Ending Chronic Homelessness Saves Taxpayers Money

Chronic Homelessness
Over 84,000 individuals experience chronic homelessness on any given night in the U.S.1 Chronic homelessness refers to people who have chronic and complex health conditions including mental illnesses, substance use disorders, and medical conditions who experience long-term homelessness—and can be found sleeping on the street or in shelters. Without stable housing, they cycle in and out of emergency departments, inpatient hospital stays, psychiatric centers, detoxification programs, and jails, resulting in high public costs and poor health outcomes for individuals including premature death.ii

Permanent Supportive Housing (PSH)
Fortunately, there is a proven solution to end chronic homelessness: permanent supportive housing. Permanent supportive housing pairs affordable housing with case management and supportive services and has been shown to not only help people experiencing chronic homelessness to achieve long-term housing stability, but also improve their health and well-being. Investments in PSH have decreased chronic homelessness by 30% since 2007.iii

PSH Reduces Spending
Numerous studies, many conducted recently, have sought to document the costs and benefits of supportive housing in the U.S. iv The majority have documented how PSH reduces the use of publicly funded crisis services, including jails, hospitalizations, and emergency departments.

A chronically homeless person costs the tax payer an average of $35,578 per year. Costs on average are reduced by 49.5% when they are placed in supportive housing. Supportive housing costs on average $12,800, making the net savings roughly $4,800 per year.

Investment Needed from Congress
Congress will need to invest in permanent supportive housing to drive progress while reducing tax payers’ spending. Congress should provide at least the $2.487 billion in the House bill for HUD’s Homeless Assistance Grants in FY 2017.


iii 2007 to 2014 Point-in-Time Count and Housing Inventory Chart reported to HUD by communities annually.

iv http://www.endhomelessness.org/library/entry/permanent-supportive-housing-cost-study-map