

Comparing the costs of homelessness and supported housing in Bratislava



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Why did we study the costs of homelessness?

- There is growing evidence about the success of housing-led approaches abroad (Busch-Geertsema 2016; Ly & Latimer 2015).
I.e.: homelessness *can* be eliminated
- No complex social-housing system in SK that would be capable to effectively end homelessness for the most vulnerable people.
- Window of opportunity to influence decision-makers: At least *some* resources of social services/housing fund could be directed at HF approaches (even if the gov't insists on transitional housing)
- Political decisions often stand or fall on budget considerations => we chose to focus on costs

Research question:

„How much does it cost public authorities to provide assistance to a person when he is homeless, and how much it would cost if the same person was provided permanent supported housing?“

Definitions

- Transitional housing vs.
- Supported housing = housing first (HF) or rapid rehousing (RRH)
 - Intensive case management (ICM): team-based approach to support clients to maintain housing and achieve other life goals, as defined by the client (HomelessHub)
- Homeless person:
 - Rough sleeper, cottage dweller, client in night or homeless shelter
 - But not, eg, in private homeless hostels („ubytovňa“)

How did we study costs?

- The quality (accuracy) of cost analysis depends on the availability of quality client-level data.
- Best if social service databases are digitally integrated in the given territorial unit (LA county), or a (representative sample via) survey method (AUS; CZ)
- None of this in BA city, so we went by the so-called *vignette* approach
 - We identified some typical subgroups of homeless people with service providers, and asked about the frequency of their service use

Vignettes by the most frequent place of overnight stay during a year

Household size and sex	age	Place of overnight stay	issue
(1) Man	55	cottage	open wound on leg
(1) Man	40	night shelter	substance abuse
(1) Man	40	homeless shelter	released from hospital
(2) Single mother + 1 ch.	25	night shelter	history of domestic violence
(4) Man + woman + 2 ch.	36; 25	cottage	alcohol; depression

Note: For all cases with children we assumed children were placed into a children's home all year round.

Type of services/institutions selected

Situation 1: homelessness

- Homeless services (no. of providers):
 - Streetwork (2)
 - Day centre (3)
 - Night shelter (3)
 - Homeless shelter (5)
- Non-homeless services:
 - Emergency medical services
 - Inpatient unit (“Oddelenie dlhodobo chorých”)
 - Children’s home
 - Prison

Situation 2: supported housing

- avg price of rental housing with utilities on the private market in BA city (from internet survey)
 - 1-bedroom flat for individual, 2-bedroom flat for family
- ICM team in a pilot project with a team of 7
 - 5 soc.workers + 1 coord. + 1 real estate agent

	HF	RRH
Staff-to-client ratio	1:20*	1:10**
households	100 individuals	50 families
Time for one client/week	2 hours	4 hours

** from Pathways & HomelessHub, ** from Brno*

Calculation of service costs

- Homeless services: comprehensively mapped; the largest interviewed
- Non-homeless services: only one selected, and we verified whether their unit cost (UC) was not an outlier

$$\text{Unit cost of service} = \frac{\text{Total cost of service in 2016}}{\text{No.of services (shelter, visits, etc) provided in 2016}}$$

- In case a service was provided by multiple providers, the UC was weighted by the capacities of the providers using harmonic mean
- Multiply UC by estimated frequency of service use for each vignette
- To make vignettes comparable we averaged the intensity of aftercare (9/18/24m) on 24months.

Limitations of our methodology

- We do not know the *total* expenses of homelessness/potential savings generated by HF in BA, only per person.
- the results are generalisable only to the homeless people that are similar to the vignettes.
- Reduction in service use was not calculated into the model: CA is biased towards the optimistic scenario

What did we find? (individuals)

Service	V1: Cottage, open wound, permanent			V2: N.shelter, alcohol, intermediate		V3: H.shelter, recovering, intermediate	
	avg unit cost (€)	frequency of service use	costs (€)	frequency of service use	costs (€)	frequency of service use	costs (€)
Situation 1: Homelessness							
Streetwork	16,52	26	429,54		NA		NA
Day centre	5,85	12	70,20	140	819,00	12	70,20
Night shelter	5,36	NA		180	964,80		NA
Homeless shelter	6,33	NA			NA	120	759,60
Children's home	35,08	NA			NA		NA
Prison	54,29	NA		120	6 514,43		NA
Emergency medical services	159,00	2	318,00		NA	1	159,00
Inpatient unit	95,00	21	1 995,00		NA	12	1 140,00
Total costs / year			2 812,74		8 298,23		2 128,80
Total costs / month			234,40		691,52		177,40
Situation 2: Supported housing							
housing: 2-bedroom flat	458,28		458,28		458,28		458,28
housing: 1-bedroom flat	604,25	NA			NA		NA
ICM team	10,67	8	85,38	8	64,04	8	64,04
Total costs / year			6 523,98		6 267,82		6 267,82
Total costs / month			543,66		522,32		522,32
S1 - S2							
Potential savings / month			-309,26		169,20		-344,92

What did we find? (families)

Service	V4: H.shelter, mother, intermediate			V5: Cottage, couple, basic	
	avg unit cost (€)	frequency of service use	costs (€)	frequency of service use	costs (€)
Situation 1: Homelessness					
Streetwork	16,52		NA	12	198,25
Day centre	5,85		NA	112	655,20
Night shelter	5,36		NA		NA
Homeless shelter	6,33	366	2 316,78		NA
Children's home	35,08	366	12 838,00	732	25 676,00
Prison	54,29		NA		NA
Emergency medical services	159,00		NA		NA
Inpatient unit	95,00		NA		NA
Total costs / year			15 154,78		26 529,45
Total costs / month			1 262,90		2 210,79
Situation 2: Supported housing					
housing: 2-bedroom flat	458,28		NA		NA
housing: 1-bedroom flat	604,25		604,25		604,25
ICM team	10,67	16	128,08	16	64,04
Total costs / year			8 787,93		8 019,46
Total costs / month			732,33		668,29
S1 - S2					
Potential savings / month			530,57		1542,50

What do the results mean?

- In BA, a housing-led programme might be cheaper than managing the consequences of homelessness in the case of
 - Families/single mothers who have at least one child in children's home
 - Individuals who are repeat offenders
- The first concurs with CZ findings (Novák & Matoušek 2017), the second with some US findings (eg: Culhane et al 2002)
- But if we disregard the financial burden on non-homeless services, existing homeless services do *not* seem to be cheaper than supported housing
- Note: rental costs were likely an upper bound estimate, we don't know the lower bound (RSA schemes?)
- Further res.: Exploring options to interconnect provider databases in the city

Some questions for discussion

- How to get a realistic estimate of rental prices on the private market for a supported housing programme?
- Any experience with staff-to-client ratios in HF?
- How to calculate reductions in non-homeless service use into the model? (our CA is biased towards the optimistic scenario)
- What else to study with interlinked provider databases than costs? (Impact of service on housing or employment chances would be interesting, but not all providers collect data on them.)

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Thank you
for your attention

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