

The Business Case for Investing in Youth Experiencing Homelessness

Steven Foldes, Ph.D.

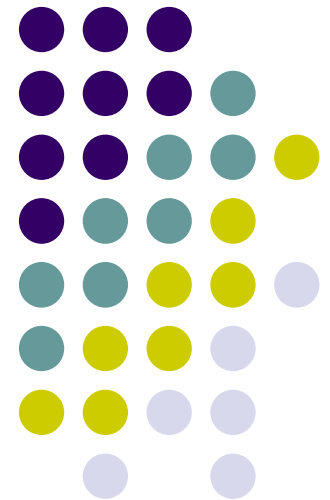
Principal, Foldes Consulting LLC

Adjunct Associate Professor, Epidemiology and
Community Health, University of Minnesota

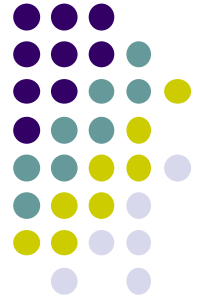
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Blue Cross and Blue Shield of Minnesota Foundation

Foldes Consulting LLC



White House Council for Community Solutions



The Economic Value of Opportunity Youth

Clive R. Belfield

Queens College, City University of New York

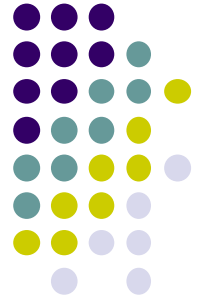
Henry M. Levin

William Heard Kilpatrick Professor of Economics and Education

Teachers College, Columbia University

Rachel Rosen

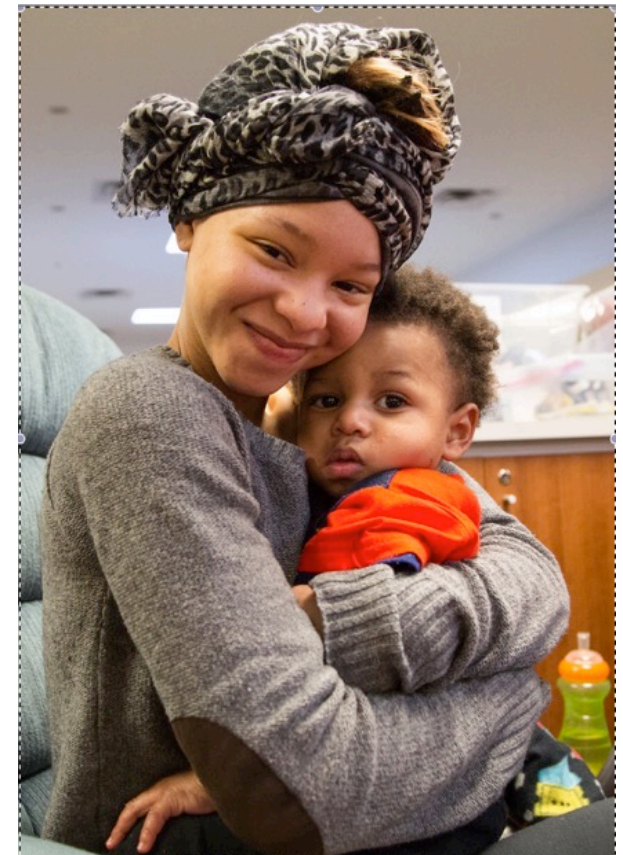
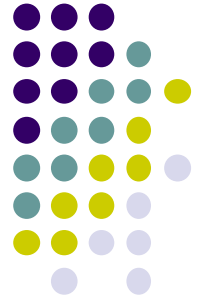
Teachers College, Columbia University

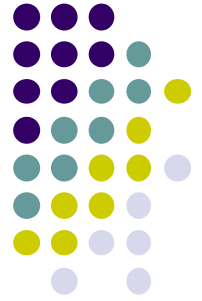


Opportunity Youth

- 6.74 million opportunity youth in 2011
 - 17 percent of all youth ages 16 to 64
- \$1.56 trillion—aggregate taxpayer burden for each cohort from age 16 to 64
 - 2011 dollars, discounted at 3.5 percent per year

YouthLink





Ground Zero

Racial disparities

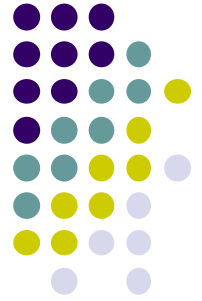
Achievement gap

Poverty and income inequality

Social determinants of health

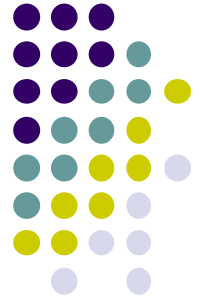
Public safety

Small group—Big impact

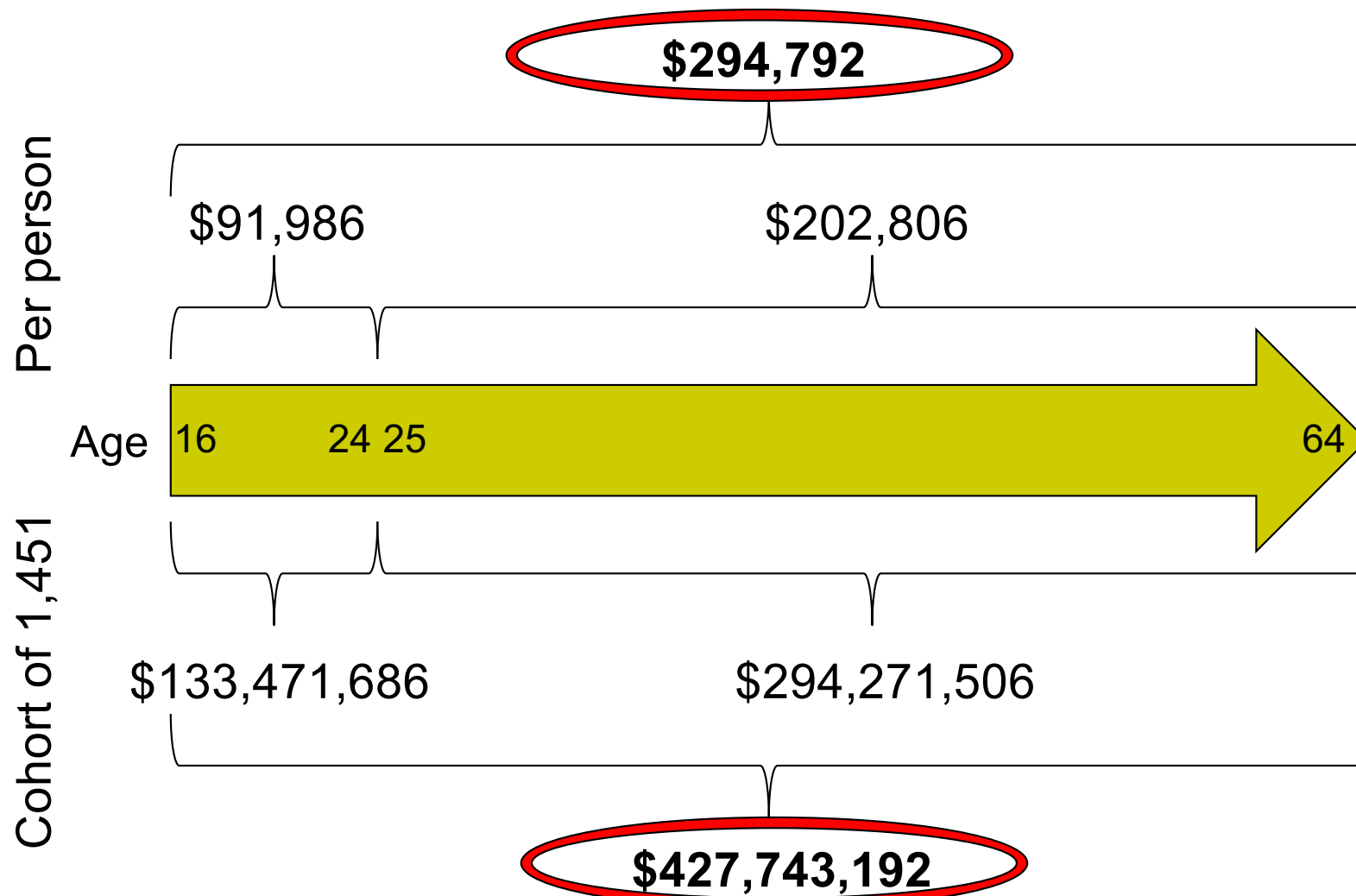


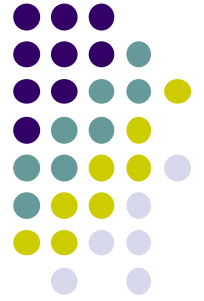
Annual excess taxpayer costs of YouthLink 2011 cohort, per person and as a cohort.

	Excess Taxpayer Costs	
	Cohort of 1,451 Youth	Per Person
Lost tax payments	\$1,762,920	\$1,215
Crime: public expenditures	\$11,725,212	\$8,081
Health: public expenditures	\$1,151,786	\$794
Welfare: support programs	\$623,930	\$430
Welfare: transfer payments	\$6,345,760	\$4,374
Education: public costs	(\$330,791)	(\$233)
Housing: public support	\$3,615,793	\$2,491
Total (2011 Dollars)	\$24,894,610	\$17,152
Total (2021 Dollars)	\$29,732,290	\$20,373



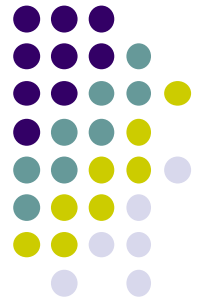
Present value of the estimated lifetime taxpayer burden of the 2011 YouthLink cohort. (2021 Dollars)





Intervention Expenditures

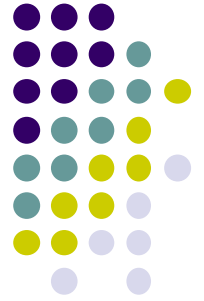
- **Basic Needs:** Meet day-to-day needs
 - Welfare, physical health services, temporary shelter, YouthLink drop-in services
- **Housing:** Establish housing stability
 - Supportive housing, youth shelters, Emergency Assistance, YouthLink staffing of supportive housing
- **Transformative:** Help youth change their lives
 - Education, jobs skills training, YouthLink case management, MH/CD services



Expenditures for basic needs, housing and transformative services, 2011.

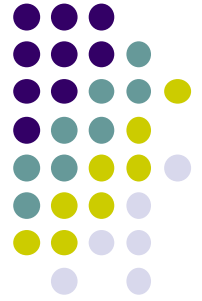
	Basic needs	Housing	Transformative
Healthcare	\$2,641,428		\$1,796,873
Welfare	\$6,345,760		\$623,930
Shelter and housing	\$225,529	\$1,697,380	\$454,141
Foster care	\$21,736	\$169,663	\$137,322
Education			\$697,242
YouthLink services	\$1,080,368	\$1,726,519	\$723,711
Hennepin County administration	\$206,173	\$19,566	\$40,573
Total (2011 Dollars)	\$10,520,994	\$3,613,128	\$4,473,792
Total (2021 Dollars)	\$12,496,900	\$4,291,692	\$5,313,993

\$22.1 million

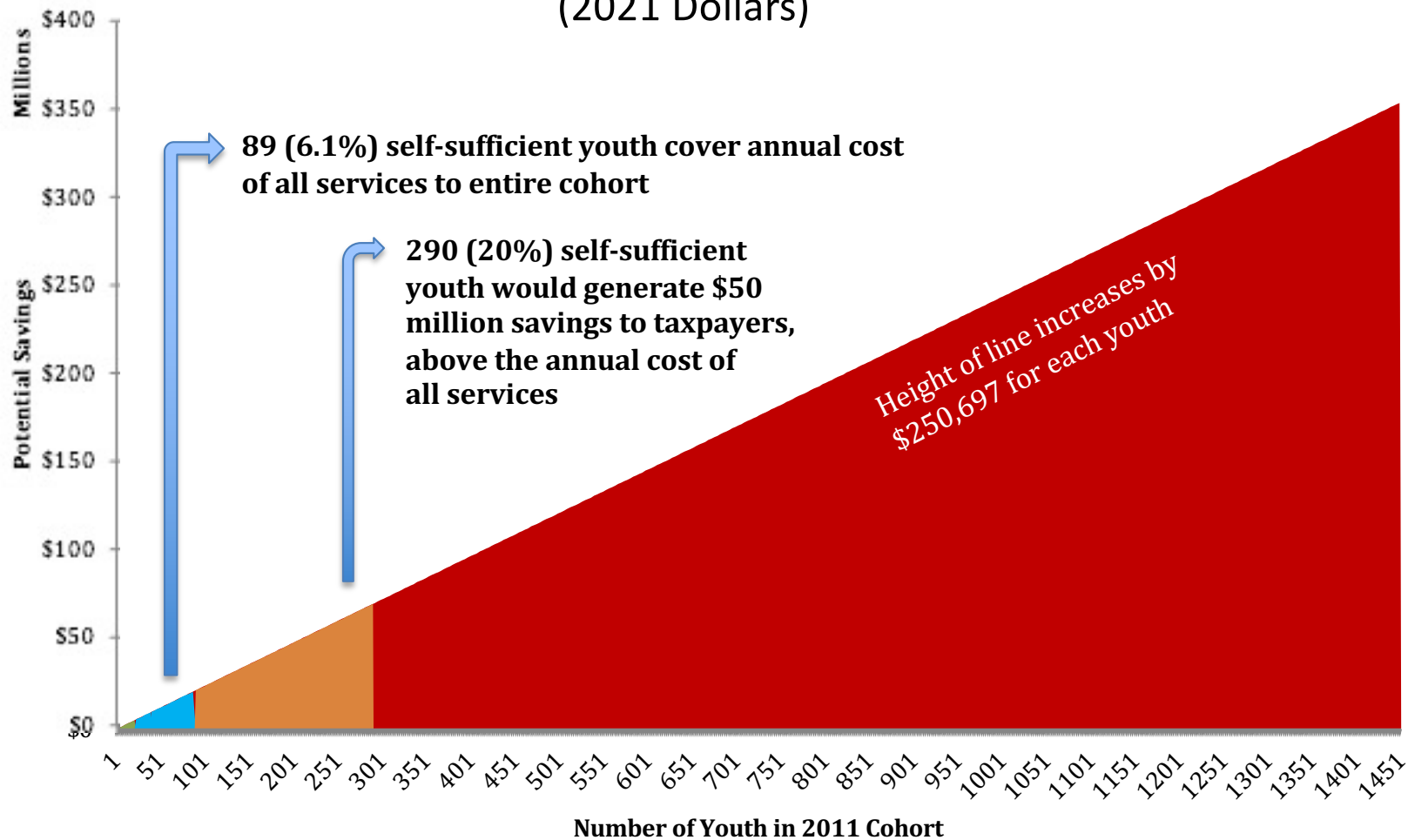


Break-even Analysis

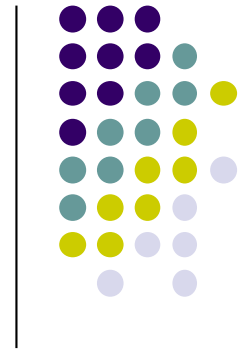
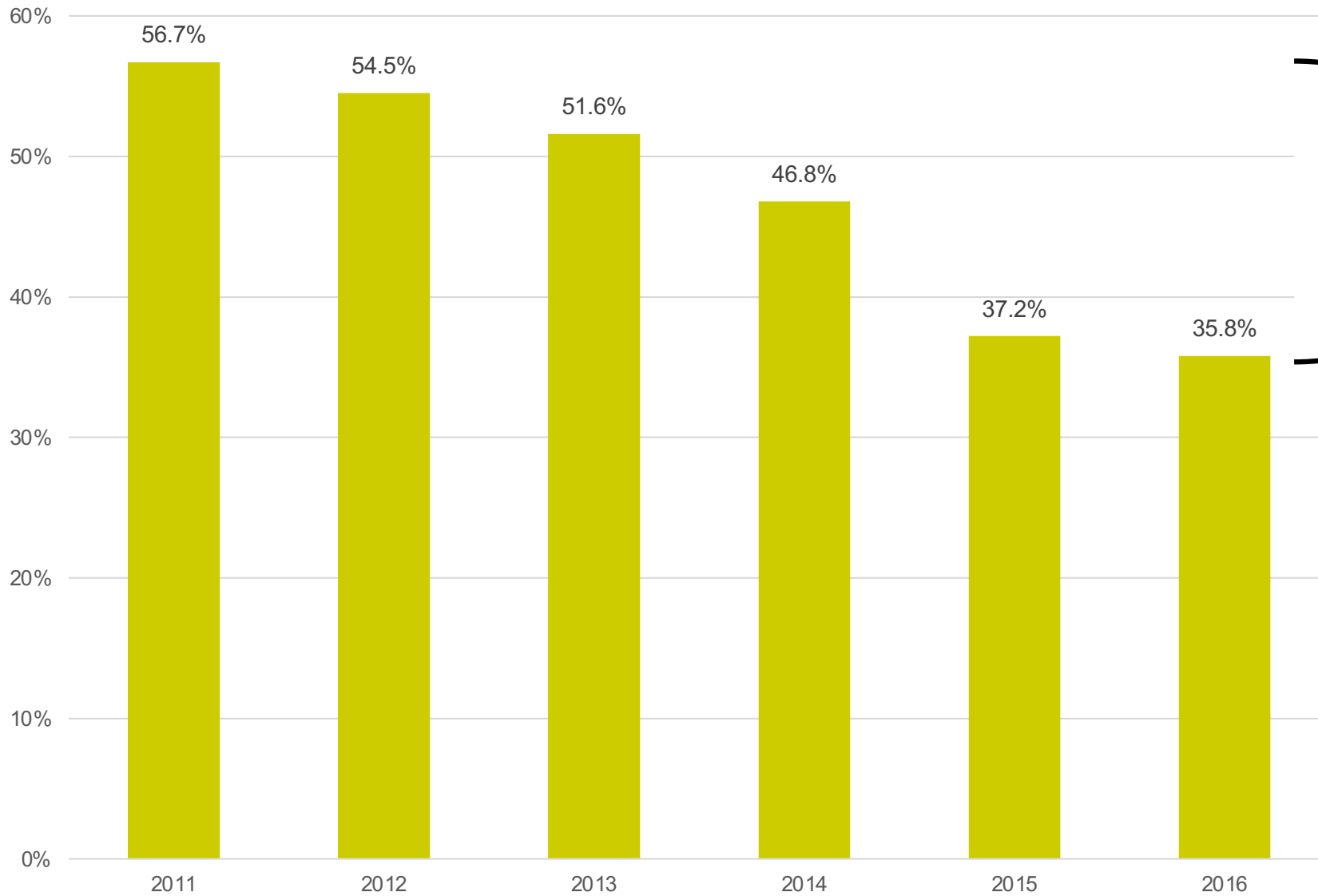
- Knowing
 - the long-term taxpayer burden of the cohort
 - what we spent on interventions in 2011
- How many youth would need to become financially self-sufficient to offset the annual cost of all interventions for the entire cohort?



Breakeven Analysis: Proportion of 2011 Cohort that Would Need to Become Self-Sufficient to Cover One Year's Cost of Services (2021 Dollars)



Observed Annual Use of Any DHS Financial Support Programs,* 2011-2016

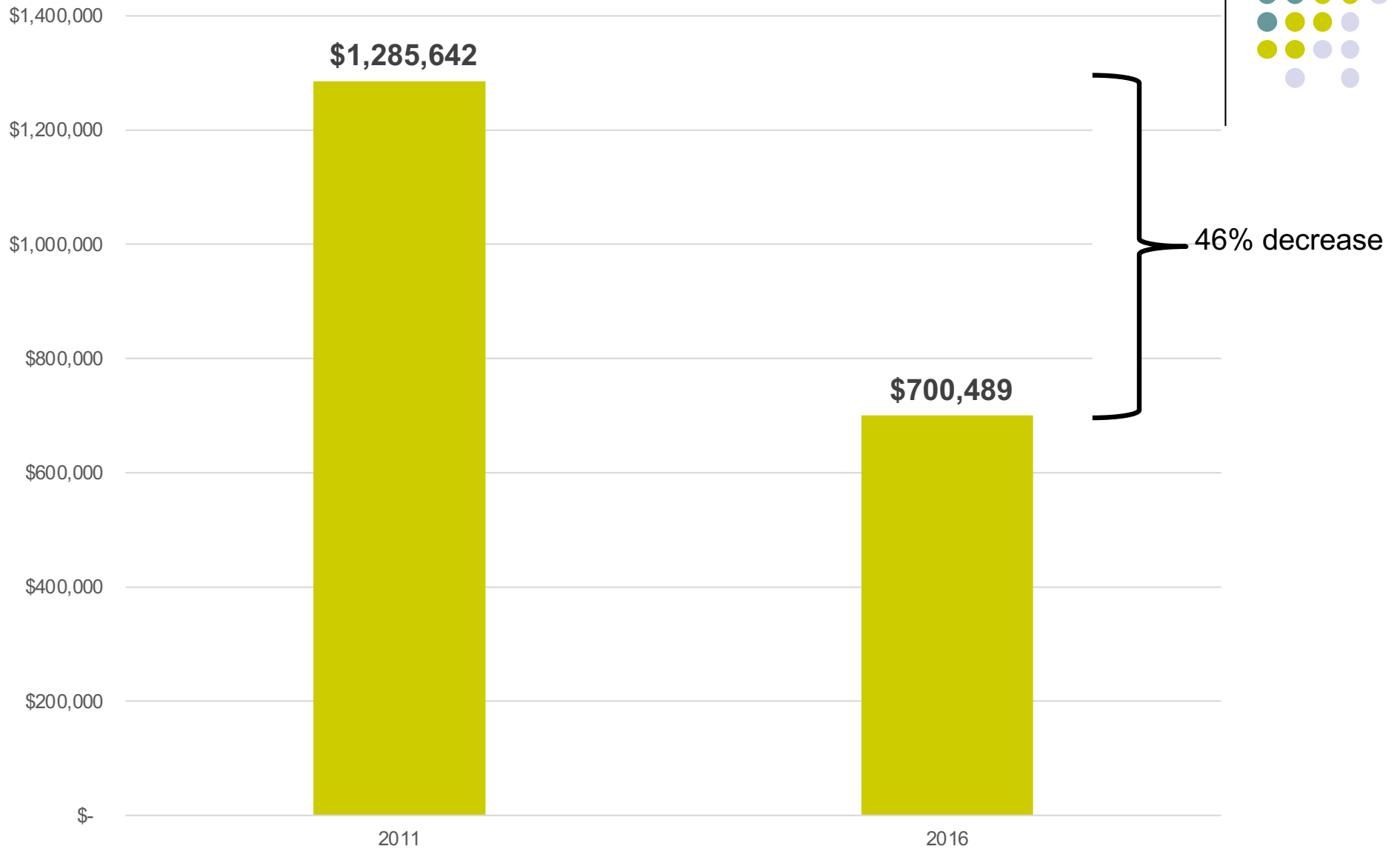


257 persons

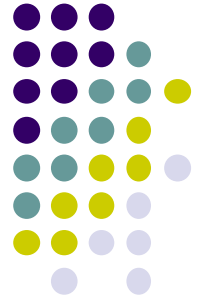
*Includes GA, MFIP, SNAP, EA

Observed Cost of All DHS Financial Support Programs,*

2011 and 2016

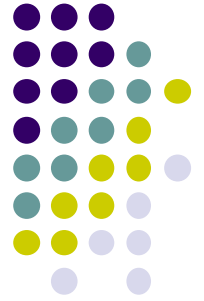


*Includes GA, MFIP, SNAP, EA



Two Complexities

- Prevention is hard to quantify
 - Cost is immediate and substantial
 - Savings accrue over time and are less visible
- Spending on youth homelessness is diffuse
 - Expenditures occur in many different agencies and levels of government
 - Savings will be diffused



Thank You

- Thanks to my co-author, Andrea Lubov, Ph.D.
- Full report, presentation, infographic, whiteboard video available at:
youthlinkmn.org/the-cost-of-homelessness/
- Further information:
Steven Foldes, Ph.D.
Foldesconsulting.com
Steven.foldes@foldesconsulting.com