

# WHAT IS THE COST OF HOMELESSNESS?

The cost of homelessness can be quite high, particularly for those with chronic illnesses. Because they have no regular place to stay, people who are homeless use a variety of public systems in an inefficient and costly way. Prevention a homeless episode or ensuring a speedy transition into stable permanent housing can result in a significant cost savings.

## Comparison of Average Public Cost of an Unsheltered Homeless Person and a Resident in Supportive Housing <sup>1</sup>

The average public cost for an unsheltered homeless person is \$2,897 per month. In comparison, the average public cost for a resident in supportive housing is \$605 per month. By providing supportive housing with supportive services, public costs can be decreased by 79%.

Public costs for unsheltered homeless individuals vary by age, gender and individual attributes. Public costs increase for unsheltered homeless if they are older, unemployed, disabled, suffering from mental illness, or are substance abusers.

- Single unsheltered adults between 18 to 29 years of age that have no jail history, no substance abuse problems or mental illness, and are not disabled cost an average of \$406 a month.
- Single unsheltered adults 46 years old or older that also have substance abuse issues or mental illness with no recent employment history cost an average of \$5,038 a month.
- Public costs for homeless men are 40 percent higher than for homeless women on average.

## Average Cost of Public Services Provided to a Person Who is Homeless in Hawaii

**Health Care Costs** - 38% of all public costs for those who are unsheltered are health care costs. A study of hospital admissions of homeless people in Hawaii revealed that 1,751 adults were responsible for 564 hospitalizations and \$4 million in admission costs. Their rate of psychiatric hospitalization was over 100 times their non-homeless cohort. The researchers conducting the study estimate that the excess cost for treating these homeless individuals was \$3.5 million or about **\$2,000 per person.** <sup>2</sup>

Average cost for substance abuse treatment for a homeless person in Hawaii **\$4801.96** <sup>3</sup>

Average ER Visit for non-urgent medical treatment in Hawaii **\$830 per visit** <sup>4</sup>

Average cost of a hospital stay in Hawaii **\$4,519 per day** <sup>5</sup>

Average cost of imprisonment in Hawaii **\$41,273 a year per inmate, or \$113 per day.** <sup>6</sup>

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<sup>1</sup> "Where We Sleep, Cost When Homeless and Housed in Los Angeles" 2009, A full copy of this report can be downloaded from <http://www.economicrt.org>

<sup>2</sup> From (Martell J.V., Seitz R.S., Harada J.K., Kobayashi J., Sasaki V.K., Wong C. Hospitalization in an urban homeless population: the Honolulu Urban Homeless Project. *Annals of Internal Medicine* 1992; 116:299-303).

<sup>3</sup> Calculated from Lai, M.C., Yuen, S., Yuan, S., Zhang, J., & Okano, S.Y. (2009). Alcohol and Drug Treatment Services Report: Hawai'i, 2000 – 2008. Honolulu: University of Hawai'i, Center on the Family.

<sup>4</sup> "Potential Savings through Reduction of Inappropriate ER Utilization in Hawaii" by Josh Green, MD, State Senator, ER physician and Medical Director of the Hawaii IPA.

<sup>5</sup> Pacific Business News: <http://www.bizjournals.com/pacific/stories/2008/10/27/story2.html>, Sunday October 26, 2008.

<sup>6</sup> Calculated from "Prisoners in 2009" by William J. Sabol, Ph.D., Heather C. West, Ph.D., Bureau of Justice Statistics, US Department of Justice, <http://bjs.ojp.usdoj.gov/index.cfm?ty=pbdetail&iid=2232>