Mental Health and Homelessness: What Funders Should Know (Part 1 of 3)

Homelessness has long been a complex social issue that funders have cared about, and national data suggests that homelessness in the United States has grown in recent years. In this three-part blog series, we explore the complex relationship between homelessness and mental health, as well as key facts that funders should know if they want to make a difference at this crucial intersection.

A Challenging Problem to Measure

On any single night, the overall homeless population represents 0.2% of the U.S. population, or 17 people per 10,000 in the population. The most recent available national data indicates that in January 2020, the number of people experiencing homelessness increased to 580,000 people total, up by 13,000 from the prior year.[1] This increase marks the fourth straight year in a trend of incremental growth of the population experiencing homelessness.

Homelessness is predominantly measured by annual point-in-time counts, which assess how many people in a community are experiencing homelessness across both sheltered and unsheltered conditions on a single night.[2] Sheltered counts are relatively straightforward, as administrative records help indicate how many people utilize emergency shelters and other forms of transitional and supportive housing.[3] Unsheltered counts seek to estimate the number of people living in places not meant for regular shelter, and as a result there can be greater variation in the methodology year-to-year within and across communities.[4] In recognition of the dynamic nature of homelessness, a growing number of communities are opting to measure homelessness using by-name lists. By-name lists are updated in real time with the names and details of every person in a community experiencing homelessness in order to track the changes in the needs, size, and composition of the homeless population.[5] Researchers are also developing novel ways to predict and track homelessness, such as through computer models.[6]

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[1] National Alliance to End Homelessness. (2021). *State of homelessness: 2021 edition.* https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness-2021/

[2] National Alliance to End Homelessness. (2012, September 7). *What is a point-in-time count?* https://endhomelessness.org/resource/what-is-a-point-in-time-count/

[3] Ibid

[4] Ibid

[5] Community Solutions. (2021, January 28). *What is a by-name list?* https://community.solutions/what-is-a-by-name-list/

[6] Mcclatchy, A. (2022, June 12). *A computer model predicts who will become homeless in L.A. then these workers step in.* The Mercury News. https://www.mercurynews.com/2022/06/12/a-computer-model-predicts-who-will-become-homeless-in-l-a-then-these-workers-step-in/

There are a number of additional challenges associated with measuring homelessness. Youth are often underrepresented in counts because they may not engage with traditional shelters and assistance programs, and congregate in different areas than older adults experiencing homelessness.[7] Counts can also fail to identify individuals who are homeless but find temporary insecure accommodation like couch surfing, squatting, or sleeping in cars.[8]

The Relationship Between Mental Health and Homelessness

The relationship between mental health and homelessness is complex and bi-directional. Serious mental illnesses can disrupt people's ability to carry out essential aspects of daily life, such as maintaining an income, self care, household management, and other activities that facilitate stable housing.[9] Poverty, a shortage of affordable housing, and a lack of affordable and accessible mental health care also compound these stressors.[10] As a result, along with the personal and financial stresses of living with a mental disorder, people with mental illnesses are more likely to experience homelessness than the general population.

Research indicates that homelessness is a traumatic event that can exacerbate an individual's existing mental illness or cause new symptoms to emerge.[11] Having experienced homelessness is also related to higher levels of psychiatric distress and lower levels of perceived recovery in people with previous mental illness.[12] The relationship between addiction and homelessness is also complicated and greatly disputed. While many people who experience addiction never become unhoused, people who are poor and experience addiction to drugs or alcohol are at an increased risk of experiencing homelessness.[13]

Many studies have shown that the public costs of maintaining homelessness are much greater than the costs of ending it through the provision of rent and services. Without stable housing, individuals experiencing homelessness cycle in and out of emergency rooms, inpatient hospital

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[7] National Alliance to End Homelessness. (2012, September 7). *What is a point-in-time count?* https://endhomelessness.org/resource/what-is-a-point-in-time-count/

[8] Red Nose Day USA. (2021, December 6). *What are the four types of homelessness?* https://rednoseday.org/news/what-are-four-types-homelessness#:%7E:text=Individuals%20who%20live%20with%20others,from%20national%20statistics%20on%20homelessness.

[9] Tarr, P. (2018, November 19). *Homelessness and mental illness: A challenge to our society.* Brain & Behavior Research Foundation.
https://www.bbrfoundation.org/blog/homelessness-and-mental-illness-challenge-our-society

[10] Ibid.

[11] Ibid.

[12] Ibid.

[13] National Coalition for the Homeless. (2017, September 21). *Homelessness in America.* https://nationalhomeless.org/about-homelessness/

stays, treatment programs, and jails, driving high public costs to the taxpayer.[14] This is especially true for individuals experiencing homelessness who also have intensive service needs due to mental health and/or substance use issues. In most cases, it is less expensive to provide supportive housing that enables someone to maintain housing and health stability than to house them in a mental hospital or medical hospital.[15] For instance, placing an individual experiencing chronic homelessness into permanent supportive housing reduces public costs by 49.5% on average.[16] As a result, it's essential that philanthropy consider the bi-directional relationship between homelessness and mental health and approach these issues in tandem.

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[14] National Alliance to End Homelessness. (2017, February 17). *Ending chronic homelessness saves taxpayers money.* http://endhomelessness.org/wp-content/uploads/2017/06/Cost-Savings-from-PSH.pdf

[15] The Lewin Group. (2004, November 19). *Costs of serving homeless Individuals in nine cities.* http://www.csh.org/wp-content/uploads/2011/12/Report_CostforIndividuals1.pdf

[16] National Alliance to End Homelessness. (2017, February 17). *Ending chronic homelessness saves taxpayers money.* http://endhomelessness.org/wp-content/uploads/2017/06/Cost-Savings-from-PSH.pdf

Mental Health and Homelessness: What Funders Should Know (Part 2 of 3)

Homelessness can take many forms. Funding at the intersection of mental health and homelessness requires an understanding of the different forms of homelessness, the issues and circumstances impacting each of them, and the challenges in accounting for this population in order to support appropriate interventions. Here we describe the categories of homelessness so that funders can consider which populations they may choose to focus on.

Categories of Homelessness

Chronic homelessness describes people who have experienced homelessness continuously for at least a year.[17] It also refers to individuals who have experienced homelessness episodically for a total of 12 months over a three year period.[18] Another element of chronic homelessness is living with a disabling condition such as a serious mental illness, substance use disorder, or physical disability.[19] Individuals experiencing chronic homelessness currently represent 19% of the homeless population nationally.[20]

Episodic homelessness describes individuals who have frequent on-and-off periods of homelessness in their life or have been unhoused three times or more within the last year.[21] These individuals often experience chronic unemployment and medical, mental health, and substance use problems.[22]

Transitional homelessness refers to individuals who generally enter the shelter system for only one stay for a short period of time. Typically these individuals have become unhoused because of some catastrophic event and spend a short time in a shelter before making a transition into more stable housing.[23] Transitional homelessness is the most common type of homelessness.[24]

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[17] National Alliance to End Homelessness. (2021). *State of homelessness: 2021 edition.* https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness-2021/
[18] Ibid
[19] Ibid
[20] Ibid
[21] Ibid
[22] Ibid
[23] National Coalition for the Homeless. (2017, September 21). *Homelessness in America.* https://nationalhomeless.org/about-homelessness/
[24] Red Nose Day USA. (2021, December 6). *What are the four types of homelessness?* https://rednoseday.org/news/what-are-four-types-homelessness#:%7E:text=Individuals%20who%20live%20with%20others,from%20national%20statistics%20on%20homelessness.

Veteran homelessness is often distinguished as a subcategory of homelessness. Veteran homelessness refers to individuals who have served in the armed forces who experience homelessness or are living without access to secure and appropriate accommodation.[25]

Veterans are at a greater risk of experiencing homelessness than their non-veteran counterparts.[26] They share common risk factors with the rest of the population while also experiencing factors unique to veterans: problematic military discharges, low military pay grade, and social isolation following discharge from the military.[27] There has been significant progress in combating veteran homelessness as a result of dedicated initiatives across the country: veteran homelessness has decreased 39% since 2007 and veterans currently account for approximately 6% of people experiencing homelessness across the country.[28] According to the U.S. Department of Veterans Affairs as of March 2021, 82 communities and 3 states nationally have announced an end to veteran homelessness; in these instances, an end to veteran homelessness means that systems in these communities can ensure that any type of homelessness is rare, brief, and one-time.[29] While there remains more progress to be made, these successes can provide a path forward for other communities seeking to end veteran homelessness.

Additionally, there is a segment of the population experiencing homelessness who do not appear in official homelessness counts. This population is referred to as the hidden homeless.

Hidden homelessness describes individuals who experience homelessness but find a temporary solution by staying with family or friends, couch surfing, squatting, sleeping in cars, or other insecure accommodation.[30] These individuals do not show up in official homelessness counts because of our inability to accurately identify and measure them.[31]

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[25] National Alliance to End Homelessness. (2021). *State of homelessness: 2021 edition.* https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness-2021/

[26] VHA Office of Research & Development. (2021, January 15). *VA research on homelessness.* U.S. Department of Veterans Affairs. https://www.research.va.gov/topics/homelessness.cfm

[27] Ibid

[28] National Alliance to End Homelessness. (2021). *State of homelessness: 2021 edition.* https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness-2021/

[29] VHA Office of Mental Health. (2021, March 19). *Ending veteran homelessness.* U.S. Department of Veterans Affairs. https://www.va.gov/homeless/endingvetshomelessness.asp

[30] Red Nose Day USA. (2021, December 6). *What are the four types of homelessness?* https://rednoseday.org/news/what-are-four-types-homelessness#:%7E:text=Individuals%20who%20live%20with%20others,from%20national%20statistics%20on%20homelessness.

[31] Ibid

Mental Health and Homelessness: What Funders Should Know (Part 3 of 3)

Despite the many challenges it presents, homelessness is solvable. Because homelessness is a complex problem, it requires multidimensional solutions across prevention, crisis response, rehousing, and provision of mental health, educational, or employment services. There is not a single one-size-fits-all solution, so adaptability is essential in applying the approaches outlined below. There are numerous effective, evidence-based solutions to homelessness that vary in scale, focus population, and theory that informs the strategy. Here are some key approaches that funders can support to solve homelessness.

Approaches to Ending Homelessness

Affordable Housing - Inability to afford housing is the key driver of increases in homelessness. Interventions such as Housing Choice Vouchers are designed to alleviate some of the financial burden of rent for low-income families, preventing them from being in a financial situation that could too easily lead to homelessness.[32]

Coordinated Systems - A data-driven approach that transforms a community's collection of individual programs and agencies to a community-wide, centralized response to homelessness.[33] The coordinated systems approach uses data about the needs of those experiencing homelessness to inform how they allocate resources, services, and programs.[34]

Crisis Response - Effective crisis response systems use outreach, coordinated entry, diversion and prevention, emergency shelters and interim housing, and permanent housing together to identify those experiencing homelessness, prevent homelessness when possible, connect people with housing quickly, and provide services when needed.[35]

Income Opportunity and Services - Programs designed to assist low-income people increase their income are critical to supporting housing stability, such as Temporary Assistance for Needy Families (TANF) or unemployment compensation.[36] Often, however, people experiencing

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[32] National Alliance to End Homelessness. (2021, May 3). *Affordable housing.*
https://endhomelessness.org/ending-homelessness/policy/affordable-housing/
[33] National Alliance to End Homelessness. (2019, January 25). *Creating systems that work.*
https://endhomelessness.org/ending-homelessness/solutions/creating-systems-that-work/
[34] Ibid
[35] National Alliance to End Homelessness. (2019, January 25). *Crisis response.*
https://endhomelessness.org/ending-homelessness/solutions/crisis-response/
[36] National Alliance to End Homelessness. (2020, January 22). *Income opportunity & services.*
https://endhomelessness.org/ending-homelessness/solutions/income/

homelessness find these programs to be inaccessible and the benefits offered may be insufficient to help them achieve stability.[37]

Housing First - A rights-based, client-centered approach that provides immediate access to safe, secure, and permanent housing with no readiness requirements (such as sobriety, treatment, employment, income, or absence of criminal record).[38] This approach runs in contrast to "treatment first" approaches which require people experiencing homelessness to address specific personal issues before being deemed "ready" for housing. Housing First prioritizes flexibility, individualized support, client choice, and autonomy when it comes to both housing and treatment.[39]

Permanent Supportive Housing - An intervention that combines affordable housing assistance with case management and voluntary support services to address the needs of people experiencing chronic homelessness.[40] Permanent supportive housing is a proven solution to homelessness for the most vulnerable.

Rapid Re-Housing - An intervention informed by the Housing First approach which provides rental assistance in order to help people obtain housing quickly with the goals of increasing self-sufficiency and maintaining housing.[41] It is offered without preconditions, and the resources and services provided are typically tailored to the needs of the person.[42] Rapid Re-Housing is typically utilized for individuals and families who are experiencing episodic or transitional homelessness and are not part of a Housing First program.

Functional Zero - A threshold that indicates a community has measurably ended homelessness for the local population, by keeping the number of people experiencing homelessness below the average number of people exiting homelessness in a month.[43] Functional Zero methodology involves unifying the efforts of key agencies working locally to end homelessness, collecting and maintaining real-time, person-specific data, and collectively using that data to redesign their homelessness response and strategically target resources.[44]

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[37] Ibid
[38] National Alliance to End Homelessness. (2019, March 18).*What housing first really means.* https://endhomelessness.org/blog/what-housing-first-really-means/
[39] Ibid
[40] National Alliance to End Homelessness. (2021, March 31). *Permanent supportive housing.* https://endhomelessness.org/ending-homelessness/solutions/permanent-supportive-housing/
[41] National Alliance to End Homelessness. (2019, January 25). *Rapid re-housing.* https://endhomelessness.org/ending-homelessness/solutions/rapid-re-housing/
[42] Ibid
[43] Community Solutions. *Functional zero.* https://community.solutions/built-for-zero/functional-zero/
[44] Ibid

As organizations and communities seek to address homelessness, these strategies can be implemented on their own or in tandem with each other. For instance, Houston has utilized coordinated systems and the Housing First methodology in an integrated approach to address the issue of chronic homelessness in the city.[45] These efforts have moved 25,000 people experiencing chronic homelessness into permanent supportive housing, creating a roadmap from which other cities have modeled their own continuums of care.[46]

To explore working with Mindful Philanthropy on mental health and homelessness, contact us at info@minfulphilanthropy.org.

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[45] Kimmelman, M. (2022, June 14). *How Houston Moved 25,000 People From the Streets Into Homes of Their Own.* The New York Times. https://www.nytimes.com/2022/06/14/headway/houston-homeless-people.html.
[46] Ibid