

THE ECONOMIC IMPACT OF HOMELESSNESS

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Homelessness is Expensive



- What does our safety net cost to maintain?
- What does it cost to do nothing?
- What if we agreed not to capture people in our safety net but, instead, helped them solve their housing crisis?
- Would that cost taxpayers more or less?

Million Dollar Murray

- Malcolm Gladwell article originally published in *The New Yorker*, included in What the Dog Saw.
- Analysis of the costs of one chronically homeless alcoholic man named Murray in Reno, NV.
- Aggregated cost for maintaining Murray's homelessness was \$100,000/ year.
- \$100,000 reflects emergency shelter costs, treatment costs, medical system costs and criminal justice costs.
- Gladwell's conclusion – it would be cheaper to give Murray his own apartment and a full-time nurse than to maintain him in the safety net.

Department of Housing & Urban Development

Average cost of maintaining homelessness
regardless of condition, regardless of region:

\$40,000

Local Impact & Costs

Overnight Shelter	\$30/night
Day Shelter	\$11/day
Soup Kitchen	\$1.20/meal
Police Service Calls	\$21.29/call
Jail	\$69/night
Emergency Response System Calls	\$39/call
Emergency Room Visits	\$350/visit
Hospital Admissions	\$4,000/night

This doesn't include court costs or the cost of mainstream benefits like SNAP, Medicaid, SSI/SSDI.

A Local Case

April 2011-March 2012

before housing

70 nights in shelter =	\$2,100.00
206 days at day shelter =	\$2,266.00
350 meals at soup kitchen =	\$420.00
25 arrests =	\$532.00
15 nights in jail =	\$1,035.00
20 EMS calls =	\$780.00
20 ER visits =	\$7,000.00
2 hospital admissions =	\$8,000.00
<u>Housing =</u>	<u>\$0.00</u>
 Total Costs =	 \$22,133.00

April 2012 – March 2013

after housing

0 nights in shelter =	\$0.00
0 days at day shelter =	\$0.00
50 meals at soup kitchen =	\$60.00
1 arrest =	\$21.29
36 nights in jail =	\$2,484.00
1 EMS calls =	\$39.00
1 ER visits =	\$350.00
1 hospital admission =	\$4,000.00
<u>Housing =</u>	<u>\$3,780.00</u>
 Total Costs =	 \$10,734.29

**34 nights reflect a criminal sentence stemming from an incident that occurred the previous year*

Data Sources

Overnight Shelter \$30/night: *PACEM executive director based on total program costs without administration & fundraising expenses divided by total bed days.*

Day Shelter \$11/day: *Haven director based on total program costs without administration & fundraising expenses divided by total open days and average number of guests.*

Soup Kitchen \$1.20/meal: *based on costs of Haven breakfast, and published costs of average soup kitchen lunch costs*

Police Service Calls \$21.29/call: *CPD Capt. Wendy Lewis, based on average length of service call multiplied by average hourly rate of police officer*

Jail \$69/night: *Virginia Compensation Report, ACRJ county reimbursement rate is \$48.50/night*

Emergency Response System Calls \$39/call: *CARS annual report*

Emergency Room Visits \$350/visit: *UVA Hospital Finance Department*

Hospital Admissions \$4,000/night: *UVA Hospital Finance Department*