Annual Homelessness Assessment Report: A report to the US Congress*. Washington: Author.

United States Department of Housing and Urban Development (1994) *Priority Home! The Federal Plan to Break the Cycle of Homelessness*. Washington, DC: Author.

United States Office of Management and Budget (2002) *The 2003 Budget Proposal of the President of the United States*. Washington, DC: author.

United States Interagency Council on Homelessness (2007) The President's Budget Includes Another Increase in Homelessness Funds. Washington DC: author.

Wong, Y.-L., Park, J.M., & Nemon, H. (2005) Homeless service delivery in the context of the Continuum of Care. *Administration in Social Work* 30 pp. 67-93.