Costs and Pathways of Homelessness

Developing policy-relevant economic analyses for the Australian homelessness service system

SAAP is a joint Australian Government/State/Territory initiative
The Costs and Pathways of Homelessness: Developing policy-relevant economic analyses for the Australian homelessness service system.

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This report is dedicated to the memory of Sarah Pinkney who applied her considerable intelligence unstintingly in its preparation.
Costs and Pathways of Homelessness

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Purpose of the report

The Costs and Pathways Project was one of several projects funded under the National Research Program of the National Co-ordination and Development Committee (CAD) which oversees the policy development and implementation of the Supported Accommodation Assistance Program (SAAP).

The aim of this project is to help lay foundations for the development of robust economic evaluation and costing relevant to Australian homelessness policy and service delivery. The report tackles this in several ways. First, it explores a range of promising approaches to understanding and estimating the costs of homelessness and homelessness interventions, particularly those relevant to analysis at the broad policy level. Our focus is on the range of ‘pathways’ approaches to costing, which we investigate with reference to recent research and methodological discussion from Australia, the United States, Canada and the United Kingdom. We discuss strategic, practical and technical issues pertinent to the selection and implementation of these methods in the Australian context. The intention is to provide a map of possibilities, rather than a detailed instruction manual or a comprehensive review of relevant literature and data sources.

Second, we look at available resources for costing work relevant to Australian homeless populations and services. Having identified the sorts of economic evaluation and costing studies that are likely to be most valuable over the longer term, we identify gaps in existing costing data, homelessness research and research infrastructure that are currently limiting progress.

Finally, we make suggestions about how to build capacity for economic evaluation and sketch some ideas for costing and research projects that could feasibly be implemented in the short-term. The report does not presume to set out a research agenda. Putting aside the question of available funding for economic evaluation and costing work, this would demand more formal consultation with relevant parties than has been possible here, and equally a more systematic consideration of Australian homelessness policy and program delivery. Different stakeholders will have different priorities and purposes.

However, while focusing on activities that could be led by FaCS and possibly funded under the SAAP National Research Program, our suggestions have broader relevance. Building a sound knowledge base in this area cannot be accomplished unilaterally or in a single project. It depends on the interest and active participation of the homelessness sector as well as the mobilization of the broader research community. Consequently, one of the aims of this report is to help develop a shared understanding of the importance of work in this area by taking into account the perspectives of three relevant audiences:

- Research planners and funders whose remit includes homelessness and housing research (relevant departments at all levels of government, academic research councils, and research units in homelessness support agencies).
- Researchers (particularly economists unfamiliar with the area of homelessness, and homelessness researchers and evaluators unfamiliar with economic analysis), and
- Homelessness service providers and peak bodies.
Report summary

The following provides an outline of the contents of the report’s chapters.

1  Introduction

The introduction sets out the study aims and report content. It outlines the genesis of the costs and pathways project and the rationale for re-orienting the scoping phase of the project from a focus on developing a single comprehensive pathways costing model and towards an exploration of the strategic and research value of the range of pathways costing approaches. We look at recent Australian interest in the quantification of the costs and benefits of homelessness policy and programs and identify increasing demand from several quarters for empirically grounded economic evaluation. Our overview of costing work undertaken to date highlights the disjuncture between demand and supply in this area and we explore the reasons for this mismatch. Part of the explanation lies in the lack of a feasible strategy about how to move forward. In the subsequent chapter we consider whether the disciplinary ideal of comprehensive cost-benefit is likely to prove a useful guide.

2  Ethics and good practice in economic evaluation

Chapter 2 describes the range of basic analytic tools and research designs available for economic evaluation and costing. We explain the common distinction between a ‘costing study’ and an ‘economic evaluation,’ and the technical differences between cost-benefit, cost-effectiveness, cost-savings and cost-minimization analyses. In a context where interest in economic evaluation is commonly dismissed as bottom-line thinking, it is important to reconsider its potential value to the community services sector. We explain the disciplinary and ethical principles of welfare economics that are seen to underpin ‘good practice’ in economic evaluation. Cost-benefit analysis is often seen to best embody this disciplinary ideal, particularly in its emphasis on a societal perspective on the accounting of costs and benefits. While examples of quantitative cost-benefit analysis approximating the classic textbook description are virtually non-existent in the welfare field, its appeal still holds firm (in academia and beyond). Choice of method is seen to have political consequences. However, we question the value of positing a general hierarchy of methods judged by their fidelity to the principles of welfare economics. In many ways this position excessively simplifies the strategic choices that need to be made when selecting a method and a subject matter. It also risks missing the value of a growing body of actual research concerned with the economic costs and benefits of homelessness interventions. This research is evolving its own standards of rigour and relevance and provides a more promising place to start.

Unless otherwise indicated, in this report the terms ‘costing work’ and ‘cost studies’ are used as shorthand expressions to refer to all types of cost study and economic evaluation.
Costing in context – recent work in USA, Canada and England

Building on a recent review of cost-benefit and cost-effectiveness analyses commissioned by FaCS, these chapters provide a complementary overview of traditions of homelessness costing research in USA, Canada and England respectively. Our investigation provides a basis for identifying the strategic purposes of costing work in homelessness policy debate as well as drawing attention to the infrastructure of research and advocacy required to drive it in productive directions.

In the USA, as we see in chapter 3, research on this topic is well established. An instance is the publication in 2002 of the University of Pennsylvania evaluation of public service cost savings resulting from the New York New York supportive housing program, perhaps one of the most widely cited economic evaluation of homelessness policy to date, represents the culmination of a five-year study. The origins of this study go back even further to the authors’ collaboration with the Corporation for Supportive Housing in the early 1990s (the CSH helped to negotiate the authors’ access to the state and federal administrative databases required for the study). This is one of several economic analyses from the same research group using large administrative data sets that have had considerable impact on homelessness policy debate, including the controversial Bush administration ‘Ten year plan to end chronic homelessness’. Increasingly homelessness advocacy organizations in the US have been able to back their arguments for policy reform with economic arguments grounded in rigorous empirical research.

As chapter 4 shows, the Canadian government similarly funded two studies to derive national estimates of the societal costs of homelessness, following earlier costing work undertaken by city and provincial governments. Neither of these two projects achieved their original aims, but Australia has much to learn from the pitfalls and strategies identified by the participating researchers.

In England, the Social Exclusion Unit set about accumulating information relevant to identifying the societal costs of social exclusion from its inception in 1997. We explore this legacy in chapter 5. Homelessness was defined as the ‘sharp end’ of social exclusion and much of the early costing work supported by the Blair Government was conducted under this broader rubric. The recent shift in emphasis of homelessness policy away from ‘rough sleepers’ (signalled in More than a Roof) was accompanied by renewed interest in quantifying the costs of statutory homelessness. The Office for the Deputy Prime Minister commissioned two costing studies in 2003 to investigate the costs of family homelessness to families, local authorities, and the local communities. Building on the work of homelessness researchers, the approach adopted in these studies has sought to move away from stereotypical conceptions of the consequences of homelessness, instead attempting a more fine-grained empirical analysis of the impacts on families of periods spent in temporary accommodation (B&Bs and private hotels). At the same time, the policy shift has given the advocacy group Crisis cause for concern that the expansion of local authorities’ statutory duties may not extend to many of its own constituency of ‘single’ homeless individuals. Crisis and the New Policy Institute recently published a report enumerating ‘single homelessness’ and developing a series of case study pathways costings to examine different policy scenarios.
6 Understanding homelessness through dynamic analysis and longitudinal methods

In chapter 6 we turn to the broader literature on the conceptualisation of homelessness. At the heart of pathways research is the realization that understanding the causes and consequences of homelessness requires a longitudinal perspective ‘in which persons are tracked over the periods of time during which they become homeless, while they are in that condition, and when they leave homelessness’ (Rossi 1991, 1040). The most recent studies draw insights from the traditions of theoretical and empirical work on homeless pathways predominant in the respective countries. This literature has much to offer costing work and economic evaluation. First, it helps us understand the negative impacts and consequences (hence ‘costs’) of homelessness as these amass over time and the ways in which interventions succeed or fail in deflecting or diminishing these cost consequences. An understanding of the dynamics of homelessness at both the individual and population level provides a basis for anticipating the economic logics of homelessness interventions, for example, in the notions of inappropriate service use by frequent users of crisis services, or the relative high impact of the early intervention dollar.

Second, pathways research has developed a rich source of longitudinal methods that can be used for developing costing frameworks. There are strong traditions of both qualitative and quantitative pathways research and a range of methods for retrospective and prospective tracking, from participant observation through to biographical interviews, use of professional case notes, panel surveys and administrative databases. The ‘pathway’ or ‘career’ is the product of these methods and may describe anything from the trajectory of a single individual to a large aggregation of actual case histories or to various theoretical models (MacKenzie and Chamberlain’s ideal typical model of the youth homeless career path being the most familiar to Australian readers). These pathways provide the physical traces from which to identify and collate cost instances. More generally, pathways research offers secondary data and generalizations to input into simulation models.

Economic modeling and research design needs to take on board the most convincing theoretical developments in this area. For example, a growing body of qualitative and quantitative research on homeless pathways has thrown into question the adequacy of the ‘drift to chronicity’ model to understand what are identified as qualitatively different experiences of homelessness. This work has implications for how to think about the likely costs of different types and patterns of homeless experience and residential instability. This chapter explores emerging trends in pathways research and discusses their implications for costing and evaluation.

7 Pathways approaches to costing and evaluation

In this chapter we resume our earlier interests in the merits of different types of economic evaluation and costing. Our main aim is to make a more detailed description and appraisal of the various methods of pathways costing. These methods include the full gamut of qualitative and quantitative pathways approaches alluded to in the previous chapter. A complete typology of pathways approaches would vary across
many dimensions: research design; type of economic analysis; scope of coverage of homeless population; scope of intervention type; scope of time frame; method of data collection; mode of generalizing and so on. Rather than attempt an exhaustive description of the various possibilities and permutations, we concentrate on what appear to be important 'nodes' of costing activity, looking in more detail at some of the examples first introduced in chapter 3. We illustrate the different types of pathways frameworks that can be developed for cost identification and accounting, (whether purpose built or 'lifted' from existing research developed for other purposes). A key task in this chapter is to identify the sorts of resources and expertise required for the successful implementation of the different approaches. Together with our earlier discussion of policy relevance and theoretical developments, this will enable us to make an assessment about the merits and limitations of the different types of analysis. Importantly we also clarify the strengths and weaknesses of the family of pathways costings as a whole. We explain why a comprehensive national modelling of homeless pathways and interventions would not be feasible.

8 Future directions for Australian research

Armed with a clearer sense of available tools for theoretically informed, empirically grounded and policy relevant costings, we consider possible directions for Australian research. We identify existing Australian pathways research and evaluation studies in the homelessness and housing area that can be used as a basis for pathways models and suggest feasible projects and associated research designs that would cast light on pressing policy issues. By definition, all types of pathway costing rely on unit cost information to value the costs and benefits of policy and program responses to homelessness, with unit costs of homelessness services being a prerequisite. (This is the subject matter of chapter 10.) We also address the question of the basis on which to select subgroups within the homeless population (whether on demographic or experiential criteria) and importantly, the sorts of economic arguments that might appropriately be developed for different groups, bearing in mind political as well as methodological issues. In the longer term, we argue, longitudinal tracking using homelessness information systems holds the greatest potential for policy relevant evaluation (economic or otherwise), particularly where integrated with other relevant administrative databases. The next chapter explores the short and longer term potential for this sort of work in Australia.

9 Australian homelessness and related services information systems and data collection

This chapter examines the potential of Australian homelessness services information systems and data collection for conducting pathways based research. It describes the SAAP National Data Collection (NDC) and explores its capacity for longitudinal analysis. To date, little or no work has been published that involves tracking individuals’ use of SAAP services over periods longer than a year. We look at whether it is possible in principle to track SAAP service use over extended periods using the existing data collection, and consider any ‘sticking points’ that might be preventing progress in this direction. This involves investigation of how the data is collected
and the reliability of the existing statistical linkage key used in the NDC (since this enables records for the same client to be identified and therefore tracked over time) and we also consider alternative methods of statistical linkage. We look at privacy and confidentiality issues pertaining to the use of the alphacode and client data. Like any administrative data collection, the NDC is a work in progress. The areas that require improvement are common to administrative data collections, and do not in themselves pose insurmountable obstacles to using the collection for longitudinal analysis. We set out a project proposal for using the NDC to examine repeat use of SAAP crisis services over time and discuss ways of encouraging greater use of the NDC for research purposes.

We go on to explore other administrative databases relevant to homelessness research and consider the issue of linking administrative databases for multi-systems analysis. We conclude with two proposals for further research. The first is for a detailed investigation into the potential of the Western Australia Data Linkage System Project for homelessness research. Our second proposal is for a study into the utilization by homeless persons of hospital emergency departments following recent work in this area by Melbourne-based researchers.

10 Program and unit costs

Well-developed costings of homelessness programs or service models are a starting point for any sound economic evaluation. Consistent with our interest in pathways costings, we pay particular attention to the issue of unit costs. We identify relevant cost information on Australian homelessness services that researchers could potentially use to develop unit cost information for their analyses. Our review of these resources suggests that existing (or at least, publicly available) cost information is not adequate for the purposes of evaluation research. We offer suggestions about how unit costs for homelessness services could be developed, and point to the need for primary research in collaboration with service providers to develop more empirically grounded program costings. Finally, we take a brief look at unit costs in other service areas pertinent to understanding homeless pathways.
Recommendations

Our work points to the following in relation to developing policy-relevant costing work for the homelessness sector:

- The importance of unit costs (service and resource use);
- The need for longitudinal accounting of costs and benefits;
- The broad potential of integrated database research;
- The need to disaggregate population of those experiencing homelessness
- The need to select methods and tools according to the purpose of the study.

In order to collect relevant data it is important that economics expertise be present on evaluation teams from the outset, enabling their contribution to the design of data collection. Economists are often viewed with distrust, not only by service providers and practitioners but also by other evaluators in the welfare sector. The distrust and lack of understanding is likely to be mutual, and has long roots in polarized positions on qualitative and quantitative traditions in the social sciences more generally.

It is important to encourage costing work within agencies and, more broadly, to encourage people with research interest and capacity working in the sector to become involved in research initiatives in this area. This could be done through ARC fellowships or linkage type projects or through AHURI.

There is also a need to inform the sector about economic approaches in a practical rather than discipline oriented way, identifying the ways in which different types of economic and costing study might be relevant to agencies' operational and advocacy activities, as well as to broader policy issues.

Raising awareness of the uses of economic evaluation in the welfare sector promises to encourage the development of alternative economic arguments and costings and thereby distributes whatever power economic analysis has more widely.

Existing (or, at least, publicly available) information on the direct costs of delivering homelessness services in Australia is not adequate for research purposes. This lack represents an important obstacle to pathways costing and evaluation. Sound economic data on service delivery is also required for program administration at provider and funder levels. Since all economic evaluation depends on sound program costings, development in this area is of prime importance.

In terms of specific research projects and studies we suggest the following as worthy of consideration:

- Development of grounded classification of intervention types and service models to make the service system more transparent to potential researchers and evaluators
- Information audit of existing costing information developed by agencies and federal and state governments. While there is little publicly available costing information related to the service system, our informal search did yield some information (for example work on unit costing done by Hanover). A more systematic audit is likely to discover useful work that has already been done in this area.
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- Production of a resource kit for service providers to develop their own unit costs. The kit would include discussion of the usefulness of unit costs to agencies and for broader research purposes and explain how unit costs could be calculated.

- Exploratory fieldwork to investigate costing issues in a cross-section of service models. This work would need to identify a number of comparable services (in terms of service model and client groups) across the service system and investigate the key cost drivers and issues for each cluster.

- Development of methods and estimation of unit costs for crisis accommodation services. This project is based on the assumption that there are a number of services still providing mostly short-term crisis accommodation and that this service model may be the simplest in terms of developing unit costs and therefore a good place to start.

- Longitudinal analysis using the National Data Collection (NDC) to identify heavy and inappropriate users of SAAP service system. To this point the NDC has not been used to track clients over longer than a twelve month period. While there are problems with the alphacode we believe there is still scope to interrogate the entire database to investigate heavy and inappropriate users.

- Scoping and usage of WA Data Linkage System. This is a well established project linking various health and related administrative data bases. To this point it has not been used specifically to investigate service use by the homeless but there appears to be significant potential for such work.

- Extending current research on ‘heavy users’ of Emergency Departments at public hospitals to look specifically at usage by homeless persons.

In addition we offer the following as general ideas for studies that could be developed in the longer term:

- Modeling multiple service use at a regional level. This would require defining a service region and working with homelessness and related services to investigate service usage by homeless persons;

- Tracking pathways of ‘hidden’ homelessness and non-service users. One approach is to use a general population survey to identify those people who have experienced homelessness with a view to identifying those that did not use SAAP and other services. Permission could be sought from these people for follow-up interviews to explore their experiences.

- Investigate the issues surrounding costing for important sub-groups (eg indigenous peoples, asylum seekers and refugees)

- Extending current research on eviction prevention, discharge planning and follow-up and other groups considered at imminent risk

- Qualitative investigations of various homeless sub-cultures

- Economic evaluation of ‘permanent’ supported accommodation (perhaps using the NY NY Study as a model)

- Possibilities for costing of a cross-section of pathways through homelessness using a case study approach
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1 Introduction

Costs and Pathways of Homelessness was commissioned by the Department of Family and Community Services (FaCS) and is one of several projects funded under the National Research Program of the National Co-ordination and Development Committee (CAD) which oversees the policy development and implementation of the Supported Accommodation Assistance Program (SAAP).

This is the final report from the first phase of the Costs and Pathways project. The broad aim of this phase is to help build foundations for the development of robust economic evaluation and costing relevant to Australian homelessness policy. The report addresses this in three ways.

Firstly, it identifies promising approaches to understanding and estimating the costs of homelessness and homelessness interventions. The focus is on the range of ‘pathways’ approaches to costing, which are investigated with reference to recent research and methodological discussion from Australia, USA, Canada and the UK.

Secondly, the report collates and reviews existing resources for costing work relevant to Australian homeless populations and services and highlight gaps in existing costing data, homelessness research and research infrastructure that are currently limiting progress.

Finally, we make suggestions about how to build capacity for economic evaluation and sketch some ideas for costing and research projects that could feasibly be implemented in the short or medium term.

A secondary goal of the report is to highlight the wider importance of dynamic analysis and longitudinal research for understanding the causes, consequences, prevention and amelioration of homelessness. The report includes a discussion of recent developments in the international literature and reviews empirical research exploring homelessness and housing pathways in Australia.

This study aims to provide resources to assist in the specification of research questions and methodologies pertinent to the investigation of homelessness and housing pathways and their associated costs. The intention is to provide a map of possibilities, rather than a detailed instruction manual or a comprehensive review of relevant literature and data sources. While the report is written principally with the research goals of the CAD and the Department in mind, it is also of relevance to three wider audiences:

- Research planners and funders whose remit includes homelessness and housing research (government, academia and research bodies in the homelessness and charitable sector);
- Researchers (particularly economists unfamiliar with the area of homelessness, and homelessness researchers and evaluators unfamiliar with economic analysis);
- Homelessness service providers, peak bodies and other advocacy groups.
The objectives of the first phase of the *Costs and Pathways* project diverge from those specified in the original request for tender. The context of the project and the rationale for the revised approach are described below, along with a summary of methods and chapter content.

### Project context

Despite periodic interest from governments, research bodies and homelessness advocates in quantifying the costs of homelessness, few economic evaluations or costing studies have been forthcoming. In their review of Australian and international work in this area, Berry et al. (2003) referred to only one Australian study published in the last ten years that had attempted to derive an aggregate estimate. This was a small-scale study funded by the Queen’s Trust which explored costs and benefits of a proposed national program of school based early intervention, principally through assessment of the lifetime costs of early school leaving (Pinkney and Ewing 1997). While costing research and economic evaluations in the field are starting to appear, progress is slow.

2  The report on the National Evaluation of SAAP III recommended that the National Research Program funded under the SAAP IV agreement maximize its outcomes by focusing on a limited number of topics. Four priority areas were identified, one of which was ‘developing and evaluating models of best practice for multi-faceted as well as single-service delivery agencies, including benefit-cost analysis’ (1999, 179). In the same year, a report commissioned by FaCS to investigate the meaning of ‘early intervention’ in the context of SAAP pointed to the need for further research on ‘the costs and benefits of early intervention and diverting people from homelessness’ (Thomson Goodall 1999, 41). Neither of these recommendations appear to have given rise to any economic evaluation or costing work. Since then, the Australian Housing and Urban Research Institute (AHURI) established a new priority area (8.1) in the ‘Homelessness and marginal housing’ section of its research agenda which asks: ‘What are the whole of government costs and benefits of not preventing homelessness, including, for example, in relation to health, crisis accommodation, policing, criminal justice, and housing assistance?’ No grants were funded under this category in the 2004 grants round.

3  Several analyses have been undertaken of the economic costs of child and youth homelessness, though these have not attempted to arrive at an aggregate costing. The first was set out in *Our Homeless Children*, the Report of the National Inquiry into Homeless Children by the Human Rights and Equal Opportunity Commission (Burdekin Report, 1989). Subsequent studies by Carter (1990) and Dixon (1993) also developed lists of the areas of costs involved, without attempting to estimate these in dollar terms.

4  Providers of accommodation and support services have also undertaken cost studies. Using brief case studies of two sole parents (one at risk of losing accommodation, the other already homeless), Hanover Welfare Services illustrated the respective financial costs of early intervention and a reactive response to housing crisis, based on costing data from the agency’s own programs (Horn 1997). This is discussed in Chapter 11. An exploratory study of the costs and benefits of the Homeless and Drug Dependency Trial is also underway (see Appendix B). Wintringham, a provider of housing and support services for elderly homeless persons, developed an economic case for long-term supported accommodation as part of its submission to the Victorian Homelessness Strategy 2002. Evidence was developed to show that ‘providing a homeless person with a safe and secure home, support services and home based community services, the use of medical resources rapidly diminishes’ (Lipman, Mirbelli and Rota-Bartelink 2004). It is likely that similar unpublished studies have been carried out elsewhere in the sector.

5  Relevant costing work has been undertaken in the housing field. An AHURI priority area (3.1) in the ‘Programme integration and housing assistance’ category calls for a systematic review to investigate ‘the costs and benefits of linked and unlinked (or integrated and unintegrated) housing and support models, which approaches provide the best outcomes for different client groups and why’. This includes research on specific groups of homeless and at risk clients. A small number of AHURI projects relevant to the homelessness field incorporate a costing element. For example, in their study of the housing-homelessness pathways of recently arrived refugees, Foley and Beer...
This is partly attributable to an ambivalence among practitioners, policy makers and researchers about drawing on economic arguments to support what are seen as essentially humanistic goals. Since economic arguments are more readily found for advancing prevention and early intervention initiatives, there are also longstanding concerns that the corollary will be an unwarranted lessening of support for ‘safety net’ services assisting individuals in crisis. The unease about the broad policy impact of a greater application of economic evaluation to the policy debate is also fuelled by more specific concerns about possible negative consequences of ‘efficiency’ analyses in performance evaluation for the homelessness sector. The conceptual and methodological quandaries raised by the goal of assessing the costs and benefits of homelessness present a second set of obstacles. There remains the difficulty of knowing how best to proceed.

In mid-2002 the National Homelessness Strategy commissioned a team of researchers from the Australian Housing and Urban Research Institute (AHURI) to undertake a review of Australian and international reports on cost-effectiveness and cost-benefit studies of homelessness and homelessness policy and service responses. In addition to an assessment of the methodological strengths and weaknesses of existing studies, this was intended as a scoping exercise to make recommendations for the most appropriate methods to be used in the Australian context and to provide a basis for constructing a brief for a full-scale Australian study. The final report, *Counting the Costs of Homelessness*, argued that ‘a full and adequate approach would require a very large study and entail a very significant commitment of resources’ (Berry et al. 2003). The ‘first best option’ was based on the disciplinary ideal of a comprehensive social cost-benefit analysis and it is noted that ‘a concerted effort would need to be made to measure the benefits across the domains of successful interventions, using the traditional methods for evaluating...’

(2003) propose a costing of the delivery of ‘the most appropriate means of providing housing’, using estimates obtained from government and community housing providers in Adelaide, Brisbane and Perth. A report entitled *Boarding Houses and Government Supply Side Intervention* by Greenhalgh et al. (2004) describes existing government programs (in New South Wales, Queensland and Tasmania) to retain boarding house stock, giving an indication of the costs of interventions and an estimation of their effectiveness. While intending originally to assess the costs of boarding house decline for residents and government, and the impacts and costs of available strategies to support boarding house providers, the study did not involve any primary research with existing boarding house residents or attempt to quantify the costs of decline for those residents. The South Australian Housing Trust has also funded costing research. The Future of Service Delivery Project investigated the costs of providing services to tenants with different levels and complexity of need (Gale 2003). Slatter and Beer (2003) and Slatter and Crearie (2003) have explored the extent and costs to the Housing Trust of repeat tenancy breakdown in the private and public sectors. These studies are described in Appendix B.

While not focused on homelessness as such, larger costing studies have been conducted in related areas. For example, in 1999 the Dusseldorp Skills Forum commissioned the University of Canberra’s National Centre for Social and Economic Modelling (NATSEM) to replicate a Canadian study on the costs of early school leaving which estimates the lifetime costs to the nation of a single-year cohort of early school leavers (King 1999). Australian costing research is well developed in the areas of domestic violence (Laing and Bobic 2002) and mental health (including recent studies on bipolar disorder and schizophrenia, both by Access Economics (2003, 2002), and a study on the costs of psychosis by Carr et al. (2002)). In May 2003, the Children’s Welfare Association of Victoria obtained funding from Telstra to undertake a two-year study to investigate the pathways and costs of young people leaving care (see Appendix B).

7 Description of new research projects, Faculty of the Constructed Environment, RMIT.
non-marketed outcomes’ (Berry et al. 2003, 17). While the data collection methods were left unspecified, the report proposed a study that would, as near as possible, reflect the overall homeless population of Australia, in terms of household type, population segment and degree of homelessness (from people at risk of homelessness, to those experiencing primary, secondary and tertiary homelessness).

Following the release of AHURI’s systematic review, FaCS developed a request for tender for a project designed to:

- describe the primary causes and correlates of homelessness and develop indicative costs of interventions, including but not limited to, downstream costs to Government, the cost impacts of successful interventions, and the short, medium and long term cost implications of prevention and early intervention expenditures vis a vis crisis responses (FaCS RTF 2003).

In recognition of the complexity of the methodological issues, the project was divided into a feasibility phase (to explore possible approaches) and an implementation phase (contingent on the findings of the first phase). The aim was to develop methodological options that would enable ‘as comprehensive an analysis of costs and pathways as possible’. In addition to building on the recommendations from *Counting the Costs of Homelessness*, the scoping phase was to draw on the ‘substantial knowledge base’ regarding the pathways of individuals and families into, through and out of homelessness. The project brief specified two key tasks:

- A review and analysis of existing methodologies used for assessing pathways through homelessness and for attributing costs to significant events impacting on these pathways;
- Development of a proposed set of methodologies for modelling costs associated with pathways through homelessness and service intervention.

The National Homelessness Strategy discussion paper (May 2000) had earlier identified the policy relevance of pathways research as follows:

Our increasing ability through data and research to map pathways that lead to homelessness, particularly for high risk groups, should now make developing and implementing early intervention strategies easier. It should also be able to inform us not only how, but also when and where, to intervene (FaCS 2000, 14).

While up to this point the focus of research had been on identifying pathways and developing early intervention for young people, the discussion paper argued that the perspective could be extended to other segments of the homeless population. More broadly, the interest in research on pathways into homelessness reflects the Australian government’s ‘ultimate goal’ to ‘work towards the prevention of homelessness’ while remaining ‘fully committed to strengthening assistance at the crisis end’. The cost-effectiveness of early intervention has the proverbial warranty of ‘a stitch in time’ (a large gain relative to the investment), while support for preventive strategies more widely defined is anticipated to pay dividends because:

Australian governments spend hundreds of millions of dollars each year dealing with the effects of homelessness. Its full cost to the community,
most particularly to the individuals and families concerned, is incalculable (FaCS 2000,14).

The discussion paper also signalled the government’s intention to place ‘greater emphasis on long-term pathways out of homelessness’ as part of a program of welfare reform underpinned by the promotion of social and economic participation. It argues that the success of both preventive and ameliorative strategies depends on partnerships between and within governments, between government and the community, and between service providers regardless of their auspice.

This is the context in which exploration of the costs and pathways of homelessness was proposed as a policy tool. The remit of the project extends beyond a consideration of economic evaluation of early intervention initiatives in SAAP (and hence efforts to respond to people at imminent risk of homelessness) to include preventive strategies in the broader context of ‘mainstream’ welfare and community services. The project explores economic cases for interventions aimed at providing longer-term solutions to homelessness, including social housing and various forms of supported housing, whether for those at risk of becoming homeless, those already homeless, or those at risk of repeated occasions of homelessness.

Exploration of people’s movement through government and non-government services, including patterns of preference and rejection, constitutes an integral part of pathways research and provides a useful foundation for policy relevant costing. This work highlights the issue of cost shifting between services and service systems. It has been clear to practitioners and policy makers for many years that the homelessness service system bears the costs of the failure of other, generally better resourced, service systems to respond adequately to the needs of their clients. Most of the people who request assistance from homelessness services have been clients of other services, such as the health system, Centrelink, housing, child protection or the criminal justice system. In turn, homelessness can result in additional demands on these same service systems in both the short and the long term. From this perspective one of the aims of policy reform is to change service utilization patterns to enable the resources of the service system as a whole to be used more productively. Such changes have different implications for the resources of different ministerial portfolios (for example, the department that reaps the benefits of reform might not be the one that pays for it) and level of government (will the federal government or the state governments ‘pick up the tab’?). While an analysis of cost shifting can map these budgetary implications, and indeed will have to do so if it is to identify likely obstacles to proposed reform, this project was not conceived from a narrow departmental perspective and instead encourages a ‘whole of government’ approach to the identification of costs and benefits.

Investigation of homelessness pathways has also drawn attention to the impact of informal supports from family, friends and local communities on people’s homelessness trajectories. Consistent with recognition by policy of the importance of partnerships in preventing and ameliorating homelessness, and the role of the private and not-for-profit sectors, pathways costings have begun to map out the resource flows between sectors.
The project invites a broad-ranging consideration of the implications of this expanding literature on the conceptualization and analysis of the costs and benefits of homelessness policy. In general, research on homelessness and housing pathways has much to offer costing work and economic evaluation. Firstly, it helps understand the negative impacts and consequences (hence ‘costs’) of homelessness as these amass over time and the ways in which interventions succeed or fail in deflecting or diminishing these cost consequences. An understanding of the dynamics of homelessness at both the individual and population level provides a basis for anticipating the economic logics of homelessness interventions. Secondly, pathways research has evolved a rich source of longitudinal methods, both qualitative and quantitative, that can be adapted for economic evaluation and costing work. Finally, studies of homeless trajectories provide secondary data and theoretical generalizations to input into simulation models.

Some revisions to stage one

The work of costing and economic evaluation in any area is incremental, building on both empirical work and conceptual development. This applies to modelling as to primary research based evaluation. After preliminary work for stage one of the project it became evident that the large-scale modelling of costs and pathways envisaged in the request for tender was at the least premature. Basic information on the costs of delivering homelessness service interventions was either not in existence or else not publicly available. Much of the critical information on the range and diversity of homelessness service delivery models across the states and territories was undocumented. Research findings and data sources relevant to assessing the impacts of homelessness, the outcomes of interventions and common trajectories into, through and out of homelessness were extensive but scattered. Detailed assessment of the limitations and potential of administrative data sources also emerged as a considerable undertaking in its own right.

More importantly, an initial consideration of the pathways and costing research also suggested that the ideal of an all-encompassing study was misconceived and, along with it, the aim of producing a single ‘balance sheet’ of costs and benefits at the national level. This research points to the need for different costing approaches according to particular patterns and types of homelessness experience. It also suggests that analysis of the costs of alternative pathways through homelessness is best done with reference to specific service contexts.

In an interim report we consequently argued that the first phase of the project should be reoriented from scoping methods and data sources for a single, large-scale study, and towards the broader goal of helping to build foundations for the systematic development of costing research and economic evaluation relevant to the sector. Building a sound knowledge base in this area cannot be accomplished unilaterally or in a single project. It depends on the interest and active participation of the homelessness sector as well as the mobilization of the broader research community. Since neither appeared to be present, we suggested that work was needed to develop a shared understanding of the range of pathways costing approaches and their relevance to policy evaluation and development.
A third issue leading to reconsideration of the coverage of the scoping phase was recognition of the different types of demand for good costing and economic information. Providers of homelessness services across the sector increasingly report threats to their financial viability and capacity to deliver quality services because of new and rising cost pressures. At the same time, program administrators at the state and federal levels are searching for ways to rationalize their allocation of funds to homelessness services by taking greater account of the relative costs of different types of service delivery. Since these additional requirements were prominent in bureaucratic and service provider interest in economic analysis, we considered it important that they be at least formally identified, if only to provide greater clarity on the areas of economic analysis that might benefit from future research input.

The three key questions addressed by this study are outlined in Table 1.1 along with our approach to answering them. This project does not include empirical research or formal consultation.

**Table 1.1: Project questions and methods**

<table>
<thead>
<tr>
<th>Key question</th>
<th>Approach</th>
<th>Resource development</th>
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<tbody>
<tr>
<td><strong>What approaches to costing are promising?</strong></td>
<td>Consideration of disciplinary and methodological ideals and debate (ch. 2 and 3)</td>
<td>Clarification of options and methods (ch. 5)</td>
</tr>
<tr>
<td>(Relevant, politically convincing, methodologically sound, theoretically informed, feasible and ethically conducted)</td>
<td>Consideration of recent ‘high impact’ costing work in USA, Canada, and the UK (ch. 3)</td>
<td>Detailed examples of ‘pathways’ costing approaches (ch. 3, Appendix F)</td>
</tr>
<tr>
<td></td>
<td>Consideration of practical implementation problems experienced by researchers described in the research and consultancy literature (ch. 3, Appendix F)</td>
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<td></td>
<td>Consideration of fit with contemporary understanding of the dynamics of homelessness (ch. 3 and 4)</td>
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<tr>
<td><strong>What is current capacity in Australia to undertake these approaches?</strong></td>
<td>Review of Australian empirical research on pathways into, through and out of homelessness</td>
<td>Review of relevant Australian research on homeless and housing pathways (Appendix B)</td>
</tr>
<tr>
<td>(Existing resources information and infrastructure gaps)</td>
<td>Review of selected administrative databases (ch. 7 and 8)</td>
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<td></td>
<td>Review of program and unit cost information (ch. 9)</td>
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<td><strong>Recommendations for future direction in costing work</strong></td>
<td>Identification of prima facie cases for costing/ economic evaluation in homelessness research and advocacy literature (Appendix B, ch. 6)</td>
<td>Project proposals with/without research designs</td>
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<td></td>
<td>Informal consultation</td>
<td>Other suggestions to build capacity</td>
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Report overview

The report falls roughly into two parts. The first seven chapters discuss the conceptual and methodological tools available for policy relevant economic evaluation and costing. The remaining chapters consider the application and development of these tools in the Australian context, starting with a summary of suggestions for future research and capacity building in Chapter 8.

The main body of the report links with more detailed examples and discussion in the appendices:

- Appendix A: Two ‘cultural’ definitions of homelessness;
- Appendix B: Homelessness pathways: selected Australian research;
- Appendix C: Summary of Australian longitudinal research on homeless-housing pathways;
- Appendix D: Selected panels surveys in the United States;
- Appendix E: Administrative database research in the United States;
- Appendix F: Selected examples of homelessness costing research.

Chapter 2 describes the range of basic analytic tools and research designs available for economic evaluation and costing. It explains the common distinction between a ‘cost study’ and an ‘economic evaluation’, and the technical differences between cost-benefit, cost-effectiveness, cost-savings and cost-minimization analyses. The main task in this chapter is to consider whether the disciplinary ideal of cost-benefit analysis is likely to prove useful in advancing the goal of policy relevant economic evaluation and costing in the homelessness field. We question the value of positing a hierarchy of methods judged by their fidelity to the principles of welfare economics and suggest that this position risks underestimating the value of recent international research on the economic costs and benefits of homelessness interventions.

This costing research is the subject matter of Chapters 3, 4 and 5. Building on the review undertaken by Berry et al. (2003) for the National Homelessness Strategy, the chapter explores some of the strategic choices faced in the conduct and commission of costing work in the USA, Canada and the UK. We consider the economic arguments and research drawn upon by governments and advocacy groups to propose or justify shifts in focus from crisis to more preventive strategies, and from temporary to more permanent ‘solutions’ to homelessness. The chapter discusses the policy and advocacy environment in which economic arguments for reform have been shaped and indicates the social and research infrastructure drawn on by researchers in the three countries. Studies that have been prominent in recent policy debate at the national level have been singled out for more detailed discussion in Appendix F.

This review reveals the extent to which ‘dynamic’ perspectives on homelessness have informed the design of recent costing work in three countries. Looking at research in Australia, the UK and the USA, Chapter 6 identifies three points of focus within the international pathways literature, each with different implications for understanding the causes and consequences of homelessness. The first is concerned with the question of how people become and remain homeless, the second with the transitions
in and out of homelessness, and the third with the experience of homelessness in the wider context of a person's housing and life history. While we identify some of the findings from key studies, our main interest is with the questions that drive the different perspectives, along with the methods they prioritize. The chapter ends with an overview of the limits and potential of the longitudinal methods for exploring homelessness and housing pathways.

**Chapter 7** returns to the issue of costing methodology and explores the range of pathways approaches to identifying the costs and benefits of homelessness and alternate policy responses. Pathways approaches identify cost incidents and episodes by tracing the activities and experiences of individuals or families over time, and quantify costs by linking these occurrences with unit cost information. Discussion and differentiation of the methods of developing pathways costing frameworks is the main task of the chapter. The methods are divided into two basic categories: simulation or modelling approaches, and empirical or research based approaches. A further distinction is drawn between case studies and cohort designs. Building on the discussion of longitudinal research in the previous chapter, we consider the potential of panel surveys, administrative database research and biographic interviews for generating costing frameworks. Illustrative examples are drawn from our discussion of the international costing literature first introduced in Chapter 3 and detailed in Appendix F.

Armed with a clearer sense of policy relevant, methodologically robust and theoretically informed costing research, the remaining chapters consider the direction that Australian efforts might fruitfully take. **Chapter 8** reviews existing resources for modelling and research based costing and provides a summary of our suggestions for future costing projects and capacity building. In the short term, Australian research on homelessness and housing pathways and patterns of service use offers several opportunities for modelling, particularly for developing case studies and scenarios. We also suggest areas where empirical research is needed to investigate the cost implications of particular experiences of homelessness. Over the longer term, we argue, longitudinal research using homelessness information systems, particularly where integrated with other relevant administrative databases, holds the greatest potential for quantitative evaluation (economic or otherwise) at the broad policy level. Chapters 9 and 10 explore the short-term and longer-term potential for this sort of work in Australia.

**Chapter 9** describes the SAAP National Data Collection (NDC) and considers its capacity for longitudinal analysis. While recent proposals to improve the accuracy of multi-year tracing of client records by modifications to the alphacode hold considerable promise for future work, the chapter considers what might be done to utilize the existing longitudinal archive collected over the lifetime of the NDC. We set out a project proposal for using the NDC to examine repeat use of SAAP crisis accommodation services and note ways of encouraging greater use of the NDC for research purposes.

**Chapter 9** also identifies other administrative databases relevant to homelessness research and considers the issue of linking administrative databases for multi-systems analysis. Here again, infrastructure is already in existence that would enable
relatively swift progress to be made. The chapter proposes an investigation into the potential of the Western Australia Data Linkage System Project for homelessness research. Our second proposal is for a study into the utilization by homeless persons of hospital emergency departments, following recent work in this area by Melbourne based researchers.

Lack of information on the direct costs of current service delivery presents a significant obstacle to economic evaluation of homelessness policy. Chapter 10 collates relevant cost information on Australian homelessness services that researchers could potentially use to develop unit cost information for pathways costing. Our review suggests existing (or publicly available) cost information is not adequate for the purposes of that evaluation research. We offer suggestions about how unit costs for homelessness services could be developed, and point to the need for primary research in collaboration with service providers to develop more empirically grounded program costings. Finally, we take a brief look at unit cost information available in other service areas pertinent to understanding homelessness pathways.

**Note on terminology**

Unless otherwise indicated, in this report the terms ‘costing work’ and ‘cost studies’ are used as shorthand expressions to refer to all types of cost study and economic evaluation (as defined in Chapter 2).
2 Ethics and good practice in economic evaluation

We live in a period in which economics as a discipline is apparently pre-eminent in public policy. There are frequent expressions of concern about the rise of 'economic rationalism', a predominantly Australian term to describe the effects on public policy of graduates trained in neo-classical economics recruited into government bureaucracies (Pusey 1991). It seems that at a time when its influence has never been greater, the reputation of the ‘dismal science’ has never been lower.

Understandably, the use of economic analysis in the realm of homelessness service provision has been a source of great anxiety. Economic analysis requires consideration of costs (a large proportion of which are the wages and salaries of workers in the sector) and outcomes from programs and interventions (which have barely begun to be evaluated). It may include benchmarking, a controversial and politically fraught activity.

This unease is perhaps even stronger in a sector such as homelessness services provision, where many participants will feel that consideration of economic outcomes or costs and benefits is ethically objectionable; that human rights principles should be underpinning responses to homelessness, not notions of economic efficiency.

Resource allocation decisions are, however, inescapable. There are many things we might want to do, but only limited resources with which to do them. At a systems level, a decision to give Service A more funds means that less funds are available for other services. At the agency level, decisions have to be made regarding which clients to serve and how to allocate time, accommodation and other resources between them. Reliable evidence about the respective costs and benefits of different interventions and programs helps these decisions to be made on a ‘rational’ basis. While there are limits to the role evaluation research can and should play in decision making, it has a role and therefore it seems a reasonable goal to make the information or evidence it produces as transparent and relevant as possible.

Advocates for the homeless service system are left in a bind. Mostly suspicious of economics, they also realize that arguments for much needed resources must appeal to those who control the purse strings. Tactically they need to engage with the rhetoric of economics.

This chapter begins by examining attempts to calculate an aggregate cost of homelessness figure. We then outline common distinctions drawn between forms of economic evaluation and costing and examine the ethical and disciplinary basis of welfare economics seen to underpin ‘good practice’ in this area. Finally we consider how we might proceed in undertaking policy relevant economic evaluation. We question the usefulness of aspiring to a disciplinary ideal of cost-benefit analysis (CBA) that purports to consider the perspectives of all stakeholders simultaneously. A more modest and strategic approach to future economic evaluation is likely to provide a more useful input to developing responses to homelessness.

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For examples of recent work on human rights and homelessness, see Parity’s February 2004 edition on ‘Homelessness, Human Rights and the Law’ and the research project Bringing Democracy Home: Enfranchising Australia’s Homeless (Costar et al.) being conducted for the Australian Electoral Commission by the Swinburne Institute for Social Research.
Towards a single big number

To date most attempts to assess the costs of homelessness in Australia have taken the form of lists of disparate types of cost (or negative impacts) borne by homeless individuals, the local and broader communities, taxpayers and governments. These analyses emerged from recognition of the increasing size and shifting profile of the homeless population. The strategy was to draw attention to the wide-ranging social, economic and financial and human costs borne by the broader society where it failed to take responsibility for addressing the needs of those experiencing homelessness. Arguably, even where dollar costs were estimated, the actual numbers were not very important. The aim was instead to give an indication of the multiplicity of ill-effects of the ‘new homelessness’ and hence to garner public support for homelessness programs by appealing to an uneasy combination of sympathy and self-interest.

A good example is to be found in Our Homeless Children, the Report of the National Inquiry into Homeless Children by the Human Rights and Equal Opportunity Commission (the Burdekin Report 1989). This important report included the first attempt to identify the economic costs of child and youth homelessness in Australia. Subsequent attempts by Carter (1990) and Dixon (1993) followed this model closely. Again, the aim was not to develop an aggregate estimate of cost, but more generally to draw attention to the economic consequences of inaction. A few years later, one of the few attempts to quantify costs and derive an aggregate figure focused not on the costs of youth homelessness per se, but on those arising from resulting educational underachievement and early school leaving (Pinkney and Ewing 1997). As an ex ante evaluation of a proposed national strategy to increase welfare provision in schools, this study was spared the complexities of costing an existing service response.

Beyond the homelessness area, there has been renewed interest in developing studies that quantify costs, largely to provide economically based arguments for more resources. These studies aim to identify the costs (whether financial, economic, social or a combination) of an identified social problem, with recent examples including domestic violence, unemployment, child abuse, early school leaving, bipolar disorder and juvenile crime. Analyses may include estimates of program or service costs, but the aim is not to evaluate the effectiveness of these programs. Some studies arrive at a final, aggregate dollar cost and some quantify social and intangible costs as well as economic and financial costs that are already in dollar terms. We suspect that advocates of ‘cost-benefit’ study within the sector often have this type of analysis in mind; strictly speaking, however, these do not qualify as CBAs (see discussion below).

Although estimates from these sorts of studies often make the headlines, they have a number of drawbacks. As an advocacy tool, they are often designed simply to calculate a big number to attract public attention, with the aim of persuading decision makers that this implies large potential savings that could offset the costs of ameliorative programs or interventions. Key decision makers are unlikely to be convinced by estimates derived from these analyses, since they are invariably (albeit to different degrees) underpinned by questionable assumptions. Recent years have seen a flourishing trade in developing the estimated costs of social ills, with the
unfortunate appearance of pitting one problem against another, e.g. does youth homelessness cost society more than child abuse.\textsuperscript{9} There is also a real danger that large estimates with little empirical grounding will undermine rather than enhance the credibility of cases for additional resources and action.

Once in the public domain, such costings tend to take on a life of their own, with the importance of the assumptions underpinning them forgotten and even the costs to which they refer misconstrued. An example is recent reporting in Adelaide's 	extit{Advertiser} (6 Jan. 2003, 8) of a study undertaken four years earlier on the costs of early school leaving (King 1999). Under the headline ‘$2.6b tax bill to look after school drop-outs’, the report misconstrued the cost estimates in the study as simply increased welfare payments and used it to point to the burden these young people place on the community, rather than the stake the community has in assisting the young people concerned.\textsuperscript{10}

More importantly, such analyses provide no guidance on appropriate policy responses. Knowing that the costs of homelessness (however conceptualized) are $2.7 billion or $4.2 billion does not assist in fashioning better responses. This realization no doubt partly accounts for the sector’s ambivalence towards ‘economic evaluation’. The economist’s role is apparently to come up with a number (in isolation) to help develop a case for more resources but not to assist in the arguably more important task of allocating these resources to specific programs or interventions.

Definitions and distinctions

At this point we need to consider the technical distinctions made by economists to distinguish between approaches to economic evaluation. As with most categorizations of this type they are useful up to a point, although the distinctions between the approaches are fuzzier in practice.

The key concern of economics is the allocation of scarce resources to satisfy unlimited wants. Economic evaluation is seen as supplying the information that would enable decisions to be made about how to use these resources. It is rational in the sense of providing a systematic means of comparing the costs of an activity or program with its outcomes or benefits. In economic terms, it would not be rational to proceed with a program whose costs outweighed its benefits.

Economists generally draw a basic distinction between economic evaluation (of which there are several well known types, including cost-benefit analysis and cost-effectiveness analysis) and costing.

\textsuperscript{9} There is a related phenomenon in the fields of tourism, major events and infrastructure development whereby the benefits accruing to projects are calculated, largely it would seem for marketing and/or political purposes.

\textsuperscript{10} In 1999 the Dusseldorp Skills Forum commissioned the University of Canberra’s National Centre for Social and Economic Modelling (NATSEM) to replicate a Canadian study on the costs of early school leaving. NATSEM’s report, \textit{The Cost to Australia of Early School Leaving}, estimates the lifetime costs to the nation of a single-year cohort of early school leavers, specifically, those who left school before Year 12 and did not go on to further education. The total figure for estimated direct monetary costs was $1.3 billion, with $800 million borne by government. The figure is $2.6 billion when social costs (assumed to be the same as direct monetary costs) are added.
The distinction is that economic evaluation involves systematic attempts to compare the costs and the benefits of interventions or programs, whereas costing concentrates solely on the cost side of the ledger.

Sefton et al. (2002) outline the defining features of economic evaluation as follows:

- It focuses on a specific intervention or program;
- It involves a systematic assessment of both costs and outcomes;
- It includes some sort of benchmark or point of comparison (say, a ‘business as usual’ response with an alternative, or a comparison between two proposed alternatives);
- It attempts to combine costs and outcomes in the final analysis.

The principles underpinning economic evaluation, and which guide this notion of ‘best use of scarce resources’, are generally seen to derive from welfare economics. For Byford and Sefton (2002, 7):

> Welfare economics is concerned with the analysis of conditions under which policies may be said to have improved societal wellbeing relative to alternative courses of action. The keywords are: relative, societal and wellbeing. Evaluations should be comparative in nature, societal in scope and concerned with the resulting wellbeing of the individuals involved. Not all evaluations will achieve all the aims of welfare economics, but this is the ideal against which evaluations should be judged and the standard for researchers to aim for.

This concept of an ideal economic evaluation to be aspired to and the existence of a hierarchy of economic evaluation types is commonly held by economists, as we will see in the next section where we examine the systematic review conducted by AHURI.

In considering the different forms of economic evaluation (see Box 2.1), the technical distinction between them lies not so much in the types of cost or cost bearer they are concerned with, but in their respective treatment of the outcomes or consequences of the program or intervention being evaluated. In Australia the debate about good practice in costing has centred on the respective merits of cost-benefit and cost-effectiveness analysis, although this has not followed strictly technical distinctions between the two.

The methodology (if not practice) of CBA is seen to best embody the principles of welfare economics because it attempts a comprehensive or holistic view of social costs and benefits. CBA converts both the costs and the outcomes (or ‘benefits’) of a program into dollar terms. The process of valuing outcomes in monetary terms has been controversial in the health and social welfare areas, both from an ethical point of view (it is inappropriate to measure, for example, the value of a human life in dollar terms) and from a measurement point of view (how should this be done – a problem that pertains to a diverse range of outcomes that do not have an obvious market value). Cost-effectiveness analysis would not try to monetize outcomes; it would measure them in a ‘natural’ unit, in this case, life-years gained. This is the key distinction between these two forms of analysis.
In theory, CBA enables comparison of interventions across different sectors (say, an education outcome, with a health outcome or a housing outcome). This is possible as outcomes are all measured in dollar terms. Projects or programs are evaluated according to their costs and benefits in dollar terms. Those for which the benefits outweigh the costs (in technical terms these have a benefit-cost ratio greater than one) should proceed. Where there is a budget constraint, the projects or programs with the largest benefit-cost ratios should be undertaken first. In practice this is rarely done, because of the difficulties of measuring the value of their outcomes or ‘benefits’ in dollar terms. Methods devised to do this remain controversial, except in areas such as transport involving major infrastructure projects.

The development of CBA was in the context of program comparisons, whose outcomes or consequences were less disparate. There is no tradition of comprehensive CBA in the social welfare area, largely due to the difficulty of monetizing non-program costs and benefits. Cost-effectiveness analysis was adopted where it was considered inappropriate or difficult to estimate monetary values for a program’s outcomes or consequences (Fisher 2002, 2).

Two other forms of economic evaluation need to be considered here. The first is cost-saving or cost-offset analysis, where the emphasis is on quantifying the costs that can be avoided by a particular intervention or program. Despite their methodological limitations these studies can play a significant role in informing policy making. The second is cost-minimization studies that involve identifying costs of programs or interventions to identify the least cost alternative.

Turning now to ‘cost studies’, these tend to be defined in terms of their exclusive focus on costs rather than program outcomes or benefits. There are two categories. First, there are cost studies that are a partial economic evaluation. In such cases the purpose is to identify the costs of a specific intervention without going on to weigh them against the outcomes or ‘benefits’ of the intervention. These studies may be focused on direct monetary costs of programs (whether to governments or others). However, in accordance with the principles of welfare economics, they may take a broader conception of program costs (see Chapter 11).

A second set of cost studies are those not concerned with specific policy interventions or programs. These aim instead to identify the costs (whether financial, economic, social or a combination) of some identified social problem or phenomenon.

The way forward

In the previous section we discussed the broad economic approaches available for analyzing the homelessness field and suggested that CBA was widely thought to best reflect the ideals underpinning welfare economics.

This is the position adopted in the systematic review conducted by AHURI that helped develop the thinking for the current study. This review established ‘comprehensive social cost benefit’ as the ideal to aspire to. Two research questions determined its scope and were used to identify ‘gaps’ in each of the studies selected for assessment (Berry et al. 2003, 3):
What are the costs to a) the individual, b) governments and c) the broader community of contemporary patterns and levels of homelessness in advanced industrial countries?

What are the costs and benefits of alternative policy interventions by government to reduce homelessness in the portfolio areas of a) housing and homelessness services, b) health, including mental health and welfare services, c) justice and d) education, training and employment?

The final report was not optimistic about the possibilities for achieving its ‘first best option’ of a comprehensive analysis of costs and benefits in the Australian context. The review of international literature failed to locate a methodology or approach that could be adopted since ‘all of the extant studies suffer from limitations and gaps, both with respect to the robustness of the methodology and the scope of the findings’ (Berry et al. 2003, 17). The AHURI Research and Policy Bulletin accompanying the report noted that ‘no single study has approached a comprehensive analysis of this field, encompassing impacts across and within the several domains involved’ (AHURI 2003). The review team sees the explanation for this omission in the nature of homelessness itself. As a complex social and economic condition, with several domains of impact and interaction:

A full and adequate approach would require a very large study and entail a very significant commitment of resources. In particular, a concerted effort would need to be made to measure the benefits across the domains of successful interventions, using the traditional methods for evaluating non-marketed outcomes. Appropriate sets of assumptions would need to be drawn and tested. Relevant data or proxy data would have to be gathered, again across all the impact areas and domains (Berry et al. 2003, 17).

The AHURI report acknowledges that, given ‘real-world resource constraints’, a full and adequate approach is unlikely to be undertaken. The ‘second best option’ then is inevitably a compromise in these terms. Apart from some general methodological advice, the suggestions regarding the requirements of this option reassert the need for a comprehensive study, hence:

- The services included must cover the major domains or programs: housing assistance, health, welfare, justice, education and employment assistance;
- Primary data collection should extend over a time period long enough for service usage to stabilize;
- A range of household types should be included in the study, including families with children. As near as possible, these should reflect the overall homeless population in Australia;
- The segmented sampling frame should include people at different points on the homelessness continuum, but concentrate on those in or at imminent risk of primary or secondary homelessness.

The study team recognizes that resource or indeed policy priorities may require it to limit scope to particular domains of costs and benefits or categories of homeless people.
There is no discussion in the report of the purpose of conducting a comprehensive study of the costs of homelessness and the benefits of interventions to reduce or ameliorate it. However, the authors do identify three aspects of the policy environment that explain the interest in such a study:

- Homelessness has become entrenched;
- The needs of homeless people place additional demands not only on homeless persons’ services but also on other human service systems;
- There is broad consensus that the growth of homelessness in Australian society is a bad thing.

The unrealizable ideal of a comprehensive social CBA is clouding our view of the best way forward. This is because many issues are not reducible to choice of methodology. We appear to be trapped between two extreme positions. On one hand is the outright dismissal of economic evaluation in the homelessness field on ethical grounds. On the other is an aspiration to an ideal type of evaluation that would surmount all political and broader policy concerns, an economic machine for decision making. The two positions keep the debate in stasis.

As pointed out earlier there is no tradition of comprehensive social CBA in the homelessness field. AHURI identified only thirteen studies published in English that involved valuing the costs and benefits of homelessness interventions in money terms, none of which were comprehensive across the domains identified. This underscores findings by Sefton et al. (2002) in their systematic review that less than one in twenty economic evaluations in the UK social welfare field between 1991 and 1996 were CBAs, and that in the health care sector, where economic evaluation is more common, the proportion of evaluations of this type are actually falling. Adopting as an ideal a form of evaluation so rarely undertaken in practice does not seem sensible.

Basic or pure forms of economic evaluation do not take us very far in thinking about how to tackle the sorts of evaluation needed in a field such as homelessness in particular jurisdictions. The AHURI test of ‘comprehensiveness’ is not particularly useful. Given the multi-dimensional nature of homelessness and the range and variability of responses to it, it is not feasible, as the report points out, to develop a comprehensive social cost benefit. Any attempt to do so would involve such an array of assumptions and cover so many intervention types that it is hard to imagine that its outcome would be any more than a ‘headline’ number to be used as a device to argue for greater funding.

Berry et al. suggest that the challenge for future research is to look beyond financial impacts on government. This has some merit, but a more pressing issue, as it links to decision making and resource allocation, is measuring and understanding the costs of homelessness programs and interventions. It is an area about which very little is known and where it is clearly not possible to rely on overseas research (see Chapter 11).

Financial analysis is important in its own right. The principles of welfare economics do represent a more sophisticated ethical approach to allocation issues – decisions
about ‘the best use of scarce resources’ – but economic evaluation is and should only ever be one element in a decision making process. Furthermore, the principles of welfare economics do not always translate well in practice. This means that CBA is fine in theory, compromised in practice, and often unconvincing politically. Therefore, the question is about the information needs of decision makers (at all levels) who have to deal with budgets and competing demands.

Consequently, while we appreciate the benefits of broader economic thinking to assist decision making, we reject the idea of a hierarchy of types of economic evaluation. Cost-savings approaches in the homelessness field are not necessarily narrow; rather, their aim is to track financial implications from a ‘whole of government’ perspective. This will be explored in later chapters where we examine economic evaluations that have been undertaken in different national contexts. While they may not be ‘comprehensive’, or even cost-benefit studies, some of them could help to guide decision making.
Box 2.1: Methods of economic evaluation

Cost-benefit analysis (CBA)
CBA measures both costs and outcomes or ‘benefits’ in monetary values, sometimes converting non-monetary items into dollar amounts. It calculates net gains or losses presented in dollar terms, sometimes in the form of a cost-benefit ratio. A project or program is worthwhile, or ‘cost-beneficial’, if the benefits exceed the costs, subject to budget restraint. Because both costs and outcomes are presented in a common unit (the dollar), CBA enables direct comparison of programs from different policy areas, with different outcomes, for example, a housing outcome compared to an educational outcome. The methods used to value non-marketed items in money terms are both time-consuming and contested.

Cost-effectiveness analysis
Outcomes are measured in ‘natural’ units such as days in stable accommodation, participation in a training course, and improvements in family functioning or young people’s self-esteem. The benefits of two or more interventions are combined with their respective costs, providing a measure of cost per unit. Those with the lowest cost per unit of outcome gained are seen as the most ‘cost-effective’. This method is used to compare programs with a common outcome and outcome measure (say, a measure of self-esteem). Unlike CBA, it does not allow comparison between a wide range of programs. It can only help decide between relatively similar programs that are trying to achieve the same goals (though maybe in different ways).

Cost-consequences analysis
This is used for programs where it is necessary to take into account more than one outcome (not just, say, the impact of a program on participants’ self-esteem, but also the impact on their participation in education or training). Unlike CBA, there is no attempt to combine these outcomes into a single measure, thereby enabling direct comparison between interventions. This weighing up must be done by decision makers.

Cost-utility analysis
This is a specific form of cost-effectiveness analysis. It provides a measure per unit of improvement in outcome from a program, where outcomes are measured in terms of utility or wellbeing. The Quality Adjusted Life Year (QALY) is probably the best-known example of a utility measure. This enables comparison of different treatments and the treatment of different illnesses. We will not be considering this form of analysis further since it is so closely allied with the health field.
Cost-savings or cost-offset analysis
Like CBA, this presents both costs and outcomes in dollar terms. It evaluates the effectiveness of a program in reducing a social problem (for example, homelessness or crime) and then estimates the potential savings associated with this outcome. Costs and outcomes tend to be seen in terms of public service expenditures (for example, the potential savings of reducing homelessness might be traced to reduced expenditure on crisis accommodation, emergency health provision and/or criminal justice). In an evaluation of an existing intervention, this type of analysis would show the costs of homelessness as a monetary sum against which to offset the financial costs of the intervention. In an ex ante evaluation, it would show the cost of not reducing homelessness as a cost to offset against the potential cost of an intervention.

Cost-minimization analysis
This involves the calculation and comparison of program costs in order to identify the ‘least cost’ alternative. Differences in the outcomes or effectiveness of programs are not formally part of the analysis.

Adapted from Sefton et al. (2002)
3 Costing in context: United States

The next three chapters explore the development and use of economic arguments in recent homeless policy debate in the USA, Canada and the UK. Our aim is to draw attention to some of the strategic and political issues surrounding the methods and focus of economic analysis. We include a brief history of cost studies in the three countries and discuss the program, policy and advocacy environment in which economic arguments for homelessness policy reform have been shaped. We also consider the ‘infrastructure’ of research and administrative data collection that provides a basis capacity for economic evaluation and costing work.

Not surprisingly, the majority of cost studies relevant to homelessness have been undertaken in the USA, but it is the close nexus between advocacy and academic work there that is of greater interest. Some of the most theoretically informed and methodologically innovative research has also been carefully geared to policy debate. The work of Dennis Culhane and his team at the Center for Mental Health Policy and Services Research (University of Pennsylvania) has been particularly influential. The New York/New York Agreement cost study undertaken by the Center with support from the Corporation for Supportive Housing has set a new benchmark for costing work in the homelessness field (Culhane, Metraux and Hadley 2002). The Center has also pioneered the use and integration of homelessness and other administrative databases to explore key policy questions and this has greatly expanded the capacity for quantitative evaluation, including economic evaluation, from a ‘whole of government’ perspective.

In both the UK and Canada, central governments have recently initiated projects to investigate the costs and benefits of homelessness interventions at a national level. Canadian researchers have produced a substantial body of work over just a few years, and the incremental development of costing information and analysis in that country provides a useful example for Australia to consider. Homelessness advocacy groups and academics in the UK have a long history of interest in costing research, and recent empirical research into the costs of residential instability promises new insights.

Studies from the three countries that have been prominent in recent policy debate at the national level, or else commissioned with a view to informing that debate, have been singled out for more detailed discussion. The methods and findings of selected studies are described more fully in Appendix F and listed in Table F1. Our examination of costing work in each country raises different issues for future Australian research and these are highlighted where relevant throughout the remainder of the report. The discussion will assist research funders and homelessness advocacy groups in Australia to identify the types of cost study and economic argument relevant to broad policy goals, as well as highlighting methodological issues and examples to inform research design.
Introduction

In his address to the conference of the National Alliance to End Homelessness in July 2001, the Secretary of the Department of Housing and Urban Development (HUD) commented that the federal government could claim only limited progress in tackling homelessness, despite funneling more than $13 billion ‘into easing the plight of the homeless’ since 1987: ‘It is time for the federal government to stop simply maintaining the status quo and invest in more permanent solutions to the challenge of homelessness’ (Martinez 2001). The solution HUD had in mind was to provide supportive housing for the chronically homeless. The Interagency Council on the Homeless, dormant for five years, was reactivated and charged with overseeing the Bush administration’s goal of ending chronic homelessness in ten years.

This represents an important shift in policy debate and activity. The initiative has been welcomed by the National Alliance to End Homelessness (NAEH), the Corporation for Supportive Housing (CSH) and the National Alliance for the Mentally Ill (NAMI), amongst others. Advocates of the new policy have drawn heavily on economic arguments and the findings of recent cost studies which point, on the one hand, to the chronically homeless as a subset that accounts for a disproportionate part of public services costs associated with homelessness and, on the other, to the capacity of supportive housing to reduce these costs and free up resources elsewhere.

The policy shift has not been universally endorsed. In a letter to the Interagency Council in July 2003, the National Coalition for the Homeless, the National Association for the Advancement of Colored People and twenty-four other national, state and local groups argued that the focus should be on the causes not just the symptoms of homelessness, and called for Congress and the administration to address the needs of all homeless people. The Initiative was said to be particularly misguided at a time when ‘the affordable housing gap is at a record high and the economic recession is forcing many people out of work and into homelessness’. The main objection was that focus on chronic homelessness deflected attention from poverty as the underpinning structural cause of residential instability and from the broad agenda of reform seen as necessary to tackle it. 11

This critique reflects a division in American policy debate evident since homelessness re-emerged as an issue of national concern in the early 1980s. Though there have been attempts to make a case on economic grounds for reducing ‘mass’ homelessness through affordable housing, income support and welfare reform, the discourse on repeat and long-term homelessness has proved more fertile ground on which to seed economic arguments with immediate political appeal. For a variety of reasons, including funding availability, cost analyses have tended to focus on homeless persons with disabilities. Before going on to look at this costing work we will consider the development of advocacy and government interests in the costs and benefits of strategies to tackle homelessness.

11 The Coalition has reservations about the very term chronic homelessness, seeing it as a stigmatizing label that perpetuates the idea that individual deficits were to blame for what was more appropriately understood as an outcome of structural disadvantage. The more neutral ‘long-term’ homelessness, though not capturing the original meaning, has since been adopted by other advocacy groups, including the Corporation for Supportive Housing and the National Alliance to End Homelessness.
Interests in the costs of homelessness

The recession of 1981-82 saw a marked increase in demand for homeless assistance, along with a shift in the profile of shelter clients from what had been largely single men to increasing numbers of families, children and single women. Prior to this, assistance had been provided to the city homeless in the main by charitable and religious organizations based in old ‘skid row’ neighbourhoods (Burt et al. 2002). The early response, largely from city and local governments, to the ‘new homelessness’ was to expand the provision of emergency shelter and meal services, as if rallying in the aftermath of an earthquake or other natural disaster. Likewise, the first federal contribution was through the Emergency Food and Shelter Program in 1983 (Blasi 1990). For the most part, clients received little assistance other than the basic ‘three hots and a cot’ (Culhane 1992; Burt et al. 2002).

The number of shelters almost doubled between 1984 and 1988, with growth in some of the big cities even more pronounced. In Philadelphia, for example, daily bed capacity rose from only 250 in 1982 to 5,400 in 1988. Growth in expenditure on homelessness assistance was even more dramatic. There was an estimated increase from $300 million to in excess of $1.5 billion; where government (at federal, state and local levels) provided one-third of this amount in 1984, the proportion had increased to two-thirds in 1988 (Culhane 1992, 429). Funding from Congress via the Stewart B. McKinney Homeless Assistance Act of 1987 (the first significant federal funding targeted at homeless persons) provided for an extra growth spurt in the shelter system in the late 1980s (Burt et al. 2002).

Beyond shelter

In his review of shelter reform, Culhane (1992, 431) argued that, even allowing for the right-to-shelter laws of the early 1980s, the most convincing explanation for this nationwide growth was as an unplanned but convenient response to the decline in welfare services. Shelter functioned as a second-class welfare system for ‘persons unserved and underserved by other public agencies’. However, rising public expenditures pushed state and local governments to question both the effectiveness and the long-term viability of their shelter systems. Many cities initiated reforms aiming to reduce the numbers of homeless and costs of shelter. For the most part, they did this by trying to make shelters ‘more effective and efficient systems of transitional care’.

At the federal level, in addition to funding emergency assistance initiatives, the McKinney Act provided for transitional and permanent supportive housing for individuals and families with disabilities and supported some outreach and eviction prevention initiatives. While growth in emergency shelter capacity slowed between 1988 and 1996 (the year of the most recent national survey) there was a rapid expansion in the new network of transitional and permanent housing, which by 1996 had reached the same number of ‘beds per night’ as for emergency shelter in 1988 (Burt et al. 2002).

These figures on capacity and cost were developed by HUD on the basis of two national shelter surveys and are presented in HUD (1989) A Report on the 1988 National Survey of Shelters for the Homeless, Office of Policy Development and Research.
Initially there was no requirement on communities to demonstrate how this funding for homeless assistance would be used, and few demands were made on providers to help people to move out of shelters once admitted. Funds for emergency shelter, food and outreach were (and continue to be) distributed by formula. Those for transitional and permanent supportive housing were distributed by national competition in which proposals for funding were submitted on a provider-by-provider basis. Starting with the 1994 funding cycle, HUD changed the nature of this competition to try to encourage planning and coordination of homeless assistance programs at a community-wide level. It did this by requiring ‘communities’ (which could include one or multiple jurisdictions) to come together and develop a single application for HUD funding, demonstrating their attempts to work towards a ‘Continuum of Care’ (CoC). This continuum would ideally include ‘prevention, outreach and assessment, emergency shelter, transitional housing, permanent supportive housing and affordable housing, plus supportive services in all components’ (Burt et al. 2002, ix).

HUD promoted the CoC concept throughout the 1990s, placing the onus on communities to integrate mainstream housing and welfare services with their homelessness specific assistance efforts. Likewise, in 1994 the Interagency Council on the Homeless argued against ‘institutionalizing a separate support system for the homeless population’ in favour of improving access to mainstream services as ‘components of comprehensive community planning and economic development’ (cited in Shinn and Baumhol 1999). The ultimate aim was to ‘put an end’ to homelessness rather than simply ‘manage’ the problem through the shelter system.

During the late 1980s and the 1990s, the emergency shelter system itself underwent a notable change in philosophy. Following their 1994 evaluation of emergency shelter and services in receipt of funding under HUD’s Emergency Shelter Grant Program (covering a substantial proportion of the nation’s shelter capacity), Feins and Fosburg (1999, 5) concluded that shelter providers ‘currently see their mission as opening the front door to the Continuum of Care, so that their clients are started on a path toward stable living. They found that ‘Few, if any, of the shelters fit the conventional image of a bare-bones, dormitory-style, night-only shelter’ and that it was common to find shelters delivering a wide range of on-site services. This said, recipients of grants under the program spent on average less than a third of the possible 30 percent of total funding on preventive activities such as rental payments or legal services to help avoid eviction (Martinez 2001).

Progress towards the CoC ideal across the country has been at best uneven. In their recent evaluation of 25 communities, Martha Burt and her colleagues from the Urban Institute identified several stages of sophistication in community efforts to develop an integrated ‘system’ (Burt et al. 2002).13

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13 Only communities that had relatively high ranking in the competition for HUD funding were chosen for review. These were selected from urban and rural jurisdictions, ranging in size from whole states, through clusters of counties, to individual cities and counties. The largest metropolitan areas, including New York city, were not included.
In the first stages, they tended to be preoccupied with addressing the needs of those who were already homeless, whereas more advanced communities had ‘begun to move towards stopping the flow into homelessness’. Preventive efforts are also described in stages. Early efforts tended to focus on encouraging mental health, substance abuse and corrections agencies to plan for discharge and to organize stable housing and supports where needed. Communities were also relatively quick to develop assistance programs to avert eviction and to handle problems of imminent homelessness. Few of the communities reviewed were seen as successful in fully integrating mainstream agencies and systems, though advances had been made. The sticking point for all was ‘severe lack of affordable housing’, including permanent housing for single people with disabilities:

With possibly one or two exceptions, none of the communities we visited appears to have reduced the entry of newly homeless people into the system, or the overall volume of homeless people served by the system. To do so will require addressing the two ends of the CoC, prevention and affordable housing (Burt et al. 2002, 148).

Economic arguments to end ‘mass’ homelessness

At least since the National Coalition for the Homeless emerged in 1984 with a mission to ‘end homelessness’, advocates and researchers have argued that governments’ response to homelessness should focus on these ‘two ends’ of the CoC spectrum. But where a pressing concern for the key funders of homelessness assistance was to manage the costs of an expanding shelter system, economic rationales for more substantial solutions to the problem of ‘mass’ homelessness could only reassure governments that the rewards would be reaped in political heaven. In its 1992 report on homelessness prevention, the National Alliance to End Homelessness suggested there was ‘every indication’ that prevention programs could be cost-effective and alluded to an ‘up-front investment that could result in substantial future savings’ but was not able to supply any empirical evidence (NAEH 1992). It concluded that while the solution was well known (affordable housing, adequate incomes and comprehensive social services for those who need them) it would be costly to implement and did not have the commitment of the nation.

The same conclusion was reached by Culhane (1992) following his review of shelter reform in major cities during the 1980s. He argued that the cost-cutting experiments of many cities in response to rising demand for shelters were often based on faulty logic, and challenged reformers to answer fundamental questions about the purpose of the shelter system: Was it intended as ‘an emergency or custodial system of care’ and was it to be ‘a temporary or permanent organizational adaptation to the crisis in the welfare state’? If preference was for a temporary system of emergency assistance, then this meant the shelter incidence rate and the length of stay must be reduced. With a focus on Philadelphia, Culhane weighed each reform effort against this ultimate goal. Initially there was growing advocacy for affordable housing in the city as a way of reducing shelter costs (and as a means of shifting costs to federal and state levels of government). Giving homeless persons priority for public housing was one response, along with targeted use of housing subsidies. But this did not
impact on the incidence of homelessness, and hence the demand for shelter. Like many other cities, Philadelphia instituted eviction prevention programs and provided emergency funds for relocation to address this problem, but the demand for housing assistance proved too great. Reformers turned back to the shelter system and tried to find ways of reducing length of stay by increasing demands on clients. Culhane warned that this should not be seen as an end in itself since it would likely exacerbate residential instability and therefore perpetuate demand for shelter into the future. He argued that the ‘best hope’ of reducing demand (and hence shelter costs) in the long term would involve preventive efforts such as emergency assistance and rent subsidies, and that only a broad program would meet the needs of the precariously housed and avoid the perverse incentives of means tests. The costs of providing a comprehensive housing subsidy program adequate to close the ‘affordability gap’ in the city had earlier been estimated at $360 million per annum (Dolbeare 1988). Culhane acknowledged this to be considerably more expensive ‘than the cost of “micromanaging” the housing crisis by running a $15m shelter system and $1.3m emergency assistance fund’. ‘Lack of political will’ is again identified as the major obstacle to enacting this longer-term vision and making significant headway on the problem of homelessness.

Shinn and Baumhol (1999, 10) conducted a similar analysis at the national level in their important ‘rethink’ of the logic and evidence of various forms of homelessness prevention. In the context of a stronger economy (and following a change of government) they were more optimistic in presenting the case for the economics of ending mass homelessness through a broad program of providing housing subsidies to all ‘worst-case’ households. They argue that while the costs would be substantial ($22.5 billion was estimated for 1995), these represent only a fraction of the tax expenditures that subsidize home ownership, the benefits of which accrued predominantly to wealthier members of society.

**Cost-effectiveness of intervention targeted to people at imminent risk?**

The second prong of Shinn and Baumhol’s economic argument in favour of a broad-based attack on poverty related homelessness is to throw doubt on the seemingly stronger case for the cost-effectiveness of preventive efforts targeting those at imminent risk of homelessness.

In addition to its emphasis on the need for universal strategies to alleviate poverty and provide affordable housing, the Interagency Council (1994) advocated strategies to prevent foreclosure or eviction, ameliorate domestic conflicts to forestall potentially violent resolutions, provide supportive services for physically and/or emotionally disabled individuals, and plan for soon-to-be-released prison inmates and hospital patients. It stated that these were ‘significantly less costly strategies than providing emergency food and shelter for homeless individuals and families’ (cited in Shinn and Baumhol 1999).

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On the basis of a critical review of the research evidence, Shinn and Baumhol concluded such statements were more often ‘articles of faith’ than grounded in empirical investigation.

In the early 1990s, governments funded several studies to assess the cost-effectiveness of programs to prevent eviction or mortgage foreclosure.\(^{15}\) Shinn and Baumhol consider four studies including an evaluation of the HUD Emergency Shelter Grants Program (Feins, Fosburg and Lock 1994), a report presenting cost and evaluation information from a large number of state and local homelessness prevention efforts (Schwartz, Devance-Manzini and Fagan 1991), and what are seen as more sophisticated evaluation studies of eviction prevention programs in Washington state (McIntire, Layzer and Weisberg 1992) and New York state (New York State Department of Social Services 1990).\(^{16}\) All studies found eviction prevention strategies to be cost-effective, with many demonstrating significant cost-savings arising from reduced shelter use. However, Shinn and Baumhol argue that ‘without more rigorous experimental evaluations, it is hard to credit the results’. Rigour here is seen to necessitate a longitudinal approach since ‘calculation about specific costs and benefits requires data about the extent to which clients of the programs avoid homelessness over the long run and the extent to which they would have become homeless in the absence of the programs’. Most studies did not collect follow-up data to see whether program participants maintained their housing; instead, assumptions were made about the short-term and long-term success rates and about the numbers who would have lost their homes and gone on to shelters and stayed for the maximum allowable period. In some studies there was also a failure to include the costs of administering the program and other funds outside the immediate program required to help clients maintain stability.

Shinn and Baumhol argue further that programs to prevent eviction and foreclosure, even if widespread and successful, would reach only a minority of families – those whose homelessness arises from eviction – and would rarely reach single individuals. Similar arguments are made for the other ‘indicated prevention’ strategies advocated by the Interagency Council for the Homeless. The authors’ aim is not to discount the value of ‘timely’ intervention, but to suggest that these strategies may not be cost-effective in the straightforward sense of trading eviction prevention program costs for shelter costs\(^{17}\) and that, consequently, governments should lower their expectations about this as a quick and relatively inexpensive fix to the problem.

\(^{15}\) These programs were generally aimed at families and provided a combination of services including cash or loans, budgeting and financial advice, legal services, mediation or negotiation between residents and landlords or mortgage holders, and advocacy.

\(^{16}\) The New York State Department of Social Services study, The Homelessness Prevention Program: Outcomes and Effectiveness (Office of Program Planning, Analysis and Development and Office of Shelter and Supported Housing Programs, New York), developed a model to project what would have happened to participants in the eviction prevention program in the absence of this intervention.

\(^{17}\) The authors suggest that analyses might also consider: other costs to families who lose their homes and enter shelter (loss of belongings, difficulty in maintaining jobs); costs for stabilizing families after shelter; and benefits to others, such as landlords, when tenancies are secured. All of these factors would tend to demonstrate greater cost-effectiveness.
They recommend that homelessness prevention efforts be reoriented to projects aimed at ‘increasing the supply of affordable housing, sustainable sources of livelihood and the social capital of impoverished communities’. While these approaches required more up-front expenditure, the available evaluation evidence is seen to suggest that ‘the most effective levers for homelessness prevention are instruments of housing and income’ (Shinn and Baumhol 1999, 23). A response can only be ‘cost-effective’ if it achieves its goal.

In July 2000 the NAEH published its important Ten Year Plan to End Homelessness. One of the aims of the plan was to ‘call attention to the gaps and hidden costs in our nation’s current approach to homelessness’ (NAEH 2002). It argued that strong economic rationales were needed to give to mainstream services to ‘demonstrate that although shifting responsibility for homeless people to the homeless system may seem to be cost-efficient, it is actually more costly over all’. But while the plan advocated a shift towards broader based preventive efforts, the research evidence it presented to support its economic arguments tended to focus on interventions targeted to groups at risk of imminent or ongoing homelessness and their impact on the use of emergency and acute care services. These are the sorts of cost arguments that underpin the shift in federal policy to chronic homelessness.

Economic arguments to end chronic homelessness

**The chronic homelessness initiative**

In his 2001 announcement of the plan to end chronic homelessness, the Secretary of HUD emphasized that the goal of preventing homelessness would be as high a priority as housing those already homeless. This meant ‘ensuring that individuals who pass through mainstream social services – like the mental health, welfare and criminal justice systems – do not move out of those services and back into homelessness’ (Martinez 2001). Here reference was clearly to prevention of repeat homelessness rather than initial episodes. The rationale was ‘that helping these people land on their feet early on is less expensive, and less taxing on the system, than supporting them as members of the homeless population’.

In the enactment of HUD’s FY 2001 budget, Congress stated its intention that ‘HUD and local providers increase the supply of permanent supportive housing for chronically homeless, chronically ill people over time until the need is met’ (cited in Culhane, Metraux and Hadley 2002, 141). A series of initiatives followed. The Notice of Funding Availability for the Collaborative Initiative to Help End Chronic Homelessness identifies its target population as follows:

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18 Congress stipulated that 30 percent of funds under the McKinney-Vento Act be targeted to permanent housing for homeless persons with disabilities. This was followed by the announcement of the Collaborative Initiative to End Chronic Homelessness in 2002 and the Samaritan Initiative in 2003, both involving combined funding and participation from three departments (Housing and Urban Development, Health and Human Services, and Veterans Affairs) to develop permanent supportive housing.
A **chronically homeless person** is defined as ‘an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years.’ A disabling condition is defined as a diagnosable substance use disorder, serious mental illness, developmental disability, or chronic physical illness or disability, including the co-occurrence of two or more of these conditions (NOFA, Federal Register 27 Jan. 2003).

**Supportive housing and the facilitation of research by the CSH**

The chronic homeless initiatives followed a concerted campaign by advocacy groups, particularly the CSH, to advance more permanent solutions for single homeless persons with disabilities in the form of service-enriched or supportive housing. The proposed solution rested on decent affordable housing and ‘a carefully managed network of focused medical, social and psychological services, aimed at preventive care and timely, effective response’ (Proscio 2000).

Supportive housing was pioneered in New York city in 1989 and the first New York/New York Agreement for Housing the Homeless Mentally Ill was negotiated between city and state the following year. This was a response to the increase in demand for emergency shelter and mental health services in the city during the 1980s (Houghton 2001). To be eligible for NY/NY housing, tenants had to have a diagnosis of severe and persistent mental illness (schizophrenia, major depression or bipolar disorder) and to have been recently homeless in city shelters or on the streets.

The CSH was established in 1991 and provides financial and technical assistance to help not-for-profit organizations develop supportive housing (Houghton 2001). It has initiated programs in eight states and localities to assist homeless and at-risk families and individuals with needs relating to mental illness, substance abuse and chronic illness such as AIDS. From the mid-1990s the CSH turned its attention to homeless persons with substance abuse and mental health problems who were not ‘in recovery’. These were some of the people hardest hit by shelter reforms in the 1980s, since participation in treatment was often a condition of shelter entry. In addition, early models of supportive housing tended to target tenants who were ‘housing ready’. Consequently the CSH began to develop ‘low demand’ housing as a solution to chronic homelessness and its ‘crushing effect on public health costs’ caused by the ‘high costs of ineffectual treatment and re-treatment, arrest and release, hospitalization and discharge’ (Proscio 2000).

One of the stated roles of the CSH is to develop research evidence to encourage and inform local efforts to establish supportive housing. As the only national intermediary dedicated to furthering the development of supportive housing it has also helped fund and facilitate research geared to advocacy at the national level. The CSH has been quick to recognize the potential value of cost studies to further its cause. The initial idea for the NY/NY Agreement cost study was hatched by its authors in their early association with the CSH (ten years prior to its realization in 2002). The CSH also assisted economic evaluations of demonstration projects in San Francisco (Proscio 2000), Connecticut (Arthur Andersen LLP et al.) and Minnesota (Tilsen 1998).99

99 The San Francisco and Connecticut studies are reviewed in Berry et al. (2002).
All four studies include analysis of the impacts of supportive housing on public services. Together they suggest that individuals participating in the programs reduce their use of emergency and acute health services, and are less likely to be hospitalized, incarcerated or require emergency shelter.

Other cost studies facilitated by the CSH consider the wider potential benefits of supportive housing in enhancing people’s capacity to undertake training and earn income, and as a site for the development of employment services (Long and Amendolia 2003). CSH research also looked at the positive impact of supportive housing building projects on neighbourhood property values as a means to overcome NIMBY (‘Not in my back yard’) objections to low-income housing developments (Arthur Andersen LLP et al. 2000). Another group of studies compared the cost-effectiveness of different approaches to providing service-enriched housing.20

**Ongoing federal interest in researching those ‘most difficult to help’**

While heightened research activity over the last five years or so has certainly helped promote the cause of the supportive housing industry in the federal government, the chronic homelessness initiative also represents ongoing federal interest in this area. From the outset, the McKinney Act directed federal government agencies to sponsor research relevant to the ‘most difficult-to-help’ groups within the homeless population and authorized funding to identify effective models of care that could help those with persistent mental health and substance abuse problems maintain stable housing. There is consequently a relatively large evaluation literature on programs targeted at this group, including cost-effectiveness studies of a range of treatment programs and approaches to outreach and case management (Burt 1999, 16). A significant portion of this research has been initiated and funded by the Department of Veterans Affairs through the Northeast Program Evaluation Center directed by Robert Rosenheck.21 An estimated one-third of the population of adults experiencing primary homelessness had served in the armed forces, and of these, some 43 percent have a diagnosis of severe and persistent mental illness, and an even greater proportion (69 percent) are estimated to have a substance abuse disorder (VA Health Services Research and Development Service 1999). About a quarter of the annual VA mental health expenditure is spent on the care of homeless veterans.

When the Secretary of HUD first announced that the ‘great new American enterprise’ was to ‘provide homes for the chronically homeless’ he alluded to the nation’s earlier mission to put a man on the moon by the end of the decade (Martinez 2001). Congress has since called for the development of an additional 150,000 units of permanent supportive housing, and cities and counties across the nation continue to pledge their commitment to the goal of ending chronic homelessness in ten

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20 Culhane, Metraux and Hadley (2002) investigated the cost implications of maintaining key services on and off site in their study of housing models in New York. Building on this work, Gulcar et al. (2003) (supported by New York based Pathways to Housing, Inc.) assessed the housing, hospitalization and cost outcomes for homeless individuals with psychiatric disabilities participating in the no-demand ‘Housing First’ program compared with the more traditional CoC model.

21 The Center is the Evaluation Division of the National Center for Post-Traumatic Stress Disorder (created in the Department of Veterans Affairs in 1989).
years (see Interagency Council for the Homeless website). While this plan might be seen as a greatly scaled-down version of the NAEH’s own ten year plan to end ‘homelessness’ in its entirety, it is important to realize that the number of persons estimated to fall within the disputed category of chronic homelessness represents a very considerable proportion of the population of those experiencing (literal) homelessness at any point in time. The policy paper New Partnerships for Ending Homelessness released by the NAEH, CSH and others in July 2003 cites a figure of 200,000 to 250,000 ‘long-term (or chronic)’ homeless individuals. Based on estimates of homeless families and individuals across the USA (from the 1996 federal survey) we can estimate that chronically homeless single adults comprise between one quarter and one third of the total point in time homeless population, and between 36 and 45 percent of homeless adults.22

Public services cost and cost-savings analyses

Three ‘sets’ of costing research and argument have been drawn upon by government and others in their advocacy for the recent chronic homelessness initiatives and more broadly in the case for targeting assistance to homeless persons with ‘disabling conditions’ such as mental illness, drug addiction or chronic illness. These arguments have overwhelmingly focused on implications for public services expenditures. The first set points to the high demand and relatively high cost to emergency and acute care services resulting from the patterns of service use characteristic of chronic homelessness. The second set of arguments and evidence shows how interventions targeting chronically homeless persons impact on these patterns of service utilization and work to reduce the costs borne by these services as a result. Recent focus has been on the potential of supportive housing to help people regain stability and hence avoid the heavy and often inappropriate use of emergency services (while increasing the use of outpatient health and other preventive supportive services). This evidence is the more critical for policy because it illustrates the potential public savings of action (rather than simply the costs of inaction, reducible or otherwise).

And thirdly, arguments are made to demonstrate a favourable balance between the costs and cost-savings of providing these interventions. This chapter examines some of the key pieces of economic research that have fed into these debates at the national level.

Patterns of shelter utilization: an economic typology of homelessness

In its formal resolution to endorse the administration’s plan to end chronic homelessness, the National League of Cities cited the fact that ‘research indicates that persons experiencing chronic homelessness use a disproportionate share of the federal resources targeted for homeless assistance’.23

22 Culhane, Metraux and Hadley (2002, 140) estimated there were 112,000 homeless single adults with severe mental illness across the country at a point in time and as many as 280,000 chronic users of emergency shelter.

23 See National League of Cities’ resolution endorsing the ten year planning process to end chronic homelessness, (http://www.ich.gov/).
The research alluded to was undertaken in the mid-1990s by Dennis Culhane and Randall Kuhn and involved an analysis of patterns of emergency shelter use by adults in New York and Philadelphia. The interpretation of this work in policy debate has helped cement the notion of ‘chronic homelessness’ as a distinct subset of homeless experience. It has also helped foster a fundamentally economic perspective on classification since chronic homelessness is differentiated from other types on the basis of clients’ use of service resources.

The basic aim of the research was to identify the number, proportion and characteristics of the high-end or ‘heavy’ consumers of the shelter system in each city and to subject the commonly employed typology of chronic, episodic and transitional homelessness to empirical test. It took advantage of the capacity of administrative databases to track individual clients’ use of public shelters across each jurisdiction and across time (from 1986 in New York and 1991 in Philadelphia). A more detailed discussion of the impact of this study, along with its methods and findings, can be found in Appendix F.

In both cities, chronic clients comprised about 10 percent of the emergency shelter population and accounted for about half the shelter days over a given period (see Table F2, Appendix F). Despite the far greater numbers of transitional shelter users, the impact of chronic clients on the overall load borne by the system was markedly greater. This was seen as indicative of an inefficient and ineffective response to this group because it meant that a service intended for emergency and short-term assistance was being used as a default form of long-term accommodation. Kuhn and Culhane argued that if chronic shelter users were transferred to community housing programs, clients would be better served and this would also generate significant savings for the shelter system, freeing up more emergency resources for their intended function.24 ‘Episodic’ clients also used a disproportionate amount of shelter days and were anticipated to make heavy demands on other acute and emergency services by ‘alternating shelter stays with bouts of street homelessness, hospitalization and incarceration’ (Kuhn and Culhane 1998, 14).

The three clusters are seen to incur different types of public services costs and, by implication, to require different forms of economic and analysis to develop evidence in support of more appropriate interventions. This is summarized in Figure 3.1. At this point we can note that the definition of chronic homelessness embodied in the administration’s funding eligibility requirements collapses persistent and episodic shelter use into its one category of chronic homelessness. This has the advantage of drawing on both economic rationales simultaneously.

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24 The question of whether or not the additional costs shifted onto housing and support systems as a result of this activity would be offset by savings from public shelter was left for Culhane’s later evaluation of New York supportive housing (discussed below).
Figure 3.1: Logic of public services costs and savings applied to chronic, episodic and transitional clients of emergency shelter for single adults

<table>
<thead>
<tr>
<th>Pattern of shelter use</th>
<th>Economic argument/type of analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHRONIC</td>
<td></td>
</tr>
<tr>
<td>Clients who rarely leave the shelter system over long periods of time</td>
<td>Current service response: Heavy and inappropriate use of shelter, Longitudinal tracking of shelter use needed to demonstrate disproportionate consumption compared to other shelter users (‘heavy user’ analyses)</td>
</tr>
</tbody>
</table>

| EPISODIC                |                                    |
| Clients who move in and out of emergency shelter frequently, suggestive of ‘institutional circuits’ | Current service response: Heavy and inappropriate use of a range of acute and emergency services, Longitudinal tracking of utilization of shelter and other services in health and criminal justice needed to show high joint public services costs (heavy user analysis of range of service systems and/or multiple service and systems analysis) | Appropriate services: Better targeting of transitional housing and residential treatment programs to this relatively small group to make for more efficient use of these high cost resources and to reduce demand on costly emergency/acute services |

| TRANSITIONAL            |                                    |
| Clients who use the shelter for a short time, only once over a long period | Current service response: Shelter is seen to be largely fulfilling its emergency function for this group, though recourse to it is indicative of a failure of the mainstream welfare ‘safety net’ | Appropriate services: A similar intensity of service seen to be unnecessary for the majority who are able to extricate themselves from shelter with existing supports (though this may incur costs of its own) |


The research also investigated the client characteristics associated with shelter use patterns. The findings were seen to add weight to the idea that the clusters of chronically, episodically and transitionally homeless represented distinct subgroups in the sheltered population, defined not just by use patterns but also by clusters of demographic and health characteristics (though this distinctiveness was less marked than later allusions to the findings might suggest). On this basis, Kuhn and Culhane suggest the results could be used to assist in targeting interventions to the different groups.

The National Coalition for the Homeless has objected to the use of Kuhn and Culhane’s analysis in policy debate.²⁵

²⁵ NCH (Feb. 2002) Poverty Versus Pathology: What’s chronic About Homelessness? Also see the NCH’s more recent up-date of its opposition in Questions and Answers About the ‘Chronic Homelessness Initiative’, <http://www.nationalhomeless.org/chronic/chronicqanda.html>.
The rationale that targeting assistance to ‘chronically homeless’ persons would “‘free up’ more emergency shelter beds for the remaining 90% in need” is said to be disingenuous because “new people will continue to join the ranks of the “chronically homeless””. Moreover, any shifting of resources away from preventive efforts would make it ‘more difficult for other vulnerable populations to access the resources needed to escape deep poverty and homelessness’ which in turn ‘creates the preconditions for non-disabled people to develop disabilities and to be at future risk of homelessness’ (NCH 2002).

The NCH’s objection reflects an ongoing debate regarding the causes and consequences of long-term homelessness. Kuhn and Culhane’s research has added new evidence by showing (through the retrospective longitudinal capacity of database tracking) that patterns of chronic and episodic service use may begin from the start of a person’s contact with the shelter system rather than simply being a reflection of the ‘later stages’ of homelessness. It suggests the public services costs arising from government failure to respond more adequately to the needs of these groups will also be relatively large, pointing to a strong economic rationale for the prevention of ongoing or recurrent homelessness.

The NCH sees the interpretation of this ‘heavy user’ analysis as perpetuating a band-aid approach, deflecting attention from broader solutions such as those embodied in the Bringing America Home legislation and ‘founded on the principles that people need affordable housing, livable incomes, health care, education and protection of their civil rights’. The National Alliance to End Homelessness, on the other hand, believes the targeting of chronic or long-term homelessness is a first step towards generating interest by members of Congress and others in its more comprehensive Ten Year Plan to end ‘homelessness’ in its entirety (NAEH Annual Report 2002). The NAEH strategy is one of prioritizing scarce resources. In a context where broad-based public support for low-cost housing and increased income support payments is unlikely, this strategy is certainly more pragmatic. The priority also recognizes the lack of public sympathy and welfare support otherwise shown to single people with disabling conditions such as drug dependency.

Inappropriate and inefficient use of other service systems

To recap, the work by Culhane and Kuhn located a subgroup of the sheltered population who were more likely to be coping with disabling health or substance abuse issues and who made markedly disproportionate demands on the emergency shelter system. A second group of analyses considers the extent to which people experiencing homelessness are ‘heavy and inappropriate’ users of other costly remedial and emergency services. If the numbers of homeless clients are small compared to other client groups, even if their use of these services is relatively high, they may not be perceived as a particularly problematic group. In the case of health services, however, demonstration of inefficient and inappropriate use by even a small number can spark interest if it suggests others in the community are experiencing a reduction in the availability or quality of services as a result. Speaking of the ‘public health crisis of homelessness’, Proscio (2000, 4) notes that by the mid-
1990s administrators began to ‘zero in on the enormous cost of treating medical or psychiatric emergencies for this hardest-to-serve population’. This is where the focus of cost research has been.\footnote{For a recent consolidation of arguments regarding the inappropriate and costly contact of homeless persons with the criminal justice system, see \textit{Illegal to Be Homeless: 2004 Report}, NCH, \url{http://www.nationalhomeless.org/crimereport/pressrelease.html}. The economic logic advanced in the discussion against criminalization is that of the unproductive and counterproductive diversion of resources to the criminal justice system: ‘The costs associated with policy enforcement, court procedures, and jail detention are significantly higher, in the long run, than the costs of securing permanent low-income housing, living wage incomes, affordable child care, education and health care on demand’. No empirical study is cited in evidence. For the most part, existing costing work simply points to the high per diem costs of incarceration compared to supportive housing. Again, the most sophisticated study to consider the impact of homelessness on the criminal justice system in a given geographical area is the NY/NY Agreement cost study.}

Two cost studies (Rosenheck and Seibyl 1998; Salit et al. 1998) have been widely cited.\footnote{More detailed summaries of these studies and their findings are given in Berry et al. (2002).} Both are based on large samples of homeless and non-homeless clients derived from health service databases. The first study, funded by the Department of Veterans Affairs, focused on homeless veterans with severe mental illness. Rosenheck and Seibyl surveyed more than 9,000 patients on entry to acute mental health care units of veterans’ hospitals. They found that some 35 percent were homeless upon admission and that the annual cost of care for homeless veterans with severe mental illness, substance addiction or both was $3,200 higher than for housed veterans. A key interest here is the failure of more preventive health responses to reach this group.

The second study, published in the \textit{New England Journal of Medicine}, investigated the hospitalization costs associated with homelessness in New York city (Salit et al. 1998). Funds were provided for the study by the New York City Health and Hospitals Corporation along with a number of university medical colleges. Salit and colleagues analysed hospital-discharge data on more than 18,000 admissions of homeless adults to public general hospitals, comparing their length of stay and associated costs with those of other low-income adults. They found that, having controlled for illness type and severity, homelessness was associated with longer stays and hence substantial excess costs per admission. This was understood to reflect the fact that hospitals kept homeless patients longer than they otherwise might because there was no suitable place for them to go once they had been discharged. Excess costs were particularly high for psychiatric patients, amounting to at least $17,500 per admission (based on costs for sub-acute care, and therefore a conservative estimate). One strategy recommended to reduce costs was an increase in the supply of supportive housing for homeless persons with persistent mental illnesses (Salit et al. 1998, 1739).

Beyond the use of single services, ethnographic work on homelessness has started to document the costs and consequences of failing to intercept the ‘institutional circuits’ travelled by some homeless persons with mental health problems (Hopper et al. 1997; Belcher 1997). Other researchers have investigated these pathways using administrative data (Culhane and Metraux 1997).

Cost-offset analyses of supportive housing, however, have provided the most widely cited evidence to show the high costs of a crisis and reactive response to this form...
of ‘chaotic’ homelessness. This work has started to quantify the demand made by chronically homeless persons across multiple service systems, culminating in the NY/NY cost study.

**New York/New York Agreement cost study: integrated database research**

A clear indication of the public salience and perceived importance of this study is that previews of its findings released in 2001 were featured by the *Wall Street Journal*, the *New York Times* and CNN and NPR news networks. Since then, it has been widely cited by national advocacy groups (including the CSH, NAMI and NAEH, who all used the results to lobby Congress) and by local and state governments across the country in their activities in support of the administration’s goal of ending chronic homelessness. The methods and findings are described in greater detail in Appendix F.

The study assesses ‘the impact of public investment in supportive housing for persons with severe mental illness’ (Culhane, Metraux and Hadley 2002, 107). It traces the use of emergency shelters, health and criminal justice services in New York city of more than 4,000 homeless persons placed in housing funded under the NY/NY agreement for a period of two years before the placement and two years after. The data came from eight city, state and federal administrative data archives, electronically merged for the purposes of the project, using unique client identifiers in each of the databases. The main aim was to assess whether and to what extent reductions in the use of emergency and acute services across the city offset the costs of providing the supportive housing.

The study found that the savings in public services expenditures resulting from placement in the NY/NY housing offset 95 percent of this cost (see Table F3, Appendix F). This is identified as ‘a striking result’ given the magnitude of the cost involved in establishing and running the program. Arriving at this figure involved four costing exercises to assess:

- The aggregate demand made by homeless persons experiencing severe mental illness on the range of public services prior to the placement;
- The impact of the supportive housing placement on that demand;
- The direct costs of supplying and operating the housing and associated supports (derived in collaboration with the city and state agencies responsible for funding);
- The balance between costs and cost-savings.

The use of cost-offset (or cost-savings) approaches to make a case for improved services for chronically homeless people has been controversial in the USA, just as it has been in Australia. In his review of evaluation studies of innovative programs for service delivery to homeless persons with severe mental illness, Rosenheck28 (2000) argued that while these new approaches tended to produce reductions in the use...

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28 Rosenheck is also currently responsible for conducting the national outcomes performance assessment of the Chronic Homelessness Initiative.
of emergency and acute health services, and were more effective on other criteria, they were generally more expensive than existing approaches, and certainly more costly than the provision of subsidized housing alone. The exception appeared to be for subgroups that were particularly heavy users of health services prior to the intervention, where savings from reduced use potentially offset the financial costs of initiatives. For less heavy service users, there were fewer public service reductions, and interventions worked as intended to increase clients’ use of preventive outpatient services.

For Rosenheck, the danger of pursuing cost-offset approaches was that interventions shown not to be ‘cost-effective’ in these straightforward terms might consequently not get the public support they warranted on the more fundamental grounds of improving the quality of life of program participants. This leads Rosenheck to argue that economic evaluation in this area should turn to cost-benefit approaches and find ways of measuring people’s valuation of the non-financial benefits obtained by program participants and the broader society (an argument endorsed by Berry et al. (2003) in Australia).

This is not the preferred path of Culhane and colleagues. Rather than looking at the wider range of benefits from supportive housing, the NY/NY cost study aimed at a more definitive appraisal of its public services costs and cost-savings. The study is said to provide ‘a uniquely broad and more comprehensive test’ in comparison to previous research (Culhane, Metraux and Hadley 2002, 138). This is attributable to two characteristics. First, the breadth lies in the tracing of clients’ contact with multiple services and service systems. Other studies had tended to focus only on a single service (generally within the health system), which understated the extent of demand on public services arising from the ‘crisis response’ to homelessness (and was also unable to identify significant cost-shifting between systems and services). Multiple systems analysis is consequently seen to maximize the chances for demonstrating the cost-effectiveness of alternative interventions.

Second, the study employed a more robust (quasi-experimental) research design and analysis than earlier cost-offset analyses of supportive housing, at least judged by the standards of quantitative methodology. This is largely attributable to the use of administrative data which the authors argue provides ‘the only practical means of obtaining information on a large number of homeless persons over an extended period of time and with accurate data on service consumption across multiple systems’ (Culhane, Metraux and Hadley 2002, 112).

The study is presented, and certainly qualifies, as a genuine empirical exploration into the cost-effectiveness or otherwise of the supportive housing program under consideration. Culhane comments that the findings ‘probably came as a surprise even to the people who launched the NY/NY initiative’ (Marcus 2001). There is

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29 Metraux is quoted as commenting, no doubt tongue in cheek, that since the team were ‘not economists’ they were unable ‘to calculate the social cost of things like having to step over somebody sleeping on a grate’ (Marcus 2001).

30 Culhane et al. (1998, 15) give the example that an overall reduction in hospital in-patient use by homeless persons in a given geographical area might actually reflect an increased rate of incarceration, shifting costs from the health to the criminal justice systems.
considerable political clout in being able to say that ‘Strictly on the basis of the direct cost reductions’ measured here and compared with the annual cost of the housing, the NY/NY initiative was a sound investment of public resources’ (Culhane, Metraux and Hadley 2002, 138, our emphasis). Arguably, even if the offset had been much lower, the methodological rigour of the study and its city-wide coverage, in combination with the transparency of its focus on public services costs and cost reduction, would have made it a powerful lobbying tool because its findings are seen to reflect ‘real’ potential savings.

Most importantly, the findings reinforce the case for policy makers and taxpayers to take a ‘whole of government’ perspective on both the funding of homelessness interventions and the accountability of funders. The main message taken from the study by advocacy groups has been that ‘it costs about the same to keep a person homeless as it does to provide supportive housing’ (e.g. NAMI website). Few taxpayers would fail to agree in principle with the idea that better value for the homelessness service dollar is to be gained from ‘ending’ homelessness through supports and long-term accommodation rather than ‘perpetuating’ it through emergency shelter, health and criminal justice services. By facilitating multi-system analyses, governments can help render themselves accountable to the public, including that portion experiencing or at risk of homelessness (Culhane et al. 1999).

The key policy difficulty is seen to lie in shifting funds ‘from one set of purposes (health, jails, prisons) to another (housing or housing support services)’ and consequently from one jurisdiction to another. Having identified, with some considerable precision, the cost to taxpayers of government inaction on this issue, the study poses the challenge for governments and departments to work together to fund a national program of supportive housing. The chronic homelessness initiatives launched by the federal government suggest this challenge has not gone unheeded.

Summing up: a research agenda based on administrative data?

The economic analyses and cost studies most widely cited in national policy debate in the USA have been those based on large samples derived from longitudinal administrative datasets, involving complex statistical analysis and, certainly in the case of the NY/NY study, considerable logistical difficulty. However, some policy commentators have suggested that these sorts of studies have had too great an influence on the debate.

Regional and national analyses

One of the criticisms raised by the National Coalition for the Homeless regarding the ‘heavy user’ analyses undertaken by Culhane and Kuhn, for example, was the

31 The authors elsewhere are reported as hoping ‘to convince the Department of Health and Human Services, the federal agency which stands to save the most money from housing the mentally ill homeless, to help the much smaller Department of Housing and Urban Development pay for supportive housing’ (Marcus 2001). However, the potential for offsetting the costs of supportive housing is also argued to add weight to the argument for new dollars, rather than reprioritizing existing homelessness assistance to supportive housing. This remains a bone of contention.
tendency for those citing the work in policy debate to talk in general terms about ‘the chronically homeless’ representing 10 percent of all homeless people and using up 50 percent of all homeless services, where the research itself only referred to single adults, in two major cities, and looks exclusively at emergency shelter use. The Coalition concludes that the study findings should ‘not be used as the basis for national policy’ and makes the point that one of the consequences of inappropriate generalization of the results to other locations and other homeless subgroups is that ‘communities are being forced to overlook the results of their own needs assessments in order to meet federal mandates to serve “chronically homeless” people’ (NCH 2002).

Burt raised a similar concern in her review of research on the demographics and geography of homelessness in the USA, warning that ‘even expensive methodologically sophisticated studies cannot produce consistent findings because the reality of homelessness varies a good deal with the geographic location of interest’. While recognizing that these studies have a place in national policy debate to answer specific research questions, she suggests the information they produce is not very useful for local service planning and recommends instead that local decision makers should attempt to collect their own data ‘using less than perfect but a good-enough method, collect it with sufficient regularity and thoroughness that it becomes a useful tool for decision making’ (Burt 1999, 8).

The Continuum of Care funding mechanism instituted by HUD in the mid-1990s, in concert with the concerns of larger cities to manage the growth and provision of emergency services, gave an impetus for the establishment of community-wide homelessness information systems. This has been further stimulated by the recent requirement from Congress that communities funded under the CoC initiative create the capacity for producing unduplicated counts of homeless service users across a jurisdiction, by service type. Following its evaluation of the initiative, the Urban Institute urged the federal government to take a leadership role on this issue (Burt et al. 2002). Culhane and his colleagues at the Center for Mental Health Policy and Services Research have similarly helped promote an understanding of the importance of developing inter-agency information systems for planning and administration purposes at provider, program and system levels. The Center hosts the Homeless Services Management Information Systems Data Users Group which provides resources for researchers, service providers, program administrators and policy makers who are working with homelessness data and implementing automated information systems. These resources include methodological and statistical guidance. In their overview of ‘practical methods’ for analyzing patterns of shelter use relevant to program administrators and service providers, for example, Metraux and Culhane (1999) explain a range of analyses and associated techniques of varying sophistication, not only those requiring expertise in regression techniques which are used extensively in their own studies.32

This work and the ‘flagship’ studies produced by the Center have helped inspire smaller-scale efforts across the country.\textsuperscript{33} ‘Heavy user’ analyses are now commonly undertaken in the homelessness field, albeit with less sophisticated statistical techniques. And as cities and counties develop their ten year plans to end chronic homelessness, more modest variants of the NY/NY cost study are already emerging to provide impetus and information for the development of supportive housing projects.\textsuperscript{34} This combined activity will enable national debate to be informed by an overview of local diversity.

\textbf{Beyond chronic homelessness?}

Costing work in the USA has focused largely on those experiencing long-term or chronic homelessness. What scope is there for expanding its methodological insights to other subgroups and types of homelessness? Culhane and Metraux (1997) provide some clues in their influential policy research agenda for the use of administrative data, summarized in Appendix E. This identifies particular promise for the use of integrated database research:

> First, in assessing the effect of homelessness on related public systems;
>
> Second, in assessing the effect of related public systems (and policy reform) on the use of homeless services.

In the first case, linking client information across services and service systems could demonstrate to ‘mainstream’ services the extent of demand made by clients of homelessness specific services, often on the mostly expensive and stretched parts of their service systems. The NY/NY cost study does this to good effect. Recent Canadian research has adopted similar techniques to explore the demands on public services made by ‘episodically’ homeless youth and families (Mars et al. 2001). This work points to the need for integration of homelessness information systems with a different set of databases, including income support and child protection services, and over longer periods of time.

The second, and relatively unexplored, set of uses for integrated database research opens up the possibility of gauging the impact and costs borne by the homelessness assistance system as a result of policy failures in mainstream service systems, including emergency, remedial and preventive services across all areas of health, education, criminal justice and welfare. Recalling our earlier discussion of attempts to use economic arguments to advocate for broad-based preventive strategies as a means of tackling poverty related homelessness, integrated database research

\textsuperscript{33} Other academic research centers have also worked in their local areas to produce small-scale analyses of the costs and benefits of homelessness interventions. In Detroit, Paul Toro and the Research Group on Homelessness and Poverty at Wayne State University has a long history of work using survey approaches. Their recent work investigates changes in the costs of homelessness over time. A study was undertaken in Detroit in the early 1990s and again ten years later, both based on samples (N=249, N=221) of homeless adults (with and without dependent children) recruited from shelters and soup kitchens. Taking inflation into account, only the cost and usage of outpatient services had significantly changed over the period. See \url{http://sun.science.wayne.edu/~ptoro/markbicost.pdf}.

\textsuperscript{34} See for example Georgia’s \textit{Homeless Action Plan to End Chronic Homelessness in Ten Years} (2003), \url{http://www.unitedwayatl.org/homeless/docs/StateofGeorgiaActionPlan.pdf}. 
has considerable potential to advance the empirical foundations for this debate. For many years, commentators in the USA (as elsewhere) have pointed to the reductions in welfare and income support provision as key causal factors in the growth of homelessness. In the late 1990s federal and state welfare reform threatened to further exacerbate the demand on emergency shelter. As Friedman, Hayes and McCormack (1999, 17) point out, this has largely been a matter for conjecture, but by linking homeless services and other administrative data the extent to which people excluded from welfare benefits are showing up in shelters could be investigated empirically:

This information would be useful for informing policy makers about the extent to which specific welfare reforms are shifting costs from one part of human service system to another, that is, from cash assistance to shelter programs, providing them with the information they need to make policy corrections (Friedman, Hayes and McCormack 1999).

Research has already been conducted along these lines, although without going the next step of quantifying the extent of cost-shifting. For example, Culhane et al. (1997) integrated shelter and welfare databases to evaluate the impact on homelessness of two laws enacted in Pennsylvania that restricted access to General Assistance welfare benefits.

Finally, while the research agenda proposed by Metraux and Culhane has clearly borne and will continue to bear much fruit for policy analysis and economic evaluation, research based on administrative data has the unavoidable drawback of excluding those who do not use homelessness services. This limitation has been emphasized in the UK context where recent policy in both England and Scotland has started to address the question of ‘hidden’ homelessness (Pickering et al. 2003). Our discussion of cost studies in the UK considers attempts to investigate this issue using other approaches.
4 Costing in context: Canada

In Canada research on the costs of homelessness has in many cases been led and funded by government. Most of this activity has occurred since 1997 when the Toronto Homelessness Action Task Force identified ‘a total absence’ of relevant cost studies. Initial interest came from municipal and provincial governments often working with homeless advocacy groups and charities. More recently, the federal government funded two cost studies as part of the National Homelessness Initiative (NHI). The first project was initially intended to have national scope, though a decision was made in the early stages to focus on Toronto. The second project was expanded from a study already underway in the cities of Calgary and Edmonton. Neither project was able to achieve its research goals, although both make significant advances on previous work as well as drawing attention to potential pitfalls. We start our discussion with a consideration of the policy interests and political pressures that have driven (and impeded) costing research in the various jurisdictions.

Interests in the costs of homelessness

Governments at all levels have urged a shift from emergency responses to more preventive and long-term solutions and this has provided the key impetus for costing work. Homelessness has had a high profile in public debate in Canada since the late 1990s. Municipal governments have borne the brunt of criticism for the perceived failure of the shelter system to provide an adequate response. Toronto, Calgary and Edmonton (in that order for 2003) had the highest number of emergency shelter beds per 1,000 population. In all three cities, the community sector is responsible for the delivery of most hostel services (with funding from municipal and provincial governments and from charitable organizations). During the consultation on the research agenda for the NHI, both Calgary and Edmonton ranked analysis of the societal costs of homelessness as first priority.

In Calgary, capacity and use of shelters have been increasing at least from 1998 (when the first data became available). Concerns were expressed at this time that the expanding system was not responding to the changing needs of new groups experiencing homelessness: intact families, aboriginal people, women not in abusive relationships or the elderly (Arboleda-Florez and Holley 1997). Likewise in Toronto, interest in the costs of homelessness emerged in the context of ‘unprecedented demand’ for shelter services. The newly elected mayor set up a Homelessness Action Task Force in January 1998 in response to the growth of homelessness and its increasing visibility on the streets.

The Task Force was charged to investigate the role of the hostel system for different segments of the homeless population. While it recognized that drop-in centres served as ‘entry points to the broader social support system’ and that shelter outreach services ‘linked homeless people to existing supports and services’, it

35 The National Secretariat on Homelessness set aside a budget of $3.5 million for research and related activities. At the end of 2000, following consultation with academics, practitioners and representatives from federal government departments, the secretariat developed a research agenda and solicited research proposals.
pointed to evidence that, once in the shelter system, people found it very difficult to re-establish themselves in the community, and that services intended for emergency purposes were increasingly being used as long-term accommodation and support (Mayor’s Homelessness Action Task Force 1998). Lack of adequate and affordable housing in the city was identified as the root cause of this problem. In its final report, Taking Responsibility for Homelessness: An Action Plan for Toronto, the Task Force recommended that resources be ‘redirected from providing hostel spaces to helping people find and maintain permanent housing’ and suggested working towards a reduction in the number of hostel spaces by 10 percent each year until the total reached half the base number for 1999 (Mayor’s Homelessness Action Task Force, 1998190). This plan was conditional on the provision of ‘a sufficient new supply of supportive and low-cost housing’. Jurisdictional gridlock on the issue of public housing was seen as a major impediment to progress, particularly since the federal government was in the process of devolving responsibility for this onto the provinces.

Over the next four years, the shelter system in Toronto continued to expand and there was no obvious reduction in the extent of rough sleeping. This presented a political as well as a policy dilemma for the city. The Toronto Sun (14 April 2002) ran a special report in which the mayor and city government were accused of catering to ‘a burgeoning homeless bureaucracy’ whose self-preservation led to perpetual advocacy for yet more crisis beds. The lead article argues for ‘a moratorium on the construction of any new shelters until this city does a thorough review of whether it’s getting value for the $100 million it’s spending on shelters now’. Lack of reliable data regarding both the size of the homeless population and the extent of public and private expenditure on homeless assistance is seen as a key problem. The paper set itself the task of following the ‘homeless money trail’ in the city and concluded that ‘there’s more than enough money in the system now, if only it were allocated wisely’ (Toronto Sun, 7 April 2002).

In this context, the capacity to develop alternative economic analyses is important both for municipal government and homeless advocates, whether to identify more accurately ‘where the money goes’ and illustrate the productive value of current expenditures, to argue for greater (provincial and federal) resources to address the wider problem of poverty related homelessness, or to identify the diseconomies of ‘forcing people off the streets’ and into treatment. While the city of Toronto was being taken to task over its apparent failure to move beyond a crisis response, the research

36 See http://www.canoe.ca/CNEWSFeatures0204/14_homeless6-sun.html. The titles of the articles (all between 7 and 14 April 2002 and largely penned by Sue-Ann Levy) give a good sense of the general complaint: ‘High cost of homeless’, ‘Help for the homeless: How much is enough?’, ‘Break the cycle: More money, more advocates – and still more homeless’, ‘Good intentions – but is it humane to fill their bellies and leave them on the street’, ‘Big apple “model”: New York gets homeless off streets’, ‘“Tough love” the answer’, and ‘We can fix the homeless crisis: Does the council have the guts?’.

37 This investigation arrives at a total annual figure of $186 million, including expenditure from government (at all levels) and from charitable organizations (4 percent of the total) across the spectrum of homeless services. Emergency shelters are said to account for slightly more than half the total. A cost per homeless person of $32,631 is calculated, based on an estimated (presumably point in time) homeless population of 5,692 (500 of whom are said to be rough sleepers).
team commissioned by the National Secretariat for Homelessness to undertake a more systematic analysis of the costs of homelessness in the city was struggling to garner the necessary support from both sector and government stakeholders to implement its study.

This recent interest by the federal government in the societal costs of homelessness reflects concern at the cost and ineffectiveness of shelter based responses. The NHI has also emphasized that, for many people experiencing homelessness, achieving independent living will require ‘more than just providing a roof’. The first three-year phase of NHI funding was used to address the ‘most pressing needs’ by investing primarily in emergency shelters and services. A second three-year term was announced in 2003, focusing on ‘longer-term solutions such as transitional and supportive housing’ to enable homeless individuals and families to ‘achieve greater self-sufficiency and reduce their dependency on emergency shelter use’.38

Research sponsored by the government of British Columbia in partnership with the city of Vancouver into the causes and consequences of homelessness was more proactive. It served to further justify provincial government policy of building new permanent affordable housing, particularly supportive housing. The comparative work undertaken as part of the study was seen to illustrate the soundness of this strategy since it showed the growth of homelessness to be less marked in British Columbia than in other provinces. This conclusion was strengthened by findings of the exploratory study into the relative costs to the provincial government of supportive housing compared with the ‘business as usual’ scenario of heavy use of the emergency shelter and hospital systems (Eberle et al. 2001c).

Costing approaches and priorities

The first studies conducted by the Toronto Homelessness Action Task Force and the Calgary Homeless Foundation sought to identify the high-end consumers of emergency shelter. Both discovered a subgroup that consumed in excess of their proportionate ‘share’ of resources, though this was more pronounced in Toronto where 17 percent accounted for almost half the shelter spaces over the period of analysis. Substance abuse and severe mental illness were identified as characteristic of this subgroup, and the Task Force argued that by expanding the supply of supportive housing the city could “solve” almost half the housing problem (Homelessness Action Task Force 1999, 18). While the Task Force had information on which to assess the costs of developing low-income housing (a key part of its action plan), there was a notable lack of information regarding the direct financial costs of providing support and accommodation to homeless persons in the city. The work subsequently commissioned from Pomeroy and Dunning (1998) sets out estimates of the per diem expenditures of existing crisis, transitional and longer-term accommodation options, separating residential from support service costs.39

38 See http://www.hrdc-drhc.gc.ca/.
39 Pomeroy and Dunning (1998) developed a matrix conceptualizing accommodation and support options incorporating dimensions of support intensity and residential independence and privacy. Their report, Housing Solutions to Homelessness: Cost-Benefit Analysis of Different Types of Shelter, is reviewed in Berry et al. (2003).
From this, the Task Force was able to make a rudimentary but compelling case that ‘prevention is more cost-effective than emergency response’, simply by comparing the unit cost of emergency shelter (between $30 and $70 per night per person) and supportive housing (between $13 and $36 per day). It predicted significant indirect and long-term public services savings that would offset the cost of its action plan, including ‘reduced hostel use, lower welfare caseloads and reduced demand on the health care system’.

**British Columbia study (Eberle Group, 2001)**

The research team responsible for the British Columbia cost took up the Task Force’s challenge of estimating the indirect service costs of homelessness, this time in Vancouver and with a focus on costs to the provincial government (Eberle et al. 2001c). The difficulty of assessing the costs of inaction was seen to lie in finding a way of investigating the service system ‘as a whole’. To tackle this problem, the team devised a case study methodology to explore the pathways of fifteen homeless individuals through the health, criminal justice and income support systems over the course of a year. This is detailed in Appendix F.

As anticipated, the study found that, on average, those without permanent shelter (many of whom were managing drug addictions and chronic health problems) were heavy consumers of the most expensive elements of the health care and criminal justice systems when compared to those in supportive housing (Eberle et al. 2001c). At the same time, it drew attention to considerable diversity in service use within the sample: if the few intense users of services were removed from the homeless sample, the financial argument for supportive housing would falter. This finding highlighted the need to develop methods that would give rise to more robust estimates of the average cost to public services of ‘keeping someone homeless’.

**NHI study (Eberle Group, Toronto, 2001-03)**

Early in 2001 the National Secretariat on Homelessness (NSH) commissioned a second team headed by Margaret Eberle to undertake a study aimed at producing ‘a defensible estimate of the social and economic costs of homelessness on Canadian society to inform future policy development’ (Mars et al. 2001). No Canadian study to this point had attempted to estimate the aggregate societal costs of homelessness at the city or regional level, let alone the provincial or national level (IBI Group 2003). While the British Columbia report had recommended an extension of the case study methodology (with a larger sample and broader cross-section of service pathways), draft findings from the New York/New York cost study had raised expectations about the potential for a large-scale quantitative study. The research team opted for a quantitative pathways approach, tracking service use (retrospectively) through health, social service and welfare administrative databases.

The team argued that the complexities of providing a sound quantitative estimate at the national level exceeded resources available, and suggested that the task would be better broken down into more manageable projects that could be tackled as part of a broader research program (Mars et al. 2001). Despite downsizing the project’s scope, they encountered considerable difficulty in their attempts to secure the collaboration of data holders and homelessness service providers. The project
clearly illustrates the risks of initiating multi-systems database research in this area without the necessary lead-in time to scope databases and negotiate with data holders and other stakeholders, and without sufficient budget to withstand setbacks. It suggests that, at least in the early stages of establishing capacity for this sort of research, funding and implementation on an individual project basis is unlikely to be successful.

While no empirical estimates have arisen as yet, the project has made an important contribution to the methodological debate, suggesting ways of expanding the application of public services cost-offset approaches from ‘chronic’ homelessness to the experience of short-term and episodic homelessness (Mars et al. 2001). The team also set out principles for a policy relevant approach to costing based on assessment of the costs of homelessness ‘in the context of appropriate services’. These arguments are described in Appendix F, together with the proposed research design and implementation difficulties.

**NHI study (Coppus/IBI Group, Calgary and Edmonton, 2002-03)**

A second project supported by the NSH to investigate the societal costs of homelessness also weathered a series of setbacks, although the original plan was seemingly more modest. Rather than track the individual service use pathways of recipients as the Eberle Group had attempted to do, the Calgary/Edmonton project set out to collect information directly from service providers on the amounts they expended on homeless clients. The intention was to develop estimates of the average cost per person, per type of service provider and per subset of homeless population, in order to supply ‘critical data to help service providers and funders develop business cases for providing and prioritizing services to the homeless’ (Coppus/IBI Group 2003). This ruled out the more standard approach of collecting aggregate budget information from funders, whether government or non-government.

One of the key difficulties encountered by the researchers was that of obtaining costing data of sufficient quality from homelessness service providers since ‘most agencies lacked the accounting and recording systems required to provide the detailed data necessary’. Combined with the unexpected absence of unduplicated tracking data, this meant that the cost per person approach had to be replaced with a simplified total agency cost approach. However, the study did produce aggregate estimates of the costs of homelessness for the two cities and for urban Canada, pointing to the ‘high costs’ of a reactive response to homelessness. In support of further work along the lines initiated by the Eberle Group, the final report concludes that ‘more research is urgently required to understand the pathways into, through and out of homelessness, and to quantify the financial benefits that would accrue to society from a reduction in homelessness’. This study is summarized in Appendix F.

**Summing up**

City, provincial and central governments in Canada, often in association with charitable organizations such as United Way and the Calgary Homeless Foundation, have funded several cost studies aimed at supporting more preventive and long-term ‘solutions’ to homelessness. Lack of support from homelessness service
providers, combined with ongoing problems in generating homelessness service use and costing data, have impeded empirical research. However, researchers have repeatedly emphasized the importance of developing a capacity for longitudinal analysis of homelessness service and other administrative data, and the most recent efforts by the National Secretariat on Homelessness appear to have put this firmly on the government’s homelessness research agenda.
5 Costing in context: United Kingdom

The UK government has significantly broadened the focus of its homelessness policy in recent years. Where for more than a decade successive phases of the Rough Sleeper Initiative were oriented towards reducing street homelessness, in March 2002 the government announced its plan to address less visible forms of homelessness and the circumstances of those living in insecure and temporary accommodation. There has been a heightened emphasis on family homelessness and an expansion of the categories of vulnerable groups to whom local authorities are obligated to provide accommodation ‘until a settled home is found’. Under the Homelessness Act 2002, they are required to prepare homelessness strategies to plan and develop accommodation, information and support services. In this way, the government aims to improve its capacity for homelessness ‘prevention’, with particular emphasis on families and individuals at risk of recurrent homelessness.

These new directions have sparked interest in the costs and potential savings of tackling ‘hidden homelessness’. The Homelessness Directorate (2003) reported that local authorities across England spent £186.3 million on homelessness services in 2001-02 and argued that ‘if homelessness can be prevented through early intervention then the significant cost of meeting the needs of homeless people can be reduced’. The Directorate commissioned two studies in 2003 to explore the preventable costs of statutory and family homelessness. In the same year, the homelessness advocacy group Crisis published a study estimating the numbers and costs of ‘single homelessness’ in the UK, urging the government to broaden its policy focus still further. This chapter takes a closer look at the context and approach of these studies. Like the policy agenda that prompted it, this research reaffirms the early emphasis of New Labour that homelessness is best conceived as cause and consequence of social exclusion – the ‘sharp end’ of social exclusion, in the words of the Prime Minister.

We conclude with a brief consideration of this perspective in costing work and highlight one interesting attempt to model the lifetime costs of social exclusion for a cohort of teenagers.

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40 Our discussion refers largely to England. While the Scottish Executive has sponsored a considerable body of homelessness research, we have not located any costing studies from this source. Policy and legislative reform discussed in this chapter applies to England and Wales. ‘Government’, unless otherwise stated, refers to the national (Westminster) government.

41 The term ‘temporary accommodation’ (TA) is most commonly used to refer to commercially run bed-and-breakfast hotels, but also includes hostels or women’s refuges, privately leased or rented housing, and other forms of housing (including local authority and housing association homes) let on a temporary basis.

42 These new groups include young people (aged 16-17 years, where family breakdown is seen as beyond repair), people escaping family, racial or other forms of violence, and those leaving an institutional background in statutory care, the armed forces or prison (DTLR 2002a).

43 See foreword to the SEU’s 1998 report, *Rough Sleeping*. 
Interests in the costs of homelessness

Cost studies in the UK, as with homelessness research more broadly, have followed the distinction between statutory and non-statutory homelessness introduced by the Housing (Homeless Persons) Act of 1977. The Act imposed an obligation on local authorities to provide permanent housing to homeless people deemed in priority need and judged not to be intentionally homeless. The distinction was translated roughly into ‘family’ and ‘single’ homelessness (since the largest portion of those categorized ‘in priority need’ were families with dependent children). It meant that homeless assistance was provided under a two-track system (Anderson 2003). Those who did not meet the criteria of statutory homelessness could seek help at crisis hostels and refuges, often provided by the voluntary sector, or else try their luck at private hotels and bed-and-breakfasts. In theory, families and other priority groups were entitled to permanent housing, but during the 1980s, as the public housing sector shrank and the number of applicants increased, local authorities increasingly resorted to private hotels and bed-and-breakfasts as (often extended) temporary placements.

Temporary housing or council housing?

The number considered homeless under the Act doubled between 1978 and 1987, and peaked during the recession of 1991 (Pleace and Quilgars 2003, 190). As a consequence, the numbers placed in bed-and-breakfasts also rose dramatically. Over the years, these commercially run establishments grew into an integral yet informal and unregulated component of the homeless assistance system. They often had minimal or no facilities, were badly maintained and afforded their residents little privacy or security. Public attention was drawn to the appalling conditions in many bed-and-breakfasts by an article in *New Society* in 1986 and this was duly followed by academic and government research on the health and educational consequences for children and their families.

At the height of this expansion in the numbers of statutory homeless, the advocacy group Shelter noted that no government or department to that point had considered it necessary to investigate the costs of homelessness. Shelter commissioned its own study, *Homes Cost Less Than Homelessness* (Burrows and Walentowicz 1992), which brought together available data on the health impacts of bed-and-breakfast and other temporary accommodation. It made the case that temporary housing for homeless people was more expensive than permanent council housing, called for a switch in policy from temporary to permanent solutions, and made suggestions about how additional permanent housing could be financed. Instead, the government tried to increase the quality of temporary accommodation and reduce its costs by leasing

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44 Since the Homelessness Act 2002 extended local authorities’ duty to provide housing to people in a wider array of circumstances, the overlap between non-statutory and single homelessness is no longer as pronounced. The advocacy group Crisis recently argued that ‘single’ homelessness (including couples without dependent children) remained a meaningful category since these people would still be most likely to lose out under the new legislation (Kenway and Palmer 2003).
private sector properties. A study by Rosalind Edwards (1995) suggested this proved very costly to the families so housed.\footnote{Edwards argued that the failure of the government’s efforts reflects its narrow focus on the public cost of homelessness, while neglecting costs accruing to the families affected. This is a small-scale research study, based on interviews with homeless families (39 mothers, 17 fathers) in the London area.}

**Single homelessness and rough sleepers**

Homelessness advocacy and research during the 1980s tended to position itself in opposition to government policy and emphasized the consequences for those homeless and vulnerable individuals not covered by the legislation (Pleace and Quilgars 2003). As in the USA, it was argued that a ‘new homeless’ problem had arisen, one that could be clearly linked to the tightening of welfare provision. Those affected included low-income people with limited job opportunities and unable to afford suitable housing (a situation exacerbated by the abolition of grants for rent deposits and furniture, and of board and lodging payments) (SEU 1998). Young people were also prominent among the new homeless, and it was argued that cuts in income support left many unable to afford accommodation once they had left, or were forced to leave, the parental home.

Street homelessness presented an immediate political problem for the Conservative government. From the late 1980s through the early 1990s there was a very visible rise in the numbers of people of all ages sleeping rough in the big cities, particularly in London where an estimated 2,000 could be found on an average night (SEU 1998). The government responded with the Rough Sleepers Initiative (1990) and the Youth Foyers Program (1993). In both cases the aim was to do more than simply expand the numbers and capacity of emergency shelters, but to develop entry points for assistance that would help people leave homelessness and avoid dependency on emergency services (Pleace and Quilgars 2003, 191).

During this period, advocacy groups and government departments undertook studies to identify the costs of responding to homelessness through emergency services. The most prominent was a large study commissioned by Shelter to investigate the use of a London emergency ward by homeless and non-homeless persons (North, Moore and Owens 1996), based on analysis of the clinical records from all visits over the course of a year. ‘Homeless’ clients (who comprised about 6 percent of the total) were defined in three groups: those with ‘no fixed abode’, those residing at a shelter, and those staying temporarily at a bed-and-breakfast. Some 57 percent of visits by homeless clients were defined as ‘inappropriate’ for an emergency department, which compared to between one fifth and one quarter of visits by the general population. The cost of inappropriate visits to this single hospital for the year was estimated to be about £82,100, with potential saving to the National Health Service of about £60,000 if the needs of homeless persons were attended to through more appropriate and less costly parts of the health service, including general practitioners. The study also noted that homeless patients with mental illness were sometimes kept in hospital, at a cost of £900 to £1,000 per week, because they had nowhere else to go.
The Rough Sleepers Initiative had some success in reducing visible homelessness. By 1998 there were few teenagers or elderly people sleeping rough, and the numbers on an average night in the London area had dropped to about 400 (SEU 1998). The Initiative was extended to other areas of England when Labor first came to office, and in 1998 the Social Exclusion Unit (SEU) set the target of reducing rough sleeping in England by at least two-thirds by 2002 (from a point in time baseline of 1,850 people) (SEU 1998; O’Connell 2003). Rough Sleeping (July 1998) was the first major report produced by the SEU. Following consultation with service providers and advocacy groups, the SEU concluded that there should be ‘an equal if not greater emphasis on prevention’ and that in the event that initial episodes of homelessness could not be avoided, ‘early intervention with new arrivals to the streets’ was critical to avoid its reoccurrence. At the same time, the SEU reported that the number of ‘direct access’ hostels in London had declined from about 9,500 in 1981 to about 2,700 at the end of the 1990s. It emphasized there were very few available places on any given night, at least in London, but encouraging the types of hostel that would prove both attractive to the range of clients and operate to assist resettlement (rather than perpetuate ‘the rounds’) was to remain a persistent policy problem.

One of the difficulties lay in the lack of capacity to monitor and influence the nature of service provision. An important outcome from the SEU’s report was an initiative (undertaken by the Rough Sleepers Unit) to develop an automated information system to track clients’ use of homelessness assistance in the London area.

It seems likely that providers of crisis services (NGOs in the main) will enter into more formal reporting and accountability requirements as a result of new funding arrangements with local authorities:

Some traditional aspects of voluntary provision are now firmly viewed as being totally outdated and inappropriate, and are consequently unlikely to be supported within local homelessness strategies. Most notably, ‘soup runs’ and basic shelter provision are seen as maintaining, rather than challenging, street homelessness. Westminster government is asking difficult questions as to the rationale behind NGO provision of support to those on the street while state policy is firmly set on removing homeless people from the street (Anderson 2003, 19).

From the outset, critics drew attention to the narrowness of the government’s focus on street homelessness. They were accused of ignoring the findings of longitudinal research which showed rough sleeping to be one (often temporary) circumstance in a wider experience of precarious living (Pleace 2000; Pleace and Quilgars 2003). It was argued that the focus on rough sleepers would make barely a dent in this broader problem. Value for money was also questioned. Just before the target to reduce the number of rough sleepers was reached, the Guardian published figures showing that ‘every rough sleeper off the streets has cost between £25,000 and

\[46\] The aim was to monitor people’s pathways into homelessness to identify and evidence the shortcomings of other services and institutions such as the defence forces, child protection and mental health institutions, and to track their trajectory following contact with the homelessness service system: Did people get needed services? How long did it take to move into longer-term accommodation and what happened to the tenancy? (SEU 1998).
£50,000’, adding somewhat optimistically that this would be enough ‘to buy each a decent dwelling, outside London at least’ (Walker, 1 Nov. 2001). The article drew attention to the mushrooming of charities in the ten years or more of the Initiative’s operation to administer funds devoted to street homelessness (in London the number quadrupled from 500 to 2000). Pointing to the ‘tight policy-making nexus’ that had evolved between the ‘homelessness industry’ and the government, Walker argued that there was a ‘mismatch’ between the policy response and the social problem it was purportedly designed to resolve. If there were still people sleeping rough, it was not for lack of beds.47

**Back to bed-and-breakfasts (and the search for less costly options)**

A few months later, the *Guardian* was highlighting lack of value for money elsewhere in the government’s approach to homelessness. ‘The high cost of dead end living’ pointed to the rising numbers of people living in bed-and-breakfasts said to be up to three times more expensive than better-quality temporary housing and lacking the supports offered by hostels (Branigan, 8 July 2002). The government’s own figures showed more than 12,000 people housed by local authorities in bed-and-breakfasts at the end of 2001, with almost half of these being families with dependent children (DTLR 2002a). The homelessness organization Crisis estimated that at least five times this number self-referred to bed-and-breakfasts ‘either because they’ve failed to get help with housing, or because they’re unaware of their rights’ (Branigan, 8 July 2002). The number of people living in temporary accommodation arranged by local authorities had increased each year since the end of 1996. The government anticipated that, as local authorities grappled with their new responsibilities under the Homelessness Act and worked to address the needs of the larger numbers entitled to housing assistance, there would be additional pressures to house people in temporary accommodation, including bed-and-breakfasts, at least over the short term.

In March 2002 the government made a commitment that within two years ‘no family with children should have to live in a B&B’48 and developed a new performance indicator for local authorities ‘to measure the average length of stay in B&B accommodation and hostel accommodation of households which include dependent children or pregnant women who are unintentionally homeless and in priority need’ (DTLR 2002a). A year later, the Homelessness Directorate noted that the cost of providing bed-and-breakfast accommodation had risen from £12.5 million in 1997-98 to £52.8 million in 2001-02 (representing more than a quarter of the total net expenditure on homelessness services). There was consequently a pressing need for sound empirical research on better quality and better value alternatives to enable local authorities to meet their obligations under the new legislation (DTLR 2002b).

47 The previous Christmas, Louise Casey (then head of the Rough Sleepers Unit and former deputy director of Shelter) accused Crisis of exaggerating the problem of unmet demand for emergency beds as a way of raising donations (Vasagar, *Guardian*, 1 Jan. 2001).

48 This commitment came with the qualification ‘except in an emergency and for no more than six weeks’ (ODPM 2003).
Repeat tenancy breakdown

A second issue that cast doubt on the effectiveness and cost-effectiveness of prevalent responses to homelessness was mounting evidence of repeated tenancy failure among families once housed. The evaluation of Shelter's ‘Homeless to Home’ tenancy sustainment service for homeless families in Sheffield, Bristol and Birmingham showed that 57 percent of participants had been homeless on at least one prior occasion (Jones, Pleace and Quilgars 2002). The study also evidenced the extensive degree of support required by many families to maintain their housing. This raised the question of the costs of failing to recognize that many families required considerably ‘more than a roof’ to end residential instability. The Supporting People initiative represents a significant response to this need.49

The government’s policy document More than a Roof highlighted the inadequacy of existing information systems to monitor the use by families and other statutory homeless persons of relevant services in the local area. It noted that the trigger reasons for homelessness given by families to local authorities often ‘obscure a complex chain of events that preceded the homelessness acceptance’ and that recurrent homelessness among families was consequently not being picked up (DTLR 2002a). It is likely that, under the new performance measurement and monitoring regime for housing related support services introduced by Supporting People, local authorities will come under increasing pressure to develop their administrative data collections to enable a more preventive response to recurrent homelessness.

Costs of insecure and temporary accommodation

Costs of family and statutory homelessness (ODPM, 2003-04)

In 2003 the Homelessness Directorate commissioned two cost studies to inform both strategic policy making and arrangements for commissioning housing and other support services at the local level:

- Good practice in local authorities already points to a clear case for an ‘invest to save’ approach. The research findings on costs will help inform work to reduce or avoid these costs completely through a preventative approach to homelessness (Homelessness Directorate 2003).

The Directorate first commissioned the Institute for Public Finance to investigate the short and long-term costs of statutory homelessness. The brief was to:

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49 From April 2003 housing and social services departments across the UK were required to work with health and criminal justice to address the support needs of vulnerable people in the local community (DTLR 2002a). The Initiative introduces new procedures for providing support to a variety of special needs groups including those considered at risk of homelessness. Key client groups are: older people; people with learning difficulties, people with mental health problems or disabilities; women escaping domestic violence; young homeless people; and vulnerable people struggling with their accommodation. The Initiative will fund housing related support services through a single fund coordinated by local authorities (who are required to develop a Supporting People program for the jurisdiction). The type of provision offered includes housing management, housing related support (such as independent living skills), home care, meals services and personal care (Kenway and Palmer 2003, 7; Anderson 2003).
Collate existing data on the costs of statutory homelessness to service providers and to homeless households and their children;

- Estimate the costs of statutory homelessness to service providers, in terms of the direct housing costs of temporary accommodation and related support;

- Make the best possible estimate of the likely longer-term cost to the public and to families themselves of becoming homeless and being placed in temporary accommodation, such as in terms of poorer health and educational attainment;

- Assess the cost-effectiveness of different forms of temporary accommodation used to house homeless households (Homelessness Directorate 2003).

The report is currently in draft form. It draws together evidence from previous costing work and includes detailed analysis of statutory and other statistical data from local authorities. While the remit of the study is ‘statutory homelessness’, its focus appears to have been on families with dependent children. No primary data collection was undertaken.

The second cost study forms one component of a much larger project to investigate the ‘causes, impacts and costs of family homelessness’. The research is intended to inform the implementation of Supporting People and other new programs aimed at preventing family homelessness. The University of York’s Centre for Housing Policy is leading the project, in partnership with BRMB International Social and Public Sector Research and York Health Economics Consortium (YHEC). The main study will feature a large survey of family homelessness in England. An extensive feasibility phase has already been conducted. The aim of the cost component is to consider the costs of family homelessness in the short and longer term, and also to provide data on the cost-effectiveness of the various types of temporary accommodation and support services used by homeless families. Here, ‘homelessness’ refers largely to the experience of living in, and moving between, temporary accommodation. The intention is for cost information to be derived from a retrospective survey of homeless families, interviews with providers of temporary accommodation, and publicly available datasets (O’Reilly/YHEC 2003). Aggregate costings will be derived by linking instances of resource use to relevant unit cost information. Further details of this project are given in Appendix F.

The theoretical emphasis of the cost component is on identifying ‘only those additional resources used as a result of the period of homelessness’ (O’Reilly/YHEC 2003). This perspective suggests the analysis of costs will pay careful attention to the sequence of events and to the ways in which the experience of specific types of residential instability work to compound and perpetuate existing disadvantage, for example, in its impact on access to services. It also marks a move away from the tendency when making general economic arguments in support of homelessness prevention to see the costs as ultimately those of street homelessness. The personal costs incurred by families as a result of stays in temporary accommodation will also be investigated. A third neglected area that appears likely to be addressed in this study is that of the costs of recurrent (‘episodic’) and persistent (‘chronic’) homelessness for families, rather than for individuals.

50 The Office of the Deputy Prime Minister has indicated it does not wish to release any information on the project until it is published. (Contact Alison Higgins Alison.Higgins@odpm.gsi.gov.uk.)
**Costs of single homelessness (Crisis/New Policy Institute, 2003)**

In December 2001, Crisis began its campaign to draw attention to ‘hidden homelessness’ among its constituency of single homeless persons, with ‘an army’ of people ‘leading lonely, sad and frightened lives in hostels, bed-and-breakfasts, squats and on friends’ floors’. While both Shelter and Crisis have welcomed the government’s new policy direction, neither shares the optimism expressed by the Homeless Directorate that the requisite growth in supply of affordable homes could be achieved through the private rental sector (Branigan, Guardian, 8 July 2002). Shelter made the point that even if local authorities could find the resources to accommodate homeless families in more adequate housing, ‘thousands of couples and single people will continue in hotels’. Crisis questioned the ‘the implicit assumption that families are more vulnerable than, say, a drug user with schizophrenia’ – the infamous bed-and-breakfast would be no more adequate a response for this person than for a struggling family.\(^{51}\)

As part of its campaign, Crisis commissioned the New Policy Institute to develop an estimate of the number and associated costs of single homelessness to make an economic case against what it saw to be a continued bias against this group. The report estimated that, across the UK, between 310,000 to 380,000 people without dependent children were homeless (Kenway and Palmer 2003, 8). Given this, the cost of inaction, inadequate action or tardy action by the government is anticipated to be considerable. No aggregate costing is developed:

> What is important here is not the total cost of homelessness – we are definitely not looking to make a statement like ‘single homelessness costs Britain £X billion pounds a year!’ Statements like this get the headlines, but they are not much use in working out how much might be saved if, say, the amount of time that homeless people have to wait in temporary accommodation could be reduced by, say, two weeks (Kenway and Palmer 2003, 30).

As with the Centre for Housing Policy study, the preferred approach is to identify particular cost incidents or episodes incurred by persons over time that can then be linked with unit cost information. This is done with hypothetical case histories, developed following a wide ranging review of the existing research on pathways into, through and out of homelessness. In this modelling exercise, the quantification of costs is secondary to the identification of the costly consequences and economic illogic of prevalent responses to homelessness. However, the scenarios help identify specific ‘costly’ episodes and occurrences. A decision was made to quantify only ‘hard’ costs, that is, those in which ‘resources are spent or lost and which have a direct monetary effect’ whether borne by public, private or voluntary sectors. This is argued on the grounds of policy relevance as well as data availability: ‘while the soft costs can sometimes be considerable, it is unclear whether a large soft cost would be all that helpful in persuading the state to spend what would be “hard” money on an initiative aimed at preventing such costs from actually arising’ (Kenway and Palmer 2003, 41).

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\(^{51}\) In the USA, the concern of advocacy groups such as the NCH has been in the opposite direction, that is, to question the assumption that individuals with ‘disabling conditions’ were any more vulnerable or in need of assistance than families or young people.
Importantly, Kenway and Palmer (2003, 45) argue that when the purpose is to cost homelessness ‘in order to measure the savings to be had from reducing it’, then the costing ‘should start with the most certain costs’, where the direction of causality is clear. These are identified as the costs of eviction and of hostel or other temporary accommodation. Health and criminal justice related costs are seen to be less certain since these could be attributable wholly or in part to other problems (for example, a turn to alcohol following the death of one’s spouse, or prior involvement with crime) that predate the loss of stable accommodation. This focus also reflects the researchers’ interest in residential instability, rather than literal homelessness, with which ill health and participation in crime are more directly associated. They do suggest, however, that more attention should be given to the costs of unemployment, even though the direction of causality may again be difficult to decide.

Costs of social exclusion and early disadvantage

While recent costing research in the UK has emphasized the importance of differentiating cause from consequence, a different perspective might be adopted. In discussing possible options for a Canadian study of the societal costs of homelessness, for example, the Eberle Group argues that direction of causality is not critical for deciding which costs may legitimately be included: homelessness is associated with certain conditions or circumstances which in turn are associated with certain costs, and for the purpose of analysis it matters only that ‘the incidence of these conditions or circumstances is correlated with homelessness and that these conditions do result in certain costs’ (Mars et al. 2001). In this case, the aim was to ensure coverage of the widest range of cost factors, taking the view that a sufficiently large aggregate estimate would attract public attention and support, leaving the question of causality to subsequent work. The persuasiveness of this strategy naturally depends on the specifics of the policy and political context, but a general point can be made. Where researchers use ‘homelessness’ as a short-hand expression for vulnerability and disadvantage, disentangling the sequence of events tends to be a less prominent concern. This raises a question as to the suitability of the concept of homelessness to express the sort of multiple disadvantage and inequity intended.

In the UK, as in Europe more widely, these arguments have been framed within a broader discourse of social exclusion. Homelessness is seen both as an outcome (or ‘cost’) of social exclusion and as one of its most extreme manifestations. Coles et al. (2002, 14) explain that social exclusion ‘is now used as a generic “catch-all” phrase concerned with syndromes disadvantage’. The government has defined it as ‘what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low income, poor housing, high crime environments, bad health and family breakdown’. One of the imperatives for

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52 Personal correspondence with the research group, December 2003.
53 In the USA, the concept of poverty serves a similar role and remains the preferred term of advocacy organizations such as the National Coalition for the Homeless. As its former president Gary Blasi (1990) pointed out, images of literal homelessness tend to engender more public sympathy than images of poverty, but one consequence of framing the issues in terms of homelessness was to perpetuate the idea that provision of ‘shelter’ would fix the problem.
addressing social exclusion was the recognition that it accounted for ‘a large chunk of public spending’ (SEU 2001). Since its inception in 1997, the SEU has collated and disseminated information relevant to documenting these costs, including ‘the cost of delivering individual services or initiatives; the long-term costs of failing to take early preventative action; and the wider costs to society of serious social exclusion’ (SEU 2003).

The early focus of the government’s attempts to estimate the costs of various dimensions of social exclusion was on youth issues such as truancy and school exclusion, teenage pregnancy and, most importantly, being ‘NEET’, that is, not in education, employment or training during the teenage years. In the SEU report Bridging the Gap (1998), the term NEET is used interchangeably with that of social exclusion. Later the Policy Action Team on Young People (part of the National Strategy for Neighbourhood Renewal) pointed to a large minority experiencing a range of acute problems including illiteracy, homelessness, mental illness, drug addiction and repeat offending (PAT 12 2000). SEU’s interest was not so much in ‘youth’ and youth policy as in ‘the compounding impact of early disadvantage in later life’ (Coles et al. 2002). This form of social exclusion was intuited to incur a significant public expenditure cost. While estimates for problems such as drug use and conduct disorder had been derived, the Policy Action Team argued that there was not enough information to produce a combined ‘costing’ of all the deleterious outcomes of exclusion, and further advised that the temptation to ‘simply add up these costs in an attempt to arrive at some notional headline figure’ should be avoided (PAT 12 2000). Ideally, a costing approach would illustrate the combined and ongoing effects of the ‘syndrome of disadvantage’ experienced by this minority of young people, in order to get a sense of the costs of not providing a suitably timely and ‘joined up’ response.

Costing the life-time pathways of NEET young people (DfEE, 2002)

One study that explores ways of quantifying social exclusion is Estimating the Cost of Being “Not in Education, Employment or Training” at Age 16-18 (Godfrey et al. 2002). This was commissioned by the Department for Education and Employment (DfEE) to support its bid for funding to develop ways of reducing the numbers of NEET young people in the context of a major transformation of support services for 14 to 19 year olds. The study, undertaken by a team from the Social Policy Research Unit (University of York), aimed to go beyond standard costing work in which the benefits of encouraging young people to remain in education, training or employment were conceived and measured solely in terms of the enhanced employability resulting from better educational qualifications. Benefits are also seen to lie in reducing the risk of poor health, drug abuse and crime.

Godfrey and colleagues employ both cohort and hypothetical case study models to explore the costs of being NEET between the ages of 16 and 18 in the current, medium and long term. The cohort approach enabled an estimation of aggregate costs against which the costs of prospective initiatives to reduce social exclusion amongst this group could be offset.54

54 An estimation of the costs of delivering existing and further initiatives required to reduce the costs of being NEET is left for another study.
The use of hypothetical case studies allowed for an investigation of how the different outcomes and consequent costs might combine and accumulate in a single life. While the cohort study involved quantification of both public finance and resource costs (valued in opportunity cost terms), only public finance costs were estimated in the case histories. The researchers see these modelling exercises as a starting point for discussion, rather than as sound estimates of future costs. A description of the project is included in Appendix F.

Summing up

The UK government has been active since the early 1990s in building up a reservoir of research and information allowing for increasingly sophisticated modelling of the costs of social exclusion and homelessness. Advocacy groups such as Crisis and Shelter, along with academic researchers, have provided an important source of ‘alternative’ economic analysis of policy responses, as in the USA. The use of administrative data has been less prominent in homelessness research in the UK, although this is likely to change as the capacity of local homelessness information systems expands to meet the reporting and accountability requirements accompanying recent legislative changes.

Concluding remarks: policy relevant approaches

For more than a decade, advocacy groups, governments and independent researchers have developed economic arguments and evidence to propose or justify shifts in policy from ‘crisis’ to preventive strategies, and from temporary to more permanent ‘solutions’ to homelessness. Despite this broad commonality of impetus, cost studies are rarely directly comparable within, let alone between, countries since they explore the impacts of different types of homelessness, different types of interventions, for different segments of the homeless population, within very different service and cultural contexts. None of the studies attempts to incorporate all this diversity in a single analysis.

A tendency in recent costing work, particularly in the USA and Canada, has been to divide the population according to patterns of homelessness for which a common economic argument can then be developed, usually based on the associated patterns of service utilization. While the terminology is not consistent between countries, three distinctions are commonly employed: chronic homelessness (ongoing and long-term), episodic homelessness (repeated but temporary) and transitional homelessness (a ‘one-off’ relatively short-lived experience, though it may be part of a broader experience of residential instability).

Consistent with the arguments in Chapter 2, recent cost studies are aimed at deriving estimates that can inform policy direction, rather than being designed principally to raise awareness and public sympathy through ‘headline grabbing’ figures.

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55 Given the prevalence in Australia of a staged model in which ‘chronicity’ is viewed as the logical, albeit contingent, end point of a homeless career, it is important to emphasise that the category is used in the cost studies considered here to describe the experience and pattern of homelessness and not necessarily a particular stage (though the pattern and associated costs may be understood to change with the duration of homelessness).
A common strategy used by researchers to trace costs and benefits has been to map the pathways of homeless individuals (and increasingly, families) as they draw on public services and informal supports. Both qualitative and quantitative ‘pathways’ approaches have been developed. The methods are outlined in Chapter 7, and the wider body of longitudinal research and dynamic analysis upon which these approaches draw is the subject of Chapter 6.

Ultimately, the focus and method of cost research will depend on policy context, information needs and the strategic purposes of the study. The relevance of the various economic arguments and the promise of different approaches to assessing costs and benefits to Australian policy debate need to be decided on a more case by case basis, and we make a start on this task in Chapter 8.
6 Understanding homelessness through dynamic analysis and longitudinal methods

The previous section demonstrated that recent costing and economic evaluation is underpinned by conceptions of homelessness as a dynamic process. The need for a dynamic perspective has been recognized for at least two decades, accompanied by increasing advocacy of longitudinal research designs. Researchers have commonly employed metaphors of ‘career’, ‘pathway’ and ‘trajectory’ to describe people’s experience of homelessness over time.

Investigation of homelessness as a dynamic process is concerned with ‘the patterns of, and conditions affecting, the entry into, exit from, and return to homelessness’ (Piliavin et al. 1996). Answers to these questions promise a better understanding of homelessness from which to develop more effective policy and program responses. Understanding the circumstances and events that commonly lead to homelessness helps identify ways of preventing either initial or repeated episodes. Understanding people’s trajectories through homelessness and the circumstances and factors that assist or block their attempts to find stability helps develop more effective ameliorative and resettlement strategies. A longitudinal perspective also promises more informative evaluation to get a sense of whether interventions (alone or collectively) lead to substantial improvements in the circumstances of clients over time, or whether they remain in precarious situations. And, of particular importance to economic evaluation, understanding the consequences of homelessness as they amass and compound over time can help in the design of interventions that avoid or minimize the worst of these consequences.

This chapter identifies three points of focus within the international ‘pathways’ literature, each with different implications for understanding the causes and consequences, prevention and amelioration of homelessness. The first concentrates on the question of how people become and remain homeless, the second on the transitions into and out of homelessness, and the third on the experience of homelessness in the wider context of a person’s housing and life history. We explore the key questions that drive each perspective along with associated methods of data collection and analysis. Although each perspective is illustrated with reference to the work of individual researchers, the key aim is to elucidate the differences between the three perspectives rather than between the researchers themselves. This runs the risk of simplifying the work of individual authors but has the advantage of clarifying the conceptual and methodological alternatives to researching homelessness pathways. The discussion also draws attention to particular findings derived from each of the perspectives where these have influenced the homelessness research agenda, though a comprehensive review of the international pathways literature is beyond the scope of this project.

Before discussing the differences between dynamic perspectives, we need to set out some of the shared aims and vocabulary. Two questions have dominated recent debate in homelessness research: What is the relationship between ‘structural’ and ‘individual’ factors in accounting for homelessness? How can we move beyond this dichotomy to develop more satisfactory explanations? These questions are central to
dynamic perspectives which with varying degrees of success have developed pathway and career frameworks to map the interaction between the two sets of factors. We describe this debate and explain its relevance to policy and program design. The three dynamic perspectives also share an interest in developing longitudinal methods of data collection and analysis. The chapter explains some of the key terms and finishes with a summary of the strengths and weaknesses of different longitudinal methods for researching homelessness and housing pathways.

Dynamic perspective 1: Becoming homeless and the progression to chronicity

The first dynamic perspective is concerned with the process of becoming homeless and becoming entrenched in homelessness. Theoretical models have commonly made use of the concept of a homeless career to depict a ‘downward spiral’ into chronic homelessness.

The theoretical significance of this emphasis, as well as the key analytic tools, derives from interactionist sociology, particularly in its conceptualization of ‘deviant’ careers. A quick detour into sociological debates of the 1950s and 1960s is in order to help grasp the explanation sought.

Sequential models and ‘deviant’ careers

In the 1950s and 1960s non-conformist and criminal behaviours were generally attributed to such individual traits and circumstances as anti-authoritarian personality, cognitive deficits, dysfunctional family background and traumatic early childhood experiences. This was reflective of the dominance of traditional psychology during this period. The typical research approach was to compare the characteristics of a sample of identified offenders with a sample from the general population and use correlational analysis to identify the factors that best ‘predicted’ the behaviour.

From an interactionist perspective, this approach was flawed, not only because it failed to pay due attention to human agency (since behaviour is conceived as an outcome of internal or external forces working on the individual), but also because it failed to recognize that action, of necessity, takes place in a specific situation. As described by one of the founders of symbolic interactionism, an action is formed by the individual’s interpretation of the situation (its tasks, opportunities, obstacles, demands, dangers and so on) and enacted on the basis of that interpretation (Blumer 1969). To explain action or behaviour, therefore, requires familiarity with these specific situations and individuals’ perception of them. This cannot be done solely with reference to the factors that are antecedent to the action, as in traditional quantitative research in psychology. It requires methods such as participant observation that enable the researcher to ‘catch’ the process of interpretation in situ. That is not to say that antecedent factors (such as personality traits or early childhood experiences) are irrelevant to explanation. From an interactionist perspective, however, the focus of efforts to explain behaviour must be on the interpretative process itself.

The concept of ‘deviance’ has since fallen into disrepute, but it is important to recall that it was originally intended as a non-evaluative term to describe the contravention of (or deviance from) societal rules (both those made explicit in legislation and those implicit in cultural norms).
A different sort of causal explanation is intended. First, the perspective does not allow a context-free notion of prediction; instead the causes of action are seen as part and parcel of the actors’ interpretation of the situation in which it occurs. Second, this perspective highlights the importance of sequential, rather than simultaneous, models of cause (Becker 1963).

Where techniques of multivariate analysis operated on the unlikely assumption that all factors were in play at the same time, analysis of processes drew attention to the ways in which patterns of behaviour develop in orderly sequence. For example, in his famous observational study exploring how people become regular users of marijuana, Becker (1963) identifies three logically sequential stages, each of which constitutes a necessary cause of this pattern of behaviour, and each of which requires separate explanation. The first is how a person comes to be in a position where marijuana is easily available; the second is why that person comes to experiment with it in the first instance; and the final stage is why the person continues to use the drug. As we shall see, this model has a parallel in the explanation of ongoing homelessness.

Becker identified the concept of ‘career’ as a useful tool for developing sequential models of cause. Hauled from everyday usage, this concept had already been employed in sociological studies of various occupations to refer to ‘the sequence of movements from one position to another in an occupational system’ and to highlight ‘those factors on which mobility from one position to another depends’. Becker proposed that the concept be extended to the study of deviance to help model the process by which an individual comes to adopt a deviant way of life and ‘organizes his identity around a pattern of deviant behavior’ (Becker 1963, 24, 37).

Membership of an organized deviant group or subculture is seen to mark the ‘final step’ in a ‘deviant career’. It is not an inevitable step. As Becker himself emphasized, some career paths lead away from deviance into more conventional ways of life. The factors that drive a given trajectory are typically both structural (for example, whether marijuana is readily available) and personal, including changes in the perspective, motivation and desires of the individual (for example, whether or not they learn to enjoy the effects of the drug and manage the negative reactions of the wider society). Learning to participate in a subculture has many benefits for the individual. It provides access to justifications for continued practice of the deviant activity and to practical solutions to the sorts of problems its pursuit gives rise to. Indeed, it is the sense of a common fate and common problems that sows the seeds for a recognizable subculture to grow. Subcultural membership is seen to solidify deviant identity and entrench people in a deviant lifestyle. It marks a transition to what Becker referred to as ‘outsiderhood’.

If at this point an individual resembles prevalent stereotypes of, for example, a drug user or a vagrant, then they must be understood to have ‘arrived at his [sic] position and become the sort of person he is through a series of processes observable elsewhere in life’ (Cohen 1971). Becoming a person for whom drug use, vagrancy or any other unconventional behaviour is a way of life is not predetermined, but the contingent outcome of an interpretive process.
Progressive process models of homelessness

Overturning stereotypes was a key impetus for researchers some 20 years later to rejuvenate this sociological perspective and propose process models of the new homelessness.\(^5\) With growing numbers of people on the streets and in shelters, it became imperative to provide an alternative account of how people got to that point, one that did not assume it was ultimately reducible to the force of innate or acquired personal deficits. In the USA, Wolch, Dear and Akita (1988, 443) urged policy makers to ‘envisage homelessness as the end state of a long and complex social and personal process’. They put forward the idea of a culture of chronic homelessness to describe a ‘final stage’ in this process. Grigsby and colleagues (1990) pick up on this notion of a culture of chronicity and devise a social process model of entrenchment in homelessness. And in what remains one of the most detailed ethnographical accounts, Snow and Anderson (1993) further develop the concept of a homeless career and identify stages in the process of becoming an ‘outsider’. In the UK and Australia, the concept of a homeless career was first used to highlight the processes by which young people ‘become enmeshed in a subculture where homelessness is a “way of life”‘ (Chamberlain and MacKenzie 1994; Randall 1988; Hutson and Liddiard 1991, 1993).

Like Becker’s model of becoming a regular marijuana user, the process models developed by these authors to explain chronic homelessness typically posit three sequential stages:

- Being in a position of vulnerability and heightened risk;
- Initial experiences of (literal) homelessness;
- Entrenchment in homelessness as a way of life.

Each of these steps requires explanation, though individual researchers tend to focus on either the process leading into an initial experience or the later stage of participation and engulfment in a homeless subculture. Some key insights from these analyses are described below.

The core analytic task is to construct the stages and key transitions that help illuminate the experience of the subgroup being considered. The ideal method for exploring this is ethnography or participant observation, but researchers have employed a range of data collection methods including survey research, administrative data and agency case notes. The aim is to identify patterns or points of commonality that may then assist actions to intercept the career process to avoid vulnerability to, an initial experience of, and/or entrenchment in homelessness.

While the stages and transitions that make up the described career paths differ for the particular subgroups under consideration, the basic structure of these process models remains the same. This is clear in the way that the youth career path modelled by Chamberlain and MacKenzie has been extended to adult experiences

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\(^5\) Snow and Anderson (1993, 357-8) note that Wallace’s *Skid Row As a Way of Life* (1965) was probably the first study to use the notion of ‘career’ to refer to homeless men. Wallace’s main interest was in the socialization processes by which homeless men became ‘drunks’, i.e. acculturated alcoholic members of the skid row community.
of homelessness.\textsuperscript{58} The homeless career concept guides empirical research and analysis, but is not challenged by it.

Two common characteristics can be identified. First, chronic homelessness is envisaged as the ‘end point of the theoretical model’ and consequently ‘homeless careers all point towards “chronic homelessness” as the ultimate destination’ (MacKenzie and Chamberlain 2003, 29). This does not mean that the transition to chronicity or adoption of homelessness as a way of life is an inevitable outcome of the experiential process; on the contrary, the purpose of devising models of this nature is to highlight the contingency of this outcome. In this way, social processes differ from natural processes like aging, for example, in which death is not only the ‘ultimate destination’ but also an inevitable one (pending further development in cryogenics). The main implication of these models is that entrenchment in homelessness is a possible, though not necessarily a very likely, outcome for anyone who experiences homelessness.

The second and related feature of homelessness career models is that the pattern of experience is depicted as progressive, in the sense of passing through stages towards the final stage of chronic homelessness. This progression is typically described as a ‘downward spiral’ of deteriorating circumstances and prospects. Not all analyses that consider homelessness as a social process share these two characteristics, but it is this that differentiates the first dynamic perspective from the rest.

**Vulnerability and pathways to the streets**

How did individuals and families get to be in a position of vulnerability or risk of homelessness? When people lose their homes as a result of a specific event like an earthquake or flood, the experience is sudden and largely unexpected, and an emergency response is perhaps the best that can be hoped for. For most people experiencing homelessness in 1980s USA, for example, it was instead ‘the culmination of a long process of economic hardship, isolation, and social dislocation’ (Wolch, Dear and Akita 1988). As such, it was neither sudden nor unexpected; the corollary was that more could be done to anticipate and consequently prevent homelessness.

What are the pathways that first lead to the streets or the shelter door? While large-scale structural trends are generally seen to account for vulnerability, it is the specific biographic events and circumstances that ‘push some people over the edge’ and into homelessness (Snow and Anderson, 1993). Various ‘trigger’ factors or proximate causes have been identified, including eviction or tenancy breakdown, discharge from an institution, loss of a job, a personal crisis such as divorce or domestic violence, and a financial crisis such as removal of monetary or other welfare support (Wolch, Dear and Akita 1988; Chamberlain and Johnson 2002; MacKenzie and Chamberlain 2003).

Whatever the particular sequence or combination of events and circumstances, they are hypothesized to ‘take the form of a downward spiral in which one factor triggers or exacerbes another until the traveler has fallen onto the streets’ (Snow and Anderson 1993, 271). For example, the spiral might begin with loss of a job, which strains a marriage, which culminates in divorce, loss of family and then homelessness.

\textsuperscript{58} See Table B3 in Appendix B.
For those in marginal economic and housing conditions, a single event can result in homelessness. For others, the process may be more drawn out, a ‘slow slide’ rather than a ‘short step’ (Shinn 1990). There may be an extended period of doubling up with friends or family, and for young people and women escaping domestic violence, of moving in and out of the family home. These are the ‘early stages’ of homelessness, a time when people in need may not be visible to formal services. If the process is left to ‘run its course’, they will become further engulfed by homelessness.

**Transition to chronicity or outsiderhood**

The conception of chronic homelessness along with explanations of how people become entrenched in it differ between researchers, but all emphasize that ‘the state of homelessness itself creates problems that impose new barriers to extrication’ (Snow and Anderson 1993, 299). People are changed through the process. In one of the earlier theorizations of chronic homelessness, Wolch, Dear and Akita (1988, 447) posit ‘a downward spiral of despair and deprivation’ which diminishes people’s capacity to escape: ‘Unable to help themselves, refused aid, or given inappropriate assistance, their difficulties accumulate: families break up; health and appearance decline; and victimization (robbery, mugging) increases.

This ‘vicious cycle of deteriorating circumstances’ threatens to give rise to “a new class” for whom the experience of homelessness creates a new set of social and personal crises that tend to perpetuate the problem’. Such individuals are said to ‘inhabit...a culture of chronicity’ (Wolch, Dear and Akita 1988, 447). The transformation can be very rapid; as little as a few weeks on the street may place a person ‘beyond rehabilitation’. The nature of this transformation is not specified in any detail but it is seen as contingent on five factors: access to emergency shelter; financial resources to rent permanent shelter; other forms of support; personal strength (emotional and physical); and the experience of victimization.

Subsequent studies used the notion of a culture of chronic homelessness as the basis for empirical research. Grigsby and colleagues (1990) posit two causal pathways leading from initial experiences of life on the streets into chronic homelessness:

- Continuing loss of social support, isolation and increasing psychological dysfunction – a process of disaffiliation;\(^{59}\)
- Affiliation with others who are homeless, functioning outside traditional roles, which affords a degree of protection and psychological wellbeing, but also encourages entrenchment by fostering social learning and normative pressures that act as barriers to exit – a process of reaffiliation, akin to becoming a member of an organized homelessness subculture.

These pathways were explored with data from a cross-sectional survey of some 300 individuals (mostly male) who were living on the streets at the time of the interview. While these methods are less than ideal for studying social processes, the study provides some empirical support for the hypothesis that entrenchment in homelessness may be the outcome of at least two distinctive social processes.

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\(^{59}\) Defined as ‘a process of increasing detachment from traditional institutions and social roles’.
Snow and Anderson provide one of the few detailed ethnographic accounts of entrenchment in their exploration of the behaviours, daily routines, and cognitive orientations that characterized street life in Austin, Texas, during the 1980s. The focus of the career analysis is to identify the stages of development, sequential movement between stages and factors that influence movement towards outsiderhood and immersion in street culture. The transition to outsiderhood is understood as a process of excommunication, both in economic and cognitive terms. Outsiderhood describes the state of those for whom street life and its routines have become taken for granted. Many factors are seen to contribute to the persistence of (or rapid return to) street homelessness, including 'personal resource deficits' such as lack of financial resources and 'social margin', as well as personal disabilities. The key interest, however, is with the role of subcultural adaptation. Together these factors are said to 'comprise a complex web that ensnares people in homelessness'.

Several cognitive changes and dilemmas are seen to arise from the exigencies of street life. Snow and Anderson identify a gradual shift in a person's focus from escaping homelessness to street activities. As people remain on the streets, their capacity to formulate concrete plans for exit is said to diminish, as does their motivation to escape. There is a growing discomfort with 'conventional' life that can impact once off the street, and which may partly explain return to homelessness. The person's resistance to the 'role' of homelessness finally breaks down, at which point they become engulfed in it. Over time, people develop group ties. As with Grigsby and colleagues' account of reaffectiation, these have social, psychological and instrumental functions, while at the same time undermining the chances of escape.

One of the main emphases in Snow and Anderson's explanation of chronic homelessness is the failure of homelessness assistance agencies to assist 'the majority of unimpaired individuals who have not yet become outsiders' to successfully move beyond homelessness. Following in-depth exploration of the interaction between homeless individuals and the array of assistance agencies in Austin at the time, Snow and Anderson draw attention to several features that may account for this failure. One is the 'accommodative' emphasis of most agencies: despite official missions, most resources go into helping the homeless survive day to day, while few resources go into helping them become independent. Second, rigid rules relating to service access are said to ignore the special needs of disadvantaged populations and reinforce the 'present orientation' of homeless persons who have little left in the day after they have queued up for meals and a bed for the night. Snow and Anderson also explore the interactions between agency staff and clients, drawing attention to ongoing tensions in their respective perceptions of both the problem and the solution. They point, in particular, to the operation of rehabilitation

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60 While Snow and Anderson identify their interest in factors that enable exit as well as those that impede exit, the empirical research focuses on the latter.

61 By homeless subculture, Snow and Anderson (1993, 39) intend 'a fairly distinctive mélange of behaviours, artifacts, and cognitive elements that together characterize a way of life of a set of individuals and distinguish them from other groups or aggregations within the larger society'. A subculture need not be founded on shared values and beliefs, but may arise from 'a common predicament and associated survival problems'. A follow-up study in Austin five years later showed that while the population of street dwellers was very transient, the day to day patterns that characterize street life remained remarkably stable.
programs designed to help homeless persons ‘recover from the problems that are supposed to be the cause of their homelessness’. These attempts to reform people ‘unwittingly erect barriers – and the homeless either don’t participate or else are not allowed to unless they do certain things first’. This leads to the use of rehabilitation programs as ‘rest stops’ and accounts for a ‘revolving-door pattern of service use’ which characterizes the experience of the long-term homeless (Snow and Anderson 1993, 288, 301).

It was the prominence of the conception of homelessness as a downward spiral among homelessness agencies in the UK at the time that prompted Hutson and Liddiard (1994, 127) to apply the concept of a homelessness career to the experiences of young people. On the basis of an exploration of retrospective interview data on the accommodation and employment trajectories of a group of 115 homeless young people, they conclude that the experiences of some young people do indeed confirm the idea of a progressive decline. They develop an ideal-typical model comprising three stages of decline in accommodation (with ever longer periods on the streets and in traditional hostels and squats) and circumstances (increasing involvement in crime and drugs). Movement through the three phases is explained by problems in gaining access to appropriate assistance services and a vicious circle of no fixed address, no work, no income support, and with both employment and accommodation proving more and more difficult to find and to keep. The exigencies of material and psychological survival are seen to lead to greater participation in street culture. Escaping homelessness becomes increasingly difficult and the young people are changed through the process. Where previous studies had made much of the different characteristics of the long-term and recent homeless, Hutson and Liddiard (1994) argued that such studies may simply be picking up people presenting at different stages in ‘a more general trajectory towards street homelessness’. In other words, the characteristics said to explain why some young people became ‘street kids’ were often effects rather than causes.

This insight is also at the heart of Chamberlain and MacKenzie's (1994, 7) depiction of youth homelessness. Young people may begin to see themselves, not in terms of the aspirations of their former peer group, but as members of a homeless subculture. They describe this as the ‘transition to chronicity’, which often involves ‘petty crime, prostitution, drug dealing, and a range of other unsafe practices’. At this point young people ‘no longer express a disposition to change their lifestyle. They have made the transition to chronicity and they have become deeply involved in the homeless subculture’.

Snow and Anderson (1993, 257-8) suggest that the disabilities identified in cross-sectional surveys could have been produced by the experience of homelessness itself: ‘many of the behaviors and communications counted as symptomatic of disability may be better understood as behavioral and psychological adaptations to the trying exigencies of street life.’

Alcohol abuse, theft and other predatory criminal behaviour – even seemingly psychotic thought patterns – frequently arise from contextual adaptations, that

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62 Brandon et al. (1980, 192) had identified this as the prevalent conception some ten years earlier.
is, the homeless can ‘mimic’ behavioural or psychological dysfunction. Once the context is changed, the disabilities and deficits might disappear. If disabilities do arise in this manner, as the consequences not the causes of homelessness, it makes little sense to focus intervention effort on treating disabilities or on treating people with disabilities.

In all cases, people inhabiting a culture of homelessness are said to be harder to help since their aspirations have changed, with their focus being on street life and not on getting off the street. Snow and Anderson (1993, 299, 300) argue that, whatever the problems that led to the onset of homelessness, ‘The state of homelessness itself creates problems that impose new barriers to extrication’. They offer the general proposition that ‘the longer a person is on the streets, the more difficult extrication becomes’ and the more difficult it is for rehabilitative caretaker agencies to assist that extrication.

In the view of Chamberlain and MacKenzie (1994, 22), ‘early intervention is likely to be more effective than later intervention, and all initiatives which short circuit the “career” processes towards chronic homelessness are worth considering’. The idea of homelessness as a career process of biographical transitions from one stage of the experiential process to the next is the ‘foundation stone’ underpinning arguments about early intervention, because implicit in the term ‘early intervention’ is that:

[it] is possible to observe in the lives of people the early manifestations of the phenomenon in the making, and respond in such a way that progression to experiencing the phenomenon is halted or impeded (Crane and Brannock 1996, 5; MacKenzie and Chamberlain 2003; Chamberlain and Johnson 2002).

There are key stages and transitions which point to windows of opportunity for intervention. These might relate simply to material changes (loss of accommodation), changes in behaviour that may be difficult to reverse, shift in support groups and self-identity. Chamberlain and MacKenzie’s model of the youth homeless career identifies the early ‘in and out’ stages of homelessness and highlights the importance of intervention before young people shift their sense of belonging away from the family. This view has been very influential in Australian policy; the Reconnect program, for example, was designed to intervene in the ‘one critical month’ before the permanent break (proposed in the operationalized model of the youth homeless career).

Once homeless, in the shorter term, assistance to the recently dislocated is likely to be more productive. Further along, the different patterns of adaptation need to be taken into account when trying to ameliorate things, otherwise efforts will fail. Hence the importance of ‘no demand’ programs.

**Implications for intervention**

Pathways models have a number of implications for the development of interventions. They suggest that anyone can become homeless and that it is not appropriate to simply let people find their own way out of the maze. Intervening as early as possible is the key, to avoid the various stages of homelessness: cognitive change, material transitions, behavioural changes and social network changes.
Models that look at the process of first becoming homeless can help identify ‘first to know’ sites. For example, MacKenzie and Chamberlain’s work in identifying a significant cohort of homeless students attending secondary schools was so compelling because it provided a clear site for early intervention. Models that look at the process of entrapment tend to focus on the operation of services that perpetuate rather than ameliorate homelessness, and also emphasize that the different ways of adapting need to be taken into account.

Pathways models promise to diversify the options for policy interventions. Grigsby et al. (1990, 152-3) argue that their model helps develop exits since it points to the ways in which adaptation by further isolation or by reaffiliation impacts on response to services. Because the recently dislocated are least likely to use services and to want work, outreach is needed. Case management may assist them expand their networks in healthy ways, as may job training and personal support. Outreach is needed for the vulnerable to lead them into responsive services. Outsiders need to be coaxed out of detrimental support systems and encouraged to join more positive groups of the ex-homeless, in housing linked to employment services and case management.

It is important to assess the size and nature of the individual’s social network as part of the process of assessment and referral, for example, if they are part of a bottle gang, services that are contingent on not associating with homeless alcoholics will not be used and an opportunity to assist will be lost.

Policy agendas should capitalize on affiliation and social bonds for constructing or widening paths leading away from homelessness. Appropriate measures may include shared housing or mobilizing social support by providing income support to families assisting destitute, unattached adult members. Other interventions include group goal setting, consumer case management, neighbourhood network enhancement, and innovations that leverage the power of social support and help develop a sense of collective efficacy for responding.

Critiques

The models of homeless career outlined above have been challenged from other perspectives on the related grounds of empirical fit, method, focus, strategic consequences and leverage for intervention. Some of these criticisms are more pertinent than others.

Some criticise the assumption of inevitability and linearity they take to be implied in the notion of the homelessness career, preferring the pathway metaphor. Others note not just that there are exceptions to the model: they argue that more than a model is required to properly account for the range of homeless people’s experience.

These critics argue that evidence from survey research, administrative data tracking and qualitative life-history studies suggests that most people who experience (literal) homelessness do not ‘end up’ on the streets or in shelters. Instead, ‘the state of homelessness appears to be more a drift between atypical living situations and the street than between normality and street life’ (Sosin et al. 1990, 171).
Even those who have had considerable experience with homelessness made many superficial exits and did not necessarily remain on the streets permanently (Sosin et al. 1990; May 2000). For most people who come into contact with shelters at some point, the experience of literal homelessness is short lived; often it is an isolated or at least infrequent occurrence. The implication is that a focus on literal homelessness as a ‘destination’ is misplaced and of relatively little help in understanding the majority experience and its ill effects.

The general model of a progressive or gradual decline in accommodation circumstances leading to increasing use of shelters and rough sleeping has also been questioned, with researchers highlighting counter-instances and different patterns prevalent among participants in their own research. For some, arrival at life on the streets is rapid rather than gradual. For others, periods of literal homelessness may be interspersed with long or short stays in conventional accommodation as tenants, sub-tenants or owners. These patterns of episodic or iterative homelessness may continue indefinitely. The homeless career model’s prediction of progressive involvement in anti-social behaviour associated with street cultures has also been challenged. The implication here is that the disabling impact of homelessness has been overstated, or else generalized from literal homelessness to other forms of homelessness that are more prevalent.

In this way, the developing debate has sought an alternative to the unintended assumption of inevitability and linearity implied in the notion of the homelessness

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63 For example, referring to Chamberlain and MacKenzie’s youth homelessness career model, Allport and Rogers (2001) note that for the subgroup of young homeless Indigenous Australians in metropolitan Adelaide who had experienced instability since early childhood, the adoption of high risk lifestyles associated with street cultures (e.g. substance abuse, sleeping rough, crime) was a relatively rapid occurrence. It did not conform to ‘the “usual” understanding of youth homelessness as a gradual process starting with a relatively stable home life’. Fitzpatrick and Clapham (1999) make a similar observation regarding those young people who leave the family home and head straight for the city and seek help from hostels, challenging Hutson and Liddiard’s depiction of a progressive deterioration in accommodation.

64 With reference to a study of young and older men, see May (2000); to young people, see Fitzpatrick and Clapham (1999); to single women, see Casey (2001); to people with mental illnesses, see Robinson (2003). May (2000) found that there is no progressive increase in the frequency and duration of episodes of homelessness over time. The data does not indicate that individuals who have been homeless more often in the past have a lower chance of obtaining or remaining in a dwelling (Sosin et al. 1990). Similar findings were produced for families, challenging earlier findings regarding the duration of dependency (Wong, Culhane and Kuhn 1997).

65 Project I in Australia, intent on ‘disrupting stereotypes’, examines the nature and frequency of young people’s substance use over time. Contrary to expectation and assumptions about the impact of homelessness among those who used no drug at the time of the first interview, most subjects of this study remained drug free one year later (Mallet et al. 2003, 26). Again, participation in these activities may not reflect the duration of homelessness but different pathways into homelessness. Brandon et al. (1980, 192) suggest that the prominence of the downward spiral model is partly a reflection of agency interests in justifying their interventions: ‘Apparently without their work in counseling and residential provision, young people would drift wholesale into petty crime, prostitution and mental illness.’ Their own investigation suggested young people were less helpless than that. Hutson and Liddiard (1994) noted that there is little evidence to suggest that young people generally are likely to turn to prostitution; however, this is associated with experiences of abuse that may have led to homelessness in the first instance. In their research to investigate ‘the process of adjustment to life on the streets’, Pears and Noller (1995) found that self-harming behaviour increased over time only in young people who did not report being abused prior to becoming homeless.
career path. The transition to chronicity is nevertheless important as a hypothesis about what could happen.

Snow and Anderson (1993) identify four other career trajectories aside from ‘chronic, unrelieved homelessness where individuals live continuously on the streets and in shelters’:

- A brief time on the streets with a quick exit from homelessness;
- A pattern of episodic homelessness, moving in and out of street life;
- Permanent embeddedness in a liminal plateau (usually a role helping out in a charitable agency);
- Long-term homelessness followed by extrication (since there is no necessarily terminal stage in homeless careers).

Episodic homelessness is identified as the most common pattern in the sample. But this too has the sense of a drift into a subculture, as it is defined as an apparent extrication followed by return to the streets and ‘increasing physical, social, and psychological engulfment in homelessness’.

It may be that more than one model is required to properly account for the range of experience. These patterns may need to be accounted for differently or reflect different processes.

Given the transitory nature of homelessness for most, explanations focusing on acculturation to new norms may be irrelevant, since few are likely to have had time to become accustomed to a ‘homeless lifestyle’ as may have been the case for persons studied on skid row (Kuhn and Culhane 1998, 2).

There is a sense in which the attempts to explain the relative permanency of an earlier form of homelessness (life on skid row) have been uncritically applied to the new homelessness of the 1980s onwards, and may inadvertently perpetuate the very stereotypes it sought to undermine. If the concept of homelessness subculture or homelessness as a distinctive way or ways of life is to be widely applicable, it needs to be more explicitly theorized and its use justified, otherwise the skid row stereotype will remain. As May (2000, 617) suggests:

> While popular and academic accounts continue to construct homelessness as progressive, where a period of homelessness can make employment and thus accommodation increasingly difficult, it is not clear how such processes operate over the longer term, or whether and how the circumstances, experiences and characteristics of those who continue differ.

The aetiology of persistent homelessness remains ‘mysterious’ (Sosin 2003).

The question of how people become persistent or regular shelter users must still be answered. This issue is crucial to policy debates on the targeting of resources to people with proven histories of literal homelessness and disabling conditions.

Existing models of ‘homelessness careers’ underplay the dynamic of movement between homeless and non-homeless states, particularly over the longer term. Important questions of cause and effect are ignored. The observation that people
exit from a state of homelessness but then re-enter it may mean that the focus should shift from 'entrenched' homelessness to transitions between homeless and non-homeless states either over a short or long time frame.

Dynamic perspective 2: Patterns of entry, exit and return

The current research on homelessness careers and homeless subcultures has its basis in sociological exploration of skid row. Interest among late twentieth century researchers in the USA in the patterning of homelessness experiences was influenced by the assumption that the skid row population heading down a dead-end street. Questions of exits did not seem pressing. However, as families, young people and women began to appear on the streets and in the shelters in large numbers for the first time since the 1930s, homelessness began to look like a different phenomenon. It became an emergency of a short-term nature that governments could respond to by providing shelters.

The emphasis of research during the 1980s was on enumerating and categorizing instances of homelessness. However, some surveys also asked about people's previous experiences of homelessness. The results indicated a high rate of population turnover among the homeless and a significant degree of repeat homelessness (Rossi 1991, 1040). Where most interest had been in the onset of homelessness, a new set of questions were asked, including:

- What were the prevalent patterns of homeless experience?
  - To what extent did people move in and out of the population?
  - How frequent was this movement?
  - What was the duration of periods of homelessness and the intervals between?
  - How did these patterns differ between demographic groups?
- What were the drivers of transitions into and out of homelessness?
  - What accounted for different patterns?
  - What circumstances increased the likelihood of an initial experience of homelessness?
  - What circumstances led to prolonged or recurrent homelessness?
  - What circumstances enhanced or impeded escape?

Researchers wanted to explore this set of questions using fresh methods. Advocates of a dynamic perspective argued for longitudinal research. Several panel surveys were launched, and by the early 1990s studies started to appear using longitudinal archives from crisis shelter registries. The prevailing interest in population dynamics meant that the research focus was quantitative and that generally the analysis employed advanced multivariate techniques.
Since the first results of some of these analyses were published, a large body of work has accumulated. The research questions and methods have since generated interest among homelessness researchers elsewhere, but there is as yet no systematic review of existing data on homelessness (though see 1998 conference and Sosin 2003).

**Patterns**

There are several reasons for developing sound quantitative data on the patterns of homelessness and the extent to which given populations follow them. For policy purposes, the significance of these estimates lies in the different types of service provision they imply. For example, categories of ‘chronic’ homelessness refer to a group likely to have high and ongoing support needs and, as in all enumeration exercises, quantification gives an indication of the size of the problem and of the resources needed to address it. Quantitative estimates have also proven important in economic arguments advanced in support of shifting away from crisis responses to this (diverse) group.

While little empirical research has been conducted to investigate patterns, three contradictory characterizations of the experience of homelessness have emerged from existing qualitative research and popular commentary. These make significantly different assumptions about the causes of homelessness and the necessary action. The first is that homelessness is only a short-term temporary crisis (e.g. HUD’s assumption). The second is that homelessness is a long-term and perhaps permanent situation (associated with the chronically homeless, who will also be uppermost in the minds of agency workers, since at any point in time they are likely to be more numerous among clients). Thirdly, homelessness begins as one short crisis then recurs with increasing periods on the streets and ends in permanence.

Drawing on findings from the Minneapolis panel survey, the first longitudinal study of exits and returns, Sosin and colleagues set out to test these assumptions empirically by investigating the patterns (duration of homeless spells, frequency of exit, and whether and how quickly individuals who have escaped drop back into the homeless population). They sought to determine whether one episode of homelessness affects the probability of future and more lengthy spells.

At this point, longitudinal research was needed to generate robust data, as single wave surveys had given a misleading sense of the population dynamics because of sampling shortcomings and demands made on people’s memory regarding their past experience of homelessness. This approach is limiting for research on population patterns because it overestimates the proportion who have long stays (and high support needs). It also tends to be inaccurate because it places more emphasis on recall (which misrepresents length of time in one status). There is also the problem of right censoring, because no information is recorded on duration of homelessness.\(^{66}\)

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\(^{66}\) Intrinsic to longitudinal research, in varying degrees, are problems of left censoring (knowing what happened before the data collection began or before the time frame covered by it) and right censoring (knowing what happens to a person once the research is finished). Prospective and retrospective methods have different strengths and weaknesses for developing data on onset, duration, exit, return and lifetime housing-homelessness trajectories.
Where single wave surveys suggested that only a few individuals have short homeless spells, Sosin et al.’s panel survey found that the majority in both recent arrival and cross-sectional samples exited the homeless population at least once over the six months. More than half of the sample who had recently begun their homelessness episode exited within one month. But this was not a real exit from homelessness, because 60 percent of recent arrivals who exited became homeless for a second time within the six months, and one third of these exited again. The exit points had been to temporary arrangements such as friends’ houses. Most exits were to dependent and temporary accommodation arrangements and failed to resolve the problem. So the dominant pattern was neither one of a ‘short-term’ problem easily resolved, nor a ‘long-term’ period of literal homelessness.

The important empirical question arising from the Sosin study was whether or not episodes gradually increase in length and frequency, culminating in permanent homelessness. The data does not indicate that individuals who have been homeless more often in the past have a lower chance of obtaining or remaining in a dwelling. Even people with considerable experience of homelessness tend to spend some time off the streets in conventional, if unstable, accommodation.

Sosin et al. (1990, 171) conclude that ‘the typical pattern of homelessness seems to be one of residential instability rather than constant homelessness over a long period’. However, people with little experience of homelessness are likely to spend a considerable period in a state of residential instability. While there was no progressive decline in accommodation, they speculate that the prevalent pattern is ‘a gradual drift into a semi-permanent state of homelessness through intermediate steps of superficial exits’.

This empirically based concept of residential instability has been influential. The experience of homelessness could be seen as extending beyond the streets: people do not stop being homeless just because they have a dwelling. The literal definition did not capture the characteristic movement of homelessness; a broader definition was called for, incorporating residential instability. This is what should be counted, and where the focus of intervention activity should be.

The concept pushed new questions into the foreground. Blasi (1990) argued that researchers had spent too much time focusing on people while literally homeless. What happens outside of the street or shelters? How did people survive? What were the drivers of residential instability? If people managed to get out of homelessness, why did they fall back in?

Should the emphasis be on finding temporary accommodation for people, when most could do that for themselves? In their speculations on the policy implications of their findings, Sosin et al. argue that ‘the more serious problem has to do with the quality, stability, and adequacy of such dwellings’, and strategies should focus on ‘moving individuals from temporary dwellings to permanent ones, or attempts might be made to turn temporary exits into permanent ones by providing ongoing social services or financial resources’.

Forms of residential instability are likely to differ between countries, but the concept has proved widely applicable. In Australia, similar findings for young
people prompted the expansion of the definition of homelessness to include moving between temporary forms of residence (that is, the cultural definition). The concept of residential instability was picked up by Bartholomew (1999) who argued that it should be incorporated into SAAP’s definition. A debate on population characteristics in Australia (see Appendix B) hinges on the distinction between shelter use and instability.

As the empirical investigation of patterns of homelessness continued during the last decade, this new data added support to the general finding that literal homelessness was a transitory experience (even if repeated). In the early 1990s the first reports were released of crisis shelter turnover rates generated by computerized data systems capable of unduplicating counts of service users across all homeless facilities in a jurisdiction over time. These rates were considerably higher than expected, with reports of up to 10 times the number of people served in shelter during a year compared to an average night (Burt 1994). For Philadelphia, the turnover was six times, less in New York (Culhane et al. 1994). The high turnover suggested that, for a large percentage of shelter users, literal homelessness was a short-term or episodic experience.

By the mid-1990s in the US, random sample telephone surveys of the general population demonstrated that an unexpectedly large proportion had experienced literal homelessness at some point in their lives and had clearly managed to find their way out (Link et al. 1994).

Subsequent panel surveys and administrative data analyses began to identify different patterns experienced by men and women and by families. The longitudinal data produced in the New York study of low-income families supported the argument that homelessness among families was best viewed as a temporary ‘state’. Focusing on 244 families who had entered shelter for the first time at least three years (and typically closer to five years) prior to follow-up, only 4 percent were in shelter at the time of the second interview, 80 percent were in their own apartment, and 61 percent were deemed stable (having been in the same apartment for at least 12 months) (Shinn 1997, 3). Further analysis showed that three-quarters of the families who received subsidized housing when they first left shelter were still there at the end of the five year follow-up period (Stojanovic et al.).

Wong, Culhane and Kuhn (1997) also explored the patterning of exits and returns of families in New York city, using longitudinal archives of family shelter data. About three-quarters (78 percent) of families (more than 90 percent of whom were women with children) had only one moderately long period of homelessness over a two year period. Using eight years of entry and exit data from single adults shelters, Culhane and Kuhn (1998) found that 55 percent of men and 65 percent of women experienced a single episode of homelessness (30 day criterion) over a two year period.

As the empirical investigation continued, longitudinal analysis of administrative data overcame the methodological problems in the quantitative estimation of patterns of entry, exit and return to literal homelessness that had only been partially resolved by panel surveys (Wong, Culhane and Kuhn 1997; Kuhn and Culhane 1998). While later panel surveys attempted systematic sampling and larger samples traced for
longer periods at more frequent intervals, administrative data research became more prominent.

The use of administrative data avoids the inaccuracy of self-reported information from clients on times and duration of shelter use, which tends to exaggerate the length of stays. While panel surveys (particularly those with frequent follow-up) were likely to yield more precise data than single wave surveys, administrative data enabled exact timing and (for jurisdiction-wide housing management information systems) extensive coverage of shelter services. It also avoided many of the sampling shortcomings associated with surveys and their consequences for getting a representative indication of prevalent patterns.

Both single wave and panel surveys were limited in the time period over which the initial sample could be recruited. Since long-stay or regular clients (of accommodation, drop-in and meal services) were most likely to present over the sampling period, the proportion of those with these patterns of homelessness would be overestimated. The Minneapolis survey was unlikely to pick up people whose experience was very short-term or one-off. While other surveys were able to develop more systematic sampling techniques and select samples over longer periods of time, administrative data sets often ran to several years.

Their use overcame the problem of attrition which also undermined the representativeness of panel survey samples. Patterns could be researched over longer time frames at low cost. The Minneapolis panel survey traced patterns for only six months, though later surveys increased these times to three and sometimes five years. Administrative data archives, by contrast, increase automatically with every year.

The problem of representative sampling was overcome because the patterns of whole jurisdictions could be explored (though non-service users were excluded). This enabled comparison of the duration and repeat use of shelter from the beginning of each person's history of contact with shelter services, thereby controlling for the impact that the length of time homeless might have on the length or frequency of shelter stays. There was a shift from identifying 'common' patterns, or those thought to be typical, to far more accurate estimates and differentiation and to acknowledging the 'complexity of homeless careers' (Burt 1999).

We have already noted important research by Culhane and Kuhn using the longitudinal data sets from adult crisis shelters in New York city and Philadelphia to test the typology of transitional, episodic and chronic patterns of shelter utilization. This went back to earlier attempts to develop typologies. Using cluster analysis, the researchers found support for the existence of three distinct patterns: transitional, episodic and chronic. They identified more than three-quarters as experiencing transitional homelessness, about 10 percent episodic and 10 percent chronic. But these patterns were evident from the start and not necessarily the end of a long process. Similar diversity might be evident for groups other than single adults.

Burt (1999) argued that tracking databases have raised important policy issues that were previously only partly visible: First, they indicate the proportion of homeless spells that are very short-term and the characteristics of the people who have them.
These databases assist in the design of appropriate emergency services, including some that do not require people to become literally homeless to access them. They also enable the calculation of the proportion of homeless spells that are very long-term, the characteristics of people who have them, and the amount of system resources they absorb. This could help decide that there are better and cheaper ways to help these people through permanent supportive housing.

However, administrative data does not track what happens between shelter visits. This gap leaves open the question of whether ‘episodic’ homelessness is really ongoing, and ‘chronic’ homelessness is really episodic. Rapid episodic homelessness may be an artifact of the method. It may be that individuals do not in fact go in and out of homelessness (Shinn and Baumhol 1999). Indeed, Kuhn and Culhane speculate that, between these frequent shelter visits registered by administrative data, clients move to streets, institutions and so on. Also, because of the 30 day exit criterion, people who turn to shelter every three weeks when their income runs out would be included in the administrative data as continuous stayers, but they are not what we intuitively mean when we talk about ‘long-term chronic homeless’ persons (Burt 1999). Primary longitudinal research was needed to augment and interpret the data.

It is important to distinguish between the duration and repeat use of homelessness services and the duration and reoccurrence of homelessness. In the methodological literature produced by researchers in the USA, this is generally expressed in terms of the difference between a ‘stay’ in a homelessness facility (generally a crisis shelter) and an ‘episode’ of homelessness (which does not necessarily end, or begin, with the contact with homelessness services, but which for the purposes of analysis can be estimated from service use data).67

Integrated database research has made possible a more nuanced analysis of homelessness. It examines the patterns of use across services while (literally) homeless and casts considerable light on what happened between shelter visits for those who were episodic clients. It also traces the flow of clients from ‘mainstream’ services to homelessness services. The capacity to quantify these patterns has been the major advance, and one with particular relevance for policy (efficient service use).

**Australian research on patterns**

In Australia similar questions of how to track patterns of the flow of clients in and out of shelters and other homelessness related services have arisen. Various attempts have been made to provide empirical data and the service implications seen to derive from them (see Appendix B, section 7).

The SAAP National Data Collection (NDC) client database provides an obvious longitudinal data source. SAAP clients constitute only a small minority (12 percent in the 1996 census, 14 percent in 2001) of the total point-in-time population of homeless persons, though a considerably larger proportion in the ACT (40 percent) and roughly one fifth in South Australia, Tasmania and Victoria. However, as noted, investigation of service pathways is important in its own right.

67 See Chapter 3.
Interpreting data on the duration and repeat use of homelessness services is not a straightforward task. It requires an understanding of agency rules (maximum stay periods) and approaches to data collection, as well as supply and demand factors across a given jurisdiction (a high level of unmet demand in crisis accommodation services may result in underestimations of the extent of ongoing and repeat homelessness). It is also politically sensitive (see Chapter 6).

Relatively limited use has been made of the NDC to date to estimate patterns of homelessness or service use, as there has been limited longitudinal analysis more generally. We discuss this in Chapter 7 but some summary points can be made here. In the NDC as a whole, the difficulty of disaggregating service types, and of identifying periods in accommodation, makes direct application of US methods difficult. One difficulty with this standard use of NDC data is the varying meaning of a ‘support period’. Lai (2003) explains how ‘repeat usage’ is to some extent an artifact of different agency approaches to data reporting. This is why it is important to remove some of the ‘noise’ when analyzing SAAP data, by focusing on certain agency types or client groups and, most importantly, by separating use of accommodation services from those services that do not have an accommodation component.

From the numbers presented in Lai’s paper it is possible to work out that the 5 percent of clients who had six or more support periods over a year, accounted for 29.4 percent of total support periods over that year (Lai 2003, 21: Table 11). This gives an indication of the disproportionate consumption of resources by this group (though the resources in question, ‘support periods’, are not a standard unit, and this lessens the value of this information for economic analysis).

More local efforts have been made. Chamberlain and MacKenzie (1994) used case notes from two agencies providing homelessness assistance to young people to investigate three temporal images prevalent at the time of the Burdekin report. Neither the ‘high turnover’ depiction of predominantly short-term homelessness, nor the ‘underclass’ image of predominantly chronic homelessness, nor that of a polarized population, was shown to fit the data. Instead, and in line with the progressive model of homelessness developed by the authors, the population was characterized by temporal diversity.

Later estimates used a similar method for the adult homeless population in Victoria, while others were constructed on the basis of a multi-year data archive of crisis accommodation clients developed by one of the major crisis accommodation providers in Melbourne. The ensuing debate was about whether homelessness was predominantly a ‘one-off experience over a relatively short-period of time’ as indicated by data on the number of stays in crisis accommodation, or a long-term problem as suggested by case notes from a Transitional Housing Management service in which agency workers had maintained contact with clients and were able to record information on the ongoing residential instability. This debate raises some of the methodological dilemmas involved in choosing between patterns of homelessness and patterns of service use. The estimates derived from these two methods are not directly comparable. In neither cases do the methods yield reliable population estimates. The method developed by Chamberlain and MacKenzie and deployed for three different populations is limited in its claim to representativeness.
as it is not a census but relies on a sample of agencies, and the time frame used is restricted to a year. It is a rough estimate.

The estimates developed by Hanover are the closest to the American studies in methodology, separating out crisis accommodation, using the notion of shelter stays and producing unduplicated counts across a five year period. But this was only for a single agency, likely exaggerating the proportion of short stays, and not necessarily representative of other crisis accommodation clients.

In their focus on either duration (short, long, chronic) or repeat episodes (number of stays or support periods), existing uses of administrative data in Australia are only able to provide limited profiling of population patterns.

**Drivers of homelessness: Australian data**

As Australian research on homelessness became more informative, the emerging longitudinal picture of the dynamics of people’s experience of literal homelessness challenged assumptions about the link between chronic homelessness and the characteristics of clients. General findings that the experience of homelessness was shared by a significant proportion of the population, and that it involved many transitions and forms of residential instability, suggested the explanation lay elsewhere. There seemed to be too many transitions for homelessness to be a consequence of the disabilities of clients (Sosin 2003). The prevalent pattern of movement in and out of literal homelessness pointed instead to fluctuating circumstances.

Blasi (1990, 212) argued that the panel surveys’ findings concerning the transitory nature of the homeless population confirmed hunches that homelessness was a recurring way-station for the poor. Understanding transitions would require close scrutiny of the ebb and flow of financial and social resources: when the income dries up, a visit to the shelter will ensue. Rossi (1991, 1040) likewise argued that, in searching for the events and circumstances that led individuals or families to cross what had been revealed as ‘the easily permeable border between the housed and the homeless state’, special attention should be given to those that affect income and relations with primary kin, along with the roles played by social programs in such transitions, since these are the resources most likely to bear on exits out of homelessness.

Other studies focused on exits and returns and experimented with multivariate models to identify the circumstances and characteristics associated with the likelihood of literal homeless of long duration. The aim was to predict entry, exit or return to homelessness, developing risk models linked to preventive action and to the evaluation of current responses such as supported or subsidized housing.

**Resources, risk and predictability**

Researchers used multivariate analyses to identify factors and combinations of factors. Identifying the factors associated with onset, though the focus of earlier research, was the most difficult. The population at risk of exit and of return is more easily identified than those at risk of initial entry in homelessness and this was the focus of subsequent analysis (Piliavin et al. 1996).
Some cross-sectional studies had retrospectively followed the movement in and out and the associations with fluctuating resources (employment, income support, family assistance). The emphasis on prospective studies has the potential for precise identification of the circumstances and events that precipitated episodes of homelessness and consequently as a means of locating ‘leverage’ points for intervention (Rossi 1991).

Longitudinal studies pointed to the fact that access to resources was an independent predictor of exit, that escaping homelessness was not dependent on the absence of disabilities. But when the samples were disaggregated according to experience of homelessness, those less likely to exit and more likely to return did show statistically significantly higher disabilities. They were also more likely to be older and to be persons of colour. Sosin (2003) gives a selective summary of findings.

Investigating the determinants of varying duration using data from the Minneapolis panel survey, Piliavin et al. (1993) found that while several attributes (work history, childhood foster care, comfort with life on the streets, and pre-homeless psychiatric hospitalization) were associated with duration of a homelessness career, many others (including education or training, criminal history and severe alcohol symptoms) were not. In a later analysis also using the Minneapolis data set, Piliavin et al. (1996) explored the exits from and returns to homelessness. This study indicated that several individual attributes (including recent employment, early receipt of vocational training and identification with other homeless people) affected the probability of leaving homeless spells, while only one deficit attribute (work history) was associated with returns to homelessness.

Using the Alameda county (California) longitudinal data set, Wong and Piliavin (1997) explored the influence of resource variables as well as deficits on the likelihood of exits from and returns to homelessness. They found for the sample as a whole that several of the institutional resource variables but none of the individual deficit variables had significant effects. However, separate analyses of individual deficits for transitions among three subgroups (single men, single women and female family heads) did show associations. Like Piliavin et al. (1996), they found the factors affecting the likelihood of homeless spell exit were different from those affecting homeless spell return. They also found that, with few exceptions, variables from each framework that were associated with transitions for one group were different from those affecting another.

Using the same data set, Zlotnick et al. (1999) explored the impact of economic resources on exits from homelessness along with the four deficit domains plus a fifth domain to establish correlates with obtaining and sustaining housing among homeless adults. After controlling for background and situational variables, only two of the five model domains (economic resources and cultural identification) were associated with the best residential outcome of stable housing. Entitlement-benefit income and exit into subsidized housing were significantly associated with an exit from homelessness into stable housing. It was not only receipt of benefits, but consistent receipt of benefits, that was associated with exits from homelessness into stable housing. Lack of identification with the ‘culture’ of homelessness, operationalized as adult homelessness lasting less than one year, was also linked
to stable housing. Cultural identification takes time to acquire but, once acquired, is difficult to shed (Zlotnick et al. 1999, 212, 221).

Wong, Culhane, and Kuhn (1997) used New York city family shelter data (between 1988 and 1995) to explore predictors of (shelter) exit and re-entry. The study identifies demographic variables that affect the likelihood of families being discharged to various modes of housing and the likelihood of readmission to the shelter system. They found that although there is a trade-off between length of shelter stay and type of housing placement at shelter discharge, procuring subsidized housing is associated with a substantially lower probability of shelter readmission. The risk of readmission differed significantly across the types of subsidized housing provided.

Metraux and Culhane (1999) aimed to identify factors associated with an increased risk of repeat stays among women in single and family shelters in New York city. This study draws on data for 8,030 women in the family shelter system and 2,444 in the single adult system. It examines how factors including selected family and housing dynamics affect a woman’s ability to exit the shelter system successfully.

Various family dynamics are associated with particular vulnerability to subsequent shelter stays. Those most likely to return are younger women who recently gave birth, women reporting a history of domestic violence, and women whose children are either not staying in the household or who join or leave the household during the period in the shelter. Those who exit to their own house are the most likely to avoid repeat stays.

Shinn’s study of low-income families in New York was one of the very few to overcome the problem of onset and so could more directly respond to the results of cross-sectional surveys that inferred cause from the characteristics of groups of homeless persons. It did this by tracing shelter requests for a large sample of families in receipt of income support. In the first round of interviews, families were asked about their housing histories, social support networks, welfare and work experiences, and physical and mental health. The aim was to identify those factors that differentiated families requesting emergency shelter from other families also in receipt of public assistance. This study examined 20 potential factors, including measures of demographic characteristics, persistent poverty, behavioural disorders, social ties and housing that might distinguish between families on welfare who requested shelter from other families in the public assistance caseload.

This study found that while some characteristics were associated with initial shelter request, the biggest differentiating factor was that of the housing circumstances of the two groups. Those requesting shelter were far more likely not to have a place of their own (indeed, in many cases, never to have had a dwelling of their own), but to be living doubled up with others (including parents), in overcrowded circumstances or in substandard housing (Shinn 1997). Some individual characteristics were associated with initial shelter entry (separation from families in childhood, experience of violence as adults, history of hospitalization for mental illness or substance abuse), but these were not necessarily predictors in the multivariate model.

A follow-up of a subgroup five years later showed that housing subsidy was even more important to families’ likelihood of a stable exit from homelessness. The
odds of stability were ‘an astounding 20.6 times higher for those who received subsidized housing than for those who did not’ (Shinn 1997, 3). This was virtually the only predictor of residential stability after shelter. The personal characteristics of families did not stop them becoming rehoused. Individual characteristics were more important in predicting shelter requests than later stability. Almost all had stayed with family or friends prior to shelter. Mental or physical health problems did not appreciably cause family homelessness or impede later stability. We make no claim that housing solved any of these problems among poor families, but the problems contributed little to residential instability.

One of the implications of access to resources as an independent predictor, particularly of achieving a stable exit, is that the individual factors need not necessarily be tackled head on – the solution is not isomorphic to the problem.

**Using data to identify patterns**

Another set of questions emerging from longitudinal data on entry, exit and duration of homelessness careers concern cause and determination, that is, what drives individuals and households into particular patterns of homelessness.

Kuhn and Culhane (1998) investigated client characteristics associated with different shelter use patterns, using regression techniques to identify predictors of exit from shelter, and hypothesized that people with identified substance abuse and mental health problems would have a lower probability of exit and hence longer average episodes of shelter use. They found that in general, older people and people with mental health problems, substance abuse problems and, in some cases, medical conditions experienced greater difficulty in leaving shelter and tended to return relatively quickly when they did so. A particularly strong association was found with ethnicity, especially in Philadelphia, where white male clients were 2.5 times more likely than others to exit shelter (Culhane and Kuhn 1998, 40-1).

In a follow-up study (Kuhn and Kulhane, 1998), the authors tested common assumptions regarding the demographic and behavioural characteristics of the three identified patterns of shelter use. As expected, chronic users were more likely to be persons of colour and to be relatively older than other clients. The findings for behavioural health indicators (substance abuse, mental health, poor medical health) were less conclusive. The cluster of transitional shelter clients was anticipated, as noted, to be relatively free of health problems in comparison with the episodic and particularly the chronic clients. While the expected associations did prove statistically significant, the differences between the three clusters were often not particularly marked in percentage terms.68

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68 Looking first at the New York sample, the proportions with mental health indicators were small in every cluster, though more prevalent among chronic shelter users (15 percent, compared with 12 percent of the episodic group and 8 percent of the transitional group). When indicators of the three sets of health problems were considered together, the differences became more pronounced between the transitional group and the other two groups. Persons with any one of the three indicators comprised 55 percent and 53 percent of the chronic and episodic groups respectively, but only 38 percent of the transitional group (still a sizeable proportion). For Philadelphia, where the data on health indicators was derived from treatment records rather than self-report following admission to shelter, the analysis showed these indicators both to be more prevalent in all clusters, and the difference between the three clusters to be more marked (83 percent of chronic shelter users, 66 percent of episodic, and 49 percent of the transitional group had one or more of the three indicators).
These findings were seen by the authors to add weight to the idea that the clusters of chronically, episodically and transitionally homeless people represented distinct subgroups in the sheltered population, defined not just by use patterns but also by clusters of demographic and health characteristics (though this distinctiveness was less marked than later allusions to the findings might suggest).

The overall aim of Shinn et al.’s (1998) longitudinal study of low-income New York families was to develop a model allowing early identification of families in receipt of public assistance who were at greatest risk of homelessness (both an initial and repeated requests for shelter). The authors used factors across five domains to construct various multi-predictor models to forecast homelessness. Although 18 factors were related to homelessness, taken one at a time, the ‘best’ multivariate model included 10 predictors. These variables made reliable contributions to the prediction of homelessness in the context of the other variables in the model.

Two of three demographic factors were included in the best model: race/ethnicity (African-Americans were at greater risk than Latinos or others), and being pregnant or having an infant under the age of one year. (Youth was related to entering shelter when taken alone, but ceased to be significant when housing factors were entered into the equation, suggesting that it affected homelessness primarily via access to the housing market.) Two of five measures of human capital or likelihood of remaining persistently poor were included: childhood poverty (defined as receipt of welfare benefits by the family of origin when the respondent was a child), and being married or living with a partner. Surprisingly, marriage increased the risk for homelessness. Education, work history and having been a teenage mother were not predictive in the context of other variables. Two measures of disruptive social ties contributed: domestic violence in adulthood and family disruption in childhood (a scale that included foster care or other types of separation from the family in childhood or childhood abuse). Positive ties reflected in the respondent's personal network were not predictive in the multivariate model (and at the univariate level, homeless mothers actually had stronger networks than housed mothers; 80 percent had stayed with network members before requesting shelter). Finally, four of five housing factors (doubling up with others, lack of subsidized housing, frequent moves and overcrowding) predicted shelter entry. Building problems did not, because they were almost as severe for poor but housed families as for those who became homeless. None of the four measures of behavioural disorder (mental illness, substance abuse, health problems or imprisonment) differentiated between homeless and housed samples in the context of other variables, so all were excluded. Levels of these problems were relatively low for homeless families, compared to samples of single adults.

Shinn later made a convincing case that such models did not necessarily provide tools for cost-effective measures designed to target populations. (Shinn and Baumhol, 1999). In the event, however, the information from Kuhn and Culhane's study was used to target assistance to those who fitted chronic or episodic shelter use.
Using data to develop explanations

The advantages and disadvantages of survey and administrative data methods are more evenly weighted for developing explanations than for identifying patterns. Along with the opportunity to trace shelter populations and avoid problems of unrepresentative sampling, large samples enable sophisticated statistical control and multivariate modelling. However, the sorts of distal and proximate causal variables that could be explored through shelter registries alone were relatively restricted. Some of these difficulties have been overcome by data linkage (for example, with health databases).

Despite the sophistication of the statistical analysis, these analyses are inevitably limited in their capacity to consider the relative contribution of different variables and give clues about the interaction between them. They provide few clues about the reasons for the connection between variables: this is an inherent weakness of these big picture correlational analyses. How should we understand the fact that, for example, women with substance abuse problems are less likely to exit from homelessness while those with diagnoses of mental illness are more likely to do so? Similarly, a variable such as foster care may be correlated with the initial onset or persistence of homelessness for many reasons, with different implications for deficit and resource frameworks. The statistical association between foster care and homelessness provides an impetus to take this relationship seriously and to speculate as to the connection (and is better than cross-sectional data and bivariate analysis); however, more nuanced analyses are needed to supply the missing links. This is particularly the case with administrative data, especially when abstracted from the context of the particular service system.

It may be necessary to shift the focus from analyses aimed at weighing the relative contribution of resource and individual characteristics to research aimed at investigating how the two interrelate as precipitating factors for both emergency and chronic homelessness (Sosin 2003). Such research would be more directly concerned with what happens at particular sites and how people interact with services. It would investigate why services designed to assist with substance abuse are so often rejected. It would use survey methods and quantitative analysis to test explanations in terms of deficits or environmental cues both on the dynamics of homelessness careers/chronicity and the tracking of patterns of entry, exit and return through longitudinal data.

Dynamic perspective 3: Housing and homelessness histories

The final perspective on the dynamics of homelessness builds on the first two. The focus here is on the experience of homelessness in the context of a person's housing history. The dynamic analysis traces transitions over a longer time frame. It conceptualizes homelessness as a social process, analyzing the social processes by which transitions in and out of homelessness are effected. This approach has been particularly influential in the UK (Jones 1993; Fitzpatrick 1999, 2000; Fitzpatrick and Clapham 1999; Crane 1999; May 2000; Clapham 2002, 2003; Anderson and Tulloch...
2000; Anderson 2001; Anderson and Christian 2003) but similar methods have also been developed in Australia.

Despite differences, researchers associated with work on homelessness histories share three assumptions. First, homelessness is a dynamic process and must be studied over time. Second, to explain the transitions and patterns, the analysis must be holistic. Third, understanding these transitions requires investigation of the individual or household perspectives and their decision making processes. To these ends, qualitative methodologies are generally advocated, and biographical histories have tended to be seen as the core method with either individuals or households as the unit of analysis. The aim is to situate the experience of homelessness within, ideally, the lifetime accommodation trajectory. Hence the adoption of ‘housing pathway’ or ‘homeless-housing career’. Case studies display the diversity of experience but there is also an interest in the commonality of experience which entails moving from case studies to generalized models of pathways.

In general, the biographical approach enables a more fine-grained analysis of causal processes, allowing analysis not just of the relative importance of biographic and structural factors, but also of their interaction.

Some housing pathways may be characterized by stability in either housed or homeless states, in others there may be frequent transitions over the life course, or homelessness may figure in only a small part of the history (early on, mid-life or later).

One of the most detailed accounts is by May, who is concerned to identify different patterns or shapes of homelessness careers along with the drivers of transitions. According to May, current work is said to lack suitable methods to analyse the interaction of factors in lived experience, precision in the timing of events, detailed life event and employment context (a triple biography is advised), and a time frame that would enable thorough analysis of homelessness in the context of accommodation (six months or even two years is not enough).

May argues that neither quantitative snapshot nor panel survey methods lend themselves to investigating the interaction of biographic and structural factors to explain homelessness transitions and careers. The perceptive world of the individual and the actions and decisions following from those perceptions must become more central to the analysis. While prospective longitudinal methods would be ideal, he argues that the difficulties associated with keeping in contact with people make retrospective methods and biographic history the most feasible approach. Unlike surveys, such methods allow for detailed consideration of the timing of events and of individuals’ responses to them.

May draws on the first set of complete biographies to identify a pattern of ‘deep’ episodic homelessness rather than one of progressive decline in which the interludes between homelessness are both more lengthy and in more conventional accommodation than those pathways identified by Sosin et al. Among young people, episodic homelessness was the prevalent form. The dynamic behind this is said to be the interaction of the labour and housing markets, placing individuals in a position of multiple structural disadvantage. Like Kuhn and Culhane, May suggests
that different patterns of homelessness may variously reflect personal and economic issues, but the qualitative approach allows a clearer sense of the sequencing and interrelation.

The focus on biography and pathways also suggests the need to take into account the person's own perception of home and homelessness and the meaning of service responses. Homelessness may not be perceived by individuals as their key problem. For some it is a solution to the problem of having no employment, and this may be the more important component in identity. In the context of homelessness experienced by Indigenous peoples, Memmott and colleagues (2003) have pointed to the voluntary aspect of public place dwelling for some. They emphasize that homelessness ought not to be elevated as the primary problem, removed from the wider context of marginalization.

Biographic history, like all methods, entails methodological problems and suggested solutions. As in all data interview based approaches, it is reliant on recall and what Douglas refers to as the reinterpretation of remembered information so that it confirms with conventional views of causation (Jupp 45). There are ways around this, for example, by using calendars to sharpen the detail of memory, and May argues that biographic histories can avoid such standard accounts by building trust with interviewees.

Other researchers have identified supplements to the biographic approach, especially ones that include an emphasis on structural factors – not just the interrelation of economic and personal factors, but also the way in which enduring structures enable and constrain the actions and perceptions of individuals and households.

Clapham's preferred approach is to combine discourse analysis with biographic history focusing on ‘discourse in action’, when studying, for example, conflict between young people and parents. Like Sosin, he sees detailed interaction with service providers as a promising area for future research that can inform both policy and service delivery, but his preferred method is participant observation.

Such approaches can provide more leverage on how structural factors work to tip people in and out of homelessness. However, they also make it clear that marginality is often ongoing. More extended than the residential instability identified by Sosin, social exclusion and marginality may extend over a lifetime, particularly for low-income people reliant on private rental. Dual disadvantage in the labour market and in the housing market work together and are negotiated in ways that may make people more vulnerable to homelessness.

Pathways approach is seen as providing a strong conceptual underpinning for policy and program evaluation (Pickering et al. 2003; Anderson 2001). The emphasis is on long-term outcomes and on an integrated analysis of welfare systems broadly conceived.

Such analysis seeks to find common causal trajectories, beyond the patterns of entrances, exits and returns. It is not yet clear, in the developing debate, that it is possible to generalize from cases in this way, much less to develop ideal types (Becker). On what basis can or should pathways be subdivided? How many are there
and how distinct are they? But the issue of generalization is contested. Is it possible to aggregate? Is there a match between demographic groups and pathways? Problems of this kind impede the adoption of case study pathways methods for costing purposes, as we shall see in the next chapter.

Here we shall find that, although homelessness histories and pathways approaches offer a perspective with considerable potential, one method will not suffice for every predictive, policy and intervention purpose. Different dynamics of transitional, deep episodic, shallow episodic and chronic homelessness may span part or whole of a person’s life. These differences must be taken into account in general models when thinking about interventions and anticipating cost logics.

As Bartholomew (1999, 53) has noted: ‘It is not adequate to speak of the effects of homelessness per se, because this experience is so qualitatively different for many’.

The first approach focuses on the process of becoming homeless and progression to chronicity, emphasizing the costs of chronic homelessness as the backdrop against which potential benefits should be identified.

The second emphasis is on the transitions in and out of (literal) homelessness and draws attention to the cost implications of distinct patterns of service use and the specific costs associated with residential instability and inadequate accommodation, rather than street homelessness.

The third is focused on the experience of homelessness in the wider context of people's lifetime accommodation history and tends to point more broadly to the analysis of the costs of homelessness as one component of marginalization or social exclusion.

Overview of longitudinal methods

There have been repeated calls over the years to make longitudinal research an integral part of the homelessness research agenda. In the USA Rossi (1991, 1040) identified this as a priority area, and similar arguments have recently been made in the UK (Anderson and Tulloch 2000; Fitzpatrick et al. 2000; Pickering et al. 2003; Anderson and Christian 2003). In Australia longitudinal research has also been advocated for at least a decade (Jordan 1995; AIHW 1997; National Evaluation of SAAP III 1999; Bartholomew 1999; Grigg and Johnson 2002; Parker et al. 2003).

While the need for longitudinal research is widely accepted, choice of methods depends naturally on what we want to find out. Our discussion of the three perspectives on dynamic analysis helps identify with greater specificity what sort of analysis, and which data collection methods are required for particular purposes.

Out of discussion of the three dynamic perspectives has highlighted some of the research and policy questions that call for temporal data. As for dynamic analysis generally, the case for longitudinal research has been made both on the grounds of the

69 Pickering and colleagues were commissioned by the Scottish Executive to undertake a review of the strengths and limitations of existing and possible longitudinal research for addressing key policy questions in the homelessness field.
enhanced understanding of homelessness it affords and the potential for evaluating outcomes for clients of homelessness services and the wider welfare system. Longitudinal data is needed to trace the patterning of homelessness experience for individuals and populations, and the chronology of events and circumstances as a basis for identifying both causes and consequences of this experience.

A distinction is generally drawn between ‘longitudinal’ and ‘cross-sectional’ designs. Longitudinal research collects information about the same individual or group over an extended period of time. Cross-sectional research collects data at a single point in time (or over a very short time span, say, where an interview is conducted over two sittings). However, the distinction is sometimes blurred in reference to surveys, because a single wave of data collection can ask respondents about their past circumstances and activities and thereby develop ‘longitudinal’ data. This report includes such data collected at a single point in time within the category of ‘longitudinal’ since not to do so would exclude the majority of research that has concerned itself with dynamic analysis. Instead, the more useful distinction refers to the timing of data collection, whether prospective or retrospective. Prospective methods, sometimes referred to as ‘tracking’ studies, collect data over time. Retrospective methods reconstruct the chronology of relevant events. The distinction does not apply in the same way to administrative data research. Both methods of collecting longitudinal data are summarized in Table 6.1.

**Table 6.1 Methods of generating temporal/longitudinal data**

<table>
<thead>
<tr>
<th>Method</th>
<th>Description and variants</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panel surveys</td>
<td>The same group of respondents is surveyed on two or more occasions over a given period of time. Generally administered by face to face interviews and ranging from fully structured to open-ended questions.</td>
<td>See Appendix C for list of Australian panel studies (details in Appendix B)</td>
</tr>
<tr>
<td>Cross-sectional surveys with temporal questions or analysis</td>
<td>Single wave of data collection, but includes retrospective questions on homeless/housing history, and/or comparison groups of people homeless for different periods of time. Probably the most common source of temporal data.</td>
<td>See Appendix C for Australian single wave surveys (details in Appendix B)</td>
</tr>
</tbody>
</table>
## Predominately qualitative (development of case studies and theoretic generalization)

<table>
<thead>
<tr>
<th>Method</th>
<th>Description</th>
<th>References</th>
</tr>
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<tbody>
<tr>
<td><strong>Participant observation/ethnographic fieldwork</strong></td>
<td>May combine observation and participation with methods such as biographic interviews, other stakeholder interviews, service mapping and other contextual research.</td>
<td>Snow and Anderson (1993)</td>
</tr>
<tr>
<td><strong>Biographic interviews and life-history approaches</strong></td>
<td>Individuals (in some cases representing families or households) recount in detail their experiences, behaviour and motivations. Can involve use of calendar techniques to reconstruct timeline. Can also include follow-up of interviewees.</td>
<td>May (2000), Fitzpatrick (1999, 2000), Clapham 2003 Australian studies include Robinson (2003), Casey (2001), Aging Men’s Health Project (Russell, Touchard, Kendig and Quine 2001) (see Appendices B and C)</td>
</tr>
<tr>
<td><strong>Case notes from homelessness assistance agencies and programs</strong></td>
<td>Analysis of practitioner case history notes from agency records. May develop guidelines for practitioners to enhance the relevance of information for research purposes.</td>
<td>These methods have been used widely by Chamberlain, MacKenzie and Johnson in the development of ideal typical career paths (see Appendix B, Section 1)</td>
</tr>
<tr>
<td><strong>Consultation and expert opinion of practitioners and others working in the homeless/housing field</strong></td>
<td>This is not a research based method. May involve asking about ‘common’ trajectories of client group.</td>
<td></td>
</tr>
</tbody>
</table>
Selecting longitudinal methods – some considerations

It is important to understand the limitations and potential of the various methods as a basis for the construction of homeless and housing pathways. There are several considerations:

- **Significance and relevance:** What specific research questions can be addressed by the method and how important are these for policy or general understanding?

- **Methodological rigour:** How robust are the answers to these questions likely to be? This concerns basic methodological criteria of validity, reliability and generalizability. These criteria apply to both qualitative and quantitative designs, though the meaning differs.

- **Ethics:** Does the implementation of the method or likely findings jeopardize the wellbeing of study participants in any way?

- **Feasibility:** What are the risks and costs associated with successfully implementing the method?

- **Strategic:** Where aimed at informing policy debate, how persuasive are the results likely to be in a policy context?

Several issues have already been raised in the discussion of the three perspectives on dynamic analysis. The first point is that different methods of generating temporal data are often complementary and can be combined to good effect. A single study may, for example, use administrative databases to select samples for a panel survey, or combine biographic interview data with agency case notes. Different methods may also be used as part of a series of projects to counter-balance strengths and weaknesses. For example, an administrative database study exploring patterns of crisis service use in a given jurisdiction would be complemented by observational and interview data at key sites (such as crisis accommodation services and hospital emergency departments) to assist in the interpretation of the quantitative findings.

Methods of data collection and analysis necessarily impact on the specific research questions that can be tackled. Some questions clearly call for quantitative data and representative sampling, as when policy makers seek to understand the prevalence of a particular experience or pattern of homelessness or service use.

Other questions are best responded to by qualitative data and analysis, to identify a causal mechanism or process – though these may be tested by quantitative data to ascertain the meanings attributed to services.

Primary research, whether surveys or other interview or observational research, allows for greater flexibility in the information that can be obtained and in the explanatory variables and contexts that can be considered. Qualitative designs give even greater scope whenever administrative data or agency case notes limit the researchers to the analysis of data that has been collected for other purposes.

Different methods also enable or exclude access to the study of particular subgroups or types of homeless experience. The major drawback of administrative data research is its exclusion of homeless people who are not clients of homelessness services – or, more specifically, of those services and agencies included in the database. This
in turn may make particular demographic groups difficult to locate. For example, the SAAP client database may tend to miss people from culturally and linguistically diverse backgrounds, very young people or older people. People who are literally homeless but who do not use services may only be reached through research with an observational component (which in turn will only yield results if this form of homelessness is geographically localized). Most survey research tends to rely on formal homelessness service providers for study recruits, though the potential is there for sampling from a broader range of agencies. The trade-off between survey research and administrative database research is with sample size. People whose experience of homelessness involves movement between temporary forms of accommodation outside the homelessness service system may be particularly difficult to access. General population surveys may also gain access to people who have experienced primary, secondary or tertiary homelessness but have not been in touch with services.

Tracing of service use patterns can be an important endeavour in its own right; it underpins much research designed to investigate the effectiveness and efficiency of service systems. To the extent that administrative database research enables wide coverage, it has considerable advantages in avoiding sampling problems and thus tracking patterns more accurately.

Those experiencing homelessness for the first time, or who are recently homeless, are also relatively difficult to access. Surveys typically struggle to recruit sufficient numbers of recently homeless persons, even where recruitment goes on for an extended period (this was the case in Project I, for example, and also in Hanover’s Family Outcomes Study). Project I recruited young people via agencies. Administrative database research using the SAAP database may consequently exclude young people in the early stages of homelessness. Young people in this situation have been identified through schools via the census of homeless students which also solicited case histories from welfare coordinators. However, the representativeness of these case studies is difficult to ascertain.

With greater sample size and a multi-year database, administrative database approaches can also develop large samples of people from the outset of their contact with services and follow their trajectories from that point. This is not necessarily near the start of their experience of homelessness. May (2000) makes the point that the ‘newly homeless’ category in survey research is often very crude and may include people who have been (literally) homeless for many months or, in the case of the Minneapolis panel survey, those who were near the beginning of the current episode of homelessness, but not necessarily experiencing their first episode.

**Coverage of homeless and housing trajectories**

Rossi (1991) identifies three broad ‘longitudinal’ research designs that could be employed to trace pathways into, through and out of homelessness. These designs vary according to the timing of data collection (prospective or retrospective) and the homeless or housed status of the study participants:

- **Prospective ‘entry to exit’**: The study starts with a sample of people not yet homeless, and follows their trajectory into homelessness, all the way to exit. Not all will become homeless, and not all will exit;
Semi-retrospective ‘entry to exit’: The study starts with a sample of people who are already homeless, follows their trajectory through to exit, and reconstructs their pre-homeless experiences by retrospective interviews. Again, not all will exit;

Full retrospective ‘entry to exit’: The study starts with a sample of people who were formerly homeless but currently ‘housed’, and reconstructs the history of events leading to their becoming homeless and surrounding their leaving that state.

Semi-retrospective ‘entry to exit’ designs are common in panel surveys. These have the problem of left-censoring. In Rossi’s schema, only prospective ‘entry to exit’ designs overcome the problem of left and right censoring, but even then, unless they follow a person or sample for a lifetime, they will inevitably be right censored. Given the capacity for retrospective analysis in administrative database research, depending of course on the length of time the data has been collected, the time scale can often be considerably greater than for panel surveys (the longest of which tend to be five years). Qualitative life-history interviews enable considerably longer time frames to be explored.

When compared to the methodological ideal of tracing housing-homelessness histories across a lifetime, all practicable methods have shortcomings, but clearly the longer the time over which data is collected, the more likely it is that individuals can be traced from their initial experience of homelessness, yielding enough information to determine whether that experience is likely to be recurrent. If the time frame is too short, estimates are likely to miss re-entry into the homeless population.

The initial onset of homelessness is a particularly difficult part of a pathway to research and track (Rossi 1991; Piliavin et al. 1996; Dworsky and Piliavin 2000). Approaches that ask respondents to detail events leading to their first experience of homelessness (as defined) run the same risks as those attending standard narratives (May 2000).

Furthermore, prospective survey methods that trace the initial entry into homelessness encounter severe sampling problems, given the tiny proportion of the general population that can be expected to become homeless over a short time frame.

One option is to start with a sample of people at high risk of homelessness. Some subpopulations are now known to be at extremely high risk: for example, a large proportion of young people leaving care experience some form of homelessness in the first year. In this case, prospective studies are feasible although, of course, however likely homelessness is, this circumstance accounts for only a small proportion of the population of people who become homeless. If there is reason to believe that homelessness results from the interaction, rather than the independent effects, of various presumed causal attributes (e.g. mental illness, alcoholism, childhood foster care placement), the sampling frame becomes even more difficult (Dworsky and Piliavin 2000, 194). Indeed Dworsky and Piliavin conclude it may not be feasible to identify the attributes that increase the risk of initially becoming homeless. Even with a high risk sample, only a proportion of populations thought to
be at risk of homelessness are likely to become homeless during the period of the study. If quantitative analysis is required, sample sizes would have to be very large and hence prohibitively expensive.

A second option would be to select groups who are already being traced in an ongoing longitudinal study of a general population (taking note of those who drop out of the sample and out of traceable residences), but this would have to be a large study. A similar method used in the study of low-income families in New York (Shinn et al. 1998) is to identify a group being monitored through administrative records (for example, those in receipt of income support or other welfare benefits, again noting who does or does not request shelter). Advocates of administrative database research highlight accuracy of timing and duration of shelter stays and exits to (subsidized) housing as one of the advantages of this approach (Wong, Culhane and Kuhn 1997; Kuhn and Culhane 1998).

**Generalizing, aggregating and theorizing**

A basic consideration in evaluating the robustness of a study is whether, and to what extent, the findings are generalizable beyond the people, places and contexts studied. Generalization implies different things for qualitative and quantitative methodologies and remains a source of confusion. The methods of investigating and constructing homeless and housing trajectories are split between case study and statistical approaches, so this debate has particular pertinence here. Despite the importance of generalization, whether statistical or theoretical, it is rarely discussed in any detail.

The two prevalent quantitative methods considered, administrative database research and survey research, raise different issues. In sample surveys the issue is one of generalizing from the sample of respondents to the wider population of interest, for example, the population of people aged 50 and over who experienced primary homelessness for the first time in later life. The grounds for generalization relate to sample size, sampling strategy and response rate. We have already noted the difficulties of gaining access to specific groups within the ‘hidden homeless’ population. However, survey research is able to approximate random sampling at least for populations using homelessness services by recruiting clients to the study as they contact agencies over a long period. Thus it can expand the representativeness of the sample further by including a wide range of agencies in the recruiting process. At this point, the problem of self-selection becomes an issue, and for panel surveys this problem is compounded over the duration of the study as respondents drop out or become non-contactable. Assessment of the likely representativeness of the sample is generally made through an assessment of available information on the characteristics of non-respondents or those lost from the study, as well as the wider geographic representativeness of recruitment sites. Formal statistical inference is rarely attempted, but remains possible in theory.

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29 There is a growing literature on the difficulties of maintaining contact with a sample over time and possible strategies to reduce attrition rates (Pickering et al. 2003, ch. 5; MacKenzie et al. 1999; Cohen et al. 1993). A panel survey recently completed in Victoria was able to achieve an 80 percent response rate in the second wave of data collection (one year later) through the development of strong links with agencies who maintained contact with former clients as well as developing trust with respondents themselves. See Appendix C for response rates achieved in Australian panel surveys.
Administrative database research has the potential to avoid the sampling problems encountered by surveys, as noted earlier. Ideally, a jurisdiction-wide homelessness information system approximates a census of service users for the particular location. In practice, administrative databases suffer the problem of missing data. For example, the SAAP NDC excludes those who have not given consent as well as a small proportion of SAAP providers, both of which detract from the representativeness of the results (see Chapter 7). The more fundamental limitation relates to the exclusion of homeless persons not using formal services, but where typical patterns of service utilization are the focus, this is no longer a problem.

The prevalent qualitative approach to developing pathways is the biographic interview. The immediate aim of this approach is to document and understand the pathway of individual, family or household, and the product of this investigation is the case study. But the question of generalization – of what can be learned about the broader experiences, causes and consequences from these case studies – remains critical. If decided on the basis of sample size, then this approach has little to recommend it, but statistical generalization is not the only form of generalization.

Clapham (2002, 67) offers two suggestions for moving from the individual to a broader level. First, while the basic unit is the pathway of the individual or household, ‘it may be possible to discern general patterns and so to be able to construct generalized categories of pathways based on empirical research’. While some pathways are akin to ‘small tracks’, others are more like motorways, ‘in the sense that the route was shared with many people’. The implication here is that aggregation makes generalization and the identification of general patterns possible, leading to estimates of how well-trodden the pathways are likely to be. In response to this suggestion, Bengtsson (2002, 70) objects to what he sees as the ‘pseudo-statistical’ approach to generalization, suggesting that meaning will be lost in the attempt to compile statistics.

Clapham’s second option is that generalized pathways could be constructed as ideal types71 to be used as hypotheses for empirical research. This fits better with traditional justifications for case study research. The ideal type model would posit a causal mechanism or process that would enable a generalization to be made on the basis of the comparability of cases. As Bengtsson (2002, 70) expresses it, if we observe a pattern in a given context, ‘we could reasonably expect – but never know for certain – that a similar pattern would occur with similar actors in similar contexts’. The grounds for making this sort of generalization depend on the thoroughness of the qualitative analysis, in particular, the search for deviant cases and disconfirming evidence (Silverman 1993, 169). As understanding of social processes improves,

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71 Max Weber introduced the concept of an ‘ideal type’ to formalize what he saw as a methodological technique commonly employed by social scientists and historians. Gerth and Mills (1967, 59) explain that the development of ideal types refers ‘to the construction of certain elements of reality into a logically precise conception’ which necessarily means that they are ‘removed from historical reality’. Weber saw social scientists as having a choice between using these ‘logically controlled and unambiguous conceptions’ and using less precise concepts ‘which are more closely geared to the empirical world’. As always, the best method would depend on the aims of the analysis and the state of knowledge: ideal types always run the risk of reification, but empirical generalization without theoretical abstraction is unlikely to be very illuminating.
then cases can be chosen on theoretical grounds to test the existing model or ideal type. This is the method used by Becker (1953) in his development of the career process model of becoming a regular marijuana user.

Case studies can challenge existing generalizations made on the basis of quantitative research or conventional wisdom by virtue of the wealth of detail they provide on social processes; negative cases may provide a ‘useful theoretical touchstone’ in this regard (Becker 1966). Snow and Anderson (1993, 34) see the merit of ethnographically based case studies as lying in ‘their dense contextualization, their concern with process and the fluidity of social life, and the attention to the voices and experiences of individuals in their daily lives’. Similar arguments are made in support of biographic interviews and life-history methods.

**Summary**

There are different ways of identifying causal relationships to understand entry and exit as well as the impact of homelessness and to explore the interaction between biographic and structural factors. There are strong and weak examples in both qualitative and quantitative analysis. Small sample standardized surveys tend to score badly on both statistical and theoretical generalization, but they also tend to be the most common method. Statistical analysis of longitudinal data (where samples are of sufficient size) can use multivariate techniques to investigate the relative importance of different sets of factors in predicting onset, duration, exit and return. They can also be used to estimate prediction models. Qualitative approaches pay careful attention to the sequencing of events and try to investigate how something happens in a context of individual action and material and cultural resources.

One strategic consideration in making use of these methodological options may be the cost and the time demands placed on participants, researchers and others during establishment and implementation phases. Panel surveys are extremely time consuming and hence costly. They also impose a burden on services (for sampling) and interviewees, though there may also be therapeutic benefits. While most attention to the longitudinal tracking of records through administrative databases has tended to focus on the potential of infringements of privacy and misuse of data, as a form of secondary data analysis this method is unobtrusive and may be consented to by some people in preference to methods that involve actual contact. It is also considerably less costly, though the costs of set-up and ongoing operation are substantial.

A second strategic question is whether such longitudinal research is likely to be taken seriously by policy makers and funders. Existing models of quantitative research, with their claims to scientific status, may seem to have an advantage in credibility. However, where qualitative data is used to develop convincing accounts of causal processes, it can be both useful and plausible.

The case for both dynamic analysis and longitudinal research is a strong one, but there are many choices to be made about what types of questions need to be answered. This chapter has summarized three perspectives on dynamic analysis, highlighting their central research questions and preferred methods. All three are valuable although, as shown, each has methodological weaknesses. On balance,
we have recommended a flexible combination of secondary data analysis through longitudinal analysis and primary research adapted to context. There are important gaps in Australian research on homelessness:

- Quantitative studies of prevalent patterns for subgroups;
- Careful qualitative analyses to understand patterns;
- Quantitative analysis and evaluation of service pathways;
- Qualitative studies of service environment and interaction between services and (potential) clients. The survey of client needs shows a disjuncture between clients’ expressed needs for longer-term housing and emergency housing as response;
- Studies of homeless subcultures and chronicity.

In the next chapter we address pathways models in more detail.
7 Pathways approaches to costing and evaluation

This chapter continues the task of identifying policy relevant methods of assessing the costs and benefits of homelessness interventions. The key aim is to set out the different methods of pathways costing, appraise their strengths and limitations for robust and policy relevant analysis, and summarize the sorts of resources and infrastructure needed for their successful implementation. The first task is to specify what differentiates ‘pathways’ approaches from other approaches to assessing the costs of homelessness.

Chapter 6 identified three perspectives or points of focus within the wider literature, with different implications for thinking about the negative consequences of homelessness. The first focuses on the process of becoming homeless and how people become entrapped in homelessness, highlighting the costs of chronic homelessness as the backdrop against which potential benefits should be identified. The second emphasis is on the transitions in and out of (literal) homelessness and draws attention to the cost implications of distinct patterns of service use and the specific costs associated with residential instability and inadequate accommodation, rather than street homelessness. The third focuses on the experience of homelessness in the wider context of people's lifetime accommodation history and tends to point more broadly to the analysis of the costs of homelessness as one component of marginalization or social exclusion.

One of the most common types of cost study, particularly in the USA, centres on the estimation of the costs of ‘heavy and inappropriate’ use of emergency and acute services in the areas of homelessness, health and criminal justice. Inappropriateness of use refers to the service not being used for its intended purpose, which in turn is suggestive not only of inefficiencies but also of ineffective responses from the client's point of view. The service costs of this ‘crisis’ response to homelessness are then compared to the costs of implementing more preventive approaches (for example, promoting the use of mainstream health services) or more permanent ‘solutions’ (longer-term support and accommodation options).

The economic case for preventive and ameliorative services to be developed is generally one of reducing cycling between expensive systems of emergency and acute care. Arguments are also aimed at action on the part of mainstream services (for example, mental health, alcohol and other drugs services, and aged care). Since these are people for whom long-term or ongoing supported accommodation may be needed, costing focuses on the benefits of service reduction (or increased use of preventive services) rather than looking to increases in employment.

The most straightforward of these service pathways or ‘heavy user’ analyses explore patterns of crisis shelter utilization with a view to finding evidence of inefficient and inappropriate use, for example, as a long-term accommodation option. Where a minority of clients show disproportionate use of these accommodation resources, and where this represents a significant portion of available resources, this suggests the development of more effective solutions might also yield significant savings for the shelter system.
Pathways literature asks the question, which as yet is not fully resolved, as to the existence and nature of ‘distinct’ pathways, into, through and out of homelessness. These need not, and probably do not, follow clear demographic lines. Are there economically distinctive pathways? With a costing study, there are two important considerations:

- The ways in which different types, severity and stages of homelessness or different segments of a homeless population incur different types or magnitude of costs (whether financial or otherwise);
- The nature of the economic case that one would wish to make about a given subpopulation of people experiencing homelessness.

Both qualitative and quantitative research has suggested that different subgroups have ‘different service use patterns, and are consequently likely to incur different costs and respond differently to and require different interventions (different need)’ (Mars et al. 2001).

In the USA and Canada, as we have seen, much has been made of the categories ‘transitional’, ‘chronic’ and ‘episodic’, though these are not necessarily defined in the same way by different research groups using different methods. As we saw in the discussion of costing research in the USA, these three groups are defined by Kuhn and Culhane in terms of the duration and exit/return patterns of shelter utilization. Researchers have identified various subdivisions within these basic categories. For example, the British Columbia study (Eberle and Kraus 2001) discovered that some chronic homeless incur very low costs because they avoid services, while others incur very high costs. Rosenheck (2000) makes a similar suggestion.

The jury is still out on whether these subgroups reflect different ‘stages’ of homelessness or different patterns. In Australia, reference to ‘chronic’ homelessness can be to either a ‘final stage’ of homelessness (as posited by Chamberlain and MacKenzie) and/or a pattern of persistent homelessness. Both the duration and patterning of homelessness is likely to impact on the experience and the costs of that experience.

The Eberle group suggest a focus on the episodically homeless because ‘little is known about the costs of episodic homelessness or the benefits of providing appropriate services’ despite the greater size of this population relative to the chronically homeless. Within this group they plan to study two demographic subgroups (young people and new immigrant families), though this begs the question as to the degree of correlation between service utilization pattern and demographic or client groups.

In practice, choices are restricted by adoption of categories reflecting legislation or funding streams. Statistical data is likely to follow these divisions. Hence, in

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While the Eberle group refer to the work of Culhane and colleagues as an influence, they use a different definition of episodic homelessness which brings it closer to the Australian definition of ‘secondary’ homelessness. Mars et al. (2001) defined episodically homeless persons in terms of their housing situation and the temporary nature of these circumstances: they are emergency hostel users, transitional hostel users, temporarily homeless (sleeping rough) or temporarily without a permanent address (staying with friends etc.).
England, research and advocacy have tended to follow the line between statutory and non-statutory homelessness. In Australia, a similar situation exists with primary client groups of SAAP funded agencies.

**Putting pathways approaches to work**

Pathways approaches share three interrelated characteristics:

- They identify costs by tracing the activities and experiences of homeless or at risk individuals and families;
- They quantify costs by linking these instances to unit costs;
- They trace the accumulation of these cost instances over time.

The first characteristic highlights the methods of developing a costing framework. Pathways approaches involve an accounting of costs and benefits from the perspective of those experiencing (or avoiding) homelessness. This emphasis becomes important when interest is in the service costs of homelessness. There are three main sources of information on service costs: service providers, funders of services and clients of services. Pathways approaches collect service costs data at the client level, by tracing instances of service use over time.

It is possible, for example, to survey public and private agencies that deliver services to homeless persons (either exclusively or as one part of a broader clientele) to assess the level of expenditure on this client group. This was the approach adopted by Coppus and the IBI Group (2003) in their assessment of the ‘societal cost of homelessness’ in Calgary, Canada. Alternatively, cost information can be collected at the funder level (from public accounts of government at the different levels and from budgetary information of non-government organizations). The strength of both provider and funder level approaches lies in being able to identify aggregate expenditures. Estimating the extent of expenditure (both government and non-government) on homelessness services is an important aspect of public accountability, and where costs are documented as increasing over time, this information has been used by governments and homelessness advocates to question the effectiveness and/or value for money of prevalent approaches. Otherwise, such information is of limited value in aiding resource allocation. Information is needed to link expenditures with outcomes of funding. Funder budgets are inevitably restricted on both these criteria, although where there is provider level data collection there is considerably more scope.

Information on cost instances is not limited to service use, but can be collected on an extensive range of cost incurring instances and resource uses. These might include drawing on informal supports of family or friends, for example, receiving financial support or accommodation. This may be a positive which can be supported by governments or may in some instances be seen as jeopardizing the stability of the second family.

The second characteristic of pathways approaches is that they quantify costs by linking cost instances to unit costs. In order to estimate a value for these cost incurring instances, we need to have information on the cost per unit of the service
or resource being used. Depending on the sorts of costs and benefits of interest to the researcher, this may be a cost per eviction, a cost per hour of service use and so on. There are different methods of developing unit costs and we consider some of the alternatives in Chapter 9. Cost incurring instances can be divided into probabilistic or persistent. Probabilistic costs are those where there is a risk of incidence or conditions or events that carry a cost (e.g. need for health services, contact with criminal justice, episodes of mental illness). Costs that persist over time include periods in transitional accommodation and time spent waiting for a critical service.

The research will need to define the unit cost measure, for example, of a visit to a hospital emergency department. There are several approaches: the emphasis could be on average costs, or marginal costs, or social opportunity costs. For instance, the additional costs of treating a homeless person in emergency may be almost nil, since doctors and nurses still have to be there, as does the emergency facility. Also, since costs are likely to be examined over time, it is necessary to account for cost inflation (e.g. CPI, health component of the CPI, health GDP deflator). For example, per diem costs have been calculated for some residential based interventions for homeless people in Toronto (Pomeroy and Dunning 1998).

In some cases, services costs will have to be calculated; in others, the relevant agency may provide them (Mars et al. 2001)

Pathways costings enable ‘what if’ scenarios to be played out: what if waiting times were less, or what if the person accessed support at this point rather than that point? The policy relevance of these approaches lies in being able to compare alternative pathways (simulated or real) and their respective costs and benefits in different service or service system scenarios.

Ultimately what governments and services need to know is what costs can be reduced or prevented through different or better policies and programs.

These agencies require the means to estimate the economic impact not only of different policy responses but also of different degrees of policy success and failure. A total ‘costs of’ figure may grab headlines but is not much use in working out how much might be saved if, say the amount of time that homeless people have to wait in temporary accommodation could be reduced by, say two weeks. Completing such calculations requires knowledge of unit costs associated with particular cost episodes or incidents that arise in connection with homelessness.

Where policy aims to ‘make changes to a pathway to enable homeless people to achieve particular outcomes’ (Clapham 2003, 126), then this method enables the cost implications of interventions at different points in time to be assessed. We can think of this as a series of stages. The first stage is to decide on the costs most relevant to the given population or type of homelessness.

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Previous costing research, particularly where based on a strong quantitative research design, can be helpful in identifying the likely cost drivers.\textsuperscript{74} With less studied groups, exploratory research may be needed. Eberle and Kraus (2001), for example, conducted a survey of service providers to ascertain the likely services used by recent migrant families who were using the homeless shelter system.

The second stage of assessing the cost implications of intervention involves identifying for an individual or group the sorts of costs that are of interest. This involves the development of pathways costing frameworks. Cost-savings or cost-offset approaches have tended to dominate, though the range of cost bearers included in these studies differs. While all the cost studies we considered earlier look at ‘direct’ public service costs and cost savings (benefits), others also include costs and savings to the private and non-profit sectors (for example, eviction costs to landlords of private rental). There is also a growing interest in costs borne by homeless individuals and families, as this impacts on their capacity to move out of homelessness. Aside from public service cost reductions, some studies also consider changes in revenue to governments (through the taxation system as a result of employment).

Once reliable information has been collected on service use, resource use and other episodes or incidences seen to incur a cost, a value must be assigned to these incidences. This involves estimating unit costs for both probabilistic and persistent cost instances. Primary research may be needed; for example, Kenway and Palmer (2003) develop a costing of a failed tenancy in their work. There may be existing sources such as the compendium \textit{Unit Costs of Health and Social Care} developed by the Personal Social Services Research Unit in the UK (see Chapter 10).

This leads us to a very broad family of possible studies that differ according to various factors: population groups and types of homelessness, types of economic evaluation or costing (addressed in Chapter 2), time frame, types of costs and benefits considered, types and range of ‘interventions’ considered, and methods used to develop costing frameworks.

\section*{Developing pathways costing frameworks}

Figure 10.1 sets out the different methods of developing frameworks for the identification of cost incurring episodes or events. Its purpose is to assist in the specification of research designs relevant to various policy purposes. A basic distinction is made between ‘simulation’ or modelling approaches and ‘empirical’ or research based approaches. This distinction points primarily to the empirical grounding of the pathways on which the costing is based. Empirical approaches use the actual trajectories of individuals, families or households mapped through the research process as a means of identifying instances of cost and benefit which may then be valued. Simulation approaches, on the other hand, while they are certainly

\begin{footnote}{74} The New York/New York cost study by Culhane, Metraux and Hadley (2002) indicated that, for the group of long-term homeless single adults (with a diagnosis of severe mental illness), health costs were by far the most significant cost drivers. Hence in a study on a similar population evaluating the respective cost implication of two different types of supportive housing, Gulcur et al. (2003) saved time and expense by looking only at psychiatric inpatient costs.\end{footnote}
empirical in the sense of drawing on empirical data and findings from research, simulate (or ‘theorize’) the pathway on the basis of this information. They do not represent a one-on-one linking of real people with real instances of cost. While the distinction drawn here might not withstand rigorous philosophical scrutiny, it is helpful because it conforms to an intuitive sense of the empirical robustness of the findings from the respective approaches.

The next layer of the diagram highlights the representativeness or generalizability of the findings. In both empirical and simulation approaches, the costing may be based on a case study research design or a quantitative ‘cohort’ design.

The final layer describes the methods of data collection and data sources on which the pathway framework is built. Looking first at ‘empirical’ approaches, the options describe primary and secondary sources for both case study and cohort designs. These will be familiar from our discussion of longitudinal methods in Chapter 6. The two basic approaches for quantitative research are survey methods (panel surveys or retrospective) and administrative database research (manual or automated). In many cases these are combined. Case studies of individual pathways (which again may refer to an individual, family, extended family or household) are generally developed from interview data though they may also be created using case notes. Finally, simulation approaches utilize both empirical and theoretical findings and other data to construct costing frameworks. The differences between these approaches are best illustrated through an example. Although the same broad criteria of relevance, methodological soundness and feasibility apply, each method raises slightly different issues for pathways costings.
Figure 7.1: Options for development of pathways costing frameworks

**Pathways Approaches**
(client level data + unit costs + longitudinal design)

- **Empirical approach**
  - The costing framework represents the pathway(s) of (an) actual individual(s)
  - **Sample (aggregate costs)**
    - Survey methods and other primary data collection
  - **Case Study (costs for individual cases)**
    - Administrative data base research
    - In-depth interview methods, other qualitative methods, and use of secondary sources such as agency case/contact notes

- **Simulation approach**
  - The costing framework represents pathways modelled from existing data and research
  - **Cohort (costs for simulated cohort)**
    - Cohort simulated from existing statistical data, drawing on wide range of incidence data and theoretical assumptions (including models of typical homelessness trajectories)
  - **Case Study (costs for simulated cases)**
    - Hypothetical case study or composite of actual cases drawing on range of qualitative and quantitative data and theoretical assumptions (including models of typical homelessness trajectories)
Empirical approaches to costing

As we saw in Chapter 6, pathways researchers have developed a store of longitudinal methods that can be drawn on for the purpose of economic evaluation and costing. These include both case study and quantitative approaches, the latter subdivided into ‘primary’ research, such as panel or retrospective surveys, and administrative database research. Data is not necessarily obtained directly from homeless individuals or service clients. It may be obtained through surveys of case workers (usually as a supplement to data collection from clients) or agency contact notes.

Case studies of the pathways of individuals, families or households can be developed using retrospective or prospective interview data, possibly in tandem with diary techniques in which participants are asked to keep track of times and dates of service contacts and activities.

Surveys

As seen previously, sample surveys provide both prospective and retrospective methods of obtaining longitudinal data for costing purposes. Panel surveys have been used in some of the Corporation for Supportive Housing cost studies, including the Connecticut Demonstration Project (CDP). This is generally done in tandem with administrative data to overcome the limitations of self-report data on service use (with different forms of participant consent required to access different administrative records). Perhaps the most ambitious cost study to date based exclusively on survey methods is that by Gulcur and colleagues.

The CDP study intends a retrospective survey, reliant on self-reporting. While the method is inevitably limited for this reason, it does enable empirical quantitative data to be collected on the costs of temporary accommodation incurred by the families, including children, as well as their informal supports and friends, along with costs to accommodation and other support providers. For the purpose of taking a detailed look at the costs of temporary accommodation, a relatively short-time frame is likely to be preferred.

Survey approaches have also been used to good effect by Paul Toro and the Research Group on Homelessness and Poverty (Wayne State University), investigating changes in the costs of homelessness over time. A study was undertaken in Detroit in the early 1990s and again ten years later. The two studies were based on samples (N=249, N=221) of homeless adults (with and without dependent children) recruited from shelters and soup kitchens. Taking inflation into account, only the cost and usage of outpatient services had significantly changed over the ten year period.75

Quantitative administrative database research

These are studies that trace patterns of service utilization (generally public services) using administrative databases to create their costing framework at the same time as they document people’s pathways. Each contact with a relevant service marks an occasion of resource use. These may include single or multiple homelessness services (‘heavy user’ analysis by Kuhn and Culhane) or health, criminal justice or child protection services.

75 Results from the studies can be downloaded at http://sun.science.wayne.edu/~ptoro/markbicost.pdf.
Studies monitoring multiple systems are more complex and thus more rare; one good example is the New York/New York study (Culhane, Metraux and Hadley 2002). Studies of this type can involve either retrospective or prospective tracing; with or without contact/individual consent; and they may be automated or partly manual. They create considerable demands on human and technical infrastructure but, once established, promise benefits for policy analysis and evaluation, as well as for clients. They are restricted to service users, although so are most other types of study since this is where samples are obtained. Whilst these studies are usually restricted to public service costs, they can be extended to consider non-government costs. This is an important consideration in relation to the SAAP sector where program costs are likely to include significant non-public service costs.

**Simulation approaches**

Pathways research and other data sources provide the theoretical models and secondary data to input into simulation models. Models make use of secondary data and other sources, from expert opinion to large administrative databases, to predict the outcomes or costs of a particular intervention. Models may also incorporate or be based on hypotheses concerning, for instance, causal and trigger factors and causal processes that lead to initial and repeat episodes of homelessness, and to factors and processes explaining its duration or repetition. They can be used to test theories concerning trajectories through forms of accommodation, including lifetime housing-homeless pathways, and patterns of service use and non-use while homeless (particularly patterns of ‘inappropriate’ service use). Models can also build on the analysis of, and help clarify:

- Patterns of informal and formal help seeking and service use seen to assist exit from homelessness (in the short and longer term);
- Current service and policy contexts (‘business as usual’ scenarios);
- Good, better and best practice (‘appropriate services’) for particular groups, including evaluation studies of homelessness interventions across the service spectrum.

The results from modelling are only as good as the quality of the data and the validity of the underlying assumptions. They are not a substitute for lack of data and, in many areas of social welfare, the scope for modelling will be constrained by lack of data. Their underlying assumptions might also not be obvious to decision makers. Nevertheless, modelling might be useful in several ways:

- To evaluate programs retrospectively or for simulating the impact of a new program or changes to an old one (where an experimental evaluation is not feasible);
- As a scoping study to help determine which variables are likely to be of greatest importance in a subsequent evaluation study;
- To extrapolate from actual data to final outcomes, or to extrapolate the same outcomes beyond the time period covered by an evaluation; and
- To examine variations in costs and outcomes between population subgroups.
Costs and benefits may be quantified for single cases, drawing on existing case histories. Such case studies can illustrate the combination of circumstances that exacerbate or create problems over time and show the impact of service failure or strength across the breadth of the service landscape. However, such methods are unlikely to be generalizable.

**Simulated cohorts**

These types of study can draw on a range of pathways research, including panel surveys giving percentage estimates, estimates on population dynamics and theoretical models (Pinkney and Ewing 1997; Godfrey et al. 2002). The strength of this approach is in producing aggregate quantitative estimates, though in practice the sorts of costs and benefits covered are severely constrained by what is measurable. For example, in assessing the impact of early school leaving related to experiences of homelessness, Pinkney and Ewing were only able to assess the impact on earnings, though this was said to be a proxy for lost production. Their estimates of the other likely effects on health and involvement in anti-social activities were not able to draw on empirical information regarding the actual consequences (or even correlates) of homelessness.

**Problem of recall, data reliability and corroboration**

A distinction can be made between those methods of identifying service use that rely on self-reporting and those that rely on administrative records. Should we rely on administrative data sets, self-reporting or both? This is the same problem encountered in pathways research more generally. The difference lies mainly in the specificity of information required for cost studies. For example, for the purposes of constructing a general understanding of the ‘service pathway’ of an individual, it might not be important to know whether there were six or eight visits to an emergency department over a given time period, or a stay of two or four weeks in an acute psychiatric inpatient unit. If the instances are to be costed, however, these differences could change the overall findings significantly.

Techniques have been developed to improve the accuracy of recall. For example, a two year panel survey conducted by Gulcur and colleagues followed the homelessness histories and patterns of psychiatric hospital use by clients randomly assigned to two forms of supportive housing, using a specially designed residential ‘follow-back’ calendar to trace the number of days spent homeless (living on the streets, in public places or in shelter-type accommodation) and in psychiatric institutions (inpatient status). The calendar was administered by a trained interviewer who started with the participant’s current residential location and then worked back day by day to cover the six monthly periods between interviews.

In an as yet unpublished piece on homeless costs in Buffalo and Detroit, Toro and his colleagues conducted detailed interviews with a representative sample of homeless individuals, to elicit information about past use of services (among other things) and

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76 The calendar was designed by the New Hampshire Dartmouth Psychiatric Research Center, Dartmouth Medical School in 1995 and is referred to as the *Residential Follow-Back Calendar* (see Gulcur et al. 2003, 176).
other impacts of homelessness.\textsuperscript{77} They estimate that this approach provides accurate information on service use at least for a one year time horizon. In addition, it is not limited by jurisdictional boundaries, which can be a shortcoming of administrative data sources. The BC research\textsuperscript{78} (Eberle et al. 2001) confirms this, in that it combined personal interviews with use of administrative data and found general agreement between the two data sources. It is less clear that this approach would be as reliable over a longer time horizon.

Self-report information can also be supplemented with cross-checks of administrative data. This was the case in the Vancouver study, which relied on interviewee recall over a period of a year. This information was cross-checked with administrative records and the authors report a high degree of consistency. However, data collection did not include stays in homelessness accommodation services for which more precise times would be required.

The longer the time frame covered by a single interview, the greater the strain on the memory. Other factors, such of the health of participants, will also impact on the feasibility of this approach.

For specificity (and hence accuracy) in service use, linked administrative database research offers the greatest potential, though the range of services covered will be restricted in the early stages of developing a capacity for this sort of research. For most purposes, the most important areas to cover would be health services and homelessness services (which may include the program being evaluated). However, informal services and supports will clearly not be covered by this method. Complementary survey or diary approaches are necessary to ensure coverage of the use of NGO and informal services. These may not be major cost drivers but may be important to show the impact on sectors other than government. Automated database research (with the necessary consents) also enables an unobtrusive means of collecting what can be sensitive data on hospitalization, contact with the criminal justice system and so on. This has the potential to minimize the ‘social desirability’ effects associated with interviews.

Quantification, aggregation and generalization

This report has questioned the usefulness of developing a single figure depicting the ‘societal costs of homelessness’ since it gives little indication of where the effort in reducing those costs might be placed and is unable to differentiate between types of cost associated with varying experiences of homelessness. As Berry et al. (2003) note:

\begin{quote}
Many studies are based on small samples, especially those that track particular groups and attempt to include a range of service supports and costs. This raises the obvious limitation of non-generalizability of the findings of such studies. The main gains, however, relate to the light cast by such cases on the complex
\end{quote}

\textsuperscript{77} Toro, P., Personal communication, 16 January 2002.
factors and interactions impinging on the problems of being homeless and the challenges of intervening to improve outcomes. That said, the problem of small and unrepresentative samples bedevils many of the extant studies.

Quantitative primary research holds the greatest potential of generating statistically representative data on aggregate and average costs, benefits and the relationship between them. As in any research, this depends on sampling strategy and recruitment not just of those experiencing homelessness, but also of the comparison group. Surveys can approximate a random sample by systematic sampling techniques. Evaluation studies may include an entire client population, but here the issue is whether the clients differ from non-clients. Randomized controlled trials are the ‘scientific’ ideal, but in practice are very difficult to implement.

A large sample would be required (for generalization and for policy impact) because of the many segments within the homeless population, including within sub-populations. Ensuring the sample is representative of homelessness is difficult, verging on impossible. Services are delivered differently and by different agencies across the homelessness service system. To produce a national cost figure would entail extrapolation from the sample to the population, which again is problematic given our understanding of the size of the homeless population and various sub-populations.

An alternative is to use an estimated prevalence rate for homelessness. The main problem here is that the chosen focus of the study (e.g. episodic primary homelessness) might not be reflected in enumeration categories: what proportion of the total homeless population has X characteristics.

Where a formal extrapolation of costs is to be made from a sample to a target population, this will require target population estimates or, for a geographical area, at least prevalence rates in the total population. Data may also be required to make a case for extrapolation.

Simulation based studies (whether hypothetical case studies or modelling using statistical cohorts) require a variety of secondary data sources pertaining to the sorts of negative impacts/resources relevant to the study’s conception of cost, and any selection of cost types.

In the NEET study (Godfrey et al. 2002), the cohort approach enabled an estimation of aggregate costs at a national level against which prospective initiatives to reduce social exclusion amongst this group could be offset. The use of hypothetical case studies allowed for an investigation of how the different outcomes and consequent costs might combine and accumulate in a single life.

**Generalization from case study**

We noted in our discussion of case study approaches to mapping the homelessness or housing-homeless pathways of individuals that there was some debate regarding generalization from case study. Would it be possible to select a stratified random sample of homeless individuals as a basis from which to extrapolate?

In the ‘options’ paper, Mars et al. (2001) draw a distinction between a case study approach (as, for example, used by the British Columbia study) and those designed
to investigate costs for a large sample ‘aggregating use of services over a larger number of homeless and/or larger geographic area based ultimately on data on many individual cases’. They suggest that a case study approach can be used as a precursor to a quantitative approach as a rich source of qualitative information, but warn that ‘the results cannot be generalized beyond the individual level and therefore, is not viewed as a potential option’.

The earlier Vancouver study (Eberle et al. 2001c) drew attention to considerable diversity in service use within the sample of ‘chronically’ homeless persons:

These homeless individuals can be grouped according to the intensity of service use: some are heavy service users, others avoid the system altogether, at least over a one year period.

As a consequence, if the few intense users of services were removed from the sample, the financial argument for supportive housing would falter. This finding highlighted the importance of developing methods that would give rise to more robust estimates of the average public service cost of ‘keeping someone homeless’.

Ultimately the generalizability of case study costings must be done on the basis of assessed typicality or representativeness of the patterns depicted. As Kenway and Palmer (2003) recognize in taking a case study or scenario approach, ‘everything really depends on the strength of the scenarios’. They mention three measures they took to guard against the arbitrary case study costings. First, each of the scenarios follows from what research shows to be one of the main triggers for homelessness. Second, the episodes within each scenario are assembled in the light of what the research literature shows are typical or common experiences suffered by homeless people. Third, the scenarios were checked with people who worked with the homeless population, and in places altered so as to try to achieve a greater affinity with actual experience.

The number of people experiencing different forms of hidden homelessness are estimated alongside but not used to extrapolate cost estimations.

Cohort models do attempt to go this next step. Modelling costs and outcomes for cohorts places large demands on existing quantitative data sources to assess the ‘typicality’ of occurrences. Where Kenway and Palmer point to quantitative information, for example, on the likelihood of X, cohort studies extrapolate statistically. At this point, the assumptions can be large, hence the importance of ‘sensitivity’ testing.

Feasibility and costs of different approaches

Several factors affect the cost of research based pathways costing. Sefton et al. (2002, 94) developed a useful summary of the key cost variables in economic evaluation more generally which has been modified in Table 7.1 to highlight those factors most relevant to the different pathways approaches.

Longitudinal panel surveys are likely to be most costly to implement (assuming face-to-face interviews, which is the standard approach in surveys of people experiencing homelessness).
Considerable time may be involved in developing agreements with data holders, obtaining consent from participants (where this has to be done on an individual basis) and undertaking the merging and cleaning of the databases concerned. To take an example, the success of Culhane et al’s economic evaluation of the NYNY housing program was very much the outcome of a collaboration, in part negotiated by the CSH, and involving agreements with a number of government departments. It took five years from inception to commencement and another five years to implement (because of the prospective element). Drawing on several funding sources, the study cost about $575,000 to implement. A further consideration in emulating such an example in the Australian context is that the technical skills necessary to successfully merge and analyse longitudinal data sets are relatively scarce and thus likely to impact on costs.

Modelling approaches are likely to be considerably less expensive than primary research. However, they rely on the availability and accessibility of a wide range of cost information (in unit cost form) as well as qualitative and/or quantitative data. Costs may vary according to the accessibility of relevant data sources, whether an extensive literature review is needed and, for cohort approaches, the technical sophistication of the modelling.
### Table 7.1 Factors affecting the cost of economic evaluation

| Source of data | In primary research, face-to-face interviews tend to be the most expensive data source, with self-administered questionnaires a cheaper method (used to obtain supplementary information from case workers or service providers). Existing data, including administrative data or other data from service providers (such as contact notes), may be time consuming to access, and once obtained may require significant manipulation for analysis. Records kept by service providers lie somewhere in between, although they can be time consuming to analyse and therefore expensive. |
| Sample size | Dependent on the source of data, costs will usually increase with sample size, because more interviews need to be carried out, more data needs to be entered and a longer recruitment period is necessary. |
| Length and frequency of follow-ups | Greater frequency increases data collection costs. Length of the follow-up period also increases costs, because researchers need to be employed for longer and respondents may be harder to trace. |
| Retrospective or prospective data collection | Retrospective evaluation, though less desirable, is generally cheaper in the data collection phases than prospective evaluation, because it relies on existing data. |
| Need for special interviews or data collection tools | Designing new questionnaires, though often necessary, can be time consuming, especially if these need to be piloted. Using this method may entail a purpose built survey to put monetary values on non-marketed outcomes. |
| Type of economic evaluation | It is difficult to make generalizations, but cost-benefit analysis will tend to be more expensive if a special survey is needed to put monetary values on outcomes. |
| Ethical approval | Gaining ethical approval for an evaluation is a time consuming and administratively expensive process. This is not normally required outside health care, but may become more of an issue in future. |
| Necessity of estimating own unit costs figures | In some cases, it is possible and appropriate to use existing unit costs (e.g. national averages), which avoids the time and costs involved in collecting micro-level resource data for specific services. |
| Need for data entry | Data entry adds significantly to the cost of an evaluation study, unless existing data sources can be exploited (or data is entered by service providers or even users). |
| Number of data collection points | Cost will be greater if data collection is more dispersed (e.g. from many agencies, different parts of the country, or different countries). |
| Analysis of data | Data from randomised controlled trials is relatively easy to analyse. Quasi-experimental studies, on the other hand, may involve complex statistical techniques, requiring specialist input, which can be expensive. |

Source: Modified from Sefton et al. (2002, 94)
8 Future directions for Australian research

This report has identified several promising approaches to evaluating the costs and benefits of alternate policy responses to homelessness implemented or proposed for studies overseas, explored the theoretical underpinning of this work, and clarified the options for pathways costing along with their respective strengths and weaknesses. The remainder of the report aims to draw out the implications of these findings for future economic evaluation and costing in Australia. The aim of this chapter is to provide a summary of our suggestions for the general direction we believe this research should take as well as proposals for building capacity and for developing cost studies, given existing data resources.

One of the lessons to be drawn from overseas experiences is the need for long-term planning to develop the research infrastructure and expertise as well as the data needed for robust and policy relevant economic evaluation. Successful implementation of any agenda for costing research will also depend on a consultative approach since it requires the interest and active participation of the homelessness sector, other levels and departments of government as well as the mobilization of the broader research community.

This chapter makes suggestions about how capacity for economic evaluation might be expanded and offers thumbnail sketches for cost studies that might feasibly be undertaken in the short or medium term. While these suggestions have not been costed, they have been proposed with a view to making the most of existing resources and research funding. We start by summarizing some of the key points made throughout the report regarding the types of economic evaluation and costing that are likely to prove relevant to policy debate.

Promising approaches: a summary

Despite periodic interest in the contribution which economic evaluation and costing could make to homelessness policy development, little progress has been made in producing the sorts of analyses that are likely to be useful to decisions around resource allocation. Thinking on how best to move forward has been constrained firstly by the idea that efforts should be directed towards a single comprehensive study of ‘the costs of homelessness and the benefits of intervention’, and secondly by the proposal that social cost-benefit analysis should (or indeed could) supply the guiding standard for such a study. These ideas are inconsistent with contemporary understanding of homelessness and with approaches to economic evaluation and costing work that have proved influential in recent policy debate overseas.

The costs of homelessness are diverse and not uniformly distributed. Recognition of the diversity of experience, patterns and pathways raises issues about how to disaggregate the population of people experiencing homelessness for the purposes of developing economic arguments.

Our review of the wider literature on homelessness pathways has shown there are distinct patterns of homeless experience and service use which carry with them different sorts of costs and require different forms of economic analysis.
Similarly, the choice of methods for developing pathways frameworks for costing and economic evaluation needs to factor in diversity, although a particular premium is put on those methods that can deliver sound estimates of average or aggregate costs for a given geographical area.

As economic evaluation in the homelessness area has progressed, there has been a greater tendency to move to empirical approaches where possible. These include survey and interview based techniques and the use of administrative data. It is in integrated database research that some of the most interesting developments are evident. This enables quantitative exploration of cost shifting and hence an evaluation of ‘whole of government’ responses to homelessness.

What of the methods of economic evaluation themselves? The first point is that it is always valuable to undertake a systematic evaluation of the costs and benefits of any project, particularly at the point where a basic case needs to be made for a new form of intervention. In accordance with the principles of welfare economics, this should adopt a broad societal perspective and explore the full range of cost impacts of a program or policy and for all parties, from financial and economic costs through to intangible effects such as emotional and psychological impact.

However, we have argued that reducing all these disparate consequences to dollar values and aggregating them to compare costs and benefits, as required by cost-benefit analysis, is more likely to obfuscate than illuminate the resource implications of a program or policy. It is useful here to distinguish between a cost-benefit analysis and what Mars et al. (2001, 9) refer to as a ‘multiple accounts approach’. Where the cost-benefit analysis translates tangible and intangible costs and converts benefits to monetary terms, a multiple accounts approach systematically catalogues the range of cost types likely to arise from a program or policy for the individuals and their families and friends, local community and wider society, and non-profit, government and business sectors. Both quantitative and qualitative data may be included in this cataloguing process. Mars et al. argue that ‘while this does not lead to any measurement for comparing costs, the simple listing of costs makes all impacts explicit, and puts all costs before the reader to consider’.

Where aiming at the quantification and aggregation of costs, we argue, in line with recent developments in homelessness costing research, that the focus should be on ‘hard’ costs (in which resources are expended, gained or lost). This does not imply that we believe that consideration of direct monetary effects and resource implications should play a more prominent role than consideration of impact on the quality of life for prospective clients. And it certainly is not to suggest that savings in public expenditures are the most important benefits to arise from efforts to prevent or ameliorate homelessness. The issue is more about what specific value economic evaluation can add to decision making, along with political, ethical and administrative considerations. Economic evaluation should focus on what it does best, that is, explore the resource implications of alternate programs and policies.

Governments do not develop community and welfare services to save money or to make a profit, but they do aim to use the resources expended in these services productively and with efficiency. Tracing the ‘whole of government’ implications
for service expenditure is therefore particularly promising. Identifying points of inefficiency resulting from, for example, expenditures weighted to the crisis end of the service spectrum, gaps in service provision, or a mismatch between needs and services is likely to provide leverage in decision making.

Productive use of funds will not occur unless the circumstances of clients are improved, hence the most important evaluation task is to demonstrate the effectiveness of various program and policy initiatives.

To take an instance, pointing to the costs of inaction in the case of chronically homeless single adults has given strong impetus to the case for supportive housing in the USA, in the context of very limited provision of other welfare to many in this group. In such a case, primary interest of the research is not in the costs of homelessness per se but in preventable costs. Sound evaluations of the medium- to long-term outcomes of programs must explore whether they work to improve clients’ circumstances and quality of life, and investigate the prospects for productive and efficient use of funds. This sort of evidence explains the power of the case for supportive housing in the USA.

Building on foundations

Currently no equivalent culture of economic evaluation in the welfare and community services sector exists in Australia. Very few evaluation studies of programs targeting people experiencing or at risk of homelessness, for example, include economic data, other than very basic information of aggregate budget allocation to the program or project. Where economic analysis has been undertaken, it is often done separately from the main evaluation, drawing on data developed for other evaluation purposes.

In order to collect relevant data it is important that economics expertise be present on evaluation teams from the outset of the study and in the design of data collection. Economists are often viewed with distrust, not only by service providers and practitioners but also by other evaluators in the welfare sector. The distrust and lack of understanding is likely to be mutual, and has long roots in polarized positions on qualitative and quantitative traditions in the social sciences more generally.  

This recognition led the Joseph Rowntree Foundation and the Economic and Social Research Council to fund work to promote better understanding and use of economic evaluation in the social welfare field. A monograph by Sefton and colleagues (2002), Making the Most of It, is an outcome of a two year project funded under this initiative. This and related publications identify practical means for designing evaluation and costing tools which are better suited to the operation and goals of services in the sector, integrating insights from both quantitative and qualitative traditions in evaluation.

There is a case for developing similar materials tailored to the Australian context to promote the field of applied welfare economics and to attract economists into the field, both as academics and consultants.

Peak research funding bodies like the Australian Research Council (ARC) and the Australian Housing and Urban Research Institute (AHURI) have a role to play in encouraging the sort of interdisciplinary dialogue that needs to happen. A review of the ARC’s approach to funding and promoting interdisciplinary research conducted in 1997 suggested that when economists have submitted proposals for funding to undertake economic analyses in welfare areas such as nursing they have often experienced negative responses both from their fellow economists and from reviewers in the welfare area, and therefore miss out on funding. Since then, program coordinators have been charged with the responsibility of identifying and promoting new interdisciplinary fields, and may consequently be encouraged to support developments in this area.
It is important to encourage costing work within agencies and, more broadly, to encourage people with research interest and capacity working in the sector to become involved in research initiatives in this area. This could be done through ARC fellowships or linkage type projects or through AHURI.

There is also a need to inform the sector about economic approaches in a practical rather than discipline oriented way, identifying the ways in which different types of economic and costing study might be relevant to agencies’ operational and advocacy activities, as well as to broader policy issues.

Homelessness advocates and campaigning organizations in the UK, USA and Canada have been at the forefront of initiatives to develop innovative methods to provide a firmer empirical basis for economic arguments. Recent activities of the Corporation for Supportive Housing and the National Coalition to End Homelessness in the USA and of Shelter and Crisis in the UK were noted in Chapters 3 and 5. Promoting access to the results of economic evaluation has been part of this endeavour.

The Canadian Prevention Dividend Project provides a different model. This is a national effort to raise awareness and enable individuals and community based organizations to use economic evaluation to demonstrate the impact of their prevention and early intervention work in the social welfare sector or beyond. It supports research, data collation and dissemination, training and policy components, and aims to:

- Research and compile good illustrations and case studies that successfully demonstrate the ‘return on investment’ that comes with early intervention and prevention programs;
- Connect interested researchers, organizations and individuals with available information and resources to improve their understanding of economic evaluations;
- Provide learning opportunities, conferences and tools for people wishing to apply economic evaluation in their sector;
- Develop a longer-term strategy to support the design and use of economic evaluations across the non-profit and public sectors.

Raising awareness of the uses of economic evaluation in the welfare sector promises to encourage the development of alternative economic arguments and costings and thereby distributes whatever power economic analysis has more widely.

We turn now to the more specific resources and infrastructure needed for both research based and simulation approaches to pathways costing and evaluation.

**Unit cost information and the development of homelessness service costings**

In pathways approaches, the valuation of costs (and outcomes or benefits) needs to be in unit rather than aggregate form so that each costly instance or episode along the pathway can be individually tallied, and so that the total costs of alternative pathways (fewer or greater cost instances) can be compared. The kind of unit cost

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information required depends on the scope of the study. While some pathways trace only service contacts and costs, others require unit cost information on a wide range of resources used. Almost all studies require unit costs of homelessness services differentiated according to service type. For example, in policy evaluations aimed at promoting preventive or permanent solutions to homelessness, crisis accommodation services are generally counted as a key cost of a ‘business as usual’ policy response, and must therefore be costed separately from other types of services offered by homelessness assistance providers.

Chapter 10 investigates available information on the costs of homelessness service delivery and unit cost information on other services. It finds that existing (or, at least, publicly available) information on the direct costs of delivering homelessness services in Australia is not adequate for research purposes. This lack represents an important obstacle to pathways costing and evaluation. Sound economic data on service delivery is also required for program administration at provider and funder levels. We identify the interests that prospective and existing service providers might have in the development of better program cost information and suggest options for bottom-up costing of selected services to develop preliminary data. Since all economic evaluation depends on sound program costings, development in this area is of prime importance.

The feasibility of large-scale modelling depends on the pre-existence and accessibility of relevant unit cost information, since this is time consuming to develop from scratch. The Productivity Commission’s annual Report on Government Service Provision identifies top-down unit costs for a number of services of potential interest to a study examining the costs of homelessness. As economic evaluation has become more prominent in the welfare sector, various initiatives have been undertaken to develop and collate unit cost information better suited to research. Chapter 9 describes the compendium of service unit costs developed in the UK and suggests this might be the sort of initiative fruitfully pursued by the Australian Institute of Health and Welfare.

Collating data for pathways modelling

In addition to unit cost information, a wide array of research and administrative data is required for the modelling of alternative trajectories through homelessness. Cohort analyses have particularly heavy data needs. (An indication of these requirements is given in our discussion of case study and cohort simulation designs in Appendix F.)

In Australia there has been considerable growth in the output of pathways research over the last five years or so. There is no obvious single source for locating this output, and existing summaries such as the otherwise useful review of research by the Commonwealth Advisory Committee on Homelessness in its Working Towards a National Homelessness Strategy (2001) are now out of date. Appendix B in this report goes some way to filling the gap. It summarizes selected empirical research in the following areas:

- Causal and trigger factors and processes that lead to initial and repeat episodes of homelessness, and to factors and processes explaining its duration or repetition;
Experiences and consequences of different types and degrees of homelessness;

Trajectories through forms of accommodation, including life housing-homeless pathways;

Patterns of service use and non-use while homeless (particularly patterns of ‘inappropriate’ service use);

Patterns of informal and formal help seeking and service use seen to assist exit from homelessness (in the short and longer term);

Analysis of current service and policy contexts (‘business as usual’ scenarios);

Identification of good, better and best practice (‘appropriate services’) for particular groups, including evaluation studies of homelessness interventions across the service spectrum.

This review has located several studies whose findings and conceptual insights could be used for pathways modelling and these are identified below. However, it does not cover existing statistical sources on the numbers and characteristics of particular subgroups. This data is needed for estimating the magnitude of costs attributable to a given circumstance or population subgroups. Australia has comparatively rich sources of national level enumeration data in addition to the National Data Collection Agency (NDCA) sources, and one-off surveys by AIHW. It would be a useful exercise to collate statistical sources and outline their scope, collection methods and limitations.

In order to build a capacity for useful and robust costing studies, some means must be found to collate relevant material in an ongoing fashion. In the UK, the Social Exclusion Unit has systematically pursued this task over the last five years or so. Its publications and website draw together research findings and other data sources relevant to assessing the costs of social exclusion. It also makes direct solicitations for material relevant to new costing projects.81 The Canadian Prevention Dividend Project similarly invites researchers to send in details of studies or programs in the community services sector they may be involved in that have an economic evaluation component. The Project is therefore able to maintain a large and up-to-date bibliography that can be used by researchers and advocates alike.

The wider problem for researchers in Australia is the lack of a regularly updated, searchable database or ‘clearing house’ of homelessness literature. Consultants’ reports and research produced internally by government bureaucracies or service providers make up a large and critical component of this literature, but such work is often time consuming to track down, and sometimes lost from the public record altogether. The UK Homeless Pages, a web service containing information on publications and training relevant to homelessness, offers a good example of what is needed; this project was financed by the Community Fund Lottery. The Canadian Homelessness Research Virtual Library provides another model.

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81 For example, in a May 2003 Consultation Document outlining a forthcoming study on mental health and social exclusion, researchers were invited to send in any cost-benefit information, including: current costs to public, voluntary and community services of mental health problems; costs of preventative or rehabilitative interventions at the local, individual and national levels; and cost of any unsuccessful interventions or the long-term costs of failure to provide appropriate services or support.
Developing administrative database research

The greatest potential over the longer term lies in integrated database research. The benefits of this approach for policy analysis, evaluation and costing research were introduced in our discussion of recent research in the USA (most importantly, the NY/NY Agreement cost study) and further explored through the research agenda developed by Culhane and Metraux (1997) (summarized in Appendix E). Our assessment of available infrastructure suggests that it is a highly feasible direction for Australian researchers and policy makers to pursue. It is underpinned by capacity for longitudinal tracing of client records through homelessness information systems.

**SAAP National Data Collection (NDC) client data set**

The SAAP client data set is a critical resource for longitudinal analysis in the following areas:

- Investigating the dynamics (both patterns and drivers) of homelessness experience and homelessness service use;
- Evaluation of accommodation outcomes for clients of homelessness services and of the mainstream welfare system,
- Economic evaluation of policy responses at the systems level through analysis of ‘heavy and inappropriate’ use of crisis and transitional accommodation and in integrated database research, through public service cost savings analyses more generally.

These uses all require analysis of multiple years of data and a capacity for unduplicating client records across agencies and across time. In Chapter 9 we explain more fully the potential and limitations of the SAAP NDC for longitudinal analysis, but a few summary points can be made here.

Recognition of the need for longitudinal analysis lay behind the initial development of the alphacode (AIHW 1997). However, although the NDC has been in operation for eight years, published analyses have rarely traced client contact for longer than a 12-month period (see summary in Appendix B, Section 7, and Appendix C, summary of longitudinal research). One of the reasons for this is the limited information carried by the existing alphacode. This has resulted in a problem of duplication, which compounds with each year of data matching. The consequence is a degree of error in estimates of repeat service use. Whether this rules out the possibility of multi-year analysis to the degree of accuracy required for research purposes remains subject to debate. While planned modification of the alphacode would overcome the duplication problem, this still leaves the question of how best to use the existing longitudinal data archive. It would be another four years or so before the types of longitudinal analysis of interest could be performed. Chapter 9 sets out a proposal for exploratory work using the full existing client data set (currently seven years of data) to look at the possibilities for multi-year analysis.

Accurate matching of client records across time is not the only issue that must be addressed to enable the sorts of analysis identified in this report. The data needs to be disaggregated by service delivery model. However, the current NDCA categorization
of service models is an increasingly inadequate reflection of differences in service function ‘on the ground’ and consequently is limited in offering analyses and comparisons of different service responses within SAAP. It is also important to separate accommodation from support services (see Chapter 10).

National level studies of patterns of service use are important because homelessness services are funded at the federal level and are accountable to the federal department and treasury. But making sense of patterns of service utilization requires knowledge of the local service environment from clients’ point of view, including familiarity with the range of options open to people seeking emergency assistance and supports. It also requires analysis of the supply and demand factors across a given geographic area (a high level of unmet demand in crisis accommodation services may result in underestimations of the extent of ongoing and repeat homelessness). At the agency level, it requires knowledge of eligibility criteria and exclusion policies, the rules about how long a person can stay and so on. This is important not just for understanding patterns of service use and avoidance, but also to know whether, for example, stays of long duration represent good service or bad service. Regional level analysis is therefore of considerable importance, and provides a sound basis for comparison which may ultimately be more useful than national level data in exploring the implications for national policy development.

The interpretation of data on the duration and repeat use of SAAP services is also politically sensitive since it bears on assessment of the efficacy of service providers and the system of service provision. One of the program’s goals identified in the 1994 Act is to ‘re-establish a capacity to live independently of SAAP’. Since, as Lai (2003) points out, ‘a measure of clients’ dependence on SAAP is their repeat usage of service over time’, evidence of the success or failure of this policy shift has been sought in patterns of service utilization.

It is not appropriate to hold SAAP agencies solely responsible for client outcomes (good or bad), and that includes returns to the system. Repeat service use is a difficult indicator to interpret, since persistent or episodic return to shelter could as well indicate failure further down the continuum of services (lack of adequate exit points). Repeat service use is nevertheless a crucial piece of data because it provides evidence on the long-term accommodation outcomes for clients, not just of homelessness services, but of the full range of welfare services, and as a practical, if limited, means of identifying common patterns of homelessness in Australia.

There are also wider concerns about the use of the NDC to measure outcomes for clients beyond accommodation circumstances (for example, changes to employment status) and the ways in which this information might be used in the performance framework for SAAP. It is therefore important to draw a distinction between the use of SAAP NDC for research purposes and for accountability purposes. The suggestions in this report pertain exclusively to the former.

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82 These are: crisis or short-term accommodation, medium- to long-term accommodation, multiple service delivery model, other, outreach support, day support, agency support, telephone information and referral.

83 Burt (1999) and Mars et al. (2001) reach a similar conclusion. See discussion in Chapter 3.
There is considerable potential for use of NDC for longitudinal research. Regional and local level analysis of NDC data will make for more meaningful analysis, and this can be supplemented with qualitative research on service use. This potential is best achieved by allowing wider access to the client database. Observance of strict confidentiality protocols is clearly a prerequisite to this development.

**Linking databases**

Chapter 9 looks in detail at existing and potential future capacity in Australia for linking administrative databases relevant to exploring the service pathways into and through homelessness. Notable advances have been made in the health area, particularly in Western Australia where the Statistical Linkage Key Working Group (2002) conducted an investigation of statistical data linkage in the community services sector. It recommended that the community sector consult and collaborate with the health sector in order to share expertise and infrastructure, and build on existing efforts to develop workable privacy and data handling protocols. We fully support this recommendation. Chapter 9 outlines a proposal to explore the potential of the WA Statistical Data Linkage project for homelessness research.

It would also be highly desirable to foster links between the NDCA and the University of Pennsylvania Center. The Center has been at the forefront of longitudinal research using HMIS and data linking specific to homelessness policy evaluation and development. One possibility would be to fund key researchers from the Center to work with the NDCA to explore opportunities (including methods of statistical analysis), or alternatively for NDCA people to visit the Center.

There are important issues around the funding and management of integrated database research. There are many potential pitfalls, as demonstrated by the experience of Canadian research funded under the National Homelessness Initiative. This clearly illustrates the risks of initiating multi-systems database research in this area without the necessary lead-in time to scope databases and negotiate with data holders and other stakeholders, and without sufficient budget to withstand setbacks.

The success of the economic evaluation of the NY/NY housing program was achieved by the UPENN Center after many years of developing the necessary technical skills and partnerships. It was the outcome of a collaboration in part negotiated by the Corporation for Supportive Housing, and involving individual agreements with several government departments.

Given the very early stages of work in this area for homelessness in Australia, we strongly advise against funding of this research on a consultancy project basis. Development in this area would be a prime candidate for cross-departmental funding and administration. Initiatives like the WA project to enable matching of databases ease the passage of new projects.

As a relatively new enterprise demanding technical skills and facilitating a broad range of research questions to be addressed, participation in such capacity building should also prove attractive to academic funding bodies.
Other issues

In the shorter term there is already some interesting work that could be built on, including studies in progress by hospital research units in Melbourne into the ‘heavy and inappropriate’ use of emergency departments (see Chapter 9). It would make sense for the proposed advisory committee on economic evaluation to investigate the possibilities for contributing to existing research of this nature. Apart from making the homelessness research dollar go further, it also opens up opportunities for leveraging funds from other federal and state departments.

Our brief review of relevant administrative databases in the health area coordinated by the AIHW also suggests the need for lobbying for the development of homelessness indicators in AIHW national minimum data sets. Of the four data sets that are likely to be relevant to tracing the service costs associated with homelessness (alcohol and other drugs services, admitted patient care for the hospital system, non-admitted patient emergency department care and admitted patient mental health care), only the last has detailed information on residence.

Existing general population surveys

Administrative data is a key source for economic evaluation of policy at the systems level, but it cannot help with all the questions we need answers to. Administrative database research (particularly when used in isolation from other sources) is limited in the range of costs that can be investigated. Analysis is largely restricted to consideration of costs associated with publicly funded services (though, as in the case of SAAP agencies, service delivery may include non-government resource costs). Our review of the costing literature shows growing interest in the personal (financial and opportunity) costs borne by homeless individuals and their families and friends arising from different responses to homelessness. These sorts of costs can only be explored through primary research. Data derived from these studies can help inform the design of interventions that build on people’s existing resources and support networks, or else compensate for their absence. Later in this chapter we propose a survey based study to investigate the personal costs incurred by families staying in different forms of temporary accommodation. (It should be noted here that all research proposals that involve surveying SAAP services need to be carefully considered as agencies already have significant reporting requirements and other data collection activities, and many are clearly at risk of ‘survey fatigue’.)

A more fundamental limitation of administrative data is that not all people experiencing homelessness are in contact with homelessness assistance agencies (or those included in existing databases). Very little is known about Australians who become literally homeless at some stage in their life but who don’t come into contact with homelessness services. It may be that for the most part these are people who manage their own exits from homelessness, though it may also be true that some

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84 A special homeless enumeration strategy was developed for the 1996 Australian Census and further refined for the 2001 Census. While a valuable resource, this work is a ‘point-in-time count of the homeless and provides limited insight into the experiences of the homeless. See Chamberlain, C. and Mackenzie, D. (2003) Counting the Homeless 2001, Canberra: Australian Bureau of Statistics, Catalogue No. 2050.0
are badly neglected by the homelessness service system. It would be valuable to explore the consequences of homelessness for both these groups.

In theory, surveys of people experiencing homelessness should be able to gain access to different forms of hidden homelessness, though in practice, survey samples have generally been recruited via homelessness service providers (see Appendix C, summary of longitudinal research). One way of reaching non-service users, at least those who have experienced homelessness at some stage in the past, is by a random sample survey of the general population. A good way of doing this is to ‘piggy back’ on an existing survey, since a purpose-built survey of sufficient size would be prohibitively expensive.

The Scottish Household Survey (SHS) is a good example of what can be achieved. At present the SHS asks respondents (randomly selected adult from each household) whether they had ever been homeless, how many times in the last two years, their experience of ‘hidden’ homelessness (including sleeping rough), the sources and types of help received and their reasons for not receiving help (Pickering et al. 2003).

One possible vehicle in Australia is the General Social Survey. The ABS re-established the General Social Survey in 2002. This in part reflects policy interest in the concept of social capital and covers a number of topics including respondents’ health, family and community networks and housing and financial situation. It is intended that the survey will include questions on a one-off basis to investigate specific issues, and this opportunity could be used to investigate the broader population’s experience of homelessness. Information collected by this instrument would be reliable on a state-by-state basis, important given that most parts of the homelessness service system are administered at a state level. The survey is conducted every two years, and could also potentially provide scope for ongoing data collection.

In addition to providing estimates of the period prevalence of homelessness in a given geographical area, random sample surveys of this kind can be used to locate a sub-sample of people who were homeless, but who are currently housed (as indicated by their receipt of the survey form or telephone call). This is one way of exploring how people manage to find their way out of homelessness, whether with or without the help of formal services. Where the necessary consent for re-contacting respondents is provided in the initial survey, more detailed investigation of homelessness pathways could pursued in subsequent face-to-face interviews. It may also be possible to focus on particular groups under-represented in SAAP data, such as people from culturally and linguistically diverse backgrounds.

This method could be used to locate a sub-sample of formerly homeless people who had not used formal homelessness assistance for a one-off study to investigate patterns of resource and service use while homeless (primary or secondary) and of the sorts of costs incurred by the individuals (or families), their family and friends, the wider service system and other informal supports.

Finally, a general population survey may also enable the location of a sample of people who are one-time clients of homelessness services, since equally little is known about what happens to these people.
Costing and comparing interventions across the service continuum

In Australia, many associate the role of pathways costing with demonstrations of the cost-effectiveness of ‘early intervention’ (e.g. Thomson Goodall 1999). This is an important role, but does not exhaust the potential uses of pathways approaches. Some of the most politically persuasive cost studies explore the costs of chronic homelessness by tracing service use pathways. Though as yet largely unrealized, there is also considerable potential for multiple systems analyses to assist in making general economic cases regarding the inefficiencies of shifting costs from mainstream welfare services onto the homelessness service system. We have located no prominent cost study in any of the three countries considered where an economic case has been made in support of crisis accommodation services and therefore make a point of drawing out relevant economic cases that can be made in support of crisis accommodation.

Would it be possible to develop a study that assessed the costs and benefits of early intervention strategies, compared to crisis strategies, compared to preventive and maintenance strategies? While these categories are a useful means of articulating a shift in the emphasis of interventions at the broad policy level, there remains considerable difficulty in operationalizing them ‘on the ground’. These problems are raised in Chapter 9 with respect to the use of SAAP data, and Chapter 10 makes some suggestions about how this issue could be dealt with in primary program costing research. In the meantime, in order to make empirical headway in identifying costs and benefits of intervention types, we suggest studies that would look at individual programs.

High risk transitions and timely interventions

The literature points to several housing related transitions that are estimated (with varying degrees of empirical evidence) to carry with them a particularly high chance of leading to homelessness. Appendix B collates research relevant to four high risk transitions: transition from out-of-home care, women escaping situations of domestic violence, ex-prisoners making the transition to the community, and tenancy breakdown (with risk of eviction, foreclosure or abandonment). These are areas where services outside Homelessness Service Systems (HSS) are generally seen as responsible for preventive action and where the failures of action impact on demand for HSS, though increasingly partnerships are being developed between HSS and neighbouring departments to trial innovative responses. These new programs provide fertile ground for cost studies. Further details of these developments along with the research referred to below are in Appendix B, Section 4.

The economic logic of focusing on high risk transitions is one of enabling timely and hence high impact intervention, but the feasibility and cost-effectiveness of the targeting required to implement strategies is rarely investigated (Shinn and Baumhol 1999). The people assisted through these strategies are at high risk of becoming homeless and, in many cases, of repeated homelessness, and there is a particularly

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85 Other areas include transitions from psychiatric inpatient units (for patients with a history of homelessness) and for newly arrived (or released) refugees and asylum seekers.
strong economic logic in attempting to intervene. They nevertheless constitute a small proportion of people experiencing homelessness.

**Out-of-home care**

Wouldn’t it be more pragmatic for governments to expend monies at critical phases of a troubled child’s life, when they can be helped to turn their life around, so they can become a valuable and contributing member of society? (Clare 2003, CEO, Children’s Welfare Association of Victoria)

For many years, advocates of improved post-care services for young people leaving out-of-home care in Australia have made an in principle economic case for providing additional support at this point, on the grounds of reducing homelessness, ill health and self-harm, anti-social behaviour, and long-term welfare dependency. The Children’s Welfare Association of Victoria (CWAV) is currently undertaking the first analysis of the costs of post-care pathways as part of a case for additional support from the state government. At the national level, the Department of Family and Community Services has recently introduced the Transition to Independent Living Allowance (TILA) as a homelessness prevention program. However, there is currently no national legislation regarding post-care support. The Australian government has been called upon to require the states and territories to follow minimum uniform leaving care standards (Mendes and Moslehuddin 2004).

It may consequently be timely to develop a study to enable comparison between the post-care pathways of young people in the different states and territories with a view to comparing different post-care assistance packages. An economical approach would be to use existing research results and develop indicative costings, though more impact is likely to be gained with a research based study. Approximately 2,000 young people aged 15-17 are discharged from out-of-home care each year in Australia, this being about 15 percent of the in-care population (Mendes and Moslehuddin 2004). It is not known how many of these young people exit care into independent living, but a series of small-scale longitudinal studies has shown that a substantial proportion of care leavers do experience homelessness in the year after being discharged (Cashmore and Paxman; Maunder 1996; Liddell and Green 1999; Owen et al. 2000; London 2004). A prospective longitudinal study could therefore be carried out with a sample of care leavers in the different states and territories over a period of, say, six months, to follow their trajectories. Given the small number of young people leaving care overall, with additional funding an entire cohort of care leavers could be included which would provide compelling evidence of the aggregate costs accruing to different post-care pathways. Existing longitudinal research along with the CWAV study could be used to guide the development of a suitable interview schedule by drawing attention to likely areas of cost.

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86 The Department of Family and Community Services commissioned a consultancy to develop costings of ‘alternative pathways’ for young people following the introduction of the TILA to assess whether the size of the allowance is appropriate. It is not proposed that the project include an empirical research component, but rather to develop costing frameworks by consulting experts on common pathways.
There have been problems maintaining contact with young people in the past, partly due to an understandable reluctance on their part to become involved, particularly where researchers have not been able to develop trust with young people prior to their leaving care. This casts doubt on the feasibility of a large-scale panel survey. A less obtrusive approach would be to gain consent from young people for their records to be traced in selected databases (including SAAP) to give an indication of their circumstances. Beyond the issue of post-care support, it is critical to gain quantitative data on the longer-term outcomes for young people who have experienced out-of-home care as part of a process of evaluating the wider policy response to young people in the care of the state.

**Staying home, leaving violence**

A second area in which early or timely intervention is anticipated to be cost-beneficial is in developing a ‘whole of government’ response to removing the perpetrators of domestic violence in order to allow women and their children to remain safely in the family home. A significant number of women experience literal homelessness or residential instability in their attempts to escape domestic violence. Research had begun to describe the costs arising from periods in temporary accommodation that may potentially be avoided through implementation of this new approach (Chung et al. 2000; Edwards 2003). This work also suggests that the option of remaining in the family home may not be feasible for many women. This has raised concerns that a cost saving orientation on the part of government might result in a diversion of funds from women’s refuges in pursuit of this policy (Oberin 2002). However, there is clearly a service gap; in *Staying Home, Leaving Violence*, Edwards (2003) found that, despite the range of services used by the women interviewed, none focused specifically on enabling women and their children to remain safely in their homes. This points to the usefulness of an ex-ante modelling of the costs accruing to leaving or staying in the family home, including the outcomes for the perpetrators. The case studies developed by Edwards may provide a starting point for modelling the resource implications and opportunity costs associated with alternative pathways.

**Transition from prison**

Important longitudinal research by Baldry and colleagues (2003) has produced quantitative evidence of the relationship between homelessness, release from prison, and re-incarceration. Qualitative research funded by the SAAP Coordination and Development Committee has also confirmed the findings of overseas research regarding the cycling between institutions (AIC 2004). Post-release programs hold the potential for intercepting this ‘prison treadmill’ and thereby deflecting the high social and public service costs associated with it. Evaluations of recent trials of post-release programs developed under the Victorian Homelessness Strategy have just been completed. Similar initiatives are underway in Western Australia. This is another area where recent research can be used to model costs and benefits based on the cohort traced through this longitudinal study. While the cohort traced by Baldry and colleagues cannot be regarded as representative of the 40,000 or so persons released from Australian prisons each year, it hints at the potential magnitude of the costs of inaction.

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87 This is not to say that such services do not exist, but that the women interviewed had not accessed them. For example Western Australia has a residential service for perpetrators of domestic violence.
Prevention of eviction and tenancy breakdown

Eviction is a notable precipitating factor leading to requests for SAAP assistance. Its financial and opportunity costs are substantial for social or private landlords as well as for the individuals and families concerned. Initiatives for tenancy support and eviction prevention have been developed by State Housing Authorities and more recently by SAAP and THM services.

An early cost study by Hanover Welfare Services indicated the cost-effectiveness of assisting families and individuals in crisis through emergency relief before they lose their housing (Horn 1997). While illustrating to good effect the potential of timely intervention, this analysis was based on ‘snapshot’ scenarios developed for two of the agency’s clients covering the period of a week. Evidence of the long-term outcomes for clients following receipt of emergency relief or other eviction prevention initiatives delivered by homelessness is scarce. More robust evaluation designs are now needed that develop empirical evidence regarding the durability of housing outcomes. Chapter 3 identified several studies of eviction prevention programs conducted in the USA and noted the critical review of this work by Shinn and Baumhol (1999).

Closer to home, evaluation research on eviction prevention and tenancy sustainment activities in the SHAs has made notable advances. Work by Slatter and colleagues on the operation of the South Australian Trust points to the high level of repeat tenancy breakdown among those assisted with bond payments, particularly in the private rental sector (Slatter and Beer 2003; Slatter and Crearie 2003). This research highlights the limits to the effectiveness, and consequently cost-effectiveness, of emergency rental and bond payments, and raises the question of the trigger and causal factors of repeat tenancy breakdown: who are the people that keep falling out of the private rental sector, and can economic arguments be developed to make a case for different accommodation options for the groups concerned?

Long-term supported accommodation

An estimated 6,500 SAAP clients (NDC 1996-97) were identified as likely to require long-term support (Ecumenical Housing and Thomson Goodall 1999). This group was most likely to have multiple support periods.

The need for, and shortage of, supported housing for people with long-term support needs and who are at risk of homelessness is increasingly documented in Australia. There are considerable inefficiencies in current approaches. Without ongoing support and adequate accommodation many of these people will be frequent users of emergency services, lessening the effectiveness of care and the increasing stress on expensive services. In the long term, those in need of supported accommodation

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88 This study is discussed in Chapter 9.
89 In the authors’ schema, this group was classified ‘category 1’, that is, having ‘intensive needs, which may compromise functioning and ability to meet basic needs and which often manifest in difficult behaviours, and are more likely to be ongoing’.
90 For reference to people with disabling mental illness, see Parker, Limbers and McKeon (2002), CACH (2001), CHP (2003); for older people experiencing homelessness, see Lipmann (2002), Lipmann, Mirabelli, and Rota-Bartelink (2004); for people with heroin addiction problems, see Bessant et al. (2003); also see LennMac Consulting (2004).
are the populations that would benefit from analysis of repeat service use and of integrated database research. In the meantime, existing empirical research on service pathways can be used as a basis for models (case study or cohort).

Several possibilities for cost studies have been identified, each suggesting a possible study comparing the costs and benefits of ‘business as usual’ with the proposed service. These include recommendations for studies of supported accommodation for older homeless persons and those with mental health problems.

We have encountered only one study that investigated the costs and benefits of supported housing for people with persistent mental illness: the Supported Housing in the North Demonstration Project Evaluation, based on the experience of eleven mental health patients in Adelaide (see Appendix B and Gale 2003). Lack of data on the impact of supported housing on service use patterns obviously restricts opportunities for modelling in this area. It is important that the most is made of new supported housing initiatives across the country to collect evaluation data relevant to economic analysis.

One area where the efforts of service providers have started to develop economic data is in supported residential accommodation for older homeless people. The central conclusion of Robinson’s (2003) research is that breaking the cycle of iterative homelessness requires a re-focus in policy and service provision on the core issue of trauma – ‘of working through improvements in health, education, employment and housing to heal the individual’. One of the cornerstones here is the need to provide a point of stability, whether developed through housing, drop-in centres or support groups, as a means to sustain and build relationships with individuals experiencing iterative homelessness and mental disorders. Robinson argues that this ‘should be viewed as a resource saving mechanism in the context of the demonstrated ongoing cycling through accommodation, prison, hospital, support services etc.’

Wintringham’s submission to the Victorian Homelessness Strategy 2002 collates evidence showing that by ‘providing a homeless person with a safe and secure home, support services and home based community services, the use of medical resources rapidly diminishes’ (Lipmann 2002). This is seen as a good outcome for both the residents and the hospital and health care system. The provision of subsidized housing and support is argued to be a fraction of the cost of institutionalized care. The nationally funded Assistance with Care and Housing for the Aged (ACHA) program is seen as an effective preventive program but one that meets only a small fraction of demand (Lipmann, Mirbelli and Rota-Bartelink 2004; Judd et al. 2003). Recent research has provided new data to illustrate the public service impacts of ‘inaction’. The international survey of the causes of homelessness among newly homeless persons found that almost half the Australian respondents (45 percent or 56 respondents) reported that their main source of medical assistance was the local hospital (Lipmann, Mirabelli and Rota-Bartelink 2004, 35). As the authors comment, ‘while non-elective acute services are free, they are an expensive drain on hospital resources and as a consequence are not always easy to access’. Neglected, the person’s health problems get worse, perhaps leading to hospitalization. This is where public services costs are most felt. The experience of primary homelessness
is associated with premature aging, also leading to residential care and extended stays in hospital, and a higher level of support than might otherwise be required (suggested by success in reversing premature aging through the provision of good housing and support services).

A recent analysis of repeat SAAP service use among older clients shows 13 percent to have been clients for at least three years in a row (Appendix B, Section 7). The small number of persons involved (even allowing for underestimation due to lack of client consent) may indicate a higher degree of ‘hidden homelessness’ among older persons, including living rough without the assistance of SAAP programs. Street life in particular is associated with premature aging. Policy development in this area would benefit from further costing work; health services are the most likely beneficiaries of public service reductions.

Costing alternative SAAP service delivery models for homeless young people

Given the expansion of case management and outreach approaches within SAAP, economic evaluation which compares the cost-effectiveness of different delivery models when young people do come into contact with services is long overdue. Entrance and exit data suggests that they frequently ‘cycle’ between crisis services. For example, the NDCA NSW SAAP report on young people showed that 26 percent come from a SAAP service and 23 percent exit to a SAAP service. For many years, there have been concerns that communal hostels exacerbate the problems, either because they increase the risk of becoming involved in street cultures or because their terms and conditions make less formal but more risky alternatives more appealing. While individual states and territories have developed their own costings, public studies need to be conducted, for example, comparing cost-effectiveness of 24-hour models with transitional housing, with assertive case management brokerage models. The detailed bottom-up costings required are indicated in Chapter 10.

Cases for crisis services

In a policy context where prevention is emphasized, ‘safety net’ programs like SAAP may have a difficult time justifying their need for funding for core services (Sullivan 2003). For the most part, as noted, crisis accommodation features as one of the costs of a ‘reactive’ or ‘band aid’ policy response. In an odd twist of logic, one generally unintended consequence of this line of argument is a shift in objective from reducing homelessness to reducing crisis services. In this context, it is important to emphasize what might happen were crisis services not available or in limited supply, and to demonstrate how they operate as part of a continuum of services.

The usual strategy has been to highlight the fact that SAAP is not exclusively a provider of crisis accommodation. The economic case for transitional and longer-term accommodation and supports can draw on similar arguments advocating other preventive and maintenance responses (including estimation of the costs of crisis

\[91\] Lipman et al. (2004) discuss enumeration sources on older homelessness and conclude that the SAAP NDC ‘shows deceptively low numbers’ and that the ACHA provides a more relevant source of information of the numbers at risk. Alt, Statis and Associates (1996) estimated that some 250,000 older people fell within the ACHA program’s target group.
accommodation itself). Similarly, outreach and various types of intervention with those at imminent risk can deflect the onset of homelessness. But these arguments do not support crisis accommodation. This follows in part from the argument that old style crisis accommodation, through providing the means for survival though little else, helped perpetuate rather than end homelessness.

One of the concerns leading to reform of the SAAP Act in 1994 was that the existing ‘crisis response’ provided a bed, shower and hot meal without doing much to assist people to move out of homelessness (Lye 1999). There were anticipated to be high levels of repeat (sometimes daily) use of services. Concerns such as these drove similar reforms in the UK, USA and Canada. In all cases, the aim was to make services more efficient systems of transitional care, moving clients out of crisis and towards greater independence. The amount of repeat service use is one source of evidence on the extent to which this has been achieved.

Lye (1999) explains that part of the concern with repeat usage came from evidence that many homeless agencies had no strategy in place to address people’s homelessness, particularly the crisis agencies serving single men, and that they were in effect providing ‘long-term, boarding style accommodation and little else’. Entrance and exit point data from the NDC, as well as anecdotal evidence, suggests this may still be a problem, particularly for some client groups and in some geographical areas. The Commonwealth Advisory Committee on Homelessness noted its concern that some services for single men offered ‘B&B rather than intensive support’. The ‘revolving door syndrome’ through crisis accommodation has also been identified as a concern for young people, not so much because of lack of linked services but because of the cultural misfit of rules and communal living in old style hostels. Limited documentation of existing models of emergency and transitional support, the extent of reforms, and the different composition of service systems across the states and territories means that it is very difficult to get a sense of how big a problem this is likely to be. It may be less of an issue than is sometimes thought, but either way, sound data is needed.

Collecting such data is not an easy task because of the limited control that crisis services have over the flow of clients. Consequently it is important to develop robust evidence that lack of appropriate exit points impede the operation of crisis services as short-term and transitional services. Similarly evidence is needed to demonstrate that the flow of clients from mainstream health, welfare and criminal justice systems and its impact on demand for SAAP services is as important for maintaining government support for crisis services as for making the case for more effort in prevention and maintenance.

But the degree to which the system of SAAP funded agencies or, indeed, the system of homelessness services as a whole can be held responsible for these patterns remains difficult to determine. Two issues are commonly raised regarding the interpretation of repeat service use: the problem of the lack of stable ‘exit points’ from the homelessness service system (both accommodation and the range of needed supports), and the role and function envisaged for homelessness services. Repeat service use may be indicative of a planned movement through agencies (from crisis to transitional housing for example). Alternatively it may form part of a process of recovery (Catherine House 2003).
Estimating the growth in numbers of clients presenting with ‘high and complex’ needs is also part of the case to be made. Anecdotal evidence suggests that the number is growing, and consequently that more resources are needed to provide an adequate response. There have been ongoing attempts to identify the proportion of SAAP clientele with such support needs. Recently, Thomson Goodall have developed a new method to assess client needs for research purposes, though the time demands on staff and clients are likely to prove prohibitive. Given the difficulty of implementing detailed intake questionnaires, other methods are needed. It may be possible to make more use of existing data. Patterns of service use provide an indicator, in tandem with the ‘support to client’ question on the NDCA Client Form (Q22). Over the longer term, linkage between health (including drug treatment) and homeless databases is likely to be the best means to monitor the relationship between particular disabilities and homelessness (and between the services charged with tackling these issues and the SAAP services that bear the burden). Client contact can be used to link people with needed services (through case management) and thereby reduce the chances of ongoing homelessness and other problems.

Crisis services provide good sites from which to develop services such as tenancy support services, employment services, drug and alcohol rehabilitation, and supports for families while staying in temporary accommodation. Hanover Welfare Services has made cases in all these areas. In all cases, this role can only be enacted if there are sufficient resources, and a challenge for costing is consequently to collect and present supporting evidence. The difficulty is to develop sound costings of the delivery of these services, and evidence their greater cost-effectiveness than ‘mainstream’ alternatives.

The experience of the Drug Dependency Trial suggests that, where properly resourced, crisis accommodation providers can have an integral role in short-circuiting homelessness cycles. Prior to its development of the Homeless and Drug Dependency Trial, Horn (2001, 12) pointed to the impact of increasing numbers of heroin addicted clients on the operation of Hanover’s crisis accommodation service. Harm minimization practices had, for example, enabled staff to help reduce fatalities following drug overdose but this was achieved ‘at considerable personal cost to existing staff and at the cost of the diversion from the primary purpose of the crisis accommodation service’. The trial aimed to resource crisis agencies to undertake harm minimization more systematically. It is hoped that its outcomes will:

- demonstrate the benefits of such strategies to meet the needs of this marginalized group and inform future policy and service development that clearly links housing and homelessness to presenting public health issues such as illicit drug abuse.

An exploratory cost-benefit analysis is planned and this may be a useful building block.

Another argument in the case for the cost-effectiveness of crisis services is that the style of service provided by SAAP programs is sufficiently flexible to fill a gap in health care services that would otherwise leave people without personal support. Studies of women with histories of trauma and violence (Catherine House 2003)
and of people with mental illnesses (Robinson 2003) both identify the role of such centres as functional and economical in that they provide points of stability for people which minimize harm and can provide a stepping stone to recovery. Robinson argues that existing responses by mental health services are often not experienced as very helpful, particularly by those for whom there are not pharmaceutical solutions (either because they are unavailable for a given diagnosis or because they work in ways that are unacceptable to the individual). One consequence of this failure is a constant cycling between prison and hospital.

Crisis accommodation helps people avoid what may be worse alternatives, including ‘the streets’, other unconventional dwellings or non-SAAP emergency options such as private hotels and caravan parks. In the first instance, studies of non-service users are needed with a view to making a case for services tailored to excluded groups. Later in the chapter we outline a proposal to investigate the costs of different forms of temporary accommodation, including ‘last resort’ accommodation funded by SAAP. This sort of analysis highlights the costs of unmet need for crisis accommodation and thus supports arguments for the cost-effectiveness of crisis centres.

**Costs of persistent and repeat primary homelessness**

Investigation of the costs of ‘chronic’ homelessness, defined in terms of persistent experience of streets and/or shelter, is the most common focus of costing research, particularly in the USA. Typically these studies explore the costs of ‘heavy and inappropriate’ use of emergency and acute services in the areas of homelessness, health and criminal justice among this group. Since these are people for whom long-term or ongoing supported accommodation may be needed, costing focuses on the benefits of service reduction (or increased use of preventive services) rather than looking to increases in employment. It is important to emphasize that while these studies are primarily concerned with documenting costs to public services, patterns of service use are indicative of ineffective as well as inefficient responses. They point to the people least well served by the current system, whether the failure can be attributed to the operation of crisis accommodation services or to the wider system of welfare services. The goal is to provide economic data to make a case for alternatives that reduce, if not end, the instability expressed through constant recycling.

While the most advanced studies involve the tracking of patterns of use across services and service systems by integrating administrative data archives, important economic analysis can also be carried out through analysis of HMIS. Where a minority of clients account for a significant portion of available resources, this suggests that the development of more effective solutions might also help reduce demand on the shelter system. More sophisticated cluster techniques can be used to explore patterns of shelter use and the characteristics of clients associated with them.

Existing attempts to explore the extent of repeat use of SAAP services are summarized in Chapter 9 and Appendix B, Section 7. From this it is possible to calculate that the 5 percent of clients who had six or more support periods over a year accounted for 29.4 percent of total support periods (Lai 2003, 21: Table 11). These figures give an indication of the disproportionate consumption of resources by this group. However,
the information is limited in value as the resources in question (support periods) are not a standard unit, types of service have not been disaggregated, and it covers only one year of service use.

In Chapter 9 we set out a proposal to identify the frequent users of SAAP services over time. The emphasis is on exploration of the existing data set to identify patterns of service use and the characteristics of people associated with them. Ultimately more sophisticated forms of analysis are required to discern patterns.

In the meantime, what can be drawn on for modelling these costs? There is considerable anecdotal evidence from practitioners in homelessness services, drug withdrawal programs, prisons and juvenile detention centres and from assorted health services and hospitals identifying the existence of ‘institutional circuits’ that describe the experience of homelessness for a significant portion of people. Statistical evidence is surprisingly thin on the ground, although many recent studies have gone some way towards rectifying this, albeit usually with small survey samples (see Robinson (2003) on iterative homelessness among people with mental illness, Baldry and colleagues (2002) on the accommodation pathways of ex-prisoners, and findings from the Drug Dependency Trial). In particular, a growing body of published research, outlined in Appendix B, Section 5, identifies homeless persons as a group of ‘heavy and inappropriate’ clients of acute and emergency health services (Ash et al. 2003; Champion 2003; Dent et al. 2003; Zufferey 2000).

Costs of temporary accommodation as a response to family homelessness

One of the issues preoccupying homelessness researchers in the UK is that of assessing the short- and longer-term impacts for families of periods spent in, and between, various forms of temporary accommodation. Similar issues have been raised in Australia over the last decade regarding the use of private hotels, motels and caravan parks by SAAP agencies as ‘last resort’ crisis accommodation, particularly for families with children (McCaughey 1992; Horn et al. 1996; Bahro 1996; Bartholomew 1999). Commentators have argued that this represents an unproductive use of public funds, displacing welfare funding into the private sector and subsidizing private operators to provide what is often substandard accommodation (Bartholomew 1999, Grigg and Johnson 2001). This response is seen to exacerbate existing difficulties, including financial problems, which in turn is likely to lessen capacity for recovery. It points to the problem of unmet need for SAAP crisis accommodation as well as to the wider problem of failing to provide a more permanent response to families’ accommodation needs.92

How big is this problem? Use of private sector temporary accommodation is unlikely to be as prevalent as in the UK but it may well be increasing. The NDCA collects information on the numbers of clients who stayed in non-SAAP accommodation arranged or paid for by SAAP agencies,93 but does not, for example, include information on the extent to which SAAP agencies are using caravan parks as exit paths or as overflow from SAAP crisis accommodation places. It would be useful to

92 There is a similar debate about the extent to which transitional housing simply prolongs disruption, particularly for families (Lye 1999; LennMac Consulting 2004).
93 About 4 percent of accommodation being referrals outside SAAP.
establish the proportion of funds expended by SAAP (and THM) services on what they consider to be last resort and inappropriate emergency accommodation.

Studies such as those by Bartholomew (1999) on the use of private hotels and HomeGround (2004) on caravan parks provide descriptive evidence of the costs and hint at the potential benefits of using better crisis accommodation or reducing waiting times for long-term accommodation. However, no systematic economic analysis has been undertaken. There is very limited quantitative data on the cost impacts that could be used for modelling. This issue would benefit from larger-scale empirical research (to investigate the social, financial and opportunity costs for families while housed in different sorts of temporary accommodation) than has been attempted to date by individual agencies such as Hanover and HomeGround in Melbourne. A panel survey involving face-to-face interviews would be resource intensive but this information could not feasibly be obtained in any other way. A panel survey of long duration would not be necessary. Even a study pursued over a short time frame (covering a single episode of homelessness) would enable detailed evidence on the financial implications for families as well as opportunity costs. Particular types of temporary accommodation, including SAAP provided, could be sampled. The experience of the UK Homelessness Directorate funded study on the short- and long-term costs of family homelessness would be informative (see Chapter 5 and Appendix F).

Costs of early disadvantage

Young people have been a particular focus of homelessness research in Australia, and as a result one of the few published Australian cost studies is in this area (Pinkney and Ewing 1997). Does this work provide a foundation for future policy oriented research?

Pinkney and Ewing (1997) drew on findings from the first national census of homeless school students to model the costs and benefits of a proposed national program to increase pastoral and welfare resources in schools for a simulated cohort of young people who became homeless while still at school. The study argued that the in-principle economic case for early intervention as a response to youth homelessness should move away from preoccupation with government expenditures and foregone revenue (an ‘outlays’ perspective) and focus instead on the impact of homelessness on economic production and productivity. To this end, it drew attention to the long-term economic impact of homelessness when it results in early school leaving. While there were standard ways of valuing and quantifying the lifetime productivity costs of missed education (measured by foregone earnings), the additional costs arising from the experience of homelessness could only be quantified for the cohort by making a series of assumptions about, for example, the health consequences of long-term homelessness and its impact on employment prospects.

Two prominent data gaps resulted from the lack of longitudinal data: first, data to identify causal sequence (for example, the extent to which problematic drug use follows rather than precedes homelessness), enabling costly consequences to be attributed to homelessness; second, data on what happens to young people over the longer term (and again, to what extent this might be attributable to homelessness).
In the absence of such research, the study relied heavily on the ideal typical youth homeless career developed by Chamberlain and MacKenzie (1994) to anticipate the likely outcomes. As an ex-ante evaluation, the study could not explore the costs and outcomes of an actual program, but it did note the lack of robust evidence on outcomes (short- or longer-term) for clients of existing school based early intervention programs from which to gauge the success of a national study.

Eight years later, there has been a growth in research documenting young people's pathways into, through and out of homelessness. First, various 'early intervention' initiatives have been developed and evaluated, the most important of which is the Reconnect program. Second, there is new longitudinal data on the impacts of homelessness for young people (particularly Project I). These sources are discussed in Appendix B, Section 2.1. In addition, a second census of school students was undertaken in 2001. While a more empirically grounded analysis of the costs and benefits of early intervention for young people would now be possible, it is doubtful whether a similar approach would cast any additional light on the policy debate. There are, however, several other areas where cost studies could add insight.

The evaluation of Reconnect showed that participation in the program had many positive outcomes in the relationships between young people and their parents or guardians. However, there was no obvious improvement to participation in education, training or employment, and young people still moved out of the parental home. This raises the issue of the costs and benefits of broader strategies aimed at assisting young people to long-term independence. These would be best pursued in the wider context of examining their broader housing and employment pathways, rather than through focusing on chronic homelessness as the 'ultimate destination'.

Government policy over the last decade has been focused on building positive pathways for the young, encouraging them to make the transition to independence via the education and training system and removing disincentives to study in the income support system. However, the assumption that young people can and should be supported by families through their early twenties presents a considerable challenge for many families and their children, whether for financial or emotional/psychological issues. Government has invested in developing innovative ways of enhancing relationships between young people and their parents or guardians through ‘family relations’ approaches to early intervention. These are an important part of the effort to assist young people's capacity for independence. Strategies might also be considered to assist young people, particularly those not considered old enough to live independently, to gain structured away-from-home experience that simultaneously builds their skills and motivation.

Longitudinal data on young people's pathways through services, and their housing, employment and education outcomes, are needed to test the success of responses to youth homelessness. Data on what happens to young people who have experienced homelessness once they cross the conventional age from youth into adulthood is still thin on the ground. The impacts of homelessness, at least if defined in terms of periods spent in inadequate housing, become progressively difficult to demonstrate.
One interesting proposal advanced in the last few years by Hanover Welfare Services is for greater emphasis on assisting clients who are of working age to become ‘work ready’ and to access training. Hanover sees a key role for homelessness services in this enterprise. This applies to young people outside the conventional ‘age 25’ cut-off. While Hanover anticipates the proposal to be economically cost-beneficial to implement, a detailed cost study has not been undertaken. Given the broader appeal of this proposal in the context of government welfare policy (and its emphasis on employment as a pathway out of homelessness), this would be a good candidate for an ex-ante evaluation. One of the related issues is the high failure rate of public housing tenancies for young people.

While we know a good deal about the impacts of literal homelessness on young people, we know relatively little about the sorts of precarious living circumstances more widely experienced by them and how these help or hinder their attempts to pursue education, employment or training.

Finally, we know little about the longer-term causes of risk factors associated with homelessness. The findings of the Reconnect evaluation show that for many young people the difficulties that led to homelessness are long in the making. This points to the importance of assistance to families and children earlier still. New research, particularly in the brain sciences, has underscored the importance of early intervention in improving the life chances of children. In her summary of the research, Rogers (from the Centre for Community Child Health, Royal Children’s Hospital) suggests that, while the argument is not new, ‘the evidence is much stronger’ (Rogers 2003, 6). She advances the UK Sure Start program as a good example of what can be done in providing support to families in the critical years.

Modelling the lifetime consequences of early disadvantage (in childhood or youth) is invariably speculative, as shown in our discussion of UK attempts to model multiple disadvantage of teenagers ‘not in education, employment, or training’. However, in a context where a case is to be made for a new program, it is still a valuable exercise to collate available longitudinal data demonstrating life pathways. In Australia the National Crime Prevention Strategy (1999) found that the pathways to crime and delinquency start in early childhood and that intervention through early supportive services can save money in the long term (see Appendix B).

An area where a more focused costing exercise could make a useful addition to policy debate is in relation to initiatives designed to ameliorate difficulties for families and children while living in temporary accommodation, SAAP provided or otherwise. Newman and Horn (2003) suggest that insufficient resources have been allotted to support children in families experiencing homelessness and to mitigate the serious impact on their development and wellbeing. Early evaluation of this model again suggests that ‘it is imperative that SAAP funded services are supported and resourced to develop integrated responses with mainstream infrastructure’. Tutoring is given as an example. SAAP and other welfare services will need to be better resourced to do this.
The costs of Indigenous homelessness?

The analysis by Memmott, Long and Chambers (2003) hints at important issues for costing approaches to Indigenous people. The culturally specific understanding they bring to the conceptualization of ‘homelessness’ illustrates why common responses often fail, for example, provision of inappropriate rental housing, or attempts (well-meaning or otherwise) to get public place dwellers out of public places, and hints at their economic inefficiency. It also calls for a reassessment of what is to be considered most harmful (see Appendix B).

It would be no more useful to undertake a study of the costs of Indigenous homelessness and the benefits of intervention than it would be for any other population: diverse types and patterns of experience will similarly impact on costs. Care needs to be taken in the application of standard categories, such as degree and patterns of homelessness. For example, Indigenous people constitute a sizeable proportion of ‘primary’ homeless. However, this is not necessarily perceived by those experiencing it as more harmful than being housed. Though this lifestyle might not have been chosen, it may well become a preference. ‘Parkies’ or ‘long-grassers’ may not want to be housed.

Memmott and colleagues argue that dedicated services centres would be a more appropriate response to public place dwelling and suggest it would also be cost-effective if tolerance on both sides could be engendered. But since there are few such initiatives, and evaluations are even scarcer, there is little for modelling to build on. Studies of visible homelessness overseas have pointed to the high costs of a law enforcement response, and this would be relevant. But the main issue is to develop evaluation data showing the workability of the services centres and mutual tolerance strategies. As always, such evaluation should include program costing.

The need for housing provision which recognizes the family and cultural obligations of Indigenous people has been given some attention, though this has not necessarily led to solutions. At least here there is more evaluation work that can be built on in modelling. A number of reports across Australia have concluded that some Indigenous people experience difficulty in maintaining public housing, resulting in costly avoidable evictions. They cite lack of culturally-sensitive State Housing Authority policies and practices as contributing factors, including poor housing allocation practices and transfer policies, and an inability to deal with extended families and tenants’ needs for support in dealing with bureaucracy. The Office of Housing in partnership with the Aboriginal Housing Board of Victoria is undertaking an 18-month pilot in Melbourne’s northern suburbs and the Mallee to assist Indigenous tenants at risk of eviction. This approach is strongly supported by evidence from this report and should be extended across the state (Stephen Kerr et al. 2003).

As the problem of Indigenous homelessness persists and grows at a national scale, burdening Indigenous stakeholders, government, private enterprise and the wider taxpayers, the prospects of recognizing the need for a holistic and adequately funded approach is becoming clearer. Nevertheless, as Memmott, Long and Chambers (2003) point out, ‘homelessness ought not to be singled out as the problem’. Use of alcohol and other drugs, suicide and self-harm, high imprisonment rates,
apathy and depression, violence and deaths in custody are all said to emanate from dispossession and loss of land, of culture, of children, of role. The wider issue of spiritual homelessness and dispossession among Indigenous people goes beyond the scope of the resource focused economic evaluation we have advocated in this report. However, attempts to explore the costs and benefits of social exclusion and multiple disadvantage across Australia and across cultural groups and social classes may draw some inspiration from efforts in the UK.

Conclusion

In this chapter we have argued that a more nuanced understanding of homelessness pathways, diversity of paths and the challenges of costing homelessness and interventional options is needed. Policy makers need both conceptual and strategic tools to equip them to cope with the inherent diversity and unpredictability of homelessness. In particular, we need more integrated information systems and longitudinal analysis making use of such databases. In the next chapter we consider the existing resources and discuss using and augmenting them.
Australian homelessness and related services information systems and data collection

This chapter examines the potential for conducting longitudinal research using existing Australian homelessness services information systems and data collection. It focuses initially on the SAAP National Data Collection (NDC) and discusses the research challenge of tracking diverse homelessness pathways using data. It argues that estimating the feasibility and cost-effectiveness of such research depends on how the data is collected as well as the reliability of the existing statistical linkage key used to match client records.

Following our discussion of administrative data developed by services that target assistance to people at risk of or experiencing homelessness, we identify other sources of administrative data relevant to homelessness research and explore the potential in Australia for longitudinal linking of administrative databases. We conclude with two proposals for further research. The first is for a detailed investigation into the potential of the Western Australia Data Linkage System Project for homelessness research. The second is for a study into the utilization by homeless persons of hospital emergency departments, following recent work in this area by Melbourne based researchers.

The SAAP National Data Collection (NDC)

The key administrative data source for examining homelessness in Australia is the SAAP National Data Collection. The data collection commenced in 1996; it arose from a recommendation of the SAAP II evaluation team and, along with the national research program, was specified as part of the required arrangement for the SAAP III agreement. The data collection currently consists of four discrete components: the Client Collection, the Administrative Data Collection, the Demand for Accommodation Collection (formerly the Unmet Demand Collection) and the Casual Client Collection.

The Client Collection, the one of main interest here, consists of a standard questionnaire that is completed by agencies for all clients receiving a minimum level of support (defined as a period of at least an hour). At present an abridged version of the questionnaire is used for high volume agencies.

In addition to basic demographic information, the questionnaire includes information on the source of referral, labour force status, main source of income, reasons for seeking assistance, current period of homelessness, location before homelessness, type of accommodation immediately before support and whether a case management plan had been developed for the client. Details of the client’s labour force status, main source of income and accommodation status are collected when the support period is deemed complete (a decision made by either the agency or the client).

Our understanding of the NDC has been greatly assisted by discussion with Justin Griffin from the NDCA.

High volume agencies are ones that support more than 50 clients a day. This criterion is flexible, and the states and territories decide which agencies can use the abbreviated high volume forms.
These questions are not included on the questionnaire for high volume agencies. Every six months, completed forms (representing completed support periods) are forwarded to the National Data Collection Agency (NDCA). About half these forms are transferred electronically via the SMART system and other electronic systems. Client names are not recorded in the data collection but records belonging to unique clients can be identified by the alphacode. This consists of two letters from the client’s first name, three from the surname, sex and year of birth. This code enables non-duplicate counts of SAAP users and, in theory, enables clients’ records to be tracked anonymously through the system over time.

Quality of NDC data

The diverse nature of the SAAP service system created significant challenges for the development of a uniform data collection system. Prior to the establishment of the NDC, many agencies undertook minimal data collection and reporting. The NDC’s successful implementation required an extensive training program and significant investment of time for providers. Many were concerned about the impact of the data collection on their relationship with clients: Was filling in a detailed questionnaire the best way to begin a new client relationship? Would asking personal questions undermine trust? Could client confidentiality be maintained and, just as importantly, would clients believe that it could?

Getting the NDC up and running was a considerable achievement for all parties. The SAAP III evaluation team noted that, before the advent of the NDC:

> data collection to monitor and evaluate SAAP had been one of the least successful elements of the Program...It can be stated categorically that one of the most successful outcomes of SAAP III has been the development of the NDC through the establishment of the NDCA (SAAP III National Evaluation Report 1999, 162).

It is often said that the NDC ranks high amongst homelessness data collections internationally. Culhane and Metraux (1997) identify three dimensions of a data collection that need to be considered before using such information to generalize about a service user population. The first is consistency in data collection processes. The national scale of the SAAP data collection is certainly unusual and overcomes many of the immediate problems encountered by data analysts overseas who have the additional task of trying to reconcile disparate data sets from the different jurisdictions that they wish to compare. In addition, the NDCA has put considerable effort into preparing resource materials for agencies to foster the standardized use of classifications.

The second important determinant of the generalizability of the data collected is its reliability and accuracy. The quality will be affected by the level of client trust in the confidentiality of the system, as well as agency commitment to the collection. Progress on these factors is difficult to estimate directly, though checks for missing

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96 Strictly speaking, since the alphacode is comprised of both letters and numbers, it should be referred to as the alphanumeric code. While the abbreviation is generally welcome in everyday discussion, the lack of specificity can be confusing in a more technical context since the two types of code carry with them different implications for statistical linkage.
data and consistency problems are undertaken by the NDCA and from this it appears that the quality of the collection has improved over time. Systems and processes have been developed ‘on the ground’ to improve the quality of data. However, the client consent rate remains an issue. In 2001-02, consent was given in 87 percent of all support periods recorded.\(^9\)

The third factor is the representativeness of the data collected. Not all agencies report their data to the NDCA. In 2001-02 the national participation rate was 94.5 percent. There is a particular concern regarding participation rates of agencies serving Indigenous clients and therefore the representativeness of the data for this group. The NDC weights for non-participation, but in such a varied service system this necessarily involves a degree of ‘estimation’ and makes more targeted analysis problematic. In addition, because not all questions are asked on the data collection form for high volume agencies, ‘raw’ percentages on these items are not representative of the SAAP client population. For example, in 2001-2002, 57 percent of support periods did not have information regarding accommodation at end of the period because it was from a high volume agency, consent was not given or data was missing (Broadbent 2003, 92).

Like any administrative data collection, the NDC is a work in progress. The areas that require improvement are common to administrative data collections, and do not in themselves pose insurmountable obstacles to using the collection for longitudinal analysis, as we will explore in the next section.

**Longitudinal analysis using the NDC**

In Chapter 7 we explained why it is important to track clients’ use of homelessness services over time. There are two main reasons for wishing to identify unique clients in the NDC. First, it enables us to calculate the number of clients accessing SAAP services in a given period, which is important for understanding the extent of homelessness and patterns of service use. Second, it enables us to investigate the service pathways of clients over time. Do people keep returning to the same SAAP service or do they move between services, and can we identify a population of heavy users and their characteristics?

The importance of longitudinal research was recognized in the initial planning and design of the national data collection. The SAAP III Evaluation team (1999, 179-80) reaffirmed the imperative to use the NDC data sets for longitudinal analysis of repeat service use at both national and local levels.

Little or no work has been published that involves tracking individual clients’ use of SAAP services over periods longer than a year. The SAAP NDC annual report confines itself to analysing repeat usage over the course of the financial year for which it is reporting. The indicators presented are a proportion of clients with one support period and the average number of support periods per client.

\(^9\) As Broadbent (2003) points out, this rate is a proportion of all records collected (not all information collected requires consent). We do not have any information from the 5.5 percent of agencies who did not participate or for those clients from participating agencies who did not have information recorded.
Lai (2003) examined repeat usage for clients who presented in 2000-01 and followed them for 12 months to identify the number of support periods per client over a year, rather than only looking within a year. She found slightly higher rates of multiple presentations than would be located by restricting analysis to a calendar year. Single men over 25 accounted for half the clients who presented more than six times to a SAAP agency over the course of a year, and agencies classified as crisis/short-term accounted for 55 percent of the support periods for clients who used a SAAP service more than six times. Overall Lai found that 4.9 percent of SAAP clients accounted for about 30 percent of all support periods included in the analysis. This work points to the existence of a group of heavy users, although it is limited in its focus on support provided over 12 months.

In the next section, we look at whether it is possible in principle to track SAAP service use over more extended periods, using the existing data collection, and consider any ‘sticking points’ that might be preventing progress in this direction.

**Using the alphacode: privacy and consent issues**

There has long been a tension in the provision of health and welfare services between collecting information about clients and maintaining confidentiality and privacy. Health care has been at the forefront of debates in this area. To treat patients effectively, doctors and health care professionals need to know personal information about them. Often this is information that patients would not want made public. In response, health care professionals have devised systems that maintain the security of patients’ records, while giving them access to the information for the purposes of effective treatment.

Electronic storing of information has made record keeping more efficient and more easily shared, but has raised concerns regarding security. Addressing this in relation to the linking of health databases (an issue taken up later in this chapter), the Commonwealth Chief Medical Officer, Professor Richard Smallwood, made the following comments:

> We talk about the risk of computerised data before we even allow ourselves to get excited about the potential for improving health care and quality of life. Have we perhaps allowed fears of privacy violation to inhibit us unreasonably?... Might we not suggest that an individual may actually be morally obliged to share the details of their health care experience for the benefit of society? Somehow though, we have come to see health services as a basic right and to see the results of those, often publicly funded, services to be private property (quoted in Kelman 2002).

For the NDC, the means of resolving this tension between client privacy and the need for information was the creation of a code that was unique to each client but which concealed their identity in the database – the alphacode. Clients have to give express consent for the alphacode to be attached to the record of their support period. This has not been universally seen as a solution to the problem. Indeed, the issue of client identification and use of a unique client identifier has been the most controversial element in the development of the NDC. It continues to be contentious as shown in comments made by the national homelessness peak body, the Australian Federation
of Homelessness Organisations (2003, 44) in their submission to the SAAP IV National Evaluation regarding the strengthening of the alphacode. Agencies dealing with women escaping domestic violence were concerned about confidentiality and there was a more generalized concern about the use of information to ‘monitor’ clients. The Women's Services Network (WESNET), for example, in their submission to the SAAP III Evaluation, while generally positive about the NDC, suggested that ‘the use of the alphacode should be restricted to a two year exercise’.

This two year limit seems to have been adopted by data users, due to concerns regarding the reliability of the alphacode as the number of records examined increases. This can be traced back to an unpublished report by Rose Karmel in which she tested the SAAP alphacode by applying it to records from the National Death Index (which with a few exceptions contains unique records). She demonstrated that there was a significant chance of different individuals sharing the same alphacode when large numbers of records sharing the same year of birth were tested. Table 9.1, taken from Karmel's report, illustrates this issue. All six names share the same alphacode if the individuals concerned were born in the same year.

Table 9.1: Example of different names with same SAAP linkage key for males born in 1965

<table>
<thead>
<tr>
<th>First name</th>
<th>Last name</th>
<th>Gender</th>
<th>SAAP linkage key</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert</td>
<td>Haines</td>
<td>M</td>
<td>OBHASM1965</td>
</tr>
<tr>
<td>Robert</td>
<td>Hargreaves</td>
<td>M</td>
<td>OBHASM1965</td>
</tr>
<tr>
<td>Robert</td>
<td>Harkness</td>
<td>M</td>
<td>OBHASM1965</td>
</tr>
<tr>
<td>Robert</td>
<td>Hawkins</td>
<td>M</td>
<td>OBHASM1965</td>
</tr>
<tr>
<td>Robin</td>
<td>Halls</td>
<td>M</td>
<td>OBHASM1965</td>
</tr>
<tr>
<td>Robin</td>
<td>Harris</td>
<td>M</td>
<td>OBHASM1965</td>
</tr>
</tbody>
</table>

Karmel estimated that, for a given year of SAAP data, between 2 and 3 percent of records could be expected to be duplicates sharing an existing alphacode. For 1997-98, allowing for duplicate linkage keys, the number of support periods per client with consent drops from around 1.51 to 1.47.

An example of reaction to the Karmel report is set out in a draft report undertaken recently for the NDCA:

> The linkage key used in SAAP (the SAAP ID) is not robust enough to look at returns of clients over time without building in some error...there is a level of error that must be accepted in assuming that each ID represents a unique person, and that all support periods with that ID belong to the one client (Broadbent 2003, 13).

Another problem which arises (and which is the reverse of duplicates) is that of invalid distinct linkage keys. This occurs when, due to clients' either providing different information or through data input error, the same client is assigned a different alphacode. It is not possible to test for this using an existing database.

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98 This strengthening refers to plans to increase the information collected in the code to improve its reliability.
SAAP clients are likely to be more culturally heterogeneous than the people recorded on the National Death Index which potentially lowers the likelihood of repeats (although this would need to be tested).

The issue is not that there is an error rate associated with the SAAP alphacode, but its magnitude and whether this is acceptable for the purposes of the analysis to be undertaken. Realistically, all data sets have omissions, inaccurate information and potential for error.

We seem to be in a situation where it is ‘unofficially’ accepted that the alphacode should not be used over more than a two year period, but there is no definitive statement or report to this effect. Work done has identified a likely error rate, but there needs to be some advice on what implications this has in practice. This advice also needs to consider varying levels of accuracy required for different purposes. For example, data used for administrative purposes (i.e. to make decisions about individuals) has to be close to 100 percent accurate. This is not the case with de-identified SAAP data. However, if the matching of alphacodes is deployed for more exploratory research purposes, a greater potential error rate is acceptable, as long as this is explained in any published analysis. This is an important issue to resolve for if it is not possible to use the alphacode to undertake longitudinal research, the usefulness of the collection is greatly diminished.

An alternative method of identifying unique records is probabilistic matching. Rather than a statistical linkage key on the basis of an exact match with that of another record, this takes account of a number of demographic fields (for example, first name, second name, surname, date of birth, sex, address, nationality) and decides on the basis of probability whether two records apply to the same person. The advantage of this method is that a spelling mistake or data input error will not necessarily lead to records for the same person not being matched:

Owing to the invariable presence of errors and variations in the recording of demographic data, probabilistic methodologies can lead to a much better linkage of records from separate data collections than simple deterministic methodologies for ‘statistical’ linkage purposes (SLKVG 2002, 11).

The primary issue related to privacy concerns is not the method of linkage but the development of adequate safeguards and protocols to ensure that the individual client’s privacy is protected during the statistical linkage process.

The challenge of improving the accuracy of the alphacode is an ongoing one. The simplest resolution technically to deal with the ‘Karmel problem’ would be to include month and day of birth. This would reduce the probability of different people sharing alphacodes to almost zero. It is also likely to face some resistance from the sector, as AFHO have suggested.

Improving the alphacode will of course only affect data collected after the improvement is implemented, restricting the existing records (presently around seven years of data) to year on year comparison. The issue of heavy users needs

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99 As AFHO (2003, 44) put it in their submission to the Evaluation of SAAP IV, ‘there is information circulating that there is an error rate with the alphacode in regard to repeat usage over time’.

100 That is, not attempting to follow individual clients use of the SAAP system over periods longer than a year.
to be investigated over extended periods. Clients presenting to SAAP agencies over a six or even 12 month period cannot automatically be considered 'system failure' or evidence of chronic homelessness. These could be clients experiencing an episode of residential instability requiring a number of supports as they struggle to achieve a more stable arrangement. Without understanding the supports received, it is difficult to be definitive on this pattern of use.

Related to the issue of repeat use, there has also been interest in the high proportion of SAAP clients who present directly from or exit to another SAAP agency (19.7 percent and 19.2 percent respectively in 2001-02, AIHW, 2002). Such information is open to interpretation. Without detailed investigation, it is difficult to know if they are moving between agencies in search of a bed for the night or other appropriate support (i.e. service-hopping), or if this is a pattern of planned movement, as part of their case management. From the perspective of the homelessness service system, should a client who moves directly from one SAAP agency to another be considered as having two separate support periods? ¹⁰¹

This issue raises the broader one of what multiple support periods ‘mean’. In the next section we discuss the support period as a unit of analysis.

The ‘support period’ as a unit of analysis

The basic unit of the NDC is the support period. ¹⁰² In the previous section we were discussing heavy users of SAAP by looking at the number of support periods per client. We need to be clear, when doing this, what a support period represents and its value as a unit of analysis.

When a client presents to an agency and receives support for longer than an hour, a collection form is started for this support period. In the SAAP database, then, each support period is a record with associated information (variables).

Support periods are highly variable in terms of duration and (presumably) intensity of ‘support’ provided. The average length across Australia in 2001-02 was 44 days, yet half of all support periods provided were four days or less. There is significant differences between states and territories in the patterns of duration. For example, in Queensland, 56 percent of support periods last a day or less; in Tasmania, this figure is 16 percent; and for Australia as a whole it is 38 percent (NDCA 2002, 32, Table 6.1).

For agencies which record their support periods on the general form, we know how many nights of accommodation are provided for each support period, but this

¹⁰¹ One interesting issue is whether there are clients who have concurrent support periods. As far as we know, this has never been reported on publicly.

¹⁰² The definition of support period provided by the NDC is as follows:

A support period commences when a client begins to receive support and/or supported accommodation from a SAAP agency. The support period is considered to finish when:

- The client ends the relationship with the agency: or,
- The agency ends the relationship with the client.

If it is not clear whether the agency or the client has ended the relationship, the support period is assumed to have ended if no assistance has been provided to the client for a period of 1 month. In such a case, the date the support period ended is 1 month after the last contact with the client (AIHW 2002).
question is not asked on the high volume form. This limits what can be known about patterns of use. At present, the NDCA assumes that, for support periods by high volume agencies that include accommodation, the duration of accommodation is the same as the duration of the support period. A new common client collection form that is planned for introduction\textsuperscript{103} will solve this problem in the longer term. Until it is introduced, however, it is likely that the level of inaccuracy produced by this assumption will increase. High volume agencies are being encouraged to treat repeat visitation as ‘one support period’.\textsuperscript{104} If a client goes to a shelter on six separate occasions over a two month period and receives a night of accommodation on each occasion, it is likely to be recorded by an agency as six support periods. Increasingly it will be treated as one support period. In the records, the client will shift from an identifiable repeat shelter user to someone who is receiving a continuous period of support for three months,\textsuperscript{105} even though there is only six nights of accommodation and for the rest of this period no support is received.

This is a key issue in using administrative data bases to investigate service usage. In the work conducted by Culhane and Metraux (1998), the crisis shelters studied either kept records on a daily basis or maintained records for the period in which a household was accommodated.\textsuperscript{106} This enabled the researchers to make their own decisions regarding what constituted an ‘episode’ of homelessness. For most analysis they chose a ‘30 day exit rule’, that is, any shelter admission by the same household within 30 days of their last exit is treated as part of the same episode. If a household enters after a break of longer than 30 days this is considered a readmission.

For the SAAP system, it is going to become increasingly difficult to understand patterns of use of high volume agencies. This is particularly important for understanding use of crisis accommodation services, as these agencies supply a high proportion of crisis shelter nights across the system.

In terms of non-accommodation support, information is collected for each support period on categories of support received but there is no measure of intensity. As seen in Chapter 10, this is a significant limitation of the NDC in understanding usage of the SAAP system. This is not to suggest that a measure of intensity for support services provided would be a simple or even feasible element to include in the data collection.

Moving forward

Some of the quality issues relating to the NDC, such as inconsistent application of definitions, data entry mistakes, non-consent of clients and lack of cooperation from some agencies, are endemic to large administrative databases. They can be addressed through training of users and, most importantly, building commitment by making the data more accessible and useful to data collectors (i.e. agencies and workers). However, there will always be issues of data quality.

\textsuperscript{103} The proposed common client collection form will include information on dates of accommodation.

\textsuperscript{104} More accurately, agencies are being encouraged to keep support periods open where there is a strong likelihood of return within a month.

\textsuperscript{105} Including the one month at the end of the period before it is ‘closed off’.

\textsuperscript{106} It should be noted again here that one of the complexities of analysing the NDC is that the agencies are delivering a variety of services, not just accommodation.
Limitations specific to the NDC have been outlined in work by Broadbent (2003) and Lai (2003), examining its usefulness in measuring outcomes. Broadbent includes a useful summary of ‘issues to be taken into account when determining approach to data analysis’.

One of the key constraints of the NDC in measuring outcomes is related to the nature of the SAAP program. As a national program it is delivered in greatly diverse settings; state and territory governments administer it, and the broader social welfare systems in which it operates differ significantly in each context. It is delivered by a large number of varied agencies. As a program targeting homeless persons, it is delivered to a population with only a lack of housing in common, and the reasons for this lack are many and varied. Any attempt to collect information to analyse outcomes at a national level, then, is bound to have limitations.

For research purposes, SAAP data is most usefully analysed by specific client or service types. SAAP agencies are classified by service model type but, as the service system has been reoriented (particularly with the emphasis on case management and continuum of care), these model types are less reflective of practice on the ground. Analysis of any but the broadest kind needs to be undertaken with some understanding of the services included and how they operate. This requires working in collaboration with agencies (either individually or in groups that have common elements) and combining the data analysis with other relevant agency information, for example, budget information. This approach has been adopted in research undertaken previously.¹⁰⁷

One of the constraints with NDCA information that is being addressed is the smaller amount of information collected for high volume agencies. This limitation is exacerbated because the nature of the services that are high volume is not transparent in public information, although we know it varies across support periods for different client groups and agency types (Broadbent 2003). Our understanding is that they are mainly crisis accommodation for single men in capital cities. State and territory administrations decide which services are considered high volume (the criterion is more than 50 clients a day, but this is flexible). This issue is being addressed by moving to a standard form that will have a little less information collected than is currently obtained by the general form, but significantly more information than is on the high volume form.

The key limitation of SAAP administrative data for broader research purposes is inherent to its collection: it only concerns SAAP services. It can only tell us about those homeless people who are in SAAP services and their immediate situation on completion of support. SAAP is only one component of the service system for homeless people; it is often dealing with service failure from other systems, and its clients are often dependent on these systems and subsequent accommodation

¹⁰⁷ For example, see Resident Outcomes Research Study, 2001 prepared by Thomson Goodall Associates. This study examines outcomes for residents of crisis accommodation agencies in inner Melbourne through interviews with a sample of clients on exit and three months later. NDC information for the agencies involved was used to provide background information and to shed light on differences between participants and non-participants.
options for good long-term outcomes. Below we examine the issue of linking administrative data bases in Australia.

It is worth noting here that the Victorian Office of Housing is currently developing an integrated homelessness database. This initiative is driven both by the unique nature of the Victorian homelessness service system with its Transitional Housing Management (THM) program that operates separately from SAAP and by a recognition that linking administrative databases across the homelessness service system has the potential to improve our understanding of its operation and client outcomes. This project, suggested by the Victorian Homelessness Strategy (VHS), is attempting to develop a consistent approach to data collection between the SAAP NDC, THM program and a number of pilot projects involving collaboration with other program areas that have been developed under the auspices of the VHS. It will produce a data dictionary for the Victorian homelessness service system and provide advice regarding future collection methods and strategies.

Potential project for longitudinal analysis using the NDC

A key area of interest for economic evaluations is identifying ‘inappropriate’ service use. Heavy or frequent users of a service are of particular interest because this suggests that there might be inappropriate use and that diversion of frequent users to more appropriate services offers potential for gain. So, for example, Dent et al.’s (2003) study of frequent users of a Melbourne hospital emergency department was interested in whether there was a cohort whose admission information suggested that they could have been diverted to a general practice (a lower cost service that could provide more effective treatment).

Identifying and analysing the characteristics of a sub-population of heavy service users over extended periods is an obvious first step in any longitudinal analysis of a homelessness service system. It can be framed as an exercise to identify who the system is failing. For economic analysis, it provides an opportunity to identify a sub-population whose homelessness service system use is of such an order that provision of supported or more permanent forms of housing becomes close to cost neutral from a ‘whole of government’ outlays perspective.

We would expect a high proportion of the support periods of frequent users to be related to agencies delivering crisis accommodation, particularly to single men. Accordingly, they will be recorded on high volume agency forms.

The limitations of the alphacode do not rule out the analysis of SAAP data over extended periods; given the potential policy importance of such analysis, this should be investigated. We suggest a project to identify heavy users through the existing NDC, who have accessed services over at least three years. It may make sense to choose two states or territories and explore their data separately. It is clear that there are significant differences between the various state and territory

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108 ‘Inappropriate’ service use is a concept that needs to be operationalized for the specific service being analysed. Broadly, it refers to service use by clients who would be better and/or more efficiently served by receiving a substitute service.

109 24 percent of total support periods were recorded on high volume forms in 2001-02.
homelessness service systems and therefore any detailed analysis of the NDC is most appropriately conducted at that level.\footnote{In fact, as we argue elsewhere in this report, differences between agencies and their operations and the current lack of a reliable classificatory scheme means that agencies may be the most appropriate level of analysis, although this is unfeasible in the current project.}

The entire database since the inception of SAAP would be used in this study. The first stage in developing the sample would be to identify those alphacodes that were attached to support periods at least three years apart (depending on the number of alphacodes that this produced, the time period could be lessened to two years). The rationale for this is that we are interested in those people who have accessed SAAP services over an extended period and who are therefore likely to be chronic or episodic service system users.

Once this was done, alphacodes would be arranged by order of the number of support periods attached to them and the top 20 chosen. This number could be modified depending on study budget and the number of states included in the analysis, or following initial scan of the data. It may be that there is a discernible cluster of clients with patterns of high use that makes it possible to identify a ‘natural’ break in the data.

Preliminary work would be done interrogating the records for each alphacode to ascertain whether they ‘probably’ are the same individual, by comparing personal information such as whether they present with children, number and ages, gender, country of birth and cultural identity.\footnote{See our previous discussion on probabilistic linkage and its use in data matching.} This is useful work in its own right to investigate the degree to which it is possible to overcome the limitations of the SAAP alphacode identified by Karmel (2000).

Once this is completed, analysis could be undertaken on the characteristics of heavy users in terms of supports needed, provided and referred, where they were accommodated prior to presenting, and how much accommodation and support they have used over the course of the NDC. This would enable us to say that ‘x’ percent of SAAP accommodation has been used by ‘y’, and make it possible to identify the number of the heaviest users over the history of the NDC. This would form the basis of making arguments regarding the economic merits of providing this cohort with supported long-term accommodation. It is worth noting here that Lai (2003) identified over the course of 12 months a population of 5 percent of SAAP clients that accounted for nearly 30 percent of SAAP support periods.

It needs to be recognized that many of the support periods included in this analysis will have been completed on high volume agency forms, given the nature of these agencies. This will mean that we have less information for these support periods and no information on clients’ situation on exiting the service. This is a problem generally when analysing NDC information.

This study could also help to identify patterns of long-term service use. Is there a significant proportion of clients who use SAAP services on a recurring episodic basis, presenting a number of times over a few months to seemingly exit to independent living and then presenting again in a year or two? If so, what are their characteristics, and how can this help us understand their needs and find more appropriate ways to meet them?
Encouraging research use of the NDCA

One of the limitations of the NDC is not the data itself but its lack of use for specific research projects. Aside from issues of integrity and consistency, the usefulness of a data set can only be judged in relation to a specific use.

It is a common criticism of data anthologies (such as the NDCA’s Homeless Persons in SAAP or ABS publications) that ‘they don’t tell us anything we don’t know’. This is partly because they are attempts to reflect the information collected, not to investigate specific issues in detail. Work undertaken by Michael Horn from Hanover using NDC information to investigate persons presenting to SAAP agencies whose accommodation immediately before the support period was public housing is a good example of how the database can be used for specific research. Horn uses the NDC to investigate the types of households presenting, the main reason for presenting, and the form of accommodation at the end of support.

Effort needs to be devoted to increasing the use of the NDC for research. One possible mechanism for this is to offer research scholarships to prospective doctoral candidates who want to use the NDC in a substantial way to investigate a particular issue or client type.

Data development and the AIHW

Data collection agencies such as the ABS and the Australian Institute of Health and Welfare (AIHW) play an important role not just in collecting data but also in identifying what is to be collected and how. Having a central agency coordinate this process enables comparable and consistent data to be collected across service systems. This is particularly important in a federal system where the state and territory governments have primary responsibility for the delivery of human and other services.

The AIHW, a statutory authority of the Commonwealth government, is the national agency for health and welfare statistics and information, and is the body responsible for the collection and dissemination of SAAP data. Its National Data Development Unit aims to ‘improve the comparability, consistency, relevance and availability of national health and community services information through the development and promotion of national data standards.’ As part of this work, the unit has developed national data dictionaries for health and the community services in consultation with key stakeholders. These specify data collection standards for the two broad service areas according to the following principles:

- National or international standards are used wherever relevant;
- Collector burden is minimized;
- Privacy of individuals is respected;
- Data is appropriate to its purpose;
- Data definitions are clear, concise and comprehensive; and
- Quality is emphasized.

The dictionaries include definitions for data elements (for example, in a client collection, date of birth) and domains (the range of possible answers). This is an important resource for organizations wishing to collect information in related areas. The dictionaries provide questions and responses for collecting information that have been well designed and tested. Using them in the design of data collection systems ensures that data collected will be consistent and comparable with other organizations providing similar and related services.

The second stage in the data development process is to define minimum data sets for various service systems. A National Minimum Data Set (NMDS) is a core set of data definitions agreed by the relevant national information management group for collection and reporting at a national level. Where possible, these are consistent with national and international standards, so that a data definition included in one NMDS may be shared across others. A NMDS is contingent upon a national agreement to collect uniform data and to supply it as part of the national collection, but this does not preclude agencies and service providers from collecting additional data to meet their own needs. NMDSs have been agreed for 27 areas to date, at varying levels of detail. The SAAP NDC is an example of a minimum data set.

The work undertaken by the AIHW in coordinating data development in the area of health and community services provides an important resource for researchers. It is possible to get an overview of what information is collected nationally and the form in which it is collected from a single source, that is, the AIHW website.

Data sets relevant to homelessness research

In terms of understanding the use of the health service system by homeless people, the key data sets overseen by the AIHW include:

- Admitted patient care for the hospital system;
- Admitted patient mental health care;
- Alcohol and other drug treatment services; and
- Non-admitted patient emergency department care.

Of these, only ‘Admitted patient mental health care’ has a data element that includes detailed information about a patient’s current accommodation. At present, the categories relevant to homelessness research are limited to ‘no usual residence’, ‘hostel or hostel type accommodation’ and ‘other accommodation’. However, a revised version of this data element (starting in 2003-04) offers greater detail:

- Private residence (e.g. house, flat, bedsitter, caravan, boat, independent unit in retirement village), including privately and publicly rented homes;
- Other supported accommodation;
- Prison, remand centre or youth training centre;
- Public place (homeless);
- Other accommodation, not elsewhere classified;
- Unknown or unable to determine;
Psychiatric hospital;
- Residential aged care service;
- Specialized alcohol or other drug treatment residence;
- Specialized mental health community based residential support service;
- Domestic-scale supported living facility (e.g. group home for people with disabilities);
- Boarding or rooming house, hostel or hostel type accommodation, not including aged persons’ hostel;
- Homeless persons’ shelter; and
- Shelter or refuge (not including homeless persons’ shelter).

These elements provide enough information to differentiate between primary, secondary and tertiary homelessness. The NMDSs are ‘works in progress’, so there is potential for similar detail to be included in other data collections, particularly if it can be argued to be important for the development, implementation and evaluation of ‘whole of government’ responses to health and social problems. The other three data sets include ‘no fixed address’ as a response category for ‘usual area of residence’. This potentially provides an indicator of homelessness, though further investigation would be required to establish its usefulness, since it is not clear how establishments and patients interpret this category.

All four data sets include a patient identifier as a component of the minimum data set, although there is no system-wide uniform identifier. Establishments are required to have an establishment-specific patient identifier to enable non-duplicated records to be reported, though states, regions or networks may decide to employ a common identifier.

These data sets could be used to investigate (where identifiable) homeless people’s contact with and utilization of these services. For example, it would be possible to analyse their use of admitted patient mental health care by calculating the proportion of patients who are homeless, the characteristics of homeless persons admitted, and the length of stay of homeless persons relative to non-homeless patients. From an economics perspective, this could be used to investigate whether homelessness appears to affect people’s use of these services, particularly in terms of frequency and duration.

More ambitiously, these databases have the potential for linking records across service systems. As discussion of recent US research indicated, integrated database research has significant potential to inform homelessness policy analysis and evaluation (see Chapter 3).

Statistical data linkage in the community services sector

Record linkage involves bringing together records derived from different sources but relating to the same individual. The three basic steps are: blocking of records that have a potential relationship, matching to determine if records within a block are likely to be related, and linking matching records so they can be analysed as information for the one individual (D’arcy et al. 1999, 453).
The National Community Services Information Management Group (NCSIMG) was established in 1997 as part of the National Community Services Information Agreement (NCSIA) to develop and manage national community services data. It is responsible for the NCSIA and its work program.

In its National Community Services Information Development Plan (prepared for the then Standing Committee of Community Services and Income Security Administrators), the NCSMIG set out the following under its strategy to build a national data infrastructure:

Development of linked data capacity is essential for the understanding of the interrelationships between services and client pathways. Clients often use multiple services within an organisation, within a services program and across programs. Data linkage supports the development of services that provide continuity of care. The capacity to link data would greatly enhance the usefulness of the data and allow the monitoring of the usage of services by clients.

Efforts are being made in several data collections in the community services sector to introduce linkage keys. These linkage keys are designed for statistical purposes only and they do not identify individuals. Statistical uses of data do not require a 100 percent match in record linkage. Linkage of the type described above (for analytical and research purposes, not for administrative or regulatory purposes) can, and should, be done in ways that protect the privacy and confidentiality of individuals (SCCSIS 1999, 17).

The NCSIMG requested that the Statistical Linkage Key Working Group\textsuperscript{113} conduct an investigation of statistical data linkage in the community services sector (SLKWG 2002). This considered the efficacy of the statistical linkage key employed in the NDC and that used by the Health and Community Care program. The group recommended that a probabilistic approach based on full demographic data and using encryption would make for a significant improvement on existing methods. Their report includes a detailed protocol outlining approved uses for data linkage across the community services using such an approach. It also argues that development of statistical linkage in the community services sector should take place in consultation with projects undertaken in the health sector and that, where possible, expertise and infrastructure should be shared with health initiatives. It draws attention to the progress that has been made across the Commonwealth and some states in linking health data collections and emphasizes that the community service sector can learn from the processes undertaken and the protocols developed in this work.

This raises the possibility of linking the SAAP national data collection with data from other service systems. In the following sections, we look at the legal and ethical issues that data linkage presents and describe the Western Australia Health Services Research Linked Database as an example of what can be – and already has been – achieved in Australia.

\textsuperscript{113} The SLKWG was chaired by the Commonwealth Department of Health and Ageing and included representatives from the AIHW, DFaCS, ABS, Department of Ageing, Disability and Home Care (NSW) and Department of Health Services (SA).
Privacy issues with linked data

The Commonwealth Privacy Act 1988 defines personal information as:

- information or an opinion (including information or an opinion forming part of a database), whether true or not, and whether recorded in a material form or not, about an individual whose identity is apparent, or can reasonably be ascertained, from the information or opinion (our emphasis).

The legal issue then is what constitutes ‘de-identified’ data for research purposes. This is an issue that agencies responsible for collecting and disseminating information have been dealing with for a long time. The ABS has developed protocols over the years in relation to providing data to users in such a way that individuals cannot be identified (for example, not providing information where there are less than a minimum number of cases in a category). The NDC has also provided Confidentialised Unit Record Files to external users, which they have been confident do not contain information that could enable individuals to be identified.

Linking different databases requires at least compatible statistical linkage keys or personal information to enable record linkage. The Statistical Linkage Key Working Group (2002) addressed this issue in its report and was confident that statistical linkage could be achieved that protected individuals’ privacy and complied with existing legislation by developing appropriate protocols and procedures (such as those used in the WA data linkage system outlined below). It concluded that:

It is not possible to provide a definitive general conclusion on the privacy and confidentiality implications of statistical linkage projects across all community services sector data collections. Each project will need to be considered on a case-by-case basis by the participating agencies, seeking specific legal advice as required. The suggested protocol has been developed (and should be used) by agencies as a framework to ensure that relevant privacy and confidentiality issues are addressed (SLKWG 2002, viii, our emphasis).

Western Australia Health Services Research Linked Database

The most sophisticated attempt to link administrative databases in Australia is the Western Australia Health Services Research Linked Database (D’arcy et al. 1999). This system is managed by the Data Linkage Unit, jointly funded, managed and staffed by the WA Department of Health and the University of Western Australia. Staff and equipment are located within the Health Information Centre at the Department of Health. The project commenced in 1995 and was established with WA Lotteries Commission funds. Six data sets form the core of the linkage system (see Table 9.2 and Figure 9.1). In addition, a number of Commonwealth and state/territory data systems and discrete research databases have been linked for specific research projects.

The heart of the system is a master links file. Records across the core data sets are matched through a process of probabilistic linkage.114 These matched records are

114 Probabilistic record matching is a method of linking data records on the basis that they are probably related to the same individual. So, for example, if two records shared the same surname, date of birth and sex but a different spelling of first name, they may be linked on a probabilistic basis. It is possible to develop computer processes to achieve this type of matching. This type of data linkage is contrasted with deterministic methods, such as the SAAP alphacode, where the code either matches or it does not. For more information, see SLKWG (2002, 10-15).
given a unique identifier that is stored in the master links file, creating a chain of links, where each chain is associated with an individual. The file contains the information to link records across the data sets, but does not contain any other information related to these records. Each new research project requires the bringing together of the relevant data sets and the master links file. This process is undertaken by the Data Linkage Unit. Importantly, only de-identified records are passed on to the researchers. In exceptional circumstances, records with potentially identifying information may be released (see account of the data access protocols below).

The master links file, then, comprises a series of unique numbers (representing individuals) and links to records in the core data sets probabilistically matched to that individual. As at 6 January 2004, the total number of records in the various data sets that made up the system was 16,137,629. Records represent discrete events in each of the database, such as a birth or a hospital stay. The total number of chains (that is, series of records associated with an individual) was 3,743,457. In other words, there is information related to 3.7 million persons. The greatest number of links in a single chain was 2,837, with an average chain length of 4.3 records.\footnote{A link in a chain represents a distinct record from one of the databases (for example, a hospital stay). For more information, see http://www.populationhealth.uwa.edu.au/welcome/research/dlu/linkage.}

Table 9.2: Core data sets of the Western Australia Health Services Research Linked Database and numbers of records as at 6 January 2004

<table>
<thead>
<tr>
<th>Core data set</th>
<th>Number of records</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morbidity records</td>
<td>13,129,856</td>
</tr>
<tr>
<td>Midwives records</td>
<td>583,203</td>
</tr>
<tr>
<td>Birth records</td>
<td>710,163</td>
</tr>
<tr>
<td>Cancer registrations</td>
<td>170,410</td>
</tr>
<tr>
<td>Mental health records</td>
<td>295,277</td>
</tr>
<tr>
<td>Death records</td>
<td>322,015</td>
</tr>
<tr>
<td>Electoral records</td>
<td>1,636,868</td>
</tr>
</tbody>
</table>


Aged care data is being added to the set and Medicare data will be available by the end of this year. The Symposium on Health Data Linkage Proceedings (2002)\footnote{The proceedings are available at http://www.publichealth.gov.au/symhdl.htm. See Garfield, Rosman and Bass (2003), Kelman (2003) and Bass (2003).} provides examples of the type of research that can be undertaken through analysis of the data linkage system. In theory it should be possible to identify chains that include an indicator of homelessness and investigate these chains to shed light on the use of the health system by, and health outcomes for, homeless persons. According to the manager of the Data Linkage Unit, this work has not been done but has potential.\footnote{Personal communication.} It may be difficult to differentiate missing data in address fields...
from 'no fixed address', and there is always the issue that patients may be reluctant to provide address information when presenting to health services, particularly presentations involving the use of illegal substances.

**Figure 9.1: Overview of Western Australian data linkage system**

**WESTERN AUSTRALIAN DATA LINKAGE SYSTEM**

**Status of Linkage at February 2002**

<table>
<thead>
<tr>
<th>Core Data Sets</th>
<th>Commonwealth Data Systems</th>
<th>Research Databases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Death Registrations 1969 - Jan 2002 300,747 records</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospital Separations 1970 - Jan 2002 11,844,140 records</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mental Health Clients 1966 - Jan 2002 267,838 clients</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cancer Notifications 1981 - Jan 2002 149,966 patients</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Midwives' Notifications 1980 - 1999 488,469 records</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Figure 9.1: Overview of Western Australian data linkage system**


As Kelman (2002) demonstrates, despite limitations it is possible to use the WA data linkage system to identify annual health costs by age and sex or by medical conditions, and to investigate the effect of rural residence on length and cost of hospital stays. This suggests that, if the system can be used to identify ‘homelessness’, analysis of this kind can be conducted for this population.

The WA data linkage system has three main implications for improving our understanding of the homeless service system. First, it provides the most advanced example in Australia of the potential for linking administrative data sources for multi-systems analysis. It shows that it can be done and provides examples of the sort of research that such a system enables. Second, it potentially provides a very important resource in its own right for investigating the use of the health system by homeless individuals and the cost implications of this use. Third, it provides an existing data linkage system to which the NDC and other databases directly related to homeless service systems could be linked for research purposes. This would radically improve the methods to investigate homeless service pathways at our disposal.

**Approval process in the WA data linkage system**

In the establishment of the WA data linkage system, setting up a process to protect the privacy of individuals was paramount. This section describes the process through which data is released to researchers.
Any project proposing to use linked data through the system must first have ethics approval from a recognized research institution, for example, a university or research hospital. As part of their application for linked data, researchers must explain the nature of the research and sign a declaration that data is for bona fide research purposes, will be kept securely, will not be matched with other data sets without written consent, will not be shown to any person not directly working on the project or institution, and will be disposed of at the conclusion of the project. Once the manager of the Data Linkage Unit has approved the application, it is passed to the general manager of the Health Information Centre.

Special circumstances apply where the data requested includes any of the following: patient name, address, date of birth, doctor identification or individual hospital identifier. Applicants must explain to the Data Linkage Unit why they require access to this private and confidential information. The application is then assessed by the WA Department of Health’s Confidentiality of Health Information Committee. In addition, each custodian of the data sets involved must give their express approval.

A proposed Privacy Act in WA will maintain secondary use provisions for confidential information, providing that it is judged to be in the public interest and that appropriate provision is made for the protection, storage and disposal of information. According to the manager of the Data Linkage Unit, the process already set in place for use of the linkage system should meet its requirements.¹⁰⁸

Any use of client records for research requires serious consideration of privacy issues. The foregoing suggests that well-developed protocols and data processes can greatly lessen the risks to individuals’ privacy of data linkage for research purposes and can help to ensure that use of such data complies with relevant legislation.

Proposal for use of WA data linkage system

The WA data linkage system has the potential to be a valuable resource for investigating homeless persons’ service consumption across multiple systems. A worthwhile project would involve an exploration of the system to investigate the following two issues:

- The degree to which homelessness can be identified in the existing data linkage system and the system’s potential for investigating health service use by homeless people (including cost implications);

- The feasibility of linking the NDC to the system (and possibly other homelessness service system administrative databases) for research purposes and the potential of such linkage.

Given the broader conceptual and implementation issues such an exercise would involve, it is possible that this proposal could be developed into an ARC Linkage Grant application as a collaboration between FaCS and a university(s). Alternatively it could be developed as an Australian Postgraduate Award Industry scholarship for a PhD candidate.

¹⁰⁸ Personal communication.
The first part of the project requires investigation of the six core data sets that form the data linkage system (and any added subsequently) to explore whether the variables included enable ‘homeless’ (or formerly homeless) service users to be identified and, if so, under what definitions. This would involve the analyst familiarizing themselves with each of the individual data collections, including the instruments used to collect the data, collection practices, definitions and coding.

The next stages of this project depend on the outcomes of the initial investigation. If it is possible to identify homeless service users, then a research study to investigate their use of the services included in the data linkage system could be developed. This would require completion of the system’s ethics approval process and detailed description of the project and its objectives.

If it were not possible to identify homeless service users satisfactorily, then focus would shift to the second investigation, that is, the feasibility of linking the SAAP national data collection to the system. If this were possible, it would obviate the need for homelessness indicators in the system data sets. There are two distinct issues to be considered. The first is whether the alphacode provides a potential linking mechanism to the data linkage system. As noted, the data linkage in the WA linkage system relies on probabilistic linkage. Whether it is possible to use the alphacode and other information in client records to link probabilistically to the existing system is a complicated issue that will require substantial investigation. The second issue concerns the practical and ethical issues of linking the NDC to other databases. Our understanding is that this is not a legal issue, but work would need to be undertaken to develop appropriate protocols. It would be important for any consultation with the SAAP sector on this issue to be accompanied by clear explanations of the linkage process and the means by which client confidentiality would be maintained. It may be worthwhile to develop a paper setting out the potential of data linkage more generally for homelessness research, evaluation and funder accountability, and the means by which such processes can be managed to protect the interests of clients. The work of Dennis Culhane and his colleagues will provide some initial inspiration for this endeavour.119

Finally, it should be noted that, at present, all research projects that seek permission to use WA data linkage system data must have a Western Australian research partner.

Proposal for study of the utilization of emergency departments

One area in which Australian researchers are using administrative data of relevance to understanding homelessness service utilization concerns the ‘inappropriate’ use of hospital emergency departments.120 This work is largely a response to increasing

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119 See ‘A broader agenda based on administrative data’ in Chapter 3.
pressure on emergency departments and the resulting desire to understand the nature of this demand and the potential for presentations to be diverted to more appropriate services. Two studies are of particular interest.

A recent Melbourne based study reviewing administrative data from an inner city emergency department examined the records of the top 500 most frequent presenters over a period of 64 months (Dent et al. 2003). A computer program extracted the records from the Victorian Emergency Minimum Database in order of the number of presentations over the period (between 1 December 1996 and 31 March 2002). The top 500 accounted for 8.6 percent of presentations over the period, with an average of 26 each. The key question explored by the research was whether or not frequent attenders were suitable for diversion to a general practice. If this was found to be the case, significant health resources could be saved by diverting these patients to lower cost and more appropriate general practice services. Dent et al. describe the key classificatory issues in their research as follows.

Data examined along with demographics included the presence or absence of hospital alerts indicating case management, homelessness (as defined by the Victorian Council to Homeless Persons), presenting problem as recorded by the triage nurse, referral source, Australasian Triage Scale (ATS) category, time of presentation, and the outcome of each visit. Outcomes were categorized into admission or transfer to a hospital inpatient unit, observation for greater than four hours, discharge home within four hours from the time of being seen, and self-discharge either before or after being seen by a doctor. In addition, the patients’ electronic records were searched to examine their use of inpatient and outpatient services. To identify deaths during the same period, records from neighbouring hospitals, coroners and the Registry for Births, Deaths and Marriages were searched to exclude death where patients appeared lost to follow up (Dent et al. 2003, 323).

Overall, the study found that only 28.5 percent of frequent presenters were potentially suitable for diversion to a general practice, and that strategies for doing so may not have a significant impact on emergency department overcrowding. Of most relevance here, the study found that presentations by homeless persons accounted for 5.6 percent of all emergency department patients, but a very substantial 40.9 percent of presentations by frequent attenders potentially suitable for diversion to a general practice.121

An observational study of mental health presentations to Victorian emergency departments is also underway. It analyses the administrative records of patients presenting to five departments who are diagnosed as having a mental illness. The departments have been chosen to provide a representative sample of the state system. The objectives of the study are to develop an understanding of the nature of mental health presentations to emergency departments and to identify diversion and better management strategies for such presentations. The project will include all presentations that have a diagnosis of a mental health

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121 One reason why presentations were considered ‘not potentially suitable’ for diversion was that they took place between 10.00 pm and 7.00 am when a standard general practice would not be open for the patient to access as an alternative. It is probable that this is a time at which homeless people were likely (or at least more likely than housed people) to present to emergency departments.
disorder, including substance abuse crisis presentations and intentional self-harm (6.8 percent of patients met this criteria in 2001-02, which equates to 6,000 over the course of this six month study). At each site, case notes and administrative data will be used to complete a data audit schedule for each presentation that is ‘in scope’. ‘Homelessness’ is included as a field in the schedule.

Findings from studies such as these may yield information on the use of emergency departments by people who are homeless. Once permissions and ethical clearances have been obtained, they also provide possible data resources for further research examining the records of homeless sub-populations within the broader sample.

The data set developed by Dent et al. opens an immediate opportunity to investigate in greater detail the characteristics and service use patterns of homeless persons who are frequent presenters, particularly those with persistent mental health or drug and alcohol problems. The potential for further research using this data source was raised with Andrew Dent (Director of Emergency Medicine at St Vincent's Hospital and key researcher on this project) who noted that a great deal of information had been collected that was yet to be analysed.122

Even a relatively simple analysis could yield significant new information relevant to the Australian context. It is also an economical way to proceed. A large proportion of the effort involved in analysis of administrative databases is in the set-up: cleaning the database, developing variables, grouping records and linking to other databases if this is required. Much of this work has already been done. However, further preparation may still be needed for a homelessness specific analysis. An investigation would also be required to ascertain the reliability of the homelessness indicator used in the original study (there is always a question mark about the accuracy of address information provided to emergency departments by patients who have been involved in potentially illegal activities or incidents). While the main part of this study would entail a secondary analysis of the existing database, it may also be useful to include some ‘field work’ at the emergency department to develop an understanding of the facility and its practice.

More generally, this is an important area of research that should be monitored to identify opportunities for collaboration in ongoing or proposed research projects. Ideally, researchers with experience and understanding of the homelessness service system would be involved during the study development and primary data collection phases of such projects.

122 Personal communication.
10 Program and unit costs

Well-developed program costings are a starting point for any sound economic evaluation. Program costing is often taken to be a relatively simple exercise, but lack of progress on this front, at least in the homelessness area, suggests otherwise. In this chapter, we consider some of the methodological and practical challenges involved, paying particular attention to the issue of unit costs.

A unit cost is simply the cost of resources it takes to achieve a certain unit of output from a program. For a homelessness program, unit costs might be the cost to provide an hour of outreach support, a night of accommodation to a client or, as is currently reported for SAAP, the cost per support period or per client. Emphasis on unit costs, rather than aggregate program costs, reflects our principal interest in pathways approaches to assessing the costs and outcomes of homelessness interventions. The connection is quite straightforward. As we have seen, pathways approaches do their accounting of costs and benefits from the perspective of the individuals (or families) whose pathways are being traced. A tally is kept of each occasion on which a person uses or comes into contact with a relevant service. In order to estimate a value for these cost-incurring instances, we need to have information on the cost per unit of the service or resource being used. Where pathways are traced across service systems, relevant unit costs will be needed to reflect these contacts (a cost per night in a hostel or refuge, a cost per week in a detox facility, a cost per contact with a hospital emergency department, a cost per night in a medium security prison and so on). This chapter focuses on unit costs associated with the provision of homelessness services, since these are a requirement common to all.

We identify relevant cost information on Australian homelessness services that researchers could potentially use to develop unit costs for their analyses. Our review of these resources suggests that existing (or, at least, publicly available) information is not adequate for the purposes of evaluation research. We offer suggestions about how meaningful program and unit costings could be developed, emphasizing the need for exploratory investigation in collaboration with service providers.

Unit costs of homelessness programs are also at the heart of the debate over efficiency measures involved in the funding formulae for SAAP agencies. For this reason, the issue is a politically sensitive one. At the same time, there is good reason for the sector to be more proactive on costing. We argue that some initial research at the agency level has the potential to serve a range of interests and offers a way to move beyond the current impasse.

The first part of the chapter sketches some basic concepts relevant to program costing and introduces the distinction between top-down and bottom-up approaches to developing unit costs. These concepts are applied to homelessness services, limiting our scope to SAAP funded services. After considering existing and possible

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123 We would like to thank Michael Horn for his always insightful comments on an earlier draft of this chapter.

124 Pathways approaches whose interest extends beyond service use will need to draw on or calculate a wider range of unit costs (for example, cost per failed tenancy, cost of lost output from a week’s unemployment), but these do not refer to outputs from a program or service, which is our topic here.
future efforts to develop unit costs in Australia, we take a brief look at unit costs in other service areas pertinent to understanding homeless pathways.

Program costing: concepts, methods and their application

Four categories of cost

Economic evaluation involves joint consideration of the outcomes of a program in light of its costs. How should we think about these costs with respect to programs in the homelessness service system? Some basic economic concepts can help. Sefton et al. (2002) identify four broad categories of economic and financial cost relevant to comprehensive costing of programs in the social welfare field (see Box 10.1). They note that while most evaluations of social welfare programs ignore costs altogether, those that do look, tend to focus on the more ‘direct’ costs of service delivery. The ideal, familiar from our discussion in Chapter 2, is to adopt a societal perspective on the accounting of program costs. This involves a broader conception of cost than the financial, and a perspective wider than that of the program funders.

In everyday terms, ‘costs’ are generally conceived as the dollar amounts spent on, in this case, providing a service. For economists, costs are not defined in terms of monetary transactions, but as ‘benefits foregone by tying up resources in one particular use and so not having them available for alternative uses’ (Sefton et al. 2002, 51). No monetary expenditure or transaction need be involved. For example, some day centres providing services for homeless and other individuals rely heavily on volunteer labour. While these volunteers may not add to the service provider’s wage bill, there is an opportunity cost because they could have used their time for other purposes, whether paid work, leisure activities or another volunteer activity.

A homelessness program may have considerable cost consequences for its clients’ families or other supports in the community. This is clearly the case in family relations approaches to youth homelessness, for example, where an explicit objective is to work with families or carers to provide solutions. This may involve assisting young people to remain in the family home where deemed appropriate.

A recent study by the New Policy Institute to develop methods to estimate the costs of single homelessness in the UK emphasizes the importance of including the costs borne by civil society in ‘containing’ and preventing homelessness, for example, when households ‘double-up’ or allow friends to stay for periods following a housing crisis (Kenway and Palmer 2003). This is seen largely as a positive, although it is noted that the helpers are often in similarly vulnerable circumstances to those they are helping, and the consequence of helping others may jeopardize their own housing stability. Homelessness prevention programs can operate to reduce these costs by, for example, providing subsidies to assist ‘host’ families. Alternatively, they may deflect the costs away from friends and informal supports by eviction prevention activities.

Productivity costs or savings resulting from the operation of homelessness programs are borne both by individuals and the wider society (including business). Early homelessness programs in Australia, as in North America and Europe, tended to be exclusively orientated to short-term crisis responses. This approach was often seen
as perpetuating rather than reducing homelessness and thereby doing little to reduce the productivity losses associated with homelessness itself. Modern homelessness systems like SAAP are intended to assist people move beyond dependence on crisis services and towards a greater degree of independence. However, a perennial issue in homelessness policy debate is the extent to which this goal is being or can be accomplished, particularly with respect to furthering participation in employment. Again, this is an important area to consider when attempting a comprehensive assessment of costs and savings.

**Box 10.1: Categories of cost for economic evaluation**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program costs</td>
<td>The costs of providing a service, which will include the cost of all individual elements, such as staff costs, volunteer time, buildings, equipment, transport and support services.</td>
</tr>
<tr>
<td>Non-program costs (or savings)</td>
<td>Any resulting service effects, such as the savings that may result due to a reduction in the need for alternative services.</td>
</tr>
<tr>
<td>Service user and informal supporter costs</td>
<td>Firstly, any costs incurred by clients in the use of the service (such as payments made to the service provider, costs of travel to and from services or, in the case of accommodation services, additional travel costs of getting to other needed services or to work); secondly, any costs borne by the clients’ families or informal care givers resulting from the program.</td>
</tr>
<tr>
<td>Productivity costs (or savings)</td>
<td>Costs that result from an impaired ability to work as a result of illness or disability, lost economic productivity due to premature death, or economic losses incurred by informal carers who may have to reduce their work hours or give up work altogether.</td>
</tr>
</tbody>
</table>

(Developed from Sefton et al. 2002, 51)

The operation of programs targeted to people experiencing or at risk of homelessness may also have intended or unintended cost impacts on other service systems. These are identified as ‘non-program costs’ in Box 10.1. Homelessness programs often rely on the concurrent operation of many other welfare and community services. One outcome of a homelessness information and referral service, for example, might be to assist a client get access to income support or a place in a training program. An assessment of the non-program costs of homelessness service provision would need to take into account this related service use. Conversely, we earlier pointed to examples of US evaluation studies where supportive housing for chronically homeless individuals resulted in reduced usage (and hence cost savings) in other parts of the welfare system (reductions of in-patient hospital use were particularly significant). Cost savings of this type are seen to ‘offset’ the direct cost of delivering the program and therefore, it is argued, their consideration produces a more accurate costing of the program itself. If governments are the main contributors to the financial costs of direct service delivery, they are also the major beneficiaries of any public service reduction arising from effective homelessness interventions. However, from a funder perspective, the direct costs are immediate, unavoidable and hence carry more weight.

This leads us to ‘program costs’. These are the direct costs of providing a service and include both monetary expenditures and use of other resources where a financial transaction may not necessarily be implied (for example, unremunerated volunteer
time). What do we know about these costs for the SAAP service system? The financial costs are largely borne by government, but government is not the only contributor.\textsuperscript{125} SAAP services are often part of larger organizations that may provide cross-subsidies in terms of income and overheads such as office space, computer systems or managerial support. We have found no public information on the extent of these contributions across the service system (or for individual agencies). This represents an important knowledge gap, particularly where partnerships are increasingly emphasized as a key means of delivering welfare and community services.\textsuperscript{126} Equally, little is known about the monetary contributions made by clients.\textsuperscript{127} These may amount to a significant proportion of the income of some providers and be more or less important in the provision of certain types of service.\textsuperscript{128} Another knowledge gap relates to the extent of volunteer work in the sector.

In short, we know very little about the direct costs of service delivery, and what we do know (the size of the SAAP budget and other government subsidies to service providers) would take us only so far. For a more comprehensive assessment of program costs, we would need to look at expenditure and resource use at the agency level. Program costs are a basic requirement for any economic evaluation and form the basis for calculation of unit costs, and will be the focus of the rest of this chapter.

**Defining ‘programs’ for costing and evaluation**

It is useful to keep in mind a distinction between ‘program’ in the sense of an administrative or organizational entity and ‘program’ as a concept in evaluation methodology where it denotes the ‘intervention’ or ‘activity’ to be evaluated. Sefton et al. (2002) argue that undertaking sound economic evaluation requires focus on a specific program. By this they mean that a ‘program’ should cohere as an intervention or activity type whose objectives and impacts are relatively clear. They recognize this is not easy to achieve when welfare or community service programs are being considered. It is never possible to isolate an intervention and its impact in the same way for a community service intervention as for a medical or drug based intervention, for example. Just as the objectives of many community service programs are diffuse, so their impacts may be difficult to isolate from the combined effects of a range of other community services available to program clients (income support, housing, general health programs and so on). In this case it becomes difficult to link inputs with outputs, or costs with outcomes, and hence to make arguments about either the effectiveness or cost-effectiveness of the program.

\textsuperscript{125} Some $285 million was expended jointly by the state and Commonwealth governments on subsidies to SAAP service providers in 2001-02, with additional grants through CAP.
\textsuperscript{126} This also increases the importance of identifying the costs resulting from specific service responses to homelessness borne by family members or informal carers.
\textsuperscript{127} A rare exception is Bartholomew (1999) who presents information on the expenses incurred by a small sample of Victorian families referred by agencies to city hotels as a result of shortages in SAAP funded crisis accommodation. However, the study is now five years old. The SAAP III National Evaluation (1999) drew attention to the lack of information regarding client payments to service providers.
\textsuperscript{128} More important is its significance to clients, since these costs may be critical for an understanding of the failure of some responses to homelessness, as these can work to undermine people’s efforts to achieve financial independence.
An administrative unit such as SAAP represents a bundle or 'continuum' of interventions and activities delivered by a wide range of agencies and organizations and aimed at people who may appear to have little in common besides their involvement as clients in the program. For the purposes of (economic) evaluation, then, SAAP is not one program but many. The same may also be true at the provider level. For example, a single agency might run a crisis accommodation service for single men and also provide transitional family accommodation and support, outreach support for public housing tenants, and information and referral services.

The everyday terms 'service model' or 'intervention' are a closer approximation to what is intended in reference to a 'program' as a meaningful unit to cost and evaluate. The specificity required will vary. For example, an economic evaluation of policy responses to homelessness might aim to compare a 'crisis' with an 'early intervention' response (with these two categories comprising a number and diversity of specific services and approaches). A second economic evaluation might have the objective of comparing the cost-effectiveness of two sorts of crisis accommodation provision (say, a communal versus cluster model for youth).

In the case of pathways research, unit costs will similarly need to reflect the service models being compared. An example is provided by a small study undertaken by Hanover Welfare Services (Horn 1997) which developed unit costs as part of an attempt to quantify the financial benefits of early intervention in the context of the agency's programs. Two scenarios are considered. In the early intervention scenario, a single mother is supported to stay in her existing accommodation with emergency relief funds for rent and groceries supplied by the agency. This is compared with a 'crisis' response, where a second mother loses her accommodation before coming to Hanover and is therefore assisted by a period in crisis accommodation, followed by family accommodation and support. Both mothers received initial casework support from the agency. A unit cost is calculated for each of the services or programs provided in the two intervention types (cost per hour of outreach and case management, cost per night for crisis accommodation with support and family accommodation with support).

Costing exercises for most evaluation tasks, therefore, will need to delve beneath aggregate budgets (whether of the administrative program or agency) to identify the costs of delivering specific services or activities. As we will suggest in the second part of the chapter, there is little capacity to do this at the systems level using NDCA data, because the only available classification of service models is built on the assumption that the majority of agencies deliver only a single accommodation or service model. Instead, the program costing for relevant service models may only be obtainable by more inductive methods, starting with an investigation of actual activities and resource flows at the provider level. The challenge will then be to develop costing frameworks and classification schema that make sense across regional, state or national service systems.
Costs and Pathways of Homelessness

**Top-down and bottom-up approaches to unit costing**

At this point we can draw a broad distinction between undifferentiated unit costs derived in a top-down way and those developed in a more inductive or bottom-up manner by examining actual service activities and resource flows.

Unit costs produced by the Productivity Commission provide a clear example of the first type of undifferentiated or aggregate unit costs (considered in greater detail in the second part of this chapter). Its annual *Review of Government Service Provision* is the main source of unit cost information for Australian homelessness services. All the unit costs reported by the commission refer to SAAP agencies in toto, for example ‘cost per day of support for homeless clients’ across the system. Top-down unit costs such as these treat the service system as a ‘black box’: inputs (dollars) go in, and outputs (for example, support days for clients) come out the other end. There is no consideration of how these support days are achieved (or indeed what they consist of). They represent simply the total government funding to the SAAP program divided by the number of various outputs. Where there is difficulty or inconsistency in measuring units of activity and their relationship to expenditure, these unit costs are of questionable value.

More inductive approaches to developing unit costs (often referred to as bottom-up unit costs) are based on an understanding of the service being delivered and the resource flows through and between organizations. Bottom-up costing identifies:

- the different resources tied up in the delivery of a service and assigns a value to each. The sum of these values, linked appropriately to the unit of activity, is the unit cost of the service (Beecham 2000, 16).

This approach requires working collaboratively with agencies to investigate service delivery and resource costs. As a rough guide, it is possible to identify four key stages in developing more grounded unit costs (Beecham 2002; Sefton et al. 2003):

- Describing the ingredients of the agency, including the facilities, staff and other resources used. The agency’s budget may provide a starting point for this analysis but a good clear description of the service provided will ensure that all relevant factors are identified;

- Identifying the different activities undertaken by the agency. Where an agency undertakes a range of activities, these will need to be costed separately. Suitable outputs and units of measurement must be decided upon to reflect each of the activities identified (for example, number of clients referred, hours of outreach provided, number of weeks of accommodation);

- Estimating the amount of resources (monetary or otherwise) used in each of these activities. Unless the agency has a single activity, this will require apportioning overheads and other fixed costs;

- Calculating unit costs (for example, cost per hour of housing support provided or cost of accommodation per night).

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129 In *v*, Beecham (2000) illustrates these four key stages with a detailed account of the process as applied to a family support agency.
Such bottom-up costings are much more time intensive to develop than top-down costings but the results are considerably more informative. They produce a more accurate reflection of the actual costs of delivering services, with the capacity to develop fine-grained distinctions between service types and activities.

**Issues for costing support and accommodation**

To be useful, the unit being costed must have some consistency or integrity across clients and services. This is a complicated issue in homelessness services. We can be relatively comfortable in a manufacturing environment that one widget is the same as another, but not so confident in a differentiated system delivering services to individuals with various needs. Part of the challenge of developing unit costs will be in identifying units that make sense. Our description of top-down and bottom-up approaches suggests that this is best done in consultation with service deliverers themselves, but some initial considerations can be outlined.

SAAP funded agencies are involved in the provision of two broad categories of activity: support services and accommodation services. Whilst in practice these are not necessarily distinct, it makes sense to separate them initially for the purposes of costing and to understand the economics of the SAAP program. Costing information could then be recombined to develop cost estimates for particular ‘packages’ of support and accommodation, reflecting different service models or intervention types.

The costs related to property and the provision of accommodation will depend on the agency’s relationship to the property. If it owns the building outright, the costing should include recognition of the opportunity cost\(^{130}\) of this investment. If the building is being purchased by the agency, there will be loan repayments. If it is only being managed by the agency, then payments made in any lease agreement need to be included. If a third party is meeting the property costs, then these should be noted as an ‘external cost’. In addition there are the management and administration costs associated with operating any facility, such as tenancy management, maintenance, utilities and food costs if this is provided. On the revenue side would be any payments made by clients.

For support services, regardless of the actual services delivered, the major cost drivers are likely to be wages, on-costs and overheads.\(^{131}\) The use of vehicles is also likely to be a significant additional cost item for some services. These areas are reasonably well understood at the agency level. Less well understood is the likely impact of fixed costs and other non-wage or salary expenses. However, the biggest challenge for costing lies in finding meaningful and practical ways to untangle the costs of different types and levels of support delivered by agencies, in different locations and to different types of client. As Culhane et al. (1998) note in the US context:

\(^{130}\) Opportunity cost is an economic term that refers to the cost of other alternatives foregone because resources are put to a specific use. In this case, an agency is foregoing what it could do with the capital resources currently invested in a building. One method of developing a dollar value for this ‘cost’ would be to multiply the capital value of the property by the long-term bond rate (i.e. the relatively risk-free revenue that the capital value could generate).

\(^{131}\) On-costs are salary related costs such as leave loading, superannuation and payroll tax. Overheads are provision of office space, computer costs etc.
Many social services are unevenly provided and have variations in intensity, duration, or in the professional level of the staff, and this variability is typically not captured in denoting a ‘unit of service.’ This area deserves more attention by agencies, cities, and researchers who should work towards a more common understanding of what services and units of services mean in different settings so that they can be more comparably measured.

Taking on board the challenge of developing service use measures, the US Department of Veterans Affairs has been able to undertake evaluations of services for homeless veterans investigating the relationship between outcomes and variables such as the number of times consumers were seen, whether they were contacted through community outreach, the number of days of residential treatment they received, and whether they received increased public support payments (Culhane et al. ibid).

**Summary**

A focus on the financial expenditures of government risks missing significant contributions from non-government sources, including service users themselves. Yet only very limited information is available on the wider resources (financial or otherwise) used in the delivery of SAAP services. In order to produce program and unit costings relevant to economic evaluation, we need to identify meaningful ‘program’ or ‘activity’ units, and these are likely to be at the sub-agency level. Unit costs themselves can provide more or less empirically grounded information about the costs of service delivery. The difference lies at least partly in the choice of methods.

**Existing cost information on SAAP services**

With one exception, we are not aware of any unit costs of Australian homelessness services developed for research purposes. Program administrators and service providers need to develop costing information (however broadbrush) to run their programs, but little of this is made public or developed in a way that is useful more generally. Information in the public domain has been generated largely from the perspective of program administrators, where a key interest in unit cost data has been for broad accountability purposes and more recently as a basis on which to allocate funds to agencies, client groups and regions. The next section reviews available information and considers its potential for developing useful program and unit costings for evaluation research.

**Unit costs as performance indicators**

In the last section we drew attention to the aggregate SAAP service unit costs produced by the Productivity Commission in its annual *Review of Government Service Provision*. There is considerable overlap between the commission’s performance indicators and those reported by the NDCA in its Annual National Performance Reports. Although these unit costs rely heavily on National Data Collection, the NDC was not designed with this purpose in mind but for internal purposes, to increase understanding of the service system by those directly involved in its operation.
In the area of homelessness and housing, the demand for performance indicators can be traced to the Commonwealth Department of Social Security (now FaCS) and the Council of Australian Governments (COAG) (Burke and Hayward 2001). COAG’s general interest in developing performance indicators for government funded services gave rise to the Steering Committee for the Review of Commonwealth/State Service Provision. The Industry Commission (now Productivity Commission) provided secretariat support. The performance indicator framework for SAAP developed as part of the review drew heavily on work being undertaken by the NDCA.

The Productivity Commission describes its dollar per output measures as ‘proxy indicators of efficiency’. This is an acknowledgement that, whilst the SAAP system provides a multitude of services, it is not possible with the current data to apportion expenditure between them. It is only possible to divide the total SAAP budget by various broad outputs. The commission also points out that the figures reported do not include central administrative costs or capital costs.

The first indicator presented by the commission is recurrent cost per day of support for homeless clients. The content of a ‘day of support’ has no consistency within agencies and certainly not across the service system. It could range from a day of supported accommodation, to provision of a shower, to a day when a client receives no support but is in an active support period.

The second is recurrent cost per completed support period. This also suffers from lack of consistency regarding the types of support delivered and the intensity. A period could range anywhere from one hour of information and referral to four months of accommodation and intensive support.

The third is recurrent cost per client. This is examining cost per unique client (i.e. unduplicated support periods). Again, the issue of variation means that this cannot tell us any more about the costs of the service system than the total expenditure figure for the program.

**Possible use of NDCA data to develop service specific unit costs**

These undifferentiated or ‘aggregate’ unit costs have limited value for use in pathways costing studies or in economic evaluation more generally. To be relevant, costing information needs to relate to meaningful activities or service types. Is it possible to develop more meaningful unit costs using national or state data sources?

Early in its operation, the NDCA developed a classification schema for SAAP funded agencies based on eight broad service models (Table 10.1). In theory, it should therefore be possible to develop service model unit costs by combining budget information with the NDCA categorization. But this turns out not to be very feasible, primarily because it appears we can have little confidence in the capacity of the categorization to reflect meaningful distinctions between agencies and between service models ‘on the ground’.

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332 See Chapter 9 for further explanation of these terms.
Table 10.1: NDCA former classification of SAAP agency service delivery models (at 30 June 1999)

<table>
<thead>
<tr>
<th>Category of agency</th>
<th>Proportion of agencies/service providers (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crisis or short-term accommodation</td>
<td>33.4</td>
</tr>
<tr>
<td>Medium- to long-term accommodation</td>
<td>39.6</td>
</tr>
<tr>
<td>Multiple service delivery model</td>
<td>12.5</td>
</tr>
<tr>
<td>Other</td>
<td>4.0</td>
</tr>
<tr>
<td>Outreach support</td>
<td>5.3</td>
</tr>
<tr>
<td>Day support</td>
<td>2.2</td>
</tr>
<tr>
<td>Agency support</td>
<td>1.5</td>
</tr>
<tr>
<td>Telephone information and referral</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Source: NDCA Annual Report, 1999

While there has been no formal announcement that the classification schema has been discarded, it has not been reported on in the NDCA Annual Report since 1999. The categorization of actual agencies according to this schema has always proved difficult because of the different state definitions of services, significant differences of service types within categories (within and between states), and the significant proportion of agencies falling undifferentiated into the ‘multiple service delivery model’ category. These difficulties have been exacerbated by changes over time in the make-up of the service system, including increasing emphasis on case management, outreach and other forms of early intervention, and probably an expansion of multi-purpose agencies. No doubt greater appreciation within the NDCA and the state bureaucracies of the diversity and operation of SAAP funded agencies has also made any new or existing discrepancies more apparent.

This leaves a large hole in the public understanding of the SAAP system’s service profile. It also means that we have no solid ground from which to explore the relation between costs and service types at the systems level, throwing into question the possibility of developing more relevant top-down unit costs directly from NDCA data. However, to the extent that shaky ground is better than no ground at all, something may still be salvageable. For example, if we knew that services categorized as crisis or short-term accommodation in a given state were primarily providing bed nights with a minimal amount of associated support (or at least a comparable ‘package’ of accommodation and support), then it would be possible to use costing information from these services to estimate the cost per bed night. Work by Lai (2003) using the NDC to investigate SAAP outcomes lends some support to the idea that ‘crisis/short-term accommodation’ is a reasonably distinct category. It indicates clear differences in patterns of repeat use of services categorized as ‘crisis/short-term’ compared to those categorized as ‘medium-/long-term’. (Crisis/short-term agencies accounted for 56 percent of the support periods of those clients who accessed SAAP support on more than six occasions over 12 months, while medium-/long-term agencies accounted for only 8 percent.) Even if the resulting unit costs were relatively

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The classification is still used in analysis of NDC data (Lai 2003; Broadbent 2003).
broadbrush, this approach is worth investigating further since it is considerably less time consuming than a bottom-up approach and would have the advantage of producing state or national averages.

**Initiatives to improve the SAAP funding allocation models**

Base funding in SAAP has tended to be allocated on a historic basis, with any growth funding allocated through submissions. This general funding model greatly restricts the capacity of service system administrators to alter the balance of resources (between service types, regions or client groups) in accordance with policy priorities. Resources can only be shifted through the allocation of growth funding. Even when this is available, it is possible to make only small, incremental changes to the profile of the service system. One obstacle to reform for system administrators has been lack of detailed knowledge about the cost drivers for different types of service provision.

There have been several recent investigations by the states (and more recently by the Commonwealth) aimed at developing more sophisticated funding formulas to distribute resources to SAAP services. These are potential sources of new costing information. In Queensland, for example, the Department of Families initiated the *Benchmarking in SAAP* project in 2000, following the SAAP III National Evaluation, to investigate possibilities for reform in this area (Department of Families, Queensland, 2003). The project objectives were:

- To make explicit the link between funding levels and the department's expectations regarding client outputs;
- To address historical inequities in the allocation of resources and viability issues confronting the sector;
- To establish a sound basis for service system reform activities to which the department has made commitments under the SAAP IV Bilateral Agreement.

The benchmarking project drew on several data sources:

- A survey of service providers to identify financial cost drivers. Because of a low response rate, the sample size was too limited to draw any firm conclusions;
- A review of funding approaches adopted in administering SAAP in other jurisdictions;
- An analysis of audit data for SAAP services for the 2000-01 financial year. The project team had access to data from audits of 183 of the 194 SAAP services in the state;
- The outcome of surveys regarding penalty rates for relevant awards.

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Growth funding (new funds over and above base funding, plus indexation) has been allocated to the states and territories largely on the basis of population over the life of SAAP IV. These funds are to be used in accordance with the following objectives: to target areas of highest need, to promote best practice and innovation, and to improve the program's effectiveness in meeting client needs, including exploring collaborative models of prevention and early intervention (SAAP Memorandum of Understanding 2000-2005). Agencies bid for the funds by submitting proposals for new or improved services, addressing these objectives.
The department developed a set of draft output benchmarks and associated costings for various service models and these were distributed to the state's 113 SAAP funded agencies as a basis for consultation. Some 15 agencies and networks responded with written submissions. A summary report from the project was released in March 2003 (Department of Families, Queensland, 2003).

The report identifies six service models in the Queensland system:

- **Shelters**: A distinction was made between shelters that were staffed for 24 hours and those that were not;

- **Hostels**: The summary calls for a detailed review of the hostel model to examine cost pressures, service quality issues and the role of hostels within the contemporary homelessness system;

- **Safe houses**: The summary notes that there is inadequate information about this model and that a review is underway in the Far North Queensland region;

- **External support services**: These are noted to have varying caseloads depending on client group;

- **Outreach services**;

- **Day services**: Given their small number and the very different environments in which they operate, it was not possible to generalize about these services.

The department identified the following cost drivers which were incorporated into its funding framework:

- Coordinator involvement in casework;

- Administrative staffing;

- Sharing of infrastructure costs;

- Vehicle costs;

- Client diversity (the typology of high, medium and low need was adopted pending the completion of the national classification project);

- Intensity of service intervention;

- Operating costs in remote and very remote locations.

Table 10.2 gives an example of the resulting funding formula applied to one of the service models, in this case, the 24 hour shelter model.
Table 10.2: Draft funding formula for a 24 hour shelter (Queensland 2003)

<table>
<thead>
<tr>
<th>Staffing model</th>
<th>Capacity/output benchmark</th>
<th>Funding levels (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communal model (24 hours)</td>
<td>Shelter capacity of 6-8 clients (youth services) or 5 women and accompanying children (refuges) Coordinator involvement in some case management processes with clients</td>
<td>Wages $288,121</td>
</tr>
<tr>
<td>5 FTE</td>
<td></td>
<td>Operating $40,000</td>
</tr>
<tr>
<td>1 coordinator Level 4</td>
<td></td>
<td>Vehicle $14,000</td>
</tr>
<tr>
<td>3.5 support workers Level 2</td>
<td></td>
<td>Total $342,121</td>
</tr>
<tr>
<td>0.5 admin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff on-site overnight at shelter on sleep-over</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-call system</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Department of Families, Queensland, 2003

Tasmania appears to have progressed even further down the track of researching and rationalizing its funding allocation model (assisted by the smaller number of SAAP funded providers in the state and the greater opportunity this affords for detailed knowledge of individual providers at the central level). The Department of Health and Human Services has implemented a funding system designed to achieve a balance between its three service regions and between three key service modules. Each service module represents a cluster of services or activities:

- Assessment and Support, including early intervention, crisis assessment and crisis support and information and referral services.
- Immediate Emergency Shelter, including management of emergency beds, shelter based crisis accommodation and greater access to non-shelter based emergency accommodation.
- Transitional Support, including long-term case planning and support, transitional support, access to sustainable and long-term accommodation and provision of high need supported accommodation for young people.

Available funding is allocated firstly according to region (on the basis of population) and then according to service module. Localized regional networks are being developed to provide advice on the mix of services within these modules. Each SAAP service provider in Tasmania has been classified according to the proportion of its effort devoted to each module. For example, its activities might be classified as being 80 percent ‘immediate emergency shelter’ and 20 percent ‘assessment and support’. Interestingly, the department found that almost all agencies deliver services from across the three modules (which themselves contain quite distinct

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This information is derived from a series of reports prepared by the Child Youth and Family Support branch of Tasmania’s Department of Health and Human Services in response to the state and national Evaluation of SAAP III (see SAAP Restructure 2000-2005, Integrated Continuum of Support Model for Homeless People and Those at Risk of Homelessness, and The Integrated Continuum of Support: Module and Function Specifications).
activities or service models). This confirms the complexity of the SAAP service system for evaluation and costing purposes, although this same level of information does not appear to be available for other states.\textsuperscript{136}

The Victorian Office of Housing (OOH) has also signalled reform of its funding model, though it is not clear whether this shift will be informed by an empirical research component. The SAAP Program Framework and Funding Guidelines for 2003-04 stated the intention that:

At the conclusion of 2004/2005, all homelessness assistance services funded by OOH are expected to move to full output based funding, based upon a unit price. Development work for new arrangements will be undertaken by OOH in consultation with the VHS Strategic Reference Group (Victorian Office of Housing's Homelessness Assistance Unit 2003, 17).

At the federal level, SAAP CAD is managing a research consultancy investigating funding allocation models for the program. This includes a review of the historical basis for the current arrangements, a review of funding methodologies for other Special Purpose Payments, and identification and assessment of relevant indicators of need and the cost pressures faced by agencies, particularly those in smaller jurisdictions. Presumably this project will involve collection of costing information from SAAP agencies and some attempt to develop unit costings.

Given the limited degree of direct consultation with service providers and investigation of their activities and expenditure patterns, recent activities still fall within the category of top-down costings. They are consequently limited in their capacity to reflect the ‘actual’ direct costs associated with delivery of specific services to clients. Nevertheless, as systematic attempts at understanding services and associated costs, they provide a starting point for developing bottom-up costings. They also demonstrate that, even at the funder level, little is known about the economics and finances of the SAAP system.

**Service provider costing interests and information**

SAAP service providers have an enduring interest in improving their financial information and understanding of resource flows through their own organization so as to run their operations more efficiently and make their often very limited budgets stretch further. In recent years, they have faced a range of new and heightened cost pressures which also suggests a shared interest in developing better financial information. In its submission to the SAAP IV National Evaluation, the Australian Federation of Homelessness Organisations (AFHO) identified a number of cost factors (relating to staff costs, administration, technology and clientele) which are said to undermine the ability of providers to maintain service delivery. Whilst these pressures can be identified, it is not currently possible to provide evidence of the magnitude of their impact across the sector. Developing this evidence would require consistent financial frameworks across SAAP agencies to enable aggregation of budget information and to identify the impact of specific cost drivers. Without this information it is difficult to make compelling arguments to governments about the need for increased funding to deal with these cost pressures.

\textsuperscript{136} Although largely undocumented, there appear to be significant differences between the states and territories in the character of services and service providers and in the overall distribution of service models (for example, the balance between available ‘crisis’ and ‘transitional’ accommodation and support).
### Box 10.2: Summary of cost pressures

<table>
<thead>
<tr>
<th>Staff related costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>➤ Increases in worker pay rates as a result of new awards</td>
</tr>
<tr>
<td>➤ Worker training and supervision costs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regulation, GST and other administration costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>➤ Occupational health and safety compliance</td>
</tr>
<tr>
<td>➤ Administration costs as they apply to GST compliance and auditing</td>
</tr>
<tr>
<td>➤ Insurance costs</td>
</tr>
<tr>
<td>➤ Additional costs for vehicles and other items due to GST</td>
</tr>
<tr>
<td>➤ Increased costs of legal advice, combined with increased use of legal contracts in the sector</td>
</tr>
<tr>
<td>➤ Increased costs of participating in an environment of competition and tendering</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Information and communication technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>➤ Increased costs of communications</td>
</tr>
<tr>
<td>➤ Increased costs of computer technology, especially software support and replacement of hardware</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Costs related to client mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>➤ Increased maintenance costs for services with some high and complex cases</td>
</tr>
<tr>
<td>➤ Client support requiring additional staff hours</td>
</tr>
<tr>
<td>➤ Brokerage costs to access specialist services for SAAP clients</td>
</tr>
</tbody>
</table>

Source: Adapted from AFHO (2003, 31)

Beyond this basic interest in maintaining the viability of service delivery, SAAP agencies have always has a keen interest in broader policy debates. This has been demonstrated in many ways, including cooperation with the development of the NDC, participation in research projects and various consultations to improve service delivery, and contribution to conferences, seminars and journals such as *Parity*. Many of the larger providers also conduct their own research. However, while many practitioners and agencies have pointed to the ‘sound economics’ of government investment in homelessness services, very little information on the actual costs of delivering services of different types has been put into the public domain.

One exception to this is the study referred to earlier by Melbourne based Hanover Welfare Services (Horn 1997) which set out to illustrate the respective financial costs of an early intervention and crisis response, using costing data from the agency’s own programs. The unit costs developed for the study are summarized in Table 10.3.
Table 10.3: Example of single agency unit costs (for 1997)

<table>
<thead>
<tr>
<th>Service type</th>
<th>Unit cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casework and outreach support (per hour)</td>
<td>$94.27</td>
</tr>
<tr>
<td>Rent (per night)</td>
<td>$26.43</td>
</tr>
<tr>
<td>Groceries (per day)</td>
<td>$11.43</td>
</tr>
<tr>
<td>Crisis accommodation and support (per night)</td>
<td>$57.72</td>
</tr>
<tr>
<td>Family accommodation and support (per night)</td>
<td>$29.35</td>
</tr>
</tbody>
</table>

Source: Stats and Facts (April 1997), Hanover Welfare Services

This illustrates the capacity of at least the larger service providers to develop unit costs for research purposes (albeit on a one-off basis). It also suggests the potential for economists to work with a group of these agencies to develop bottom-up costings. The research value of unit cost estimates increases with their generalizability to similar services delivered elsewhere. The defensibility of the unit cost information is also enhanced by the transparency of the methods used to derive the estimates. In Hanover’s case, the agency has the advantage of considerable on-site research expertise. Providers interested in developing unit costs for their own research and advocacy purposes might benefit from access to practical methodological advice, perhaps in the form of costing templates and illustrations.

Summary

This brief review of existing program cost information in the public domain demonstrates the inadequacy of these resources for the purposes of research and program administration (at provider and funder levels). While our review cannot claim to be comprehensive (this sort of information is not easy to trace if outside the published research literature), there is no obvious existing source of costing information that could be used to derive relevant unit costs. This points strongly to the need for primary costing research. We make some suggestions about how this might be done in the next section.

Proposals for making progress on costing

Four initial projects suggest themselves as likely candidates. While our focus is on the development of costing information for research purposes, the proposals would have wider benefits for both service providers and program administrators. They build on each other, but could still be undertaken as stand-alone projects:

- An audit of existing financial information, information on accommodation and support capacity relevant to costing;
- Development of ‘do it yourself’ materials for homelessness service providers to produce their own unit costs;
- Exploratory fieldwork to investigate the different costing issues in a cross-section of service models;
- Development of methods and estimates of unit costs in crisis accommodation services.
**Information audit**

This audit would bring together all currently collected information relevant to developing costings of SAAP services. This would provide a useful resource in its own right and assist in the development of more ‘grounded’ costings by giving a broader context for costing studies and insight into current information collection.

FaCS has initiated a national project *Funding Allocation Models for SAAP* to develop a more rational basis for allocating funds between the states. It is likely that this project will gather information relevant to the suggested audit. Pending the timing of the audit, an initial meeting with the research team would provide an obvious starting point. Following this, the audit project would need to contact each state and territory department responsible for administering the SAAP program to ascertain what information is collected on the three areas of interest (financial, accommodation and support capacity). In terms of financial information, the key issue will be whether SAAP agencies report detailed financial information to governments in a standardized manner to\(^{137}\) and, if so, whether this can be accessed for research purposes.

There is no consolidated, publicly available information on the accommodation stock used in the SAAP program. Many dwellings are managed by state housing authorities. In terms of management of this stock, there appear to be a number of accommodation models operating but no clear documentation or shared understanding of their implications. This issue was pointed to in the SAAP III Evaluation in relation to rentals and fees charged to clients. It does not appear that situation has been made any more transparent over the course of SAAP IV.

Associated with this is the extent to which casual accommodation services are ‘bought in’ by SAAP services to provide emergency shelter for clients. This has been a major issue in the field, both from the perspective of the negative consequences from clients and, in Victoria, the inefficient use of HEF funds (Bartholomew 1999; Grigg and Johnson 2001). Yet there is little documentation on how much agencies (and/or clients) spend on purchasing accommodation in hotels, caravan parks and other forms of private accommodation.

Again the key issue is what information is available at the state and territory level. Elements that would be of interest include:

- Numbers of stock in terms of units or bedrooms;
- Stock type (for example, shelter/hostel, units, detached dwellings);
- Management and ownership arrangements;
- Pricing/rent policies.

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\(^{137}\) According to the *Invitation to Offer for the Funding Allocation Models for SAAP* project, ‘in recent years a range of foreseen and unforeseen cost pressures have emerged and had a significant impact on the operating environment for SAAP services and for Commonwealth, state and territory funding of services. Increasing insurance costs, new/changed award structures and changing workers’ compensation have all placed additional cost pressures on the SAAP system...While the parties to SAAP are able to readily identify these cost pressures, there is little detailed information currently available regarding the direct and indirect impacts of these costs on the SAAP system.’
The final area of interest is what we have termed ‘support capacity’. The most likely information collected at the state or territory level that could inform us is simply number of equivalent full-time staff employed by services and any categorization by level or function.

**Resource kit for service providers on program and unit costing**

Our second proposal is for a project to develop materials to assist service providers to produce their own program and unit costs. The first part of the project would involve liaison with relevant state and territory departments (including regional offices if appropriate) to identify costing issues facing different parts of the service system.

A key goal of the initial phase would be to develop an understanding of the financial information systems currently being used by services. It is likely that these will vary considerably in terms of frameworks used, technology and sophistication. Without some understanding of the accounting systems already in place, it would be difficult to develop any but the most general of ‘tool kits’ for identifying unit costs.

Some direct contact with service providers will also be needed to get a better understanding of how to explain the advantages of developing well-grounded program and unit costs. While we can anticipate some resistance within the sector to the very concept of unit costs, as we have seen, its extent and nature is not self-evident. Generally, the greater the level of antipathy, the greater the consultation that will be required to develop a useful resource and the more effort that will have to be devoted to ‘selling’ those resources once they have been developed. Any development of materials in the first instance need not aim at full coverage of the sector; again, this is an issue that initial consultation would help clarify. Careful consideration needs to be given to the composition of the project team.

This report has referred to a number of publications produced in the UK that could inform the development of a ‘guidebook’ to unit costing for the sector. This could be seen as a two-stage process. First, a document would be compiled explaining and illustrating the concept of bottom-up unit costs and their use in understanding and improving the homelessness service system. This could form the basis of initial consultation with the sector. The second, main component would be the development of resources and case studies to assist an identified range of services to produce their own costings.

Service providers could use these costing tools for a range of internal and external purposes. It may be that initially at least only the larger providers (or those less reliant on SAAP funding) would be sufficiently confident to put any unit cost information into the public arena. Looking ahead, as information accumulates, particularly where it can be shown to have been derived from sound methodology, it will highlight not only the range of costs associated with delivery of different services, to different clients and in different locations, it will also help us understand the reasons for this.

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**Exploratory use of bottom-up methods for a cross-section of service models**

Our third proposal is for a project to undertake fieldwork in a small sample of service providers in a single state. The sample would be selected purposively to provide a wide cross-section of service models across the continuum, from early intervention type activities, through crisis and transitional to long-term accommodation and support. Decisions about the models to be included in the sample would be based on informal consultation with service providers and the relevant department in the selected state. The sample would probably consist of three of four of the larger agencies, assuming multi-service delivery in each.

Naturally, the feasibility of the project would depend on finding providers who are willing to be involved. Agencies have significant reporting requirements and, with most jurisdictions having recently undertaken homelessness strategies, there has been a lot of consultation carried out, which may make them reluctant to be involved. It would need to be emphasized that the aim is not to compare costs of service models or agencies, or necessarily to develop unit costs. The objectives are more modest but reflect a critical prior task, that is, to get a first-hand understanding of how the costing issues are likely to differ between services. For example, it would help get a sense of the key cost drivers for different service types, and how the new cost pressures facing the sector are likely to impact differently on these services. These insights would be derived by following the first stages of a bottom-up methodology described earlier.

To the best of our knowledge, no exploratory fieldwork of this nature has been attempted. The work that has been done by state bureaucracies, for example, has involved less empirical approaches reflecting both its different purposes, but also the obvious sensitivities that would arise with more intrusive data collection from service providers. It seems likely that providers would be more open to collaboration with independent researchers. These comments apply equally to the following project.

The findings of the project could be documented (to a level of detail agreeable to participating agencies) and would provide a useful base from which to develop preliminary costing frameworks suitable for different service types. More narrowly, if the proposal to develop a resource kit for service providers were implemented, the findings would provide material for case studies and examples.

**Developing methods and costings for crisis accommodation services**

This proposal comprises a number of exploratory research exercises to test costing methods and derive preliminary cost estimates for crisis accommodation and support services. We have suggested a focus on crisis accommodation provision and associated support for two reasons. First, accommodation provision has a discrete unit of output (nights of accommodation) that provides a relatively uncontroversial basis for unit costing. Second, as we have argued elsewhere in this report, many potential economic evaluations that could be undertaken involve comparing response types to provision of crisis accommodation. Much policy debate is based on assumptions about the benefits of early intervention and as such, crisis accommodation is one of the costs that such approaches aim to avoid.
The primary component of this project would entail a qualitative approach similar to the cross-sectional project described above. The project would serve as an illustration of this costing process for the sector as well as providing information for subsequent costings. The idea would be to select a small sample of crisis accommodation providers within a single state (maybe ten in total), ensuring, as far as possible, inclusion of different delivery models and target client groups.\(^3\)

Again, this exercise would need to be conducted in conjunction with services that have an interest in developing unit costs and are willing to cooperate in a joint project. This project makes greater demands on the openness of participating agencies because its aim is to produce actual unit cost estimates. It is likely that individual services will be reluctant to disclose their cost information publicly.\(^4\)

If so, the problem can be overcome by not disclosing the services involved in the study and/or only publishing unit costs based on an average for number of services. Confidentiality and consent requirements would need to be clearly negotiated at the outset.

Fieldwork would be carried out in each service to develop an understanding of its operation and resource flows. It is important that differences between the services included in the study are well understood and inform the costing element. Financial information (budgets) would be reviewed to develop a common framework that could be applied across the services to calculate consistent unit costings.

The framework developed in this small-scale study may form the basis for a larger comparative exercise looking at crisis accommodation in the different states. One possibility is to develop a costing ‘questionnaire’ to distribute to a sample of providers. A traditional, self-administered questionnaire is highly unlikely to achieve results because it places too many demands and a disincentive even for those providers who are initially willing to participate. While a standard costing framework would expedite the process of data collection, enabling a larger sample for regional or interstate comparison, this would not remove the need for individual contact with providers, at least by telephone. The states could initiate their own projects using tools developed in the smaller study.

While our suggested projects have focused on qualitative methods and bottom-up costing, we do not rule out the possibility of using NDCA information as a basis for deriving average unit costs. The most defensible use of a top-down approach (using quantitative data at a national or, better, state level), as we noted earlier, is in the area of crisis accommodation provision. It would be a useful exercise to explore the feasibility of this approach.

\(^3\) Crisis accommodation services are often targeted at particular client groups such as single young people, single men, families or older people. There will also be differences in accommodation type, including hostel style accommodation with or without private facilities, units or individual dwellings. Service delivery models can also vary, for example, with hostel style facilities an important distinction is whether they have 24 hour supervision and whether this supervision is sleep-over or ‘standing’.

\(^4\) Although this is precisely what Hanover Welfare Services did in their 1997 costing example (Horn 1997).
Unit costs in other service systems

At the start of this chapter we referred to a distinction between program and non-program costs. Non-program costs represent the impacts on other services resulting from the program being evaluated. The public service side-effects of homelessness interventions are core subject matter of many pathways evaluations. These draw on a wide range of unit costs, particularly in the areas of health and criminal justice. The feasibility of undertaking such studies depends on research teams having ready access to unit cost information.

Productivity Commission’s Report on Government Service Provision

The Productivity Commission’s annual Report on Government Service Provision is the most likely source for Australian researchers. It identifies top-down unit costs for a number of services of potential interest to a study examining the costs of homelessness. Examples are presented in Table 10.4.

Table 10.4: Productivity Commission Report on Government Service Provision, selected unit costs, 2001-02

<table>
<thead>
<tr>
<th>Output</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real recurrent cost per prisoner per day</td>
<td>$155</td>
</tr>
<tr>
<td>Total capital cost per prisoner per day</td>
<td>$42</td>
</tr>
<tr>
<td>Large metropolitan hospital</td>
<td></td>
</tr>
<tr>
<td>Cost per patient day</td>
<td>$711</td>
</tr>
<tr>
<td>Cost per separation</td>
<td>$2,590</td>
</tr>
<tr>
<td>Emergency department average cost per occasion of service</td>
<td></td>
</tr>
<tr>
<td>Admitted triage 5 (non-urgent)</td>
<td>$189</td>
</tr>
<tr>
<td>Non-admitted triage (non-urgent)</td>
<td>$124</td>
</tr>
<tr>
<td>Did not wait</td>
<td>$57</td>
</tr>
<tr>
<td>Non-admitted clinic occasions of service for Tier 1 clinics</td>
<td></td>
</tr>
<tr>
<td>Psychiatric</td>
<td>$239</td>
</tr>
</tbody>
</table>


Whilst we have noted the limitations of top-down unit costs, in the absence of other sources, they are useful for costing activities that are not the central focus of a study, particularly for services with a relatively uniform output. One example is the prison system, where the key output is ‘prisoners accommodated’. Although there are differences between prison services in relation to security level, quality and range of facilities, activities for prisoners and so on, in comparison with many social and health services, there is a relatively simple undifferentiated model of service delivery.
Personal Social Services Research Unit compendium of unit costs

The UK gives us an example of how bottom-up methodologies can be employed to produce a far more versatile collection of costing information for a range of audiences. The Personal Social Services Research Unit (University of Kent) has developed a compendium of unit costs entitled *Unit Costs of Health and Social Care* (http://www.pssru.ac.uk/uc/uc2003.htm) which has been published annually since 1992. It brings together information from a variety of sources to estimate unit costs for a wide range of health and social care services. The unit costs in the compendium have been developed over time and are amended as new information comes to hand. They draw on a range of data sources including research studies, case studies, wage scales and administrative data. Comprehensive quoting of sources and assumptions ensures that users can adapt information for specific purposes. Sources used in the current edition include:

- Research based on surveys of relevant service agencies;
- Survey of tender prices undertaken by the Building Cost Information Service;
- Official statistics;
- Resident or user surveys (for example expenditure patterns of older people living in residential care);
- Case studies;
- Audit Commission studies;
- Automobile Association Technical Services;
- Administrative data from relevant service systems and agencies.

The work is funded by the Department of Health. According to Ann Netten (Professor of Social Welfare, University of Kent) who developed the concept and still oversees the project, health economists cite the publication extensively and hard copies are distributed to the department and all local authorities in England. It informs spending review plans and policy analysis and is used in a wide variety of costs and effectiveness evaluations undertaken by researchers.

Unit costs have not been developed for homelessness services, although there have been expressions of interest from researchers. In the course of this project we have come across several UK cost studies relevant to the homelessness field that use unit costs from the compendium. These include:

- A research report released as part of a British Royal Commission on Long-Term Care (1999). Here six vignettes or case studies of aged people were developed reflecting a range of accommodation and health circumstances. The unit costs are used to develop costings for different care options including care at home, very sheltered housing and full residential care;
- A study undertaken by Crisis and the New Policy Institute, *How Many, How Much?*, to illustrate the costs of single homelessness (Kenway and Palmer 2003). This developed costings for six pathways into and through homelessness. It draws widely from the PSSRU compendium of unit costs;

141 Personal correspondence.
A study by researchers at the University of York using case study and cohort pathways approaches to estimate the lifetime costs of young people between the ages of 16 and 18 who were ‘NEET’ – not in employment, education or training (Godfrey et al. 2002).

The establishment and initial development of the compendium was achieved by employing a full-time researcher for a year with substantial supervision from a senior staff member to design the approach, compile the original spreadsheets and identify the key sources of data and means of updating them. The ongoing work requires a researcher half-time plus supervision. This enables updating of information and some investigation of new sources each year. A working group provides advice on additions to the compendium and potential information sources to expand existing costings.

This type of publication becomes a ‘living’ record of the costing information available and, just as importantly, a framework for identifying ‘costing gaps’ or areas of ‘costing obsolescence’ (when available costing information is out of date). It offers a model that may be of interest to the Australian Institute of Health and Welfare.

A case for collaborative research

As we have seen, unit costs have many purposes and may be more or less able to express the specificities of service delivery in a given area. In this section we outline some of the potential benefits for SAAP agencies (and their clients) in working collaboratively to develop meaningful unit costs.

A frequently expressed concern within the sector is that such efficiency measures impose benchmarks that constrain the ability of service providers to respond appropriately to the diversity of client needs. It may be thought that benchmarks inevitably invite ill-informed comparisons between agencies delivering what might appear to be the same service but which, on closer scrutiny, reflect considerable differences in nature, quality and clientele. More generally, as a process, costing is often associated with time and motion type approaches and the first step in a ‘cost-cutting’ exercise. Such concerns need to be addressed in any research project that attempts to produce unit cost information.

Detailed and consistent costing information at the agency level is an important first step in developing an evidence base for funding allocation and will help to identify the key cost drivers that impact on the cost of service delivery. For example, a current concern is that increasing fixed costs such as insurance, occupational health and safety compliance, and GST and auditing compliance are compromising agencies’ ability to deliver services (see AFHO and CHP submissions to the SAAP IV Evaluation). More consistent and detailed costing information would enable the size of this problem to be more accurately gauged and help to shape responses to it.

The Council to Homeless Persons made the following points in their submission to the SAAP IV Evaluation:

The debate and campaign regarding the proposed Funding and Service Agreement has illuminated the issue of the real costs of service provision
for homeless assistance. Clearly, the different service models (for example crisis accommodation and support, transitional accommodation and support) require different levels of funding. The question of what funding is required to provide a quality service to people who are homeless and what is needed to maintain this service has not been adequately researched or evaluated (CHP 2003).

At present we do not have well developed costings on which to base funding decisions, but that does not mean better information cannot be developed. It is clear that a ‘one size fits all’ efficiency measure is not very illuminating, since it does not differentiate between the quality or nature of service delivered, nor the mix of clients and the relative complexity of their demands. There is widespread recognition of this problem. While we would not wish to exaggerate the capacity of systematic research to deliver solutions on this or any other policy issue, we think it is at least worth a try.

The development of more meaningful unit costs would provide information for existing or prospective service providers on the likely expense of developing new services or reorienting old ones, say, to a new client group. This is particularly important in an environment where non-traditional providers are being encouraged to provide housing and support options for people making the transition from homelessness. This was a point made by the National Community Housing Forum in its paper, ‘Community housing responses to homelessness’ (NCHF 2003, 15). The forum argued that, if the community housing sector is to have an expanded role, this needs to be informed by appropriate funding and costing information, and that ‘resource allocation across service systems must be more transparent and well based in order to achieve cost-effective integration rather than cost shifting’.

SAAP service providers will appreciate this concern. It is well understood that services targeted at homeless populations are often dealing with the poor outcomes of other service systems and that, conversely, successful outcomes for homeless clients often depend on access to the supports provided by those same service systems. Accommodation providers are the major risk takers in any system delivering services to homeless persons, and it is in their interests to develop a more transparent costing system so support services can be funded on a more rational basis and responsibilities can be more clearly delineated.

These sector interests are also furthered by supporting the use of multi-systems pathways approaches. These can help make a reality of calls for a ‘whole of government’ perspective on community service funding and accountability. The potential is particularly strong with integrated administrative database research, since this makes it possible to assess the effect on SAAP agencies and the homelessness service system more broadly of shortcomings of other services.

Finally, well-developed unit costs would enable us to investigate the service delivery system from the client’s perspective. It becomes possible to calculate the total level of resources being spent on meeting an individual client’s needs, and also makes comparisons with alternative approaches meaningful. In an era of ‘case management’, where clients’ movement between agencies and service systems ideally happens in
a planned rather than random fashion, unit costs would enable the costs of different case management plans to be calculated and help to guide decision making.

Conclusion

We have pointed to some substantial gaps in public knowledge about the costs of delivering homelessness programs. At the ‘whole of program’ level, while we know in aggregate what SAAP services receive from government, we do not know about other source income, use of volunteer time, costs incurred by clients and costs incurred by other services. We do not know how this income is spent, either in terms of broad categories of expenditure or by service models (types of support and/or accommodation provided). With the exception of one-off unit costs developed by individual service providers, the only possibility to date has been an aggregate approach to developing unit costs, undifferentiated as to service model or activity type. Since we have only unreliable information regarding how SAAP funding is apportioned between various service delivery models, developing better top-down unit costs is possible, but not promising. The alternative is a more qualitative and bottom-up investigation of the costs of service delivery. Given current ambivalence in the sector regarding costing issues, we recommend a strategy of small-scale research activities (working in collaboration with providers who express a clear interest in participating) undertaken in concert with attempts to increase sector awareness of the possibilities of bottom-up costing.
Appendix A: Two ‘cultural’ definitions of homelessness

Minimum community standard ‘cultural’ definition

What has come to be known as the ‘cultural’ definition of homelessness was first described by Chamberlain and MacKenzie (1992) and expounded by Chamberlain (1999) and Chamberlain and Johnson (2000). This is the conceptual definition that underpins the 1996 and 2001 enumerations of the population of homeless persons on census night in 1996 and 2001. The following is an extract from Counting the Homeless 2001:

Table A1: Chamberlain and MacKenzie’s ‘cultural’ definition

| The cultural definition contends that homelessness and ‘inadequate housing’ are socially constructed, cultural concepts that only make sense in a particular community at a given historical period. Cultural standards are not usually stated in official documents, but are embedded in the housing practices of a society. These standards identify the conventions and cultural expectations of a community in an objective sense, and are recognised by most people because they accord with what they see around them. The vast majority of Australians live in suburban houses or self-contained flats, and there is a widespread view—sometimes referred to as the ‘Australian dream’—that home ownership is the most desirable form of tenure. Almost 90% of private dwellings in Australia are houses and 72% of flats have two or more bedrooms (ABS 2003, pp. 230–231). The minimum community standard is a small rental flat—with a bedroom, living room, kitchen, bathroom and an element of security of tenure—because that is the minimum that most people achieve in the private rental market. This has lead to the identification of ‘primary’, ‘secondary’ and ‘tertiary’ homelessness. |
| Primary homelessness accords with the common sense assumption that homelessness is the same as ‘rooflessness’. It includes all people without conventional accommodation, such as people living on the streets, sleeping in parks, squatting in derelict buildings, or using cars or railway carriages for temporary shelter. Primary homelessness is operationalised using the census category ‘improvised homes, tents and sleepers out’. |
| Secondary homelessness includes people who move frequently from one form of temporary shelter to another. On census night, it includes all people staying in emergency or transitional accommodation provided under the SAAP. The starting point for identifying this group is the census category ‘hostels for the homeless, night shelters and refuges’. Secondary homelessness also includes people residing temporarily with other households because they have no accommodation of their own. They report ‘no usual address’ on their census form. Secondary homelessness also includes people staying in boarding houses on a short-term basis, operationally defined as 12 weeks or less. |
| Tertiary homelessness refers to people who live in boarding houses on a medium to long-term basis, operationally defined as 13 weeks or longer. Residents of private boarding houses do not have a separate bedroom and living room; they do not have kitchen and bathroom facilities of their own; their accommodation is not self-contained; and they do not have security of tenure provided by a lease. They are homeless because their accommodation situation is below the minimum community standard. |

An alternative (Indigenous) cultural definition

While the three-degree definition of primary, secondary and tertiary homelessness has gained widespread currency among both researchers and policy makers for a range of purposes, a number of authors challenge its general applicability (see for example Robinson 2003, Casey 2002, Cooper & Morris 2003, Memmott, Long & Chambers 2003a). This challenge has generally occurred on two fronts: first, its failure to include the individual’s subjective sense of what counts as a ‘home’; and second, accepting the emphasis on the physical determinants of being housed or homeless, the idea that a single minimum community standard holds for all sections of the Australian population. Both of these issues have been raised by researchers of homelessness in Indigenous contexts. Memmott, Long and Chambers recently developed an ‘alternative’ cultural classification of homelessness and public place dwelling. This is discussed in Appendix B (p*).

Table A2: Categories of Indigenous homelessness and public place dwelling

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Public place dwellers</td>
<td>Living in a mix of public or semi-public places (as well as some private places, which are entered illegally at night to gain overnight shelter) eg parks, churches, verandahs, carparks, car sale-yards (under cars), beaches, drains, riverbanks, vacant lots, dilapidated buildings. These people can be divided into four sub-categories; the first three being voluntary states and the fourth being involuntary.</td>
</tr>
<tr>
<td>1.1 Public place dwellers - voluntary, short-term intermittent.</td>
<td>These people are often staying in conventional accommodation (eg a relative’s house) and may have their own residence in a rural or remote settlement. When they socialise in public urban places, they may or may not decide to camp out overnight, usually with others, despite the availability of their accommodation. Many in this category may be day time visitors, including people who stay in boarding houses or hostels overnight.</td>
</tr>
<tr>
<td>1.2 Public place dwellers - voluntary, medium-term.</td>
<td>Residing continually in public places (including overnight); acknowledge they have another place of residence in a home community but uncertain if and when they will return.</td>
</tr>
<tr>
<td>1.4 Public place-dwellers - reluctant and by necessity.</td>
<td>Residing continually in public places, and who (a) Wish to return home but need to remain in urban area due to a service need or to support a hospitalized relative or similar; or (b) Wish to return home but no funds for travel and/or capacity to organize travel.</td>
</tr>
<tr>
<td>2. Those at risk of homelessness</td>
<td>At risk of losing one's house or of losing the amenity of one's house.</td>
</tr>
<tr>
<td>2.1 Insecurely housed people.</td>
<td>Residing in adequate housing but under threat of loss of such; lack of security of occupancy; possibly due to circumstances of poverty.</td>
</tr>
</tbody>
</table>
2.2 People in sub-standard housing. Persons whose housing is of a sub-standard architectural quality, possibly unsafe or unhealthy housing, depending on the circumstances.

2.3 People experiencing crowded housing. Persons whose housing is crowded, but crowding should be defined as involving considerable stress (and not assumed by density measures alone).

2.4 Dysfunctionally mobile persons. Persons in a state of continual or intermittent residential mobility including temporary residence (e.g., crisis accommodation) that is a result of personal and/or social problems (e.g., violence, alcohol and substance abuse, lack of safety or security in a social sense, personality or ‘identity crisis’, lack of emotional support and security).

3.0 Spiritually homeless people. A state arising from either (a) separation from traditional land, (b) separation from family and kinship networks, or (c) a crisis of personal identity wherein one’s understanding or knowledge of how one relates to country, family and Aboriginal identity systems is confused.


Note: These are not mutually exclusive categories.
Appendix B: Homelessness pathways – selected Australian research

Scope and purpose

This Appendix provides a selective review of Australian qualitative and quantitative empirical research exploring people's pathways into, through and out of homelessness. It consequently includes studies that investigate one or more of the following:

- Causal and trigger factors and causal processes that lead to initial and repeat episodes of homelessness, and to factors and processes explaining its duration or repetition;
- Experiences and consequences of different types and degrees of homelessness;
- Trajectories through forms of accommodation, including life-time housing-homeless pathways;
- Patterns of service use and non-use while homeless (particularly patterns of ‘inappropriate' service use);
- Patterns of informal and formal help seeking and service use seen to assist exit from homelessness (in the short and longer term);
- Analysis of current service and policy contexts (‘business as usual' scenarios); and
- Identification of good, better and best practice (‘appropriate services') for particular groups, including evaluation studies of homelessness interventions across the service spectrum.

The review has three main purposes:

- To provide a basis from which to identify research strengths and gaps relevant to understanding the dynamics and drivers of homelessness and the success or otherwise of homelessness interventions (see chapters 3 and 6);
- To identify research, including key findings that could be used to develop pathways costing models relevant to Australian contexts;
- To highlight the potential and pitfalls of longitudinal methodologies implemented in Australian contexts.

It focuses on those studies that have a longitudinal research design, whether prospective or retrospective. The vast majority of these references date from 2000 onwards; indeed this would have been a very short review had it been conducted even five years ago.

This does not claim to be a comprehensive compendium of existing research. The breadth of relevant material is such that an exhaustive literature search would have been impracticable. Moreover, while several of the projects reviewed were located
Costs and Pathways of Homelessness

via searches of international or Australian databases, the majority (particularly
the most recent research and more applied policy research and evaluation) was
discovered by internet and GOOGLE searches, word of mouth and publications like
Parity (the monthly magazine of the Council for Homeless Persons (Victoria)).

A summary table of Australian longitudinal research is included as Appendix C.

Table B1 Outline of Sections

1. **Ideal typical homelessness career paths**: Looks at the data sources and methods used in attempts to identify ideal typical career paths.

2. **Demographic subgroups**: This is a pragmatic choice, reflecting the categorization prevalent in homelessness research, rather than indicating distinctive homeless pathways.
   - 2.1 Young people
   - 2.2 Families
   - 2.3 Children in families
   - 2.4 Older people
   - 2.5 Gender
   - 2.6 Indigenous contexts
   - 2.7 People with refugee experiences

3. **Disabling conditions**: Identifies empirical research on the influence of substance abuse and disabling mental health problems on pathways into, through and out of homelessness.
   - 3.1 Disabling mental illness
   - 3.2 Disabling substance abuse

4. **High risk transitions**: Collates research on four sets of circumstances generally seen as strong predictors of homelessness, and four population groups for whom ‘early intervention’ strategies have been, or are being, developed.
   - 4.1 Escaping domestic and family violence
   - 4.2 Transition from prison
   - 4.3 Transition from out-of-home care
   - 4.4 Tenancy breakdown and housing crisis

5. **Use of acute and emergency health services**: Identifies research on ‘heavy and inappropriate’ use of hospital emergency departments and other health services.

6. **Impact of different types of homelessness**: Takes a different cut through the research material and identifies studies according to the type of homelessness they focus on, as a precursor to more fine-grained analysis of negative impacts.
7. Homeless population dynamics (and long term accommodation outcomes): Draws together quantitative estimates of the duration and patterning of homelessness for homeless populations in Australia and identifies the estimation methods used.

7.1 Methods and Interpretation

7.2 Estimates of the duration of homelessness

7.3 Estimates of the extent of repeat use of homelessness services

1. Ideal typical homelessness career paths – empirical underpinning

The best known attempts to identify career pathways relevant to the Australian context are the ideal type models developed by Chamberlain, MacKenzie and Johnson (see chapter 4). Most recently, in their report *Homeless careers: pathways in and out of homelessness*, MacKenzie and Chamberlain (2003: iv-v) identify four ‘fundamental career paths’, one pertaining to young people, and three representing ‘pathways into adult homelessness’ (see table B2 below):

- Youth homeless career (focusing on young people who become homeless because of family conflict);
- A continuation of a youth career into adult homelessness;
- Housing crisis career (where poverty and debt underpin the slide into homelessness);
- Family breakdown career (commonly as a result of domestic violence).

Interest here is primarily with the empirical research underpinning these models and typologies. Chamberlain, MacKenzie, and Johnson have developed and drawn on three key data sets in developing these pathway models. These data sets are all based on case notes developed by practitioners and agencies working with homeless or at risk populations. For the purposes of reconstructing accommodation histories and the individual and structural factors that drive them, this method has its limitations. The quality and depth of information in the contact notes and case histories are reported by the researchers to be highly variable as would be expected in any form of secondary data. Nevertheless these represent substantial data sources. We have located only one purpose-designed Australian study that has developed a primary data set covering a broad cross-section of ages and household types.
Table B2: Data sources used by Chamberlain, MacKenzie and Johnson in the development of homeless career models

<table>
<thead>
<tr>
<th>Case histories from SAAP services (2001)</th>
</tr>
</thead>
<tbody>
<tr>
<td>In 2001 Chamberlain and MacKenzie contacted all SAAP services across the country (n=1,238) and invited them to provide case histories of individuals, couples or family groups who were homeless. SAAP services returned 812 household case histories covering some 1,500 people. Just over half (55%) were single person households, 34% were families (with children), 8% were couples, and 3% were extended families.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Case histories from the second national census of homeless school students¹ (2001)</th>
</tr>
</thead>
<tbody>
<tr>
<td>This data set comprises 1,220 case histories of school students who were homeless or recently homeless in August 2001. The case histories were developed by welfare staff in schools across Australia. The census form invited welfare staff to provide case histories of homeless students where they had detailed knowledge. The form sent to schools allowed space for two case studies. Staff were asked to “tell the story of why the young person left home”, what had happened since, and how the young person in question was managing at school. Information was also requested on age, gender, family structure and length of time homeless. The case studies represent about 10% of the secondary students identified in the census as currently or recently homeless.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Argyle Street Housing Service administrative data set</th>
</tr>
</thead>
<tbody>
<tr>
<td>This data set comprises contact notes for 2,840 households (4,400 people including 900 children) in Melbourne who approached this inner city transitional housing service for assistance over a period of a year. The majority (67%) were single person households, 19% were families with children, 11% were couples, and 3% were shared households. The service (now part of HomeGround) was funded by the Office of Housing and managed 220 transitional properties linked to 40 different support services. The service also ran a housing information and referral (HIR) service providing advice, counseling and emergency financial assistance for homeless people and households at risk. The data were collected at the HIR service between 1 July 1998 and 30 June 1999 as part of routine administrative procedure. Each time a client contacts the HIR service, staff record information on the reasons for the contact.</td>
</tr>
</tbody>
</table>

Source: Selected publications

In ‘Homeless adults: Understanding early intervention’, Chamberlain and Johnson (2002) develop their model of the ‘adult career path’ using the Argyle Street data set. The households approaching the service are classified as homeless (64%) or at risk² of homelessness (36%). Of those who were already homeless, 4% were experiencing primary homelessness (‘living rough’) 82% secondary homelessness (moving around or in temporary accommodation) and 14% tertiary homelessness (living in boarding houses on a longer-term basis). After one year, 153 of the 962 households that were ‘at risk’ became homeless. The study identifies five patterns in the at risk population leading to homelessness:

- Unexpected financial crisis;

² This includes people living in conventional accommodation but experiencing significant housing or interpersonal difficulties such as conflict with neighbours, inability to pay rent, overcrowding or domestic violence.
Conflict with neighbours;
Ongoing poverty;
Gentrification of rental property; and
Domestic violence.

MacKenzie and Chamberlain (2003) built on this work in their differentiation of three pathways into adult homelessness (drawing on all three data sets listed above). Both studies demonstrate the empirical fit of their typologies with illustrative examples from the case histories. Although the numbers of case histories drawn on is large, the development of the career models rests on qualitative rather than quantitative analysis – a process of theorizing rather than statistical generalization.

**Johnson’s Panel Survey**

Johnson is currently undertaking doctoral research exploring the following questions:

- The routes or pathways into homelessness and how these impact on the duration of homelessness;
- Whether there are any characteristics that distinguish people who have longer homeless careers from people who have relatively short careers; and,
- What happens to people after they exit emergency housing, in particular what sort of housing do they exit to and how long do they remain there?

The project involves a two-wave panel survey of homeless persons recruited from four Transitional Housing Managers (THMs) and one crisis service in Victoria. Half the respondents were recruited from inner city services, 30 per cent from suburban services, and 20 per cent from regional/rural services. Baseline interviews were conducted with 103 people early in 2002 and more than three-quarters of the sample (79 people) were interviewed again approximately one year later. The first wave survey used a semi-structured interview format to describe their housing histories, and the issues and events that led up to their first experience of homelessness in their own words. The follow-up interviews collected information to enable an analysis of changes across a number of key indicators including housing and employment status, income source, household type, education and training, isolation/community connectedness and drug and alcohol use.
Table B3: Youth and adult homeless careers - MacKenzie and Chamberlain's ideal typical models

<table>
<thead>
<tr>
<th>Phases (contingent on wide array of resources/obstacles)</th>
<th>Transitions</th>
<th>Causal Factors/Triggers</th>
<th>Early Intervention</th>
<th>Costs &amp; Effectiveness Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 'YOUTH' CAREER</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>◦ At risk</td>
<td>◦ Tentative break</td>
<td>◦ Usually breakdown in family relations</td>
<td>School as key site. Risk indicators – defined in practice contexts</td>
<td></td>
</tr>
<tr>
<td>◦ In and out (runaway and detachment)</td>
<td>◦ Permanent break</td>
<td>◦ Lack of employment for teenagers</td>
<td>Critical stage while young person is still at school Family relations approaches or support for transition to independence</td>
<td></td>
</tr>
<tr>
<td>◦ Homeless student</td>
<td>◦ Dropping out of school</td>
<td>◦ Runaway, kicked out or abandoned</td>
<td>If young people drop out of school they are more likely to become involved in the homeless sub-culture</td>
<td></td>
</tr>
<tr>
<td>◦ Homeless, unemployed</td>
<td>◦ Transition to chronicity</td>
<td></td>
<td>It is much more difficult to assist these young people</td>
<td></td>
</tr>
<tr>
<td>◦ Chronic homelessness (street culture)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2 YOUTH to ADULT CAREER</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two subgroups:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>◦ Chronically homeless (homeless for most of period from initial homelessness in youth to young adulthood)</td>
<td>Early school leaving</td>
<td>Appear to have subsequently developed problems with drugs and alcohol Multiple issues and high needs</td>
<td>The opportunity for early intervention is long gone Successful intensive support may arise with persistence and readiness on part of client to change their life Many remain entrenched in their problems despite much support accommodation</td>
<td></td>
</tr>
<tr>
<td>◦ Episodically homeless (moved in and out of homelessness on a number of occasions)</td>
<td></td>
<td></td>
<td>Considerable difficulties working with the chronically homeless, particularly people with high needs and multiple issues such as mental illness and drug addiction Intensive support will be required, this is far more costly than early intervention and the rate of success is lower</td>
<td></td>
</tr>
<tr>
<td><strong>3 HOUSING CRISIS CAREER</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>◦ Poverty</td>
<td>◦ Accumulation of debt</td>
<td>Poverty and accumulating debt. Four main triggers: Unexpected financial crisis Extreme poverty Problems with neighbours Gentrification</td>
<td>Intervention before loss of accommodation. Assistance includes emergency relief and financial counseling. Important sites are Centrelink, estate agents Many don't approach agencies for assistance until eviction is imminent</td>
<td></td>
</tr>
<tr>
<td>◦ At risk (housing crisis)</td>
<td>◦ Loss of accommodation (eviction) – sharp break</td>
<td></td>
<td>Problems get worse after loss of accommodation. People are more difficult to locate and to help.</td>
<td></td>
</tr>
<tr>
<td>◦ Long-term homelessness</td>
<td>◦ Transition to chronicity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>◦ Chronic homelessness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4 FAMILY BREAKDOWN CAREER</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>◦ At risk – conflict heightened</td>
<td>◦ Violence begins</td>
<td>Breakdown in relations between partners (domestic violence)</td>
<td>There is a service gap where early intervention should fit – between broad prevention campaigns and crisis intervention via refuge model. No obvious institutional site.</td>
<td></td>
</tr>
<tr>
<td>◦ In and out pattern (leaving and returning to the family home, maybe over a period of years)</td>
<td>◦ Permanent break (abused partner leaves and resolves not to return)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>◦ Long-term homelessness</td>
<td>◦ Transition to chronicity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>◦ Chronic homelessness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. Demographic subgroups

2.1 Young people


More recent studies have begun to collect longitudinal data on young people’s pathways through homelessness, with Project I the most notable of these. Development of a temporal perspective on youth homelessness, however, is most closely identified with the work of Chamberlain and MacKenzie. The model of the ‘youth homeless career’ was born over a decade ago (Chamberlain & MacKenzie 1994) and the researchers have revisited and refined it several times since (Chamberlain & MacKenzie 1998; MacKenzie & Chamberlain 2003; Chamberlain & MacKenzie 2004 forthcoming). A sketch of the youth homeless career path is presented in table B3. We also note other studies that have investigated the process and dynamics of homelessness among young people.

Discussion of the relationship between homelessness and the transition from out-of-home care is left until the section describing ‘high risk’ transitions.

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3 *Our homeless children: Their experiences* is based on interviews with 100 homeless young people aged under 18 from Sydney, Brisbane, the Gold Coast and Canberra/Queanbeyan (O’Connor 1989). An attempt was made to obtain a cross-section of homeless young people, rather than look exclusively at the experiences of those living on the streets and in refuges, night shelters and other emergency accommodation.

4 *Forced exit: A profile of the young and homeless in inner urban Melbourne* was based on a survey of 200 homeless young people aged between 12 and 25 in inner Melbourne (Hirst 1989). An attempt was made to make the sample as representative of young homeless people in urban Melbourne as possible: 31% of respondents were wards of the state, 35.5% were recruited via a short-term referral and accommodation service with a high and varied turnover of young people; 11.5% were contacted through outreach workers; 9.5% through the Inner Urban Youth Support Unit, 5.5% through specific women’s services, 5% through Youth Training Centres (for males and females) and the remaining 2% through the Children’s Court Advisory Service.

5 *Alder’s study was based on in-depth interviews with 51 homeless teenagers from inner Melbourne conducted in 1989.*
Project i

Project i is a five-year study of homeless young people in Melbourne and Los Angeles. It is funded by the National Institute of Mental Health in the USA and is a collaboration between the Key Centre for Women’s Health at the University of Melbourne (formerly the Australian Centre in Sex, Health and Society at La Trobe University) and the Center for Community Health at the University of California. It is the first, large scale Australian longitudinal study of young people experiencing homelessness and is therefore of considerable importance.

The Melbourne study has three main components:

- Research on young people experiencing homelessness, including a multi-wave panel survey as well as in-depth interviews;
- A survey and interviews with service providers; and
- A review of local, state and federal government policies relating to homelessness.

The project focuses on young people (aged between 12 and 20) who have recently become homeless. It explores the ‘social and contextual factors that influence young people’s pathways in and out of homelessness, including their family relationships, friendship and support networks, experiences with services, housing history, sexual experiences, drug and alcohol use’ and aims to help develop an understanding of ‘how homeless young people’s daily practices impact upon their long-term health and well-being’ (Rossiter et al 2003).

Two subsets of young people were targeted, ‘newly’ homeless young people (those who had been living away from a parent or guardian for less than six months) and more ‘experienced’ homeless young people (living away for over six months). The definition of homelessness employed by the researchers includes young people ‘sleeping rough’, staying in refuges, temporary accommodation (including with friends or extended family) and supported accommodation (transitional accommodation etc) – roughly consistent with Chamberlain and MacKenzie’s definition of primary and secondary homelessness. To be defined as ‘homeless’, young people had to have been away from home for two consecutive nights without their parents’ or guardian’s permission (if under 17 years) or have been told to leave.

A total of 691 young people (165 newly homeless and 526 more experienced homeless) participated in the baseline survey. Young people were recruited from 95 youth or homeless services across the five metropolitan regions of Melbourne. Most young people were referred by staff from refuges, information and referral services and Centrelink. The project also employed a community liaison officer who developed regular newsletters and facilitated the recruitment process. The recruitment of young interviewees for the base line survey continued for just over two years. It proved particularly difficult to recruit newly homeless young people.

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2 This information has been obtained from a range of publications from the project most of which can be downloaded from its website: http://www.kcwh.unimelb.edu.au/projecti/home.html.
(the original plan had been to attain a sample size of 240). The interviews with young people commenced in December 2000 and were undertaken by a team of 14 interviewers.

To date, none of the various publications from the project have discussed the likely representativeness of the sample.

The intention is to conduct five follow-up interviews with the subset of newly homeless young people across a two-year period (this represents a scaling down of the original plan which was to undertake 8 rounds of interviews over a three-year period). More in-depth interviews will be conducted with 40 of these young people. Since follow-up interviews are still in progress, final attrition rates for the panel survey have not been reported.

The project as a whole promises longitudinal findings that will considerably enhance the evidence base for understanding the dynamics and consequences of homelessness among young people in Australia. However, with the exception of the most recent report *Disrupting stereotypes: Young people, drug use and homelessness* (Mallet et al 2003) which we discuss elsewhere (p*), current publications from the project are limited to snap-shot or retrospective findings from the first wave of the study. Nevertheless, these too provide relevant information.

One of the four ‘broadsheets’ produced by the project considers *Pathways into youth homelessness* (Myers, Rossiter & Rosenthal 2001). The analysis draws on a preliminary sample of 164 experienced homeless and 61 newly homeless young people and a survey of 150 service providers. It explores the reasons young people gave for leaving home (selected from a check list and compares these with service providers’ accounts (survey of 150). Conflict with guardian or parent was identified both by a majority of young people and service providers as an important or very important reason for leaving home. Otherwise, the two sets of accounts tended to diverge with service providers more inclined to offer ‘crisis’ reasons for the departure (abuse, substance abuse and mental health problems) and young people to identify a desire for independence and adventure along side these reasons. With the exception of drug and alcohol use, which a larger proportion of experienced homeless selected as a reason for their leaving home, the reasons given by the two subsets of young people were not markedly different. The in-depth interviews with newly homeless young people will no-doubt add more detail to the survey results on this issue.

A second broadsheet *Supported Accommodation: Entry and Exit Points* presents findings from the total baseline sample (n=674) on young people’s past and present living arrangements (Myers et al 2003). It focuses on accommodation arrangements immediately before and after living in refuges, juvenile detention or jail, psychiatric hospitals, child protection placements and transitional accommodation. The authors emphasize their findings do not represent entrances to and exits from ‘homelessness’

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8 This is interpreted as confirming the expectation that young people tend not to access welfare services until they have been homeless for a few months or more. The Department of Education did not give its permission for the study team to recruit young people directly from schools. (Research update 27 November 2000.)
as such, but give a more limited snap shot view of accommodation transitions. The most frequently reported exit point was from a refuge to another refuge (35 percent). This proportion would probably have been higher if the newly homeless respondents had been removed from the analysis (there is no disaggregation according to length of time homeless). This finding gives a sense of the ‘revolving doors’ experienced by homeless young people as they make their way from service to service, and institution to institution. Again, we would expect more revealing data on accommodation transitions (as well as transitions from homeless to domiciled states) to emerge once the other waves of the panel survey have been completed and analysed.

*Living Well? Homeless young people in Melbourne* reports on responses from a preliminary baseline sample of 403 homeless young people (Rossiter et al 2003). The report presents descriptive statistics on the young people’s:

- Living arrangements (length of time in arrangements and total length of time away from home);
- Education (highest level of education completed, current attendance of school);
- Income (receipt of RA and YA, whether employed and other sources of income);
- Health related issues (including physical health, self-harm and suicide attempts, drug and alcohol use);
- Sexuality, risky sexual behaviour and sexual violence and abuse; and
- Service utilization (whether needed help, sought help and satisfaction with help regarding a range of health, emotional and financial problems; reasons for not seeking formal help or using available services including housing, income support, health, employment).

The report gives an indication of the risk associated with contemporary homelessness for young people in Melbourne. For example, it is reported that within the three months prior to the interview, many young people ‘survived or supplemented their income by pawning goods (31%), borrowing money (30%), selling drugs (23%), stealing (16%) and begging (13%). For the most part the findings refer to the point-in-time prevalence of problems or circumstances, though there are a few occasions where information on change is reported. Importantly, it is noted that of the 38% of the sample currently attending school, 46% reported that they attended less after they became homeless. Unfortunately the analysis does not differentiate between newly and experienced homeless young people which considerably lessens the value of the findings from the point of view of gauging possible impact of length of time homeless on young people’s behaviour and risk.

The Melbourne research team has recently been working alongside the Los Angeles team on an exploration of how the daily routines of homeless young people impact on their risk of HIV. This has the potential for a more nuanced understanding of how homelessness (differentiated according to ‘where and with whom young people congregate and sleep, and how they spend most of their time’) impacts on young people’s health and well-being.

Pears and Noller (1995) undertook research to investigate ‘the process of adjustment to life on the streets’. Following the Burdekin Report, and the popularization of the idea that homeless young people in Australia ‘seem to have established a culture of their own, with their own rules, norms of behaviour and even phrases peculiar to their group’, the authors became interested in whether those living on the streets experience adjustment difficulties. The study tests a four-stage model of the process of adjustment to ‘a new culture’.

This was done by cross-sectional rather than longitudinal design by comparing three subgroups of young people defined according to the length of time spent (on and off) the streets: up to six months, 6 months to 2 years, and longer than 2 years. A structured questionnaire was developed to measure self-esteem, sense of hopelessness and incidence of self-injury. The study also looks at the impact of time homeless on the prevalence of psychological disturbance and psychiatric disorder (discussed elsewhere p*).

The research compares the circumstances of young people who reported experiences of abuse prior to becoming homeless with those who did not. It also investigates the effects of gender on the (hypothesized) process of adjustment.

Sixty-six young people participated in the study (37 males and 29 females) aged from 13 to 18 years. Young people were recruited from four crisis refuges in the inner city and outer suburbs of Brisbane and from an inner city drop in centre between March and July 1992. A structured interview schedule was used to collected data on: demographics, family background, education, incidence of family violence, reasons for leaving home, length of time on the streets, incidence and extent of deliberate self-harm (using the Lethality of Suicide Attempt Rating Scale), and behaviours such as drug and alcohol use and sexual activity. The Rosenberg Self-Esteem Inventory and the Beck Hopelessness Scale were also administered.

The average length of time on the streets was just over two years. Three-quarters of respondents reported being victims of family violence. Young people who had experienced abuse were significantly more likely to have self-inflicted injury (65% compared to 29% of other young people). They were also significantly less likely to have regular contact with parents.

Levels of self-esteem, sense of hopelessness and incidence of harm to self were expected to change with increased time on the street, as a reflection of the process of adjustment to homelessness. No significant differences were identified on indicators of self-esteem and sense of hopelessness. The results did suggest that the time spent homeless had an impact on self-harm, but only for the group of young people who reported not having been abused prior to homelessness. In this group, the level of self-harm was lowest for the ‘newly’ homeless group (those homeless for up to six months), highest for the group who had experienced up to 2 years on the streets, but lower for those who had been homeless for two years or more. The authors interpret this, in line with their theoretical model, as reflecting an initial period of optimism, followed by a period of confusion, isolation and lowered self-esteem, followed by a
period of adjustment to the culture. The group of young people who had suffered abuse ‘showed similar levels of self-harm irrespective of how long they had been on the streets’ (Pears & Noller 1995, our emphasis).

While the findings of this research do suggest qualitative differences in the impact of (street) homelessness for young people who have experienced abuse, the research design itself was not optimal. The sample size is small for statistical analysis and more importantly, the study did not trace the process of adjustment of individuals over time, it simply compared the responses of different groups who had experienced different lengths of time ‘on the streets’. The authors also suggest that many young people leave and return to the family home often several times before making the break completely, which would tend to impact on the adjustment process. They advise later research should take into account whether adolescents were leaving home for the first time or had left previously.


Similarly to the study by Pears and Noller (1995) this chapter explores the difficulties young people encounter as newcomers coping with street life and the behavioural codes that govern it. The authors also focus on homeless pathways initiated by physical or sexual abuse. They compare experiences of street life by gender and across different locations (urban and regional centres). The analysis draws on three sets of data:

- Intensive interviews with 105 homeless girls in inner Sydney (1992) most of whom were living in a refuge (or had previously);
- Case studies of homeless youth (girls and boys) all located in a Sydney youth refuge sponsored by the Salvation Army (1993);
- Interview data relating to youth who were voluntary relocatees from Sydney to the far North Coast of NSW (1994).

The authors identify three pathways (of varying permanence) from life on the streets:

- From the refuge into an established community lifestyle (a path that often entails agency support and government funding);
- From homeless street life into accommodation that may or may not be government supervised;
- Cohabitation in a relationship that leads from the ‘revolving door’ system into what young people believe will be a permanent situation.

Life on the streets (including periods in crisis accommodation) is said to create impediments to exit. Percentages are reported from the sample of 105 young women. Of the girls who had spent some time on the streets, most (72%) had made a decision to leave at some point during this time, 45% had left the street three

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9 It is not made clear in the discussion how the primary research was undertaken.
or more times, and nearly 12% had tried leaving ten times or more. Almost a third (29%) reported never having left the street. Some young people are said to have adapted so well to the violent and chaotic street existence that they tend not to look for anything else; they have an established routine and an established support network of other ‘street kids’.

**Prevalence studies**

Many other cross-sectional studies have surveyed samples of young people involved in street culture or living in refuges, to establish the prevalence of given characteristics, particularly their participation in risky behaviours such as drug taking and unsafe sex, and the presence of mental health problems. With a few exceptions (discussed in the sections on disabling drug use and mental illness), these studies do not attempt to identify the temporal order of events. Kamieniecki (2001) provides a useful review of studies estimating the prevalence of mental illness and psychological distress among young people (see discussion p*).


Ongoing homelessness: From youth to adult

No doubt partly reflecting the arbitrary categories that drive research, very little data exists on what happens to young people who have experienced or are experiencing homelessness once they grow out of the ‘youth’ age bracket. MacKenzie and Chamberlain (2003) identify the transition from youth to adult homelessness as one of three points of entry into the adult homeless population (see table B3). There were 148 case studies of young adults aged 19 to 24 in the SAAP case study data set (MacKenzie & Chamberlain 2003, 45). About half (52%) of these young people had become homeless as teenagers. A distinction is drawn between those young people who had been homeless for the entire duration and those who had moved in and out of the homeless population, identified respectively as chronic and episodic homelessness. It is noted, for example, that ‘there are many cases of young adults who have remained chronically homeless most of the time, although sometimes they have managed short periods of housing stability’ (ibid 47). These young people ‘typically…have multiple issues to deal with and high needs’ (ibid 49). Illustrative examples are provided of the different circumstances of these two subgroups. However, as noted previously, the purpose of the study by MacKenzie and Chamberlain was not to develop statistical estimates (either of the likelihood of the continuation of homelessness into adulthood or of the factors seen to drive this transition).

An earlier study by Smith (1995) for the Salvation Army based on interviews with 104 young people included a subgroup of 20 people aged twenty-five or over who had largely been homeless (either continuously or intermittently) since they were young. This study similarly provides an insight into the experience of ongoing homelessness.

Depending on the outcomes of interest, the paucity of quantitative and longitudinal studies on what happens to homeless young people in later life does not always prove an insurmountable obstacle. In their mapping of the likely life-time pathways of young people who become homeless while still at school, Pinkney and Ewing (1997, 50) are able to draw on statistical information from the ABS on the correlation between low educational attainment and future earnings to gauge the likely economic impact of early school leaving attributable to homelessness.

The Longitudinal Surveys of Australian Youth also provides valuable statistical information on the labour force outcomes.

**Longitudinal Surveys of Australian Youth (LSAY)**

This brings together the following three data sources

- Youth in Transition Cohorts - samples of four cohorts (born in 1961, 1965, 1970 and 1975) who have been contacted ‘nearly’ annually by mail since their mid-teens. The older three cohorts had their last contact in 1995 whilst the 1975 cohort was last contacted in 2002. The surveys focused on participation in education and the labour force and transitions between these sectors;

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10 See table B2 for a description of this data set.
Costs and Pathways of Homelessness

- **Australian Youth Survey (AYS)**- began in 1989 with a nationally representative sample of 5,350 people aged between 16 and 19. This initial sample was increased by the addition of around 1,200 16 year olds from 1990 to 1994. The last contact with this group (final sample size around 8,000) was in 1997. In this time the sample was interviewed annually on a wide range of topics including school experiences, school to work transition, labour market experiences, post-school education and training, income, health, housing and job satisfaction.

- **New Longitudinal Surveys of Australian Youth**- there are currently three cohorts being followed: 13,000 Year 9 students from 1995; 14,000 Year 9 students in 1998 and a group of people who turned 15 in 2003. At first contact students completed reading and numeracy tests and completed a background questionnaire about their educational and vocational plans and attitudes to school. There is a series of follow-up surveys for each cohort similar to that for the AYS.

**Evaluation**

Evaluation studies have been conducted of national and state prevention and early intervention initiatives targeting young people at risk or in the early stages of homelessness. Most important among these is the longitudinal evaluation of the Reconnect Program and we discuss the research design and findings of this study in some detail. Evaluation studies of crisis or maintenance programs for young people who are in the 'later stages' of homelessness are less common, despite their greater prevalence in the homelessness service system. Rarer still are studies that investigate longer-term outcomes for participants in these programs. One exception is Jordan's (1995) longitudinal study of the Youth Pilot Projects (an initiative of the former Commonwealth Department of Social Security).

**Development of prevention and early intervention services for homeless youth (AHURI)**

On the basis of their review of the literature of services for homeless young people, Chamberlain and Johnson (2003, 19) conclude 'there has been little systematic research on the most effective strategies for early intervention and prevention'. The AHURI funded project proposes to fill this knowledge gap and provide information on effective strategies for family reconciliation and supporting young people moving to independent living (Chamberlain & Johnson 2003; Chamberlain & MacKenzie 2003 forthcoming).

This entails an investigation of key risk factors for homelessness among young people through further analysis of dataset of 1,200 case histories from the second census of homeless school students. The researchers plan to explore the pathways and risks associated with different family types ('blended' families, single parent families and so on) and Indigenous background. This information will allow a reassess of the model of the youth homeless career ‘to investigate whether there is more than one dominant career trajectory’ (Chamberlain & Johnson 2003, 19).

The case studies also contain information on good welfare practice in schools. A series of field visits to 40 schools are planned to gather information on good practice interventions and to address the following questions:
What preventive strategies are currently used in schools and how do schools assess whether these are effective?

What strategies are used to facilitate early intervention and how do schools identify young people who are homeless?

Which strategies are most effective at facilitating family reconciliation?

To what extent do welfare staff operate with a notion of ‘at risk’, how are these students identified, and what procedures are put in place to assist them?

What strategies are used to support young people to live independently (if they are unable to return home)? What community supports are available? Do welfare staff consider this ‘early intervention’?

**Youth Pilot Projects**


The study illustrates how much can be learned through anonymous follow-up using administrative database records.

In 1992 the Commonwealth Department of Social Security established eleven Youth Pilot Projects to try and identify ways in which the Department’s services, including the provision of what was then the Young Homeless Allowance, could be made more accessible to homeless teenagers. All the projects had an outreach element and were located in inner-city, outer suburban, provincial and remote locations. One of the pilots targeted young indigenous clients in Cairns (Qld). The Department published a report on the outcomes for young people participating in the projects entitled *Displaced: Homeless Adolescent Claimants for Social Security Payments* (Jordan 1995).

Jordan’s report draws on a range of qualitative and quantitative information sources collected as part of the projects, focusing on homeless clients aged under 18 years. There were 1,670 clients in this category, with computer records being kept from the first contact (more or less comprehensively). Information collected by the project included:

- Demographic characteristics and education, employment and training status;
- Former and current living arrangements;
- Contact with family or State welfare authorities;
- Experience of leaving home: duration of homelessness (period after leaving home), previous occasions of leaving home, history of family relations, reasons for leaving home;
- Life after leaving home: geographical mobility, income and accommodation, health, safety and risky behaviours;
- Assistance and changes in circumstance over the period of the projects: referrals, assistance to participate in education, training and employment;
- Events during participation in the projects: mobility, accommodation, contact with home and family.
Twelve months after the projects ceased the computer records of social security payments were searched to try and find out what had happened to the young people who participated. It was not possible to search DSS records for all project participants since full identifying information had not been entered for all. Of those 1,050 young people whose records could be traced, about 90% were current or recent recipients of social security payments. On the positive side, this showed at least that income support was accessible to these young people (with likely improvements to the adequacy and stability of accommodation) - although there were still indications of continuing residential instability (indicated by records of 'no fixed address') and breaks in payment. At the same time, analysis of the follow-up data on income supports being received and transfers between payment types highlighted the low proportion of young people who had established themselves in regular employment or study. These administrative data also gave an indication of the extent of pregnancy amongst young women over the follow-up period and their mobility.

**Longitudinal Evaluation of Reconnect**

Reconnect is an initiative of the Commonwealth Government and was established in 1999 as a national program aimed at reducing youth homelessness by ‘reconnecting’ young people (aged 12 to 18 years) who are homeless or at risk of homelessness, with their families, education, employment and community.

Reconnect provides assistance to individual young people and their families through counseling, mediation and practical support. By mid 2003 some 16,000 young people and their families had been assisted by the 98 Reconnect services across Australia. Reconnect services also provide group programs, undertake community development projects and work with other agencies with the aim of increasing the broader service system’s capacity to intervene early in youth homelessness.


Several sources of data were drawn on during the evaluation process, including insights from action research conducted by the individual projects, but the final report (Ryan 2003), is based largely on the Reconnect Administrative Data (RAD) and longitudinal studies investigating client outcomes (*The Statistical Report on the Longitudinal Survey of Reconnect Clients* RPR Consulting 2003) and Reconnect’s impact on building community capacity (*Report of the Reconnect Longitudinal Study: Building Community Capacity for Early Intervention* RPR Consulting 2003).

Our interest here is with the longitudinal survey of Reconnect clients. This survey attempts to measure outcomes from the program for both young people and their families.

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Panel survey of Reconnect clients

Selected Reconnect clients were interviewed at two points in time, approximately ten months apart. The first wave of the survey was administered in November 2001 and the second wave in October 2002.

Each Reconnect service was provided with a quota of cases to survey and was asked to approach clients (young people and their parents) both entering and exiting the service.

In the first wave of the survey, responses were received for 455 cases, making an overall response rate of 45%. Responses from 341 young people and 353 adults were available for analysis. In the second wave, responses were received for 260 cases (a response rate of 57%) comprising 169 response from young people and 186 from adults.

The method of sampling from the population of Reconnect cases is not detailed in the report although there is a discussion of the likely representativeness of the original sample asked to participate (1001 cases) and the group who agreed (455 cases). There were no significant differences between these two groups. However, the sampling strategy adopted to select the original sample produced an overrepresentation of clients with long support periods (six months or more). There was an under-representation of Indigenous clients (who made up 14% of the Reconnect client population at the time of the data extract but just 6% of the original sample and 7% of survey respondents). Despite these differences, survey respondents were judged to be broadly representative of all Reconnect clients.

The evaluation considered the impact of the program on young people’s engagement with their families (including living situation), education, employment and the community. The study used self-reported assessments of the impact of Reconnect services, as well as the responses to a range of pre-existing psychometric scales to gauge levels of engagement.

The survey also aimed to measure the complexity of each case. It did this in two ways. Young people and parents responding to the survey were asked questions about whether their family’s problems were affected by: insufficient money; violence; drug and alcohol issues; legal problems; illness or disability; and/or mental health issues. In addition, caseworkers were asked to record, for each case at completion, whether any of a list of 44 case complexity factors had significantly impacted on the management of the case. Factors were listed in the following categories: conflict with authorities; physical or emotional violence; sexual abuse; mental illness; substance abuse; disability; child protection; poverty; homelessness or living situation; living skills; and identity conflict. A scale was developed by the consultants to enable each case to be rated in terms of the complexity of issues dealt with. Analyses on

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12 A ‘case’ could consist of a young person only, adult(s) only (in most cases, parents), or both a young person and adult(s).

13 Ryan (2003) explains that within each grouping, caseworkers noted whether the presence of a factor within the family had significantly impacted on case management. For instance, under the mental health grouping, the problem could be classed as: a diagnosed mental illness that is being managed well; a diagnosed mental illness that is not being managed well; a suspected mental illness that is not diagnosed; or a present risk of suicide.
several of the indicators of engagement suggested that Reconnect services were most beneficial for those in medium complexity cases.

A control group was not developed because of the timing of the consultancy. This limits the capacity for assessing the degree to which any change in 'engagement' levels is attributable to the Reconnect program. Instead the analysis estimated the degree of impact by:

- Comparing the responses of the group of entering clients with the group of exiting clients on the grounds that those entering would serve as a quasi-comparison group since they had had little contact with the program;
- Comparing the responses of the same group on entering the program and on exit;
- Comparing the responses of the same group between entering, exit and ten month follow-up (wave two of the survey);
- Direct questions to survey respondents on what they considered the impact of the program to have been.

The final evaluation report contains very little data from the second wave of the Longitudinal Survey of Reconnect Clients. Our presentation of findings draws primarily from the statistical report (RPR 2003) and generally paraphrases or quotes directly from this report.

**Family relationships and support networks**

The extent to which the program meets the aim of re-establishing relationships (where appropriate) was assessed using measures such as self-reported changes in family conflict and ability to manage such conflict; self-reported assessments of family communication and levels of family closeness; and psychometric scales of family attachment.

- Young people responding to wave 2 of the survey reported dramatic improvements in their own ability to manage family conflict. Almost two-thirds of young people considered their ability to manage conflict before Reconnect to be poor or very poor, compared with just 16% at the time of the second-round survey. In contrast, the proportion of young people rating their conflict-management abilities as good or very good rose from 12% before Reconnect to 44% at the time of the survey. Parents expressed similar levels of improvement in conflict-management.

- Communication between family members reportedly also improved between the time clients first entered the Reconnect program and the time of the survey; however, improvements in family communication were not as striking. About 7% of young people and 2% of parents felt their family communicated very well before receiving Reconnect support, and these proportion grew to 17% and 13% at the time of the wave 2 survey.

- Among young people, there was no evidence to conclude that Reconnect impacted on family closeness or attachment to parents (measured by three scales of Trust and communication, Alienation, and Relationship with father). Parents however, who were exiting Reconnect at wave 1 were considerably more likely than those who were entering to report being very close to their child, suggesting that, for parents at least, Reconnect has a positive effect on improving self-reported family closeness.
Objective measures of family relationships (psychometric scales measuring Communication, Alienation and Satisfaction with relationship with child) were also used to assess parental attachment to the child. At wave 1, parents who had been through the Reconnect program felt less alienated from their child and more satisfied with their relationship with their child than did those who were just entering the program. However, the psychometric Communication scale showed that parent-child communication (measured from the standpoint of parents) actually decreased between wave 1 and wave 2.

**Engagement with education and employment**

Indicators of connectedness to employment and education measured in the survey included participation in employment and education; interest in and subjective performance at school; absenteeism, suspension or expulsion from school; future educational aspirations; and psychological sense of school membership.

After controlling for age, there was no difference in the extent to which entering and exiting clients were participating in employment or education at wave 1. As entering clients are used as a de facto control group, this suggests that Reconnect intervention has little immediate impact on improving young people's participation in education or employment.

The proportion of young people not in education or employment actually increased between the first and second wave of the survey for low complexity cases (from 2% to 6%), medium complexity cases (14% to 23%) and high complexity cases (20% to 32%). However we should add the numbers available for analysis are fewer than 50 for all case levels.

For young people, self-reported school performance, interest in school, perceived importance of school subjects, expectations of educational attainment, and psychological sense of school membership did not vary significantly across entering and exiting client groups. The researchers state 'It is difficult, therefore, to conclude that Reconnect significantly improves clients’ connectedness to employment or education using the measures analysed here' (ibid).

There was a significant improvement across time (between survey waves) in the extent to which young people felt liked and respected at school, which could not be explained by sex, age or case complexity.

**Engagement with community**

Young people's engagement with the community was assessed through questions on participation in (and access to) a range of leisure, religious, voluntary and other community activities and locations and the degree of trust in community organizations and institutions (including the police). Engagement in undesirable, or anti-social, behaviour was also seen as an indicator of community connectedness. This was measured by the self-assessment of parents or guardians who were asked to identify the future likelihood of their children engaging in a range of undesirable social behaviours. Positive changes in such assessments may be an indicator of the success of Reconnect in fostering a sense of community in its clients.
There was no difference in the assessments of entering and exiting parents, suggesting little, if any, impact by Reconnect services although it should be noted that there was little scope for improvement. Average scores for both entering and exiting parents on the index of parental-assessed likelihood of children engaging in undesirable behaviours were very low (2.39 and 2.35, respectively out of a possible 10). Parents in high complexity cases were significantly more likely to suspect that their children may engage in such behaviours. Although there was a significant decrease between wave one and wave two in the extent to which parents felt such behaviour was likely, this could not be attributed to Reconnect intervention.

Validated scales of community connectedness showed no changes among young people across the two survey waves; however, parents’ sense of community significantly increased from wave 1 to wave 2.

**General health and well-being**

Young people’s general health and well-being was assessed using the 12-item scale from the General Health Questionnaire (developed by Goldberg, 1978). Although initially devised as a single indicator of general health and well-being, analysis in the present study revealed the presence of two distinct factors. The first measures a Depression & anxiety dimension, while the second, Self-worth & coping, taps feelings of worthiness and ability to cope with life strains.

Across the sample as a whole, there were no significant changes in feelings of Depression & anxiety or Self-worth & coping between wave 1 and wave 2. Change in young persons’ well-being was assessed using Repeated Measures ANOVA.

Although there was no overall significant change in young persons’ feelings of Depression & anxiety or Self-worth & coping between wave 1 and wave 2, those in cases of medium complexity experienced a significant increase in feelings of Self-worth & coping across the two survey waves.

**Satisfaction with Reconnect services**

As part of the Longitudinal Survey, clients were asked a series of questions evaluating the service they received from Reconnect. At wave 1, only exiting clients were asked such questions, as entering clients would have had little contact with Reconnect at the time of the survey. Wave 2 of the survey, asked these evaluation questions of all clients, and included additional questions on their experiences with Reconnect.¹⁴

Respondents were asked whether the situation that had brought them to Reconnect had changed since their first visit, and responses from young people and parents were very consistent. In most cases, young people and parents indicated that the situation had improved at least a little (78% of both young people and parents). For those respondents reporting a positive change, 55% of young people and 52% of parents said that Reconnect service intervention contributed ‘a lot’ to this change. A further 34% of young people and 39% of

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¹⁴ The report states that reliable information on whether entering clients had completed their support periods by the second wave of the survey was not available due primarily to difficulties in matching survey data to the Reconnect client database.
parents said that ‘a little’ of the improvement was due to Reconnect assistance. Less than 10% of both young people and parents said that Reconnect intervention did little or not much to bring about improvements in their situation.

In response to questions about the impact of Reconnect on selected circumstances, at least one-half of all young people agreed that receiving Reconnect assistance improved their relationship with their mother, made them feel better about themselves and their future, and ensured that they were better able to deal with their problems. Parents also perceived that Reconnect had helped them in a variety of ways; however, although still positive, parents’ perceptions of the positive impacts of Reconnect were not as great as those of their children.

In the wave 2 survey respondents were asked how well the Reconnect service performed in helping to resolve respondents’ family problems. Some 21% of young people and parents combined rated the service as very good, and a further 36% said the service was good in helping to resolve family problems. No significant differences were found between the assessments of parents and those of their children.

Reconnect Administrative Data (RAD)

Reconnect Administrative Data (RAD), was initiated in the early stages of the program's operation and is collected by Reconnect services for each young person who is a client. The data collection includes, before and after assistance from Reconnect, information on the young person’s age, ethnicity, living situation, income, education and labour force status, and on the main reasons for seeking assistance. In addition it records whether the young person or a parent/guardian initiated assistance and, on exit from the service, collects information on young peoples' and parents' views of outcomes of the assistance provided by the Reconnect service. A temporary RAD operated from December 1999 to June 2001, when a new RAD was established. RPR Consulting (2003) report that the transition to an electronic data collection system has not gone smoothly. No training was provided to ensure standardized interpretation and data entry.

The final evaluation report of Reconnect pointed to ongoing problems in the content and consistency of data collection (Ryan 2003). It reported that ‘At the national level, the program lacks the technical capacity to produce regular, accurate reports that could allow the program to be monitored for emerging trends' which is seen to jeopardize the ongoing evaluation of the program (ibid). No formal report has been produced on data collected since December 2001.

Subgroups

As a relatively well-developed area of homelessness research, a growing number of studies focus on specific subgroups of homeless young people.

In their study Moving Yarns: Aboriginal youth homelessness in metropolitan Adelaide Allwood. and Rogers (Department of Human Services, South Australia) present findings from the first Australian research to conduct interviews with homeless and formerly homeless Indigenous young people (Allwood & Rogers 2001). This research is discussed in the section on ‘Indigenous contexts.
An AHURI funded study by Beer, Delfabbro, Natalier, Oakley and Verity, *Developing models of good practice in meeting the needs of homeless young people in rural areas*, is conducting a series of focus groups with young people in regional centres in Western Australia, South Australia, Victoria and Tasmania (*Beer et al 2003*). These will be supplemented with discussions with service providers and other agencies. The study will explore any differences in the homeless careers of young women compared to young men in rural areas and whether those of young people in the regions differs appreciably from those in urban areas.

The focus groups will investigate:

- Young people’s pathways into and out of homelessness;
- The types of supports and services used and how young people found out about these services;
- Attitudes to living in non-metropolitan Australia and reasons for choosing to live in a regional centre rather than a capital city;
- The challenges confronting these young people in their daily life (their risks) and expectations for the future (their perception of opportunities).

Both of these studies consider the applicability of Chamberlain and MacKenzie’s model of the youth homeless career.

**Other useful references**

Several edition of the Council for Homeless Person’s journal Parity focus on young people:

- Aug 2003 ‘New responses to young people and homelessness’
- April 2002 ‘Young people mental health and homelessness’
- March 2000 ‘“A room of her own” - Homeless young women’
- Sep 1999 ‘Young people drugs and homelessness’
- Aug 1998 'Youth homelessness revisited’
- March 1997 ‘Youth homelessness – where to now?’

### 2.2 Families

Compared to youth homelessness, the experience of homelessness by families and children in the family context is a relatively recent topic of research in Australia. The emphasis of research has tended to be on the experience and impacts of housing instability and mobility for adults and particularly for children (addressed in the following section). Bartholomew’s book *A long way from home* drew attention to the need for a dynamic analysis of family homelessness. This is also the topic of recent studies focusing on Indigenous families (*Cooper & Morris 2003; Roberts & Burgess 2003*) that will be discussed in the section of research on homelessness in Indigenous contexts. The first prospective longitudinal study is that by Hanover Welfare Services. The Family Outcomes Study has recently reported on the circumstances of families one year after contact with homelessness services. We also note interim findings from the evaluation of The Family Homelessness Prevention Pilot.
Residential instability and the impact of temporary accommodation


Bartholomew’s study explores the use of private hotels by SAAP-funded agencies to provide temporary accommodation for homeless families and the impact this has on the families concerned. It builds on the work of other Australian researchers McCaughey (1992), Horn et al (1996) and Bahro (1996) in demonstrating the impact of temporary living arrangements on families. As one of the early proponents of the need for a dynamic perspective in homelessness research, Bartholomew also provides an insightful review of international research on the causes, perpetuation and impacts of residential instability for families and a detailed analysis of the service and policy context in which the experience of homelessness is shaped.

The study is based on in-depth interviews with 30 families (at least one parent and one child) who had either stayed in a privately owned hotel as a form of emergency accommodation for at least one night in the six months prior to the interview or were residing in a private hotel at the time of interview. Families were recruited through a number of Melbourne crisis centres, transitional accommodation services and meal programs. In addition, focus groups were conducted with outreach and referral workers.

Bartholomew describes the conditions for families in private hotels, highlights the financial costs of this form of accommodation incurred by families and the service system and the short and longer-term effects on health, safety and security. Interviews with families also investigated their recent housing history, the circumstances leading to their residential instability and their contact with welfare services. Families were being placed in forms of crisis accommodation that were ‘patently unsuitable, and in some cases potentially harmful’ (Bartholomew 1999, 25). Bartholomew argues that the response intended to ameliorate the problem of family homelessness was actually working to perpetuate it. This response was seen to arise because ‘SAAP-funded accommodation is at capacity most of the time’.

Investigation of the housing histories of the 30 families, revealed typically high levels of mobility. Like Bahro (1996), Bartholomew emphasizes that ‘One of the major ways that the deleterious effects of residential instability are exacerbated is through many moves in a short period of time’ (1999, 53). The health impacts of temporary accommodation are also anticipated to vary with the adequacy of the accommodation, but private hotels are said to bring most of the debilitating conditions of temporary accommodation together ‘in their most negative form’.

Up to the point of requesting help from a SAAP agency, families tended to delay involvement with welfare agencies for as long as possible. This is seen as evidence of the ‘long slide’ conception of families’ pathway into homeless. The book provides quantitative information on the financial costs to families and agencies of the use of private hotels as crisis accommodation, though this information is dated.
HomeGround Services (2004) “Let’s find another place” The experiences of homeless families using caravan parks as crisis housing

More recently, HomeGround Services has conducted a small-scale longitudinal study of the experiences of homeless families living in caravan parks. The study is based on interviews with 10 families (14 adults and 14 children) living in two caravan parks in metropolitan Melbourne following request for accommodation assistance from SAAP agencies. Families were interviewed on four occasions over a four to six month period from March to November 2003.

The interviews asked about each family’s housing history, the circumstances that led to families being housed in a caravan park, their experiences at the park (use of housing and non-housing support services, quality of life, safety and security, family violence, impact on children), housing exit destinations and reasons for leaving.

Following Wensing, Holloway and Wood’s (2003) study On the margins? Housing risk among caravan park residents, the Home Ground study confirmed caravan parks to be unsuitable as crisis housing for families for the following reasons:

- Expensive for families;
- Sub-standard and cramped accommodation;
- Unsafe and unsuitable for children (limited play and recreation opportunities);
- Located away from services, schools, leisure and work opportunities.

The majority of families received emergency relief services whilst in the park due to ongoing hardship. The impacts of caravan park life were in many ways similar to those of life in private hotels described by Bartholomew. Families tended to resort to take-away food, for example, and additional costs were also incurred through transport (further distances to shops and schools). Stays exacerbated strained relationships and impacted on psychological well-being of parents. Single mothers felt particularly unsafe and harassment was not uncommon. Although the families in this study ensured children attended school regularly, disturbances during the night among other residents meant children often did not sleep and were exposed to violence and inappropriate behaviour. Social isolation was also a concern with people often embarrassed to have friends or family to visit.

The report recommends an assertive outreach service to families in residential caravan parks to assist them out of homelessness and improve amenity while in the parks. It also recommends more extended longitudinal research to follow the progress of people who are homeless through housing types including caravan parks.

Hanover Families Longitudinal Outcomes Study

Two reports have been published from this project:

In their summary of research on family homelessness in Australia, Horn & Cooke (2001) suggest that the existing evidence (including statistical information from the SAAP NDC) provides a picture of the extent of the problem of family homelessness, the pathways into homelessness and the impact on both families and especially their children. What is missing is an understanding of an empirical account of families’ pathways out of homelessness. This is the research gap targeted by Hanover’s two-year, multi-panel survey of 42 homeless families.

The overall objective of the study is to gain a better understanding of the pathways out of homelessness for families who have been assisted by homeless services. The study also aims to investigate the association between exit outcomes\(^\text{15}\) for families and the achievement of long-term outcomes of stable secure housing and family well being.

It is designed to address the following research questions:

- To what extent does a family’s housing stabilise in the longer term after a period of homelessness and crisis assistance?
- What issues contribute to decisions about housing moves and location of housing?
- What is the association between housing moves and job opportunities?
- What are the barriers to accessing and retaining stable housing?
- How important is the development of support networks on stable housing?
- How much use of welfare services is made over time?
- What is the correlation between long-term housing outcomes and program exit outcomes?
- How is children’s development and family well being affected in the long term after a housing crisis?

The research also looks at the precipitating factors leading to the families’ seeking assistance from homelessness services, and enables retrospective accounts of housing history from the base-line survey.

**Research design**

Horn and Cooke (2001) provide a detailed account of the rationale for the research design and the difficulties encountered in implementation. Families were accessed through five SAAP or THM services in Victoria. Contact with families was first made upon their exit from one of these services (where it was judged the families were no longer in crisis). The selection of agencies was made with a view to obtaining a cross-section of families using homelessness services in Victoria. The following factors were taken into consideration in the selection of agencies:

\(^{15}\) A distinction is made between program ‘exit’ outcomes (for example, the destination of clients in terms of housing category, living situation and employment status after exit from a homelessness service) and longer-term client outcomes.
Agencies targeting women with children escaping violence were not included in the study;

Inclusion of families across the homeless experience spectrum (from those who may have experienced a one-off, brief housing crisis, to those experiencing episodic loss of accommodation, to those experiencing long-term transience (the inability to obtain or maintain shelter);

Inclusion of families from regional and rural communities;

Inclusion of families accessing inner city services;

Agency interest in and commitment to the research.

The sampling frame was developed from three regional services and two of Hanover’s services (an inner city crisis and transitional support service funded through SAAP and a suburban housing assistance service funded through the Transitional Housing Program). Plans to include a rural agency fell through due to the limited number of families exiting from the selected service.

An initial analysis of agency client profiles was undertaken and compared to Victorian SAAP client data in order to establish the extent to which the client profile of the five agencies approximated that of Victoria. A balance was also sought between THM and SAAP services. SAAP services tended to have a much lower through-put so there was a risk of under-representing clients from these services which in turn was thought likely to under-represent those families with more complex support needs. Given the small sample size (and the exclusion of families making unplanned exits) the sample can be considered representative only in the broadest of terms. However, the process of establishing a sampling frame and recruiting families provides a valuable model for future more quantitatively oriented studies to consider.

Forty-two families were recruited to the study over a seven-month period. Several factors are identified as contributing to the lower than expected sample size:

- The recruitment process (agreed in collaboration with agencies) was reliant on the efforts of support workers to inform families exiting their service about the study and to seek their agreement to take part. This placed heavy time demands on workers;
- An unexpectedly high proportion of unplanned exits from agencies. These families bypassed the recruitment process;
- A high proportion of families were not asked to participate in the study as they were still in a state of crisis;
- A high proportion didn’t participate as they thought the process would be too invasive;
- A lower than normal rate of planned family throughput.

Only those families who were exiting the services, and who had received direct assistance to obtain either crisis, short-term, or long-term accommodation (THM) or who were provided with ongoing support, with or without transitional accommodation (SAAP) were included.
Families were interviewed soon after exit, with follow-up interviews at six monthly intervals for a planned total of two years. Two years was considered a sufficient period in which to assess ‘long term’ outcomes in relation to resolution of factors that precipitated the initial housing crisis, and to assess whether stability of housing had been obtained. Three rounds of interviews have now been completed.

The baseline sample was comprised largely of female headed, single parent families. Most of the families were Anglo-Australian, with four families from ATSI backgrounds. The average number of children living at home was 2.4 per family with most of primary school age.

One quarter of the families had experienced between 6 to 10 moves within the last 2 years.

Although various strategies were adopted to maximise the retention of families over the course of the study (for example, enhancing the chances of rapport by ensuring the same interviewer conducted all the interviews) contact was lost with nine families between the first interview and the 12-month interview. These families had moved house and it is reported that for most of them, ‘it is likely that the move was involuntary and spurred by crisis’ (Kolar 2003). This means that at most 33 families will be followed through to the last two waves of the survey.

Survey content and measurement

Data were collected by semi-structured questionnaires administered by face-to-face interviews (usually in the respondent’s own house). The baseline and follow-up questionnaires collected information relating to the family’s:

- Housing history;
- History of welfare use;
- Support networks;
- Employment history;
- Child development.

The Coopersmith Self-Esteem Inventory was used as a standardised means of assessing the self-esteem of adult respondents. The assessment of child development was achieved through indicators of health, physical development, school attendance and performance, and the quality of relationships. These data were based solely on the assessments made by the children’s parents. Horn and Cooke note that the first round of interviews raised concerns about the survey’s reliance on parental recall and reporting of specific information but note that while it would be possible in theory to collect corroborating evidence on issues such as school performance, in practice this would present considerable difficulties. The problem of reliance on self-report therefore remains.

Findings

The first report from the project profiles the 42 families participating in the baseline survey, describes their pathways into homelessness and their circumstances after exit from the services that provided them with accommodation or support (Horn & Cooke 2001):
More than three-quarters of families cited relationship and family breakdown as the reason for moving. Given the young age of some of the adults, breakdowns referred not just to marital/defacto conflict but also to conflict between young adults and their parents.

Financial difficulty was given as a reason for moving house by 62% of families. The authors report that while financial difficulty was often associated with loss of employment, gambling addiction, and in some cases, drug addiction, the most common issue was families’ inability to survive on their current income from government benefits. Most of those families reporting financial problems also reported relationship problems, including relationship breakdown, abuse or domestic violence.

One third of families had been evicted from their housing.

The report also includes information on the cost of families’ current housing relative to their income.

The second report presents findings from the 33 families interviewed one year later (Kolar 2003). Taking into account the loss of contact with nine families, one-year after the first interview just under two-thirds of the original 42 families were in stable housing (no house moves), while one fifth were in unstable housing (moving) but remained with the study. Of the 33 participating families, about three-quarters had not moved house over the one year period.

Half the families were renting privately and 39 percent were in public housing the quality of which was observed as highly variable. According to some families in public housing, their accommodation was not suitable for children (usually because of lack of space, or drugs in the area).

Kolar (2003) reports that ‘while housing was relatively stable for families, other spheres of their lives had deteriorated’. While at the 6-month wave of interviews very few families reported having multiple concerns or difficulties, after six months the proportion had increased markedly. This is interpreted as showing that the concerns and difficulties that led to homelessness had not been resolved. Initially, the housing issue, being the main priority for families, may have overshadowed all other concerns.

A key finding of the study was that there had been an increase in the use of welfare services (relating to non-housing issues) rather than the anticipated drop in service use following stabilization. This mirrored the increase in ‘life hurdles’ experienced by the families. The range of non-housing support received by families included food vouchers, emotional and financial counseling, respite care, personal care, material goods, and drug rehabilitation. On the positive side, the 12-month data suggests that for most participants access to welfare services was good.

When asked about their child’s general behaviour, participants tended to focus on positive factors. Three-quarters reported that their child was generally in good health, although one-third of children were reported as having experienced a disabling condition that had limited or interfered with their activity in some way. Kolar concludes that ‘the year of stable housing appeared to have positive impacts for most of the children who attended school’. Again according to parents’
assessment, school performance and school attendance tended to improve over the period, though parents also attributed this change to factors other than housing stability (including the benefits of new teachers or moving to a new school, and good relationships with parents).

In terms of their own general health, just over half the participants reported good health but one-quarter said it was poor. The proportion of participants who received a high self-esteem rating increased between the first interview and the 12-month follow-up. However, around one-quarter of respondents said that they had not coped well. This last group comprised mostly sole parent families who tended to be in public housing and had no paid work.

**Family Homelessness Prevention Pilot (FHPP) and its evaluation**

The Family Homelessness Prevention Pilot (FHPP) is being trialed in eight sites across Australia over a two-year period, from July 2002 to June 2004. The Pilot operates on a partnership model, with both Centrelink and community providers funded to work collaboratively to intervene early to reduce the risk of family homelessness. Its focus is on families with young children. The community providers have access to flexible brokerage funds to allow interventions to be tailored to the needs of families.

A key feature of the FHPP is the partnership between Centrelink and the community provider in each site. A part-time Centrelink social worker (CLSW) works with the community provider to help identify and support families at risk of homelessness. RPR Consulting (2003) report that Centrelink has started to use automated risk profiling as part of its participation in the Pilot and to assist early identification of risk factors such as multiple changes of address, accessing crisis payment, and Centrelink debt.

RPR Consulting is conducting the formal evaluation of the FHPP that is due for completion in 2004. The Pilot also has an action research component.

Three main sources of data are being used to evaluate the Pilot:

- A Minimum Data Set (MDS);
- A pre and post intervention client survey; and
- Qualitative methods to gain stakeholder views.

The *Interim Evaluation Report* outlines findings related to 242 families (347 adults and 514 children) assisted through seven services (the final service specifically targeting Indigenous families had yet to be established) (RPR Consulting 2003).

Families assisted by the Pilot were most likely to be: single parent families (67%), in private rental accommodation prior to support (44%), have children under the age of 12 (83%), with 44% of children being five years of age or under. Almost a third (31%) of clients identified as Indigenous; this proportion is likely to increase as the Indigenous specific service is established.

More than a third (36%) of families assisted had experienced homelessness in the past two years. The FHPP is reported to have been successful in reaching the majority of families prior to homelessness and in targeting particularly vulnerable client groups (families with young children, Indigenous families and families escaping
domestic violence). Families assisted by FHPP typically had multiple and complex support needs, including a high incidence of family violence and family conflict, high levels of financial need and lack of social support networks.

The Interim Report lists the following improvements in the housing and financial circumstances of families after receiving assistance:

- The number of families in housing anticipated to remain secure for 12 months or more rose from 34% of families prior to support to 67% of families after intervention;
- After intervention 90% of families stayed in their homes or were re-housed;
- The majority of families (71%) sought to resolve their immediate financial crisis. Some 47% of these families fully achieved this with a further 39% partially meeting this goal;
- Half of the families (50%) sought to pay arrears, with 81% of these families making significant progress (47% fully, and 34% partially meeting this goal);
- Families that had sufficient funds for emergencies and bonds rose from 8% prior to intervention to 23% after intervention;
- The number of adults in employment rose from 14% to 22% after intervention and those in part time education rose from 4.5% to 10%. More than half the adults who identified achieving stable employment or enrolment in education/training as case plan goals were successful.

Family violence and enhancing social networks ‘are proving harder to tackle.’

Given the lack of a control group, however, it is not clear to what extent positive changes in employment and education can be attributed to the intervention of the Pilot. The evaluation also appears to lack a follow-up element.

Further information on the Family Homelessness Prevention Pilot can be got from Billing (2003) who offers an overview of family homelessness in Australia and sets out the policy rationale for the Pilot.

Other useful sources

Two editions of Parity focus on family homelessness:
- Feb 2002 ‘Responding to family homelessness’
- Nov 1999 ‘Homeless families’
2.3 Children in families

There are two relevant sets of research:

- That looking at the impacts (usually in the short to medium term) of specific forms of homelessness on children's development or well-being
- That looking at the longer-term impact of trauma, disadvantage and exclusion in childhood, of which homelessness is one manifestation.

We have already given some examples of the first set of research and we give a more complete list of Australian studies below. On the second issue, several longitudinal surveys of Australian children promise (or have already delivered) important data on longer term impacts. These include the Longitudinal Survey of Australian Children and the Australian Temperament Project.

**Impact of residential instability, temporary and crisis accommodation on children**

The following Australian studies provide analyses of the impact of living in various forms of temporary accommodation:


The most widely cited study is that by Efron et al (1996). This study was part of a collaboration between Hanover Welfare Services and the Royal Children's Hospital in Melbourne. Its aim was to investigate the extent of harm for children in terms of health, development and well being resulting from homelessness (characterized by transience with occasional nights without safe or secure shelter). It is based on a
random sample of 51 children from 31 families who had been in contact with Hanover’s services. The study did not include a comparison group of non-homeless low income families (although a comparison was made with the wider population). The research design was cross-sectional rather than longitudinal and consequently there is no means of ‘separating out’ the health impacts of, for example, children’s traumatic experiences prior to the family’s homelessness from the impact of homelessness and transience. Health data was gathered by self-report, rather than health data or case work data (Rogers 2003).

As reported by Horn and Cooke (2001), the study found that:

- The children experienced a range of physical health problems significantly higher than the general population, such as asthma, ear infections, eczema and accidents.
- Half the school age children had social or academic competency scores in the clinical or border-line range.
- More than a third had behavioural problems within the clinical range requiring treatment.

The remaining studies listed above generally present descriptive accounts of the circumstances and likely impacts for children. Bahro (1996) for example, emphasized the interruption to schooling resulting from mobility. A profile of some 8,800 children in families using SAAP services by the AIHW (2000) showed that 31% had lived in three or more homes in the previous year, 21% of primary school age children had changed schools once, and 11% two or more times in the year before the assistance (cited in Horn and Cook 2001).

**Longer-term impacts of disadvantage in childhood**

Poverty and poor housing are generally considered to be important factors in children’s development (Rogers 2003). In February 2000 the Centre for Community Child Health completed a review of the literature relating to the major risk and protective factors that may influence children’s developmental outcomes in the preschool years. The review was commissioned by FaCS and undertaken as a background paper for the National Families Strategy. It found that the traditional focus on identifying single biological and/or environmental causes of developmental delay has been replaced by a model of child development that emphasises the complex dynamic interplay between biological factors within the child and the care environment (Dickenson & Grant 2001). Lack of adequate shelter, constant moves between accommodation and schools, parental stress and health problems act as multiple risk factors (Rogers 2003).

New research, particularly in the brain sciences, has underscored the importance of early intervention in improving the life chances of children. In her summary of the research, Rogers (from the Centre for Community Child Health, Royal Children’s Hospital) suggests that while the argument is not new ‘the evidence is much stronger’ (Rogers 2003, 6). She advances the UK Sure Start program as a good example of what can be done in providing support to families in the critical years.
**Longitudinal Survey of Australian Children**\(^{16}\)

The Commonwealth Government's plan for a national longitudinal survey of children was announced in the 2000-01 budget (which committed $20.2m over 9 years to the study). The study, Growing Up in Australia, is part of FaCS' Stronger Families and Communities Strategy. It was officially launched in February 2004, after several years in the planning. The study was designed and is being implemented by a consortium led by the Australian Institute of Family Studies in partnership with FaCS. The consortium comprises nine research organisations crossing a number of disciplines in the social and health sciences. This is the first national longitudinal study ever to be conducted of Australian children.

Data will be collected for seven years from two cohorts (infants aged less than 12 months and children aged 4 years at study commencement). The sample size will be around 5,000 in each age cohort and is intended to be representative of all Australian children in the respective age cohort. Information will be collected from children (when old enough) their parents, carers and teachers. The aim is to determine the individual, family, and broader social and environmental factors that are associated with consistency and change in children's developmental trajectories.

Dickenson and Grant (2001) explain that the conceptual underpinning of LSAC is that of developmental pathways, first outlined in the National Crime Prevention report *Pathways to Prevention: Developmental and early intervention approaches to crime in Australia* (1999). This perspective:

- Focuses on factors involved in changing from one life stage to another - the life course is not seen as a steady change (for better or worse) but a series of phases or transitions. These points of change (for example, the move into childcare or to school) can be targeted by policy interventions to maximize impact;

- Emphasises the different directions that might be taken by individuals at crucial transition points. The model supports the notion of identifying 'pathways' and the 'markers' (or characteristics/ factors) that predict the course of those pathways. (For example, predictors of persistent criminal activity in youth.);

- Suggests that by identifying early indicators, appropriate interventions can be made to change the course of the pathway.

Amongst the many variables considered by the survey, information will be collected on guardians' or parents' socio-economic status and accommodation (its location and physical environment, type and condition of dwelling, overcrowding, and 'cleanliness/ orderliness'. The survey will also look at family relations and the impact of stress.

Preliminary data were collected in 2003.

**Australian Temperament Project**\(^{17}\)

The Australian Temperament Project is a longitudinal cohort study initiated in 1983 (and ongoing) with a representative sample of over 2,000 Victorian infants. The children have been observed around every 2-years through reports from their

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Costs and Pathways of Homelessness

parents, nurses, teachers and from late childhood their own self-reports. The ATP is managed by Ann Sanson and Diana Smart from the Australian Institute of Family Studies. The details below are reproduced from the web site.

The study aims to trace the pathways to psychosocial adjustment and maladjustment across the lifespan, and to investigate the contribution of personal, family and environmental factors to development and well-being. The broad issues addressed include:

- The contribution of temperament to a child’s emotional, behavioural and school adjustment;
- The impact of family and environmental factors, together with child characteristics, on emotional and behavioural adjustment;
- The factors and processes involved in the progression of childhood behaviour problems (e.g. aggression, hyperactivity, anxiety) to adolescent and adult adjustment difficulties (e.g. antisocial behaviour, substance use, depression);
- Genetic influences on temperament and behaviour;
- The development of healthy, socially competent functioning;
- The development of civic mindedness and social responsibility; and
- The transition to young adulthood: pathways to occupational and educational participation, the development of interpersonal relationships, and family formation.

Approximately two-thirds of the families are still participating in the study after 21 years. Thirteen waves of data have been collected by mail surveys from 4-8 months of age to 19-20 years of age. The first four waves of data were collected at annual intervals from infancy to 3-4 years of age. Subsequent data collections, dating from the commencement of primary school, have been at two yearly intervals, with an additional assessment completed during the first year of secondary school in order to track development over this important developmental transition.

Publications using the project data include:


*The Life Chances Study (Brotherhood of St Laurence)*

The Brotherhood of St Laurence initiated the Life Chances study in 1990 in order to explore the impacts of low family income and disadvantage for children over time. The baseline sample included 167 children born in inner Melbourne in 1990. The study is in its sixth wave of data collection with interviews recently completed.

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with children at age 11. This stage of the study is supported by funding from three charitable foundations and the Department of Family and Community Services.

The broad aims of the Life Chances study are:

- To examine over an extended period of time the life opportunities and life outcomes of a small group of Australian children, including the influences of social, economic and environmental factors on children’s lives;
- To compare the lives of children in families on low incomes with those in more affluent circumstances; and
- To contribute to the development of government and community interventions to improve the lives of Australian children, particularly those in disadvantaged circumstances.

For the current follow-up of the families the research questions include:

- What is the impact of family income and other factors on the children’s development and well being as they complete primary school?
- What is the impact of persistent low family income on the children and what are the factors that moderate this?
- What are the factors associated with low income and changes in income for the families of the study?

Several publications (and a documentary film) have been based on the The Life Chances Study. The most recent report is *The Eleven Plus: Life Chances and Family Income* (Taylor & Fraser 2003).

**Other useful sources**

The July 2003 edition of *Parity* is devoted to ‘Homelessness and children’.

### 2.4 Older people

Two recent studies have added considerably to the evidence base on the pathways of older persons into and through homelessness, though neither is a longitudinal study. The first study is part of an international project. Its focus is on the causal factors and processes that lead to later life homelessness. The second project focuses on resettlement and ways out of homelessness. We also note the Veteran at Risk research project.

**International comparative study of causes**

Australia along with England and the USA has taken part in a comparative study of the causes of homelessness among newly homeless older people. Maureen Crane and colleagues at the Sheffield Institute for Studies on Ageing (SISA), University of Sheffield, led the project design and implementation although there was significant collaboration between the parties on conceptual and methodological

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99 It is customary to define ‘older’ homeless persons as those aged fifty or over. In Australia, Indigenous homeless persons are defined as ‘older’ if they are 45 years or over.
issues. Melbourne based Wintringham\textsuperscript{20} was the Australian partner. The Australian component of the study was funded by the Department of Family and Community Services. Details of this project and preliminary findings (posted November 2003) can be downloaded from SISA's web site: http://www.shef.ac.uk/sisa. Crane, Warnes and Fu (2003) provide detail on the study design and the information presented below is paraphrased or directly quoted from this paper.

The conceptual model underpinning the study conceives homelessness as a function of structural factors and policy gaps, personal problems and incapacities, and welfare-service delivery problems (Crane, Warnes & Fu 2003). The study's aims and objectives were therefore:

- To collect information about antecedents, triggers and contributory factors to homelessness, by examining both the biographies of recently homeless people and the policy and service context in which they became homeless.

- To advance the theoretical understanding of homelessness by examining the relative contributions and operation of structural factors, health and welfare service organisation and delivery attributes, and social dysfunction and other personal problems and deficits.

- To gain insights into the operations and relative contributions of the policy, service and personal factors in contrasting public welfare and philanthropic regimes, by studying a relatively homogeneous category of homeless incidence in three countries.

- To inform the debate about the prevention of homelessness by identifying the sequence and interactions of events that precede homelessness, the sets of circumstances that are dominant, and the risk factors and ‘early warning’ indicators of serious housing difficulties.

The study sampled people who had become homeless during the last two years and were aged 50 years or over when they became homeless. People who had previously been homeless were included if they had been housed for at least 12 months prior to their current episode of homelessness. One hundred and twenty-five people were interviewed in each country. Homeless people were defined as:

1. those without conventional accommodation who were sleeping on the streets, at transport terminals, in derelict buildings, and other improvised dwellings;
2. people living in accommodation which was intended as only temporary and who had no lease or security of tenure;
3. those who were ‘doubled up’ with relatives, friends or other households, i.e. had been residing temporarily for less than six months, were expected to move out soon, and did not pay rent;
4. people who were without housing when they had been evicted, discharged from prison or hospital, or ceased / left a job which provided accommodation; and
5. people who had housing but were unable or refused to stay in the accommodation.

A semi-structured questionnaire was used to collect information on respondents’ circumstances and problems prior to homelessness. The interviews (completed in mid 2003) were conducted face-to-face by experienced researchers and focused on:

\textsuperscript{20} Wintringham is a specialised agency providing long-term accommodation and outreach for elderly homeless. In its monograph on older SAAP clients, FaCS reports that Wintringham receives no funding from SAAP, but does receive federal, state and local government support (FaCS 2003).
(i) background details, e.g. housing history in the preceding three years, previous homeless experiences, employment history, financial situation, contact with family and friends, and health and addiction problems; (ii) services received or reasons for not having services, e.g. health-care, social security benefits, housing subsidies and home-support services; (iii) help sought when facing housing difficulties and service responses; and (iv) perceived reasons for becoming homeless.

Interviews were also conducted with respondents’ key-workers (or case-workers).

The focus on people who had recently become homeless was intended to enhance the reliability of the information about the circumstances that lead to homelessness and overcome problems of memory. Information gathered from the subjects’ key-workers also improved the quality of the data. However, the Australian team identified several occasions where self-report appeared unreliable as judged against other research or practice experience (see Lipmann, Mirabelli and Rota-Bartelink 2004, discussed below).

In Melbourne, the sample initially drew on Wintringham’s clients, but early in 2003 other organisations throughout the city were approached to increase numbers and in an attempt to gain the participation of more women. Where available, information on the local profiles of older homeless people was used to assess the likely representativeness of the final sample, but none of the three countries had information on the exact target group, that is newly homeless older people.

Each of the three countries undertook a national, regional (state) and city-specific review of the social service, health service, social housing and income protection policies and administrative arrangements anticipated to influence the incidence and prevalence of homelessness. The particular value of a comparative perspective is seen to lie in the leverage it gives to identifying features of the welfare system that work to lessen or increase the risk of homelessness among this group. The same goes for broad cultural differences.

Warnes (2003) presents some initial comparative findings from the study. Warnes’ paper compares the prevalence of contributing and associated factors in the following categories: financial problems; mental health; relationship breakdown; physical health; alcohol problems; work; bereavement; criminality; gambling problems; and, drug problems. The most aberrant result is said to be the high score and rank position of gambling problems in Victoria. Some 38% of respondents in the Australian sample self-identified as having gambling problems (case workers believed the proportion to be considerably higher), in the UK this was true of only 5% of respondents (Lipmann, Mirabelli & Rota-Bartelink 2004).

The following occasions were reported: People with Acquired Brain Injury (any physical injury to the brain which occurs after birth) tend to lack insight into their condition, making it difficult for them to self-report their problems; Respondents appeared to misreport being owner/occupiers before becoming homeless; The low eviction rate (18%) reported by respondents was at odds with Wintringham’s experience; The results showed no significant relationship between depression and alcohol problems or depression and gambling problems which was seen as contrary to practice knowledge; The case workers report suggested there was significant under-reporting by residents of alcohol problems and gambling.

Findings from the Australian component of the study have recently been published (Lipmann, Mirabelli & Rota-Bartelink 2004). The report provides:

- A brief review of Australian and overseas literature on the factors leading to aged homelessness
- An overview of the Australian and Victorian policy and program contexts
- Presentation of survey findings (which are compared with findings from other Australian and international studies and with Wintringham’s own experience)
- Several ‘case histories’ to illustrate the interaction of factors leading to homelessness
- Policy recommendations

Data are presented on:

- Demographics (age, sex, ethnicity, marital status),
- Work history and sources of income,
- Housing history (previous experience of homelessness, duration of homelessness (latest episode and former episodes),
- For those respondents who had experienced homelessness previously, reasons for the first episode of homelessness,
- Trigger events leading to the loss of accommodation (most recent episode) divided according to the following categories:
  - accommodation sold/ converted/ needed repair;
  - unable to maintain/ look after housing;
  - financial problems and rent arrears;
  - breakdown of a marital or cohabiting relationship;
  - problems with other tenants, neighbours or locals; problem with the landlord;
  - other problems with relatives; and
  - death of a relative or friend.
- Physical and mental health problems prior to homelessness
- Drug, alcohol, and gambling addiction problems
- Informal and formal support networks prior to homelessness, including health service use

Three-quarters of the 125 homeless persons interviewed for the Australian study were male. Almost half were in their fifties. Only one respondent was an Indigenous Australian (seen to reflect the characteristics of the recruitment site). Some 37%
were born outside Australia, roughly a quarter were born in a non-English speaking
country. One quarter had served in the armed forces (more than twice the expected
proportion based on Wintringham’s experience and previous research by Thomson
Goodall (1998)).

The analysis draws attention to gender and age differences. Importantly it also
compares the responses of those respondents who became homeless for the first
time in later life (60%) with those who had experienced homelessness on one or
more previous occasions (40% of the sample).

Twelve people first became homeless before 30 years of age and a further nine
people before the age of 50. Almost three-quarters (70%) of those aged 60 and over
had never experienced a prior episode. More than half of the respondents reported
that they had lived in their former home for three years or more prior to becoming
homeless. These and other findings are seen by the authors to dispel a stereotype
of lifetime homelessness (although we should add that the target population - those
who had experienced homeless within the previous two years - would itself tend to
show higher proportions of first-time homeless than the general population of older
people experiencing homelessness).

Perhaps more importantly, the comparison of the two sub-groups confirms two
distinct later life pathways. Those who had previous experience of homelessness
were twice as likely to have never been married (42% compared to 23%) and men in
the sample were less likely to have worked most of their adult lives than those who
first became homeless in later life (50% compared to 74%). Those with previous
experience of homelessness were also:

- More likely to have moved from one address to another in the three years prior to
becoming homeless. Almost all (92%) of the first-time homeless had only one or
two homes during this period, compared to 68% of those with prior experience of
homelessness.

- Twice as likely than those who had never been homeless to report alcohol
problem (60% compared to 32%) which is said to suggest that ‘unresolved alcohol
problems can be linked to incidents of recurring homelessness’. This group was
also more likely to report having both mental health and alcohol problems (44%
compared to 24%) and to be using illegal drugs (24% compared to 5%).

- Less likely to receive assistance from friends or relatives prior to becoming
homeless on the most recent occasion (40% compared to 55%).

- More likely to attend a day centre for meals but less likely to access a housing
support worker or social worker to assist them. While the reasons for use or non-
use of services were not explored, the authors suggest ‘it is difficult to escape
the conclusion that people who had previously been homeless appear to be more
resigned to their homelessness than those who had no previous experience.
Recently homeless people appear more willing to try to access or accept supports
than people whose prior experience has demonstrated that these services are
frequently unwelcoming and inappropriate’ (ibid 45).

Lack of access to mainstream welfare services has been highlighted in previous
Australian studies (Purdon Associates 1991, Kavanagh 1997) and was confirmed in
the findings of this survey (although lack of a comparison group reduces the force of these findings). Just over half of respondents received no formal assistance from professional staff prior to becoming homeless. Other basic needs had not been met. Where case workers judged 60% of the sample to have poor daily living skills that contributed to homelessness, only 36% of respondents reported receiving assistance with household tasks. One fifth (21%) had help with personal and medical care.

Some 56 respondents (45%) reported their main source of medical assistance was the local hospital. Almost two-thirds (63%) of those with mental health disorders stated they received some assistance, 27% that they had not asked for it and 5% were offered assistance but refused. While the majority did get help, the authors note that ‘It is both possible and likely that once the respondents became homeless, assistance with their mental health problems would have ceased’. Two-thirds (67%) received assistance for their alcohol problems from self-help groups like AA or professional counseling; 28% had not asked for assistance; 4% had been offered but refused. Most of the small number who had problems with illicit drugs had not sought assistance.

Several of the case studies presented in the text illustrate the ‘institutional circuits’ traveled by elderly homeless with mental health or alcohol problems. One respondent, for example, is said to have ‘no ability to comply with a medication regime, and as a consequence has regular admittances to both general and psychiatric hospitals’. There are also illustrations of the capacity of outreach to help people access more appropriate services.

The vast majority (86%) were in contact with relatives or friends before becoming homeless, but only 49% received help before becoming homeless. Women were more likely than men to receive informal help.

The authors note that it is generally accepted that homelessness prematurely ages people.22 The survey data are said to confirm this, although the analysis does not control for whether or not respondents had previous experience of homelessness.23

Changes to physical health can also lead to homelessness. Just less than one-third of the sample said their physical health problems contributed to their homelessness ‘a lot’. Three-quarters (78%) reported physical health problems prior to becoming homeless; 62% reported being depressed prior to becoming homeless (84% women, 60% men). In the assessment of case workers, 29% suffered from hallucinations, 63% from memory problems, and 58% from other mental health disorders. Workers identified 77% of men and 44% of women as having alcohol problems and 32% as

22 Wintringham was able to gain Commonwealth acceptance to lower the admissible age to 50 years for entrance to its aged care residential services on this basis (Lipman 1980).

23 When comparing the research data with estimations based on age-matched general population data, the homeless people in this study were marginally more likely to have reported musculo-skeletal problems or cardiovascular problems and twice as likely to have reported endocrine disorders (especially diabetes). They were six times more likely to have reported neurological disorders (including epilepsy and alcohol related ABI). Reporting of genito-urinary problems was slightly higher, but digestive problems, sensory problems and the presence of tumour were reported less frequently (perhaps because the symptoms are either accepted as an unavoidable consequences of a homeless lifestyle, considered to be minor or unimportant relative to other health issues, or are only diagnosed at more advanced stages of disease development).
having both mental health and alcohol problems. Few had problems with illicit drugs (13%) which is in marked contrast from the culture surrounding youth homelessness, but it is noted that this may begin to change as survivors of heavy drug use are themselves ageing and presenting with a number of drug related ailments.

**Housing options and independent living (AHURI)**


This project by Judd, Kavanagh, Morris and Naidoo (2003, 2004) aimed to fill an identified gap in research and policy on the housing and support options available in Australia that contribute best to sustainable pathways out of homelessness for older people.

The project aimed to:

- understand the interaction of individual and structural factors leading to homelessness amongst older people;
- identify the range of housing options (market based and subsidized) available to this group;
- understand which housing options homeless older people do, or do not, desire and prefer, and to identify any gender, cultural and locational differences;
- identify which housing assistance options are succeeding in assisting to break the cycle of homelessness for older people and why these are working; and
- identify policy options to improve the effectiveness of combining housing and other services for homeless older people to achieving sustainable outcomes.

The review of international and Australian literature undertaken for the project looks at conceptual and empirical work on pathways into and out of homeless for older people and the housing options for this group. The policy review covers both the national and state context in Australia and looks at policy in the USA, UK and Denmark (see the Positioning Paper, Judd et al 2003).

The Commonwealth Government’s Assistance with Care and Housing for the Aged (ACHA) Program was used as a means of accessing workers, managers and clients who were interviewed to cast light on the housing options and barriers for the target group. There were three components to the data collection:

- Questionnaire survey (self administered) of ACHA workers of 40 national agencies (out of the total 46) to elicit information about ACHA’s client profile, the housing and support options available and used and their experience as to what works and what does not.

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24 The ACHA is the only national program specifically for older homeless people. It provides outreach, advocacy and practical assistance to its clients.
Semi-structured interviews of managers of 15 ACHA agencies (5 each in NSW, Vic and SA) to obtain information on structural and policy issues.

Semi-structured interviews with 59 ACHA clients across New South Wales, Victoria and South Australia.

The final sample comprised 21 ACHA clients from New South Wales, 17 from South Australia and 21 from Victoria. Slightly more males (n=31) than females (n=28) were interviewed. The age range of interviewees was 44 to 89 years with an average age of 68 years. Just under half the sample was born overseas (mostly from non-English speaking countries). Seven of the 31 Australian born interviewees were Indigenous.

Very few people in the sample group had literally been without shelter or using SAAP services at the time of referral to ACHA. Most had been living in private rental accommodation, public housing or with friends and relatives. Many had experienced a health or housing crisis in later life that placed them at severe risk of homelessness. The vast majority (85%) of ACHA clients interviewed reported problems with physical health or disability. Many had multiple physical health problems related to lifestyle and premature ageing, accidental injury, war experience or heavy drinking and smoking. Mental health problems were also common.

The Final Report (Judd et al 2004) sets out findings on available housing and support options; housing and support needs and preferences (with analysis of gender and cultural/ethnic differences); factors relating to the acceptance or resistance to housing and support (divided into individual and structural factors); a summary of expert opinion on what housing options appeared to be ‘sustainable’ and what support services were considered most important.

The report identifies barriers and gaps in the provision of housing and support and draws attention to key policy issues and dilemmas surrounding the main support and housing options (public housing, community housing, private rental, boarding and rooming houses, residential aged care, and alternatives such as supported communal or cluster housing).

The research is said to confirm that the needs of older homeless people should be seen as distinct from other groups.

**The Ageing Men’s Health Project**

Funded by the National Health and Medical Research Council, the Ageing Men’s Health Project (Russell, Touchard, Kendig & Quine 2001) was designed to examine the relationships between health, housing and social support among a group of low-income, older men living alone in inner Sydney. In 1999-2000 two field workers conducted participant observation in settings such as night shelters, meal centres, streets, parks and pubs, and recruited 67 men to the study. The authors note that the sampling strategy probably excluded non-service users and more isolated individuals (Russel et al 2002). The study was based on in-depth life history interviews.

One component of the study, reported in Russel et al (2002), explored the housing careers of these men a fifth of whom had spent a large proportion of their fifties in crisis accommodation. The life history approach enabled the authors to link the personal stories of the interviewees with wider processes of change. Russel et al explain that many of the men had seasonal or transient employment that provided
resources (on-site accommodation and meals and a ready-to-hand social world of like-situated men) but also exposed them to risks (work related injury, a masculine lifestyle and culture of mateship based around heavy drinking) that offered few incentives or supports for securing a permanent home. The cities they moved between supplied the sort of accommodation they needed (boarding and rooming houses). Before the 1980s single men on low incomes were ineligible for public housing. Such men entered middle age acutely vulnerable to the effects of socio-economic change and of ageing-related health problems. Today they pose a particular challenge for services systems that depend on older people having adequate housing and families to provide care for them.

This group of researchers has written several related publications (see references in Russel et al 2003).

**Veterans**


In 1998 Thomson Goodall conducted the first (and only) national study of veterans experiencing or at risk of homelessness for the Department of Veterans Affairs. The study had six key research objectives:

- Investigate the incidence of ‘veterans at risk’, specifically homeless veterans and veterans in secure housing;
- Establish their accommodation, financial, health and aged care needs and the degree to which their entitlements from DVA could address those needs;
- Establish the extent to which this group are accessing their entitlements;
- Establish the extent to which a failure to access their entitlements is a matter of conscious choice by the veteran and what can be done to overcome this reluctance;
- Test service providers awareness (particularly the community sector) of the role that DVA can play in meeting these needs of the group; and
- Establish the role that other agencies are playing in meeting these needs.

The report draws on interviews with 55 veterans identified by homelessness service providers. An initial interview schedule was developed and tested with three veterans at risk.

The report estimated from responses from 19 SAAP agencies (5% response rate) that there are at least 1000 homeless veterans and a further 2000 who were ‘at risk’ with two-thirds Second World War veterans. At the time of the research it was estimated that two-thirds of the veterans at risk were Second World Veterans.

An evaluation of the ‘Veterans at Risk’ Project that followed this report was conducted in 2003 (McDonald 2003).
Evaluations

The Assistance with Care and Housing for the Aged Program (ACHA) was evaluated in 1996 by Alt, Statis and Associates. See Rusconi (2003) for an outline of the history of the ACHA and the outcomes of evaluations.

Other useful sources

Additional references:

- Department of Family and Community Services (2003) SAAP Monograph: Older SAAP Clients. In addition to standard NDCA analysis, this monograph presents findings from a ‘one-off’ longitudinal analysis of older homeless persons to investigate the extent of SAAP service use and gauge the length of homelessness (See discussion p*).
- CACH (19997) Providing for the elderly homeless
- Nov 2002 edition Parity ‘Meeting the Needs of Older People’
- Feb 2000 edition Parity ‘Meeting the Needs of the Elderly Homeless’

2.5 Gender

Several studies include gender as a variable in statistical analysis, but tend not to draw together the findings in an interpretation of when, why and how gender makes a difference. Otherwise ‘gender’ issues tend to be explored through studies of women’s experiences of homelessness, in particular, how this is shaped by domestic violence and sexual abuse experienced across the life stages (see Section 4.1 Escaping Domestic and Family Violence).

In June 2001 the Council for Homeless Persons released an edition of Parity entitled Homeless men: The forgotten homeless. Men are rarely the stated focus of research studies though they are often the most prominent in survey samples (for example Anderson, Hume and Rogers’ study of boarding houses). Russell et al’s (2002) study of the lifetime housing-homelessness histories of older men is an exception (see Section 2.4 Older People). In addition, two studies (Doutney, Buhrich, Virgona, & Cohen (1985) and Teeson & Buhrich (1993)) have assessed the prevalence of schizophrenia and cognitive impairment among men residing in homelessness refuges.

‘Women, housing and transitions out of homelessness’ project

This project was commissioned and funded by the Commonwealth Office for the Status of Women. Two reports have been published from the project:


The project sought answers to the following questions:
- What kinds of housing and support services do homeless women utilize?
- How does access to housing and associated support services affect women's transitions out of homelessness?
- How do different forms of housing provision and associated support services affect women's transitions out of homelessness?

It included the following components:
- A national and international (Canada, England, New Zealand and USA) review of the conceptual and empirical literature on women's homelessness. The review focuses on what is known about women's transitions out of homelessness (by age, ethnicity and location), but with some attention to women's pathways into homelessness.
- A national and international review of policy and program responses to women's homelessness and housing vulnerability (with a focus on policies that relate to social determinants of women's health and well being, particularly the role of housing), and
- A review of innovative practice by service providers (including consultation with peak organisations, a service mapping and an outline of four examples of innovative practice). Four Australian case studies of innovative practice were developed (Othila's Young Women's Housing and Support Services in Brisbane, Cooloola Community Housing Association in Gympie, Lou's Place in Sydney and Hanover Welfare Services in Melbourne.) Information on projects was collected through interviews with key staff.

The first report (Peta Jerome 2003 et al) sets out a typology to summarise and compare national and international policy responses. The researchers develop a model 'linking the structural and individual predisposing factors to women entering homelessness with the kinds of service provision available to them, and then linked both of these to potential housing provision available at exit points from homelessness' (Adkins et al 2003). The second report carries this analysis further by linking exit pathways from women's homelessness to innovative practices by service providers. One of the only Australian empirical studies of women's pathways through homelessness identified in the two reports is that by Casey (2002).


Casey's (2002) Master of Arts project investigated women's pathways into and out of homelessness, as well as their experiences while homeless. The study is based
on detailed interviews with 11 women, aged between 25 and 45, who experienced homelessness at a time when they were single and without children in their care. The women were contacted through a women’s drop in centre, women’s housing services, a transitional housing program and a women’s rooming house. Building on Brown and Zeifert’s 1990 typology developed to describe homeless women in America, Casey uses the categories of chronic, long-term and situational homelessness as a way of differentiating between the experiences of her interviewees. The case studies provide ample illustration of a key theme in Casey's work that, contrary to the depiction of the typical housing trajectory as an ever upwards climb on the housing ‘career’ ladder, a more apt metaphor to describe the experience of these women was a game of snakes and ladders.25

_Catherine House Inc (2003) Like a mouse in a wheel: A study of homelessness for women, the challenges and the successes. FaCS._

*Like a mouse in a wheel* is the preferred metaphor emerging from a study of women's experiences of homelessness undertaken by Catherine House Inc (2003). Catherine House is an emergency and long-term supported accommodation agency – the only one for women unaccompanied by children in Adelaide. This research (undertaken with funding from FaCS) was initiated following an NDCA report showing a high incidence of women returning multiple times to the agency over the course of a year. The Vulnerable Adults Study showed that 65% of the women surveyed over a five week period at Catherine House were repeat clients.

This report questions that repeat use of SAAP services like Catherine House should be viewed as some manifestation of ‘the revolving door’ syndrome of homelessness and of seeking emergency accommodation, and hence as a failure for the agency or for SAAP models of service delivery.

Thirty women, who were clients of the agency three times or more in the previous two years were traced through the internal records of the agency, contacted by the researchers and asked to participate. Twenty women agreed to be interviewed. The focus of the study is women's lived experience of homelessness. The report presents a picture of ‘what it is like to be a women and chronically homeless in Australia today’. Where most attention has been given to identifying the psychological and material stages in a process of becoming homeless, this report theorizes the stages involved in moving out of homelessness.

All the women in the sample had experienced homelessness for long periods. Violence, often including sexual abuse, whether experienced as children in the home, in subsequent relationships or while on the streets, is identified as central to women ‘who use multiple entries to emergency accommodation facilities before they can secure more permanent housing’. The women identified the debilitating effects of childhood sexual abuse and life-long abuse on their ability to participate within society successfully and explained how drugs and alcohol could be used to cover feelings that are ‘too hard to keep feeling’, which in turn brings another set of problems. The women often saw themselves in terms of pejorative discourses, as

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25 A similar point (drawing on the same metaphor) was made by Badcock and Beer (2000) regarding ‘housing careers’ more generally.
‘the people the government doesn’t want, the unfit mothers’, and pigeon holed by workers and services.

The report presents vivid accounts of how these factors, and the ‘lack of confidence, inability to trust and loss of hope and power’ drive the pattern of ‘to-ing and fro-ing’ which saw these women make many return visits to Catherine House. But rather than see these ‘ins and outs’ as indicative of a hopeless downward spiral and an ineffectual service response, the report demonstrates that instead it often denotes part of the recovery process.

The authors identify four stages in the recovery process:

皭 Blackness, devoid of hope and power. At the very early stages of homelessness, many people will be unable to take advantage of supports offered;

皭 A new sense of trust. The seeds may be sewn by initial experiences at places like Catherine House. Hope for and promise of change;

侹 Mutuality - as a new sense of self as minimally powerful emerges. Need for mutual supportive relationship - not diagnosis but personal support;


The authors conclude that in our eagerness to ‘move these women through the system’ we can interfere with this recovery process. They argue that a service should provide the sort of support according to the stage of recovery: first, time to rest; then access to ongoing supported accommodation until some personal power and ability to participate is experienced in combination with specific accommodation support, high quality specialist services, and support in making alliances on a personal and professional level, appropriate to the stage of the recovery process.

Other useful sources

SCALL February 1999 edition of Parity ‘Women and homelessness’

SCALL March 2000 edition of Parity ‘Homeless young women’

2.6 Indigenous contexts

Several research studies and consultancy projects have challenged the applicability of prevalent conceptions of homelessness to the circumstances and experiences of many Indigenous people. Memmott, Long and Chambers (2003) present a valuable synthesis of existing research (including their own) in the form of a grounded typology of Indigenous ‘homelessness’ and ‘public place dwelling’. While the authors emphasise that the categories they identify describe different ‘states’ of being rather than the ‘causes or pathways into homelessness or public place dwelling’, identifying the connections between these states helps understand the perpetuation of homelessness in Indigenous contexts. This work also challenges prevalent conceptions of the harm and health impacts of homelessness and public place dwelling and works towards identification of more appropriate response strategies tailored to the different categories of homelessness.
In developing a general typology of ‘Indigenous homelessness and public place dwelling’, Memmott and colleagues inevitably open themselves to the different charges of over-generalisation and selective coverage. One issue, raised in a recent report for the Victorian Indigenous Homelessness Study, is the extent to which the typology is relevant for largely urbanized Indigenous communities (Stephen Kerr et al 2003). Indeed, the AHBV commissioned the Victorian Indigenous Homelessness Study (late in 2000) partly in response to the first national report investigating Indigenousness homelessness by Keys Young (1998) that omitted Victoria in the fieldwork (ibid).

Another issue is the extent to which this typology adequately captures the experiences of Indigenous women and children escaping from domestic and family violence. Cooper and Morris (2003) focus on the experiences of women and children in their exploration of the cycles of homelessness common to Indigenous households. We also consider Allwood and Roger’s study of young Indigenous people experiencing homelessness in Adelaide and preliminary findings from the Perth Aboriginal Family Homelessness Study.

Categories of indigenous ‘homelessness’ (AHURI)


The authors argue that the way Indigenous ‘homelessness’ is defined or categorised influences the types of response strategies that are implemented by Indigenous organisations, and government and non-government agencies to address this phenomenon. In light of this, the aims of the project are:

- To examine the definitions and constructs of ‘Indigenous homelessness’ found in the literature and to develop a more useful typology.
- To clarify the relation between categories of Indigenous homelessness and public place dwelling on one hand, and categories of responses to the needs of such people on the other.
- To identify and profile good practice response strategies being used to address the needs of particular categories of homeless or public place dwelling Indigenous people.

In addressing these aims, the researchers undertook:

- A review of the conceptual and empirical research.
- An overview of the current policy and program context.
- Conceptual analysis to develop a typology of Indigenous ‘homelessness’. The authors draw on existing models and available empirical studies, especially those involving interviews with public place dwellers.
Development of a model of service response types. This was based on a national review of some 79 response strategies to Indigenous homelessness. The authors identify 15 broad response strategies that are then ‘cross-tabulated’ with the categories of homelessness and public place dwelling, to match types of need with types of response.

Identification and profiling of good practice examples through desk based research and telephone contact with services.

Three broad categories of Indigenous homelessness are identified: public place dwellers; those at risk of losing their house or the amenity of the house; those who are spiritually homeless. An initial distinction is drawn between those people who do not have a conventional house of some sort and those who do. This is said to lead into the first category of public place dwelling (being without a house, however temporary that state might be), as well as the second category of having a house (however temporary) but being ‘at risk’ of losing that house or its amenity.

The most visible Indigenous ‘homeless’ people are small groups who live in public places. Following the review of empirical literature the authors note that ‘a significant component of the Indigenous homeless population have no desire to change their lifestyles of dwelling in public and semi-public spaces which they have come to regard as home’ (Memmott, Long & Chambers 2003[26]). These people often see themselves not as homeless but ‘as being both “placed” and “homed”’ preferring to refer to themselves as ‘parkies’, ‘goomies’, ‘long grassers’, ‘ditchies’ or ‘river campers’.

The authors draw the conclusion that homelessness need not necessarily be defined as a lack of accommodation: a person may have a sense of ‘home,’ and a sense of belonging to a place (or set of places), and recognition and acceptance in such a place, but nevertheless may not have any conventional accommodation. Public spaces may come to be equated with ‘home’ and consequently homelessness can be redefined (following Coleman 2000) as ‘losing one’s sense of control over, or legitimacy in the public spaces where one lives’. ‘Public place dwelling’ is consequently offered as a more appropriate term than ‘homeless’ or ‘itinerant’ in certain circumstances.

The authors note that without this understanding, ‘policy and the strategies that emerge from it will have little chance of long-term success in dealing with what is often one of the most visible aspects of homelessness, and one which causes serious conflict between the wider public, commerce, government agencies and public place dwellers’. The types of services that ‘parkies’ or ‘Long Grassers’ may want or need are not necessarily concerned with housing or accommodation issues. The authors argue, along side bodies such as the Longgrass Association representing public place dwellers in Darwin, that the greater challenge for public policy and governance is to recognize ‘the right of public place dwellers to their outdoor lifestyle’, for example, by ‘providing forms of managed and serviced camps (ibid 11).

A critical distinction in the typology is that between voluntary and involuntary public place dwelling. Previous research suggests there is often a core group of ‘long-term or chronic public space dwellers’ and a larger group of visitors who gather round

[26] Unless otherwise stated all references are to the final report.
Costs and Pathways of Homelessness
despite having conventional accommodation available to them. A third group of
Indigenous people may attach themselves to groups occupying public spaces for
the medium-term because they have no other option in the short-term.

Three subcategories of voluntary public place dwelling: short-term (intermittent),
medium-term, and long-term (chronic) are identified. These same temporal categories
are not applied to involuntary public place dwelling, implying that people who live
the life style long enough come inevitably to choose it. This raises the question
of perceived alternatives in a given context. It also points to the need for explicit
consideration of pathways into public place dwelling.

In their discussion of the interaction between Indigenous people with rental housing
and public place dwellers to whom they have cultural obligations, the authors
identify an important dynamic – how public place dwellers ‘can undermine security
of tenure and how the former can be drawn into a public place dwelling lifestyle’.

The authors’ second category includes those people ‘at risk’ of homelessness due
to sub-standard housing, crowded housing and those who are insecurely housed.
While this second category starts with the connection between homelessness and
a lack of housing or accommodation, once again the authors reject the idea that a
classification can be made purely on objective assessments of material circumstances
or behaviours – hence issues of crowding and mobility, can be ‘manifestations of
either cultural preferences particular to this segment of the population, or family
stress and poverty’.

Memmott et al argue that ‘what one cultural group defines as unhealthy may be
totally acceptable to another’ (2003b). The dismantling of many Aboriginal town
camps across Australia in the 1960s and 1970s was done by local councils on the
grounds that they were unhealthy, yet ‘these town camps provided a freedom of
cultural expression and cultural maintenance that newly constructed and supposedly
“healthy” government housing failed to deliver’ (ibid). Likewise, the riverbed of the
Todd is not only more picturesque but also provides a better source of heating than
many conventional homes (at least when dry).

Overcrowding must similarly be judged according to appropriate cultural standards.
It cannot automatically be assumed “that high household densities regarded as
“crowded” by non-Aboriginal standards are necessarily perceived as being stressful
by Aboriginal groups” (Memmott 1991 cited in Memmott, Long & Chambers 2003).
This does not mean there are no associated risks to physical health. Cooper and
Morris (2003) point to overcrowding among Indigenous families as risking the spread
disease and also a cause of psychological stress, although they acknowledge
that this will depend on the nature of the overcrowding, including kinship relations
between those sharing accommodation.

The interpretation of the likely harm or benefits of mobility also needs to be made in
cultural context. Where others (Bartholomew 1999, Bahro 1996) have pointed to the
harmful impacts arising from ‘the very fact of continual moving’ Aboriginal societies
and communities are characterised by high frequencies of residential mobility
both between and within settlements. Memmott and colleagues (2003) argue that
‘While it is true that social obligations accommodating high rates of mobility can
serve to mask the numbers of people in the Indigenous population who are without accommodation, such a phenomenon is not necessarily injurious to the health or safety of all such persons. High residential mobility rates in themselves are not necessarily expressions of negative circumstances. This applies to young people as well as to adults (see Henry and Daly 2001, Victoria 2002). The authors argue that ‘it does not necessarily follow that such mobile individuals should be construed as being homeless in the Indigenous context, but rather that there is a need to introduce an additional dimension of dysfunctionality’ (ibid).

This leads to the subcategory of ‘dysfunctionally mobile persons’. These are people ‘in a state of continual or intermittent residential mobility including temporary residence (eg crisis accommodation) that is a result of personal and/or social problems (eg violence, alcohol and substance abuse, lack of safety or security in a social sense, personality or ‘identity crisis’, lack of ‘emotional support and security’).

Whereas the positioning paper included a separate category of ‘individuals escaping an unsafe or unstable family circumstance’ (including women and young people forced into crisis accommodation by family violence) the final paper includes this within the ‘at-risk of homelessness’ category, along with those at risk of losing their accommodation through eviction. While the category of ‘dysfunctionally mobile’ may describe the experience of some women (see discussion of Cooper and Morris's study below) there is little recognition in the final report of violence against women in Indigenous families or communities as a ‘state of homelessness’.

The final category is that of spiritual homelessness. This concept was first documented by Olive (1992) and Keys Young (1998), built on by (Berry et al 2001) and further developed in this report: ‘to be homeless means to be without country and intimate filial connections, and thus to have an incomplete identity’. The authors note that concepts of spiritual homelessness reveal the significance of policy areas like native title and cultural heritage to the issue of Indigenous homelessness and public place dwelling and once again, identify a dynamic set in play by interventions that fail to take on board this cultural understanding:

Not only can people be housed without having their desire for home adequately satisfied, but the risk that they may be drawn into public place dwelling is heightened. This may occur under the influence of such factors as the social and psychological problems arising from a crisis of identity both among individuals and entire communities. People may also be influenced to adopt a public place dwelling lifestyle that satisfies this more elusive concept of home as it connects them to the natural rather than the built environment. (Memmott, Long & Chambers 2003)

In their analysis of how response strategies match with categories of homelessness, the authors argue that accommodation options (emergency or crisis accommodation, transitional housing and long-term housing with management support) are most relevant to those ‘at risk’ of homelessness in the more conventional sense, rather than to public place dwellers. These services have traditionally been provided by housing authorities and private sector housing. It is emphasized that such housing needs to be culturally appropriate in relation to both its architectural design and its housing management aspects and that, in consultation with Indigenous communities,
a range of policies need to be devised and implemented, which cover household types, tenancy agreements, placements, arrears, and repairs and maintenance.

Ten response strategies are identified that are relevant to public place dwellers. These include patrols and outreach services, diversionary (harm minimization) strategies, strategies addressing anti-social behaviours and alcohol abuse, the physical design of public spaces and the development of dedicated service centers and gathering places.

People identified as ‘dysfunctionally mobile’, may move between both public place settings and housed-but-at-risk settings, and consequently the response strategies relevant to this group may cover all of the categories of service response.

The report stresses that identifying responses relevant to a particular place or group will require attention to local environmental and socioeconomic context and the specific history of contact between Indigenous and non- Indigenous people.

In all cases, there is a need for a philosophy of client interaction that allows ‘Indigenous persons and public place dwellers to have sufficient ownership of the process in order to be prepared to participate in it in a meaningful way; one that results in real lifestyle changes and does not further entrench welfare dependency’ (ibid).

The report concludes that homelessness ‘ought not to be singled out as the problem’. Alcohol and drug abuse, suicide and self-harm, high imprisonment rates, apathy and depression, violence, deaths in custody are all said to emanate from dispassion and loss of land, of culture, of children and of role.

**Victorian Indigenous Homelessness Study**

Three studies on Indigenous homelessness were commissioned as part of the Victorian Homelessness Strategy:


The initial study by Berry et al (2001) included:

- An investigation into the nature and implications of homelessness within the Victorian Indigenous community. The study included a series of workshops and community consultations with a range of Indigenous residents and organisations to explore the dimensions of homelessness as experienced by Indigenous Victorians.

- A selective review and mapping of intervention by housing and support agencies that provide services to Indigenous people in or at risk of homelessness. The review identified a number of gaps in provision.
Identification, in consultation with Indigenous residents, of ‘better practices’ for delivering support services and reducing the risk of homelessness for vulnerable Indigenous communities.

Identification of gaps in knowledge and opportunities for future research in this area.

This is largely an exploratory study and draws attention to the lack of existing research on the diversity of pathways through homelessness traveled by Indigenous Victorians. Berry et al (2001) emphasise the importance of prevention and argue that ‘the key policy task is to find ways of effectively blocking the slide into homelessness and the self-reinforcing cycle of disadvantage and despair that this gives rise to’. Young people, single men, ex-prisoners and victims of domestic violence are identified as being at high risk of becoming homeless. The causes and impacts for each of these marginalised groups are said to be poorly understood – ‘the consultations raised individual cases but little of a concrete nature about the causes in general or the best way forward. Clearly, more must be discovered about the underlying forces and triggers leading to homelessness in each case’.

Stephen Kerr & Associates along with Yuruga Enterprises were commissioned to expand on the service mapping initiated in the earlier study and to provide ‘a clearer picture of the extent, location and description of Indigenous homelessness and the effectiveness of the homelessness services’. The project included:

- An examination of the demographic profile of the Victorian Indigenous community through analysis of the 2001 ABS Census.
- An email survey of all SAAP agencies and THMs in the State (yielding a response rate of 35%, or 91 agencies). The survey solicited information on culturally specific strategies, the extent of cross-cultural awareness training for staff, and perceived gaps in service.
- Interviews with 75 households in four communities (two rural and two metropolitan). Issues addressed in the survey included householders’ perceptions of housing availability, maintenance of dwellings, housing history, household size and preferences for Indigenous or non-Indigenous-specific housing support agencies.
- Other information was gained through analysis of AHBV and OoH waiting lists and through consultation with officials.

**Sustainable tenancy for indigenous families**


This project (commencing in 2003 and in progress at the time of writing) aims to identify the major factors that initiate and sustain episodic or ‘iterative’ homelessness among Indigenous families in both urban and remote areas. Its focus is Indigenous women and children. It aims to:

- Examine pathways into and between homelessness and sustainable tenancy for Indigenous women;
Determine what structural and service barriers in the housing and welfare system hinder sustainable tenancy;

Establish the best practice models to ensure service coordination and linkages between service providers and Indigenous people;

Specify what specific policy initiatives would enable Indigenous women to maintain sustainable tenancy.

The research includes:

- Interviews with key stakeholders and service providers to identify key issues;
- A literature review;
- A policy and best practice review;
- Interviews with Indigenous women who are currently in temporary accommodation (it is proposed that 40 women will be interviewed in Brisbane and 80 in Darwin and other places in the Northern Territory) to inform recommendations for policy change and best practice initiatives. These interviews are to be conducted by Indigenous interviewers;
- Semi-structured interviews with a range of service providers to identify barriers to accessing housing services for Indigenous women and families.

The authors argue that Indigenous women's own understanding of patterns of homelessness is missing from the academic literature, and that without the insight this understanding brings, there is likely to be little advance in service response.

The report discusses definitions of homelessness and concludes that the 'cultural definition' is particularly unsatisfactory for the purpose of describing Indigenous women's homelessness. They suggest homelessness may be better conceived as ‘a highly visible manifestation of entrenched disadvantage and discrimination’ (ibid, 5).

The review of existing research indicates to Cooper and Morris ‘a cycle from tenancy, overcrowding, emergency accommodation, temporary accommodation, transient homelessness and back to tenancy’. Other studies have pointed to the dynamic nature of household composition and visitor-induced economic stress. Several examples are given through the text:

- Berry et al (2001) reported that, while it may be acceptable and common for large numbers of family members to share accommodation, this could lead to breakdown of relationships and a consequent transient lifestyle.
- Paulson (1999) observes that overcrowding can set off a chain reaction of disagreements, which can lead to emotional, financial and physical abuse and, ultimately, to an absence of any shelter at all.
- Gordon et al (2002) reported that homelessness causes severe overcrowding in rural and remote areas. A snowball effect exists. When a family is evicted, a family member who has a home takes in homeless relatives. This causes overcrowding, extra wear and tear on the home, and household tensions. An eviction order on the grounds that the family is a nuisance may follow, supported by evidence of neighbours who keep written records of the family's activities and call the police to each incident.
In his examination of the controversy surrounding evictions of Aboriginal people by the West Australian housing agency Homeswest during the 1990s, Beresford (2001) describes the effect whereby an evicted Aboriginal family is likely to obtain shelter with another Aboriginal family, thus creating or exacerbating problems of overcrowding, and perpetuating the cycle of eviction.

Memmott and Fantin (2002) describe how people visiting Darwin from outside communities may become caught up in a cycle of homelessness. Once in Darwin, drunkenness may lead to periods in the lock up or sobering up facility. From this facility, Indigenous people may find some temporary rental accommodation, but this is short lived with the pattern of drinking commencing again.

Evidence of a homelessness cycle was also identified in the authors’ discussion with Indigenous women and practitioners in Brisbane, Darwin and Katherine. In Brisbane, for example, the Aboriginal Elder noted that if emergency housing is not available, women will rotate through Cherbourg housing, Aboriginal Housing in outer Brisbane, hostel housing in the inner city, safe crisis shelters and parks. Contacts with hostels in Darwin, suggested a similar pattern, that women come in from the communities, move from the Women’s Shelter, Aboriginal Hostels, Christian Outreach, Longgrass, and then back to the Women’s Shelter.

This dynamic feature of Indigenous homelessness will be explored in further depth when Indigenous women are asked to tell their stories about homelessness.

**Moving Yarns – homeless pathways of Indigenous young people**


This study was undertaken by SA Department of Human Services to develop a better understanding of homelessness among Aboriginal young people and to identify the ways in which it was similar to, and different from, non-indigenous youth homelessness. The study set out to test the applicability of Chamberlain and MacKenzie’s model of the ‘youth homeless career path’ to the experiences of Indigenous young people. The practical purpose of the study was to inform planning for accommodation and support services to this client group in metropolitan Adelaide.

The study had three components:

- A literature review;
- Interviews with 19 Indigenous young people who were currently or had previously experienced homelessness;
- Examination of nine case studies of homeless Aboriginal young people.

While it was noted that cultural norms and aspirations needed to be taken into consideration, Chamberlain and MacKenzie’s primary, secondary and tertiary typology (the ‘cultural’ definition) was adopted for the study. An attempt was made to obtain a spread of young people at different stages of homelessness. A convenience sampling strategy was adopted. Participants were nominated by
services. The researchers note that the resulting sample was shaped by both the willingness of young people to participate and the nature of the services through which recruitment occurred. Consequently the findings need to be interpreted with caution.

Five of the young people were interviewed in youth detention centres where they were held on either remand or detention. Thirteen young women were interviewed and six young men (who proved harder to recruit). Their ages ranged from 11 to 20 years. One of the young women had three children and another was pregnant. This claims to be the first study to conduct in-depth interviews with homeless Indigenous young people. While a non-Indigenous person conducted the interviews it is suggested that the skills of the interviewer were perhaps a more important factor than cultural identity: ‘young people disclosed many intimate details of their lives, a sure indication that they felt safe and respected’. The interviews were semi-structured and generally lasted for between an hour to an hour and a half. The major tool for the interviews was a booklet (Moving Yarns) featuring a cover painting by a local Aboriginal young woman constructed to allow the young person to record their life-story. Young people could choose to use the booklet in the interview, or simply talk with the interviewer. This is identified as a highly successful strategy.

Information was sought from the young people on the following issues:

- Family background and relationships;
- A lifetime accommodation history (identifying where respondents’ had lived, when, with whom, and why they moved);
- Key issues in respondents’ current situation (education, friendships, life-style, accommodation, problems);
- Services and “helping people” that respondents’ have turned to or were in contact with;
- Positives and negatives about services, and what sorts of supports respondents’ want.

In addition to the interviews with young people, interviews were conducted with nine workers from services (three inner city youth services, four SAAP services and two statutory welfare services.) Each worker was asked to discuss a client (aged between 12 and 18 years) they were currently working with or had worked with in the last 12 months. The interviews were semi-structured, and focused on topics similar to those in the client interviews, with additional questions regarding service system issues and workers’ views on the distinctive nature of Aboriginal youth homelessness.

The authors report that workers generally held very little information about the young person’s background. These case study interviews tended to highlight different issues, most importantly the ‘systems roundabout’ and the use of eviction, the likely inappropriateness of congregate care and the lack of co-ordination and case-management for high-need young people.

While the researchers note their approach is qualitative and aims to explore issues ‘in depth’, the analysis presents ‘counts’ rather than qualitative analysis of the sequencing and interaction of events.
Findings
The authors suggest family breakdown and child abuse is the ‘primary cause’ of homelessness for Indigenous young people. Two sub-groups are identified:

- those who had relatively stable accommodation until their early teen years; and
- those whose instability began at an early age (ie before seven years). This group can be further divided into:
  - those who entered the statutory care and protection system (and then had placements with either/both family members or non-relative caregivers)
  - those who predominantly remained within the networks of their family

The experience of the first group is said to be closest to the ‘usual’ understanding of youth homelessness as a gradual process starting with a relatively stable home life.

The report identifies the following differences in the pathways of Aboriginal and non-indigenous youth into homelessness:

- Aboriginal young people are more likely to have been living life-styles marked by a high degree of transience and instability since birth;
- The impact of family homelessness and transience is very significant with considerable second generation homelessness or learnt transience;27;
- Sub-standard housing, over-crowding and the ill-health of care-givers are more significant as triggering factors;
- Peer influence (particularly of “cousins”) is a significant determinant of what young people do and where they go when they leave home;
- Overall, there is evidence that the level of disadvantage of homeless Aboriginal youth is greater than their non-indigenous counterparts

The authors state that contrary to the views expressed by some commentators that ‘Aboriginal young people are not homeless but rather highly mobile between caregivers, or that a different definition of homelessness should apply for Aboriginal people’ the young people in the study were found to be homeless ‘in accord with accepted definitions’ (Allwood & Rogers 2001).

Chamberlain and MacKenzie’s ‘youth career path’ was seen to be generally applicable, but that distinctive features of Aboriginal youth homelessness need to be taken into account28, including:

- The concept, role and influence of family, and implications for service delivery;

27 More than half the young people (10 in total) described patterns of either transience or long-term homelessness in their immediate family. The authors conclude that for these young people, “their own transience or homelessness was, in effect, a learnt behaviour and family pattern”.

28 Johnson and Chamberlain (2002, 19) signal their intentions to re-examine the model of the youth homeless career through further analysis of the 1,200 case histories of homeless school students to see whether there are significant differences in factors causing homelessness among indigenous and non-indigenous students. See Chamberlain and MacKenzie (forthcoming 2004).
The chronic and intergenerational nature of family problems which means short-term or family mediation approaches to intervention are unlikely to be successful;

The earlier onset of problematic behaviours including running away, and the rapid induction of these young people into the riskiest behaviours (substance abuse, sleeping rough, crime, up-town lifestyles);

Distinctive pathways into homelessness: many Aboriginal homeless youth could be classified as “never housed”, with others experiencing a slow slide into homelessness, rather than undergoing a sudden transition in housing status from housed to homeless.

The researchers emphasise the need to continue to develop a broader range of accommodation options for young people who cannot live at home, with outreach support as an important component. Homeless Aboriginal young people have complex and multiple problems, and demonstrated service needs in areas including family relationships; safe accommodation; emotional and practical support; basic needs; health care; education; drug and alcohol; and pregnancy and parenting.

They note that while ‘family work’ was relevant to all homeless Aboriginal young people, the nature of this work would need to change as young people moved through the stages of homelessness (from a focus on family intervention and support towards best connections and safe relationships when living away from family).

Intervention to prevent youth homelessness is seen to encompass intervention and support to families through all the child rearing years. Families may require intensive support and intervention around a range of long-term and complex issues, including homelessness, inadequate housing, drug and alcohol abuse, violence, health and poverty.

**Perth Aboriginal Family Homelessness Study**


Centrecare received funding from Family and Community Services under the National Homeless Strategy to research Aboriginal homelessness in Perth. The National Family Homelessness project is a 15-month longitudinal study that examines the effects of homelessness on a group of 61 Aboriginal families. Roberts and Burgess (2003) present preliminary findings in this report.

The research has four objectives.

- To identify the effectiveness of existing support services and accommodation options for Aboriginal people;
- To examine alternative pathways that may assist the target group to avoid future homelessness;
- To link people into accommodation and/or supports as required;
- To examine ways of developing effective collaborative working relationships.

While no information is given in this paper on the recruitment of the families to the study, it is noted that all participating families had a history of homelessness, or a long period of homelessness prior to commencing in the project.
Participants are being interviewed formally through three rounds of questionnaires. Fifty-five families out of the 59 participating households now remaining on the project were interviewed for the second round of questionnaires. Four families could not be contacted. Follow-up proved a major difficulty, with some participants receiving as many as 15 visits, sometimes with no success.

Centrecare has an advocacy role in the project and supports are offered when a participant experiences difficulties that may impact on their continued housing. Self-report information was found not always to be sufficient for this purpose and the authors note the importance of being able to verify information before advocating on behalf of participants.29

Of the original group of families, 40 were sole-parent families, 18 were couples with children, and 3 were couples without children. There were 198 accompanying children.

Some 47 families were housed by the second round of interviews, with 21 of those already linked into housing supports at the time of being housed. Nine of the remaining 26 families stated they required support to maintain their housing.

Of the 53 participant families housed through the project since it commenced, three had since either left their tenancy or been evicted and ‘become homeless once again’. Another seven or so families were experiencing difficulties that were seen to jeopardize their tenancies.

Nevertheless that project as a whole is seen to demonstrate that the statewide monitoring of the alert systems put in place by both the Department for Community Development and the Department of Housing and Works is ‘highly effective in preventing people from falling through the gaps and/or from becoming homeless’ (ibid).

The authors note that while these families were linked into supports, they had at times ‘opted not to access this support to deal with the adverse situation’ and further that there was ‘a reticence by support agencies to assist them while they continue to chronically abuse substances and demonstrate violent behaviour towards each other and service providers’. Others had declined offers of properties.

While problems are identified with Homeswest properties, the authors also give a landlord/ housing providers’ perspective on tenancy failure.

Families tended to rely solely on public housing for their accommodation needs, and had often not investigated the availability of private housing due to lack of resources or because they did not believe it was an option. There were instances, even among those families with several children, of success in gaining access to private rental.

Roberts and Burgess (2003) conclude that a major issue to emerge from the interviews was ‘the lack of control participants feel over their own lives and that of their children when they are staying with extended family’. Information collected from participants revealed that staying with extended family can be more expensive than renting.

29 One example is given of a participant who stated in her interview that she had been waiting 8 years to be housed, and had been on priority 9 months. A check with the housing authority revealed that she had been wait-listed for three years, and had only applied for priority four months before being housed.
Evaluation

In their overview of gaps in the applied research literature, Memmott, Long and Chambers (2003) note the need for ongoing profiling and dissemination of good practice responses to Indigenous homelessness and public place dwelling and evaluation studies of service responses, ‘especially of the brave but rare attempts at dedicated service centres, gathering places and camping facilities in public places’.

In Victoria, the Office of Housing in partnership with the AHBV is undertaking an 18-month pilot in the Northern Suburbs and Mallee to assist Indigenous tenants at risk of eviction. Stephen Kerr et al (2003) comment on the success of the Indigenous Tenants at Risk programs though there are no formal evaluations as yet.

Other useful sources

Three editions of Parity have focused on Indigenous homelessness:

- Oct 2003 ‘Responding to Indigenous Homelessness’
- April 1999 ‘Indigenous Homelessness Revisited’
- May 1998 ‘Indigenous Homelessness’

2.7 People with refugee experiences

While anecdotal reports from homelessness assistance providers have raised concerns about the extent of housing vulnerability and homelessness among ‘asylum seekers’, particularly those resident in Australia under temporary protection and bridging visas, the number of published empirical studies remains small.

Recently arrived refugees


This project, in progress at the time of writing, includes the following objectives:

- To investigate the incidence and degree of homelessness amongst refugees. It aims to identify the key factors that contribute to homelessness among this population group (their pathways into homelessness) and investigates how this outcome was (or can be) overcome (pathways out). It does this within the context of a broader investigation of housing pathways examining how refugees found accommodation, what forms of accommodation were chosen, and what difficulties they experienced in obtaining suitable housing.

- Three categories of recently arrived refugees are examined because each of the refugee visa categories give eligibility for different levels of settlement services, including accommodation assistance. These are: arrivals under the offshore Refugee Program; arrivals under the offshore Special Humanitarian Program; and persons who were granted Temporary Protection Visas once in Australia. The variation in the type and extent of accommodation assistance is likely to lead to significant variations in housing experiences. The research plans to examine and document these housing experiences and the different housing pathways that the three refugee groups follow. It will assess the risk of homelessness to different refugee visa and ethnic groups under various scenarios.
To examine various models for providing housing assistance, identify existing good practices and recommend ways in which models of good practice might be developed further in partnership with the needs and aspirations of the consumers.

To cost the delivery of services for the most appropriate means of providing housing. This costing will be based on estimates obtained from the government and community housing providers in the three cities.

The primary research component is a survey of 150 refugees in Adelaide, Brisbane and Perth, to be conducted by interviews using a structured questionnaire of predominantly closed questions. The researchers plan to interview 75 Temporary Protection Visa holders and the same number of offshore refugees who entered Australia through either the Refugee Program or the Special Humanitarian Program. The authors explain that a representative sample cannot be constructed because the refugee population in each city is not known and standard random selection processes cannot be used because of the difficulties recruiting informants.

Homelessness among refugee young people


Explaining the title of their report Homeless Twice, Ransley and Drummond (2001) state that ‘In many ways, the refugee experience is an experience of homelessness and displacement. Most refugees arrive in Australia and are again homeless’. They suggest refugee young people are particularly vulnerable to homelessness by virtue of their refugee status.

This report is not based on primary research. It aims to re-evaluate Federal and State responses to the development of appropriate solutions ‘recognising that newly arrived migrant and refugee young people, if not properly supported, can fall into patterns of chronic homelessness’. Focus is on the impact of settlement services, education, employment and training on migrant and refugee youth homelessness. It also considers the housing and homelessness services and policy context (looking at crisis and transitional housing and their limitations for young people from culturally and linguistically diverse backgrounds, and at public housing and private rental).

WRATH emphasizes that in thinking about the prevention of refugee youth homelessness issues of homelessness and cultural diversity must not be separated out in any policy or service context and that, instead ‘they must be firmly linked together and examined in relation to the broader issues of poverty, access to employment, education and training assistance for all Victorians’.


This report develops an estimation of the relative risk of homelessness among young people from refugee backgrounds. The estimate derives from several sources including a survey of English Language Centres (ELCs) and Adult Migrant...
English Programs (AMEPs) across Australia, the SAAP National Data Collection and unpublished findings from the national census of homeless school students conducted by MacKenzie and Chamberlain in 1994:

- The 1994 census of secondary school students found that 3.4% of a total of 11,000 homeless school students were from refugee backgrounds. About 70%, or 260 young homeless refugees in total, were attending 77 relatively high need schools.

- The survey of ELCs and AMEPs was targeted at teachers. Seventy-two English Language Centres based in secondary schools, along with 90 Adult Migrant English Programs received the survey questionnaire. Nearly three-quarters (72%) of secondary schools but only half (50%) of the AMEPs responded. Of the 1,269 refugee students attending English classes, 16% (n=201) were judged by teachers to be either already homeless (n=78) or marginally housed.

- An analysis of SAAP client data showed that young people from typical refugee producing countries in SAAP services numbered about 80 to 100. Drawing from these data sources it estimated the number of homeless young refugees to be ‘at least 500 Australia-wide and more probably closer to 800’. Comparing the proportion of homeless students and homeless young refugees to their respective populations, the authors suggest the risk of homelessness is at least six to ten times higher for young refugees.

The report suggests the higher risk of homelessness among young refugees ‘does not translate into proportionately greater use of services; indeed the reverse appears to be true’. This assessment is based largely on anecdotal evidence.

**Other useful sources**

3. Disabling conditions

This section identifies Australian empirical evidence regarding the relationship(s) between various 'disabling conditions' and homelessness both as causal factors in the initial onset of homelessness and in its perpetuation or reoccurrence and as mediators of the experience of and exit from homelessness.

In the United States the term ‘disabling condition’ has gained currency in recent years because it connotes the impact of a characteristic in a given context rather than the deterministic consequence of an intrinsic personal attribute (or ‘deficit’ in the old terminology). The bulk of empirical research has focused on mental illness and alcohol and other drug use and this is consequently our focus here. We encountered no Australian research studies on physical or intellectual disabilities (though see the May 2004 issue of Parity on ‘Homelessness and disability’).

As in the UK and the USA, the first round of research in Australia to investigate the links between homelessness and mental health was dominated by cross-sectional studies aiming to identify the prevalence of mental illness in samples of people experiencing primary or secondary homelessness. This is similarly the case with substance abuse. In each case our focus is on those studies that attempt to unravel the causal sequence (in quantitative research) or processes (in qualitative). Given the importance of understanding the co-existence of mental illness and substance abuse, some studies look at both conditions (and at the prevalence of dual diagnosis), though we have kept the discussion separate.

There are few evaluation studies of interventions designed to prevent or ameliorate homelessness for people with mental illness or substance abuse issues. One important exception is the Homeless and Drug Dependency Trial currently taking place in Victoria.

3.1 Disabling mental illness

Cause, effect and process

Studies designed to investigate the prevalence of mental illnesses and psychological distress among people experiencing homelessness in Australia have tended to focus on individuals rather than family groups, and young rather than older people (though there are exceptions). Studies by Herrman and colleagues have been particularly cited.

Mixed age range and gender


Even allowing for the wide range of possible disabling conditions, these constitute only one group of factors that potentially give rise to 'high and complex' support needs in a service context. We return to this concept in the final section of this appendix.


**Young people (male and female)**


**Older adults (male and female)**


**Males (young adult to mid-life)**


Female adults (young adult to mid-life)


Kamieniecki (2001) reviewed the literature on the prevalence of psychological distress and psychiatric disorders among homeless young people in Australia. The review located a total of 14 studies (three of which included prevalence rates for adults). Several methodological limitations are identified which pertain more generally to prevalence research in this area:

- The absence of non-homeless control groups (in all but three of the studies); 31
- The use of convenience samples;
- Small sample size;
- Lack of specificity regarding the period for which prevalence data is gathered (whether point prevalence, period prevalence, or lifetime prevalence);
- Use of unstandardised means of assessing psychiatric disorder or psychological distress;
- Failure to take into account key variables that may affect rates of psychiatric morbidity such as gender, sexuality, Indigenous background, intellectual disability, regional difference (different cities, rural vs urban locations) and temporal variation (duration of homelessness).

Comparing prevalence rates of newly homeless with longer-term homeless gives us a clue as to the impact of homelessness on psychological health. The study by Pears and Noller (1994) found that self-harming behaviour increased over time only in young people who did not report being abused prior to becoming homeless (see discussion on p^3*). This study also found that levels of self-esteem and hopelessness did not change significantly across time among homeless teenagers. These results tend to conflict with overseas research where higher rates of psychiatric disorder, substance abuse and self-harming behaviour have generally been found among those who have been homeless for long periods of time than those who are newly homeless. 32

At least one Australian study deals directly with the question of the causal relationship between homelessness and psychiatric disorder. Herrman et al's (1992) Melbourne based study of homeless adults and young people found (through retrospective

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31 To compensate, Kamieniecki compares the findings of these studies with prevalence rates for Australian young people as a whole derived from community and student surveys. These results are not strictly comparable because they tend to use different time frames to studies of homeless youth.

interview) that the onset of one or more lifetime mood, psychotic or substance-use disorders preceded the onset of homelessness in 85% of subjects.\textsuperscript{33}

Kamieniecki doesn’t discuss the methods used by these studies in trying to establish the direction of the relationship between homelessness and psychiatric disorder.

An important study among those listed above is Babidge and Buhrich’s (2001) ten-year follow-up study of mortality among homeless people with schizophrenia in Sydney. This study retraces a sample of homeless people from four Sydney inner city hostels assessed and treated between 1988 and 1991 by a psychiatric outreach clinic. The original database had records from 708 people, of whom 506 had a primary diagnosis of schizophrenia. The names of all individuals were submitted to the New South Wales Registry of Births Deaths and Marriages to determine how many were recorded as deceased in the period 1988 to 1998. The study found that the people in the study had mortality rates three to four times higher than the general population and that excess mortality was greater for younger people. Suicide rates were also much higher than for the general population. While the authors note the small numbers mean the statistical results should be interpreted with caution, this study gives some indication of the longer term consequences of homelessness for people with disabling mental illnesses.

**Understanding iterative homelessness (AHURI)**

Robinson’s (2003) study examined the experiences of people with mental disorders\textsuperscript{34} whose accommodation histories or biographies are marked by repeated or iterative homelessness. ‘Iterative’ describes the repeated move through accommodation experienced in homelessness, rather than the duration of homelessness or the kinds of accommodation being moved through. Homelessness, at least for this group of people, is conceived as a process of repeated attempts to establish a home both physically and emotionally.

The project addressed the following questions:

- How can the concept of iterative homelessness improve understandings of living in the marginal housing sector?
- What are the economic, social and cultural factors underpinning iterative homelessness? What further factors are important in understanding the dual contexts of homelessness and mental disorders?
- How do social exclusion and homelessness relate, and how might this relationship be conceptualised as a useful tool for policy and research?

\textsuperscript{33} Kamieniecki (2001) suggests overseas studies indicate psychiatric disorders precede homelessness in the majority of cases (referring to Winkleby & White 1992, North & Smith 1992, Craig & Hodson 1998). He notes that overseas research also suggests that individuals with no psychiatric impairment when they first become homeless are at risk of developing a psychiatric diagnosis the longer they are homeless (Winkleby & White 1992).

\textsuperscript{34} The definition of ‘mental disorder’ employed by the study focuses on the severity of symptoms and their impact on every day life rather than diagnostic category, since ‘diagnosis on its own cannot determine how effectively a person may manage their illness or the kinds and extent of disability, if any, a person may suffer’ (Robinson 2003).
What are the current national and state policy responses to iterative homelessness, particularly in the case of those with mental disorders?

What changes in current service provision, housing and mental health care policies would improve the capacity of those homeless people with a mental disorder to secure more stable and sustainable accommodation?

Key findings are summarized in the report as follows:

- People with mental disorders who are homeless experience wide-ranging and compounded disadvantage and social exclusion. Not only do they experience unstable and unsafe accommodation, they are also likely to have poor education, poor general health, extremely low income and experience high imprisonment rates.

- This range of issues is compounded by fluctuating mental health which contributes to difficulties maintaining study, employment, housing, relationships with those with whom housing is shared, and so on.

- Fluctuating mental health and compounded disadvantage interact to sustain ongoing trajectories of inadequate housing characterised by extreme vulnerability and chaos.

- Traumatic experiences such as domestic violence, relationship breakdown, deaths of friends and family members, incest, abuse, assault and accidents, are often repeated throughout the life courses of homeless people with mental disorders, and have severe and negative impacts on mental health management and housing trajectories.

- Iterative homelessness is further shaped by institutional neglect, a lack of appropriate housing options for homeless people with mental disorders, and the alienation of this group from the mental health system.

The key aim of the research was to develop a better understanding of the range of factors underpinning this instability in the lives of homeless people with mental disorders. Its focus was not on why people become homeless, but why people continue to experience homelessness in its varying forms. Its aim was to develop a dynamic understanding of risk factors as they ‘interact and impact over time’. This was done by retrospective construction of accommodation biographies.

May’s (2000) approach to housing-homelessness biography is advocated as a methodological ideal, though Robinson’s study uses different techniques. The data were obtained by a survey of 185 people with mental disorders and 28 in-depth interviews with a sub-set of the larger sample focusing on more detailed individual accommodation histories. Robinson concludes that the survey was essentially an ‘inappropriate and a poor mechanism through which to capture the lived dynamics of individuals’ lives’. Particularly in the context of mental disorder and the discussion of extremely traumatic events, it is recommended that a qualitative approach is more respectful and inclusive.

Study participants were recruited by accommodation and support staff from hostels/refuges and drop-in centers in inner-city Brisbane and Sydney. As a convenience
sample, it is noted that the experiences of the 185 interviewees are not necessarily representative of all homeless people with mental disorders. No Indigenous specific services were included in this research (although some Indigenous people were included in the survey). Similarly, gender and ethnic-specific services were not targeted.

The sample was comprised of men (60%) and women (40%) aged between 14 and 63 years. At the time of the interview 18% were living on the streets, in squats or caravans, 12% were living in boarding houses, 40% were living in hostels, and 23% were living independently without support. Around 85% reported they had been diagnosed with one or more mental disorders. Around 40% had one or more children. Around 65% had been admitted to hospital at some point because of their mental health.

The surveys and interviews focused on identifying the range of issues faced by homeless people with mental disorders, the supports (informal and formal) people had access to, the different forms of accommodation moved through, the positives and negatives of particular places, the reasons for leaving accommodation, and the main barriers perceived to stand in the way of more stable accommodation.

In addition to presenting descriptive statistics and illustrative quotations from the survey, the report presents three detailed case histories. A thematic analysis follows to investigate the drivers of iterative homelessness in the experience of people with mental disorders. The intention was to demonstrate how structured disadvantage is lived in the everyday: the translation of poverty and illness into immediate life experience shows the roles in trajectories of iterative homelessness of, chance (for example, the death of a kind landlord), a context of chaos, trauma (sexual abuse, car accidents) and violence (a random psychotic attack, prolonged domestic violence) and the vital breathing space/reflective space provided by points of stability (Alcoholics Anonymous, supported independent accommodation and so on).

In summary, it is noted that there is ‘no one factor that sets a trajectory at a particular tangent, but multiple incidents and factors that connect with different life stages, with bad luck, with random events, with haunted pasts and with the sometimes unknowable and unpreventable rhythm of periods of mental illness’.

The report explores respondents’ contact with crisis and acute services. Substantial numbers of people exited hospital, prison or juvenile detention ‘without appropriate support or an understanding by policy makers of the issues and factors that virtually ensured they commenced yet another iteration of homelessness’. The following figures are given:

- Two in five (38%) had been admitted to hospital more than once because of their mental health, with over 50% stating that towards the end of their last stay in hospital, hospital staff did not talk to them about where they were going to be staying. After their last (mental health related) stay in hospital, 13% of participants went straight onto the street at discharge.
Around 46% of participants had been in prison or juvenile detention, with 27% of these people re-offending once or more within three years. Of all participants, three in five (60%) and one in four (26%) of women had been imprisoned. While in prison, only half said they had help with their mental health and 62% said that towards the end of their sentence prison staff did not talk to them about where they would be staying. At the completion of their last sentence, 20% of participants went straight onto the streets at discharge.

Over half of respondents said that they had had difficulty getting medical help for their mental health. For medical help with their mental health, 23% of people saw a general practitioner and another 23% went to community mental health centres. Some 16% got medical help from health staff visiting accommodation or support services.

Respondents identified accommodation and service staff from the non-government sector (including SAAP funded services) as offering the most support for mental health issues, with emotional support and time spent talking seen as the most important kinds of support. Robinson comments that ‘These relationships are central in providing a context of support and guidance; at its most basic level, this is a context needed to keep people out of prison and out of hospital’ (ibid).

The central conclusion of the research is that breaking the cycle of iterative homelessness entails not only addressing poor health, poor education, poor employment and limited housing options, but of working through improvements in health, education, employment and housing to heal the individual. It challenges conventional wisdom of ‘housing first’ as the appropriate policy response for this group. The report advocates a national re-focus in policy and service provision on the core issue of trauma and identifies two cornerstones of such a response.

The first is the need to provide a point of stability whether developed through housing, drop-in centers or support groups, as means through which to sustain and build relationships with individuals experiencing iterative homelessness and mental disorders.

The second cornerstone of an adequate response would involve paying much more attention to ‘healing’, and to the ‘fit’ of people with traumatic lifestyles with current policy focus and service delivery.

**Linkages between housing and support (AHURI)**

In this AHURI funded study, *Linkages between housing and support*, O’Brien, Inglis, Herbert and Reynolds (2002) explore, from the perspective of people who had experienced psychiatric disability, the key factors that assisted them to maintain stable housing, and those factors that impeded access to and maintenance of tenancies.

Interviews were conducted with 50 people aged between 25 and 50 who had experienced psychiatric disability. Participants were obtained through six

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35 A distinction is drawn between ‘mental illness’ and ‘psychiatric disability’: mental illness is often used to refer to a broad group of conditions that may or may not require support; where the effect of the illness limits a person from participating and functioning independently, the term psychiatric disability is appropriate. The study was concerned with people who had experienced psychiatric disability and who therefore required support.
Psychiatric Disability Support Services (PDSSs) located in different geographic areas in Victoria covering regional, metropolitan and inner Melbourne. While the study participants had not necessarily experienced homelessness, the study findings are relevant to an understanding of homelessness prevention for this vulnerable group of tenants.

The interviews, of around an hour duration explored the key factors that enabled people to access and maintain their housing. These interviews were supplemented with the views of support and housing providers from the six PDSSs from which the sample was drawn. The project also reviewed existing Australian and overseas literature on the views and preferences of people with a mental illness about their housing and support. In addition, discussions were held with a small number of housing and support providers and key departmental officers.

Two-thirds of the participants had received substantial assistance with accessing their current housing and the most important sources of support identified were the key PDSS worker, followed by clinical supports. All but a handful of participants mentioned either one or other of these key psychiatric support services. In addition, more than half identified informal sources of support amongst their most important support.

Four key elements are identified that, in combination, appeared to contribute to individuals’ success in maintaining housing:

- They live in housing that they find acceptable, and that does not make it very hard or impossible to manage particular disabilities or manifestations arising from their mental illness.
- They have support, medication and/or treatments that they trust, accept and find helpful.
- They demonstrate a willingness and readiness to tackle, with appropriate support, the individual daily challenges and difficulties living independently may present.
- Major issues that may place their housing at risk have been identified and addressed.

**Evaluation studies**

*Supported Housing in the North Demonstration Project Evaluation*

Our investigation of costing research in the United States (chapter 3) uncovered a large number of evaluation studies on supportive housing for people with severe mental illness and other disabling conditions. We have encountered only one such study in Australia and were unable to obtain a copy.

The evaluation was conducted by Health Outcomes International. The demonstration project located in Adelaide involved the delivery of supported housing ‘for persons with mental illnesses with complex needs who would otherwise be unable to

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36 To be eligible, study participants had to have secured and maintained appropriate rental housing, had support from a Psychiatric Disability Support Service (PDSS) but not to have been in the Victorian Department of Human Services’ Housing and Support Program.
maintain community tenure’ (see Health Outcomes International website). Eleven mental health clients were supported over a period of 10 months (Gale 2003). As described by the consultants, the project was based on consultation with a range of stakeholders involved in service delivery and required analysis of quantitative and qualitative data provided to the consultants.

Gale (2003) refers to the evaluation and suggests it indicated that the demonstration project had significant success in achieving its objectives: improved quality of life, enhanced capacity for independent living, improved stability of housing tenure and reduced demands on the acute sector (Gale 2003, 7). Gale identifies the following indicators of success:

- Improved maintenance of housing condition and reliable rent payments and compliance with debt management;
- A dramatic reduction in the number of client hospitalisation days (from 1,279 to 66);
- A reduction in mental hospital admissions from 25 to 18;
- A reduction in the number of crisis calls from 36 to 26;
- A marked improvement in participants’ functioning and well-being; and
- A significant level of stakeholder support for the project.

Program costing was undertaken as part of the evaluation.


Teesson’s thesis is an evaluation of the routine delivery of mental health services in the inner city area of Sydney (the Inner City Mental Health Service). It investigates whether individuals with serious mental illness have access to treatment, whether effective treatments are delivered, and whether current practice is effective. Four studies of the efficacy of current practice were undertaken using quasi-experimental methods. Teesson found that the introduction of community mental health services resulted in a significant decrease in the overall length of stay in the psychiatric inpatient unit. A time-series analysis showed a trend to reduction in demand for inpatient services. Teesson concludes that the innovative outreach service to the homeless mental ill significantly reduced hospital utilisation by homeless individuals with schizophrenia. (See abstracts service*).

Other useful sources


In a publication supported by the Mental Health Coordinating Council (MHCC) titled Homelessness and mental illness: Mapping the way home. Homelessness and accommodation models for people living with mental health problems, Parker, Limbers, and McKeon (2002) review Australian and selected overseas literature of the links between homelessness and mental illness and develop a wide-ranging overview and critique of the current policy context.
SANE Australia's *Blueprint Guide to Supported Accommodation* looks at what can be done for people seriously affected by psychiatric disability who are homeless or living in boarding. The Blueprint focuses on good practice and examines cost issues in providing supported accommodation for this group.

Craze, St Vincent's Mental Health Service, AFHO and Tippett (2000) provide an account of the **National SAAP and mental health linkages project**.

Several editions of the Council for Homeless Persons’ *Parity* have focused on mental health and homelessness:

- April 2003 ‘After deinstitutionalisation’
- April 2002 ‘Young people, mental health and homelessness’
- July 1999 ‘Mental health and homelessness’
- Sep 1998 ‘On the edge: Drugs, alcohol, mental illness and homelessness’

### 3.2 Disabling substance abuse

**Cause, effect and process**

The same issue of cause and effect arises with respect to the relationship between problem drug use and homelessness. Once again, earlier studies tend to document the prevalence of drug use in samples of homeless persons (with or without control groups). However, there are a small number of quantitative studies that address the issue of chronology.


**Project I – Disrupting Stereotypes**

One of the reports from Project I, *Disrupting Stereotypes: Young People, Drug Use and Homelessness* examines the nature and frequency of young people's substance use and, drawing on the data from the 12-month wave of interviews, looks at how this changes over time. Counter to expectation and assumption about the impact of homelessness, among those who used no drug at the time of the first interview, most remained drug free one year later (Mallet et al 2003, 26). The aggregate change in drug use was to lower usage and frequency of usage. Findings are also reported for the newly and more experienced homeless groups which adds another (less direct) means of assessing the impact of homelessness (though as the authors point out, since the newly homeless respondents tended to be younger any difference may be accounted for by age difference rather than duration of homelessness). The report concludes nevertheless that ‘clearly length of time homeless has an impact on young people’s drug use’ and suggests that a partial explanation for this in the different exposure to street based drug cultures (ibid 12).

In the context of ‘speculation among researchers and service providers about whether problematic drug and alcohol use is a cause or consequence of homelessness’, the report also explores the relationship between substance use and the onset of homelessness from the responses of 107 young people who had talked about ‘the relationship and impact of their own or significant other's drug use on their homelessness’ (ibid 40). On the basis of a more detailed consideration of the sequencing of events, four distinct pathways into homelessness are identified:

1. Young person's drug/ alcohol use _ family conflict _ homelessness
2. Family member (s)’ drug/ alcohol use _ family conflict _ homelessness
3. Family conflict _ young person’s drug/ alcohol use _ homelessness
4. Family conflict _ homelessness _ young person's drug/ alcohol use

The first pathway, where the young person's initial involvement with drugs was more clearly the precipitating event, was found to be the most common (38 percent). This is twice the proportion (17 percent) for whom drug use began after becoming homeless (a useful finding for those wishing to make a tentative estimation the impact of homelessness on substance use). Just over one quarter became homeless after the conflict generated by the substance use of a family member.

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37 For further discussion of this project see p*.
38 To encourage honest responses and allow young people greater privacy, the section of questions on substance use were administered by a computer assisted interview using headphones and allowing respondents to enter responses directly.
39 Unfortunately it is not made clear whether these young people were still homeless at the time of the second wave survey.
Surveys of Hanover Welfare Services' clients (1996 and 1999)

In April 1996 Hanover Welfare Services conducted a case review survey of a random sample of homeless clients who were being accommodated or supported by its Melbourne services. More than half (51%) of the 281 clients whose cases were reviewed were reported as having an acknowledged or recognized alcohol or drug problem (see Horn 1996). The study was repeated three years later (see Horn 1999). The percentage of clients with acknowledged or recognized alcohol or drug problems remained about the same (49%). However, there had been significant change in the nature of substance abuse. Horn (2001, 8) reports that ‘heroin use amongst Hanover’s clients had increased by 40% to the point that clients had a prevalence rate of heroin use 10 times greater than that in the local community’. Some 69% of the 1999 client group with a drug problem were using heroin compared to 40% in 1996. An estimate is made that between 30-50% of residents of Hanover Southbank (one of three major crisis accommodation services) were actively using heroin on any given night.

Horn argues that prevalence rates are likely to differ across service types and client profiles. Half the clients with substance abuse whose cases were surveyed in 1999 also had a psychiatric disorder, most commonly, depression. Gender differences are explored in the two survey reports (Horn 1996, Horn 1999).

The 1999 survey showed that 57% of clients referred by Hanover to a specialist Alcohol and Drug Treatment service had used an alcohol and drug service prior to becoming a Hanover client (Horn 1999).

The surveys also revealed that access to specialist drug and alcohol services had increased from 24% in the 1996 study to 37% in 1999. However the rate of clients attempting to get into programs had increased from 32% in 1996 to 53% in 1999, which indicated an increase in the non-acceptance rate. These findings were used in advocacy for the Homeless and Drug Dependency Trial.

Homeless and Drug Dependency Trial

The three year Homeless and Drug Dependency Trial commenced in August 2001 with a budget of $7.5m. It is aimed at ‘utilising major crisis accommodation services as strategic sites for engaging drug-using homeless people, with the aim of reducing their drug dependence, minimising the harm they do to themselves and building pathways out of homelessness and drug addiction toward secure accommodation and stable lifestyles’ (from Inter-Agency Working Party 2000). It was initiated in direct response to the growing number of homeless people presenting at Crisis Supported Accommodation Services with problematic drug dependency issues (see Raynor & Couche 2003).

The initiative is operating from three major inner city crisis services over a three-year period (2001-2004). The Trial incorporates a partnership between Hanover Welfare Services, The Salvation Army, St Vincent De Paul and the Department of Human Services (Drug Policy & Services Branch and Office of Housing). It also has the direct involvement of mental health services, general health services, housing services and other community based supports.

40 The Victorian Office of Housing also supported the Trial via SAAP, through the release of housing stock for the A&D supported accommodation component of the Trial (Raynor & Couch 2003).
Although not explicitly stated, the aim of the Trial can be seen in terms of preventing recurrent or chronic homelessness. It recognizes that crisis supported accommodation services can serve as ‘strategic sites’ for engaging individuals who are homeless and drug dependent.

At the commencement of the Trial, each of the three crisis supported accommodation services developed their own model. The trial design has three key components:

**Part A** - Is focused on strengthening the capacity of the major crisis supported accommodation services to effectively assist residents who are drug and alcohol dependent.

**Part B** - Involves the development and trial of pathway models that provide clear and direct links between CSAS and different forms of treatment and support services. This includes access to drug treatment services appropriate to the particular needs of people who are homeless and strategies to build self esteem, establish new personal relationships, rebuild community networks and provide access to employment and training, using a continuous case management model.

**Part C** - Involves Project development, management, evaluation and targeted research.

This component of the Trial aims both to evaluate outcomes and effectiveness of the Trial and its various elements and to increase understanding of the association between substance abuse and homelessness. The following processes are in train:

**Evaluation of Part A**

- Establishment of benchmark data against Part A objectives and outcomes, allowing for pre and post measurements.
- Ongoing evaluation process at regular intervals throughout the trial.
- Qualitative - Action research process within CSAS & with participating Drug Treatment Services/Mental health services.
- Quantitative - Regular surveying and collection of data against benchmarks.

**Evaluation of Part B**

This has six components

- First, an evaluation of case management pathway models and client outcomes.
  - Individual participant outcomes achieved will be mapped through the use of the assessment tool (benchmark), three-monthly Individual Treatment Plan reviews and a follow-up three month survey post Trial exit.
  - Outcome indicators to be measured include the following domains: client engagement/retention; reduced substance abuse; reduced high risk behaviour; improved physical health; improved social functioning (family/community/housing/training & employment); improved emotional and psychological well being.
Second, a proposed comparative aggregate analysis of Trial Part B participants against other homeless clients (ADIS) accessing generic drug treatment services in terms of utilisation, retention and outcomes.

Third, ongoing action research (planning, action, observation and reflection on all Part B elements.)

Fourth, an indicative/exploratory cost benefit effectiveness analysis of Trial response.

Fifth, two year Evaluation of the Bridge Residential Withdrawal Service in terms of the direct benefits and outcomes of all client groups, particularly homeless clients.

Sixth, evaluation of the Trial's Community Reintegration Program using an Action Research Methodology (two-year project).

**Research publications from the Trial**

Several reports have been published from the evaluation of the Trial. The most important from the point of view of understanding client pathways and longer term outcomes are those reporting on findings for Part B participants. The most recent of these presents findings from the second-year of the trial *Rebuilding lives: Profile, progress and outcomes* (Rayner, Batterham & Wiltshire 2003).

This report sets out the profile of the 131 people who had entered the Trial and consented to be involved in the evaluation process (out of a total of 162, a consent rate of 81%) and the three monthly progress of participants against Individual Treatment Plans (ITPs) in terms of accommodation status, drug-use patterns, occurrence of significant life events and treatment goal achievement.

Key elements from the initial assessment of the participants are as follows:

- Most were young males aged between 25 and 39 years and Australian born;
- Most participants (53%) were in crisis accommodation, with 15% in transitional/supported accommodation and 9% in alcohol and drug supported accommodation;
- High levels of accommodation instability and homelessness with 93% having stayed in crisis accommodation in the previous two years and 44% having 'slept rough'. 71% had moved between three and nine times in the twelve months prior to assessment;
- 70% had been previously diagnosed with a mental illness.

Overall the analysis of the data collected in the three monthly progress reports found that ‘positive impacts start to occur in the early stages of involvement and progressively improve over time’. Specifically in terms of accommodation participants housing stability improved (during the first three month period (ITP) 23% of participants did not move, during the second this increased to 39%, in the third it was 43% and for the fourth it was 59%). The proportion of participants in crisis accommodation decreased from 72% in the first ITP to 8% by the fourth. It should be noted of course that there are fewer participants for each successive ITP.

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Heroin users, housing and social participation (AHURI)

This study by Bessant et al (2003) sought to understand drug use, housing and broader social experience and includes interviews with 47 heroin users, a survey of 150 heroin users in three different locations (inner city Melbourne, Geelong and Fairfield in the south-west suburbs of Sydney) and three focus groups with service providers. There was found to be no self-evident connection between becoming a heroin user and leaving home or becoming homelessness, but participants’ housing or lack of housing influenced their patterns of heroin use and their lives more broadly.

Being homeless was shown to exacerbate problematic drug use. The study found that ‘safe and secure housing ...can support choices about stopping heroin or taking action to prevent a relapse’, that homelessness increases the health risks associated with injecting practices and that secure housing can provide a range of health benefits. The report offers advice on improvements to the current service system. Social housing is seen as the only realistic option for low-income dependent heroin users seeking secure and affordable housing because this group is systematically excluded from the private rental market.

Other useful sources

Three editions of Parity focus on the relationship between drug use and homelessness:

- September 2001 ‘Pathways: Causes and consequences – problematic drug use and homelessness’
- September 1999 ‘Young people, drugs and homelessness’
- September 1998 ‘On the edge: Drugs, alcohol, mental illness and homelessness’
4. High risk transitions

This section considers the research on four sets or circumstances or transitions commonly seen to place people at high risk of homelessness: escaping domestic violence, transition from out of home care, transition from prison, and tenancy breakdown. In each case ‘Early intervention’ initiatives are at various stages of development across the States and Territories.

4.1 Escaping domestic and family violence

Domestic and family violence are seen to render women and children home-less in their own house, and often house-less in their attempts to escape violence. Family breakdown may also leave the perpetrators of violence vulnerable to homelessness. Policy debate over the last few years has emphasised the potential of strategies designed to remove the perpetrator so that women and their children can remain safely at home. Two projects looking at this issue are considered in this section, along with a current study being undertaken by WESNET that involves a broad assessment of the accomplishments of Partnerships Against Domestic Violence (PADV) research.


This project was funded by FaCS to contribute to the Partnerships Against Domestic Violence (PADV) initiative. While it has long been recognized by service providers and policy makers that women and children's homelessness following domestic and family violence is a common occurrence, this was the first national study to document these experiences. The report examines current policy and service responses to domestic and family violence and considers their impact on homelessness and possible ways of reorienting these responses to homelessness prevention.

The report urged a shift away from the assumption that women and children should leave the family home to escape violence. Options for enabling women and children to remain ‘at home’ (and avoid homelessness or residential instability) are a central theme of the report.

The study collected data from four main sources:

- A literature and document review to identify relevant previous research and intervention models aimed at preventing homelessness;
- Analysis of SAAP NDC data to explore timing and patterns of service usage (it suggested the proportion of women escaping domestic violence who have more than one support period during a twelve month period is not markedly different from that for SAAP clients overall);
- Twelve focus groups with a range of stakeholders (161 individuals in total) from women’s accommodation services, public housing, police, courts administration and other services (analysed qualitatively);
- Semi-structured interviews with women who had experienced domestic or family violence (analysed qualitatively).
The interviews with women who had experienced domestic or family violence investigated: sources of formal and informal help; which adult left the family home; accommodation sought upon leaving home; self-perception as homeless or otherwise; experience of women’s shelter or refuges; experience with other accommodation services (private rental, public housing); experience with outreach services; and views on the possibility of an outreach model (in addition to a refuge model) in which women are assisted to remain in their home.

The study is said to confirm previous research that ‘in order to live without violence from intimate partners women are forced or encouraged to leave their home and seek other accommodation’ which in turn, generally results in ‘considerable social and personal disruption and financial disadvantage’ (Chung et al 200, 46). It was common for women and children to experience various forms of homelessness at this time including stays in refuges or boarding houses and periods ‘living rough’ – although women did not necessarily describe their experience in terms of being homeless.

Several service factors are identified as increasing the likelihood that a woman would return to the violent relationship:

- Not being able to access shelter accommodation or that accommodation being inappropriate;
- Having to remain in a refuge/shelter for a lengthy period when the woman is ready to move on (lack of exit points);
- Having to accept housing of significantly poorer standard than the family home or in a poorly serviced, isolated or lower socio-economic area;
- Not having adequate furnishings and household goods for the woman and her children.

The report also describes (but does not quantify) the impacts of living in temporary accommodation for women and children: it may mean living at distance from services and from friends and family (out of the local area, which may or may not be the woman’s preference); it may also mean the loss of a job; children’s lives are said to be inevitably disrupted by the move to temporary accommodation and the frequent moves tend to exacerbate the problem. It is noted that in instances where the perpetrator is made to leave the home, additional accommodation services may be needed.

Chung et al emphasize the heterogeneity of women’s circumstances. They point to a growing proportion of women SAAP clients who have endured domestic or family violence in tandem with a range of other debilitating problems such as mental illness, drug and alcohol addiction and gambling (themselves or their partners). Women often have prior experience of homelessness and transitory lifestyles. These women require more intensive, longer-term and more diverse support from a range of services.

The Australian Domestic and Family Violence Clearinghouse explored women's accommodation pathways in the report Staying home, leaving violence (Edwards 2003 and forthcoming). This study (funded by the NSW Department of Community Services) is based on interviews with 29 women who had left a relationship where there was domestic violence. The women interviewed came from three regions of New South Wales. The main aim was to understand the issues facing women in deciding whether to stay or leave their home after ending an abusive relationship. Of the 29 women interviewed, nine had remained in their own homes. The study identifies three critical factors enabling these women to remain in their homes: strong attachment to the home; removal of violent partner by authorities or left voluntarily; and, circumstances in which the woman was not overwhelmed by fear.

Edwards found that despite the range of services used by the women interviewed, none focused specifically on enabling women and their children to remain safely in their homes. The study describes (but does not quantify) the costs incurred by women and their children through being forced to leave their homes and the costs to society of their homelessness, re-establishing their housing and the disruption to the children's lives. A series of case studies was developed as part of this study.

WESNET's examination of the progress in accommodation and support for women experiencing and escaping violence (2003-4)

The Office for the Status of Women has funded WESNET to report on the past decade of progress in developing accommodation and support for women experiencing violence (see Parity June 2003, p6). The research team comprises Wendy Weeks, Julie Oberin and Therese McCarthy.

The research will undertake the following tasks:

- Document the extent and nature of accommodation options for women experiencing or escaping from violence.
- Document the extent and nature of change (‘progress’) over the last decade.
- Document the extent and nature of outreach support available to women experiencing or escaping violent situations.
- Identify referral and support pathways for women who do not use accommodation services.
- Identify alternative models of outreach support and accommodation, and creative or innovative models.

The project will develop case studies of intervention models. Consultations will be conducted in each State and Territory. The study will also conduct specialist consultations regarding appropriate responses for Indigenous women and women from culturally and linguistically diverse backgrounds.
Other useful sources

- AFHO Policy Platform ‘Domestic and family violence as factors in homelessness’
  Parity has devoted two editions to the subject of domestic and family violence:
  - November 2003 ‘New dimensions in domestic violence and homelessness’
  - March 2001 ‘Out of the fire: domestic violence and homelessness’

4.2 Transition from prison

There is only one longitudinal study on the housing and homeless pathways of ‘ex-prisoners’ in Australia. Nevertheless, this research by Baldry and colleagues (2003) has generated significant quantitative data both on the transition from prison as a pathway into homelessness, and the wider impact of homelessness and housing instability on recidivism and the return to prison. In addition, a recently completed qualitative study by the Australian Institute of Criminology (2004 forthcoming) explored ex-prisoners’ pathways into, and impact on the SAAP system.\(^{42}\) Both studies were designed with a view to informing the development of post-release housing and support programs.

**Ex-prisoners\(^{43}\) and accommodation (Baldry et al 2003, AHURI)**

This study by Baldry, McDonnell, Maplestone and Peeters examines the relationship between ex-prisoners’ accommodation experiences and social reintegration. It was funded by AHURI between November 2001 and February 2003. The aims of the project include the following:

- Provide an understanding of the housing needs and circumstances of persons being released from prisons in New South Wales and Victoria;
- Ascertain the importance of type of accommodation, in association with other factors, which contributed to successful resettlement of ex-prisoners;
- Compare accommodation types and social outcomes of the marginal and ‘at risk’ subgroups within the ex-prisoner sample (including people with psychiatric and intellectual disabilities, women sole parents, women experiencing domestic or other violence, people experiencing family breakdowns) and also Indigenous peoples;
- Provide information on whether ex-prisoners are coming from and returning to already severely disadvantaged locations;
- Compare the use of formal support and rehabilitation services between ex-prisoners who have or have not been re-incarcerated;
- Gather housing and support ‘stories’ of those who have stayed in formal ex-prisoner supported accommodation;

\(^{42}\) This study was commissioned by the SAAP CAD. At the time of writing this study was still to be signed off by the CAD and approval was not given to include details of the report in this overview.

\(^{43}\) ‘Ex-prisoners’ are defined by the researchers as persons who have been incarcerated. The term includes not only people tried and found guilty but also those being held in remand and those who may have been falsely imprisoned.
For the group of highly transient ex-prisoners identified in the first part of the study, explore the barriers to obtaining stable accommodation.

The project included:

- An international policy and literature review;
- A four wave panel study of ex-prisoners in Victoria and New South Wales.

**Panel survey**

Up to this point there had been no longitudinal study in Australia of a sufficient sample size to provide reliable quantitative data. The baseline survey comprised a sample of 339 persons released from prisons in NSW (n=194) and Victoria (n=145) over a three-month period. All prisoners about to be released were invited to participate. The researchers do not provide an estimation of the proportion that declined to participate but they do emphasise that the sample was not intended to be representative either of prisoners or releasees (Baldry et al 2003, 8).

The pre-release sample was 75% male and 16% were Indigenous Australian. Two-thirds (66%) had been imprisoned previously. Prior to imprisonment, 20% in NSW and 12% in Victoria were literally without shelter.

The research team conducted interviews just before prison release and then at 3, 6 and 9 months following release. The project achieved a good response rate with 70% of the original sample remaining in the final round of interviews (145 from the NSW sample and 93 from the Victorian).

Structured questionnaires were developed (with some open-ended questions) with the aim of providing quantitative data ‘for a population about whom almost nothing statistical is known’. For the most part data were disaggregated according to State since significant differences were found on most items.

**Findings**

The rate of homelessness at the end of the study period was higher than that before incarceration (from 18% pre-jail to 21% post-release) (Baldry et al 2003, 12). Significant differences were found between NSW and Victoria - the rate of homelessness dropped in Victoria but dramatically increased in NSW.

Half the sample (n=112) was highly transient post-release moving two times or more between interviews. Typically these transient ex-prisoners would move from friend to friend, sleeping on a couch, and often to the street and maybe to a hostel. The researchers note that ‘these chaotic living arrangements made doing anything about drug rehabilitation, employment or social connections virtually impossible’. In the majority of cases (59%) transient participants were re-incarcerated by nine months post-release. None of the Indigenous participants lived in a family home during the post-release survey period and many relied on public and publicly assisted housing. Women often faced the consequences of having let friends or family use

44 Maplestone and Peeters (2003) document some of the difficulties of implementing a longitudinal study of this scale and with people leaving prison in an article for *Parity*.

45 The definition of homelessness used in the study is that of ‘primary homelessness’ because it tended to coincide with participants’ definitions.
their housing authority house while in prison. Indigenous women had particular difficulties accessing both public and private housing markets. Of those Indigenous participants who had not been re-incarcerated nine months post-release, half were homeless.

The researchers conclude that the study clearly shows that homelessness and transience increased the chances of a return to prison – though drug use may have been an intervening variable. The factors most highly predictive of returning to prison were identified, using logistic regression, to be: moving often (two times or more in the three months post-release); and worsening problems with heroin. Being homeless, having no accommodation support or support assessed as unhelpful and an increase in the severity of alcohol and other drug problems were also significantly associated with return, as were being an Aboriginal or Torres Strait Islander person, being a woman or having debts. Conversely, not moving at all or moving only once in the three month period between interviews, living with parents, partner or close family, having employment or being a student, and a positive assessment by participants of support and contact with agencies were predictors of staying out of prison (at least for the study period). Given the quantitative nature of the study, the logic underpinning these associations has not been explored in depth.

Of the original sample, 73% in NSW and 58% in Victoria were given no information on accommodation or support pre-release. Prisoner's hopes about their post-release accommodation (for example, staying with families) often proved overly optimistic.

The study is said to show that when stable housing is combined with helpful support that assist in addressing issues such as drug problems, family relations and employment, ex-prisoners are much less likely to return to prison. The researchers suggest that one strategy to lessen the risk of homelessness and recidivism may be to provide support to parents and other family members of ex-prisoners who are providing accommodation.

Programs and evaluation

Given the relatively recent appearance of post-releasing housing programs, evaluation data are in short supply. Victoria is seen as leading development in this area (AIC 2003). Two pilot programs the Transitional Housing Management (THM) - Juvenile Justice Housing Pathways Initiative and the Transitional Housing Management (THM) - Corrections Housing Pathways Initiative are underway, with evaluation studies imminent.

Westacott (2003) refers to these two initiatives as illustrations of how the joined up approach to government services can deliver benefits to multiple policy areas. The THM - Juvenile Justice Housing Pathways Initiative is a development within the Department of Human Services between the Office of Housing's THM program and the Community Care Division's Juvenile Justice program (Westacott 2003). The Initiative aims to improve housing access for young people aged 17 and over who are leaving custody on parole and who are homeless or at risk of homelessness. The pilot includes young people leaving three Juvenile Justice centres.
The THM - Corrections Housing Pathways Initiative arose from an agreement between the Office of Housing and the Office of the Correctional Services Commissioner in Department of Justice (Westacott 2003). It is operating in three Victorian prisons for two years as a pilot program to address the needs of people leaving prisons who require accommodation and, where necessary, related support. The Victorian Office of Housing has allocated 61 transitional properties to the initiative over two years (Aktepe & Lake 2003). The program's focus is on prisoners considered most at risk of homelessness and it aims to prevent homelessness by ensuring existing accommodation is not lost during incarceration or by assisting placement in appropriate accommodation upon release. Preliminary results from the evaluation study indicate that housing and support workers had provided housing assessments for 461 prisoners and more intensive housing assistance for 288, with 47 ex-prisoners being accommodated (ibid). On average workers were providing 20 hours of homelessness assistance for each client.

The Forensic Psychology Program at Deakin University is providing process and impact evaluations. The evaluation will trace clients through the program, ascertain whether the initiative reduces the incidence of homelessness and reduces reoffending (Aktepe & Lake 2003).

Subgroups

While no empirical research has focused on specific subgroups of ex-prisoners some reports have explored the needs of women leaving prison (Carnaby 1998, Dutreix 2003, and Slowinski 2001) and of young people (Winther 2003).

Other useful sources

The reports by Baldry et al (2003) and the Australian Institute of Criminology (forthcoming 2004) both provide extensive bibliographies of Australian (and international) research.

The Council for Homeless Persons has devoted two editions of Parity to post-release issues and the experiences of ex-prisoners:
- June 2003 ‘On the outside: Revisiting post release issues’
- Nov 2001 ‘Post-release and homelessness’

4.3 Transition from out-of-home care

Australian studies from the National Inquiry into Homeless Children (1989) onwards have shown the high proportion of young people who have experienced state care in the homeless (youth) population. For example, Project I found that just under a quarter (24%) of the 674 young people interviewed for the study had had previously lived in accommodation provided or supported by Child Protection (Myers et al 2003).

While our emphasis in this section is on the risks of homelessness associated with leaving care, the experience of out of home care pertains not just to ‘youth’ pathways through homelessness, but also to people whom, many years since leaving care, are still coping with the fall out. An unknown number of these adults are Indigenous
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peoples from the ‘stolen generation’. For those who came into care as a consequence of a child protection intervention the risk related to the experience of out of home care will compound that arising from the often traumatic family circumstances that led to the initial placement.

Recent reviews of this expanding research and practice literature can be found in London (2004), Glare et al (2003), Mendes (2004a, 2004b, 2004c) and Mendes and Moslehuddin (forthcoming 2004).

**Prospective and retrospective longitudinal research**

Several longitudinal studies, generally State based, investigate the relationship between leaving out-of-home care and housing instability and homelessness. There has recently been a groundswell of advocacy and research in Victoria in support of enhanced out of care provision for young people (see Mendes 2004a, 2004b). In addition to a study for the Department of Human Services (Owen et al 2000), several non-government agencies have initiated independently funded leaving care research and development projects including those by MacKillop Family Services, and St Luke's Youth Services. The Children's Welfare Association of Victoria is also undertaking a longitudinal study that includes a cost analysis of young people's leaving care pathways. The largest longitudinal study, both in terms of sample size and duration of follow-up, remains the study of care leaving in New South Wales by Cashmore and Paxman (1996).

**Wards leaving care (Cashmore and Paxman 1996)**

The researchers were commissioned by the NSW Department of Community Services to examine the circumstances, experiences and needs of young people aged 16-18 leaving wardship in the State. The study included a three-wave panel survey involving face-to-face interviews with young people leaving care. Young people were interviewed before discharge, 3 months after (n=47), 12 months after (n=45) and finally, four to five years after discharge (n=41). Comparison groups were developed as part of the study involving young people of similar ages living at home or in refuges.

Cashmore and Paxman note that 75% of young people who had been in care had moved from their pre-discharge place of living within a year or so leaving care. During this year they lived at an average of three different places, with some young people living in up to 12 different places. The study found that at some point 18% of young people who left care stayed in a refuge, 13% had stayed on the street at some point, 27% stayed in supported accommodation or boarding houses, and 37% stayed with friends or friend’s families. Some young people experienced a number, or all of these types of accommodation on a number of occasions (Cashmore & Paxman 1996, 113).

**Young people leaving care and protection (Maunders, Liddell, and Green 1999)**

Maunders, Liddell and Green interviewed 43 care leavers and found that over a third (35%) were discharged into youth refuges and SAAP programs, or to temporary arrangements with friends and that half had experienced homelessness at some time since leaving care. Homelessness was identified as one of the factors (along with the
experience of abuse in care, drug abuse, and despair leading to attempted suicide) that tended to work against acceptance of support and a move towards independent living. Living in unstable accommodation at the time of discharge was also reported to inhibit young people's transition from care to independence, a circumstance which itself often followed instability (multiple placements, homelessness) during the period under a care order (cited in Owen et al 2000). For some young people, a history of homelessness prior to being in care was associated with lack of long term goals which in turn tended to lessen the chances of making a successful transition post-care.

Pathways to interdependence and independence: The Leaving Care Initiative (Owen et al 2000)

This study for the Victoria Department of Human Services involved a review of the research and practice literature, a good practice forum and examination of the population and a sample of case records of young people aged 14-18 who had left care over a three-year period. It also attempted to follow a sample of young people leaving the care system (Owen et al 2000). The original methodology proposed by the consultants was to conduct face-to-face semi-structured interviews with 50 care leavers, drawn at random from the Department's data set of 968 young people soon to be discharged. A more economical focus group methodology was adopted instead whereby the researchers planned to contact a sample of young people who had already left the system. However, the team was largely unsuccessful in their attempts to recruit young people to the study and it proved impossible even to locate nearly a third of the listed sample. The researchers attribute these problems largely to the timing of the contact (post-discharge) and the failure to build rapport with young people before leaving care. Owen and colleagues recommended the Department develop a prospective longitudinal study along the lines of that by Cashmore and Paxman (Owen et al 2000).

Children's Welfare Association of Victoria (in progress)

The Children's Welfare Association of Victoria (CWAV) represents over 80 community based organizations providing services to children, young people and families and acts as the peak body of the child welfare and family support sector in the State. It has been a strong advocate for improved leaving care supports.

In May 2003, the CWAV obtained funding from Telstra (in May 2003) to undertake a two-year study including:

- A literature review of research undertaken in Australia and overseas about children and young people leaving care;

- Analysis of macro-economic data such as welfare dependency, juvenile justice and homelessness in order to quantify the economic and social costs of the lack of adequate preparation for and support for young people who leave care in Victoria; and

- A tracking through the life experiences of a sample of young people to establish the education, employment, housing and other outcomes for young people leaving care under the existing system.
The study plans to explore the lives of 60 young people who have left care. A key aim is to demonstrate that preventive leaving care and after care supports produce cost-effective outcomes (see summary by Mendes 2004a).

**MacKillop Family Services ‘Transition to Care’ Project (London 2004)**

MacKillop Family Services is a large Catholic child and family welfare service provider based in Melbourne and Geelong. Findings from the ‘Transition to Care’ project have recently been published in a report by London (2004) entitled “It’s a real shock” Transitioning from care to independent living.

The project included the following components:

- An international and Australian literature review.
- In depth interviews with 10 young people who have previously lived in various forms of MacKillop Family Services out of home care.
- Follow up on the outcomes of a cohort of young people who transitioned from MacKillop care to independence during the 12 month period from March 2002 to March 2003.
- Development of policies and procedures to assist young people in their transition from care to independence.

The interviews with young people inquired about access to educational, employment and other transitional and developmental opportunities, with the aim of identifying the sorts of interventions that had, or would have been helpful, in assisting the move to independence. Potential respondents for this research were identified via service managers and case workers from MacKillop agencies. Caseworkers were then asked to contact the young people and ask if they would be interested in being involved. This meant that young people who had lost contact with MacKillop, anticipated to be those encountering the greatest post-care difficulties, were not included in the research (London 2004).

The project also followed the progress of 33 young people who had transitioned from MacKillop care over a twelve-month period. This was done by interviews with the young people’s case managers rather than the young people themselves. Interviews were conducted in August 2003, at which point, the young people had been living out of the care environment for between 6 and 18 months. Up-dated information was obtained on some of the young people at the end of the same year. The quality of information collected was therefore dependant on each worker’s knowledge of the young people. Contact was made with workers who had been involved with 87% of the original sample of 38 young people. The report notes that information gathered on details of the young people’s current situation was more limited, with up to a third of all the current situations being unknown. This indicates that within 6-18 months contact has been lost with a significant proportion of young people who have transitioned from MacKillop. The average time in placement for clients in the sample was 715 days, ranging three months to 16 years. The majority of young people were aged 17-18 at the time of leaving care.
While almost half the young people moved immediately from care to live with family, it is reported that a large number of these placements broke down within a short period of time. Within of leaving care the number of young people living with their family had dropped by half (from 48% to 24%). By this stage, almost half of the young people were living in different accommodation from their exit accommodation. This is seen to highlight the instability of life after care. When asked about the housing situation of the young people, workers’ responses indicate that 16 young people were considered to be ‘stable’, another 9 to be unstable or transient, and the circumstances of the remaining eight were unknown.

London (2004) concludes from the data that within six to 18 months of making the transition from care, that

- About half the young people are in a stable situation with good health, and about one third are in employment or training.
- The situation of nearly one third of the sample is unknown.
- At least 15% of the sample currently have poor health, at least 27% are transient, and at least 33% are not working and have no involvement in education.

**St Luke’s Youth Services Leaving Care and Housing Project**

St Luke’s Youth Services is a Christian welfare agency based in the regional city of Bendigo. The Leaving Care and Housing Project examines the housing and support needs of young people leaving care through a range of data including a public consultative forum, responses from workers, and interviews with six young people. It found that many young people were being referred inappropriately to Supported Accommodation Assistance Program Services (SAAP) upon discharge. A number of the young care leavers had become parents and in three cases child protection had become involved and removed the children. The project recommended the introduction of an after care support service including designated accommodation for care leavers. St Luke’s has since established a Leaving Care and After Care Support Service with funding from the Colonial Trust. (See Mendes 2004a for further details of this project).

**Programs and evaluation**

Recent work by Mendes (2004a, 2004b, 2004c) and Mendes and Moslehuddin (forthcoming 2004) provides comparative analyses of leaving care services across Australian States and Territories and between Australia, UK and USA. The information below is summarized from these publications.

New South Wales is the only state to have introduced specific legislation providing for the on-going support of care leavers. In 1996, the State established a statewide After Care Resource Centre that acts as a resource and advocacy service for young people leaving care or who have left care. The Centre helps care leavers to access housing options, and other financial and support needs. Specialist services are also provided to young people and adults who have had negative experiences in

46 Examples of poor health included excessive drug and alcohol use, excessive smoking, poor eating habits, risky behaviour, self harming behaviour and poor emotional health.
care. In addition, NSW contracted three leaving care services for metropolitan and surrounding areas, and introduced a statewide Aboriginal and Torres Strait Islander Service. New services for other regional areas are also currently being introduced. All care leavers aged 15-25 years are able to access these services. Priority for casework support is given to those young people judged to be most at risk due to homelessness, poor networks and supports, or limited access to other services. Care leavers are also entitled to establishment costs of up to $1400 for the purchase of household goods. No official evaluation of the efficacy of these services has been completed to date (Mendes 2004b).

Victoria introduced a Leaving Care Service Model Project in 1998 that aimed to strengthen support for young people leaving care aged 14-18 years. No specific funding has been provided for transitional or after-care programs, although a pilot housing and support program (the Leaving Care Housing and Support Program) is currently being trialled in two regions. The aim of this pilot program is to reduce the incidence of homelessness amongst care leavers by strengthening their independent living skills, providing access to housing options and income security, developing their support networks, and promoting links to education and training (Mendes 2004a). A brief evaluation is planned for mid 2004 (ibid). Other Department of Human Services’ initiatives include a mentoring program for care leavers which will assist 75 young people in the transition from residential care to independent living and, as part of the Victorian Government’s Youth Homelessness Action Plan, a series of leaving care pilot projects is planned. Mendes notes that the major focus of the Victorian Government is on early prevention programs and the in-care experience, rather than leaving and post care.

According to Mendes and Moslehuddin (2004) the Victorian Government has informed child welfare service providers ‘that after-care services will not be funded unless the sector can demonstrate through economic analysis that downstream savings will be made in terms of addressing potential longer-term costs pertaining to homelessness, drug and alcohol abuse, mental health, and early pregnancy and associated child protection interventions’. The study by the CWAV was initiated in response to this challenge.

A number of other states have also introduced transitional and after-care programs designed to assist care leavers with accommodation and other support needs. At the federal level, the FaCS introduced a Transition to Independent Living Allowance (TILA) which provides financial assistance up to $1000 for particularly disadvantaged care leavers (i.e. those who have been in care for an extended period of time, and who are judged to be at greatest risk of failing to make a successful transition to independent living). The introduction of TILA has been justified on the grounds that early intervention and support programs will help to prevent later ‘welfare dependency and homelessness’. In order to develop data to investigate the economic implications of this initiative for federal and State governments, FaCS has recently commissioned a consultancy to scope the possibilities for a pathway costing (‘Transition from care – costs and benefits of alternative pathways for young people’, Request for Tender FACS/O3/T368). The proposed project doesn’t include an empirical research component, but develop costing frameworks by consulting experts on common pathways.
4.4 Tenancy breakdown and housing crisis

MacKenzie and Chamberlain (2003) identify ‘housing crisis’ as one of the three fundamental pathways into adult homelessness. Homelessness can be precipitated by a financial crisis, sale of the rental property, difficulties with landlords or neighbours (all generally underpinned by financial vulnerability). In their exploration of what ‘early intervention’ might mean for adult as opposed to youth homelessness, they emphasise the importance of intervening before housing is lost, since things generally get worse after this point (ibid; Chamberlain & Johnson 2002, 38). Chamberlain and Johnson (2002) point to the potential for ‘first to know’ agencies such as Centrelink, local real estate agents, and local GP networks to initiate early intervention strategies. One of the suggested strategies is to locate housing assistance workers in Centrelink to ensure breaching does not force households into homelessness.

A range of strategies fitting the description of ‘early intervention’ have been in operation for some time in both the homeless and housing systems across the States and Territories, aiming to prevent eviction, sustain tenancies and more broadly to maintain tenancies and ‘maximize the likelihood of positive housing and non-shelter outcomes’ (Jones et al 2003). Recent SAAP funded research has provided an overview of eviction prevention activities across Australia (LennMac Consulting 2004 forthcoming).

As priority allocation to public housing across the States and Territories has increasingly focused on prospective tenants with high and urgent needs (for example, ‘recurrent homelessness’ is the priority one category in Victoria) so the challenges for tenancy management have increased. Tenancy failure, and the high costs of tenancy failure are likewise seen as an increasing problem.

Research on tenancy breakdown and prevention cross cuts the housing and homelessness fields and our discussion in this section can only touch on what has been done. We look at recent research on tenancy breakdown in public housing, private rental and end by noting a study that has provided evaluation data on the use of emergency assistance funds by a homelessness service provider.

Tenancy breakdown in public housing

Speaking of the experience of the South Australian Housing Trust, Gale (2003, 3) notes that a particular concern is the cycle of homelessness or revolving door syndrome, whereby households with complex needs are housed with a pre-existing debt, subsequently evicted because of debt (and/or other issues), become homeless and spend time in the SAAP sector before being re-housed, this time with a larger debt.

The South Australian Housing Trust established the Future of Service Delivery Project in November 2001 ‘in response to the increasing complexity of the customer

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47 Centrelink has started to use automated risk profiling as part of its participation in the Family Homeless Prevention Pilot to assist early identification of risk factors such as multiple changes of address, accessing crisis payment, and Centrelink debt (RPR Consulting 2003).

48 Jones et al (2003) have developed a framework for understanding the factors that predispose a tenancy to failure and the role that interventions by housing authorities can play. They propose a research study to test an empirically grounded model to enable housing authorities to identify ‘at risk’ tenancies.

49 The South Australian Housing Trust was the first State housing authority to be established in Australia. It provides public housing, private rental assistance as well as housing programs that cater for young people and customers with special needs.
base and the need to contain administration costs to ensure the ongoing financial viability of the Trust' (Gale 2003). The Project investigated the costs of providing services to tenants identified with complex and non-complex need and found, not surprisingly, that customers with the most complex needs accrued the highest individual costs (Gale 2003).

The Future of Service Delivery Project also found that in 2001-02, 766 tenants housed on Category 1 (high and urgent needs) and Category 2 (high, but not urgent needs) vacated within twelve months of being housed. Of these 46% returned for services within six months.

Gale (2003, 6) suggests this high degree of tenancy failure clearly demonstrates the need for preventive strategies, including the development of service agreements and partnership protocols with support agencies to ensure that support is available for tenancies at risk. She adds that while some people may experience homelessness due to a short term crisis, the 'revolving door' experience documented by the Future of Service Delivery Project points to a more difficult problem resulting from complex and inter-related factors. The prevention and reduction of homelessness are seen to require attention to both housing and non-housing factors, and the linking of housing and support.

From the point of view of the homelessness service system, there has been parallel concern regarding high number of households presenting to SAAP services whose previous accommodation was public housing, since public and community housing are generally seen as stable ‘exit points’ for clients leaving the SAAP system. However, careful interpretation is needed in assessing whether given statistics reflect well or badly on the housing and homelessness systems.

In Victoria, Hanover Welfare Services has examined outcomes for people with experience of homelessness in public housing in two ways: firstly by examining Confidentialised Unit Record Files for Victorian SAAP clients whose previous (or current) accommodation was public housing to investigate why public housing tenants are apparently ‘bouncing back’ into the SAAP system; secondly, by examining retention rates in Victorian public housing by segmented waiting list category to compare outcomes for these different tenant groups.

In the former work (Horn 2002, 2) found that in Victoria, discounting those clients moving from one SAAP service to another, 10% of support periods were for households reported as being in public or community housing immediately prior to support provision. However, 44% of these presentations were by households who were categorized as being ‘at imminent risk’ of homelessness, that is, they were probably in public housing when they requested assistance. This may go someway to explaining the high proportion of households who present from public housing and appear to return public housing after support. 50 There is also evidence that a significant proportion is related to issues of domestic violence where the SAAP

50 LennMac Consulting (2004, 113) found that 72% of support periods whose accommodation immediately before support was public housing, were in public housing at the end of support. While this is interpreted as illustrating a revolving door syndrome, it may be that a significant proportion never actually leave their accommodation in public housing during the support period but are receiving assistance with their housing difficulties.
intervention enables a household to access another public housing dwelling or there is some resolution of the issue that enables the household to return to original dwelling. In Victoria, more than half of the support periods by those reporting public housing as their accommodation prior to requesting SAAP assistance identified domestic violence (43.4%), physical/emotional abuse (4.3%) or relationship/family breakdown (5.7%) as their main reason for seeking assistance. This clearly changes the nature of the policy implications that might be drawn from the data, and the sorts of early intervention deemed appropriate.

A second issue raised by Hanover research is the appropriateness or otherwise of placing younger people in public housing. Rather than Analysis of Victorian Office of Housing data is said to suggest that public housing is not suitable for young people in the longer-term (Horn 2003; Nicholson & Horn 2003). Limited information is available on the reasons for failed tenancies but nearly half in the 18 to 34 bracket appear to leave ‘under bad circumstances’ (Horn 2003). Research with Hanover’s own clients suggests that younger adults felt that being placed in public housing ‘was tantamount to “writing-off” their future’. Hanover Welfare Services has developed a ‘new approach to homeless young job seekers’ in response to this and other research that challenges a ‘housing first’ response to this group of clients.

Nevertheless, the wider problem of tenancy breakdown remains.

**Tenancy failure in private rental**

Researchers have begun to investigate the effectiveness of tenancy establishment and eviction-prevention initiatives for tenants in the private rental sector. For example, in Victoria, McCormick and Wylie (2000) have investigated outcomes for households receiving financial assistance to secure or maintain private rental housing. Recent work in South Australia has examined tenancy outcomes over time through the use of administrative data (Slatter & Beer 2003; Slatter & Crearie 2003).

The first of the South Australian studies focuses on housing evictions involving bailiffs (Slatter & Beer 2003). The authors point out that the South Australian government has for some years provided funds to pay bond money to initiate tenancies in the private rental market. As this has become the preferred tenancy type for low-income households, the initiative has shifted from a de facto to an explicit early intervention strategy aimed at homelessness prevention. The study found that between 1995 and 2002 the South Australian Housing Trust issued $45.99 million in rental bonds for 106,306 low income households of which 82,853 had ended by June 2002 with almost half of the bond money issued ($15.83 million) forfeited to landlords. Tenancies with a Housing Trust Bond were over-represented in evictions involving bailiffs. The median length of tenancy that ended in a bailiff-assisted eviction was six months for tenancies involving a Housing Trust Bond, eight months for a private bond and 26 months in the case of Housing Trust tenancies.

The second study, by Slatter and Crearie (2003), ‘Setting them up to fail: Initial findings from a study of the South Australian Private Rental Assistance Program’, was prompted by the finding of the previous study that private tenancies with a bond provided by the South Australian Housing Trust were failing quickly, regularly and expensively. This study analyses administrative records of bond recipients from July
1998 to June 2003. It discovered that more than half of tenancies ending over this five-year period that had bonds guaranteed by Housing Trust, resulted in the Trust losing at least some of the bond to landlords. Indeed, in 37% of cases, landlords claimed the full bond. Of those tenancies that resulted in landlords claiming at least some of the bond money, 40% had ended within six months and a further 30% ended within six to 12 months. The study also discovered a significant proportion of customers who were repeat recipients of bonds from the Trust and who had even lower rates of ‘successful’ tenancies. Overall, one quarter of bonds paid by the Housing Trust over this period went to repeat bond recipients with one customer receiving nine bonds over the period.

Slatter and Crearie (2003) argue that more qualitative investigation is needed to reveal why tenancies fail, the role played by emergency rent repayments in maintaining accommodation and how the South Australian Housing Trust’s positive experience with their own tenants can be translated to the private rental market.

**Use of emergency funds by homelessness service providers**

Chamberlain and Johnson (2002) provide a rough indication of the effectiveness of early intervention through the use of emergency (HEF) funds by Argyle Street (and discuss the dilemmas that arise in the distribution of these funds). Analysing data from the Argyle Street data set (see p*) they show that, over a period of a year, the accommodation outcomes for those households assisted while ‘at risk’ of homelessness appeared more favourable than those for households assisted after losing their housing. Some 83% of the 962 households at risk maintained housing while 17% became homeless. Of those already homeless (1,960), 19% moved to secure housing and 81% remained homeless. The authors caution that some clients who were at risk may have become homeless but not returned for assistance (leading to an underestimation of the proportion who became homeless) while others who were homeless may have found accommodation with assistance from another service (leading to an overestimation of the proportion of those homeless at the time of assistance that remained homeless). Nevertheless, they suggest that intervention before the loss of housing represents a more effective use of HEF funds. They further anticipate, though no costing is undertaken, that ‘early intervention is cost effective and has tangible benefits for the individuals involved’ (ibid 38).

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51 Successful tenancies here are defined as cases where the whole bond was refunded to the Trust on ending.
5. Use of acute and emergency health services

There is considerable anecdotal evidence from practitioners in homelessness services, drug withdrawal programs, prisons and juvenile detention centers and from assorted health services and hospitals identifying the existence of ‘institutional circuits’ that describe the experience of homelessness for a significant portion of people. For example, the Commonwealth Advisory Committee on Homelessness suggested that people with mental health issues that become homeless often ‘find themselves moving continually between hospitals, temporary accommodation, SAAP services and homelessness’ (CACH 2002). No research-based evidence was provided in support of this claim. Statistical evidence is surprisingly thin on the ground, although many of the recent studies described in this review have gone some way to rectifying this albeit usually with small survey samples (see Robinson’s 2003 study on iterative homelessness among people with mental illness, Baldry and colleague’s 2002 study on the accommodation pathways of ex-prisoners, and findings from the Drug Dependency Trial).

A growing body of published research identifies homeless persons as a group of ‘heavy and inappropriate’ clients of acute and emergency health services (see Ash et al 2003; Champion 2003; Dent et al 2003; Zufferey 2000). This is the focus of this section.

Psychiatric inpatient units

Champion (2003) reports on a 15 month National Homelessness Strategy pilot project to provide assistance to clients during admission to and discharge from Darwin’s acute psychiatric inpatient unit. The project has an action research component. It includes a survey of inpatients at admission (129 people to date) and the collection of additional information from those assisted by the project worker (26 people to date). The report also provides information on readmission to the inpatient unit over the twelve months.

Champion reports that more than a quarter (26%) of patients were deemed homeless on admission, with a similar proportion homeless on discharge but ‘not necessarily the same people’.

A second study was conducted by Ash et al (2003) on patients admitted to an acute inpatient unit in South Australia. This study, published in the International Journal of Social Psychiatry, found that 27% of 119 patients were homeless.

Hospital emergency departments

Dent and colleagues (2003) undertook a review of administrative data from an inner city Melbourne emergency department examining the top 500 frequent presenters over a period of 64 months. The research was designed principally to investigate the degree of inappropriate emergency department use by this group. Inappropriate use was defined as presentations that could have been handled by a general practice. The study found that presentations by homeless persons (no fixed address) accounted for 5.6% of all Emergency Department patients but a notable 40.9% of presentations by frequent attenders potentially suitable for diversion to a GP.
An observational study of mental health presentations to Victorian emergency departments is also currently underway. This study analyses the administrative records of patients presenting to five Victorian emergency departments who are diagnosed as having a mental illness. The emergency departments have been chosen to provide a representative sample of the state system. These projects are discussed in Chapter 8, p.*

In an earlier study, the Evaluation of St Vincent’s Hospital Melbourne/Royal District Nursing Service Homeless Persons Project (April - Dec 1994) enumerated presentations by homeless people to St Vincent Hospital emergency department over three separate nine-month periods. It identified an average of 5.2 presentations among this group. The evaluation indicated that assertive interventions do help reduce emergency department presentations (Zufferey 2000).

Zufferey (2000), a Project Officer on the Acute Care to Community Services Linkage Project, gives a useful overview of research and practitioner evidence of the use by homeless persons of general and psychiatric hospitals in Adelaide. This Project was established in Adelaide at the end of 1999 as part of the City Homeless Assessment Support Team (CHAST) Outreach Service. It aims to achieve better long term outcomes and improve methods of service provision to homeless people with high and complex needs living in or frequenting the inner city. It also aims to assist in reducing demand on acute care services and repeated presentations and admission, by working with high repeat users of services (Zufferey 2000). The Project obtained detailed information about repeat users of the Emergency Department from computerised data at the Royal Adelaide Hospital. Almost half of the 23 highest presenters were homeless (no fixed abode), and more than half were insecurely housed. The 23 homeless individuals accounted for 781 presentations over the 13 months between Jan 1999 and Feb 2000. More than a quarter of all psychiatric presentations to the hospital were by homeless persons (ibid).

The Homeless at Hospital: A quantitative study of homeless people presenting to the Royal Adelaide Hospital between May and November (1998) indicated that homeless presentations are predominantly drug and alcohol related (ibid). Many homeless people did not wait to be seen, thereby contributing further to ill health. This project indicated that 479 homeless people (predominantly from the inner city) presented to the Royal Adelaide Hospital over 7 months and accounted for 2.3% of total claims over this period. Zufferey (2003) reports that this report was instrumental in identifying the need for and successful establishment of Bowden Lodge, a convalescent or step down facility for homeless people being discharged from hospital.

**General practice**

While research has generally documented low rates of access to mainstream health services by homeless persons this is not a uniform finding. Hodder, Teeson and Burich (1998) undertook a survey of 210 homeless people aged between 17 and 87 years from eight major hostels providing emergency accommodation in inner Sydney. They found that 71% of people had consulted a GP or other health professional in the two weeks prior to the survey and this compared to 28% in the general population (cited
in Parker et al 2003). While a more appropriate (if less accessible) comparison group 
would have been with a group matched for similar levels of mental and physical 
health problems, this does suggest that patterns of service use are likely to vary 
geographically.

**Additional references**

  withdrawal program. *Parity* 14, 31-32. (A practitioner point of view.)

  services by homeless and disaffiliated individuals with severe mental disorders: 
  A study in Melbourne. In: Cooper, B. and Eastwood, R., (Eds.) *Primary health care 
  and psychiatric epidemiology*, pp. 142-159.  London:  Routledge

  disorders in and service use by young homeless people.  *Medical Journal of 
  Australia* 161, 429-432.
6. Impact of different types of homelessness

Different degrees and types of homelessness will have different impacts on individuals and households experiencing homelessness, on service and resource use, on family and friends and the broader society. In this section we point to empirical studies that have investigated the experience and impacts of specific types or degrees of homelessness (most of which have been described in earlier sections).

Following Chamberlain and MacKenzie’s cultural definition, these can be placed across the continuum of circumstances from primary, secondary, tertiary homelessness and finally to ‘marginal’ homelessness (being close to the community minimum standard) (see Appendix A). The implication is that this continuum describes a scale of decreasing harmfulness, particularly in terms of the individuals’ health. However, as noted earlier in this appendix, the work of researchers on homelessness in Indigenous contexts suggests that public place dwelling in certain contexts does not sit neatly within this interpretation (Memmott, Long & Chambers 2003, Cooper & Morris 2003). In addition, an increasing number of researchers are pointing to forms of cyclical or episodic homelessness characterized not only by the movement in and out of different forms of accommodation, but also the repeated loss of ‘home’ (Robinson 2003, Casey 2001, Catherine House 2003). And for many years practitioners and researchers have identified the significance of the experience of losing a ‘home’ (while still living in a perfectly adequate house) by people subjected to domestic or family violence (Watson 2000, Adkins et al 2003, Evans & Shaver 2001). Clearly, attempts to understand the potential negative consequences of certain states of homelessness (including negative economic impacts) cannot ignore ongoing debates regarding subjectivist and objectivist approaches to defining homelessness.\(^{52}\)

Early studies exploring the experience and impacts of homelessness tended to focus on those people who were literally without accommodation, involved in street culture (if not necessarily living ‘on the street’), and in contact with drop in centers and hostels. Studies of homelessness among young people were almost invariably of this type until early intervention initiatives and theorization of youth homelessness as a process began to focus on young people in different situations, interpreted as the ‘early stages’ of homelessness (living ‘in and out’ of the family home, moving between friends and family, and still attached to the school and local area). Project I is an important example of a study that has attempted to recruit newly homeless young people to participate in the study and as we noted is beginning to investigate how the different circumstances ‘where and with whom young people congregate and sleep, and how they spend most of their time’ impacts on health and well-being.

Memmott, Long and Chambers (2003) provide a concise overview of empirical studies of public place dwelling among Indigenous people at urban, regional and remote locations:

- River campers at Alice Springs (Memmott 1990);
- Campers at Halls Creek (W.A.) (Memmott 1992);
- River campers at Alice Springs (Memmott 1990);
- Campers at Halls Creek (W.A.) (Memmott 1992);

\(^{52}\) See Chamberlain and Johnson (2000) for an overview of these debates.
The ‘Cope Street drinkers’ at Redfern (Memmott 1994);
- Parkies at Cairns (Dillon & Savage 1994; Qld, DATSIP 2003b);
- Riverbank campers at Mt Isa (Durnan 2001; Qld, DATSIP 2003c);
- Parkies at Townsville (Hale 1996, Qld, DATSIP 2003d);

Research on homelessness among families has begun to document experiences in a range of contexts. These include Bartholomew’s (1999) study of life in private hotels used as overflow crisis accommodation by SAAP providers in the late 1990s, and HomeGround’s (2004) recent study of life for homeless families in caravan parks (also used as last resort crisis accommodation). Hanover’s longitudinal study of outcomes for families receiving accommodation assistance from SAAP and THM services is beginning to document experiences of residential instability over a wider time frame (two years).

At least one study explores the experiences and impact of life for residents of boarding houses (for long-term residents, the experience of ‘tertiary’ homelessness).


The aims of the research included:
- To estimate the number, location, standards and clientele of boarding houses across metropolitan Adelaide
- To explore the reasons why people live in boarding houses (choice or necessity)
- To assess the appropriateness of accommodation to meet residents’ needs

These aims were addressed by:
- Field research to locate and identify the current stock of boarding houses
- Interviews with 140 residents and 20 proprietors
- Focus groups/ consultations with key players across the service system with a knowledge of boarding houses and their clientele
- Literature review
- Collation of information from across Australia on developments of boarding house policy and practice

The sample of boarding house residents comprised approximately 12% of the estimated resident population. The report does not discuss the likely extent to which the sample represents the population of people living in boarding houses. Some 129 males and 11 females were interviewed. Most described themselves as ‘never married’. Interviewees were asked about their housing history and future plans although detailed housing-homelessness histories were not developed.
Frequency distributions are presented on demographic background, age, marital status, income and source of income, length of time in boarding houses (current and life-time), types of housing ever lived in (including proportion of respondents who had slept rough), reasons for moves. Qualitative and quantitative data are also presented on residents’ assessments of the standards of their boarding house, formal and informal support networks (including services accessed), views on boarding house life, housing preferences and awareness of legal rights and responsibilities.


This report describes existing government programs (in Queensland, New South Wales and Tasmania) to retain boarding house stock, an indication of the costs of interventions and an estimation of effectiveness. It doesn’t include any primary research with existing boarding house residents or attempt to quantify the costs of decline on those residents.
7. Population dynamics (and long term accommodation outcomes)

This section lists attempts that have been made to quantify the temporal profile and dynamics of homeless populations in Australia. The dynamics of homelessness across a population, for individual or family groups, concern both the duration and patterning of homelessness, that is, the entrances and exits into and from the homeless population over time.

7.1 Methods and Interpretation

Several typologies have been developed to depict the temporal characteristics of homeless populations. In Australia one of the most frequently used makes a distinction between ‘short-term’, ‘long-term’ and ‘chronic’ homeless (first developed and tested by Chamberlain and MacKenzie (1994) with regard to homeless young people). This typology, (particularly in its operationalisation) focuses on the duration of homelessness. A second typology, prevalent in the United States, is that of transitional, episodic and chronic homelessness. In Kuhn and Culhane’s (1998) version, this typology is grounded in data on both the duration and reoccurrence of homelessness. Quantitative estimates have been developed for both typologies.

There are several reasons for developing sound quantitative data on the ‘dynamics’ of homeless populations. For policy purposes the significance of these estimates lies in the different types of service provision they imply. For example, categories of ‘chronic’ homelessness denote a group likely to have high and ongoing support needs and, as in all enumeration exercises, quantification gives an indication of the ‘size of the problem’ and from there of the resources needed to address it. Quantitative estimates have also proven important in economic arguments advanced in support of shifting away from crisis responses to this (diverse) group.

A number of methods can be used for generating quantitative population estimates, including longitudinal analysis of administrative database, reconstruction of accommodation histories from agency case notes, and direct questioning of clients by sample surveys. For the most part these represent different ways of identifying individual patterns of duration and/or re-entry and of aggregating this information to develop population estimates. Intrinsic to this research, in varying degrees, are problems of left censoring (knowing what happened before the data collection began or before the time frame covered by the data collection) and right censoring (knowing what happens to a person once the research is finished). When compared to the methodological ideal of tracing housing-homelessness histories across a lifetime, all practicable methods have short-comings, but clearly the longer the time-frame in which data are collected the more likely it is that individuals can be traced from their initial experience of homelessness and, if not to their final experience, then long enough to get a sense of whether it is likely to be recurrent. If the time frame is too short, estimates are likely to miss re-entry in the homeless population.

53 We have discussed Kuhn and Culhane’s (1998) development and empirical testing of this typology in some detail in chapter 3, p*. 
Data sources inevitably place limits on the definition of homelessness that can be used in a piece of research and the particular populations whose temporal profile can be depicted. In the United States, the most prominent estimates have been made by analyzing patterns of crisis accommodation utilization using large longitudinal, city wide administrative data sets. This approach unavoidably excludes homeless persons that do not use (crisis accommodation) services. In Australia, the SAAP NDC client database provides an obvious longitudinal data source, but SAAP clients constitute only a small minority (12% in the 1996 census, 14% in 2001) of the total, point in time, population of homeless persons (though a considerably larger proportion in the ACT (40%) and roughly one fifth in Victoria, South Australia and Tasmania). Focusing on this subpopulation might consequently be seen as limiting, depending on the purpose of the analysis. On the other hand, databases of homeless service clients provide one of the most feasible sources for generating quantitative estimates. This method also avoids reliance on the memory of individuals who have experienced homelessness.

Interpreting data on the duration and repeat use of homelessness services is not straightforward. It requires an understanding of supply as well as demand factors (for example, the problem of unmet demand), as well as agency rules (maximum stay periods) and approaches to data collection. It is also important to distinguish between the duration and repeat use of homelessness services and the duration and reoccurrence of homelessness. In the methodological literature produced by researchers in the United States this is generally expressed in terms of the difference between a ‘stay’ in a homelessness facility (generally a crisis shelter) and an ‘episode’ of homelessness (which does not necessarily end, or begin, with the contact with homelessness services, but which for the purposes of analysis can be estimated from service use data). In Australia, the NDCA developed the concept and measure of ‘support period’ as a more inclusive category than a ‘stay’ (which tends to refer to a period in an accommodation facility). This measure has led to difficulties in the analysis of repeat service use as we shall note below, but the point here is that whether the measure is that of a ‘stay’ or a ‘support period’, it is important to be specific when reporting whether an estimate refers to a period of homelessness (as defined) or a period of homelessness service use. It makes little sense, for example, to compare an estimate of the proportion of a population who has a single ‘stay’ or ‘support period’ in the SAAP service system with the proportion of people estimated to experience one ‘episode’ of homelessness over a given period of time – unless homelessness is to be equated with service use.

The interpretation of data on the duration and repeat use of SAAP services is also politically sensitive since it bears on assessment of the efficacy of service providers and the system of service provision. One of the goals of the SAAP program identified in the 1994 Act is to ‘re-establish a capacity to live independently of SAAP’. Since as Lai (2003) points out ‘a measure of clients’ dependence on SAAP is their repeat usage of service over time’, evidence of the success or failure of this policy shift has been sought in patterns of service utilization.

54 If the SAAP population is a low turnover population as Chamberlain (1999) suggests, SAAP clients would constitute a much higher proportion of the population of people experiencing homelessness in Australia over the course of a year.

55 See chapter 3, p*.
Lye (1999) explains that the concern with ‘transiting people from a state of crisis or near crisis (which may or may not be solely housing related) through a period of intense support toward independence’ arose as governments began to shift their focus from funding inputs (funding an ever increasing number of homeless workers and crisis accommodation) to funding outcomes (funding based more closely on the achievement of positive outcomes for homeless people). Part of the concern with repeat usage ‘came from evidence that many homeless agencies had no strategy in place to address people’s homelessness, particularly the crisis agencies serving single men, and that these agencies were in effect providing ‘long term, boarding style accommodation and little else’ (ibid). More recently, concern has been with repeat homelessness (or ongoing residential instability) over longer periods.

But the degree to which the system of SAAP funded agencies, or indeed the system of homelessness services as a whole, can be held responsible for these patterns remains a difficult area. Two issues are commonly raised regarding the interpretation of repeat service use. First is the problem of the lack of stable ‘exit points’ from the homelessness service system (both accommodation and the range of needed supports). Second, is the role and function envisaged for homelessness services. Repeat service use may be indicative of a planned movement through agencies (from crisis to transitional housing for example) or form part of a process of recovery (as argued by Catherine House 2003).

Three sorts of standard analysis of the SAAP NDC client database cast light on the issue of the dynamics of homelessness:

- Direct questioning about duration of the current episode of homelessness (Q14 on the Client Form);
- Proportion of single and multiple support periods over a single year of data collection; and
- Entry and exit data.

In addition there have been some interesting ‘one off’ analyses of the SAAP client data set to explore patterns of service use. Perhaps the most prominent quantitative depictions of the dynamics of homeless populations to date, however, have derived from other sources. We have divided the estimates, regardless of data source, into those focusing on the duration of homelessness and service use, and those focusing on repeat homelessness and service use. These are listed below. All but one of the estimates (extrapolating from census data) refers to a given period rather than a single point in time.

### 7.2 Estimates of the duration of homelessness

**Agency case notes**

For various populations, Chamberlain, MacKenzie and Johnson have developed estimates of the proportion experiencing short term, long term and chronic homeless using case and contact notes developed by homeless service providers. Three examples are given.
In their discussion of the 'Temporal dimensions of youth homelessness' Chamberlain and MacKenzie (1994) identify three different temporal images or characterizations of the population of homeless young people prevalent at that time. The first is the 'high turnover' characterization whereby it is assumed that the vast majority of young people are homeless only for a very limited period. The second is the 'underclass' characterization, prevalent in the mass media. This is seen to portray homeless young people as 'street kids' and to imply that most have 'chronic' problems. The third, identified with the Burdekin Report, is of a 'polarized' population, with both short-term and chronically homeless young people but few in between.

The empirical fit of these three characterisations is tested with reference to case notes of a large number of young people who experienced homelessness at some point during 1991. The case notes were compiled by two agencies delivering services to homeless young people (one in the city of Melbourne and a second operating in a suburb of Melbourne). The quantitative analysis was based on case notes from 1,308 young people aged 12 to 24 who became homeless in 1991 (1,094 from the city agency and 214 from the suburban agency). It is noted that a more representative sample of homeless young people would have entailed sampling from more suburban agencies as well as from country areas.

Given the level of detail, it was possible to estimate the duration of homelessness from the case notes of 93% of the young people contacting the agencies. While data were available on the contacts these young people made with an agency over a year (in some cases with additional information on a client's previous experience of homelessness) the authors recognized the intrinsic problem of trying to calculate the duration of homelessness before it is clear that the homelessness has ended. The young clients of these agencies may have contacted other homelessness agencies or the same agencies at a later point in time.

On the basis of the distribution of each young person's estimated time homeless, the authors devise three temporal categories: short-term, long-term and chronic homelessness. These categories are seen to represent different stages in an ideal typical youth homeless career, but for the purposes of quantification they are operationalised in terms of time homeless (two weeks, some months of homelessness, and a year or more of homelessness).

The estimates in this study are based on the relative proportions of young people experiencing short-term, long-term or chronic homelessness over the period of a year. Adjusting for the larger proportion of young people in the suburban agency who were homeless for two weeks or less, an estimate is given that between 30% and 40% of all young people who become homeless in a given year have a short-term problem, that between 40% and 50% have a long-term problem (some months of homelessness), and that between 15% and 25% are chronically homeless (more than one year).

The authors suggest the results support none of the three common characterizations (high turnover, underclass, and polarised), but instead point to a population ‘characterised by temporal diversity’ (1994, 16).
Households approaching an inner city transitional housing service for assistance

A second series of estimates was developed from the Argyle Street Housing Service data set, a large sample of individuals and families approaching an inner city transitional housing service for assistance. In a research paper developed for the Victorian Homelessness Strategy, Chamberlain and Johnson (2000) report that of the 77% of households contacting the agency for whom it was possible to make a judgment about the length of time homeless (n=1,506), almost half (44%) had been homeless for six months or more, 26% were homeless for one year or more, 18% for 26-51 weeks, and only 19% for less than 4 weeks.

This estimate was generated in the context of a debate in Victoria about the most accurate characterization of the homeless population. Estimates developed by Hanover Welfare Services that showed the more than three-quarters of crisis accommodation clients at a single agency made only one ‘stay’ over a period of three years prompted the generalization (made in The Age by the Executive Officers of the Society of St Vincent de Paul and Hanover Welfare Services) that for the vast majority, homelessness is a ‘one-off experience over a relatively short-period of time’, after which people ‘successfully live independently in the community’ (cited in Chamberlain and Johnson 2000). We provide details on the estimates that sparked this characterization below, but on the basis of their own estimates, Chamberlain and Johnson conclude: ‘The contention that most people have a short-term problem is incorrect’ (ibid, 12). Grigg and Johnson (2001) reiterate this point and add that ‘most people who experience homelessness do not have their situations resolved with one off interventions as has been suggested by a number of commentators’.

Case studies of SAAP clients

In Counting the Homeless 2001 Chamberlain and MacKenzie (2003b, 41) report on an analysis of 812 case histories received from SAAP services. They note that there was sufficient information to estimate the client’s length of homelessness in 94% of these case studies. Of these clients, 60% are estimated to have been homeless for seven months or longer, including a substantial proportion (48% of the total sample) who had been homeless for a year or more. Nine per cent had been homeless for less than a month, 17% for between one and three months, and 14% between four and six months. Chamberlain and MacKenzie do not comment on the degree to which the 812 case histories are more broadly representative of the population of SAAP clients.

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56 See p* for a description of this dataset.
57 This depended partly on the degree of detail on housing history provided by the particular HIR worker recording the contact notes. Those households who contacted the service on multiple occasions generated a series of contact notes enabling analysis of housing-homeless careers over time.
58 Argyle Street commenced a pilot longitudinal study in 1998 to test the durability of the exit outcomes for a sample of households exiting crisis and transitional accommodation (Grigg & Johnson 2002). The findings of this pilot study have not been published but Johnson has continued this work in his doctoral research. See project description p*.
59 See p* for further detail on this data set.
Self-report

Sample survey of crisis accommodation clients

An investigation of unmet need for crisis accommodation in Melbourne undertaken for the Interagency Working Party on Crisis Accommodation in 1999 including a survey of clients which asked respondents directly ‘When was the last time you feel you had a home?’ and ‘When was the last time you felt safe and secure?’. One fifth (20%) of 1,142 people seeking accommodation in the four week period of the study said it was more than a year since they considered they had a home, and of those, about a third said they hadn’t had a home since 1990 or before (Thomson Goodall 1999, 22).

Q14 SAAP Client Form

The SAAP NDC Client Form (though not the form for high volume agencies) includes a question regarding the client’s ‘Current period of unsafe, insecure or inadequate housing (i.e. homelessness)’ (Q14). The response categories to this item are: ‘at imminent risk’, less than one week, 1 week to 1 month, 1 to 3 months, 3 to 6 months, 6 to 12 months, 1 to 2 years, 2 to 5 years, and more than 5 years.

Data from this question are not currently reported in the NDC Annual Report. Chamberlain (1999, 53) includes this information in his discussion of the policy development implications of the 1996 census enumeration of homeless persons. At the time of first entering SAAP, some 20% of (27,661) persons were ‘at imminent risk’ of homelessness, 39% had been homeless for less than a month, 17% for between four and 25 weeks, and 24% for 26 weeks or more.

Chamberlain expands this analysis with the addition of data from the census on the length of time clients reported being in SAAP on census night (ibid 39). It is emphasized that this provides only a ‘rough estimate’ of the length of homelessness for the SAAP population, firstly, because only a quarter of households answered the temporal questions on census night, drawing into question the representativeness of the figures, second, because other temporary accommodation arrangements are not included in the calculation (most likely resulting in an understatement of the duration of ‘homelessness’ according to the ‘cultural’ definition). With these qualifications, Chamberlain reports that 22% of (1,388) SAAP households had been homeless less than a month on census night, 38% had been homeless for between four and 25 weeks, and 40% had been homeless for six months or longer (1999, 40).

Chamberlain concludes on the basis of these estimates that ‘It is not correct to conclude that most SAAP clients have a short-term problem’ (ibid 53).

Circumstantial evidence on ‘turnover’

In Counting the homeless 1996, Chamberlain (1999) considers the temporal characteristics of the four subgroups comprising the homeless population enumerated on census night in 1996: people in boarding houses; those staying with other families; households in improvised dwellings; and people in SAAP accommodation. This exploration considers the likelihood of people in the different

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60 Data were collected from people requesting accommodation assistance from the six participating agencies using a purpose designed Data Request Form.
categories finding and affording stable accommodation by looking at ‘circumstantial’
data on their labour force participation and status (with the addition of income data
in the analysis of the 2001 census).\textsuperscript{61} On this basis, the different segments of the
homeless population are classified as likely to be low, medium or high turnover
populations. The SAAP population as a whole is identified as a relatively low turnover
population. People staying with other families are classified into low or medium
turnover sub-populations depending on the host families’ labour force status.

This classification enables Chamberlain to show that the majority (71\%) of people
experiencing homelessness on census night were in subpopulations characterized
by limited exits (a low turnover population) and would consequently be likely to
remain homeless for some time. Moving from an estimation of the proportion in low
to high turnover populations, Chamberlain then makes a ‘ball park’ estimate that
on census night, about 70\% of people had been homeless for six months or longer,
including a substantial minority homeless for more than a year, about 10-15\% had
come into the population recently (a few weeks of homelessness), and between 15-
20\% had been homeless for a few months.

This analysis is not repeated following the 2001 census but Chamberlain and
MacKenzie (2003, 42) do give an estimate that ‘60\%-70\% of people in improvised
dwellings, boarding houses and SAAP experience a sustained period of homelessness
(six months of longer), as do half of the adults staying temporarily with other
households’.

\textbf{Table B4: Temporal composition of the homeless population on
census night 1996}

<table>
<thead>
<tr>
<th>Temporal profile</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>\textbf{Low turnover}</td>
<td>Total 71%</td>
</tr>
<tr>
<td>1 Boarding house population</td>
<td>22%</td>
</tr>
<tr>
<td>2 People staying with other families (unemployed and not in the labour force households)</td>
<td>17%</td>
</tr>
<tr>
<td>3 People in improvised dwellings (including people sleeping rough)</td>
<td>20%</td>
</tr>
<tr>
<td>4 SAAP population (refuges, hostels etc)</td>
<td>12%</td>
</tr>
<tr>
<td>\textbf{Medium turnover}</td>
<td>Total 17%</td>
</tr>
<tr>
<td>1 People staying with other families (employed households)</td>
<td>17%</td>
</tr>
<tr>
<td>\textbf{High turnover}</td>
<td>Total 12%</td>
</tr>
<tr>
<td>1 Young people (aged 12 to 18), staying with other families</td>
<td>12%</td>
</tr>
<tr>
<td>\hline</td>
<td>Total (N=105,304)</td>
</tr>
</tbody>
</table>

Source: Modified from Table 5.11, Chamberlain (1999, 41) Counting the homeless 1996. Australian
Bureau of Statistics Cat No. 2041.0

\textsuperscript{61} Chamberlain notes there is direct temporal information only on the group in SAAP accommodation.
7.3 Estimates of the extent of repeat use of homelessness services

Multiple support periods for SAAP clients

**NDCA method**

The NDCA uses the alpha code to establish how many ‘support periods’ each client has had over the year long period of the data collection. This gives an indication of ‘repeat usage’ of SAAP services. The NDC Annual Report presents information on the proportion of clients (disaggregated according to gender and age) who had from one to five or six plus support periods. The figures presented in the report have been weighted to adjust for client non-consent and agency non-participation. The large majority of clients have only one period of support over the year long data collection period (74% in 2002-3; 68% in 2001-2; and 67% in 200-01) (see AIHW 2003, 2002 and 2001).

The same sort of analysis can usefully be carried out to explore repeat usage according client group, agency primary target groups and, in theory, with agency service delivery model.

One difficulty with this standard use of NDC data is the varying meaning of a ‘support period’ (see chapter 7). Lai (2003) explains how ‘repeat usage’ is to some extent an artifact of different agency approaches to data reporting. This is why it is important to remove some of the ‘noise’ when analyzing SAAP data, by focusing on certain agency types or client groups, and most importantly, separating use of accommodation services from those services that do not have an accommodation component.

In addition, research findings about cyclical, episodic or iterative homelessness; both in Australia and overseas, underscore the need to trace service utilization over longer periods of time. The first national report on the SAAP National Data Collection identified the need ‘to know about longer term outcomes for client and patterns of service use over time’ and noted that in subsequent reports longitudinal analysis would ‘take on increasing importance’ as the data set built up (AIHW 1997, 99). In chapter 7 we explored some of the reasons why this direction has proven less easy to pursue.

**An alternative method of counting multiple support periods**

As part of a broader investigation into the use of the SAAP client data set to investigate client outcomes (Lai 2003) develops a different method for counting client support

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62 Some agencies may identify each occasion of short-term client support (usually provided with accommodation) as a separate support period, while other agencies may treat a series of short-term contacts with a client as one support period. So for a women living at a refuge reconciled with family and visited weekly by the SAAP agency would be counted as one continuous period on the original form (according to the SAAP Data Collectors’ Manual). A second example is of the man accommodated at a SAAP crisis centre informing you he won’t be back, you know he will, but technically he ended the relationship, hence a new form should be completed. Here each visit by clients who do not receive ongoing support from the agency is treated as a separate support period. Agencies that record client support periods in this way generate large numbers of records. Clients with high repeat usage rates typically receive support from this type of agency.
periods. Lai’s analysis aims to gauge the level of repeat usage among SAAP clients and to find if there are any differences in the characteristics among clients who use SAAP services only once, a few times or many times.

Where the NDCA looks at the number of support periods per client using weighted data, within a single year’s data collection Lai’s analysis used unweighted data and selected a cohort of records to determine how many support periods there were for each client within a 12-month period. The key difference is that in Lai’s ‘cohort method’ clients’ usage patterns are mapped on average over a slightly longer period of time.

Where the NDCA method shows 66.9% of SAAP clients had only one support period within the single year’s collection, Lai’s method shows 64.3% had one support period over 12 months. Very similar proportions (30% NDCA method, 31% cohort method) had between two and five support periods. A very small proportion of clients (3% NDCA method, 5% cohort method) had six or more support periods.

As anticipated, a large proportion of repeat usage support periods came from high volume agencies and nearly 60% of the support periods for high repeat users (clients with six support periods or more) came from agencies that targeted multiple or cross-target groups. Just less than two-thirds of support periods to clients with 6+ support periods were for same day or one day support. The majority (55%) of support periods to clients with six or more periods were delivered by crisis/short-term services (though given their prevalence through the service system these also accounted for a significant proportion of single support periods (42%)).

These findings confirm Lai’s point that certain types of agency and service tend by the nature of the service they offer, and their approach to data collection, to have large numbers of repeat clients. It would also be possible with the existing data set to reverse the order of variables in the crosstabulations in order to shed greater light on the service usage patterns of clients. For these purposes, it would be more useful to know what proportion of single male clients had single or multiple support periods over the year, (rather than the percentage of single and multiple support periods that are accounted for by single male clients, which tells us more about the relative proportion of single males in the SAAP population than it does about the service use patterns of this client group). The same goes for other primary client groups targeted by agencies (young people, single women, families, women escaping domestic violence). It would also be useful to know the proportion of clients using crisis accommodation services that have one support period or multiple support periods over the course of the year.

From the numbers presented in Lai’s paper it is possible to work out that the 5% of clients who had six or more support periods over a year, accounted for 29.4% of total support periods over that year (Lai 2003, 21 (table 11)). This gives an indication of the disproportionate consumption of resources by this group (though the resources in question, ‘support periods’, are not a standard unit, and this lessens the value of this information for economic analysis).
Estimates of the continuity of SAAP service use

Multi-year retrospective tracing of service utilization in the SAAP client database

A recent SAAP Monograph includes innovative longitudinal analysis of SAAP client data to explore the patterns of service utilization by older clients undertaken by Lai in 2002-03 (FaCS 2003). Two retrospective longitudinal analyses were undertaken.

In the first, the contact records of all older clients whose alpha codes were available in the 2001 SAAP client dataset were traced back through the database for three consecutive years (99-00, 00-01, 01-02). Some 13% of these older SAAP clients in 00-01 had been using SAAP services for three years in a row. The vast majority (80%) were men.

The second analysis focused on 64 older clients who were identified previously through the database to be very frequent clients of SAAP services in inner city Sydney (on average these clients accessed SAAP services 18 times over a 12 month period). Records of 59 of this group were found in three consecutive years in the SAAP database.

Lai notes that the analyses drew attention to inconsistencies in data entry over the three years regarding characteristics such as country of birth and indigenous status. For the purposes of analysis, an assumption was made that these inconsistencies did not reflect alphacode duplication (that is, that what appeared to be a single person was actually more than one). This remains a problem for longitudinal analysis using the existing SAAP client database (see chapter 7).

Stays at Hanover’s crisis accommodation facility

Michael Horn developed a set of estimates indicating the extent of single and multiple ‘stays’ in crisis accommodation for Hanover Welfare Services in the late 1990s. These estimates derive from longitudinal analysis (up to five consecutive years) of the client database of Hanover’s crisis accommodation facility at Southbank. The database (which has since been replaced63) included full names for almost all residents enabling more accurate matching of client records across years than is currently facilitated by the SAAP NDC alpha code. Since it was also possible to clean the database of spelling errors in the names, and crosscheck records on date of birth and gender, duplication was kept to a minimum.64

Horn (1998) reports that over the first three years of Hanover Southbank’s operation, 80% of individuals had made only one stay at the facility. A later analysis showed that, a very similar proportion (79%) had stayed at Southbank on only one occasion, this time over a five-year period (Horn 2000a). However, Southbank was only one of six major crisis accommodation facilities in Melbourne at the time. While the estimate regarding the extent of repeat service use for this one facility is very robust, it raises the question of the extent to which single-stay clients might have been accessing crisis accommodation elsewhere.

63 Since the introduction of a new database at Southbank increased the difficulty of matching records across multiple years, Hanover has restricted estimates to periods of one year (similarly to the NDCA).

64 In personal correspondence Horn notes that the main sources of possible inaccuracy were actual name changes among residents (including deliberate aliases).
Commenting on these figures, Horn and Cooke (2001) see them as indicating that for the majority, homelessness ‘should not be considered a permanent condition or state of being... it may be characterised for most as a period of housing stress or insecurity, which may include a brief period without shelter’. They add ‘We should be careful not to conclude from the above that individuals or families do not experience episodic homelessness due to continuing poverty, lack of appropriate housing or personal factors’.

Multiple SAAP support periods of a survey sample

The survey in 1999 of crisis accommodation clients in Melbourne for the Interagency Working Party on Crisis Accommodation (mentioned above) presented an opportunity for the issue of multiple-agency use to be explored.

The project showed that 62% of the 1617 households seeking accommodation from six Melbourne crisis accommodation agencies over a four-week period in June/July 1999 were unable to be accommodated (Thomson Goodall 1999). Since it was unclear what proportion might have been accommodated by other crisis services in Victoria or interstate, a follow-up study was undertaken using the national SAAP client dataset to assess the extent of access to non-participating SAAP services. Alphacodes collected for 93% of the contacts were matched with the national SAAP client dataset over the study period. (This was done via an ad hoc request to the NDCA (Horn 2000b).)

More importantly here, a retrospective analysis of SAAP service use was undertaken as part of this supplementary study to explore whether the Melbourne cohort had been in contact with any SAAP agency over the preceding 12 months (Horn 2000b). Horn suggests that while it might be hypothesised that this group of households (predominantly single males between 20 and 35 years) would have made considerable prior use of SAAP, the analysis instead showed that only 18% had been clients of SAAP anywhere in Australia in the year previously. This group of repeat clients had an average of three support periods over the year. Not all support periods included accommodation, though the majority (57%) did. A significant proportion (40%) of support periods were provided interstate. Horn suspects that these 18% ‘may be characterized as having a higher level of personal issues (substance abuse, psychiatric disorders and past experiences of trauma and abuse)’ and further that ‘they appear to be making episodic use of SAAP, staying for short periods, followed by periods of insecure accommodation, or literally on the street’ (ibid).

Estimates of SAAP clients with ‘high and complex’ support needs

In their report for the Department of Family and Community Services, *Appropriate responses for homeless people whose needs require a high level and complexity of service provision*, Ecumenical Housing and Thomson Goodall (1999) developed a conceptual framework and classification schema to differentiate between the level and complexity of SAAP client support needs.

Applying the definition developed in this work to the SAAP national data collection for 1996-7, the consultants estimated that 18 percent (or 18,293) of SAAP clients had ‘high’ service provision needs (that is, seven or more different support requirements). Some 6,500 of this group (36 per cent) were identified as likely to require long-term
support. The high needs group as a whole was more likely to have multiple support periods.

It has proved very difficult to find a practical way to operationalize this concept as part of ongoing administrative data collection or to reach consensus on the purposes and approach that such an endeavour should take (Thomson Goodall 2003a, 2003b). This means that our best information remains a ‘one off’ estimate based on data from the first year of the SAAP national data collection.

**The durability of exits from SAAP services**

**Exit points and accommodation outcomes**

The NDC Annual Report presents statistics on clients' accommodation before and after receiving support from SAAP (though not for those support periods delivered by high volume agencies). For example, it is reported in the Annual Report for 2002-3 that before support 8.9% of closed support periods were to clients living in improvised dwellings such as a car, tent, park, street or squat but that 3.0% of support periods were to clients in these circumstances after support. While such data does not necessarily describe the circumstances of the same group of people (for example, there is no necessary intersection between the group of people living rough before support and those living rough after support) together, these snapshots do at least hint at the extent of ongoing instability experienced by former clients, although they may be less useful for identifying the end of instability.

Exit destinations are typically grouped according to the degree of stability or independence they suggest (with public or community housing generally seen as the most stable exit points). For example, the Annual Report for 2002-3 reports that, for those clients that specifically requested assistance to obtain or maintain independent housing, accommodation in public or community housing nearly tripled (from 8% of closed support periods before, to 21% after) and accommodation in privately rented dwellings increased from 17% before to 26% after. At the same time, there was a reduction in the proportions living in less secure types of accommodation (residing in an unconventional dwelling or living rent free in a house or flat). This is said to suggest ‘a certain level of success for clients specifically seeking assistance from SAAP agencies to obtain or maintain independent housing’ (AIWH 2003, 47).

The usefulness of entry/exit point data for assessing the extent to which the ultimate goal of assisting clients to ‘live independently of SAAP’ is subject to debate. First, as highlighted by Grigg and Johnson (2002) there is lack of agreement on what constitutes a satisfactory exit point. Chamberlain (1999) pointed out that in early reports of exit points from SAAP, the NDCA categorization of ‘independent housing’ included accommodation in such as caravan parks and private hotels, which, according to the ‘cultural’ definition represent a continuation of homelessness rather than its end.

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65 In the authors’ schema, this group was classified ‘category 1’, that is, having ‘intensive needs, which may compromise functioning and ability to meet basic needs and which often manifest in difficult behaviours, and are more likely to be ongoing’ (vi).

66 Grigg and Johnson (2002) propose that the term ‘independent housing’ should apply ‘only when clients moved into public housing or private rental where payments did not exceed 30 per cent of income’.
Second, commentators have emphasized the importance of tracing clients' housing (and other) circumstances over time to enable a more meaningful appraisal of 'client outcomes', particularly where homelessness is conceived as a state of long-term housing insecurity (Grigg & Johnson 2002; Horn & Cooke 2001).

Johnson has since undertaken a two-wave panel survey of a cross-section of 101 former clients of four THMs and one crisis service in Victoria that will investigate these issues further (see project description in this appendix, p*).

Similarly, Hanover Welfare Service's Family Outcomes Study starts from the distinction between 'exit outcomes' and longer-term outcomes that this longitudinal study is designed to investigate. The study (still in train) is tracing the progress over a two-year period of 33 families who received accommodation assistance from a group of SAAP and THM agencies (see p*).

A more modest three-month longitudinal study, investigating outcomes for former residents of crisis accommodation in Melbourne, was undertaken by Thomson Goodall in 2001.

**Accommodation outcomes for former residents of crisis accommodation**

The Residents Outcomes Research Study, undertaken by Thomson Goodall (2001) and funded by OoH (Victoria), traces the accommodation outcomes for residents of four crisis accommodation agencies in inner Melbourne.

Housing circumstances at exit were ascertained from a Resident Exit Survey, and retention of stable housing and any changes in circumstances were ascertained from a Follow-up Survey. The response rates were seen to be disappointing. The initial sample comprised 286 individuals and families exiting the agencies during a five-week period in November and December 2000. Just over half (54%, n=153) participated in the exit survey and 62 of these participated in the follow-up survey (40.5% of exit survey participants, 21.7% of the original sample). The follow-up was conducted 3 months after exit. While agency staff had been optimistic about the possibilities of re-tracing exiting clients, the report authors suggest insufficient time and effort was devoted to the follow-up process by staff. The difficulties staff encountered in contacting former residents was also judged to be indicative of a wider lack of engagement between residents and workers. Most participants in the follow-up survey came from the inner Melbourne area, as they were easier to trace.

Of the 153 residents participating in the exit survey, a third (34%) reported being homeless for longer than a year, 65% had stayed in crisis accommodation at least once before, with 32% staying in the same crisis accommodation on at least one prior occasion.

At least 25-30% are judged to have exited to unstable accommodation: 1 in 10 to the streets; a small percentage (6%) to more crisis accommodation; and, 1 in 10 to private

67 The study did not focus solely on accommodation outcomes but looked also at: provision of immediate shelter and basic needs; identification and resolution of causes of housing crisis; referrals made and completed to services (health, income support, legal, housing); and improvements in circumstances. The research was overseen by the Interagency Working Party on Crisis Accommodation.
hotels (see Thomson Goodall 2001, table 1). Others exited to friends and relatives, and boarding houses though it is noted that for some these options should also be considered ‘unstable’. About 16% progressed through the support continuum and exited to supported housing of some sort (including SAAP/THM, Open Door, CSAP). Less than half felt ‘reasonably secure’ or ‘very secure’ about their intended housing on exit.

Three months after exit, more than 1 in 10 were living on the streets or in a squat, about the same proportion in crisis accommodation, slightly less in a private hotel (ibid, table 2). Twenty-six people (42%) had not moved from the accommodation they accessed immediately upon exit. The greatest stability (defined as the least moves) was amongst those in supported housing, private rental and SRS accommodation. The majority (58%) had moved at least once in the 3 month period, with 30% moving 3 or more times. More than one third (36%) felt insecure about their housing situation, and 60% anticipated they would be moving again within the next three months.

Thomson Goodall estimate that about half the follow-up survey participants (31 people) were ultimately assisted into stable accommodation. This result is ‘factored up’ to derive an estimate for the 91 exit survey participants who didn’t undertake the follow up survey and the 133 who didn’t take part in either survey, taking into account the likely worse housing outcomes for these clients. An overall estimate is made that 30% of the 286 clients were assisted into stable accommodation.

The authors pointed to the difficulty for services of addressing ‘underlying causal issues’ in a few weeks and conclude three months is not long-enough to adequately identify outcomes, including accommodation outcomes. They advise follow-up at 6 months and 12 months.

The SAAP CAD was prompted by recognition of the lack of data available on the longer term housing outcomes for clients of the homelessness service system to commission LennMac Consulting to undertake the ‘Sustaining Housing After Homelessness’ project (LennMac 2004 forthcoming) – although the study does not have a longitudinal component.

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68 An analysis of people those in the initial sample list who did not participate in the exit survey showed a higher rate of unplanned exits, including evictions from the agency. Non-participants also tended to have shorter stays. Housing outcomes for this group are anticipated to be worse than for other survey participants.
Appendix C: Summary of Australian longitudinal research on homeless-housing pathways

This appendix lists: (1) Panel surveys (2) Single wave surveys (retrospective longitudinal data) (3) General population longitudinal surveys (4) Administrative database tracking (homelessness and other systems) (5) Reconstructed homeless pathways using agency case notes.

1. Panel surveys

<table>
<thead>
<tr>
<th>Study / reference</th>
<th>Subgroup/ homeless status</th>
<th>Sample source</th>
<th>Sample size</th>
<th>Period of follow-up</th>
<th>Number/timing of contact</th>
<th>Follow-up response</th>
<th>Data collection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project 1 (in progress)</strong> Multiple publications (See appendix B, p*)</td>
<td>Young people (12-20 yrs) newly homeless and those with longer history (follow-up only with newly homeless)</td>
<td>Recruited from 95 youth and homeless services across metropolitan Melbourne</td>
<td>165 newly homeless 691 in full study</td>
<td>2 years</td>
<td>5 waves</td>
<td>?</td>
<td>Face to face interviews by research team. Semi-structured questionnaire In-depth interviews with subset of 40 young people. Baseline includes questions on past experiences of homelessness and leaving home (full sample).</td>
</tr>
<tr>
<td><strong>Hanover Family Outcomes Study</strong> (in progress) Horn &amp; Cooke (2001) Profile of participating families and their experiences of homelessness; Kolar (2003) Kicking into the wind. (See appendix B, p*)</td>
<td>Families with children (most sole mothers) who had experienced homelessness but were out of crisis</td>
<td>Recruited from clients exiting SAAP/THM services (3 regional, 1 inner city, 1 suburban) over 7 month period</td>
<td>42 families</td>
<td>2 years</td>
<td>5 waves</td>
<td>79% (n=33 12 mth wave)</td>
<td>Face to face interviews, continuity of interviewers. Semi-structured questionnaire</td>
</tr>
<tr>
<td><strong>Johnson</strong> Homeless career duration: A longitudinal study (in progress) (See appendix B, p*)</td>
<td>Individuals and families, range of age groups, who exited from homelessness services</td>
<td>Recruited from 4 THMs and 1 crisis service in Victoria (inner city, suburban, regional/rural)</td>
<td>103 people</td>
<td>1 year</td>
<td>2 waves</td>
<td>80%</td>
<td>Face to face interviews, single interviewer. Semi-structured questionnaire Open-ended discussion. Baseline includes questions on housing-homeless history</td>
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Panel surveys continued...

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Roberts &amp; Burgess (2003) Perth Aboriginal Family Homelessness Study (National Homelessness Strategy) (See appendix B, p*)</td>
<td>Indigenous families in Perth</td>
<td>(Recruitment process not detailed.)</td>
<td>61 families</td>
<td>15mths</td>
<td>3 waves</td>
<td>Info. on all families. Unknown no. of interviews (difficulties noted).</td>
<td>Face to face interviews by Centrecare/ research team. Centrecare was involved in service advocacy as part of the research</td>
</tr>
<tr>
<td>Thomson Goodall (2001) Residents Outcomes Research Study, Interagency Working Party on Crisis Accommodation (See appendix B, p*)</td>
<td>Former residents (individuals and families) of crisis accomm. in Melbourne</td>
<td>Exiting residents of 4, inner city crisis accomm. agencies over 5 week period</td>
<td>153 (from initial sample of 286)</td>
<td>3mths</td>
<td>2 waves</td>
<td>40% (n=62) (difficulties are noted)</td>
<td>Face to interviews by service staff. Includes retrospective questions on homeless history</td>
</tr>
<tr>
<td>HomeGround (2004) “Let's find another place” The experiences of homeless families using caravan parks as crisis housing (See appendix B, p*)</td>
<td>Families living in 2 caravan parks referred by crisis accomm. agencies in Melbourne</td>
<td>Homelessness service agency</td>
<td>10 families</td>
<td>4-6mths</td>
<td>4 waves</td>
<td>All families continued with study.</td>
<td>Face to face interviews Includes retrospective questions on homeless history</td>
</tr>
<tr>
<td>Baldry, McDonnell, Maplestone and Peeters (2003) Ex-prisoners and accommodation: What bearing do different forms of housing have on social reintegration? (See appendix B, p*)</td>
<td>Ex-prisoners, at risk of homelessness/ accommodation instability</td>
<td>People released from prisons in Victoria and NSW over 3 month period</td>
<td>339 people</td>
<td>9 months</td>
<td>4 waves</td>
<td>70% (final round)</td>
<td>Face to face interviews Structured questionnaire Accommodation/ homeless experiences post release Includes retrospective information on homeless history</td>
</tr>
<tr>
<td>Cashmore &amp; Paxman (1996) Wards Leaving Care: A longitudinal study (See appendix B, p*)</td>
<td>Young people leaving wardship, at risk of homelessness/ accommodation instability</td>
<td>Discharged from care in NSW, contacted while still in care</td>
<td>47 young people</td>
<td>5 years</td>
<td>4 waves</td>
<td>96% (n=45; 12 mth wave) 87% (n=44: 5 yrs)</td>
<td>Face to face interviews Semi-structured questionnaire Accommodation/ homeless experiences post discharge Includes retrospective information on homeless history</td>
</tr>
</tbody>
</table>
### Panel surveys continued...

<table>
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<tr>
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</table>
| **MacKillop Family Services**  
*Transition to Care Project*  
“It’s a real shock”: Transitioning from care to independence  
(See appendix B, p*) | Young people leaving out of home care | Young people who left MacKillop care services over a 12 mth period (2002-3), recruited by service managers and case workers | 33 (Case workers located for 33 of original sample of 38) | 6-18 mths | No baseline interview 1 follow-up | Case workers had information on two-thirds | Interviews were conducted with case workers (and phone contact for additional information)  
Single round of in-depth interviews conducted with a subset of 10 young people |
| **Children's Welfare Association of Victoria**  
*Leaving Care study*  
(in planning stage)  
See appendix B, p* | Young people leaving out of home care in Victoria | In planning. | 60 | 2 years | In planning | In planning | In planning |

### PROGRAM EVALUATION - FOLLOW-UP AFTER LEAVING PROGRAM

| Evaluation of Reconnect featuring longitudinal survey of Reconnect clients  
Multiple publications  
(See appendix B, p*) | Young people and families who were clients of Reconnect | Reconnect Administrative Data (RAD) | 455 cases (of 1001 asked to take part) | 10 mths | 2 waves | 57% (n=260 for follow-up 169 young people; 260 adults) | Face to face interviews  
Includes retrospective questions on homeless history and leaving home. Note, not all respondents to the 2nd wave survey had actually left the program. |

Note: the Homeless and Drug Dependency Trial, Evaluation of part B, intends to incorporate a follow-up of clients three-months post Trial exit (see appendix B, p*). Other evaluation studies, such as the evaluation of the Family Homelessness Prevention Pilot, conduct multiple rounds of data collection though don’t retrace clients once they have left the program.
2. **Single wave surveys (retrospective longitudinal data)**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Bartholomew (1999) <em>Along way from home: Family homelessness in the current welfare context</em> (See appendix B, p*)</td>
<td>Families living in/ or recent residents of private hotels in Melbourne</td>
<td>Recruited via crisis centres, transitional accomm. and meal services</td>
<td>30 families</td>
<td>In-depth, face to face, interviews on pathways in and through homelessness</td>
</tr>
<tr>
<td>Allwood &amp; Rogers (2001) <em>Moving Yarns: Aboriginal youth homelessness in metropolitan Adelaide</em> (See appendix B, p*)</td>
<td>Indigenous young people, currently or recently homeless in Adelaide</td>
<td>Recruited via homelessness and youth detention services</td>
<td>19 young people</td>
<td>In-depth, face to face, interviews on pathways into and through homelessness (using ‘Moving Yarns’ booklet as means of structuring interviews).</td>
</tr>
<tr>
<td>Cooper &amp; Morris (2003) <em>Sustainable tenancy for indigenous families: What services and policy supports are needed? (In progress)</em> (See appendix B, p*)</td>
<td>Indigenous women with children living in temporary accommodation</td>
<td>Homelessness service providers in Darwin, Katherine and Brisbane</td>
<td>140 women</td>
<td>Semi-structured, face to face, interviews on pathways into/ between homelessness and tenancy Interviewers from similar Indigenous backgrounds</td>
</tr>
<tr>
<td>Casey (2001) <em>Snakes and ladders: Women’s pathways into and out of homelessness</em> (See appendix B, p*)</td>
<td>Women (aged 25-45) who had experienced homelessness but were out of crisis, identifying themselves as single at the time of homelessness</td>
<td>Recruited through a women’s drop in centre, women’s housing services, transitional housing and a women’s rooming house in Melbourne</td>
<td>11 women</td>
<td>In-depth interviews to develop life-time housing-homeless case studies</td>
</tr>
<tr>
<td>Catherine House (2003) <em>Like a mouse in a wheel: A study of homelessness for women, the challenges and the successes</em> (See appendix B, p*)</td>
<td>Women who were repeat clients of Catherine House, Adelaide (crisis/long-term housing)</td>
<td>Traced through the internal records of the agency and invited to participate</td>
<td>20 women (of 30 asked)</td>
<td>In-depth interviews to explore trajectory through homelessness and homelessness services</td>
</tr>
<tr>
<td>Lipman, Mirabelli &amp; Rota-Bartelink (2004) <em>Homelessness among older people: A comparative study in three countries of prevention and alleviation</em></td>
<td>Older homeless. People who became homeless in the previous two years and were aged 50+ at that time</td>
<td>Recruited largely through Wintringham (long-term accomm and outreach)</td>
<td>125 older people</td>
<td>Face to face semi-structured interviews with clients and their case workers, on pathways into homelessness (antecedents, triggers and contributory factors)</td>
</tr>
</tbody>
</table>
### Single wave surveys continued

<table>
<thead>
<tr>
<th>Study / reference</th>
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<th>Sample size</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Judd, Kavanagh, Morris &amp; Naidoo (2003)</strong> Housing options and independent living: Sustainable outcomes for older people who are homeless</td>
<td>Older homeless (50+ years, or 45+ for Indigenous people)</td>
<td>Recruited through Assistance with Care and Housing for the Aged (ACHA) program</td>
<td>59 older people</td>
<td>Semi-structured interviews on pathways into homelessness, and on 'sustainable' exits</td>
</tr>
<tr>
<td><strong>Ageing Men's Health Project</strong> Russel and colleagues (2002) (See appendix B, p*)</td>
<td>Older men living alone in inner Sydney</td>
<td>Recruited through contacts made in participant-observation field study (most from homelessness services)</td>
<td>67 older men</td>
<td>Development of life-time housing-homelessness histories using 'life history' approach</td>
</tr>
<tr>
<td><strong>Robinson (2003)</strong> Understanding iterative homelessness: The case of people with mental disorders, (See appendix B, p*)</td>
<td>People with a history of mental health problems and homelessness (currently homeless)</td>
<td>Recruited by staff from hostels/refuges and drop-in centres in inner-city Brisbane and Sydney</td>
<td>185 people</td>
<td>Semi-structured interviews and indepth interviews with a subset of 28 people focusing on the experience of 'iterative' or episodic homelessness. Develops housing-homelessness biographies and statistical summaries</td>
</tr>
<tr>
<td><strong>Bessant et al (2003)</strong> Heroin users, housing and social participation: Attacking social exclusion through better housing (See appendix B, p*)</td>
<td>Current/former heroin users (20 yrs+) with difficulties finding/maintaining adequate housing and high degree of mobility, in Victoria and NSW</td>
<td>Recruited at 3 sites (Cabramatta, Geelong, Fitzroy/ Collingwood) via snowballing (initial contacts from service providers)</td>
<td>150 people</td>
<td>Semi-structured questionnaire with 150 people. Ethnographic interviews with 42 people (plus other ethnographic data collection) Both include housing-homelessness history</td>
</tr>
<tr>
<td><strong>Foley &amp; Beer (2003)</strong> Housing need and provision for recently arrived refugees in Australia. (In progress) (See appendix B, p*)</td>
<td>Recently arrived refugees/asylum seekers, (at risk of homelessness)</td>
<td>Sampling according to visa category (on and off shore) Recruited via?</td>
<td>150 people</td>
<td>Structured questionnaires with predominantly closed questions, on housing-homelessness pathways post arrival (including pathways into homelessness and exits to stable accommodation.)</td>
</tr>
<tr>
<td><strong>Edwards (2004)</strong> Staying Home/Leaving Violence (Final report not sighted) (See appendix B, p*)</td>
<td>Women who had left a relationship involving domestic violence, some of whom experienced homelessness, in SE Sydney, Western Sydney, Far South Coast of NSW</td>
<td>Interviewees nominated by women's refuges, family support services, women's resource centres</td>
<td>29 women</td>
<td>In-depth interviews to develop case studies, including two accommodation scenarios, leaving or staying in the family home, and for those leaving, the consequences for accommodation stability</td>
</tr>
</tbody>
</table>
3. Administrative database record tracking (homelessness and other service systems)

Longitudinal database research is generally done retrospectively, using multi-year data archives prepared from routine administrative data collections, and ‘backtracking’ through the records. However, once a client cohort of interest has been identified, the progress of the group can be followed prospectively, in subsequent years of data collection.

The use of Australian homelessness services databases in Australia to explore the dynamics of homelessness (principally the SAAP NDC client database and information systems maintained by individual service providers) was described in appendix B, section 7. Not all of those uses involved the actual tracking of client records through a database over time.

**SAAP NDC**

The AIHW routinely traces client records over the course of a year’s data collection to identify the number of ‘support periods’ received by each client from the nationwide system of SAAP service providers. The results of these analyses (disaggregated according to client group) are presented in the AIHW SAAP Annual Reports and show the proportion of clients who receive single or multiple support periods over the course of the year. A variation on this standard form of analysis has been developed by Lai (2003) (see appendix B, p*). Similar analyses of SAAP service use have also been conducted as a result of ‘ad hoc’ requests to the AIWH. An example is also to be found in appendix B, in which the service use of a cohort of people requesting assistance from four Melbourne crisis accommodation agencies is traced for the year prior to the request and for a period following the request (Thomson Goodall 1999) (see appendix B, p*).

For the most part, longitudinal analysis using the NDC has been restricted to a single year. An exception to this is Lai’s study of repeat service usage among older SAAP clients which ‘backtracks’ client records for three consecutive years (FaCS 2003) (see appendix B, p*).

As far as we are aware, the SAAP client data set has not been merged with any other databases to trace multiple service use patterns over time, though this may have been attempted at the local level.

**Single service provider data sets**

Multi-year database tracking has been carried out by individual service providers. Hanover Welfare Services has traced the contact history of clients of its Southbank crisis accommodation facility for a period of five consecutive years (see appendix B, p*).

**Other data sets**

A small number of studies exploring people’s experience of homelessness have used other databases to track outcomes:
In *Mortality among homeless people with schizophrenia in Sydney, Australia: A ten year follow-up*, Babidge and Buhrich’s (2001) retrace a sample of 708 homeless people from four Sydney inner city hostels through the New South Wales Registry of Births Deaths and Marriages to determine how many were recorded as deceased in the period 1988 to 1998. (See appendix B, p*.)

Jordan (1995) searches the computer records of the then Department of Social Security to investigate outcomes for over a thousand formerly homeless participants in the Youth Pilot Projects one year after the completion of the program. (See appendix B, p*.)

4. **Agency contact and case notes**

The work of Chamberlain, MacKenzie and Johnson has made extensive use of qualitative data generated by homelessness service providers (SAAP and THM) and other practitioners working with homeless people (such as by school welfare personnel). In this method, homeless-housing histories are reconstructed from available material (including specially developed case histories). Given the emphasis in this work on developing ideal-typical pathways, the point of this reconstruction process is to identify common patterns rather than faithful reproductions of individuals’ trajectories. (See appendix B, p*.)

5. **General population longitudinal surveys**

Finally, several general population panel surveys of potential relevance are in progress:

- Longitudinal Surveys of Australian Youth (LSAY) (large national data collection, see appendix B, p*);
- Longitudinal Survey of Australian Children (large national data collection, see appendix B, p*);
- Australian Temperament Project (large State of Victoria data collection, see appendix B, p*);
- The Life Chances Study (Brotherhood of St Laurence, see appendix B, p*).
Appendix D:
Selected panels surveys in the United States

In the United States, the first analyses from longitudinal surveys of homeless cohorts became available in the early 1990s. Even in the US however, the number of panel surveys is small. This appendix describes three panel studies that have influenced the development of dynamic analysis. The first two trace the pathways of people already homeless at the start of the survey and report on the patterns of entry and exit to and from the homeless population (as defined). The third is a fully prospective study that traces the onset of homelessness among a group of families in receipt of public assistance (income support) and follows the progress of a subset of those requesting shelter for a period of five years.

Minneapolis data set

One of the first longitudinal studies was based on a two-wave panel survey of homeless adults in Minneapolis at the end of 1985 conducted by Michael Sosin and colleagues. Unable to use probabilistic sampling methods, the researchers attempted to derive a representative sample of homeless adults in the city by recruiting people from a number of inner-city drop-in services and agencies dispensing food. No families were included in the sample and the large majority of participants were men. The definition of homelessness employed by the study included those who were literally without accommodation, emergency shelter or other temporary accommodation (for two weeks or less).

Two samples were recruited. The first, a sample of ‘recent arrivals’, comprised people who were at most two weeks into their current episode of homelessness (though not necessarily their first episode of homelessness). The second sample was a cross-section of clients from the various recruitment sites. It was seen as methodologically important to recruit people near the beginning of their homelessness episode to improve the accuracy of recall and to enable a truer cross-section of homelessness experience.

Baseline interviews were carried out with 451 people, 113 recent arrivals and 338 from the mixed group. The second wave of interviews was conducted about six months later. The researchers were able to locate and interview 58% of the recent arrivals and 59% of the cross-sectional sample. The main methodological limitations of the study are the small sample size (particularly of the new arrivals) and the short timeframe (only six months). While the sampling strategy did not set out to locate people experiencing their first episode of homelessness, respondents were asked about their first experience, enabling statistical control for this variable.

Several key publications on the dynamics of homelessness resulted from this study (Sosin, Pillavin & Westerfelt 1990 ‘Toward a longitudinal analysis of homelessness’, Pillavin et al 1993 ‘The duration of homeless careers: An exploratory study’, Pillavín et al 1996 ‘Exits from and returns to homelessness’). The first of these studies identified ‘residential instability’ as the dominant experience, challenging prevalent (and opposing) characterisations that homelessness was usually either a short-term crisis or a chronic problem. The later studies developed multivariate models...
to explore the association of a range of factors describing individual psychological, behavioural, social characteristics and demographic factors with transitions into and out of the homeless population. These factors were later described as falling with the 'individual deficit' explanatory framework (Table D1).

**Alameda County data set**

A second panel survey of homeless families and single adults was undertaken in Alameda County, California, between 1991 and 1993. Researchers were able to construct a sampling frame including all adults at the time who were clients of emergency shelters or agencies providing meals to people in poverty across the county. This allowed a version of random sampling to be undertaken, though only service users were included.

Three waves of interviews were conducted over a period of three years. The baseline sample comprised 522 female family heads (15%), single women (19%), and single men (66%) (two-parent families were removed from the sample because of their small numbers). Some 85% (n=443) of the original sample were interviewed either in the second or third round, though difficulties in locating respondents and scheduling interviews meant the time between interviews was highly variable. Participants in the follow-up interviews did differ from non-participants on several variables.

Participants in the second and third wave interviews provided detailed homeless-domicile histories, including chronological ordering of all housing transitions, and their durations. An 'exit' was defined by meeting two conditions: it had to be to somewhere other than an institution (jail, prison, hospital etc) and it had to be for 30 days or more.


Multivariate models pointed to the relative importance of resource factors (particularly housing subsidy) in accounting for duration and exit patterns for the overall sample. Factors associated with exit were different from those affecting return to homelessness. Separate analyses for single men, single women and female family heads also tended to show both different patterns of exit and return and that factors associated with transitions for one group were different from those associated with another.
New York City 1988 public assistance cohort of families

A third panel survey of homeless and housed low-income families in New York enabled investigation of the onset of homelessness as well as exits and returns. The first wave of interviews for the study was undertaken in 1988, with follow-up interviews about five years later (1992-3). The sampling frame for the base line survey consisted of all those families requesting shelter from New York City’s emergency assistance units (who were currently or had recently been in receipt of public assistance) in 1988. A total of 701 families (at least one adult with one child, and including pregnant women) were interviewed (a 72% response rate). A comparison sample was drawn randomly from the public assistance rolls, with a response rate of 70%. The second wave of interviews aimed to follow-up a subsection of the original sample of families requesting shelter – female headed families who had no history of emergency shelter use prior to their request in 1988. The response rate for the second wave was 70%.

The study was undertaken by a team from the University of New York and has produced a number of important publications from the first and second phases of data collection including Weitzman, Knickman and Shinn (1990) ‘Pathways to homelessness among New York City families’, Shinn (1997) ‘Family homelessness: state or trait?’, Shinn et al (1998) ‘Predictors of homelessness among families in New York City: from shelter request to housing stability’, and Stojanovic et al (1999) ‘Tracing the path out of homelessness: The housing patterns of families after exiting shelter’. Again using multivariate models, the study considered the impact of four sets of variables: persistent poverty, behavioural disorders, impoverished social networks, and loss of affordable housing. The findings from this longitudinal study again challenge the significance of personal traits in the explanation of transitions into and out of homelessness, and have tended to support an emphasis on the primacy of subsidized housing as a means of both preventing and ending homelessness.
### Table D1: Causal factors considered in the explanation of the onset, duration, exit from and return to homelessness

<table>
<thead>
<tr>
<th>INDIVIDUAL ‘DEFICIT’ FRAMEWORK</th>
<th>Forms of ‘deficit’</th>
<th>Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Institutional disaffiliation</strong></td>
<td>Childhood foster care; Criminal involvement; No family formation</td>
</tr>
<tr>
<td></td>
<td><strong>Lack of social ties</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Personal disabilities</strong></td>
<td>Psychiatric hospitalization; Current alcohol abuse (Piliavin et al 1993)</td>
</tr>
<tr>
<td></td>
<td><strong>Impaired function</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Health problems</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Human capital</strong></td>
<td>Employment status; time employed; education or training (Piliavin et al 1993)</td>
</tr>
<tr>
<td></td>
<td><strong>Cultural identification/ acculturation</strong></td>
<td>Adaptation to street life; self-identification as homeless (Piliavin et al 1993)</td>
</tr>
<tr>
<td></td>
<td><strong>History of homelessness</strong></td>
<td></td>
</tr>
<tr>
<td>INSTITUTIONAL RESOURCE FRAMEWORK</td>
<td><strong>Forms of resource</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Personal income</strong></td>
<td>Wages from (formal sector) work</td>
</tr>
<tr>
<td></td>
<td><strong>Formal services</strong></td>
<td>Social services; income supports; housing subsidies</td>
</tr>
<tr>
<td></td>
<td><strong>Informal resources</strong></td>
<td>Help from friends and relatives</td>
</tr>
<tr>
<td></td>
<td><strong>Type of housing</strong></td>
<td>Own apartment; subsidized housing; crowding; mobility; building problems (Shinn et al 1998)</td>
</tr>
<tr>
<td></td>
<td><strong>Persistent poverty</strong></td>
<td>Education; Work history; Childhood poverty (parents’ receipt of welfare benefits) (Shinn et al 1998)</td>
</tr>
<tr>
<td>OTHER VARIABLES</td>
<td><strong>Demographics</strong></td>
<td>Age; Gender; Race/ ethnicity</td>
</tr>
<tr>
<td></td>
<td><strong>Household type</strong></td>
<td>Single/family; Female headed family</td>
</tr>
<tr>
<td></td>
<td><strong>Family type and dynamics</strong></td>
<td>Pregnancy; Teen motherhood; presence of small children</td>
</tr>
</tbody>
</table>


Appendix E: Administrative database research in the United States

This appendix describes the administrative data sets used in some of the most prominent longitudinal research in the United States and provides a summary of the agenda developed by researchers at the University of Pennsylvania in 1997 to identify the ranges of uses for administrative data in homelessness policy research.

1. Administrative records of homelessness service use

The use of administrative data sets from emergency shelter systems to analyze the dynamics of homelessness and patterns of shelter utilization has increased rapidly from the early 1990s. This has happened along with the expansion of municipal-wide information management systems (at city, county or state levels) capable of producing unduplicated counts of clients across agencies and across time (Culhane & Metraux 1997; Burt et al 2002). Following the division in homelessness service delivery, these databases tend to be divided into services for single adults and families. There are also longitudinal datasets for youth emergency services. Increasingly information systems go beyond coverage of shelter services (crisis accommodation) to include the range of homelessness services, across the Continuum of Care.

The most well-known analyses to date are those by Culhane and colleagues from the Center for Mental Health Policy and Services Research (University of Pennsylvania) using longitudinal administrative data from the New York City and Philadelphia public shelter systems.

New York City has tracked shelter usage since 1986 through two separate databases for families and for single men and single women. These databases contain demographic and background profile variables for every new client who enters the system as well as the dates of every entry into and exit from the shelter system. Information collected includes age, education, gender and race, as well as indicators for mental health, substance abuse and medical problems (based on self-report intake assessments). A similar client registration system was initiated in the City of Philadelphia in 1990. This data set provides additional information on client records due to matching with local databases on publicly reimbursed mental health and substance abuse treatment, from Medicaid, community mental health programs, state hospitals, services to persons in jail and so on. Important analyses of the patterns and drivers of homelessness and shelter use considered elsewhere in this report have been conducted by Culhane and Kuhn (1998) and Kuhn and Culhane (1998) looking at adult clients of crisis accommodation, by Wong, Culhane and Kuhn (1997) and Metraux and Culhane (1999) looking at patterns for families and women.

More recently analyses have been conducted using the Runaway/Homeless Youth Management Information System (RHYMIS). RHYMIS was established in 1997 following an amendment to the Juvenile Justice and Delinquency Prevention Act which mandated a national reporting system for youth services agencies. The stated mission of public youth shelters is to reunify young people with their families or else assist them to independent living. Analyses of the database have been used to assess the outcomes of shelter stays and the predictors of family reunification (Thompson, Kost & Pollio 2003, Thompson, Safyer & Pollio 2001).
2. **A policy research agenda based on analysis of administrative data**

This appendix is a selective summary of Dennis P. Culhane and Stephen Metraux (1997) ‘Where to from here? A policy research agenda based on the analysis of administrative data’.¹

Culhane and Metraux argue that computerized administrative data has great potential for shaping new research opportunities and public policy analysis in the area of homelessness services. They propose a broad agenda for administrative database research based on expanded data capacity:

- Increasing use of automated homelessness management information systems (HMIS);
- The increasing prevalence and standardization of municipal-wide systems (with capacity of unduplicating client records across agency and across time); and
- Advances in automated management information systems (MIS) technology that enable the quick compilation and the efficient manipulation of large datasets on service use.

The research agenda identifies analyses of administrative data (using longitudinal and time-series methods) relevant to the following areas:

1. Estimation of the size, characteristics and dynamics of homeless populations (via analysis of HMIS);
2. Analysis of service pathways and the interaction of homelessness and other service systems (via analysis of merged administrative databases);
3. Program evaluation (via HMIS and integrated database research); and
4. Homeless systems management (including performance management), planning and administration.

This summary is concerned with the first three areas of policy analysis and evaluation.

### 2.1 Use of longitudinal analysis of HMIS to assess population size, characteristics and dynamics

**Potential**

MIS provide a promising alternative source of data on population size and characteristics to the cross-sectional survey or census, allowing for more accurate estimation of period prevalence and opening a range of other possibilities for identifying service use patterns of subpopulations and monitoring trends in shelter utilization over time. Large sample sizes also enable the use of powerful statistical techniques. Uses include:

¹ This is published as a chapter in Culhane & Hornburg, eds. *Understanding Homelessness: New Policy and Research Perspectives*. Washington DC: Fannie Mae Foundation and can be downloaded from: [http://www.uphs.upenn.edu/cmhpssr/hdug/website.htm](http://www.uphs.upenn.edu/cmhpssr/hdug/website.htm).
Calculation of period prevalence rates for demographic subgroups (age, race and sex) and the development of risk factors for admission to the homelessness system (using basic demographic data for the general population of a given jurisdiction).

Estimate predictors of length of stay, repeat shelter use, or housing outcomes using multivariate regression approaches (including OLS regression, logistic regression, and event history analysis), facilitated by large sample sizes.

Identify distinct patterns (clusters) of shelter use, and measure their association with demographic characteristics using cluster analysis, again facilitated by large sample sizes.

Assess the relative size and shelter service consumption of these different clusters across a jurisdiction.

Assess the effectiveness of past or proposed homeless policies on shelter utilization rates (prevalence) or on the service use patterns of subpopulations using time series analysis of shelter utilization trends.

Limitations

Administrative data can only provide information for persons who use the services being tracked. Administrative records fail to capture what happens to people when they are not in contact with the service system, leaving major gaps for understanding informal support systems, and resettlement patterns.

Undercounting can also result from service providers who decline to participate in the data collection system for various reasons.

The quality of the data may be lacking for research purposes, particularly for research on population characteristics. In-depth clinical interviews and lengthy survey instruments prove impractical, so self-report information is usually the only means for collecting data on such areas as health status, substance use history, or mental health status.

These problems are not insurmountable:

The problem of restricted coverage can be mitigated through complementary use of other methods, such as research with street outreach contacts, or through using survey methods to estimate the number or the proportional size of the non service-using homeless population.

The problem of self-reported personal information can be overcome by combining homeless service data with data from other service systems, as a reliability check, or more generally, to enhance the range of information available for each client. This is only a small part of what integrated database research has to offer.
2.2 Integrated database research

Potential

Integrated database research is made possible by the linking of administrative databases. Homelessness databases can be merged with other administrative databases through unique identifiers (such as some combination of name, date of birth, ethnicity and gender). (We discuss this process in chapter 8.)

Integrated database research has the potential to investigate the following issues:

- How the policies and behaviors of other public systems influence the risk for shelter admission and the duration of homelessness episodes;
- How homelessness affects individuals’ interaction with other public systems; and
- The costs that homeless persons incur upon other systems.

Culhane and Metraux identify several areas where integrated database research would be profitable (and provide illustrations, largely from work carried out by the Center for Mental Health Policy and Services Research). These areas include:

Impact of welfare reform

By matching the identifiers of people terminated from specific welfare programs against shelter registries, a change in the rate of public shelter use among those affected can be directly measured. For example, a study might compare the shelter admission rate before and after benefits termination for a cohort of people or alternatively it might compare this cohort to a control group of persons who remains on the welfare rolls during a specified period.

In Australia, an equivalent would entail the merging of Centrelink and SAAP databases with a view, for example, to assessing the impact of breaching policy on the use of homelessness services. This link has been suggested by anecdotal and provider specific evidence to be a significant contributor to homelessness, but has not been systematically investigated across a regional or State service system.

Contact with health services

Similarly, research can be conducted on the relationship between health service use and shelter admission. Merges with records from hospitals (including emergency departments), health insurance and other health databases could be conducted to:

- Estimate the treatment rates for specific disorders in the homeless population, and related trends over time.
- Examine the interrelationship and sequencing between hospitalizations, emergency room use, and homelessness episodes.
- Investigate the diagnoses of homeless versus non-homeless hospital patients, the differential use of hospital days by diagnosis, and the estimated differences in costs of care.
Identify particular subgroups of homeless persons with specific morbidities, in place of self-report or diagnostic survey instruments, for more fine-grained analyses of how these impact on the duration of and return to homelessness. This might include specific diagnostic categories of severe mental illness, for example.

**Contact with the criminal justice system**

Links between homelessness, crime and release from incarceration could be explored by the integration of homeless services databases with arrest, conviction and incarceration records, including:

- The frequency of pathways from prisons to shelters following discharge, and an assessment of the extent to which crisis accommodation is being used as a defacto ‘halfway house’.
- The risk of arrest, incarceration and recidivism among shelter clients.
- The extent and nature of (identified) crime among street homeless populations (including ‘nuisance’ crimes committed by homeless people who are attempting to fashion a private life in public spaces, crimes committed for basic survival, or more serious crimes committed against people or property).

Much like the research described in the area of health services, this research could examine

- how people move between these systems,
- the costs of their movement among these facilities, and
- the characteristics of persons at risk of homelessness or incarceration.

**Public Health**

Public health is another area of research that can benefit from the integration of administrative data sources. For example, mortality studies could be undertaken to examine the relationship between a shelter admission, the duration of a shelter stay, or a street homeless outreach contact, on mortality risk. These studies could be undertaken for groups of children as well as adults.

**Limitations**

Apart from the technical difficulties associated with merging and analyzing longitudinal data sets, the difficulties of integrated database research tend to stem from two sources: the need for collaboration and the legal and ethical sensitivities around client privacy and the confidentiality of data. Where external research organizations are undertaking the analysis, arrangements for the ‘sharing’ of data will require approved protocols to ensure confidentiality and the privacy of service users (see chapter 8). The ethical and legal difficulties are particularly pronounced in the merging of homelessness and criminal justice databases. Culhane and Metraux note that an association between crime and homelessness identified in a large empirical study ‘could further stigmatize the population’ and, in the absence of water-tight confidentiality protocol, may even result in punitive action where a merge of shelter and police records revealed information that might lead to an arrest.
There may be also be legal restrictions on the access to a particular dataset. Gaining the interest and cooperation of other agencies can prove as challenging as it is necessary:

- Agency heads ‘will often decide whether to participate in data sharing on the basis of perceived self-interest for the agency and/or the current political administration’.
- It can be difficult to locate information system personnel in the data holding agency who have the time and technical skills to cooperate in a data merging venture.
- It is particularly difficult to secure the joint interest and cooperation of the relevant stakeholders in a given project.

Culhane and Metraux conclude that ‘failure to satisfactorily meet any one of these conditions can stymie a request, or introduce complex delays’. However, where obstacles are overcome, conducting research based on administrative data is seen to have the benefits of inviting collaboration between universities and public agencies for the purposes of creating dialogue on the policy implications such research would hold. It may also increase joint ownership of the results of analyses, leading to a more productive relationship between policy development and research.

2.3 Program evaluation using HMIS and integrated database research

The use of administrative data also promises a relatively economical and statistically powerful alternative to ‘purpose built’ evaluation studies of homelessness policy and programs. Even in the United States, evaluations of individual programs targeting homeless persons generally have insufficient numbers (given the throughput of clients) to muster the statistical power to detect what might be small changes in measurable outcomes. Culhane and Metraux make the point that the on-going activities of a system of service providers, including the creation of special programs, can be evaluated if administrative data are routinely collected on services used and persons served:

- The ideal of experimental design is often impossible to meet in evaluation of welfare programs. However, the lack of random assignment can be compensated for in administrative database research by quasi-experiments, using the demographic characteristics of large numbers of clients enrolled system-wide to control statistically for any preexisting differences in the selection of subjects to programs.

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2 Culhane and Metraux discuss issues surrounding the establishment and maintenance costs of HMIS. These costs (including staff time, software and hardware) may be considerable although they are not incurred purely for the sake of evaluation research as is generally the case when other methods are used.
The large number of subjects potentially enrolled can afford more statistical power for determining the characteristics that are associated with a particular outcome by program type. Selected interviews or small sample surveys can be used for supplementary information or for validation studies.

While the range of outcomes that can be assessed by these means is limited to service use (including repeat use of homelessness services), integrated database research has the potential for wide ranging examination of the collateral impact of homelessness policy and programs on, for example, health care costs, incarceration rates and receipt of income support.

Administrative data systems can reduce the data collection burden on service providers and homeless persons by using the existing operational infrastructure to record service activity and to follow client progress.

Culhane and Metraux conclude that while not as ideal as an experimental method for evaluating a program, ‘the trade-off with statistical power, practicality, cost, and reduced data gathering burden, may make such a method the only feasible approach in many circumstances’.

Administrative data can be used to evaluate a broad set of program activities, including the:

- Effectiveness of follow-up case management and support in reducing repeat use of crisis accommodation;
- Cost savings of supported housing programs in comparison with continued homelessness;
- Relative effects of transitional housing versus subsidized housing placements; and
- Effectiveness of various homeless prevention efforts.

The availability of an administrative data system can help to make such program evaluations a routine component of policy development and program planning.

The pros and cons of administrative data and primary data

Culhane and Metraux argue that from a research perspective, the use of administrative data should be seen to ‘supplement rather than supplant’ other methods for gathering primary data. The range of questions it can answer is inevitably more limited, and primary data collection will ‘continue to be the most effective method to carefully explore client opinions, beliefs, characteristics, etc’. At the same time, primary research may supplement administrative database research through follow-up studies on cases randomly selected by an administrative data system or targeted studies to assist in the interpretation of quantitative data.
Appendix F: Selected examples of homelessness costing research

Table F1: Summary of selected cost studies

<table>
<thead>
<tr>
<th>No.</th>
<th>Project, report/key publication</th>
<th>Country, date, status</th>
<th>Subgroup of homeless population</th>
<th>Data collection and analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>Project, report/key publication</td>
<td>Country, date, status</td>
<td>Subgroup of homeless population/comparison group</td>
<td>Data collection/analysis</td>
</tr>
<tr>
<td>-----</td>
<td>-----------------------------------------------------------------------------------------------</td>
<td>-----------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>5</td>
<td>George Coppus/IBI Group: Societal cost of homelessness</td>
<td>Canada 2003</td>
<td>Targets ‘absolute’ homelessness (though ultimately as defined by service providers) Comparison with ‘average citizen’</td>
<td>Provider level budget data (aggregates) from services targeting homeless persons Costs to homelessness service providers and mainstream service cost avoidance Aggregate estimate at city level extrapolated to urban Canada</td>
</tr>
<tr>
<td>6</td>
<td>Costs of family homelessness</td>
<td>England 2003 -4</td>
<td>Family/children’s residential instability and experience in temporary accommodation Various comparison groups, including general population</td>
<td>Empirical approach, includes client level data linked with unit costs Retrospective interviews with families (plus other data sources) Resource costs to public services, private accommodation providers, homeless persons and their informal supports Short- and long-term costs Unclear whether aggregate costing will be developed</td>
</tr>
<tr>
<td></td>
<td>Center for Housing Policy (CHP) University of York, with BRMB International Social and Public Sector Research and York Health Economics Consortium (YHEC) Commissioned by Office of the Deputy Prime Minister O’Reilly/YHEC (Nov 2003) ‘Costs of homelessness for families and children’ outlining their proposed approach. Nicholas Pleece <a href="mailto:np3@york.ac.uk">np3@york.ac.uk</a> or Deb Quigars <a href="mailto:djq1@york.ac.uk">djq1@york.ac.uk</a>. See CHP website: <a href="http://www.york.ac.uk/inst/chp/familyhomelessness.html">http://www.york.ac.uk/inst/chp/familyhomelessness.html</a></td>
<td>In progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Costs of single homelessness</td>
<td>UK 2003</td>
<td>Single persons/ concealed homelessness and temporary accommodation No formal comparison</td>
<td>Simulated/modelling approach, client level data linked with unit costs Resource costs to public services, private accommodation providers, homeless persons and their informal supports Hypothetical case histories Quantifies individual pathways but does not aggregate</td>
</tr>
<tr>
<td></td>
<td>Crisis/Institute for Public Policy Available on Crisis website.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Cost of early social exclusion/being NEET</td>
<td>England 2002</td>
<td>Young people ‘NEET’ aged 16-18, experience of multiple disadvantage Comparison with non-NEET population in same age group</td>
<td>Simulated/modelling approach, client level data linked with unit costs a) Cohort analysis b) Hypothetical case studies Current, medium, lifetime costs</td>
</tr>
</tbody>
</table>
This appendix describes the purposes, methods and findings of selected cost studies in the USA, Canada and the UK. These studies are part of national homelessness policy debates and aim to inform shifts from crisis to preventive responses and/or from temporary to more permanent solutions. With the exception of the Coppus/IBI Group project, all adopt ‘pathways’ approaches to identifying costs and benefits, that is, they link client/individual level data with unit cost information and trace the accumulation of costs over time. The studies are referred to throughout the main body of this report, and have been selected to draw attention to different methodological options and to illustrate the policy and political relevance of these choices.

1 Kuhn and Culhane (1998): Chronic, episodic and transitional patterns of shelter utilization

Research undertaken in the mid-1990s by Dennis Culhane and Randall Kuhn has been widely cited by advocates of the Bush administration’s plan to end chronic homelessness. The interpretation of this work in policy debate has helped cement the notion of ‘chronic homelessness’ as a distinct subset of homeless experience. It has also helped foster a fundamentally economic perspective on classification since chronic homelessness is differentiated from other types of homelessness on the basis of clients’ use of service resources.

The research involves an analysis of patterns of emergency shelter use by adults in New York and Philadelphia. It employs various types of ‘heavy user’ analysis which at its most basic derives a cumulative measure of the proportion of, for example, shelter days used by a fixed proportion of shelter users, allowing statements in the form of ‘x% of clients use up x% of service or service system days over x period of time’. This form of economic analysis is often not included in discussion of methods of evaluating responses to homelessness and yet it can provide important data on the effectiveness and efficiency of service responses, as long as results are interpreted with caution.¹

The two studies considered here both explore different patterns of use of emergency shelter, looking jointly at clients’ frequency of contact and length of stay. A basic aim was to identify the relative size and characteristics of the high-end consumers of the shelter system in each city. The idea that there were different patterns of use, that some people ‘got stuck’ in the shelter system, or were repeat clients, was well known to local service providers and to program administrators. However, this research provided the first aggregate estimates for two large geographical areas. Both studies took advantage of what was then the relatively unique capacity of the cities’ administrative databases to trace individual clients’ use of public shelters (from 1986 in New York and from 1991 in Philadelphia).

¹ Some authors refer to this as ‘high consumer’ analysis to emphasise the fact that the inappropriateness or otherwise of relatively ‘heavy’ service usage is not resolvable by statistical analysis. This method, along with some of the more sophisticated statistical techniques used in their own research, is described by Metraux and Culhane (1999) in their review of ‘practical methods’ for analyzing patterns of shelter utilization.
The first study investigated the proportion of shelter days consumed by long-stay clients in the first year after their entry to the system. It found (consistent with other longitudinal research on shelter turnover) that most single adults who used the shelter system did so on a short-term basis. A majority of both men (55%) and women (65%) experienced only a single episode of shelter use over a two year period. The study also identified a notable minority of repeat and long-stay clients. In both cities the heaviest users (those who stayed for more than 180 days in the first year of admission) consumed more than three times as many days as their proportionate number in the shelter population (Culhane and Kuhn 1998, 33).2

This data is seen by the authors as confirming the existence of different ‘classes of clients’ defined according to shelter stay pattern. The three classes are hypothesized as ‘the chronically homeless, the episodically homeless, and the transitionally homeless’.3 The second study set out to provide a more robust quantitative analysis of the relative size and characteristics of these subgroups than had previously been possible and to test the qualitative characterizations that had grown largely out of practitioner experience.

Cluster techniques used in the study confirmed the hypothesized groups to be distinct from each other on the basis of duration of stay and repeat use. This was the case for both the New York and Philadelphia datasets. The typology is summarized as follows:

We find a cluster consisting of those who used the shelter for a short time, presumably as a time to recover from a temporary emergency [transitional]; a cluster of episodic clients, who move in and out of the shelters frequently, possibly alternating shelter stays with bouts of street homelessness, hospitalization, and incarceration; and a cluster of chronic stayers who rarely leave the shelter over long periods (Kuhn and Culhane 1998, 14).

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2 As operationalized in this study, an ‘episode’ may include brief periods spent outside shelter, with the maximum period between shelter stays being 30 days. This is done to give a sense of the duration of residential instability or ‘homelessness’, rather than simply periods spent in shelter (‘stays’). Hence, if someone leaves shelter but returns soon after, this would be seen as part of the same ‘episode’. These distinctions between shelter ‘stays’, homeless ‘episodes’ and the choice of exit criterion (all critical for longitudinal analysis of shelter databases) are explained in Metraux and Culhane (1999).

3 Longer stays were not necessarily considered a sign that the system was failing. Indeed, the more stringent payment and behaviour required by Philadelphia shelters was seen to discourage long stays and repeat use, with possibly more damaging periods ‘on the streets’ as a consequence.

4 This typology, already familiar to homelessness researchers, had evolved in recognition of the emergence of a new group of homeless persons who were ‘precariously housed’ rather than inhabitants of ‘skid row’ and who were ‘thought not to be saddled with as many of the deficits or personal barriers as their predecessors’ (Kuhn and Culhane 1998, 20).
Table F2: Patterns of public shelter utilization by cluster, for single adults in New York (1988-95) and Philadelphia (1991-95)

<table>
<thead>
<tr>
<th>Cluster</th>
<th>New York (over three years)</th>
<th>Philadelphia (over two years)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of shelter population</td>
<td>% of shelter days used</td>
</tr>
<tr>
<td>Transitional</td>
<td>81.0</td>
<td>35.1</td>
</tr>
<tr>
<td>Episodic</td>
<td>9.1</td>
<td>18.1</td>
</tr>
<tr>
<td>Chronic</td>
<td>9.8</td>
<td>46.9</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

N=73,263 N=9,790,023 N=6,897 N=340,151

Source: Adapted from Kuhn and Culhane (1998, Tables 4 and 5).

Notes:
1. This figure refers to the population of publicly funded emergency shelters which comprised more than 80% of total facilities in each city.

2. Includes couples without children.

3. The datasets were assembled to ensure each individual included in the analysis had equal possible time in shelter (three years for New York and two years for Philadelphia).

The proportionate size and resource consumption of each cluster (see Table F2) was shown to be remarkably similar for New York and Philadelphia. In both cities, ‘chronic’ clients comprised 10% of the shelter population and accounted for about half the shelter days over a given period. Despite the far greater numbers of transitional shelter users, the impact of chronic clients on the overall load borne by the shelter system was markedly stronger. The research revealed ‘chronically’ homeless persons to be a minority of considerable economic significance to the system. A judgement about the relative inefficiency or otherwise of this state of affairs, however, depends on the extent to which the disproportionate use of services is also judged to be inappropriate (and ultimately on whether there are more efficient alternatives for that population). Given the purported function of shelter as an emergency resource, the implication was drawn that, for the group of long-stay/chronic users, the shelter system was clearly not acting as intended, but was instead operating as long-term housing. For the majority of clients, on the other hand, shelter was said to be fulfilling its intended emergency function, with the relatively short stays and isolated episodes suggesting a ‘transition’ out of homelessness.

The researchers conclude that if chronic shelter users were transferred to other community housing programs ‘more emergency resources would be available for their intended function’ and anticipate that ‘significant savings in shelter resources’ would flow from more timely resettlement of this group (Kuhn and Culhane 1998, 16; Culhane and Kuhn 1998, 38). The question of whether or not the additional costs shifted onto housing and support systems as a result of this would be offset by savings from public shelter was left for Culhane’s later evaluation of New York supportive housing (discussed below).
The research also investigated the client characteristics associated with different shelter use patterns. The first study used regression techniques to identify predictors of exit from shelter and hypothesized that people with identified substance abuse and mental health problems would have a lower probability of exit and hence longer average episodes of shelter use. It found that, in general, older people and people with mental health problems, substance abuse problems and, in some cases, medical conditions experienced greater difficulty in leaving the shelter system, and tended to return relatively quickly when they did. A particularly strong association was found with ethnicity, especially in Philadelphia, where white male clients were 2.5 times more likely than others to exit shelter (Culhane and Kuhn 1998, 40, 41).

The second study tested common assumptions regarding the demographic and behavioural characteristics of clients associated with the three patterns of shelter use. As expected, chronic shelter users were more likely to be persons of colour, and to be relatively older. The findings for behavioural health indicators (substance abuse, mental health, poor medical health) were less conclusive. The cluster of transitional shelter clients was anticipated, as noted, to be relatively free of health problems in comparison with the episodic and particularly the chronic clients. While the expected associations did prove statistically significant, the differences between the three clusters were often not particularly marked in percentage terms.

These findings are seen by the authors to add weight to the idea that the clusters of chronically, episodically and transitionally homeless represent distinct subgroups in the shelter population, defined not just by use patterns but also by clusters of demographic and health characteristics. It is suggested that the findings could be used to help target programs ‘designed to prevent shelter admission or shelter episodes of unnecessarily long duration’ (Culhane and Kuhn 1998, 40). However, the issue of how efficiently these high consumers of resources could be identified for targeted preventive responses is not addressed (Shinn and Baumohl 1999). Instead Culhane and Kuhn propose that, rather than targeting on the basis of demographic and health variables, programs could target those with prior homelessness episodes or long current homeless episodes. The chronic homelessness initiative adopted this simpler strategy by targeting clients only after long-term or repeat homelessness had already been proven.

The researchers conclude that efforts designed to reduce homelessness would be ‘more efficient and potentially more effective if they were tailored and targeted by cluster’ (Kuhn and Culhane 1998). Each group is seen to pose ‘significant societal costs and obligations’ requiring different types of policy and program response,

Looking first at the New York sample, the proportions with mental health indicators were small in every cluster, though more prevalent among chronic shelter users (15%, compared with 12% of the episodic group and 8% of the transitional group). When indicators of the three sets of health problems were considered together, the differences between the transitional group and the other two groups became more pronounced. Persons with any one of the three indicators comprised 55% and 53% of the chronic and episodic groups respectively, but only 38% of the transitional group (though, as the authors noted, this was still a sizeable proportion). For Philadelphia, where the data on health indicators was derived from treatment records rather than self-report following admission to shelter, the analysis showed these indicators to be more prevalent in all clusters, and the difference between the three clusters to be more marked (83% of chronic shelter users, 66% of episodic, and 49% of the transitional group had any one or more or the three indicators).
and, of interest here, suggesting different types of cost analysis to help further the case for appropriate intervention. It is argued that, by transferring the minority of people who to all intents and purposes live in the shelter system to permanent supportive housing, the overall demand on shelter would be considerably reduced. Here, ‘heavy user’ analyses are the appropriate research tools, in tandem with evaluations of the cost-effectiveness of supportive or community housing as the suggested better alternative.

For the episodic group, who also consumed a disproportionate amount of shelter days, the implications are said to be less clear-cut. The researchers suggest that transitional housing and residential treatment programs could be better targeted to this group. This is anticipated to pay off because of the high cost of such services and the relatively small size of the group. In addition, further economic incentives for maintaining or even expanding these programs might be found by demonstrating the cost savings generated in other service systems such as hospitals, prisons and policing. Episodic users of shelter services are anticipated to be the ‘heavy users’ of other systems.

The definition of ‘chronic’ homelessness embodied in the administration’s funding eligibility requirements collapses persistent and episodic shelter use into its one category of ‘chronic’ homelessness. This has the advantage of drawing on both economic rationales simultaneously.

Finally, Culhane and Kuhn argue that while more timely provision of transitional housing or permanent supportive housing would lessen continued use of emergency shelter for the ‘long-stay’ or ‘chronic’ clients, a similar intensity of service was probably not necessary for the majority who had shorter stays and were able with existing supports to extricate themselves from shelter (though it is noted that the fact that public shelter was needed in the first place threw into question the efficacy of mainstream ‘safety net’ programs).

The National Coalition for the Homeless has been a particularly forceful critic of the focus on ‘chronic’ homelessness and has objected to the use of Culhane and Kuhn’s analysis in policy debate. The rationale that targeting assistance to ‘chronically homeless’ persons would ‘free up’ more emergency shelter beds for the remaining 90% in need is said to be disingenuous because ‘new people will continue to join the ranks of the “chronically homeless”. Moreover, any shifting of resources away from preventive efforts would make it ‘more difficult for other vulnerable populations to access the resources needed to escape deep poverty and homelessness’ which in turn ‘creates the preconditions for non-disabled people to develop disabilities and to be at future risk of homelessness’ (NCH 2002).

The NCH’s objection reflects an ongoing debate regarding the causes and consequences of long-term homelessness. Kuhn and Culhane’s research has added new evidence to this debate by showing that patterns of ‘chronic’ and ‘episodic’ service use may be evident from the start of a person’s contact with the shelter

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6 NCH (2002) ‘Poverty versus pathology: What’s “chronic” about homelessness?’ Also see the NCH more recent update of its opposition to the ‘chronic homelessness initiative’ in ‘Questions and Answers on “chronic” homelessness’ on the NCH website.
system, rather than simply being a reflection of the 'later stages' of homelessness. This was made possible by the availability of multi-year archives of shelter use data enabling the researchers to compare the duration and repeat use of shelter from the beginning of each person's history of contact with shelter services. In other words, the patterns of newly homeless persons could be compared with those of other newly homeless persons to control for the impact that the length of time homeless might have on the length or frequency of shelter stays.\footnote{In Culhane and Kuhn (1998), only persons experiencing their first shelter admission who had no prior recorded shelter activity (at least 18 months prior to the study date in Philadelphia or 12 months in New York) were included in the analysis. A similar precaution against the problem of 'left censoring' was taken in the second study (1998) (see Table F2).}

For the NCH this research, or its interpretation, is seen as perpetuating a bandaid approach. The National Alliance to End Homelessness, on the other hand, believes the targeting of 'chronic' or long-term homelessness is a first step to generating interest by members of Congress and others in its more comprehensive Ten Year Plan to end 'homelessness' in its entirety (NAEH Annual Report 2002). Its strategy, furthered by the research by Culhane and Kuhn, is one of prioritizing scarce resources.

The authors consistently point out that people experiencing literal homelessness or severe residential instability who don’t use these services are excluded from the research, and that this remains a fundamental limitation of the method. A second possible limitation is that, strictly speaking, the research identifies chronic, episodic, or transitional patterns of \textit{shelter use} rather than patterns of \textit{homelessness} per se. However, as explained in endnote 2, while the analysis of shelter registries cannot provide information on the actual accommodation circumstances of clients between stays, the use of ‘exit criteria’ does provide a means of estimating \textit{episodes} of (primary) homelessness.

\section{Culhane, Metraux and Hadley (2002) New York/New York Agreement cost study}

As described by its authors, this study is ‘an assessment of the impact of public investment in supportive housing for persons with severe mental illness’ (Culhane, Metraux and Hadley 2002, 107). It tracks the use of emergency shelters, health and criminal justice services in New York City of more than 4,000 homeless persons placed in housing funded under the New York/New York agreement for a period of two years before the placement and two years after (see Chapter 3). The main aim was to assess whether and to what extent reductions in the use of emergency and acute services across the city offset the costs of providing the supportive housing.\footnote{The study looks at two models of service-enriched housing funded under the NY/NY agreement. These are supportive housing and the community residence model. The latter has a more clinical approach. Many staff and services are on site, provided exclusively for tenants, with intensity of support increasing according to the assessed level of severity of the mental illness. Supportive housing models, on the other hand, separate residency and support services to a greater extent. This is consequently, on average, a less expensive form of housing to provide, as the study illustrates. It is also the more prevalent model. Following the emphasis of the research report, our discussion refers to the findings on supportive housing.}
Rather than follow Rosenheck’s proposal that economic evaluation of responses to chronic homelessness should move from cost savings to cost-benefit analysis (see Chapter 3), Culhane and colleagues aim at a more definitive appraisal of public service costs and cost savings. Where earlier studies had focused only on a single service (generally within the health system), the New York/New York agreement cost study traces clients’ contact with multiple services and service systems. The study also employed a more rigorous research design and analysis than earlier attempts at multi-systems evaluation of supportive housing, enabled by the large sample size acquired through the use of administrative databases.

The study found that the savings in public service expenditures for taxpayers resulting from placement in the NY/NY housing offset 95% of this cost. Arriving at this figure involved four costing exercises to assess: the aggregate demand made by homeless persons with severe mental illness on the range of public services prior to the placement; the impact of the placement on that demand; the direct costs of supplying and operating the housing; and the balance between costs and cost savings.

The data for the study came from eight separate administrative databases, five maintained by the New York City departments responsible for health and mental health services, homeless services, hospitals, corrections and housing, two from the New York State departments responsible for mental health, Medicaid and corrections, and finally the federal Department of Veterans Affairs’ database for the VA hospital system. These databases track service use and client characteristics over time. Using client identifiers in each of the databases, the study linked the records of some 4,679 homeless persons placed in NY/NY housing between 1989-97.

A research design was required that would enable a statistically sound assessment of the extent to which any changes in service utilization were actually attributable to the placement in supportive housing (rather than, for example, to the healing effects of the passage of time). Existing cost-offset analyses of supportive housing were seen as lacking in this regard. Given the retrospective nature of the study, a randomized controlled trial was not possible. The study was based instead on a quasi-experimental design. Tracking service usage before and after the placement enabled any changes to be detected and, by matching each person placed in supportive housing with an individual who remained homeless but otherwise had similar characteristics, an estimation could be made using regression techniques of the portion of the change attributable to the placement.

The authors point to a ‘dearth of empirical evidence’ on the extent of demand made by homeless persons with severe mental illness on emergency and acute care services prior to placements in supportive housing. The study was able to produce an aggregate figure ‘for the first time in the published literature’ (Culhane, Metraux and Hadley 2002, 138). Persons in this group accumulated an average of $40,451 per year in health, corrections and shelter system costs. Health service use was identified as the key cost driver, accounting for 86% of costs, compared to 11% on shelter use and 3% on criminal justice.

9 Matches were made on the basis of demographic criteria, indicators of mental illnesses and substance abuse, and service use patterns.
The study also filled a gap in quantifying the impact of supportive housing on public service use. It found that persons placed in supportive housing experienced marked reductions in shelter use, hospitalizations, length of stay per hospitalization and time incarcerated. A homeless mentally ill person placed in supportive housing reduced their use of publicly funded services by an average of $12,146 per year (see Table F3). Reductions in health services accounted for the majority of cost savings (half related to reduced use of psychiatric inpatient services and 15% to general hospitals), but savings due to reduced shelter use were also prominent (about a quarter of the total), with only 4% arising from reductions in criminal justice contact.

Working with the city and state agencies responsible for funding the development of the housing, the researchers derived an estimate of $17,277 to build and operate a housing unit for a year (including debt service and social service costs), or $12,889 for an average client. Comparing the average annual cost of a unit with cost savings from reduced public service use produced a net cost of $995 for supportive housing per year. For each individual placed, the cost was an average of $744 per year.

The costs of providing supportive housing ‘were almost entirely compensated by reductions in collateral service attributable to the housing placement’. This is identified as ‘a striking result given the magnitude of the cost involved in establishing and running the program’ (Culhane, Metraux and Hadley 2002). Moreover, many other anticipated service reductions were not measured, and consequently the researchers report feeling ‘confident’ that NY/NY housing ‘fully pays for itself’ (Marcus 2001).

**Table F3: Net costs of New York/New York Agreement Supportive Housing, 1999**

<table>
<thead>
<tr>
<th>Annualized cost of supportive housing</th>
<th>Per client placed</th>
<th>Per unit of housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annualized service utilization cost reductions</td>
<td>$12,146</td>
<td>$16,281</td>
</tr>
<tr>
<td>Annualized net cost of supportive housing</td>
<td>$744</td>
<td>$995</td>
</tr>
<tr>
<td>Cost offset</td>
<td>95%</td>
<td>95%</td>
</tr>
</tbody>
</table>

Source: Adapted from Culhane, Metraux and Hadley (2002, Tables 19 and 20). Figures are in 1999 dollars. Figures reflect rounding.

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10 This information on cost drivers and cost-reduction drivers is extremely useful for other researchers designing cost analyses since it indicates (at least for this subgroup of persons with severe mental illnesses) which service areas it is most important to include in the data collection. Hence, in their assessment of the costs and outcomes of two types of service-enriched housing, Gulcar et al. (2003) used these findings in their decision to focus only on health services use.

11 The lower number per client is a function of turnover since not all clients stayed for a full year (in some instances this meant a return to homelessness, but for the others it indicated a planned move to other permanent housing).

12 Street outreach services, soup kitchens and services provided by drop-in centres were not included. Nor were health services funded by the federal Health Care for the Homeless program. The analysis also excluded many other federally funded services such as HUD funded clinical and social services provided at emergency shelters. It was not possible to obtain information on uncompensated costs to private hospitals (Culhane, Metraux and Hadley 2002, 139).
While the results of the study are specific to a single city, the researchers argue they have important policy implications at the national level. Estimating on the basis of previous research that there were about 112,000 single adults with severe mental illness and 280,000 ‘chronic’ users of emergency shelter across the USA at a point in time, they make the following case:

If such persons, or even significant proportions of them, are extensive users of acute care health services, public shelters, and criminal justice systems, then the results of this study suggest that an aggressive investment in supportive housing is warranted …the results presented here indicate that policy makers could substantially reduce homelessness for a large, visible segment of the homeless population – often thought to be stubbornly beyond the reach of the social welfare safety net – at a very modest cost to the public (Culhane, Metraux and Hadley 2002, 140).

The key policy difficulty is seen to lie in shifting funds ‘from one set of purposes (health, jails, prisons) to another (housing or housing support services)’ and consequently from one jurisdiction to another. However, the potential for offsetting the costs of supportive housing is argued to add weight to the argument for new dollars, rather than re-prioritizing existing homelessness assistance to supportive housing. This remains a bone of contention.


In 2000, the government of British Columbia in partnership with the City of Vancouver sponsored a large project to investigate the causes and effects of homelessness. The project was commissioned with an eye to developing economic data to further justify the province’s extensive investment in affordable and supportive housing. A group of consultants was commissioned as part of this larger project to devise a methodology to assess the public service costs of homelessness (Eberle et al. 2001c). The chief methodological difficulty was seen to lie in finding a way of investigating the service system ‘as a whole’. To tackle this problem, the team devised an innovative case study approach to trace the pathways taken by homeless individuals through the health, criminal justice and income support systems.

Possible study participants were identified by case workers and homelessness service providers in Vancouver. Though not intended exclusively as an investigation of the costs of ‘chronic’ homelessness, the research team was unable to recruit the wide cross-section of homeless subgroups originally planned. For example, it was not possible to recruit a family or people experiencing homelessness for the first time. The final sample comprised 15 individuals, all of whom had experienced extended periods of homelessness. Five were formerly homeless but since housed in supportive accommodation of various types, and the remaining ten were identified as having no permanent accommodation at the time of the study.

The authors elsewhere are reported as hoping ‘to convince the Department of Health and Human Services, the federal agency which stands to save the most money from housing the mentally ill homeless, to help the much smaller Department of Housing and Urban Development pay for supportive housing’ (Marcus 2001).
The study reconstructed the service use patterns for each individual for a single year, using self-report information and administrative records in the areas of:

- Health (including hospital admissions, hospital emergency department use, physician billings, prescription drugs, mental health services, ambulance services, fire emergency response and health clinic);
- Social services (income support, child protection, drug and alcohol treatment);
- Criminal justice (correctional institutions and police services).

Individual consent forms were signed by interviewees giving their permission for the researchers to access information from a range of databases using their Social Insurance Number, name or date of birth. At this point, the researchers made requests to ministries and service providers holding the relevant data to access individual clients’ records (for the previous five years). As an exploratory project, the combination of administrative records with personal interviews was seen as the best way of testing the reliability of both client recall and administrative data.

Estimates of the relative costs of these service pathways were made by tagging instances of service use to unit costs of the various services developed by the consultants or supplied by service providers. Only public service costs are considered. Since it was not possible to develop detailed estimates of the duration of periods spent in emergency shelter, these costs were not quantified.

As anticipated, the study found that, on average, those without permanent shelter were heavy consumers of the most expensive elements of the health care and criminal justice systems when compared to those in supportive housing (many of whom were similarly managing drug addictions and chronic health problems). The authors conclude that if the results from the small sample were more broadly applicable, the implication was that ‘decent, adequate supportive housing not only ends homelessness, but may reduce the use of costly government services and ultimately save money’. At the same time, the study drew attention to considerable diversity in service use within the sample: ‘some are heavy service users, others avoid the system altogether, at least over a one year period’. The homeless participants in the study accrued annual service related costs ranging from $4,000 to over $80,000, while the range for housed individuals was considerably less extreme, ranging from $12,000 to $27,000 (Eberle et al. 2001c, 29). While the stated aim of the study was to identify the ‘maximum possible range of services accessed’, this finding also highlighted the importance of developing methods that would give rise to more robust estimates of the average public service cost of ‘keeping someone homeless’.

4 Eberle Group (2001-03) NHI study (Toronto)

In 2001 the National Secretariat on Homelessness commissioned a second team headed by Margaret Eberle to undertake a study aimed at producing ‘a defensible estimate of the social and economic costs of homelessness on Canadian society to inform future policy development’ (Mars et al. 2001). No Canadian study to this point had attempted to estimate the aggregate such costs at the city or regional level, let alone the provincial or national level (IBI Group 2003). While the British
Columbia report recommended an extension of the case study methodology (with a larger, more geographically dispersed sample and broader cross-section of service pathways), draft findings from the New York/New York cost study had raised expectations about the potential for a large-scale quantitative study. The Eberle group argued that while a case study approach could be used successfully as a precursor to a quantitative approach and provide a rich source of qualitative information on service utilization, ‘the results cannot be generalized beyond the individual level and therefore, is not viewed as a potential option’ (Mars et al. 2001). The team opted instead for a quantitative approach, tracking service use over time through administrative databases.

The feasibility phase of the project considered possible approaches and research designs. The team argued that the complexities of providing a sound quantitative estimate at the national level exceeded resources available to do the work and suggested that the task would be better broken down into more manageable projects that could be tackled as part of a broader research program.\footnote{14} A downsizing was suggested firstly on the grounds of geographical scope since the diversity of service systems across the country would necessitate a prohibitively large sample. Toronto was chosen as the study site. The team also advised a rethink regarding demographic subgroups and patterns of homelessness covered by the analysis. Given the attention to chronic homelessness in the USA, they suggested a focus on the service use patterns of ‘episodically’\footnote{15} homeless individuals, particularly since this experience appeared to be the more prevalent in Canada. Consistent with concerns expressed by the National Homelessness Initiative, they recommended a further focus on young people and on new immigrant and refugee families.

Despite this initial planning phase, the research team had to further reduce the scope of the study to counter problems that arose as the research plan was put into practice. A pilot study with recent arrivals to Canada and relevant service providers highlighted the political sensitivities in attempting a cost analysis for this group. The researchers discovered that homeless immigrants were unlikely to share

\footnote{14} The budget initially designated for the project was about one-tenth of the $575,000 available to Culhane's group.

\footnote{15} Homelessness itself is defined in absolute terms as ‘sleeping outside, in places not meant for human habitation or temporarily in emergency shelters’ (Mars et al. 2001). Chronic and episodic homelessness are included within this definition. As in the analysis by Kuhn and Culhane (1998), episodic homelessness is defined according to the temporary nature of homeless episodes, where chronic homelessness refers to their persistence. However, the definition of episodic homelessness adopted by the Canadian researchers connotes a less ‘chaotic’ and extreme form of residential instability than the ‘institutional circuits’ suggested in Kuhn and Culhane's typology. Episodically homeless persons are defined as:

- Emergency hostel users: one or two days in a shelter over a two year period;
- Transitional hostel users: three to under 365 days in a shelter over a two year period;
- Temporarily homeless (either living on the street or in the rough) for one or two days over a two year period;
- Temporarily without a permanent address (required to live with someone else on a temporary basis, or some combination of living on the street, in hostels or with someone else) for less than 365 days over a two year period. The individual must have been episodically homeless during a period up to two years. The episodically homeless may be in receipt of services such as emergency shelters, kitchens, drop-in centres and hospitals. They may also have been housed at some points during this period (Eberle et al. 2003a).
information about homeless experiences and service use, and that providers also had reservations because they were concerned about what uses would be made of the data in a broader policy debate ‘to suggest that new Canadians cost Canadian society a certain figure ...as an argument against immigration’ (Eberle et al. 2002a). This component of the proposed assessment of the costs of episodic homelessness had to be abandoned, leading to an exclusive focus on youth homelessness.

The team opted for a retrospective rather than prospective tracking of administrative records so the study could be completed more quickly. However, key databases (health insurance, social assistance and the justice system) didn’t include an indicator of homelessness, and the researchers therefore had to contact possible study recruits individually to request consent for access to user ID numbers. Developing relations with service providers and the various ministries holding the client information proved tortuous. Access to health data was the most difficult since it was discovered that only medical staff were legally allowed to ask someone for their Health Care Card number, which would have involved developing a partnership between the researchers and a health care clinic. The project clearly illustrates the pitfalls of initiating multi-systems database research in this area without the necessary lead-in time to scope databases and negotiate with data holders and other stakeholders, and without sufficient budget to withstand setbacks.

While no empirically based estimates have arisen as yet,16 the project has made an important contribution to the methodological debate. In a paper considering the different options for a costing study, Mars et al. (2001, 4-8) argue that to ensure policy relevance, the approach adopted should enable estimation of the costs of homelessness ‘in the context of appropriate services’ and compare the costs of those who are receiving appropriate services with those who are not. The team identified three possible definitions or ‘calculations’ of the costs of homelessness:

- **Absolute cost of homelessness**: The absolute cost of homelessness involves all the costs arising as a result of persons being homeless, and can include a net cost and a full cost. The net absolute cost represents what society is currently incurring as a result of homelessness, while the full absolute cost represents what it would be incurring if homeless people used all the services that are available (assuming that they may actually under-use certain services). The net absolute cost is said to be what most people would think of when considering the costs of homelessness, that is, ‘the dollar figure of an amount actually spent’;

- **Comparative cost of homelessness**: The comparative cost takes into account the fact that every person, whether homeless or not, incurs some costs to society ‘certainly in the health field, and sometimes in the social and justice fields as well’. It reflects the difference between the costs incurred by homeless persons and those incurred by domiciled persons. The comparison may be made with the ‘average citizen’ or with other groups, such as low-income individuals;17

16 A renegotiation and refinancing of the project was proposed by the consultants at the end of 2003 (personal communication). The original study period was three years.

17 A second Canadian project commissioned by the National Secretariat developed an estimate of the extent of government ‘cost avoidance’ associated with homelessness (see the study by Coppus/IBI Group (2003) described below).
Costs of homelessness in the context of appropriate services: The third option recognizes that the costs of homelessness differ depending on what services are actually provided. The cost calculation would reflect the difference between the costs incurred by homeless persons in different service contexts. This calculation is described as the ‘costs net of appropriate services’.

The team argues that, from a policy perspective, the absolute cost is not very helpful because it is devoid of context, while the context provided by comparisons between domiciled and homeless persons is limited since it does not illuminate possible courses of action. Pointing to the high absolute or comparative costs of homelessness might suggest something needs to be done, but since in most cases things are already being done, the more important issue is to help figure out the best course of action:

the reality is, in some cases appropriate services are available and do exist, and the relevant policy consideration should be what is the cost of homelessness, having regard to the availability of different services, with an eye to discovering what is the most effective and efficient policy and service response to homelessness. If that is the relevant question, then a study of the costs of homelessness must measure these costs where such services are used as well as where they are not used (Mars et al. 2001, 13; emphasis in original).

The researchers further hypothesize that these ‘costs net of appropriate services’ accrue differently for chronic and episodically homeless populations. They note that while earlier research suggests the direct monetary costs of providing appropriate services for ‘chronically’ homeless individuals (supportive housing of various types) are about the same as the financial savings made by crisis service providers (shelter, health, criminal justice) in their absence, this is unlikely to apply to individuals and families experiencing episodic or ‘short-term’ homelessness (perhaps as part of a broader pattern of residential instability). It is hypothesized that these people will not incur health or justice sector related costs significantly different from those incurred by the average citizen, but that greater impact can be predicted in social service expenditures, particularly over the longer term. The provision of ‘appropriate services’, this time seen in terms of affordable housing, is anticipated to assist a large proportion ‘into a commonly understood “regular” life’ with the communal and personal benefits of ‘earning a wage, paying taxes, and not drawing on social services’. Mars et al. recognize that people experiencing chronic homelessness may also be assisted into employment, but suggest that in the short to medium term this sort of financial contribution cannot generally be expected. The different potential for ongoing independence is seen to imply a different cost imperative for the provision of appropriate services between the two homeless sub-populations, and hence a different approach to economic evaluation:

while in the case of chronic homelessness, where the provision of appropriate services likely reduces the net cost of this homelessness to society, in the case of episodic homelessness, the provision of appropriate services may well maximize the ‘contributions’ ledger, thus reducing the net cost to society (where these contributions represent additions to the national wage, productivity and taxes). To put it another way, the provision of appropriate services acts
as a *cost minimization strategy* when applied to the chronic homeless, while becoming a *contribution maximization strategy* when applied to the episodic homeless (Mars et al. 2001).

5 **Coppus/IBI Group (2002-03) NHI study (Calgary and Edmonton)**

A second project commissioned by the National Homelessness Initiative to investigate the societal costs of homelessness was based on research already underway in Calgary. Rather than track the individual service use pathways of recipients (as the Eberle Group had attempted to do) the Calgary/Edmonton project set out to collect information directly from service providers on the amounts they expended on homeless clients. The intention was to develop estimates of the average cost per person, per type of service provider, and per subset of homeless population in order to supply ‘critical data to help service providers and funders develop business cases for providing and prioritizing services to the homeless’ (Coppus/IBI Group 2003). This ruled out the more standard approach of collecting aggregate budget information from funders, whether government or non-government.

Initially the study sought to estimate service costs borne both by those services directly targeting homeless persons (housing, outreach, employment related, food and clothing) and by mainstream services including homeless persons in their clientele (health, counselling, criminal justice/corrections). Many mainstream services could not easily develop data and costings for the segment of homeless clients, since indicators of homelessness were often not included in administrative records. This part of the study was discontinued.

Considerable difficulties were encountered in securing the participation of agencies working with homeless clients. However, the most intractable problem was that of obtaining costing data of sufficient quality. Most agencies lacked the accounting and recording systems to provide the level of detail required and, in a finding unexpected by the researchers, ‘few agencies were able to reliably identify the number of distinct clients served in a year’. Earlier research for the Calgary Homelessness Initiative in 1997 recommended the development and implementation of an inter-agency data consortium and client-tracking system to promote accountability, needs based planning and program evaluation (Arboleda-Florez and Holley 1997). It was emphasized that multiple accountability of service providers to funders and privacy legislation presented obstacles to furthering research in this area. The IBI Group study confirmed that, six years later, these problems still existed.

In the absence of unduplicated tracking data, the cost per person approach was replaced with a simplified total agency cost approach, which meant that the main practical application of findings intended by the study could not be achieved. Nevertheless, this fall-back position did enable aggregate estimates to be made of the high costs of a ‘reactive’ response to homelessness. An estimate was developed of the net (direct) service costs of homelessness in Calgary for one year, and

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18 The study team noted that ‘some agencies were uncooperative, while some could be characterized as obstructive’ (IBI Group 2003, 5).
extrapolated to urban Canada. The total for urban Canada ($1,400 million for 2002) is said to be a ‘truly significant cost’, and probably understated by tens of millions of dollars.19

Projections of emergency shelter costs to 2012 based on 2002 growth rates were used to illustrate the financial unsustainability of this approach over the longer term. The study argues that ‘financial reasons alone’ are sufficient to make the transition to a homelessness prevention model of service delivery (Coppus/IBI Group 2003, 18). While it is anticipated that the net societal cost of homelessness could be reduced over the longer term ‘through better understanding and management of the causal factors’, the analysis itself does not supply the necessary evidence. In support of further research along the lines initiated by the Eberle group, the final report concludes:

More research is urgently required to understand the pathways into, through, and out of homelessness, and to quantify the financial benefits that would accrue to society from a reduction in homelessness (Coppus/IBI Group 2003).

One interesting aspect of the study is its analysis of ‘cost avoidance’. It draws attention to the fact that many services used by the housed population are not used by homeless persons, and this is seen to result in the avoidance of some types of expenditures by all three levels of government. Under-used services include health, education and recreation, but also tax benefits and certain income supports such as child benefit. The research team developed a model to estimate the value of the services not used (the estimate for Calgary was $11.1 million for 2002).

6 Centre for Housing Policy/BRMB/YHEC (2004) Costs of family and statutory homelessness

In 2003 the UK Homelessness Directorate funded two cost studies to inform both strategic policy making and arrangements for commissioning housing and other support services at the local level. The first project, undertaken by the Institute for Public Finance, collates evidence from previous costing work and includes detailed analysis of statutory and other statistical data from local authorities.20 The second cost study forms one component of a much larger project to investigate the ‘causes, impacts and costs of family homelessness’. The research is intended to bolster the evidence base for the implementation of Supporting People and other new programs aimed at preventing family homelessness.

Nicholas Pleace and Deb Quilgars from the University of York’s Centre for Housing Policy (CHP) are leading the project, in partnership with BRMB International Social and Public Sector Research. The main study will feature a large survey of family homelessness in England, anticipated to be ‘one of the most important pieces of

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19 It is pointed out that the calculation does not take into account ‘opportunity cost of the positive contribution this segment of society could have made were it not for their experience of homelessness’ or the intangible costs of pain and suffering. The estimate also excludes indirect service costs.

20 The report was in draft form at the time of writing. The Office of the Deputy Prime Minister has indicated it does not wish to release any information on the project until it is published. Contact Alison Higgins: Alison.Higgins@odpm.gsi.gov.uk.
policy research’ since the 1993 survey of single homeless also conducted by the CHP. In addition to assessing the impact of homelessness on families and children, the study will consider the circumstances of young people experiencing homelessness outside the family context (though it does not appear that a separate costing study will be conducted for this group).

An extensive feasibility phase was conducted to feed into the design of the proposed survey and cost studies. The aim of the cost component is to consider the costs of family homelessness in the short and longer term, and also to provide data on the cost-effectiveness of different types of temporary accommodation and other support services used by homeless families. Here ‘homelessness’ refers largely to the experience of living in, and moving between, temporary accommodation.

The CHP worked with experts in economic evaluation from York Health Economics Consortium (YHEC) to develop an approach for identifying and estimating costs of homelessness for families and their children.21 The costs are seen to arise as a result of resource use by three stakeholder groups: the homeless families themselves, agencies supplying and/or managing temporary accommodation, and providers of other services used by families. Information on resource use for these three groups will draw variously on the planned survey of homeless families, interviews with providers of temporary accommodation, and data from publicly available datasets (reviewed in the feasibility phase). Costings will be derived by linking instances of resource use to relevant unit cost information.

The proposal to collect primary data on the financial costs and lost opportunities borne by families as a result of periods in temporary accommodation potentially addresses a large gap in existing quantitative information on this issue, not just in England, but internationally. At the service delivery level, neglect of these expenses can mean a failure of initiatives that aim to improve (rather than exacerbate) the circumstances of struggling families. The project aims to look at additional costs for families both in their daily activities (such as getting to work, school or child care, utility bills and other living expenses) and over the longer term (including any interruptions to children’s education, loss of employment or difficulty of regaining employment due to the shift in location). Since it is intended that information on this resource use will be collected by a single wave of retrospective interviews, the detail that can be obtained will necessarily be limited (O’Reilly/YHEC 2003).

Earlier work from Pleace and Quigars (1997) pointed to an ‘ungrounded tendency’ to attribute, for example, the poor health of homeless families to periods spent in temporary accommodation. Here it is argued that, with the exception of rough sleeping, the health problems of the homeless are similar to those of housed, low-income persons and that poor health status in some cases may be more properly attributed to the cumulative impact of poverty or social exclusion. The main impact of homelessness is seen to lie in reducing access to mainstream health services. More generally, this perspective suggests that the analysis of costs should pay

21 As part of their contribution to the feasibility study YHEC developed a discussion paper ‘Costs of homelessness for families and children’ outlining their proposed approach (O’Reilly/YHEC 2003). This our main source of information on the cost component of the study.
careful attention to the sequence of events and to the ways in which the experience of specific types of residential instability work to compound and perpetuate existing disadvantage. It moves away from the tendency, when making general economic arguments in support of homelessness prevention, to conceive the costs of ‘homelessness’ as ultimately those of street homelessness. A second neglected area that seems likely to feature in this study is that of the costs of recurrent (‘episodic’) and persistent (‘chronic’) homelessness for families, rather than for individuals.

YHEC emphasize that, in obtaining data on the resources used by the different stakeholders, it is important to identify ‘only those additional resources used as a result of the period of homelessness’ (O’Reilly/YHEC 2003). While this is the theoretical emphasis, it is uncertain whether the actual study design will produce very robust quantitative data on service use attributable to periods in temporary accommodation. For example, the methodology paper developed by the research team signals that, for service use other than accommodation, the only comparison will be with the general population, rather than a purpose built comparison group matched with the socio-demographic and health characteristics of families housed in temporary accommodation.


The homelessness advocacy group Crisis commissioned the New Policy Institute to develop an estimate of the number and associated costs of ‘hidden’ homelessness among its constituency of single persons. The resulting publication, How Many, How Much?, argues that there is a bias at the heart of homelessness policy, reflected both in the new legislation and its likely interpretation that will mean ‘the people at the bottom of the homeless pecking order will still for the most part be single people without dependent children’ (Kenway and Palmer 2003, 8).

The study derived a point in time estimate that between 310,000 and 380,000 people without dependent children were homeless across the UK, using a definition broadly consistent with Australian definitions of primary plus secondary homelessness (see Appendix A). Given these numbers, the cost of continued policy neglect, albeit borne across government departments and by the voluntary and private sectors, is anticipated to be considerable. No aggregate costing is developed:

What is important here is not the total cost of homelessness – we are definitely not looking to make a statement like ‘single homelessness costs Britain £X billion pounds a year!’ Statements like this get the headlines, but they are not much use in working out how much might be saved if, say, the amount of time that homeless people have to wait in temporary accommodation could be reduced by, say, two weeks. (Kenway and Palmer 2003, 30)

22 This total includes a small proportion of rough sleepers (about 800), people staying in hostels or bed-and-breakfast accommodation or facing imminent eviction due to rent arrears (about one quarter of the total), and the majority, living in ‘concealed households’ with family or friends (those without an explicit licence to occupy and in accommodation which is overcrowded or where the head of household has expressed some dissatisfaction with the arrangement) (Kenway and Palmer 2003).
As with the Centre for Housing Policy (CHP) study of the costs of family homelessness, the preferred approach is to identify particular cost incidents or episodes incurred by persons over time that can then be linked with unit cost information. Kenway and Palmer draw on a model of the stages of a homelessness ‘career’ to provide a framework for six pathway ‘scenarios’. The stages are depicted below. It is emphasized that a person’s actual trajectory will not necessarily follow a step by step progression through the stages and that ‘looping back to an earlier stage, perhaps a number of times, will happen in some cases, perhaps even most’.

Risk factors

« Trigger [defining each scenario]
« Temporary arrangement
« Independent resolution/authority help/voluntary help
« Long-term housing

The types of situations and incidents experienced by homeless people that give rise to costs are identified through a review of the existing research on pathways into, through and out of homelessness. Each scenario maps the trajectory of an individual from the initial loss of more or less stable accommodation through their experience of temporary dwellings (streets, friends, hotel or bed-and-breakfast), seeking assistance (independent or informal help, local authority help, voluntary help) and, in some instances, to regaining relative stability or long-term housing. All but one of the scenarios features a person in their early twenties, and while some of the circumstances depicted give rise to housing entitlements from local authorities, the narratives emphasize the contingency of access to statutory and other forms of assistance, indicated in research.

Each case study starts with a trigger incident that accounts for the initial loss of accommodation:

◗ Leaving home after a breakdown in the relationship with a parent,
◗ Leaving home to escape domestic violence from a partner,
◗ Leaving prison,
◗ Eviction following rent arrears,
◗ Abandonment of a flat following mounting debt, increase in drug use and sharp deterioration in mental health;
◗ An older man, coping with the death of his wife and a growing alcohol problem.

Together, the hypothetical case studies are designed to cover a wide range of possible experiences and resolutions and provide a framework in which to review what is known about availability, waiting times and appropriateness of relevant services in selected local areas. In other words, this approach enables an indicative economic evaluation of a community’s entire service response to homelessness.
Drawing up the six scenarios helped identify specific instances of service and resource use that could then be costed. Since ‘the range of costly things associated with homelessness is probably endless’, it provided a means of delimiting the exercise to something manageable. A decision was made to quantify only ‘hard’ costs, those in which ‘resources are spent or lost, and which have a direct monetary effect’ whether borne by public, private or voluntary sectors. This is argued on the grounds of policy relevance as well as data availability:

while the soft costs can sometimes be considerable, it is unclear whether a large soft cost would be all that helpful in persuading the state to spend what would be ‘hard’ money on an initiative aimed at preventing such costs from actually arising (Kenway and Palmer 2003, 41).

Unit cost information was collated on failed tenancy, periods spent in temporary accommodation (including hostels, refuges and bed-and-breakfasts), homeless specific support services, health services and criminal justice services, resettlement assistance and support, and unemployment (measured in terms of lost output). The report concludes on the basis of its preliminary estimates that:

the cost of temporary accommodation is markedly higher than the cost of permanent accommodation, with the costs of bed-and-breakfast accommodation around twice the cost of a one-bedroom flat rented from a social landlord, and hostel accommodation perhaps four times as much (Kenway and Palmer 2003, 45).

The totals for each scenario give an indication of the magnitude of cost involved. One of the problems encountered was lack of longitudinal data to estimate duration and frequency of cost episodes, including likely periods in different forms of temporary accommodation. Average waiting times for services (for example, housing services or detox) were used to make rough estimates of time spent in temporary accommodation. The scenarios are mapped out for different periods of time (from six months to two years), with individual pathway totals ranging from under £4,500 to £83,000.

Importantly, in making an economic case for tackling hidden homelessness among single persons, the report does not emphasize the burden on health and criminal justice budgets, but the cumulative costs of emergency shelter and temporary accommodation as borne by local authorities, private landlords, friends and family and homeless persons themselves. Similarly to the approach adopted in the CHP feasibility study, the report stresses the importance of only counting those costs that can clearly be attributed to homelessness. The authors argue that when the purpose is to cost homelessness ‘in order to measure the savings to be had from reducing it’, then the costing ‘should start with the most certain costs’, that is, where the direction of causality is clear (Kenway and Palmer 2003, 45). These are identified as the costs of eviction and of hostel or other temporary accommodation. Health and criminal justice related costs are seen to be less certain since these could be attributable wholly or in part to other problems that predated the loss of stable accommodation (for example, turn to alcohol following the death of one’s spouse, prior involvement with crime). This focus also reflects the researchers’ interest in residential instability, rather than literal homelessness with which ill health and participation in crime
are more directly associated. Kenway and Palmer do suggest, however, that more attention should be given to assessing the costs of unemployment, even though the direction of causality may again be difficult to decide.23

In this modelling exercise, the quantification of costs is secondary to the identification of the costly consequences and economic illogic of prevalent responses to homelessness. Kenway and Palmer (2003, 26) acknowledge that ‘in taking a scenario approach, everything really depends on the strength of the scenarios’. Although the scenarios are artificial in the sense of not reflecting an actual chain of events for real individuals, a claim of representativeness or typicality is made on the grounds that:

- Each of the scenarios was ‘seeded’ by what research shows to be one of the main triggers for homelessness;
- The episodes within each scenario were assembled in the light of what the research shows are typical or common experiences suffered by homeless people;
- The scenarios were checked by people working with homeless people, and modified ‘to achieve a greater affinity with actual experience’.

The range of empirical data and theoretical generalization drawn upon in the construction of the six homelessness pathways is indicated below:

- Risk (and trigger) factors associated with the onset, duration and repeat of homeless episodes for different population subgroups;
- Common accommodation patterns:
  - Likelihood of rough sleeping for different groups, and common duration of these episodes;
  - Common patterns of movement between accommodation, for example, the most common destinations for women leaving an abusive partner and the likelihood of moving back with the abuser (with the risk of further harm), or the likelihood of young people moving back to the parental home;
- Use and availability of needed public and voluntary sector services:
  - Likelihood and importance of receiving a given service (research on the availability of services in different locations, including rural areas).
  - Waiting times for key services (including access to permanent housing, health, education and training, employment assistance, family mediation);
  - Likelihood that key information will be supplied;
  - Likelihood of leaving a crisis centre for temporary or longer-term housing or ‘the street’;
  - Eligibility for services and need for services, and likelihood of mismatch;
  - Commonness of inappropriate accommodation placement or referral;
  - Likelihood that a given service will be rejected;

...
Likelihood and importance of family, community supports and ‘self-help’:
- Likelihood of getting (unskilled) employment;
- Likelihood of having to move out of local area to take up residence in temporary accommodation or other housing;
- Likelihood of family support (research on support provided by parents and the likely impact of its absence, research on whether elderly people are likely to ask their children for help in times of need etc.);

Health impacts of being homeless or moving around:
- Victimization rates;
- Impact of accommodation loss on mental health and substance abuse;

Health impacts on informal supports and carers (including the impact of ‘doubling up’ on the host household) and the likely consequences for those being assisted;

Evaluation data and success rates of interventions:
- Likelihood of certain types of support or housing intervention preventing ongoing or recurrent homelessness;
- Failed placements for specific groups (young people, families in public housing etc.);
- Likelihood of successful resettlement for people with mental illness or substance abuse issues in the absence of or with supports;
- Likelihood of ‘drop out’ from services.

8


One of the research challenges posed by the UK Policy Action Team on Young People (part of the National Strategy for Neighbourhood Renewal) was how to explore and cost the combined effects of the disadvantages or social exclusion experienced by a significant minority of young people. A team from the Social Policy Research Unit (University of York) responded to this challenge in their study of the multiple societal costs associated with young people in England who were ‘not in education, employment or training’ (NEET). The study aimed to go beyond standard costing work in which the benefits of encouraging young people aged 16 to 18 to remain in education, employment or training were conceived (and measured) solely in terms of the enhanced employability resulting from better educational qualifications. Benefits are also seen to lie in reducing the risk of poor health, drug abuse and crime. The researchers developed both cohort and case study models to explore the combined current and future costs of being NEET as a teenager.

The study was commissioned by the Department for Education and Employment to support its bid for funding to develop ways of reducing the numbers of NEET young people in the context of a major transformation of support services for 14 to 19 year olds. The results were published in two volumes, the first drawing together relevant
literature and data sources (Coles et al. 2000) and the second setting out costing frameworks and analyses (Godfrey et al. 2000). The researchers emphasize the lack of data (particularly for medium-term and long-term costs, ‘making it very difficult to estimate what happens once someone turns 30’) and the consequent assumptions made about the impact of this early disadvantage on young people’s life chances and interaction with public services. They see the studies as a starting point for discussion rather than a robust estimate of future costs.

Cohort approach

For the purposes of the funding body, an approach was needed to estimate the aggregate costs against which the costs of possible future initiatives to reduce social exclusion amongst this group could be offset. An estimate was made of the numbers in the 16 to 18 year age group NEET in England at the end of 1999. Costs for this cohort were then estimated across the projected lifespan (separated into current, medium-term and long-term costs) and compared with the hypothetical situation that this group had the same current and future experience as the rest of their contemporaries.

The analysis applied what is described as an ‘accounting approach’ to trace the impact on public finances resulting from the simulated pathways of this group (looking at the balance between revenue and expenditure) and a broader ‘economic approach’ to identify total resource costs, valued in opportunity cost terms. Costs to individuals and families are identified separately. Estimates are provided across the whole group for some effects (for example, the impact of educational underachievement and unemployment as measured by foregone earnings) but not others (such as the health problems associated with unemployment).

Methods

The cohort methodology had four stages:

- Identify negative consequences or ‘costs’ associated with being NEET;
- Estimate the numbers and excess proportion of the NEET group experiencing the particular costly consequences;
- Identify unit costs or cost per person of identified effects;
- Combine information from the second and third stages to derive aggregate estimates for the cohort.

The first stage required identification of the potential negative impacts of being NEET. A list was drawn up from the literature review outlining potential costs accrued in the current, medium and long term. The following cost incurring conditions were identified as being ‘associated’ with being NEET aged 16 to 18 years in the short term:

- Educational underachievement;
- Unemployment;
- Labour force inactivity;
- Teenage parenting and informal caring;
- Involvement in crime;
Poor physical or mental health and disability;
Substance abuse;
Homelessness.

The authors argue that, given the data sources, it is not possible to disentangle the causal relationships involved, for example, some young people would have poor health and disabilities, or be involved with substance abuse and crime before the age of 16, whereas for others these conditions may represent the consequences of being NEET between 16 and 18 (Godfrey et al. 2002, 4). The study opts therefore for an analysis of the costs ‘associated’ or ‘correlated’ with this disadvantage in the teenage years. This is consistent with the broader goal to quantify the costs of social exclusion, but limits the extent to which the findings can be used to identify the offset to programs targeted more specifically to the reduction of the numbers of NEET young people.

Young people in the NEET group are seen as likely to incur costs from several of the listed areas. For example, it might be common for them to have a drug dependency that is linked to unemployment (or vice-versa) and hence to lower earnings, health costs and crime costs. While a key aim of the study was to explore the simultaneous operation of multiple disadvantages, the risk of double counting meant that, in order to aggregate costs across the cohort, the researchers were forced to establish a hierarchy of costs. The effects of employment status are placed first in the hierarchy.

The second stage of the methodology involved estimation of the additional extent of cost incurring instances and circumstances associated with being NEET across all the identified areas of cost. This information is referred to as the ‘excess’ percentage or incidence value. Its calculation requires comparison of the extent, for example, of unemployment, in the NEET and non-NEET population of 16 to 18 year olds (for current costs) or between the ‘ex-NEET aged 16 to 18 year old’ population and the ‘ex-non-NEET aged 16 to 18 year old’ population (for future costs).

For the assessment of current costs, there was insufficient data to estimate excess percentages for mental illness, suicide, alcohol abuse and homelessness.24 However, estimates are made, with varying degrees of certainty, for underemployment, unemployment, being inactive or out of the labour force, teenage motherhood, substance abuse and participation in certain sorts of crime (burglaries and car theft). The data is derived from a large number of national youth and family surveys, including longitudinal studies (the Youth Cohort Study, the Youth Lifestyles Survey) and ‘one-off’ surveys undertaken by academics and government departments, often drawing on information already collated by the Social Exclusion Unit.

With respect to the issue of poor health, it is noted that young people in general, whether in the NEET or non-NEET population, tend to be low-end consumers of health care services. While estimates of health service usage by age and employment category, including GP consultations, were available (through the General Household Survey), there remained the difficulty of estimating specific additional current costs of poor health.

24 While it was known that about two-thirds of homeless young people in London are NEET, there is no information on the number in the NEET cohort who are homeless.
For medium-term costs, estimates and guesstimates of excess incidence are provided in the areas of:

- Underemployment (assumes the same as for current costs);
- Unemployment (assumes an excess proportion of 25 percentage points through working life);
- Early motherhood (and consequent labour force inactivity);
- Poor health (estimates at age 21);
- Mental illness/depression (estimates at age 21);
- Substance abuse;
- Crime victims and offenders.

No separate information was available on the lifetime employment patterns of those who were inactive, as opposed to unemployed or with no qualifications, at age 16 to 18. In general, health costs rise with age across the population, but it is also expected that the ex-NEET group would be over-represented among those with poor health. No data was found on which to estimate the impact of poor health over the working life as a result of being NEET at age 16 to 18.

The long-term effects of being NEET at age 16 to 18 presented even greater obstacles to quantification. The study considers effects on pension receipt and loss of tax from pension income (again, assumption has to suffice in the absence of empirical data). It is noted that the longer-term health correlates may lead to earlier death and consequently lower long-term use of health services. No data was found to estimate these effects. Finally, the authors point to the possible intergenerational impact on the families of the ex-NEET group, though again, no data could be found as a basis for quantitative estimates.

The third stage entailed the development of a consistent set of unit costs that could then be linked with the excess incidence data in each of the identified areas of associated cost in order to derive aggregate estimates. This was done for current, medium-term and long-term costs. A large number of unit costs were developed, drawing on existing sources, such as the research based compendium of health service unit costs prepared by the Personal Social Services Research Unit (see Chapter 10), and other cost studies (for the resource and public finance costs of common crimes), as well as established techniques for estimating the costs of underemployment and unemployment associated with lower educational participation (measured by foregone earnings and foregone tax).

**Findings**

The aggregate estimated costs identified through this process give an indication of the potential savings in public finance and resource costs from changes in social policy. The total lifetime costs at 2000-01 prices are £7 billion in resource costs and £8 billion in public finance costs. Over a lifetime, the average per capita total costs (present value) for NEET 16 to 18 year olds are estimated at £45,000 resource costs and £52,000 public finance costs. The current per capita costs are estimated as £5,300 resource costs and £5,500 public finance costs. On this basis it is calculated
that, if 10,000 were removed from the group of NEET or socially excluded young people, total current savings would be £53 million in resource costs and £55 million in public finance costs (Godfrey et al. 2002, 56). How this reduction might be achieved, and at what cost, is not considered as part of the study, though a future modelling exercise is envisaged in which the policy inputs could be estimated from budget allocations. It is also noted that, ideally, future costing studies would ‘link both costs and outcomes of such policies with changes in the future costs related to changing numbers who are NEET aged 16-18’ (Godfrey et al. 2002, 67).

Medium-term costs dominate the estimate, mainly due to the working life costs of underemployment and unemployment. Health costs are less prominent, though this is partly a consequence of measurement difficulties. While current health costs are estimated to be relatively low, greater health impacts are anticipated in later life, though data was not available to provide sound estimates of these effects. The authors note that the impacts on crime are also likely to have been underestimated. Further, because the study looks at the cohort as a whole, the health and crime costs are spread over quite a large number, when it is suggested that in reality they would probably be accrued largely by a minority of the NEET group. However, sufficient data was available to identify the high costs of early motherhood as a proportion of total costs.

Because most estimates in the different areas of cost were based on a single source of data, the possibilities for empirically grounded sensitivity analysis (to explore the impact of changing assumptions) were limited. However, all assumptions are clearly set out, and the challenge is made to future researchers to improve and extend these estimates.

**Case study approach**

To calculate an aggregate estimate for the cohort, costs were placed in a hierarchy to avoid double counting. This meant that the costs accruing from multiple disadvantage and particular combinations of circumstances (for example, unemployment, drug abuse and repeat offending) remained hidden. It also meant that the potentially very high public finance costs accruing to a minority of particularly disadvantaged young people in the areas of crime and health were ‘averaged out’ and therefore also rendered invisible.

To address these problems, the team mapped out a detailed hypothetical life course for a man and woman excluded from education, employment or training as teenagers (in 1999) and used these as a basis for estimating individual lifespan costs. Hypothetical life courses of a ‘non-NEET’ man and woman were also developed for comparison, based on case studies published by the Social Exclusion Unit. This approach enabled an exploration of how the different outcomes and consequent costs could combine and accumulate over a lifetime.

The pathways are structured according to age categories: pre-16, 16-18, 19 to 25, 26 to 35, 36 to 45, 46 to 60, 61 to 75, and 76 and over. They describe living arrangements, family and other personal relationships, family formation, participation in education and training, periods of employment and unemployment, receipt of income support, health issues and possible involvement in criminal activities. Only
public finance costs were estimated (and even here the researchers note that some of the unit costs were not available without further research). The total costs for the case studies were almost twice the level of the per capita costs for the average NEET young person, which suggests the potential economic benefits of targeting assistance to particularly high risk subgroups (Godfrey et al. 2002, vi). xx
Cost and Pathways Project

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