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HOUSING THE HOMELESS ACTUALLY CUTS OVERALL COSTS, STUDY SAYS

By Glenn Adams, Associated Press | October 3, 2007

AUGUSTA, Maine - Housing Maine's homeless costs money but results in overall savings, thanks to the reduced cost of social, medical, and other services, according to a study commissioned by the Maine State Housing Authority.

The study was based on interviews with 99 formerly homeless people in the Portland area who have been in supportive housing for at least a year. It includes data from hospitals, clinics, shelters, police, and the Cumberland County Jail.

Housing people who were homeless cut in half the average costs of nonhousing services they receive, said the study, which was released yesterday.

"Whether you are looking at it from a moral, social, or cost viewpoint, providing permanent supportive housing to people who are homeless is a winning strategy," said Dale McCormick, the Maine State Housing Authority director.

Supportive housing programs, in which formerly homeless people are provided with a range of services in their new roles as tenants, are fairly new in Maine, said Bruce Goodman, operations director for Tedford Shelter in Brunswick.

In other states where it has been more widely used, supportive housing has saved money because clients are provided with services that move them toward independence and success in their lives, said Goodman. That gradually translates into fewer public costs, he said.

The Maine study found that the greatest savings came from the reduced cost of healthcare, particularly mental healthcare.

By moving to supportive housing, people receiving mental health services shift from expensive emergency and psychiatric inpatient care to less-expensive outpatient services.

Although subsidized housing tenants received more mental health services the year after they found their own units, their overall mental health costs declined by 41 percent.

Significant savings also result from a reduced need for emergency services, police intervention, and incarceration, says the report. It cites a 60 percent decrease in ambulance transports, 52 percent fewer emergency room visits, and 68 percent fewer police contacts, all of which resulted in reduced costs. ■