

The Business Case for Preventing and Ending Youth Homelessness

Testimony Regarding the Pathway Home Act

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I'm an independent research consultant and an Adjunct Associate Professor of Epidemiology and Community Health at the University of Minnesota.

There is a compelling business case for public expenditures to prevent and end youth homelessness. It is based on [research](#) an economist and I conducted on a cohort of 1,451 unaccompanied youth who visited YouthLink in 2011. YouthLink is a drop-in center for youth ages 16 to 24 in Minneapolis, and one of the largest in Minnesota. This cohort of youth was overwhelmingly youth of color, and many had histories of childhood trauma. Most were behind or disconnected from schools and only minimally involved in the job market.

We added up the actual costs of homelessness for this group from multiple agencies and found that:

- Total taxpayer costs for supporting this cohort FOR ONE YEAR were nearly \$30 million, or more than \$20,000 per person (2021 dollars).
- The estimated LIFETIME burden to taxpayers for supporting this cohort is over \$427 million, or nearly \$300,000 per person (discounted at 3.5 percent per year).
- The cost for one year of all services was \$22.1 million to provide for basic needs, housing, and programs to help these youth change their lives.

Based on these results, we conducted a break-even analysis, asking how many youths would need to become financially self-sufficient at age 20 to offset the cost of all support programs for the entire cohort for one full year? We found that:

- **If just 6.1 percent of the cohort (89 of 1,451 youth) became self-sufficient at age 20, the long-term savings to taxpayers would fund all the programs and services for the entire cohort for a full year.**
- If we succeed in helping just one in five to end their dependence on publicly funded services, over time we will generate \$50 million in savings to taxpayers above and beyond the annual cost of all services.

This result demonstrates that from a financial perspective we do not need to succeed with all, or even half of these youth. With such a low break-even, for taxpayers this is a low-risk investment. We can afford to be bold because the lifetime cost of inaction is enormous.

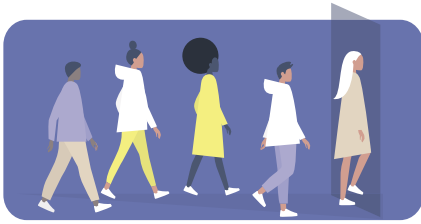
This suggests that fully funding programs to help these youth—if they are effective—would be an excellent investment. Do drop-in centers with case management services such as YouthLink, funded by Homeless Youth Act grants, improve long-term outcomes? A second [study](#) that followed the same cohort of youth who visited YouthLink in 2011 found that **such programs do improve long-term outcomes, particularly in education and housing**. The following infographic summarizes these results and points to the critical role case managers play in helping youth reach their goals for independence.

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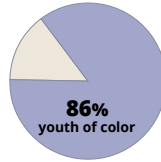


Youth experiencing homelessness benefit in many ways from drop-in centers with case management services

Each year, more than 7,500 youth ages 16-24 who live apart from family or guardians experience homelessness in Minnesota. Many visit drop-in centers staffed by case managers, but little is known about the long-term impact of these centers.

We followed a cohort of 1,229 youth who visited **YouthLink**, Minneapolis' largest drop-in center, over six years before the pandemic. We used data from government agencies, social services providers, and YouthLink to assess how they fared.

Characteristics of the 1,229 youth, ages 16-24, who visited YouthLink in 2011



- 61% female
- 38% history of special education services
- 16% prior child mental health case management
- 50% prior child protective services
- 32% prior out-of-home placement

of years homeless **1** 35% **2** 28% **3** 17% **4** 19%

Youth Visiting Drop-In Centers Experience Better Outcomes

Compared with similar youth with no prior involvement with YouthLink, young people who visited the drop-in center were:



Housing

- 2.9x** more likely to use emergency shelter and stay longer
- 1.9x** more likely to use permanent housing and stay longer



Education

- 1.9x** more likely to earn a GED



Court

- 1.5x** more likely to appear in court addressing juvenile delinquency or adult criminal charges



Financial

Both YouthLink participants and similar youth who did not receive YouthLink services saw substantially reduced costs for financial programs over time. Compared to similar youth, analysis of costs estimated that YouthLink participants received \$532 more per person in benefits for all financial programs for which they were eligible.

- Youth with **more substantial relationships** with their case managers received an estimated **\$51** less per person in MFIP benefits
- Youth whose case manager encouraged **normative social behaviors** received an estimated **\$106** more per person in SNAP benefits
- Youth whose case manager worked with them on **employment issues** received an estimated **\$102** more per person in SNAP benefits

Case Managers Help Improve Youth Outcomes at Youth Link

Youth with more substantial relationships with case managers were:

- 4.2x** more likely to use permanent housing and stay longer

- 1.7x** more likely to graduate from high school

Youth whose case managers encouraged normative social behaviors were:

- 2.5x** more likely to use emergency shelter and stay longer
- 4.0x** more likely to use permanent housing and stay longer

- 66%** less likely to be convicted of a felony

Youth whose case managers worked with them on specific outcomes were:

- 2.0x** more likely to use emergency shelter and stay longer with greater focus on housing
- 2.5x** more likely to use permanent housing and stay longer with greater focus on housing

- 2.6x** more likely to earn a GED with greater focus on education